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SENATE—*Wednesday, August 4, 1999*

The Senate met at 9 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, source of strength for those who seek to serve You, we praise You for that second wind of Your power that comes when we feel depleted. You have promised that, "As your days so shall Your strength be."

Lord, You know what these days are like before the August recess. The Senators and all who work with them feel the pressure of the work and the little time left to accomplish it. In days like these, stress mounts and our emotional reserves are strained. Physical tiredness invades effectiveness and relationships can be strained. In this quiet moment, we open ourselves to the infilling of Your strength. We admit our dependence on You, submit to Your guidance, and commit our work to You. Give us that healing assurance that You will provide strength to do what You guide and that there will always be enough time in any one of these days to do what You have planned for us to do. In Your all-powerful name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. ALLARD). The acting majority leader is recognized.

SCHEDULE

Mr. COCHRAN. Mr. President, today the Senate resumes consideration of the Agriculture appropriations bill and, by previous order, will begin 40 minutes of debate on the dairy amendment, to be followed by a cloture vote at 9:45 a.m. Following the vote, the Senate will resume consideration of the pending Ashcroft amendment. Further amendments and votes are expected throughout today's session of the Senate with the anticipation of completing action on the bill.

For the remainder of the week, the majority leader has asked it be announced that he hopes the Senate can complete action on the tax reconciliation conference report and the Interior appropriations bill. Therefore, Senators should expect votes throughout the day and into the evenings prior to adjourning for the August recess.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1233, which the clerk will report.

The legislative clerk read as follows:

> A bill (S. 1233), making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes.

Pending:

> Lott (for Daschle) amendment No. 1499, to provide emergency and income loss assistance to agricultural producers.
>
> Ashcroft amendment No. 1507 (to amendment No. 1499), to provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural or medical sanction against a foreign country or foreign entity. (By 28 yeas to 70 nays (Vote No. 251), Senate failed to table the amendment.)

The PRESIDING OFFICER. Under the previous order, there will now be 40 minutes for debate to be equally divided between the proponents and opponents prior to the vote on a cloture motion.

Mr. KOHL. Mr. President, I yield myself up to 5 minutes.

I rise today in strong opposition to cloture on the majority leader's motion to recommit. If it carries, the Agriculture appropriations bill will be reported back to the floor with what is known as the Jeffords dairy compact amendment and will be subject to 30 hours of continuous debate.

Now, as most in the Senate know by now, I am committed to fighting the creation, expansion, or continuation of the price-fixing cartels known as dairy compacts. They embody bad national policy, bad economic policy, bad precedent, and disastrous implications for farmers who are forced to operate outside the protectionist walls these compacts throw up.

But that is not only why I oppose the Jeffords amendment. I oppose the Jeffords amendment because it would do something much worse. It would remove the Federal Government from the milk market order system. The Jeffords compact amendment would specifically disallow USDA from spending money to administer the milk market order system. What would be the result of that? According to the Secretary of Agriculture, with whom I spoke yesterday, the result would be "chaos and confusion" in the dairy industry. USDA would have no way to enforce any price system, so processors would end up setting the price of milk. Farmers would have no recourse to USDA or anywhere else if they thought they were receiving an unfair price.

What does the amendment achieve by creating this mess? Certainly not what its proponents claim. The amendment would not continue the current pricing system, or 1–A, as many of you know it. Regardless of whether this amendment passes or not, the old pricing system will expire on October 1.

I have a letter from the general counsel of USDA that says just that, and I ask unanimous consent that it be printed in the RECORD.

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Department of Agriculture,
Office of the General Counsel,
Washington, DC, August 2, 1999.

Hon. Herb Kohl,
U.S. Senate,
Washington, DC.

Dear Senator Kohl: In your letter of July 23, 1999, you ask several questions concerning our issuance of a final rule to implement the milk marketing order reform required by the Agricultural Market Transition Act and the effect of a possible appropriations bill prohibition on the use of fiscal year 2000 funds to implement the reform.

As you know, the final dairy reform order was published in the Federal Register on April 2, 1999, and we are now in the process of conducting referenda to determine if the orders should be implemented. This will be completed and a final implementing order published at the end of August. Implementation will thereafter occur on October 1st without further action by the Department. You are correct in your understanding that existing marketing orders and the Northeast Interstate Dairy Compact will expire upon implementation of milk marketing order reform on October 1st. If the Department were prohibited from spending appropriations to carry out the order reform, it would not be able to provide oversight for the milk marketing order system. Day-to-day operation of the respective order areas could continue, however, because such operations are funded through industry assessments, not appropriated funds. As you correctly point out, the specific implementation date requirement contained in Public Law 105-277 prohibits the Department from altering the effective date. The issue of whether the statutory language also prevents the Secretary from rescinding the order presents novel questions which will require further analysis.

Sincerely,

Charles R. Rawls,
General Counsel.

Mr. KOHL. The amendment will not create new dairy compacts in the Southeast or open up the current Northeast Compact to any new members. None of those items is contained in this amendment.

The amendment will not extend the life of the Northeast Dairy Compact. USDA has made it clear that the compact will expire on October 1, whether this amendment passes or not.

So, then, why are we even considering this amendment? I can only imagine it is because the proponents of the amendment are betting that they will get some of the things they promised—most notably, an extension of the Northeast Dairy Compact—in conference.

I think that is a cynical and an irresponsible bet, especially by Senators who are not even on the conference committee. Under an uncertain and unregulated system, dairy farmers across the country stand to lose $194 million a year. Furthermore, this very week dairy farmers all across America are voting on what sort of milk market system they want. So should we not wait to see what farmers have to say before we bet their farms on the Jeffords amendment?

The Jeffords amendment is not 1-A. It is not a dairy compact. It is a desperate last attempt to carve a dairy cartel for the Northeast out of the current pricing system. Unfortunately, the authors of the amendment used an ax rather than a knife, and the result will be a milk market order system that will be a bloody mess.

The proponents of this amendment have accused us of describing their amendment in a way that makes it more terrifying than the "Blair Witch Project." They are correct. Their amendment is more terrifying. That is because the chaos it would create would not be a fiction; it would be real.

The Jeffords amendment is opposed by the 300,000 farmers of the National Farmers Union and the 300,000 taxpayers of the National Taxpayers Union. I urge my colleagues to join the taxpayers and the farmers of your States and oppose cloture on the Jeffords amendment.

The PRESIDING OFFICER. Who seeks recognition?

Mr. JEFFORDS. Mr. President, has the Senator from Wisconsin finished?

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, first of all, the reason we are here today is to talk about cloture, whether we should have time to fully discuss and be able to make sure that this body knows the importance of what we want to do, and that is to protect the dairy farmers of the United States. We are not here to discuss the fine points of the issues which the Senator from Wisconsin has brought out, with which we sincerely most heartily disagree, but whether or not we ought to have the opportunity and whether it is important enough to this country and to the dairy farmers to have a full discussion by getting cloture. If we don't get cloture, then chaos will happen in many areas, in especially New England which has a compact which would go out of being and would require dramatic action in order to repair the damage that would be done.

Dairy farmers around the country are watching the actions of the Senate this week with great anticipation and anxiety. They know that under the 1996 farm bill, Congress instructed the Secretary of Agriculture to develop much needed new pricing formulas for how milk is priced. Unfortunately, they also know that Secretary Glickman's resulting informal rulemaking process is developing pricing formulas that are fatally flawed and contrary to the will of Congress.

The Nation's dairy farmers are counting on this Congress to prevent the dairy industry from being placed at risk and instead to secure its sound future.

This chart says it all. This is the devastation that will come from the proposed order of the Secretary. What this shows is, with the new order 1-B, there is only one area of this country that will substantially benefit. Guess what area that is? Wisconsin and Minnesota. The rest, clearly delineated by the red, will lose money—all of them. There is a little green in the tip of Florida, there is a little green on the coast of California, and there is a little green in a couple of States, but the rest all lose money.

The question is whether 1-A, which was studied, should be replaced to make sure that does not occur. Mr. President, 1-A, which is supported by a letter to the Secretary by 61 Members of the Senate, will not create this devastation. In fact, it will provide an orderly system for farmers all over this country to make a decent income.

Secretary Glickman's final pricing rules, scheduled to be implemented on October 1, will cost dairy farmers, not the Government, millions of dollars in lost income from their pockets. There are no Federal funds involved with this. That is something that may be confusing because in the past, the dairy program cost millions of dollars. It does not cost anyone anything now.

This amendment will prevent the Secretary's rule from being implemented, thereby maintaining the current law for dairy pricing for another year.

Do not be taken in by any of the misleading claims made by the opposition, including their references to the letter from USDA supposedly indicating the amendment does not accomplish its purpose. First of all, it can be easily modified in conference and, secondly, it does accomplish its purpose. This will allow a new rulemaking procedure for the Secretary to carry out the will of Congress for a new and improved pricing structure. It will also allow the Northeast Dairy Compact pilot project—remember, this is a pilot project which was put into law in 1996 to see if by States gathering together they can organize an order system which would protect them from high prices to the consumers and low prices to farmers because of the fact, when you get into milk situations, you can get devastation with a little bit of surplus.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. About 15½ minutes.

Mr. JEFFORDS. I thank the Chair. I yield 5 minutes to the Senator from Vermont, Mr. Leahy.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I strongly support this amendment which helps dairy farmers across the country.

I think the least the Senate should do when debating a relief bill for farmers is to not reduce farm income.

The Department of Agriculture's milk marketing order—the so-called modified "option 1-B"— would reduce farm income by about a million dollars per day. That doesn't sound like farm aid to me. It sounds like a recipe for disaster.

Why should dairy farmers in Mississippi, North Carolina, Georgia, or California, for example, have their income cut by USDA rules when other farmers will get helped under this bill? I think dairy farmers are as deserving as other farmers.

Isn't it enough that the price of milk paid to dairy farmers dropped by almost 40 percent recently? Why should the Secretary be allowed to change current policy to punish dairy farmers even more by reducing their income?

Sixty-one Senators signed a letter to Secretary Glickman opposing the cuts in farm income that would result from implementing the so-called option 1-B.

Those sixty-one Senators pointed out that "dairy farmers . . . are receiving essentially the same price for their milk that they received fifteen years ago while the cost of production has increased. Option 1-B would further reduce the price of milk received by farmers in almost all regions of the country, thereby reducing local supplies of fresh, fluid milk and increasing costs for consumers."

This amendment—the Lott amendment—mandates that current law be continued and that option 1-B be put on ice.

I must address some unfortunate misinformation that is being spread about the amendment.

We received a "Dear Colleague" letter from Senator FEINGOLD that incorrectly suggests that the Lott amendment would terminate the milk marketing order system.

That, of course, is not the case. Probably only a few Senators want to eliminate milk differentials and the marketing order system. The great majority of Senators, including myself, believe that this is not the time to terminate the milk order system.

The Lott amendment would not terminate that system and a letter from the General Counsel of USDA that is being used by opponents of the Lott amendment does not even make that point.

Indeed, the General Counsel says: "the issue of whether the statutory language also prevents the Secretary from rescinding the order presents novel questions which will require further analysis."

But, we already know this amendment does not terminate the marketing order system since it is drafted the same way we drafted a similar extension of the milk marketing order system last year.

Section 738 of last year's appropriations bill provided a similar extension. No one at USDA argued that last year's extension terminated all milk marketing orders.

Indeed, Congress can pass laws that supercede rules issued by Departments.

Of course any drafting glitch could be fixed at Conference, but there is no glitch since we are simply extending current law, just like we did last year.

I want to address other misinformation that is being spread. Some have been saying that the amendment could mean higher prices for consumers.

I will compare milk prices in New England against the Upper Midwest any day of the week.

A General Accounting Office, GAO, report dated October, 1998, compared retail milk prices for various U.S. cities.

For example for February, 1998, the average price of a gallon of whole milk in Augusta, ME, was $2.47 per gallon.

The price for Milwaukee, WI, was $2.63 per gallon. Prices in Minneapolis, MN, were much higher—they were $2.94 per gallon.

Let's pick another New England city—Boston. The price of a gallon of milk was $2.54 as compared to Minneapolis, MN, which was $2.94 per gallon.

Let's look at the cost of 1% milk for November, 1997, for example.

In Augusta, ME, it was $2.37 per gallon, the same average price as for Boston, New Hampshire and Rhode Island. In Minnesota, the price was $2.82 per gallon.

I could go on and on comparing lower New England retail prices with higher prices in other cities for many different months.

It is clear that our Compact is working as it was intended to by benefitting consumers, local economies and farmers. I will submit a lengthy list of additional price comparisons to prove my point for the record.

I conclude by saying that sixty-one Senators warned the Secretary of Agriculture to not cut farm income by implementing option 1-B.

What we are offering is narrowly tailored, sensible and modest. It simply extends current law. Punishing dairy farmers in New England and other regions of the country makes no sense.

I urge my colleagues to join with me in protecting farm income for dairy farmers by voting for cloture for this amendment.

Mr. President, I would also like to make a few additional comments on the Northeast Dairy Compact.

The success of the Northeast Dairy Compact is undeniable. In fact, thanks to the Northeast Compact, the number of farmers going out of business has declined throughout New England for the first time in many years.

If you are a proponent of States rights, regional compacts are the answer. Compacts are State initiated, State ratified, and State supported programs which assure a continuous safe supply of milk for consumers.

If you support interstate trade, then regional compacts are the answer. The Northeast Dairy Compact has prompted an increase of milk sales from neighboring States into the northeast compact region.

If you support a balanced budget, then regional compacts are the answer. The Northeast Compact does not cost taxpayers a single cent, and this is a lot different than most farm programs.

If you support farmland protection programs, then regional compacts are the answer. Major environmental groups have endorsed the Northeast Dairy Compact because they know it helps preserve farmland and prevent urban sprawl.

If you are concerned about the impact of prices on consumers, then regional compacts are the answer. Retail milk prices within the compact region are lower on average than in the rest of the country, something the opponents do not point out.

The Northeast Compact has done exactly what it was established to do: stabilize fluctuating dairy prices, assure a fair price for dairy farmers, keep farmers in business, and protect consumer supplies of fresh milk.

Many of our friends in the South have seen how the compact provides a modest but crucial safety net for struggling dairy farmers, and I think all of us should look at these compacts as a way to help farmers without costing the taxpayers.

There are many additional areas to discuss. I am going to reserve my time, but in closing I do want to say this: It is clear that our compact is working as intended by benefiting consumers, local economies, and farmers.

Sixty-one Senators have warned the Secretary of Agriculture to not cut dairy farm income by implementing option 1-B. What we are offering is narrowly tailored, sensible, and modest. It simply extends current law.

We are here to protect hard-working dairy farmers. I urge the 61 Senators, plus everyone else, to join with us and vote for cloture on this amendment. The 61 Senators who signed that letter to Secretary Glickman should, and I hope that other Senators, having listened to this debate, will as well.

Mr. KOHL. I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I first thank the senior Senator from Wisconsin for his leadership and dedication on this issue. He has been determined, and I think effectively, in fighting this battle that we have to fight on behalf of Wisconsin dairy farmers, upper Midwestern dairy farmers, and I think dairy farmers all over this country. I thank him and join in his words that we will fight this thing as hard and as long as we have to, to prevent this extremely unfair idea of trying to continue the New England Dairy Compact.

But the really interesting thing about the measure before us, the issue the cloture is going to be about, is that it really does not have the impact that a lot of Senators think it might have.

The Jeffords-Leahy amendment that they have offered will withhold funding—it will withhold funding—for implementation of the Federal milk marketing order reform in an attempt to preserve the Northeastern Interstate Dairy Compact.

They thought this amendment would produce the same result it did when a similar amendment was offered during the appropriations bill last year—and that is a delay of milk marketing order reform—and then an extension of the compact. But it does not do that. As the senior Senator from Wisconsin has indicated, it does not do that.

This isn't what the 61 Senators whom the Senator from Vermont was talking about signed a letter about. It isn't about picking 1–B or 1–A. That isn't what it does. What it simply does is create chaos. That is exactly what Senator KOHL has indicated. And we are not asking you to just take our word for it. Take the word of the general counsel of the USDA, who has made it clear that he believes the legal effect of this latest dairy initiative by the Senators from Vermont will be uncertainty and no Federal oversight of the system.

A lack of funding at USDA will throw administration of the Federal Milk Marketing Order Program into chaos, effectively leaving no program at all.

The Senator from Vermont hangs his hat on the notion that this letter says, at the end, that the issue involves novel questions. But that ignores the heart of the letter, which I want to repeat. It is a letter addressed to Senator KOHL, dated August 2, 1999, from Charles Rawls, general counsel, U.S. Department of Agriculture. It says:

> You are correct in your understanding that existing marketing orders and the Northeast Interstate Dairy Compact will expire upon implementation of milk marketing order reform on October 1st. If the Department were prohibited from spending appropriations to carry out the order reform, it would not be able to provide oversight for the milk marketing order system. Day-to-day operation of the respective order areas could continue, however, because such operations are funded through industry assessments, not appropriated funds.

So it is not equivocal about whether, in fact, this will happen. It simply says that the compact will expire and that in fact at this point we will not have an order system. That is not ambiguous.

I think it is very ironic that the Senator from Vermont came up and tried to argue that somehow our position on this is unfair to the rest of the country. It is just the reverse. The amendment that has been offered actually makes things much worse for almost the entire country than the current status under the bill.

Under the Jeffords-Leahy amendment, the impact on dairy income in various regions is startling. For the Northeast—if you can believe this—it involves a net loss of $225 million in dairy income, if this chaos ensues; in the Appalachia area, $122 million in lost dairy income; in Florida, $100 million; in the Southeast, $112 million in lost dairy income—and down the line.

Overall, I believe the figure is a total loss of some $194 million net income if this amendment goes through and the consequence that we believe occurs.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the National Farmers Union, also addressed to Senator KOHL, of August 3, indicating opposition and concerns about this amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, DC, August 3, 1999.

Hon. HERBERT H. KOHL,
U.S. Senate,
Washington, DC.

DEAR SENATOR KOHL: I write today on behalf of the 300,000 members of the National Farmers Union to express our concern regarding the Jefford's amendment that would prohibit the use of funds for USDA to implement or administer dairy marketing order reform later this year.

As you know, expiration of the current national marketing order is due October 1st, and with the passage of the Jefford's amendment, dairy farmers across the nation could be left without any federal marketing order that could risk destroying the remnants of the dairy safety net.

We have deep concerns about pitting region versus region in agricultural policy, especially dairy policy. We strongly encourage a policy that will benefit all dairy producers nationally.

Specifically, we support legislation to establish dairy compacts and amend the federal order system if those provisions are coupled with legislation to establish the national dairy support price at $12.50 per hundredweight. If Congress chooses to amend the federal order system, the amendment should strike the provision in the final rule that increases the processors' manufacturing allowance at the expense of family farmers.

Thank you for your consideration of our position on dairy policy.

Sincerely,

LELAND SWENSON,
President.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. FEINGOLD. I ask the Senator from Wisconsin if I could be granted 1 more minute.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the Chair and Senator KOHL.

The other piece that I think ought to be printed in the RECORD, especially in light of the comments of the Senator from Vermont with regard to some of the groups interested in this issue, is a letter from the National Taxpayers Union strongly opposing this amendment and specifically saying that, "the Dairy Compact concept acts as a cartel system that only a Robber Baron could admire." I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL TAXPAYERS UNION,
Alexandria, VA, August 3, 1999.

Vote NO on Cloture on Tomorrow's Ag Approps Dairy Amendment—And Keep the Glass Half Full for Taxpayers

DEAR SENATOR: Tomorrow the Senate will vote on cloture for an amendment to the Agriculture Appropriations Bill that is intended to halt the progress of dairy subsidy reform. In order to prevent this consumer rip-off and preserve the prospect of modest gains towards a competitive dairy market, the 300,000-member National Taxpayers Union (NTU) urges you to vote "NO" on this cloture motion.

The U.S. Department of Agriculture's (USDA's) final rule on Milk Marketing Order reform was, at best, an imperfect solution. In an ideal legislative and regulatory climate, the cumbersome 893-page document would be jettisoned in favor of a comprehensible blueprint that simply substitutes a free market for the current cartel. In the absence of this approach, taxpayers' interests can best be served by ongoing Congressional oversight of the results of USDA's plan, rather than legislative micro-mandates that only further cloud a murky reform.

Price-setting mechanisms such as the Northeast Dairy Compact can not only cost consumers millions due to overinflated prices, they can also raise omnious Interstate Commerce issues. Rather than promoting trade and preventing abusive tariffs among states—the clear intent of the Constitution's Commerce Clause—the Dairy Compact concept acts as a cartel system that only a Robber Baron could admire.

The 1996 Freedom to Farm Act held the promise of finally phasing out the dairy price support system as well as sunsetting the Northeast Dairy Compact. The bill passed Congress by strong bipartisan margins. Today, some Members believe that this timetable for reform should be discarded entirely or that new compacts should be authorized. Either action would signal a move in the wrong direction. NTU, along with many Members, would actually support a more aggressive timetable towards wholesale elimination of dairy subsidies.

The impact of tomorrow's amendment, which would withhold USDA implementation of milk marketing order reform, may not be entirely predictable. But its original intent is clear to sabotage the bipartisan consensus in Congress toward a freer milk market, and open the door for re-regulation in conference. For this reason, NTU urges you to play it safe for taxpayers, and vote "NO" on cloture on the Dairy Amendment to Agriculture Appropriations.

Sincerely,

PETE SEPP,
Vice President for Communications.

Mr. FEINGOLD. Mr. President, I, of course, join with my senior Senator and friend from Wisconsin, Senator KOHL, in asking that we not take what is, frankly, an irrational step of using this mechanism that was forced because of the rule XVI change to pretend that somehow this will extend the dairy compact. It will not do that. It will just lead to a chaotic situation—that the Department of Agriculture cannot do their job of administering the milk marketing order system.

I thank the Senate and the Senator from Wisconsin.

Mr. KOHL. I yield Senator GRAMS up to 4 minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I rise in opposition to the cloture motion on the motion to recommit the appropriations bill to committee with instructions to include the Jeffords/Leahy amendment.

First, I would like to express my displeasure with this attempt to dodge the clear purpose of Rule 16.

I am at a loss to understand how we can reinstate Rule 16 one week then turn around and justify offering what is an extremely controversial policy change that is clearly non-germane on a major appropriations bill. Drafted to circumvent Rule 16 restrictions, Mr. JEFFORDS' proposed changes to the farm bill almost guarantee litigation and confusion in the milk marketing system due to the uncertainty over its effect. It is a controversial, non-germane issue that does not belong on an appropriations bill as a floor amendment.

It is important that I remind some of my colleagues that this amendment does not extend authorization of the compact to your states. Also, this August 2nd letter from Charles Rawls, General Counsel for USDA, states that funds have already been spent to implement the milk marketing order reform and the reform could still operate without oversight from USDA. The order reform is administered by producer assessments so no other federal funds are required to implement it. Thus, though the Jeffords Amendment intends to maintain the status quo in milk marketing orders by not funding implementation, counsel for USDA states that the specific implementation date requirement contained in Public Law 105–277 remains unaltered. Any uncertainty in the effect of this amendment is between whether the reform can be implemented without USDA oversight or whether we will have no dairy marketing orders at all. Reinstating the current system similar to 1A is simply not an option here.

Mr. President, as the letter from Mr. Rawls shows, it's not clear this amendment would save the Northeast Compact, and it certainly does not solve any problems for the other states seeking to form compacts. Not only does the amendment fail to extend compacts to other areas of the country outside the Northeast, it also does not implement Option 1–A.

Despite the fact that I do not believe Mr. JEFFORDS' amendment accomplishes its intended goal I also urge you to vote against cloture on the simple grounds of rejecting the concept of providing a benefit to producers in one area of the country which gives them a competitive advantage over dairy farmers in other regions of the United States.

Dairy farmers are suffering all over the country. Why support this compact legislation that helps mainly one area of the country at the expense of others? Why support an effort that would send the signal that we can consider endless controversial non-germane issues on appropriations bills in the future? Why risk passage of needed relief to America's farmers?

Besides addressing the narrow issue of the pending amendment, I would like to remind you why compacts that penalize consumers, particularly low-income consumers, milk processors, and regional dairy producers are so dangerous, and urge my colleagues to reject this blatantly unfair barrier that penalizes some of the best and most efficient dairy farmers in America.

First, I would like to explain what dairy compacts are. The Northeast Dairy Compact raises the price of Class I fluid milk above the prevailing federal milk marketing order price within the participating states, and, I might add, above what the market would pay. Milk processors have to pay the higher price for the raw milk they process, and this higher price is passed along to the consumer at the grocery store. With higher prices, consumption goes down, and children are the biggest losers. I don't argue against a fair price—or honest price for any dairy farmer in Minnesota or Vermont, but I cannot support price fixing that distorts the free market.

The Northeast Compact was authorized in 1996 during consideration of the larger Federal Agriculture Improvement and Reform (FAIR) Act. This controversial issue was inserted in the conference committee, avoiding a separate vote, after the measure had been overwhelmingly defeated on the floor. While most of the FAIR Act was designed to help farmers compete in world markets and reduce government involvement in agriculture, the Northeast Interstate Dairy Compact established a regional price-fixing cartel within our very own country that promotes higher production which depresses prices outside the compact. The Northeast Dairy Compact has harmed dairy farmers in Minnesota, and this kind of unfair subsidy should be terminated.

When this issue came to the fore, compacts were roundly condemned in the major newspapers of the compact region. The New York Times, Boston Herald, the Connecticut Post, and the Hartford Courant all weighed in against the cartel, in addition to national publications such as USA Today and the Washington Post.

Again, compacts were hardly consensus legislation to begin with. The House refused to put the provision in its broader farm bill. And I must reiterate, the Senate voted on the floor to strip the Compact language from its bill. Despite these defeats, the compact provision was slipped into the bill in conference and signed by the President. The compact legislation could not withstand the scrutiny of a fair debate on the floor, and had to be muscled in at the last minute in conference.

Knowing that this scheme was a bad idea from the start, Congress limited the life of the compact. That's why proponents will seek an extension by amendment today.

Retail prices of milk jumped immediately after the higher Compact price was implemented. As predicted, the milk produced in New England increased by four times the national rate of increase in a six-month period following compact implementation. The surplus milk was converted into milk powder, leading to a 60% increase in milk powder production.

Soon after implementation, the Northeast Compact had to begin reimbursing school food service programs for the increases in cost caused by the milk price hikes; an admission that prices have gone up and consumers are being affected. However, low-income families that need milk in their diet are not being reimbursed by the Compact for their increased costs. Milk is a food staple, and are we going to vote today to extend this milk tax that hits low-income citizens hardest who spend a high percentage of their income on food? What's next, a special tax on bread, eggs, ground beef, or potatoes? Consider the low-income families with small children and the elderly on fixed incomes in your state and ask if this is the population you want bearing the brunt of this regressive milk tax.

I cannot stress to my colleagues enough that you simply cannot contain the market distortions and economic hardship that these compact schemes cause. Proponents present an idyllic picture of the compacts as only a few cents hike in the price of milk to preserve the small, rural dairy farmer. This is simply not true. Dairy compacts are an economic zero-sum game in which there are many losers—most importantly the consumer (especially the low-income consumer) and dairy farmers in non-compact regions. The real winners in this zero-sum game are large dairy producers in the Northeast that receive literally tens of thousands of dollars in subsidies for their already profitable businesses, not the small dairy farmer who supporters said was the focus of this idea. The average six month subsidy for large Northeast dairy farms is projected to be $78,400. Dairy farmers in Minnesota would relish that income over the whole year, but Minnesota farmers wisely reject this effort to distort the system and harm their fellow farmers in other states.

It also is erroneous to characterize this issue as small family farms in one region falling victim to large, corporate-style farming conglomerates in another. There are no, if you will, "Wal-Marts" of dairy farming in Minnesota. In our state, we have families that farm as a way of life, know that they must stay efficient to remain competitive, and want desperately to compete on a level playing field. Minnesota has thousands of family farms—passed from generation to generation—that are struggling to stay afloat in a rigged market that unfairly favors producers in a different part of the country. And many have failed. Compacts are not a policy that saves family farms.

As Wayne Bok, President of the Minnesota-based co-op Associated Milk Producers has put it, consider what would happen if the Northern states decided they wanted to produce oranges, and formed a compact to do so. Oranges sold in the North would receive a higher price than oranges sold in other regions. As a result, production of oranges would increase in the North. Prices in the South would drop until production decreased to compensate for the increase in Northern production. Moreover, Northern farmers would begin to convert from, say, corn and dairy farming, to the now more profitable farming of oranges.

Would this be good for the country's most efficient orange growers in Florida and California? Absolutely not.

Would this be good for consumers?

Absolutely not.

This outrageous scenario demonstrates the ridiculousness of current dairy policy. Let each farm region of the country do what it does best and don't erect artificial barriers that keep the products of the most efficient producers out of the hands of the consumers.

In 1996 Congress and the President committed to a new farm policy, moving our country away from artificial price and supply controls, and freeing farmers to compete on the world market. American farmers are the most skilled and efficient in the world, and they deserve the opportunity to compete and expand their markets. At the same time that we are calling upon our global trading partners to bring down their trade barriers for the benefit of both consumers and producers, we attempt to continue or construct new barriers between regions in our own country that discourage the free flow of commerce and create significant market distortions and price increases. Its hypocritical for us to demand free trade at a global level but enact trade barriers within our own country.

I urge my colleagues today to commit to fairness in dairy policy. Please be fair to consumers and dairy producers—vote against this or any other compact amendment.

I must also address the other intended effect of the dairy amendment, the proposal to zero out funding for implementation of the final rule presumably to maintain the status quo in federal milk marketing orders and to extend the Northeast Dairy Compact. I believe that Mr. JEFFORDS' amendment fails to accomplish this intent.

The current milk marketing system requires processors to pay higher minimum prices for fluid milk the further the region is located from Eau Claire, Wisconsin. To reform this antiquated, Depression-era method for supplying milk to consumers, which basically picks winners and losers in the dairy industry, Congress, through the 1996 FAIR Act, required USDA to significantly reduce the number of milk marketing orders (regions) in the country and transition to a more market-oriented system of milk distribution. After many months of study and having received comments from hundreds of market participants, USDA proposed Options 1-A and 1-B. The Option 1-A proposal made minimal changes to the old marketing order pricing system, while Option 1-B contained some basic free market reforms and modernizations of the system. The Midwest did not like what we saw in 1B, actually, and like the compromise even less, but it was a small step in the right direction.

The compromise came after the USDA received testimony concerning the two alternatives, and its final rule again takes steps toward simplifying and modernizing the milk marketing order system. The new compromise orders will be effective October 1, 1999. I hoped for a proposal closer to 1-B, but accepted the need for compromise and have supported it.

Option 1-A is basically no reform, and would ignore the direction of Congress in the FAIR Act. It would increase prices for consumers by $74 million per year, affecting most the low-income consumer that spends a high percentage of their wages on food. Option 1-A also keeps in place a regionally discriminatory milk pricing system that benefits producers in some parts of the country at the expense of dairy farmers in other regions, much like compacts. Again, it's a government program that picks winners and losers, not allowing the market to set the prices. It is opposed by free market taxpayer advocacy groups, consumer groups, regional producer groups, and processor groups, and it does nothing to protect the nation's supply of fresh fluid milk; our nation produces an abundance of milk that is sufficient to supply consumers' needs.

Secretary Glickman, writing about the final rule, said that:

> USDA's own analysis shows that nationally, dairy farmers will realize virtually the same cash receipts under the new, fairer plan as they do now, and when aggregated, the all-milk price will remain essentially unchanged from that under the existing program, which virtually all sides agree sorely needs changing[.]

Moreover, Chairman LUGAR said that the final compromise rule "is a good first step toward a policy that places the nation's dairy industry in a position to better meet the challenges of the global markets of the new century[.]"

Again, the final rule is a compromise, not the best for either 1A or 1B advocates but a middle ground. We should not rush to reverse a process that took months to complete in order to keep the status quo.

What we have here is a double whammy. Compacts are bad enough, but retaining the failed dairy policies of the past is just incomprehensible.

Finally, what we need to ask ourselves even more is why are we considering these controversial issues on this appropriations bill. The Judiciary Committee has jurisdiction over compacts and Agriculture over milk marketing orders. Please respect these committees' opposition to these amendments which circumvent their jurisdiction, respect the reimplementation of Rule 16, and vote against this attempt to legislate through the appropriations process. And most of all, reject an amendment that doesn't even accomplish its intended purpose.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATCH. Mr. President, I rise to voice my opposition to the proposed amendment that would effectively extend the Northeast Interstate Dairy Compact and open the door to the creation of additional interstate dairy compacts. I urge my colleagues to vote against the cloture motion. These interstate compacts would allow states to form alliances that would create economic barriers and foster economic warfare between the states. First, I want to commend my colleagues for their efforts on behalf of their states. In particular, Senator JEFFORDS has been a forceful advocate for dairy compacts. But although I share the concerns of my colleagues for the future of all American farmers, we cannot authorize interstate compacts that would encourage activities which are contrary to the constitutional principle of establishing and maintaining a national free market for the products of all citizens.

To date, only one dairy compact, the Northeast Interstate Dairy Compact, has been authorized by Congress. It initially passed as an amendment in conference to the 1996 farm bill, after the Senate had stripped the compact language out of the bill on the Senate floor. The compact authorization was for 2 years only, but was extended last year, until October 1, 1999, by an amendment to appropriations legislation. Since the creation of this compact, a number of state legislatures have authorized the creation of new interstate dairy compacts. And today, once again, an amendment to the Agriculture appropriations bill has been introduced that would extend the life of the Northeast Interstate Dairy Compact and possibly lead in conference to the authorization of a Southern Compact.

The Framers of the Constitution intended the compact clause to help preserve national unity by prohibiting States from entering into interstate compacts without congressional approval. See *Virginia* v. *Tennessee*, 148 U.S. 503 (1893). Like the commerce clause, the compact clause prevents States from joining forces to the detriment of the national interest. It is true that the overwhelming majority of compacts serve benign purposes that are not intended to insulate States from competition or to harm the national economy, or otherwise adversely affect the national interest. Indeed, Congress has approved hundreds of interstate compacts. These compacts have facilitated nationally beneficial projects such as the development of highway, railroad, and subway transportation, the construction of bridges, the allocation of water-control rights, the establishment of boundary lines, and protection against forest fires. These are precisely the type of agreements the compact clause was intended to facilitate.

The proposed dairy compacts, however, would frustrate, rather than facilitate, free trade among the States. In essence, dairy compacts prohibit interstate competition by preventing non-compact dairy farmers from freely setting the price for their dairy goods sold in compact states. These compacts represent economic protectionism, pure and simple. Indeed, this is an attempt by a group of states to dictate to the rest of the country's dairy farmers the terms under which they can sell their goods into compact regions. It is unimaginable that the Senate would vote to embrace a form of economic protectionism that flies in the face of the Constitutional principle of a free market society.

As the Supreme Court stated in *H.P. Hood* v. *DuMond*, 336 U.S. 525, 529 (1949):

> . . . our system, fostered by the Commerce Clause, is that every farmer and every craftsman shall be encouraged to produce by the certainty that he will have free access to every market in the Nation, that no home embargoes will withhold his exports, and no foreign state will by customs duties or regulations exclude them. Likewise, every consumer may look to the free competition from every producing area in the Nation to protect him from exploitation by any. Such was the vision of the Founders . . .

If we continue to approve dairy compacts, that vision will be forsaken. And, if we continue down this road, I ask my colleagues: "what's next?" Will we be asked to protect the poultry industry? Why not protect regional software or Internet companies? If the logic behind these dairy compacts is that states or regions should be allowed to collude to raise artificially the price of dairy products to protect farmers and producers at the expense of the consumer, then why not give certain states or regions the right to collude to raise artificially the prices of other goods and services? Because AOL employs so many people in Maryland and Virginia, shouldn't those two states be permitted to agree to prevent any company from offering Internet access to consumers in Maryland or Virginia at a price below that offered by AOL? The minimum price could be justified by stating its purpose is to protect the jobs created by AOL in these states. Certainly, the argument would go, the purpose is not to eliminate competition—that is just an unfortunate circumstance of protecting an industry that contributes significantly to the states' economies.

This hypothetical may sound farfetched, but it is not. The logic is the same: "We need to protect our state's industries regardless of the effects on competition or consumers." No, my colleagues, we simply cannot start down the road of protecting one region's industries against others, regardless of how significant an industry may be to one state's interests. We cannot elevate one region's concerns over the nation's interest in ensuring a stable, free market that thrives on competition.

A vote against these compacts is not a vote against dairy farmers. All of the Senators who are opposed to these compacts, myself included, sympathize with the plight of so many of America's farmers who are struggling to stay in business, but we cannot solve this problem by pitting one industry against consumers, or one region against the nation. As chairman of the Judiciary Committee, I cannot support dairy compacts that allow states to collude to thwart competition, the results of which ultimately harm America's consumers. I urge my colleagues to vote against the dairy compact amendment which would allow less efficient producers in one region of the country to exclude lower priced dairy goods from other regions in an effort to protect their farmers and producers at the expense of consumers. This is not the type of agreements the founders envisioned interstate compacts would facilitate—indeed, it is exactly the type they feared.

Mr. TORRICELLI. Mr. President, I rise with Senators SPECTER and SCHUMER in support of the Northeast Interstate Dairy Compact. This issue is one of critical importance to the dairy farmers of New Jersey. It is rare that I come before this body to talk about issues affecting our Nation's farmers, however this is an issue of extreme importance to my state and family farms nationwide.

Today New Jersey has less than 200 family dairy farms. These farms have been in families for centuries, and have been handed down from generation to generation. I've met with New Jersey's family farmers, from Sussex and Warren and Hunderdon Counties, and heard their concerns. I know how important they are to my State. Dairy farming is not an easy or lavish life. They milk 7 days a week, 365 days a year, starting out long before dawn, before most of us are out and about.

These courageous farmers want to keep their farms, and pass them down to their children. However, without our help, they will not be able to realize this dream. The family farm is the backbone of agriculture in New Jersey; however, today, it is on the verge of extinction. In fact, New Jersey has lost 42 percent of its dairy farms in the past decade.

Erratic fluctuations in the prices dairy farmers receive for their raw milk is causing such losses that these farmers are forced out of business. These farms produce over 289 million pounds of milk each year, but as prices decline and costs continue to increase, farmers need help to stabilize milk prices for survival. Without a mechanism to ensure stable prices for milk, New Jersey's family dairy farms will be forced out of business.

However, this problem is not unique to my State. Family farms all across the country are hurting. Our Nation's dairy farmers recently experienced a 37 percent drop in the price they receive for their milk. This presents a dilemma for family farms, which must still pay the same amount to feed their cows, hire help, and pay utility costs. This enormous strain will no doubt force some dairy farmers out of business.

We must protect America's family farms, and ensure the future vitality of America's dairy industry by re-authorizing and expanding the Northeast Interstate Dairy Compact. I am hopeful that my colleagues will consider the farmers of my state when this issue is debated in conference.

Ms. COLLINS. Mr. President, I rise today in support of the Jeffords amendment to delay implementation of the final pricing rule on Federal milk market order reform. The intent of this amendment is to delay the expiration of the Northeast Dairy Compact. I am proud to be a strong supporter of the Compact, which is a proven success that is critical to the survival of dairy farmers in Maine and throughout New England.

First approved by Congress in the 1996 farm bill, the New England Dairy Compact already has a proven track record of quantifiable benefits to both consumers and farmers. The Compact works simply by evening out the peaks and valleys in fluid milk prices, providing stability to the cost of milk and ensuring a supply a fresh, wholesome, local milk.

This past year, the Compact has proven its worth to both dairy farmers and consumers. As prices climbed and farmers were receiving a sustainable price for milk, the Compact turned off, allowing the market to function through principles of supply and demand. But when prices dropped sharply, the Compact was triggered to soften and slow the blow to farmers of an abrupt and dramatic drop in the volatile, often unpredictable milk market.

Consumers also benefit from the Compact. Not only does the Compact stabilize prices, thus avoiding dramatic fluctuation in the retail cost of milk, it also guarantees that the consumer is assured the availability of a supply of fresh, local milk. We've known for a long time that dairy products are an important part of a healthy diet, but recent studies are proving that dairy products provide a host of previously unknown nutritional benefits. Just as we are learning of the tremendous health benefits of dairy foods, however, milk consumption, especially among young people, is dropping. It is a crucial, common-sense, first step to reverse this trend, for milk to be available and consistently affordable for young families.

Finally, the Compact, while providing clear benefits to dairy producers and consumers in the Northeast, has proven it does not harm farmers or taxpayers from outside the region. A 1998 report by the Office of Management and Budget showed that, during the first 6-months of the Compact, it did not adversely affect farmers from outside the Compact region and added no costs to Federal nutrition programs.

Mr. President, many of Maine's dairy farmers tell me that the Compact is critical to their long-term survival and ability to continue to maintain a way of life vital to rural communities. On behalf of these farmers and consumers throughout New England and the country, I urge my colleagues to support the Jeffords amendment.

Ms. SNOWE. Mr. President, I rise in support of extending the Federal Milk Marketing Order system for one year, and in support of the preservation of small family dairy farms throughout Maine and all of New England.

As you are aware, Mr. President, the Farm Bill of 1996 authorized the USDA Secretary to fundamentally revisit the federal Milk Marketing Orders, which is a regulation voluntarily initiated and approved by a majority of producers in a given area. The regulation places requirements on the first buyers or handlers of milk from dairy farmers, such as processors who distribute fluid milk products in a designated marketing area. One of those requirements is that handlers must pay an assigned minimum price according to the use of the milk. Also, a milk order requires that all payments by handlers be pooled and the same average price is paid to individual dairy farmers.

On January 30, 1998, the USDA proposed two options to reform differentials, including Option 1–A that closely reflects the current program, which is a market-oriented option for fluid milk prices, and Option 1–B that would be accompanied by transition assistance for dairy farmers. I immediately heard from Maine dairy farmers, who asked for my support for the Option 1–A differential because it is the fairest and most equitable pricing option for them as it stabilizes prices for dairy farmers and ensures that consumers do not pay higher milk prices in the supermarket.

My response was to join 60 other Senators on April 29, 1998 and send a letter to USDA Secretary Glickman in support of Option 1–A, saying that the other option, Option 1–B, would further reduce the price of milk received by farmers in almost all regions of the country, thereby reducing local supplies of fresh, fluid milk and increasing costs for consumers.

My actions the previous year, 1997, were the same as I joined 47 other senators, in writing to Secretary Glickman stating that Option 1–A was the most viable and economically sound approach to the future pricing of fluid milk.

When the USDA announced its final rule on March 31, 1999, it selected a form of Option 1–B that will reduce monies to dairy farmers in New England by at least 2 percent. The final rule will become law in October unless there is Congressional action to stop the final rule. I believe the Congressional action to extend the Milk Marketing Order system until October 1, 2000—which also extends the Northeast Dairy Compact until that time—is required so that there is an appropriate time period to assess such a major and potentially devastating change to the pricing formula for producers throughout my region, and other regions as well.

I am currently a cosponsor of S. 1256, Senator COVERDELL's bill that will implement Option 1–A for Class I fluid milk as part of the implementation of the final rule to consolidate the federal Milk Marketing Orders.

Mr. President, since the Northeast Compact was put in place in 1996, there has been no groundswell of opposition from the consumers of New England, but they have actually preferred to protect a cultural way of life for the region. In addition, for this August, the Maine dairy producers will be receiving an extra $2.28 per hundred weight for their milk because the Compact is currently in place—and this is still not bringing in enough money to the dairy farmers to meet their cost of production. No one is getting rich off of the Compact, Mr. President, but they will get poorer or go out of business after this October if the Compact is allowed to expire.

The Compact has only helped stabilize the dairy industry in the Northeast and protected farmers and consumers against volatile price swings. The Compact has protected against the loss of small family owned dairy farms and protected against a decrease in the fresh local supply of milk at a fair price for consumers.

Mr. President, Maine had over 2,000 dairy farms in the 1980s. We now have less than 500. The Compact has helped stem the tide of the loss of small family owned dairy farms—and a way of life. We have been talking on the floor for two days now about how natural disasters are affecting the family farmer. I urge you not to create a manmade disaster by allowing the Northeast Compact to expire. I urge my colleagues to support the extension of the federal Milk Marketing Orders—which will also extend the Northeast Dairy Compact—and I thank the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Vermont has 10 minutes remaining.

Mr. LEAHY. Will the Senator yield me 1 minute?

Mr. JEFFORDS. I yield 1 minute to the Senator from Vermont.

Mr. LEAHY. The distinguished Senator from Wisconsin and his colleague discussed the National Farmers Union. I hope everybody reads the letter dated June 18, 1999, because it says:

> . . . we support legislation to establish dairy compacts and amend the federal order system if those provisions are coupled with the legislation to establish the dairy support price of $12.50 per hundredweight.

Even though my distinguished colleagues from Wisconsin quote from the National Farmers Union as somebody we should be listening to, my colleagues specifically oppose what the National Farmers Union says they want. I would vote for that NFU proposal in a minisecond; I had hoped that since the NFU proposal benefits all dairy farmers that we could have worked together on this. But the distinguished Senator from Wisconsin opposes it.

There are a lot of quotes going around here. The National Grange strongly supports the Northeast Dairy Compact. They represent 300,000 members nationwide, and they say that "regional dairy compacts offer the best opportunity to preserve family dairy farms."

If we are going to quote some of these organizations, let us be honest in what they say. They support the dairy compacts. These farm organizations strongly support it. A few processors and the Senators from Wisconsin do not.

Mr. JEFFORDS. Mr. President, I yield 1 minute to the Senator from New York.

Mr. SCHUMER. I thank the Senator from Vermont for yielding.

I rise today to express my strong support for the dairy compact and urge my colleagues to vote for cloture on the dairy amendment offered by Senators LEAHY and JEFFORDS. I believe the dairy compact will not only help stem the tide of farm closures but will help New York consumers by halting the trend of consolidation within the dairy industry into a few large farms that control most of the market. This proposal gives two hopes for New Yorkers: 1–A, which is far better for us than 1–B; and second, if the dairy compact is kept alive, we hope to be added. We realize that because of technical rules, we couldn't do it here, but we are hopeful that will go forward.

In conclusion, I am well aware of the strong objections of my colleagues from Wisconsin and Minnesota. But for upstate New York, one of the few areas of the country losing population and not sharing in the Nation's current prosperity, the dairy compact is a matter of economic survival. I sincerely hope that we can find some common ground——

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. SCHUMER. That will allow the dairy industry to prosper in both regions.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Before I yield to the Senator from Minnesota, I will quote from the National Farmers Union letter:

> . . . with the passage of the Jeffords amendment, dairy farmers across the nation could be left without any federal marketing order that could risk destroying the remnants of the dairy safety net.

The National Farmers Union is not supportive of the Jeffords amendment. It is categorically clear. I yield up to 3 minutes to Senator WELLSTONE.

Mr. WELLSTONE. Mr. President, to add to what my colleague said from the same letter:

> We have deep concerns about pitting region versus region in agricultural policy, especially dairy policy. We strongly encourage a policy that will benefit all dairy producers nationally.

I don't have time to engage in a long discussion by way of policy. There is just no time for doing that. Let me make an appeal to my colleagues. In Minnesota, we have 8,700 dairy farmers. We rank fifth in the Nation's milk production. It is $1.2 billion for our farmers. We are losing three family farmers a day.

What the Secretary of Agriculture is now trying to do is change the milk marketing order system, in the words of the Farmers Union, that will benefit dairy producers nationally, to try to bring about some fairness. Now what we have is an effort on the part of some of my colleagues to basically block the Secretary of Agriculture from implementing this reform.

I say to every single colleague, Democrat and Republican alike, I don't have time to argue all of the policy implications, but I make an appeal as a Senator from Minnesota to not vote for cloture. I make an appeal as a Senator from Minnesota to support the kinds of changes that the Secretary of Agriculture is trying to make that will bring about some fairness and won't pit region against region and will give dairy farmers in our country, family farmers, a chance to make it.

This is an incredibly important question for my State of Minnesota. Other Senators would argue the same way if it were their State. I hope they will vote against cloture, and I appeal to them to do so.

Mr. KOHL. Mr. President, how much time is remaining, please?

The PRESIDING OFFICER. Eight minutes remain for the opponents; 2 minutes 49 seconds for the proponents. The Senator has 8 minutes.

To correct that, the Senator from Wisconsin has 2 minutes 45 seconds.

Mr. KOHL. And the other side?

The PRESIDING OFFICER. The other side has 8 minutes.

Mr. KOHL. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, this is my 20th year dealing with dairy programs, and I understand the confusion that results in Members' minds who have not been in this body or had the exposure of sitting on the Agriculture Committee. Let me try to correct, as best I can, some of the statements that have been made.

First of all, this amendment conforms with the dictates of rule XVI. We cleared that with the Parliamentarian. Also, the amendment is legally sound and the intent is clear. The letter from USDA was expected, as will be further lawsuits. What they state in the last part of the letter is: Rescinding the order presents novel questions which will require further analysis.

Let me correct the situation about who makes the money in this country with respect to the dairy farmers. For each period of time the USDA reports what the mailbox price is to the dairy farmer. They go region by region. The charts that we have seen show that, for instance, New England, in 1998, received $14.89 per hundredweight, 10 cents below the national average. More importantly, the Midwestern farmer received $15.27 per hundredweight average, 28 cents above the national average. So who is making money right now? They are making money, not us.

Incidentally, the American Farm Bureau supports the 1–A option, which is all this is about. This is a cloture vote. It is designed for us to have an opportunity to demonstrate the importance and the necessity to Vermont and New England and the whole country that we must change what now is in the offing. The dairy farmers, as this chart shows, will be devastated, as will be the rest of the country. The only exception is where? Minnesota and Wisconsin and surrounding areas. They are the ones that are going to make the money if we can't change this situation.

Also, the compact has worked extremely well. California, for instance, is so big as a State they don't need a compact, but they are doing exactly what the six States in New England are doing. Theirs is working fine. And the New England compact is working fine.

Incidentally, the opponents asked for a study. The study they wanted was from OMB, from whom they thought they would get a friendly study. They did a study of the compact. What did they find out? The compact worked fine. It worked well. It has helped save the farmers. The consumers had a 5-percent lower price than the rest of the country. Why? Because the States got together. They formed a compact. They take care of matters by having consumers on board and everybody sets the price. It is working beautifully. That is why almost half the States in the Nation decided to take a look and said, hey, this is a good idea. We ought to have compacts. We can protect our consumers. We can protect our farmers. Vermont has demonstrated to the country a way to help dairy farmers. We ought to have that opportunity. All we are talking about is a chance to do that, a chance to get everybody together for a lengthy, solid debate which is allowable when you get cloture.

This issue is only cloture, so that we can discuss these things and remove all of the statements that have been made which are contrary to the facts.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Mr. President, I yield 1 minute to the Senator from Minnesota.

Mr. GRAMS. Mr. President, I will talk a little bit about the numbers the Senator from Vermont was using. He said that somehow right now Minnesota and Wisconsin dairy farmers are making more money than the other farmers around the country. That is simply not true. By $2, $3, $4 per hundredweight, the rest of the country is getting more money today than what Minnesota and Wisconsin dairy farmers are allowed to receive for their milk.

And that is why I say under this old, arcane program, if we were going to go start a new dairy program today, it would never look anything like this. But when they say we are getting more money, that is not true. They are way up in prices, $17, $18, $19 a hundredweight for milk, and we are at $10, $11, $12, $13. If ours comes up 20 cents a hundredweight under this arrangement and theirs stays about the same, we are not even close to them yet.

So this is a very small move in the right direction for reforms. But it by no means is putting Minnesota or Wisconsin ahead of anybody in the country. I still think it is unfair for all the other States under this old program to stand and discriminate against dairy farmers in Minnesota and Wisconsin. We want fairness in this program—nothing more, nothing less.

Mr. KOHL. Mr. President, I reserve the remainder of our time.

Mr. JEFFORDS. How much time remains?

The PRESIDING OFFICER. Four minutes remain.

Mr. JEFFORDS. I yield 2 minutes to the Senator from Vermont, Mr. LEAHY.

Mr. LEAHY. Mr. President, to reiterate, we have to wonder what is going on. I know the upper Midwest massively overproduces milk. We are simply asking to produce the milk we are going to consume in our area. They massively overproduce it. As the Minneapolis Star Tribune explained, Minnesota farmers want to sell "reconstituted milk in Southern markets." They talk about drawing water out and shipping down some "glop." I will let the reporter of debates figure out how to spell that. I don't know how. It sort of looks like it sounds.

All we want is fresh milk in our region. We are not trying to take over any other part of the country. We have something that we have proved works. It doesn't cost the taxpayers anything. It helps stabilize farm income. Consumers have a voice in it and like it in the area. All we are saying is let us make some determination in our own part of the world. We are talking about billions and billions of dollars in farm aid in this bill. The amendment that Senator JEFFORDS, Senator LOTT, and I, and others support says we don't want any Federal money; we want to set things the way we are now doing it, protecting our consumers and our farmers.

Mr. President, I know the Upper Midwest massively overproduces milk—they overproduce far more than they can consume—and thus want to sell this milk in the South.

I have read the press reports about how they want to dehydrate milk—take the water out of milk—and then hydrate it by adding water in distant states. The Minneapolis Star Tribune explained that Minnesota farmers want to sell "reconstituted milk in Southern markets."

The article from February 12, 1992, points out that "technology exists for them to draw water from the milk in order to save shipping costs, then reconstitute it."

Regular milk needs refrigeration and weighs a lot and is thus expensive to ship. Also, only empty tanker trucks can come back since nothing else can be loaded into the milk containers.

But dehydrated milk can be shipped in boxes.

By taking the water out of milk, the Upper Midwest can supply the South with milk.

I realize that according to a St. Louis Post-Dispatch article in 1990 that Wisconsin farmers defended the taste of reconstituted milk. The article points out that Dan Hademan, of Wisconsin, "says fluid milk should be treated the same nationwide, whether it is fresh whole milk or reconstituted milk."

That article notes "Upper Midwest farmers say technological advances in making powdered milk and other concentrates has improved the taste and texture of reconstituted milk."

However, the House National Security Committee had a hearing on this reconstituted milk issue in 1997. I will quote from the hearing transcript:

> . . . the Air Force on Okinawa decided that the reconstituted milk was not suitable for the military and as a quality of life decision they closed the milk plant and opted to have fluid milk transported in from the United States.

There was a great article in the Christian Science Monitor a few years ago that talks about the school lunch program. It mentions the first time that the author, as a first-grader, was given reconstituted milk.

He said: "Now, I like milk. . . . But not this stuff. Not watery, gray, hot, reconstituted milk that tasted more like rusty pump than anything remotely connected with a cow. We wept. We gagged. We choked."

The second problem with the strategy of Wisconsin and Minnesota farmers selling their milk down South is what about ice storms or snow? What happens when flooding or tornado damage or other problems stop these trucks laden with milk?

Southern parents might not be able to buy milk at any price any time an ice storm hits the Upper Midwest if the South does not have fresh, local, supplies of fresh milk. Just remember the panic that affects Washington, D.C., when residents think we might get what is called in Vermont a "dusting of snow."

Most Americans do not remember why Friday, March 5, 1999, is significant. But most dairy farmers will remember that date as long as they live.

On that date, the Department of Agriculture announced the largest cut in milk prices ever—a month-to-month drop of $6.00 per hundredweight.

This was the largest month-to-month drop in history—yet retail store milk prices remained high. Processors made huge windfall profits. And, while the milk prices received by farmers dropped by almost 40 percent the prices stores charged to consumers hardly dropped.

Imagine a month-to-month drop in other commodity prices of almost 40 percent. Imagine what that would do to your family farmers.

The only region in the country that enjoyed some modest protection against this huge drop in farm prices was New England—because of the Northeast Dairy Compact.

Half of the states have approved a similar system regarding dairy pricing. While a regional diary compact does not offer complete protection against huge and unexpected drops in the price of milk for farmers, it does provide a modest measure of relief.

It is a safety net that prevents farmers from hitting rock bottom.

THE COMPACT INCREASED INTERSTATE TRADE

Contrary to the views of opponents of the compact, note that OMB reports that the Northeast Compact has increased interstate trade in fluid milk.

This only makes sense. Dairy farmers fortunate enough to be living in states neighboring the Northeast compact region have increased milk sales into the compact area to gain the benefits of the higher compact price. OMB reported an 8 percent increase in trade—increased sales of milk into the compact region from New York and other neighboring states to take advantage of the higher prices.

If other states could trade places with New York, I am certain that those farmers would quickly figure out that they should sell milk into the Compact region to take advantage of the modestly higher benefits of the compact.

The Northeast Compact does not cost taxpayers a single cent. This is different from the costliness of many farm programs.

If you support farmland protection programs, regional compacts are the answer. Major environmental groups have endorsed the Northeast Dairy Compact because they know it helps preserve farmland and prevent urban sprawl.

And if you are concerned about the impact of prices on consumers, regional compacts are the answer. Retail milk prices within the compact region are lower on average than in the rest of the nation.

The Northeast Compact has done exactly what it was established to do: stabilize fluctuating dairy prices, ensure a fair price for dairy farmers, keep them in business, and protect consumers' supplies of fresh milk.

Many of our friends in the South have seen how the compact provides a modest but crucial safety net for struggling farmers. They, too, want the same for their farmers, and their farmers deserve that same opportunity.

Congress should not stand in the way of these state initiatives that protect farmers and consumers without costing taxpayers a penny.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JEFFORDS. Mr. President, how much time remains on the opposition side?

The PRESIDING OFFICER. One minute 45 seconds for the opposition, and 2 minutes remain on the Senator's side. If neither side seeks recognition, time runs equally.

Mr. JEFFORDS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 minute.

Mr. JEFFORDS. Mr. President, I think it is important to understand why we are here. First of all, this is a cloture vote. There are obvious disputes and they ought to be resolved. But complicated issues such as this can't be resolved in 40 minutes. We need to have a full debate on these issues. It is important to dairy farmers and all farmers. We must not end today by refusing to allow us to go forward, to take the Vermont/New England compact, a model that is being looked at by States all over the country because it works so well to protect its farmers and consumers. We should be able to debate that fully and not to run out of time by virtue of the rules.

In addition to that, this chart shows it all. It shows who is going to win and lose.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KOHL. Mr. President, before I close, I want to make it known that some other Senators, including Senators LUGAR and GRASSLEY, wanted to be down on the floor to speak in favor of this side, but they could not get here.

I simply want to say to my colleagues, if we invoke cloture on this bill now, then we will kill the bill. But if we pass the Jeffords amendment, I believe we will kill the dairy industry.

I urge my colleagues to vote no on cloture.

The PRESIDING OFFICER. Who yields time? One minute remains on each side.

Mr. KOHL. I yield to Senator CRAIG.

The PRESIDING OFFICER. The Senator from Idaho.

DAIRY COMPACTS; ANTICONSUMER, ANTI-FARMER, REGIONALLY DIVISIVE, CONTRARY TO THE HEART OF THE CONSTITUTION, INEFFECTIVE AND INEFFICIENT

Mr. CRAIG. Mr President, I rise today to make a few remarks concerning dairy compacts.

When most people think of dairy states they think of Wisconsin, Vermont, or Minnesota—not California, Texas, or Idaho. However, Idaho is now sixth in total milk production, just ahead of Texas. Dairy cow numbers in Idaho are projected to grow from 292,000 in 1988 to 398,000 in 2008. While potatoes are still ranked first as the top agriculture commodity in Idaho, dairy products are a close second. I tell you this so you know that dairy policy is important to me and my state.

Although I am speaking, in part, on behalf of the interests of Idaho dairy farmers, let me assure you that the national debate about dairy compacts is far more than just an old fashioned regional squabble between Northeast and Southern dairy interests, on the one hand, and the interests of the rest of the country's dairy farmers, on the other. This debate is all about whether the Senate will say "enough is enough" and put an end to an incredibly bad policy proposal.

In my 19 years in Congress I cannot remember any major farm legislation that has been as overwhelmingly contrary to the interests of farmers, consumers, public health, the U.S. economy, and our Constitution as the amendment to extend and expand interstate dairy compacts. This is a lose, lose, lose situation if there ever was one. It's bad for the country and it's bad for the Senate, which it is needlessly dividing along regional lines.

An expanded Northeast Compact and a new Southern Compact will combine to impose an enormous milk tax on consumers in compact states. If compact commissions raise prices to the limit allowed by the proposed amendment, the costs to Eastern, Mid-Atlantic and Southern consumers would be enormous. Based on USDA data and USDA's estimates of milk prices for the rest of this year and for next year, the costs could soar to as high as $2.6 billion a year.

It only gets worse. Higher milk prices there will reduce milk consumption and increase milk production. Consumers will lose in two ways; they will have to pay more and they will drink less of a calcium-rich product. That's not very good public policy at a time when the National Academy of Sciences is urging Americans to take steps to eliminate their dangerous calcium intake deficit. The scope of the consumption decline is suggested by a January 1999 study of the economic impacts of an expanded Northeast Dairy Compact and a new Southern Dairy Compact conducted by the University of Missouri's Commercial Agriculture Program. The study was endorsed by the federally funded Food and Agricultural Policy Research Institute, otherwise known as FAPRI. Findings of that study suggest that milk consumption could drop by more than 200 million gallons a year if compacts expand into the Mid-Atlantic and Southern states.

The damage doesn't stop there. It reaches into every corner of the nation. Because dairy farmers in compact states will get paid more, they will produce much more milk. If you doubt that, just look back to what happened when Congress pushed milk prices to unprecedented levels in the 1980's. Increased production and lower consumption will mean that the nation, which already had record milk production last year, will be awash in milk.

That impact is even worse for dairy farmers in states like Idaho, which are not covered by dairy compacts. First of all, their incomes will be drastically reduced because dairy compacts ultimately drive everyone else's milk prices down. As milk production increases and consumption drops in dairy compact states, the nation's milk surplus will grow and milk prices will fall. The University of Missouri study showed that dairy farms in states outside of dairy compact regions would lose $310 million in the first year alone. And that study was based on an unrealistically-low, minimum, dairy compact price hike. It also did not include all of the states covered by today's amendment. If all states are included and compact commissions boost prices as high as the proposed legislation would allow, the loss of income will be roughly four times as large as estimated by the Missouri study.

In addition, the overproduction in dairy compact states will flood the market in compact states with dairy products made from surplus milk produced in compact states. That means sharply less market access for low-cost, efficient dairy farms in the Upper Midwest, Plains, and Mountain regions. Just like all protectionist schemes, dairy compacts penalize efficiency and reward inefficiency.

If this seems hard to believe as we head into the 21st century, just remember this: by definition, dairy compacts prevent cheaper milk, produced by more-efficient farmers in noncompact states, from entering into compact states at less than the compact price. Dairy compact proponents argue that dairy compacts do not impose interstate trade barriers because they allow other states to sell milk into compact regions at the compact price.

Technically that's true. In practice, it's completely misleading. The problem with the argument is that the increased production caused by higher prices in compact states will virtually eliminate the local demand for milk from efficient producers outside of compact states. While the market remains open in theory, compact states will be saying to Idaho and other noncompact farmers, "sorry, but we don't need your milk anymore." Let's face it, dairy compacts are nothing more than a mean spirited attack on other states, skillfully disguised as a cure for small dairy farmers.

If the regional inequities and schisms created by interstate dairy compacts are not reason enough for my fellow senators to reject this amendment, then I hope you will vote against it simply because it violates the basic premises of our Constitution. The establishment of regional trade barriers through interstate dairy compacts would undermine the interstate competition that fostered the birth of the nation and that has been so critical for the sanctity of our Constitution. No amount of repeating the unsupportable claim that interstate dairy compacts are a manifestation of states' rights will make it so. The Founding Fathers would surely cringe if they were subjected to that argument in defense of dairy compacts. They knew that the nation would not last if they permitted some regions to be walled off at the expense of others. That's why they rejected an Articles of Confederation and chose a Constitution anchored by the Interstate Commerce Clause. That's also why three Constitutional scholars who appeared at a House Judiciary Subcommittee hearing last week testified against interstate dairy compacts.

If dairy compacts pit region against region in the Senate, damage dairy farmers in noncompact states, cause great harm to consumers, and undermine the Constitution, then why are we even having this debate? It should be an open and shut case. Perhaps it has to with the desire of some of my colleagues to do something for the small family dairy farmers in their states. That may be an important objective. However, make no mistake about it. Dairy compacts are a terribly inefficient and ineffective way of achieving that goal. If you want to help small dairy farms, this is the worst way to do it.

The chart on my right (left) makes this abundantly clear. Here are 14 of the 28 states that the proposed amendment would allow to join the Northeast and Southern Dairy Compacts. The chart shows that small farms—those with less than 50 cows—on average, would receive only between $1,100 to $5,200 a year from dairy compacts. This is hardly surprising since each farmer receives the same price increase for every gallon of milk they produce. Thus, the large farms receive huge subsidies, while the small farms receive only a drop in the bucket. The bottom line is that a few thousand dollars in extra income is not sufficient to ensure long-term economic viability for these small farms.

The Commissioner of Agriculture in Massachusetts, who is a member of the Northeast Dairy Compact Commission, seems to agree. Last October, he put before the Commission a formal proposal that would have redistributed the Compact's revenues away from big farms and to the small farms. The proposal, which was essentially dead on arrival, has never been adopted. Why? Because dairy compacts have nothing to do with saving small family farms.

For the sake of argument, however, let's assume that the primary goal of dairy compacts is to increase the incomes of small family farms. That would make sense since the Census of Agriculture reveals that in New England, Mid-Atlantic states, and the South, 76%, 86% and 88% of the farms that have left the dairy business since 1982 have had less than 50 cows. Clearly, small dairy farmers are the most vulnerable ones. Let's also assume, for the sake of argument, as compact proponents insist, that dairy compacts keep small farms in business.

Then we can answer the question: is this a good use of the public's money. If we look at the table to my right (left), we can see how amazingly inefficient dairy compacts are at transferring money to small dairy farms. The relevant question here is: how much do dairy compacts cost consumers for each small dairy farmers saved? The answers provided in the table are alarming. For the 14 New England, Mid-Atlantic and Southern states it takes anywhere between $90,000 and $632,000 a year in higher milk prices to provide a single small dairy farmer with a meager subsidy of only $1,000 and $5,200. At the extreme, for every one dollar of subsidy the compact gives to a single small dairy farmer, it costs the public roughly $632 in higher milk prices! $632 dollars spent to achieve a one dollar impact! That is truly a public policy embarrassment!

Is this really how the Senate wants to force the public to spend their money? I certainly hope not! Dairy compacts give new meaning to the expressions "bureaucratic ineptness" and "government inefficiency". Remember the legendary stories about the Pentagon spending thousands of dollars for a toilet seat? When you take the time to look at the evidence, it becomes clear that dairy compacts make those expenditures look efficient by comparison. This is surely not the legacy that any members of this body will want to carry with them through their careers.

In closing, this is no way to legislate dairy policy. We need to work on a national policy that is fair to all farmers and that makes us more competitive on the world market. Dairy compacts are anti-consumer, regionally divisive, anti-farmer, contrary to the heart of the Constitution, ineffective and hopelessly inefficient. I urge Senators to vote no on the Jeffords amendment.

Mr. President, again, when we think of dairy, oftentimes we think of Wisconsin, Minnesota, and Vermont. Let me tell you when we think that way, we are not thinking total because California, Texas, and Idaho are some of the leading dairy producers in the Nation. My State is sixth in the Nation right now and growing very rapidly into fifth place, and within a few years it could even be fourth place.

What is being proposed today is not good for our Nation's dairy industry. It is regionalism at its worst. It is establishing economic barriers that don't allow the reasonable flow of commerce, and while it is early on argued as good for producers, let me suggest that in the end when you create these barriers it is wrong and bad for producers. When we struggle to create agriculture policy in this country, we struggle to create uniformity.

In the dairy industry, uniformity is critically important for the growth and the overall strength of that industry, both for the producers and for the consumers.

I hope we will oppose the cloture motion.

Mr. President, I ask unanimous consent to print a chart on the effects of the compact on small dairy farms.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

DAIRY COMPACTS ARE THE WORST WAY TO TRY TO HELP SMALL DAIRY FARMS

State	Annual consumer cost of compacts (in millions)	No. farms with less than 50 cows	Annual compact subsidy per small farm	Annual consumer cost to save one small farm
AL	$20	52	$1,100	$385,000
CT	14	100	3,800	140,000
FL	43	68	2,500	632,000
GA	35	176	3,900	199,000
LA	16	143	4,000	112,000
MA	27	157	4,300	172,000
MD	25	256	1,200	97,000
MS	12	115	5,000	104,000
NJ	38	67	3,400	567,000
NC	35	180	5,100	194,000
SC	17	60	4,300	283,000
TX	82	603	2,900	135,000
VA	32	355	5,200	90,000
WV	12	134	4,700	90,000

The PRESIDING OFFICER. The Senator from Vermont has 1 minute.

Mr. JEFFORDS. Mr. President, I must state a deep disagreement with my friend from Idaho. We are not talking about any kind of limitations at all. The compact we have in Vermont allows anybody to be able to come and sell in our market. We are talking about the ability of States to do what California and Idaho already do because they are so large, and that is to have their own milk orders. All we want to do is be able to form together—and I point out that when the opposition asked OMB to make a determination as to whether or not our farmers were in any way, through this pact, violating anything, they came back and said it would even save money for some. Look at this chart. This is the end. This shows what happens. If you go with 1-B instead of 2-A, the whole country, including Idaho, loses money. Why my good friend wants to have his farmers lose money, I don't know.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JEFFORDS. I urge a vote for cloture so we can fully debate this.

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the motion to invoke cloture.

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending motion regarding the dairy compact amendment:

Trent Lott, Jim Jeffords, Susan M. Collins, John H. Chafee, Fred Thompson, Richard Shelby, Olympia J. Snowe, Christopher Bond, Jesse Helms, Paul Coverdell, John Ashcroft, Strom Thurmond, John Breaux, Jay Rockefeller, Arlen Specter, and Patrick Leahy.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to recommit the bill, S. 1233, with instructions to report back forthwith with an amendment, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 53, nays 47, as follows:

[Rollcall Vote No. 252 Leg.]

YEAS—53

Ashcroft
Biden
Bond
Boxer
Breaux
Bunning
Byrd
Chafee
Cleland
Cochran
Collins
Coverdell
Dodd
Edwards
Feinstein
Frist
Gorton
Graham
Gregg
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Jeffords
Kennedy
Kerry
Landrieu
Leahy
Lieberman
Lincoln
Lott
Mack
Mikulski
Moynihan
Murray
Reed
Robb
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Snowe
Specter
Stevens
Thompson
Thurmond
Torricelli
Warner

NAYS—47

Abraham
Akaka
Allard
Baucus
Bayh
Bennett
Bingaman
Brownback
Bryan
Burns
Campbell
Conrad
Craig
Crapo
Daschle
DeWine
Domenici
Dorgan
Durbin
Enzi
Feingold
Fitzgerald
Gramm
Grams
Grassley
Hagel
Harkin
Hatch
Inouye
Johnson
Kerrey
Kohl
Kyl
Lautenberg
Levin
Lugar
McCain
McConnell
Murkowski
Nickles
Reid
Roberts
Smith (OR)
Thomas
Voinovich
Wellstone
Wyden

The PRESIDING OFFICER (Mr. BUNNING). On this vote the yeas are 53, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. DASCHLE. Mr. President, I suggest the absence of a quorum.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1507

The PRESIDING OFFICER. The question is on agreeing to the Ashcroft amendment.

The amendment (No. 1507) was agreed to.

Mr. COCHRAN. I move to reconsider the vote by which the Ashcroft amendment was agreed to.

The PRESIDING OFFICER. In my capacity as a Senator from the State of Kentucky, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERTS addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

AMENDMENT NO. 1509 TO AMENDMENT NO. 1499

(Purpose: To make a perfecting amendment)

Mr. ROBERTS. Mr. President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. ROBERTS], for himself, Mr. SANTORUM, Mr. CRAIG, Mr. GORTON, Mr. BURNS, Mr. BROWNBACK, Mr. HAGEL, Mr. GRAMS, and Mr. GRASSLEY, proposes an amendment numbered 1509 to amendment No. 1499.

Mr. ROBERTS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. ROBERTS. Mr. President, we have had a great deal of discussion in regard to the kind of emergency assistance we would all like to see happen in the Senate. We have heard quite a bit of debate as to what is appropriate.

I have a package that has been endorsed by about six or seven Senators—Senator BURNS and Senator SANTORUM, more especially, who have been especially helpful—Senator CRAIG, Senator GRASSLEY, Senator GRAMS, Senator HAGEL, all of the cosponsors, to try to reach some accommodation. I am not sure, but perhaps we could conclude this debate and simply have a vote within, I would say, a half hour. I do not know what my friends and colleagues on the other side would say about that, but I make a recommendation and seek unanimous consent that debate on this amendment be for 30 minutes, with 15 minutes divided equally.

Could there be an agreement on that? I see the distinguished Democratic leader nodding his head.

Mr. DASCHLE. If the Senator from Kansas would yield.

Mr. ROBERTS. I would be glad to yield.

Mr. DASCHLE. I think a 30-minute timeframe, equally divided, would be appropriate. We have debated the issue now for some time. This is another iteration, in our view, that is completely unacceptable, but we would be happy to talk about it. Thirty minutes would be acceptable to us.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object, I ask the Senator from Kansas if the amendment has been made available to others of us on the floor. I think the Senator mentioned seven Senators he has worked with, but is the amendment available at this point?

Mr. ROBERTS. Basically, the amendment is the same as I have discussed with my friend and colleague, with the addition of $400 million for disaster assistance, after talking to the Secretary of Agriculture as of this morning. But we have a summary of the amendment, and we will endeavor to make as many copies as we can during the debate.

I think most of my colleagues on that side—and we have been trying to work together—understand what is in the amendment. But without question we will make the copies available to you.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, after the disposal of the Roberts amendment, it is my understanding that there would then be room for amendments; is that correct? I ask the parliamentary situation after the disposal of the Roberts amendment.

The PRESIDING OFFICER. Yes, sir, additional amendments would be in order.

Mr. McCAIN. I ask unanimous consent that my amendment be in order after the disposal of the Roberts amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object, could the Senator share with us what his amendment is about?

Mr. McCAIN. It is the elimination of the sugar quota.

Mr. DASCHLE. I have no objection to the offering of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. I thank my friend.

The PRESIDING OFFICER. The request is agreed to.

The Senator from Kansas.

Mr. ROBERTS. I thank the Chair.

I say to the distinguished Democratic leader, I would have hoped that he could have described my amendment as perhaps acceptable as opposed to the completely unacceptable amendment by the Senator from Arizona, and I would hope that would be the case.

It is my understanding now we have 30 minutes of time and 15 minutes on a side. I am going to yield time to the distinguished Senator from Pennsylvania who has been a real help to us in trying to put together an amendment that will be acceptable to all parties.

I do also thank my friends across the aisle, more particularly Senator DORGAN and Senator CONRAD and Senator HARKIN. We had a discussion yesterday. I know this amendment does not cross every "t" or dot every "i" in their eyes, but I would say to them that we on our side have tried to move at least to a compromise bill that could be worked out.

I had a telephone conversation with Agriculture Secretary Dan Glickman about 45 minutes ago. I want to point out that the Secretary of Agriculture, and many on the other side, and many on this side, have had the opportunity to work on many farm bills together.

There have been 13 emergency or supplemental bills in the last 10 years in regard to agriculture. That shows you the tremendous change that occurs in global agriculture. We have worked together on many of these bills. Secretary Glickman and I are very good friends. We have very strong differences of opinion from time to time; there is no question about that, but we have tried to work together as a team on behalf of agriculture.

In regard to this debate, I suggest to everybody that today is the day for compromise and teamwork on behalf of our hard-pressed farmers and ranchers. I do not think they want us debating over and over again the philosophy or the ideology in regard to farm bills. What they want is emergency assistance, and we can then address the problems that we have all talked about in regard to a long-term agenda on behalf of agriculture.

Today is not the day to express strong opinions about the current farm bill or assess blame or make the political rhetoric. We have had those days.

Today is the day to pass an emergency bill. Senators BURNS and GORTON and SANTORUM and GRASSLEY and GRAMS and HAGEL and I have offered an amendment, now endorsed by the National Association of Wheat Growers, the American Soybean Association, and the American Farm Bureau. Obviously, we have not had enough time to contact all of the commodity organizations, all the farm groups. But I think, without question, most of the farm groups, if not all, certainly support this approach.

What does it do? The purpose of this amendment is to provide direct income assistance to farmers and ranchers in the fastest way possible. I know my colleagues across the aisle would prefer a different way, or at least a portion of this assistance to come in a different way, in what is called the LDP program. That is an acronym for the Loan Deficiency Payment.

This amendment does provide the assistance through the transition payment, which will provide assistance to farmers in 10 days. We went the LDP route during the last emergency assistance—or to be more accurate, there was emergency assistance granted in the last emergency bill.

It took the Secretary of Agriculture 6 to 8 months to get assistance to farmers. We do not need to do that. So it is the fastest way possible. As I have indicated, it is through the structure called the additional transition payments that are contained in the farm bill. It does it with additional payments of 100 percent.

Let me say something about the 100 percent for those farms that are in program crops. It means not only do you get a transition payment; you get another transition payment 100 percent equal to that. I will venture to say, with that payment most farmers in America, in terms of wheat and corn and your basic crops—and, yes, in regard to cotton and step 2, which is another program—that extra income assistance will move those prices at least to the cost of production and maybe even more.

As opposed to other amendments, this approach that has been offered does not change current farm program policy. You do not need to rewrite the farm bill during the appropriations process or during an emergency bill.

You may have very strong beliefs about this farm bill. I do. But now is not the time to rewrite the farm program in regard to this emergency bill. We can do that next year. I hope we do not in the middle of an election year, but obviously people have strong beliefs. I do not believe this is the appropriate place.

The bill also provides assistance to soybean and oil seed producers. It provides assistance to livestock producers, to cotton producers, with regard to the step 2 program that has been so eloquently described by the distinguished chairman of the Appropriations Committee, Senator COCHRAN, and to specialty crop producers and others who do not receive program crops.

I say to Senators paying attention—I hope they are, either in their officers or wherever they are—all of you who represent farmers who do not have program crops not covered by the farm bill, this amendment provides the most assistance to those who are in specialty crops and others. We do not go down every commodity and raise amendments such as the one that is going to be introduced by the Senator from Arizona. Some of these commodities, some of these programs raise a lot of objections. We have had historic debates in that regard. Let's not go down that path. We give money to the Secretary of Agriculture for specialty crops. Only the USDA can determine which of those crops, which of those regions really need the assistance. I think that approach is best.

Most important, it contains funds for crop insurance reform to keep the crop insurance premiums at current levels. We reduced them last year. They will spike up again. So we have money to keep those at that level.

I tell my colleagues, finally, those of us who have tried to keep this bill under $7 billion for budgetary concerns, we have also provided another $400 million for disaster assistance as a result of talking to the Secretary of Agriculture, who was in West Virginia with Senator BYRD yesterday. We have all seen on television the effects of drought. Anybody who comes from farm country understands the effects of drought. Secretary Glickman said: I need money immediately. So we provided $400 million. Will it be enough? I don't know. But at least in terms of that request, I think it is appropriate. As I say, Secretary Glickman was in West Virginia with Senator BYRD, and the need is very crucial. That brings the total of the package to $7.5 billion, but we have a drought on hand and we have an emergency.

All this assistance is provided without each commodity or specialty crop coming to the table in a bidding war. We have already had that, reopening, as I have indicated, the historic and unneeded debates of the past. Instead we have emergency assistance that will provide farmers needed assistance down the road. If you want to look at farm program policy in future debates with hearings, perhaps that is appropriate.

How much time does the Senator require?

Mr. SANTORUM. Three minutes.

Mr. ROBERTS. Mr. President, might I inquire how much time remains?

The PRESIDING OFFICER. Seven minutes.

Mr. ROBERTS. I yield 3 minutes to the distinguished Senator from Pennsylvania, who, I might add, is a valuable member of the Agriculture Committee and who talks with us continually about farmers who are not in the program crop arena, the value of crop insurance, and the value of disaster assistance, because there are some areas of the country that need assistance that are not covered by the farm bill. I thank the Senator for his contribution.

Mr. SANTORUM. I thank the distinguished former chairman of the House Ag Committee and obviously one of the most knowledgeable people on agriculture in this country. It has been a pleasure to work with him.

To pick up on the point he just made, I will speak to Senators who do not come from areas which have program crops, places such as Pennsylvania, many of them, places such as Pennsylvania, New York, and Maryland, and most of the New England States, where previous emergency packages had very little to offer for those of us who have farmers experiencing difficulty in that area of the country.

Obviously, we are experiencing horrible difficulties with the drought that is occurring in the Mid-Atlantic region. I did not vote for either of the packages yesterday because I didn't think they offered anything of real value to the farmers that I represent and to the region of the country that I try to represent on the Agriculture Committee. But this package does.

Three things the Senator from Kansas just mentioned: No. 1, the money for specialty crops—most of the crops that are grown in Pennsylvania are specialty crops; they are not program crops—$300 million; $400 million for help with crop insurance premiums. We need to get more people in the Crop Insurance Program in Pennsylvania. If my farmers said one thing to me overwhelmingly, it was: Of all the things you can do to help us, give us some money to help us begin to get into crop insurance, to begin to insure ourselves against these losses and against the fluctuations of the market.

Farmers want to be self-sufficient. They don't want disaster payments. They don't get AMTA payments. What they want is some mechanism where they can begin to control their destiny and ensure some income for their family. That is what we are trying to do, to help them in transitioning.

Finally, $400 million, as the Senator from Kansas just mentioned, for disaster assistance for this year's 1999 crops. Obviously, we have no idea what the extent of the drought is going to be and the damage, but it is going to be extensive. It is going to be very tough on our farmers in Pennsylvania and throughout the Mid-Atlantic States.

I say to all those Senators who represent that area of the country, you now have a bill you can vote for that is going to do something meaningful for your farmers. I hope we can get bipartisan support for this amendment and get this acted upon quickly.

I thank the former chairman and distinguished member of the Agriculture Committee for his terrific work on this amendment.

Mr. ROBERTS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I will take a couple of minutes, and I think my colleague, perhaps both of my colleagues, would like to add a comment.

My hope has been, and still is, that we will have a bipartisan solution to this issue today. This is not such a solution.

A number of discussions have taken place with a number of Senators from both sides of the aisle. We face the same crises: collapsed prices in rural America and a drought that is spreading across our country.

There is not a Republican or a Democratic way to go broke on the family farm. It is just human misery and tragedy that allows those to lose their hopes and dreams and lose their farms because of economic collapse in Asia or price collapse in the U.S. or the worst crop disease of a century or a wet cycle that means 3 million acres can't be planted in our State this spring. It is not the farmer's fault. So we need to do something. The question is, What do we do?

We have had several different plans. This is the third, I guess, that will be voted on in the Senate. It is short on disaster aid, as we know. We know there is a disaster occurring. Turn on the television set and listen to the newscasts. They say it is the worst drought in a century in some parts of this country. We might as well be prepared to face that. We ought to add some of that to this legislation.

Second, my colleague, in his presentation of the amendment, talked about dollars going to producers immediately. As we all know, AMTA is going to get dollars to people who aren't producing. That is one of the problems. AMTA is a payment scheme based on 1991 and 1995 production history. They are going to be sending money to the people who aren't producing anything.

One other point: My expectation is that this amendment does not change the payment limits. I wonder how many of my colleagues know that the potential, under this approach—and I am able to be corrected, if I am inaccurate—the potential under this approach is to pay $460,000 essentially to a farmer, $460,000 as a new payment limitation. The $80,000 payment limit under current law is doubled. So for AMTA and LDPs, the potential is $460,000 for a producer.

Who wants to tell a wage earner in some community someplace that we want you to pay taxes so we can give a little help to family farmers? And by the way, some might get $460,000. What kind of a payment limit is that? How does one describe this as help to family-sized farms?

We don't need to help agrifactories in America. We don't need a Department of Agriculture. We don't need a farm program. If our future is in agrifactories, we don't need to construct these kinds of programs or have a Department of Agriculture, for my money.

The purpose is to try to protect and help and nurture family farming as an enterprise in this country because it strengthens our country. But $460,000 in payment limits? A potential farmer will get $460,000? What kind of nonsense is this? My expectation is that it is still part of the amendment. My hope is that we will still have an opportunity for a bipartisan solution today.

Those of us who come from farm country, in both the Republican and Democratic Parties here, serve the same interests, have the same desire, and have the same passion to try to help family farmers get through this troubled period.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Eleven minutes 20 seconds.

Mr. HARKIN. Mr. President, I wonder if my friend from Kansas will yield for a couple of questions so I can better discern what we have here. I ask the author of the amendment exactly how this differs from the last package, the Cochran amendment, which is set aside right now. As I look at it, the difference between this package and what we voted on yesterday, the Cochran amendment, is $400 million for crop insurance premium reductions and $400 million for disaster payments for 1999 crop losses. Is that correct?

Mr. ROBERTS. That is correct. That is not all of the differences, but the Senator has accurately described two of the differences.

Mr. HARKIN. Well, I have looked at other things in the bill and I can't find any differences other than that.

Mr. ROBERTS. If the Senator will yield, what we tried to do with the approach, rather than specifically mentioning some of the crops that have been in controversy on the floor from time to time—and I am talking about sugar and peanuts and tobacco—we have simply provided a fund for the Secretary of $300 million for specialty crops and others not specifically mentioned elsewhere in the amendment.

In talking to Secretary Glickman as of this morning and going over specified funding for these crops, which may or may not need assistance in regard to weather problems or lost income problems, he indicated he would rather have that at his discretion. After all, it is the USDA, in the end result, that would be able to determine at the end of the crop years, after harvest, specifically what the situation is.

When I mention specific numbers for these particular programs, I am not going to indicate that the Secretary is endorsing this bill in total by any means, but I think his preference would be that he would have the discretion to address these as needed, as opposed to saying we are getting X number of dollars for this particular program. Then we get into a bidding war, and the Senator knows that is what has happened in the past.

Mr. HARKIN. Again, I ask the Senator, there was, if I am not mistaken, in the Cochran amendment $300 million for specialty crops; is that right? I thought that was in the Cochran amendment.

Mr. ROBERTS. If the Senator will yield, I don't have a copy of the Cochran amendment with me. In our original amendment it was $200 million. We increased that to $300 million. The Senator may be correct.

Mr. HARKIN. I am told it was $50 million in the Cochran.

Mr. ROBERTS. That is correct. I thank the Senator for reminding me.

Mr. HARKIN. The other point—and, again, I ask the Senator; maybe he can't figure it out now, but maybe his staff can pencil it out—as I look at the bill, you have reduced the livestock and dairy portion of the Cochran amendment from $325 million to $250 million.

Mr. ROBERTS. If the Senator has those figures, I am sure that is correct.

Mr. HARKIN. I am just looking, and it is hard to discern things sometimes in these bills. I am told by my staff the total amount of funds for livestock is reduced from $325 million to about $250 million. If I am wrong, correct me.

Mr. ROBERTS. I now have staff here; I now have my brains on the floor, so I am happy to respond.

Mr. HARKIN. In examining this amendment now before us, the difference is about $800 million, give or take a little bit. So while the package yesterday was about 6.9, this raises it to about 7.7, if I am not mistaken.

My opinion on this, Mr. President, is that while we are making some movements here, I think things are working right.

I yield again to my friend from Kansas.

Mr. ROBERTS. Mr. President, it is my understanding that the Cochran amendment had—I apologize to my friend and colleague because I don't have the specifics of the Cochran amendment here, and I should. Staff has informed me that there was $350 million for livestock payments at the discretion of the Secretary, and we provided $250 million. I am making an assumption, but most of the problems we are experiencing now are in the Senator's area in regard to hog producers.

In talking with Secretary Glickman today, I don't think we can make a determination yet as to where most of that money would go—the extra $100 million, if in fact we can call it extra. Well, it goes from $350 million to $250 million. It went to crop insurance, and it went to adding $100 million more on the disaster side. It was a matter of priorities.

Mr. HARKIN. I thank the Senator for clarifying that.

Again, I make the point that I think we do see some movement. I am still hopeful we can reach a decent compromise on these packages. I believe that is accomplishable. I think we can accomplish that.

I might just say that I think the $400 million in disaster payments for this year, I say to my friend from Kansas, is still inadequate, too low. From all of the indications we get from disasters up and down the east coast, in the Mid-Atlantic States, plus some of the disaster we have had out in North Dakota and other places, and flooding, as we have had in my State of Iowa, $400 million is simply not going to be enough to handle the disasters this year. I think we need to work a little bit more on that in terms of disaster payments for this year.

The $400 million you put in for the crop insurance, I applaud. We had that in our bill. I think that is a good measure. I am a little concerned about the payments for oilseeds. Here is where we get into the policy issue on the AMTA payments and LDP.

Mr. ROBERTS. May I ask a question of the Senator? Would he yield for a question?

Mr. HARKIN. I think I am probably running out of time.

Mr. ROBERTS. I will make it brief. We have $400 million for the disaster program. That is a commitment to agriculture to know that the Secretary can begin to work on the problem in the Atlantic States. That doesn't mean if down the road we have continued droughts—it is the worst in a hundred years in the Atlantic region—that we will not be committed to doing what we have to do. But to do it here, we have no way of knowing what that crop damage will be. So I urge the Senator to say here is $400 million in regard to all of the problems we are experiencing in terms of national disasters, and it doesn't mean that down the road that could not be addressed; we just don't know at this particular time. I don't think it would be responsible to add a whole bunch more money when we don't even know.

I thank the Senator for yielding.

Mr. HARKIN. I appreciate that. We can work on that. The Senator may not be wrong on that. That may be closer to what we probably should be doing. There are other things in that disaster part I tell the Senator to look at. We did not completely fill the needs of last year's disaster. I think the Senator from North Dakota can talk about that. We had about $300 million in our bill just to meet the disaster needs of last year that were not fully paid for. So I ask you to look at that. You may be right on not anticipating or knowing exactly where the Mid-Atlantic States are right now. But there are other things we had in our disaster bill that we do know about and that do need to be addressed.

Lastly, I want to say again, on the payments to oilseeds, which is in the Senator's bill, which is about $500 million, this really gets to the heart of whether we should have all AMTA payments or some mix of that and LDPs. Under AMTA payments, of course, you don't get any payments for soybeans. Under LDP, you do. Under the proposal we had, which our side offered yesterday, under LDP, we estimated there would be about $1 billion that would go to soybean producers for their losses this year. Under the amendment offered by the Senator from Kansas, there is $500 million in payments to all oilseeds, including soybeans. So we had not only $1 billion in the LDP, we had about $1 billion in purchases. So the $500 million is about a fourth of what we estimated the need would be for oilseeds.

That is why I still hope we can reach some compromise on having a blend of AMTA payments and LDP payments, because I think LDP payments would more adequately respond to the needs of oilseeds than would a $500 million payment.

Other than that, as I said, I think there is some good progress here, and I think there is some basis for reaching some kind of compromise agreement before the Sun sets today.

I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). Who yields time?

Mr. CONRAD. Mr. President, I yield time off the Democratic side.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, we are making progress. I can feel the concrete breaking. I don't think we are quite there yet because at this point this is not a bipartisan proposal before us. There has not really been a negotiation between the two sides. There has been a negotiation on the other side.

There are a number of things I believe are deficient in terms of the proposal that is before us. We do not keep the promise of the disaster package of last year. We devised a formula. We didn't fully fund it. The result was that people got 85 percent of what was promised.

No. 2, there is not sufficient money for the crop losses that are occurring now. Some say, well, we don't know the full amount. That is true. But I can tell you that we know enough to know that $400 million is not going to solve the problem. In my State alone, we know the flooded land losses. We absolutely know what has occurred there. Three million acres have not even been planted and millions more planted late.

In the Democratic alternative, we have $250 million for flooded lands. I don't see anything specifically set aside in this proposal—not $1 is set aside—specifically to address the problem of flooded lands. That is just not acceptable. Partly because of the way this came about, I suppose it is the result.

We have not had a true discussion. We basically had the other side saying this is it, take it or leave it. On that basis, we don't have much choice but to leave it because it does not address the needs of the people we represent.

I say that as a preface to the remarks that are more positive; that is, there are some very good parts of the proposal the Senator has advanced, the chief being the crop insurance of $400 million. That goes in exactly the right direction.

The PRESIDING OFFICER. All time of the opponents has expired.

Mr. COCHRAN. Mr. President, may I inquire how much time is available?

The PRESIDING OFFICER. The Senator has 4 minutes remaining

The Senator from Kansas.

Mr. ROBERTS. Mr. President, I yield 1 minute to the distinguished Senator from Montana, Mr. BURNS, who has worked very hard on this proposal.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank my friend from Kansas. I will be very brief.

I do not know of any piece of legislation that has ever been proposed having to do with agriculture that has been perfect. If there is one place where it is hard to find a one size fits all, it is in this business of agriculture because we are diverse in climate, in growing conditions, in crops, and everything else. It is pretty tough to find that perfect bill.

What we have sought is balance. On balance, I think this addresses the needs as we think they are now, and also it is a step towards what we think it will be at the end of the crop year. I think it is very important that the commitment to agriculture is here. Without changing programs, putting cash on the farm as fast as we possibly can is in this piece of legislation.

Let's take it for what it is. Sure, we can sit and pick it apart. Yes, we would like to see some things changed for Montana that won't fit the things in Mississippi. But I think what we have is balance.

With the leadership of Senator ROBERTS and Senator CRAIG, and a lot of us who have worked very hard on this for a long time, knowing the prospects in front of us, I thank them for their leadership.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, I yield 1 additional minute to the distinguished Senator from Idaho, Mr. CRAIG, who has also worked extremely hard on this compromise.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, in the course of the last 2 days, we have attempted to understand and define the situation in agriculture. The chairman of the Agriculture Appropriations Subcommittee yesterday did an excellent job of crafting a package that goes to the heart of the problem.

Yesterday, I had hoped we could include crop insurance in it so we could keep that management tool alive, shaping it so that it becomes more usable to farmers, so that we are not here again after a disaster occurs trying to define that disaster. As we have heard in conversation this morning, it is nearly impossible to define at this time.

This particular amendment offers $400 million to maintain the 1999 level for crop insurance premium writedowns. It also deals with speciality crops in a way that I think is very important in understanding farming diversity. At the same time, it still strikes that balance in working to limit well beyond what those on the other side had offered, and I support it.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I move to table the amendment and ask for the yeas and nays.

Mr. ROBERTS. Mr. President, can I ask the distinguished Senator, if I could finish up my time?

Mr. COCHRAN. I thought the chair had announced that all time had expired.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. COCHRAN. I apologize to the distinguished Senator.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. I may go step 1 instead of step 2.

Mr. President, on the definition of "bipartisan," bipartisan is where you accept our view and not your view, and different Senators can define that depending on their strong opinion.

Let me point out that when this started, the amount of funding was somewhere between $4 billion and $5 billion, and many thought that was too much. It is now $7.5 billion. If that isn't compromise, and some would think in the wrong direction, I don't know what compromise is.

Let me point out that Senators came to me from both sides of the aisle. This has not been exclusively a Republican initiative by any means. They worried that too many of these programs were not specified, and they had a lot of problems with those individual programs.

Let me point out that when I met with my good friends and colleagues in that Cloakroom and discussed this issue for about 20 minutes, if that isn't bipartisan, colleagues, I must have been in the wrong Cloakroom.

Now we are into a discussion as to whether or not there is enough disaster assistance when the Secretary of Agriculture indicated that $400 million was at least a first step for him to take a look at it. Then we are into these acronyms of LDP and AMTA. That is why people's eyes glaze over when we have any debate on farm program policy. We ought to give the money out. Under AMTA, you get it in 10 days. Under LDP, it takes months. We are arguing about acronyms and we are arguing about numbers.

Let's get the assistance to farmers and end this debate and don't change the farm program policy.

I yield the floor.

Mr. COCHRAN. Mr. President, has all time been yielded or used?

The PRESIDING OFFICER. All time has expired.

Mr. COCHRAN. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1509. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Florida (Mr. MACK) is necessarily absent.

The result was announced—yeas 66, nays 33, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS—66

Akaka
Baucus
Bayh
Biden
Bingaman
Bond
Boxer
Breaux
Bryan
Bunning
Byrd
Chafee
Cleland
Cochran
Conrad
Coverdell
Daschle
Dodd
Domenici
Dorgan
Durbin
Edwards
Feingold
Feinstein
Frist
Graham
Gramm
Gregg
Harkin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McConnell
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Sessions
Shelby
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—33

Abraham
Allard
Ashcroft
Bennett
Brownback
Burns
Campbell
Collins
Craig
Crapo
DeWine
Enzi
Fitzgerald
Gorton
Grams
Grassley
Hagel
Hatch
Hutchinson
Inhofe
Kyl
McCain
Murkowski
Nickles
Roberts
Roth
Santorum
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas

NOT VOTING—1

Mack

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, as I understand it, the order is the Senator from Arizona will offer an amendment at this point. My purpose for rising is to confirm that and also to ask if we can get an agreement to limit time for debate on the McCain amendment.

The PRESIDING OFFICER. The Senator is correct, that is the order.

The Senator from Arizona.

AMENDMENT NO. 1510 TO AMENDMENT NO. 1499

(Purpose: To prohibit the use of appropriated funds for the sugar program, other than the marketing assessment)

Mr. MCCAIN. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for himself and Mr. GREGG, proposes an amendment numbered 1510.

Mr. McCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. 7 . SUGAR PROGRAM.

(a) IN GENERAL.—None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272), other than subsection (f).

(b) MARKETING ASSESSMENT.—Notwithstanding any other provision of this Act, funds appropriated or otherwise made available by this Act or any other Act shall be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out and enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f) through fiscal year 2001.

Mr. McCAIN. Mr. President, if it is agreeable with the distinguished managers on both sides, I offer a unanimous consent agreement for 1 hour equally divided, 30 minutes on either side.

Mr. SPECTER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I ask unanimous consent that following the disposition of the McCAIN amendment, I be recognized to offer an amendment on dairy compacts.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Reserving the right to object, I was not able to hear what the Senator from Pennsylvania was suggesting. Will the Senator repeat the request?

Mr. SPECTER. Mr. President, if I may respond to the distinguished majority leader, I have been trying to get this amendment up. In order to get it sequenced, I have asked unanimous consent to bring up an amendment on dairy compacts. A number of Senators intend to discuss it briefly and not to press it to a vote because it is legislation on an appropriations bill, but we think it important to consider the matter so it may be taken up in conference.

Mr. LOTT. I withdraw my reservation.

Mr. FEINGOLD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Is there objection to the request of the Senator from Arizona regarding time? Is there objection?

Mr. CRAIG. Mr. President, reserving the right to object, did we agree to an hour equally divided?

The PRESIDING OFFICER. Is there objection?

Mr. SCHUMER. Mr. President, reserving the right to object, and I will not, I want to let my colleague, the Senator from Wisconsin, know that I have been working with Senator SPECTER on this issue.

Mr. McCAIN. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. Regular order.

Is there objection to the unanimous consent request?

Without objection, it is so ordered.

Mr. McCAIN. I ask to be recognized for as much time as I may use.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I have offered this amendment for myself, Senator GREGG—I am sure Senator FEINSTEIN—that will prohibit the Agriculture Department from using Federal funding for administering the various and sundry programs that benefit the sugar industry. This amendment is carefully tailored by just cutting off funds so that it is not in violation of rule XVI.

The amendment is to send a strong signal to my colleagues that it is time to end the heavily subsidized sugar program. The Federal Government is burdened with an unnecessary and unprofitable loan program for big sugar producers and enforcing mandated import quotas on foreign sugar.

The sugar program has long since outlived its purpose. It was originally enacted in the Depression era to aid our flailing economy. As our economy resurged, the need for sugar subsidies diminished. Congress recognized this by eliminating the program in 1974, but proponents of the sugar program were able to resurrect it in 1981 proving again that in this city nothing is ever effectively killed if it is subsidized to special interests. Efforts were made to abolish the program once again in the 1996 farm bill, but defenders of the sugar program kept it alive and even extended it.

The sugar program is a system of Federally-subsidized loans, import restrictions and protective price supports that equates to little more than corporate welfare. The present program restricts foreign competition and ensures a high domestic price for sugar far in excess of world prices. The Agriculture Department also guarantees loans for sugar processors and producers that may not be fully repaid in dollars back to the Government. The current law allows loan borrowers to pledge sugar as collateral to satisfy repayment obligations.

Several independent reviews of the sugar program have demonstrated that the biggest economic burden of this program falls on the American taxpayers. The Heritage Foundation stated that "the sugar program is big government and corporate welfare at its worst." Given the big government and corporate welfare we have in this town, that is a pretty impressive statement. The Coalition for Sugar Reform, counting among its members such groups as the National Audubon Society and Citizens Against Government Waste, and others, has touted this program as burdensome and unfair to the consumer. These groups are leaders in advocating for reform and eventual elimination of this costly subsidy.

The continuing existence of the sugar program has resulted in U.S. consumers paying three times the current world price for sugar and sugar-contained products. The General Accounting Office estimates that sugar price supports force American consumers to pay $1.4 billion every year in artificially inflated sugar prices. Mandatory price quotas keep the price of American-grown sugar at roughly 22 cents a pound compared to 6 cents a pound for sugar grown in other parts of the world.

This is truly outrageous. Defenders of the sugar program support these inflated consumer prices by claiming that the sugar program is critical to the viability of our domestic sugar industry. Reports have shown that we are hurting our viability as a domestic sugar industry by continuing this program because America's farmers cannot compete with foreign markets and are forced to close sugar refineries. Since this program has been in effect, 12 of the 22 U.S. sugar refineries have been forced to close, eliminating thousands of jobs.

In the February 1998 Reader's Digest, there is a story about the Nation's largest candy-cane manufacturer opening a plant in Jamaica in order to stay competitive with foreign companies. Sugar prices in Jamaica are as much as 50 percent cheaper than in the U.S.

Yet, the sugar program continues to reap benefits for a small sector of the sugar economy. Only by political clout has this corporate welfare program survived.

A close examination of this program reveals that its true benefits are only realized by big sugar tycoons. Less than one percent of the Nation's sugar growers gobble up 58 percent of the program benefits. These are not small family farmers. In a recent year, 33 cane sugar growers obtained more than $1 million each from this Government boondoggle. In fact, one grower received $65 million.

The average consumer is not aware that food products, like candy, cereal or ice cream, are subject to a higher price dictated by the Federal Government—and it is a price that is likely to be twice as high because of sugar price supports. Not too many average grocery shoppers realize they are paying at least 10 cents more per pound of sugar because of these costly sugar mandates.

We cannot ask American consumers to continue to pay more for sugar than the rest of the world. This richly sweet program for big sugar producers has a sour aftertaste for average citizens and our Nation's economy.

What I am proposing, because of rule XVI, is simply a one-year halt to the sugar program. The American consumers would be held harmless for one year to give us time to undertake a long overdue debate on legislation to reform and phase out the sugar program.

This amendment retains the sugar industry's responsibility to pay a miniscule assessment on domestic sugar, although I would be glad to eliminate that. I do not think that is a very important aspect of this amendment. With all the benefits received by the sugar industry, this relatively small assessment is supposed to be the sugar industry's sole contribution to reducing annual budget deficits. Last year, this assessment generated $37.8 million in revenues. With all that the Federal Government and the American consumers have spent over the years to support this inflated sugar program, this modest return of revenues to the treasury is certainly warranted, although I would be glad to eliminate it.

I believe we should end the subsidies to the sugar industry and eliminate the sugar program that is unfair to consumers. I urge my colleagues to support this amendment and bring fairness back to our American consumers.

Mr. President, in the New York Times of Monday, July 14, 1997, they talked about:

> . . . $1.5 billion a year from consumers to a handful of large sugar growers. Almost half of the benefits from the sugar program go to little more than 1 percent of growers. . . .
>
> There is a second, powerful reason to eliminate sugar subsidies. They breed excessive production of sugar cane in environmentally sensitive areas. In the Florida Everglades, about a half-million acres of wetlands have been converted to sugar cane production. Excessive sugar cane production has interrupted water flows and contaminated the Everglades with polluted agricultural run-off.

When I argue for campaign finance reform, I refer to a well-known family in Florida that has realized the American dream, the Fanjul brothers. Alfonso Fanjul is the chairman and chief executive officer of Flo-Sun, a prominent Democrat who cochaired President Clinton's 1992 Florida campaign.

Jose "Pepe" Fanjul, is a prominent Republican who served on the campaign finance committee of 1996 GOP Presidential candidate Bob Dole. He also is vice chairman of the National Republican Party's finance committee.

They are major—major—givers of soft money, major contributors.

I will include in the RECORD that during the 1995–1996 election cycle, members of the Fanjul family contributed $774,500 to Federal campaigns. It is an excellent investment. In return, a grateful Congress maintains a sugar price support program worth approximately $65 million annually to the Fanjuls.

That is a pretty good investment; and they are getting a great return on it.

Mr. President, I reserve the remainder of my time.

Mr. GREGG. Will the Senator yield?

Mr. MCCAIN. Mr. President, I think we have to go back and forth.

Mr. CRAIG. Mr. President, I am willing to accommodate the Senator from New Hampshire. I understand he has a time conflict.

Mr. MCCAIN. I yield 10 minutes to the Senator.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Chair.

I thank the Senator from Arizona and appreciate the opportunity to join him on this amendment which is one of those amendments that comes to the floor of the Senate supported by logic, common sense, and good economics, but is opposed, regrettably, by the forces who wish to take advantage of the farm program for the purposes of promoting a product in a noncompetitive, nonmarket-type process.

The Senator from Arizona has outlined some of the harm that is done by the President's sugar program. Most of that harm is directed at the American consumer who ends up paying $1.4 billion in taxes for all intents and purposes because it is a fee, a cost of sugar, they now incur which exceeds the market price of sugar they end up paying—a $1.4 billion surcharge on the American consumer in order to keep in place a sugar industry which is totally noncompetitive.

If you were to describe the sugar industry, you would think you were describing the Cuban sugar industry, not the American sugar industry. The sugar industry sets the price. The price is at least twice the cost of sugar on the world market. And then essentially it guarantees that the sugar grower and the processors will be able to realize that price.

Who pays the burden? The consumer. They end up paying twice as much for sugar as sugar is worth on the open market. What does that describe? That describes a nonmarket system of selling a product. That describes essentially a socialist system of selling a product. That describes a system that might have worked in Eastern Europe 15 years ago or might have been used in Eastern Europe 15 years ago—it obviously didn't work—or a system which may still be in place today in Cuba. But it certainly doesn't describe a system one would expect the United States, the force for a free market economy in the world, would be putting forward for the purposes of producing a commodity such as sugar. The effect, however, goes well beyond the fact that consumers in America are paying this $1.4 billion in extra cost, which is essentially a tax on them.

This sugar program stifles competition. Seventeen growers get 38 percent of the benefit of this program, 17 growers. Why is that? Because there isn't any competition in the system. It discourages international trade. We look at our Caribbean neighbors and we say: How can we help you? Then we essentially invade Haiti and spend literally hundreds of millions, if not billions of dollars to try to stabilize that economy to no avail, where at the same time we are saying to Haiti and all the other Caribbean nations who are capable of producing sugar, no, we are not going to purchase your sugar because we are going to subsidize our sugar, and we are going to essentially close you out of our markets.

It harms the environment. As has been pointed out by the Senator from Arizona, the sugar cane growing in Florida has had a serious impact on the quality of the environment of the Everglades, a key area of natural regeneration in the southern Florida area.

It affects jobs. Why does it affect jobs? Because if you don't have a competitive industry, you don't have a marketplace approach, you are essentially putting in a straitjacket the production capabilities of the American economy.

Why is America the most productive country in the world? Because we are the most free market country in the world. That free market creates jobs. People have the opportunity to compete. People have the opportunity to grow their industries. In the sugar industry, we have no competition because we have a process which is essentially a socialized system, and it requires unnecessary government involvement in the production of a commodity.

Why should the American people have to depend on the Federal Government to price the product of sugar? It makes absolutely no sense. Why shouldn't the marketplace price the product of sugar? That is what we do with everything else. If you go out and you buy a Ford car, the Federal Government doesn't say to Ford: It doesn't matter how many cars you sell or who you sell them to, we are going to pay you $20,000 per car; and if you only sell the cars for $17,000, it doesn't matter because we are going to pay you $20,000 anyway.

We don't say it to Apple Computer. We don't say it to Microsoft. We don't say it to the housing industry. But we do say it to the sugar producers in this country. It doesn't matter how much sugar you produce; it doesn't matter if your production costs are twice what they may be in the world market; it doesn't matter. We are going to set the price. We are going to pay you the price and the price is going to have no relation to demand. It is going to have no relation to competition. The only thing it is going to have a relation to is the amount of revenue that is going to fall into the pockets of a very small number of growers in this country today who benefit from this program.

It is interesting, as we look at the farm programs in this country, there is only sugar left that has this sort of a protection. It is able to accomplish this because it has diffused the issue of the maintenance of this outrageous subsidy across the entire American consumer base. Rather than having it flow directly out of the American Treasury into the growers' pockets, this program has been structured so that it flows directly out of the consumer into the growers' pockets. Because of that, there has been a winking at this program; this program has sort of slipped through the cracks, where the rest of the farm commodities in this country have been forced to have some relationship, under Freedom to Farm, of having their product production tied to the product demand. Sugar has not been subjected to that test at all.

So we have a program that should never have been put in place in the first instance because it is so atypical to a marketplace economy. But clearly, with the passing of Eastern Europe and the concept of a socialized marketplace, it clearly should not be surviving today, yet it does survive.

I think the Senator from Arizona may have touched the reason. It is political influence. It is the capacity of the grower community to assert its influence within the legislative process. But it still is not fair, and it is not right. It is not appropriate to ask the American consumer to spend $1.4 billion of their hard-earned money on a commodity simply to benefit a small group of growers—17 growers getting 38 percent of the benefit.

That $1.4 billion could go a long way towards educating children, towards getting better child care, towards improving the lifestyle, the health care, even the nutrition of the people who are paying that price. Yet that money is not going to go to those purposes. Instead, that money is going to flow simply to support an industry which has totally separated itself from the free market.

I strongly endorse this amendment. I have offered it in the past myself. I hope this time the Congress will step up and recognize that it should vote on behalf of the consumers and abolish this outrageous tax and put to rest this last vestige of Eastern European economics in the United States.

Mr. President, I reserve the remainder of my time to the Senator from Arizona.

The PRESIDING OFFICER (Mr. BURNS). Who yields time?

Mr. CRAIG. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. CRAIG. Mr. President, I would like to tell the Senators from New Hampshire and Arizona that this is a sweet deal, but I can't say that because they are obviously deadly serious and, in my opinion, are dramatically misrepresenting a program that has not slipped through the cracks at all. It was negotiated and put in the 1996 farm bill to benefit hundreds of growers in my State and in other States across the Nation. It is to develop a program that doesn't cost the taxpayers of this country one dime.

For the Senator from New Hampshire to say that a consumer goes to the marketplace and buys a candy bar, and therefore is paying a government tax is false on its face and false by its fact. They are paying what the candy bar company retails the product for.

Let me repeat for the record and for all listening, sugar farmers, cane or beet sugar raisers, in this country do not receive one Government payment. There is no subsidy involved. Instead, there are loan programs they can use for marketing purposes, and they pay them back with current interest rates. The Senator from Arizona knows that. That is the way the program works. He is striking that out, but he is leaving the assessment in place. So he is saying: You can't have a relationship to your Government where we are going to tax you if you raise or produce sugar in this country.

USDA estimates the sugar program saves taxpayers $500 to $700 million per year in deficiency payments on corn farmers and others who are paying an added 25 cents for the value of that product. These are the facts with which we are dealing. Governments of all sugar-producing countries have directly intervened in their production and have dramatically subsidized that production, driving down prices in the world market. Those are the facts that our growers deal with on an annual basis. American workers in 42 States benefit from the sugar policy. The sweetener industry has a positive annual impact of about $26.6 billion in the U.S. economy, and they add about 420,000 jobs to that economy.

Here is the strange fact: You are being told sugar producers are making lots of money and the consumer is paying for it.

When we passed this new farm program in 1996, from that time forward, the price of cane sugar has dropped about 5 percent to the producer. The cost of beet sugar has dropped about 13 percent.

Now, it is interesting that sugar products have gone up 20 to 30 percent, so the consumer is paying more, but the producer is getting less under this program. So when you have a Senator standing on the floor saying the producer is making out like a bandit, well, if a 13-percent reduction in beet costs and a 5-percent reduction in cane is real—and it is—who is making out like a bandit? I guess it is the retailer or manufacturer that has nothing to do with this. It is the marketplace at work.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I yield myself 10 minutes.

I rise in support of the McCain amendment. I first got involved in the sugar program when the last remaining West Coast sugar refinery came into my office to essentially say they were in the process of being put out of business by this program because they could not buy enough sugar on the world market to refine it. That refinery is C&H Sugar. I found that the sugar program is little more than a system of import restrictions, subsidized loans, and price supports that benefit a limited number of sugar growers.

Recently, Congressman GEORGE MILLER and I asked the GAO to take a look at the sugar program. A week ago, they put out this report entitled "Sugar Program: Changing the Method For Setting Import Quotas Could Reduce Costs to Users." In short, the GAO found that the USDA's policy has allowed too little sugar to be imported into the country. This has increased costs to consumers and restricted our domestic refineries' access to sufficient quantities of sugar.

The GAO found:

> USDA has continued to target the same stocks-to-use ratios for determining annual tariff-rate quotas, despite the fact that the resulting quotas have maintained domestic market prices that are 2 or more cents higher than necessary for avoiding loan forfeitures. This imposes unnecessary costs on U.S. sugar users—about $400 million annually.

They also found that:

> USTR's current process for allocating the sugar tariff-rate quota does not ensure that all sugar allowed under the quota reaches the United States market.

This finding is particularly troubling to me. By limiting the amount of raw cane sugar available for production, 40 percent of the jobs in the sugarcane refining industry have been lost in this country. Since 1982, 9 out of 21 cane sugar refineries in the United States have been forced out of business by this program. Those that have remained open are struggling to survive under onerous import restrictions.

I first became involved in this issue in 1994 when David Koncelik, the president and CEO of the California and Hawaiian Sugar Company, informed me his refinery was forced to temporarily close because it had no sugar. This 93-year-old refinery is the Nation's largest, and the only such facility on the

West Coast. C&H refines about 15 percent of the total cane sugar consumed in the United States.

C&H requires in excess of 700,000 tons of raw cane sugar to meet its sales demand. Hawaii is C&H's sole source for its domestic raw cane sugar needs. But Hawaii's cane sugar industry has been in decline for over 10 years. This has meant that C&H is forced to cover over half of its annual consumption through imports from other countries.

The highly restrictive sugar import system forces C&H to pay an inflated price for raw sugar from both domestic and foreign suppliers. This is just plain wrong. Even more devastating, however, the quota system limits the amount of sugar available to the refinery. Simply put, C&H has been unable to get enough sugar to refine, and it has been forced to close its doors on several occasions. This is as a result of the sugar program.

In a letter to me, Mr. Koncelik notes:

> The C&H Sugar refinery in Crockett, California, was forced to close from November 8 to November 15 because it ran out of raw sugar. This closing is extremely costly. Other competitor refineries, Savannah and Domino, have had similar experiences. The Government-imposed shortage is forcing up the market price for raw sugar to levels that are bankrupting refiners.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> DEAR SENATOR FEINSTEIN: The USDA is unnecessarily disrupting operations and injuring the nation's cane sugar refining industry by failing to increase the annual sugar import quota to adequate levels.
>
> The C&H Sugar refinery in Crockett, California was forced to close from November 8 to November 15 because it ran out of raw sugar. This closing is extremely costly. Other competitor refineries, Savannah and Domino, have had similar experiences.
>
> The Government-imposed shortage is forcing up the market price for raw sugar to levels that are bankrupting refiners. The tight import quota is keeping the price of raw sugar well above the Government support level, and well above the level at which Government loan forfeitures might occur. The increase in the cost of raw sugar since 1994 has cost the refining industry in excess of $80 million.
>
> The structure of the market is such that refiners cannot cover these increase costs in the refined sugar market. As a result, C&H and all other refiners are losing money, and some have for three years.
>
> In addition, the deplorable condition of the refining industry has triggered justifiable concern within the food processing industry over the sugar supply. In the absence of a viable refining industry, which accounts for over 50 percent of refined sugar sold in the United States, the specter of temporary food plant closing is real and not imagined.
>
> There is an urgent need for an immediate and, this time, meaningful increase in the sugar import quota. I would appreciate it if you would discuss this matter with Secretary Glickman and Ambassador Kantor.
>
> Sincerely,
>
> DAVID KONCELIK,
> *President and CEO.*

Mrs. FEINSTEIN. The reduced production capacity has resulted in a severe downsizing of the workforce at this refinery. As recently as 1987, C&H employed over 1,400 people. These are not minimum wage jobs we are talking about; the average employee in the cane refining industry earns about $43,000 a year. In 1995, C&H had to eliminate 30 percent of its workforce just to remain viable under the quota system mandated by the sugar program.

C&H now employs just over 500 people. These jobs and many others around the Nation are at risk if reforms are not made to the sugar program.

In addition to choking off the refineries' access to sugar, the U.S. sugar policy also has had an adverse impact on consumers. An earlier report by the GAO found that the program costs sugar users an average $1.4 billion annually, as has been mentioned. That equates to $3.8 million a day in hidden sugar taxes.

The report found that:

> Although the sugar program is considered a no-net-cost program because the Government does not make payments directly to producers, it places the cost of the price supports on sweetener users—consumers and manufacturers of sweetener-containing products—who pay higher sugar and sweetener prices.

What this means is that, unlike traditional subsidy programs, the funds don't come directly from the Treasury. Instead, the sugar program places the cost on consumers by restricting the supply of available sugar which causes higher domestic market prices. This is our Government program; it makes no sense.

On numerous occasions over the past 5 years, I have asked the administration to reform the sugar program. Simply increasing the amount of sugar available through the import program would provide immediate relief to C&H and all other domestic refineries. To date, no such permanent reform of the program has occurred. In the absence of these reforms, Congress must take stronger action.

Congress has had opportunities in the past to kill this program and we have not taken them. As a result, workers have lost jobs and consumers have lost money.

Regardless of what happens with this amendment, the effort to reform the sugar program is not going to end. Senators SCHUMER, CHAFEE, GREGG, MOYNIHAN, myself, and others have introduced legislation that would phase out the subsidy over the next several years.

If the administration refuses to work with us to make the program responsive to the needs of the domestic sugar refinery industry and to our consumers, we will have no choice but to push for passage of this bill.

I thank the Chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I yield the Senator from Louisiana 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I thank the Senator for yielding time.

It is not unusual that we are doing the sugar amendment again. It seems that we do it about every 2 years. We have been doing it for probably the last 20 years.

It is interesting that this time we are doing it on a bill that is designed to help American agriculture, except that I think this amendment is being offered to try to eliminate an entire farm program for only one commodity. But this amendment is on a bill we are working on to try to help American agriculture. So I guess the only thing unusual is not that we are doing a sugar amendment but that we are doing it on a bill that is designed to help American farmers. And, of course, the amendment would do the exact opposite.

It is interesting that some of my colleagues said, well, the program only helps a couple of folks in south Florida when in truth the fact is that about 420,000 people earn their living every day either directly or indirectly because of the sugar industry.

The distinguished Senator from Hawaii knows its importance in the State of Hawaii. He has been involved not only with sugarcane-producing States but also sugar-beet-producing States. It is a program that has actually undergone a great deal of change and modification and improvement over the years.

In the last farm bill, which was in 1986, we made some serious changes in the sugar program. I think most people involved in it said: Look, we are going to try to make the program better than it has been, and we are trying to address some of the legitimate concerns but also trying to provide some protection for this very important American industry, to do it consistent with our international obligations. We have done that. Domestic production controls were eliminated. There is no limit on how much you can produce in beets or in sugar. You can do as much as the market will bear.

The guaranteed minimum price was eliminated. It is one of the few commodity crops that doesn't have a minimum guarantee of what the farmer is going to be receiving from the Government.

We had a special tax for deficit reduction in the last farm bill, which was increased by 25 percent.

This means sugar farmers were actually given an assessment to pay for the Federal deficit. Of course, now that the deficit is gone, it makes a great deal of sense to eliminate the assessment.

Minimum imports—talking about not getting enough sugar—in the last farm bill were increased by about 20 percent, a substantial increase over the previous years' pattern on the amount of sugar being imported from about 41 countries that are greatly helped by the program.

Forfeiture of sugar crop penalties were imposed.

The point is that we made some serious changes to the program in order to improve it. So to come before the Senate, on a bill that is designed to help farmers, and offer an amendment to hurt farmers sort of seems inconsistent. But, well, what else is new?

The other point I would make is how many Members of Congress have letters from constituents complaining about the price of a candy bar?

How many of us have stacks and stacks of letters complaining about the price of a soft drink, or stacks of letters complaining about the price of a 5-pound bag of sugar in the supermarket?

They don't do that because it is not a price that is out of proportion to what it has been in the past. Because of the program, it has not spiked upward or crashed downward but has remained fairly stable so that people can predict what it is going to cost for a 5-pound bag of sugar.

It is interesting that the only real complaints about the price of sugar come from the large industrial users and not from consumers in America.

I remember my colleague, Senator CRAIG, was here back in the old days, I would say, when we first started these debates, and Senator INOUYE was there, of course. It was the soft drink manufacturers who complained about the price of sugar. It made them charge too much for their soft drinks because they had sugar in them. Then they eliminated the sugar, and the price of the soft drinks went up even more. The actual can of soft drink with no sugar was selling for more than the price of a can of soft drink with sugar. They said, well, the price of sugar is making us raise the price of the soft drink.

Then they went to sugar-free drinks, and they charged more for that than they did for the can with sugar in it. They actually increased the price of soft drinks about four times because it said the sugar price went up.

Guess what happened when the price of sugar went down? Did they reduce the price of a soft drink? Don't hold your breath. They did not. The price of soft drinks kept going up.

The only complaint we have about the sugar program to any extent outside the Chamber is from the professional lobbyists and the large industrial users which, for the most part, have changed over to the use of corn sweeteners and other things in the soft drink industry.

I suggest that what we have is a program that works better than most farm programs because it doesn't have any Federal tax subsidy being used to hurt the income for sugar farmers. We use it by trying to regulate foreign companies from dumping cheap subsidized sugar from other countries onto the U.S. market. Some would way that is pretty good. Why don't you let them do that because then the price of sugar would be much lower? The problem with that theory is if they knocked out all of the American beet farmers and sugar cane farmers, the price would be lower for a short period of time, but when they monopolize the market and again control the market, they certainly would have the ability to exercise a sugar cartel and charge whatever they wanted, and we couldn't compete.

In summary, we made great changes in 1996. The program is working. Consumers are not complaining. They have a stable price for a very important product.

Like we say back home in Louisiana, "If it ain't broke, don't fix it." Not only is it "ain't broke," but it works very well, and should be maintained.

The PRESIDING OFFICER. Who yields time?

Mr. CRAIG. Mr. President, I yield to the Senator from Hawaii 30 seconds.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I wish to associate myself with the eloquence and wisdom of the statement of my friend from Louisiana.

Thank you very much.

Mr. CRAIG. Mr. President, I yield 3 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 3 minutes.

Mr. CONRAD. Mr. President, it is kind of fun to have these debates. I look forward to a chance to once again talk about how the world sugar industry works.

The Senator from Arizona indicated that we are having to pay three times the world market price because of the sugar program. It is just not right. That isn't the case. It appears to be the case, but it is wrong. Here is the reason it is wrong.

The vast majority of sugar in the world doesn't sell on the world market. The vast majority of sugar in the world sells under contract. Those contract prices are much higher than the so-called world market price. The world market price is a dumping price. It is what happens when producers produce more than they contracted for. They take that excess and they dump it on the market and sell it at fire sale prices.

The world market price they talk about is, in fact, not a world market price. It does not represent what sugar sells for. It is totally misleading. As a result, you come to a wrong conclusion.

The truth is that the last time we took away the sugar program, what happened to the price of sugar? Did the price of sugar go down? Does anybody remember? The price of sugar shot up. My, what a surprise.

This sugar program is supposed to be producing higher prices. Yet when it was removed the last time, sugar prices did not go down; they went up. In fact, they went up dramatically.

It is because people do not understand how the sugar market works. This program in effect stabilizes prices.

Every country has a sugar program. In fact, every country that is a producer has a program. Our major competitors spend much more on theirs than we do on ours.

This program helps stabilize prices for consumers and for producers.

When sugar prices fall, do candy prices fall? Let's go back and look. Let's check the record. Interestingly enough, the last time we saw sugar prices fall we also saw candy prices go up. We saw cereal prices go up. The fact is there is almost no relationship between the price of sugar and the finished products that some are talking about. In fact, this program stabilizes prices for consumers and for producers.

Finally, on the question of who benefits, those who are producers clearly benefit from stabilization. I believe those who are consumers benefit from stabilization. In my State, we are not talking about a bunch of rich folks; we are talking about family farmers who are in deep trouble right now. If we take away this program, they will be in even deeper trouble.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I inquire the amount of time remaining.

The PRESIDING OFFICER. The Senator from Idaho has 18 minutes.

Mr. CRAIG. I yield 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. THOMAS. Mr. President, I want to endorse the comments of my associates who have spoken in the last few minutes. This is an interesting program. We have been through this before. We went through it in 1996. There were extensive changes made in the farm bill in 1996 that resulted in a number of changes. We have a program that has provided consumers with low, stable prices. It operates at no direct cost to the taxpayers. It helps reduce the Federal deficit and creates 420,000 jobs.

The Senator from California was talking about the closing of one plant. I am talking about growers, family farmers in Wyoming. I don't recognize the description by the Senator from Arizona of the people who are involved. That is not the way we do it.

A number of things have changed that I think are very important. It was mentioned, when we didn't have a sugar program, the average cost of raw sugar was up to nearly 70 cents. It is now somewhere in the neighborhood of 20. Sugar policy benefits consumers. In developed countries, the average price is 60 cents; the highest is 92. The U.S. price is 41. We are 32 percent below the average consumer price for sugar.

It has been pointed out that at the same time raw sugar prices have gone down almost 6 percent, the cost of products such as cereal have gone up 18 percent; ice cream, 18 percent; candy, 20 percent; cookies and cakes, up 25 percent. That is not the reason the cost of goods has gone up.

Under the farm bill, there is no minimum price guarantee. They have no recourse loans other than when there is an exception to the imports. Sugar farmers receive no Government payment and have not since the 1970s. Indeed, they do pay a marketing assessment that goes to reduce the deficit, an unusual characteristic.

This business of the "world price" that has been discussed is clearly a dump price. The average production cost is 18 cents; the average world price is 9 cents. Figure out if that is really the market working. Of course it isn't. It is a dumped price.

The farm bill is not the time to discuss the sugar bill. It was extended in 1996 in the farm bill, to be reviewed again in the year 2002. The sugar industry is very happy to reduce the import quotas if the rest of the world does the same thing.

We are talking about small producers, not huge money conglomerates. I am a little offended at the idea that soft money is the reason that people support this program. This is a program that has served us well. The time when we are talking about strengthening agriculture is not the time to do this.

I urge my associates in the Senate to reject this amendment.

I yield back the remainder of my time.

Mr. CRAIG. I yield the Senator from Louisiana 2 minutes.

Ms. LANDRIEU. Mr. President, I rise to associate myself with the remarks of my senior Senator from Louisiana who has led this fight successfully for many years and who has crafted a program that is working not only for sugar growers in 40 States around the country, with over 400,000 jobs represented directly or indirectly, it is also actually working for the refineries and the consumer.

I am surprised that this amendment has come up, particularly at this time. I don't believe it is good to kick farmers while they are down. That is what this amendment does. The rural economies in our country are really struggling. Commodity prices from the west coast to the east coast, to Louisiana, up to the Dakotas, have been at historic lows. We are struggling to find the balance as to how our agricultural community can compete.

The sugar growers in Louisiana are highly efficient. We can compete with farmers all over the world, but we can't compete with foreign governments. That is what this whole issue is about. This sugar program is working for everyone. It costs the taxpayer nothing. It has actually been a revenue raiser since 1991. Now is simply not the time to kick the farmers when they are down.

I associate myself with the remarks of my senior colleague from Louisiana. I thank the manager for giving me and other Senators time to speak on this important issue, and I yield back the remainder of my time.

Mr. CRAIG. Mr. President, I thank the Senator from Louisiana for her very important and direct statements about this issue.

I yield 5 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I am pleased to join my colleagues, Senator CRAIG, Senator BREAUX, and others on the floor, in opposing this amendment.

I find it interesting; whenever we talk about sugar, we talk about the "world price," which doesn't have any relationship to anything of importance. The people who describe "world price" are people who go to a sidewalk sale in front of a store and pick up some odds or ends that somebody is trying to sell at 90 percent off list price and then say: Look what I bought this for; this is the price for that product.

No, it is not; it is a sidewalk sale.

The same is true with sugar. Most sugar is traded country to country by long-term contract. Very little sugar is moved on the open market. That which is represents an overhang and surplus and represents the dump price or the surplus price. Those are the facts.

Somehow there is a notion we should be the victims in this country as a group of producers; whatever the lowest common denominator is, we ought to ride the elevator to the bottom with everybody. Calling the price of sugar on the world market the world price is a misnomer. Most sugar is traded by contract, and it is traded in circumstances where at least you get back the cost of production and a decent profit.

This price they are talking about, don't be fooled by it. It doesn't mean anything. It is not related to the production of sugar in this country.

Now, who is producing sugar? I find it ironic that in the middle of this discussion about the farm crisis, in the middle of the discussion about the plight of families out there struggling to survive, when the Asian economy has collapsed, exports are down, and prices have collapsed, and in my State we have had the worst crop disease in 100 years, and my State had 3 million acres that could not be planted because it was too wet this spring, we are told there is one part of the farm program that ought to be dismantled.

At least this is a part of the farm program that works and has historically worked. It doesn't cost Federal money. It doesn't cost the taxpayer anything. It provides stability of sugar prices for the American consumer. It provides some modicum of stability for the producers.

Who are the producers? Family farmers. I was in a room with 1,000 of them in Fargo, ND. These are folks who work on that tractor in the winter, get it all ready, and then take all the risk to put the crop in, plant those beets, take the risk of the harvest, and take the risk through their cooperative. These are good people, and they are going through tough times. The last thing in the world we ought to do is pull the rug out from under those people who are producing our beets and cane and decide we should dismantle this program.

There is so much in the farm program that doesn't work, and I have been on the floor for days talking about it. Why go to the part of the farm program that has worked historically to help the producer and say, by the way, let's find something that does work and get rid of it? It doesn't make any sense at all.

Let me conclude by saying this is about family farmers as far as I am concerned. It is not about the theory of sugar production or a sugar program or a world price. It is about providing stability for consumers, yes but it is about providing stability of income for some families that are trying to make a living on the land in this country. It is not easy for them. This program is helping them without cost to the American taxpayer. This program has helped them without injury or cost to the American consumer.

This program is well conceived and well constructed, is contributing something, and is an asset to American family farmers in this country. The last thing in the world we should do, and the last time we ought to do it, would be to get rid of the sugar program at this point in this debate on the farm program. We ought to preserve the sugar program. We ought to fight for it and preserve it because it works. We ought to do that in the context in which we are working today, to help family farmers in other ways as well, with the disaster program, the response to the farm crisis, and perhaps a change in the underlying farm law at some point in the future.

But this is narrow. This is an amendment that says let's get rid of the sugar program. I was unaware of this amendment until an hour or so ago. I did not see any organization developing in the Congress or in the Senate to say let's have a discussion about this. This is a program that has worked so well. Then we have an amendment and then debate for an hour. I think that describes the difficulty.

Let us support the sugar program. Let us defeat this amendment. It is important for family farmers in this country to do so.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CRAIG. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator from Idaho has 7 minutes.

Mr. CRAIG. Mr. President, let me yield to the distinguished Senator from Louisiana, Mr. BREAUX, for his closing comments. Before doing so, let me say both the cane interests that he represents and the beet interests that I represent have worked together over the years to build a program that many have outlined today. It works well in the market. The Senator from Wyoming has played an important role in helping define that program.

Let me yield to the Senator from Louisiana for his closing comments.

Mr. BREAUX. Mr. President, I say to our colleagues who may be watching some of this debate, the last time this amendment was offered—and it is offered to the Senate on an annual basis—was on the Senate Agriculture appropriations bill in 1997. The distinguished Senator from Mississippi, Mr. COCHRAN, at that time moved to table the effort to do away with the program. I remind all Senators we had a recorded vote and 63 Senators voted to table it at that time.

I hope people understand the program is working. We made major changes in 1996. It operates at no cost to the taxpayers and has provided a stable floor of prices for the product, sugar, that we import and produce domestically.

The point again is, "If it ain't broke, don't fix it." It is working as we in the Congress intended it to work. It is working for producers and consumers. This is something that is almost a rarity in agricultural programs. It has been very difficult to come up with a proper balance.

This program is working. It is working as Congress intended. We should keep it and not try to kill it when it is working as well as it is.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I yield the Senator from Florida 1 minute.

Mr. GRAHAM. Mr. President, I would like to respond to the statement that was made earlier relative to the role of the Florida sugar industry and the Florida Everglades. As one who grew up in the Florida Everglades and feels deeply about the importance of the State and national effort which is underway to restore them, I think it is important to set the record straight.

The sugar industry has appropriately been designated for a major part of the effort to restore the Everglades. Thus far, they have not only met but exceeded the requirements that have been imposed for the reduction of phosphorus from the waters before they enter the main part of the Everglades. Sugar has participated in the development of a restudy plan, which will soon be debated by this Senate, and sugar has been a strong supporter of the restoration of the Everglades through the Corps of Engineers restudy plan.

It is important for the success of the salvation of the Everglades that each of the stakeholders play their role. I can state at this time that sugar is playing its appropriate role and a strong sugar industry is going to be a key element in achieving the objective of saving the Florida Everglades.

The PRESIDING OFFICER. Who yields time? The Senator from Idaho.

Mr. CRAIG. Mr. President, let me close out the debate on this side of this issue by saying to Senators that you will have an opportunity to vote to table the McCain amendment in a few moments. It is an amendment that really does not face the reality of the situation today. While product prices across the country, are low, we have one program in agriculture that is working reasonably well. That is a program that, in value to the farmer, beet or cane, since 1990, has actually gone down. But it has not translated through to the consumer because the sweetener industry, and the confectionery industry have continually raised their prices. This is not a subsidy, nor is it a cost to the taxpayer. There is no net cost to the taxpayer. All of these recourse loans are repaid at current interest rates. It is important to recognize it is a way of marketing and effectively distributing the product of this agricultural producer.

It has also been clearly pointed out that you cannot compare current values and markets with world markets because most sugar around the world is sold on contract. That which is not is dumped to the bottom. So to compare that, it is not even apples and oranges; it is apples compared with nothing.

It is important this program be retained. We revised it dramatically in 1996 in the new farm program, and it has worked effectively since that time. I hope those who supported us in 1996 on a similar amendment will stand with us today, in behalf of the American producer, both cane and sugar beet and the American consumers. American consumers find themselves paying substantially less than other consumers, some nearly $1 billion less on an annualized basis than other comparable consumers around the world in developed nations that are large consumers of sugar.

I hope my colleagues will join me in voting to table the McCain amendment.

I yield the remainder of my time.

Mr. AKAKA. Mr. President, as I listen to all the evils attributed to the sugar program during today's debate on the McCain amendment, I hardly recognize the tiny white crystals that sweeten my cereal each morning.

Sugar is an essential element of human nutrition. It's also one of the least expensive food items you will find in an American kitchen. When you go to a restaurant, there are only two things available at no charge and in unlimited quantity: water and sugar. Despite these achievements, sugar is being abused and maligned on the Senate floor.

As I listen to the criticism of the sugar program,I think that some of my colleagues have lost sight of a basic fact that American consumers clearly understand: sugar is probably the best bargain you can find at the grocery store today. A pound of refined sugar costs 39 cents. American sugar farmers and the U.S. sugar program help make sugar affordable.

Consumers elsewhere around the globe do not enjoy the low prices we have in America. If you visit a grocery store in other industrialized nations you will get "sticker shock" when you pass the sugar display. In Tokyo, consumers pay nearly 90 cents for a pound of sugar, more than twice the U.S. price. In Europe, prices average 50 to 70 cents per pound. Obviously, sugar is no bargain in Europe and Japan.

On average, the retail price for a pound of sugar is 54 cents in developed countries—38 percent more than the price in American supermarkets. Consumers in developing countries pay a significant premium for sugar. When they go to market, all they get is the same one-pound box of sugar as we do in America, but they pay substantially more for it—38 percent more.

Thanks to a farm program that assures stable supplies at reasonable prices, sugar is a remarkable bargain for American consumers. U.S. consumers pay an average of 17 cents less per pound of sugar than their counterparts in other industrialized nations. Low U.S. prices save consumers $1.4 billion annually. That's why I say that the sugar program is a great deal for American consumers. Thanks to the sugar program, U.S. consumers enjoy a plentiful supply of sugar at bargain prices.

I thank my colleagues for rejecting this amendment. If Congress terminates the sugar program, not only will a dynamic part of the economy disappear from many rural areas, but consumers will also lose a reliable supply of high-quality, low-price sugar.

Mr. ENZI. Mr. President, I rise in opposition to the McCain amendment and urge my colleagues to support American agriculture by supporting a program that has consistently proven its worth to American consumers.

Our current sugar program provides consumers one of the cheapest prices for sugar in the developed world. In

1998, U.S. sugar prices were approximately 32 percent below other developed countries.

One reason for these low prices has been the obvious success of the current Sugar program. The purpose of the program is to protect the incomes of domestic sugar producers by supporting domestic prices. The program does this by making available loans to sugar processors and by restricting sugar imports. There is no cost, therefore, to the American taxpayer.

Because of the support this program has given America's sugar producers, American consumers have benefitted from a healthy industry that has provided us a steady, quality product. Consider, however, what could happen if our domestic sugar industry was suddenly forced out of business by heavily-subsidized, low-quality foreign sugar. Could we guarantee that sugar prices would continue at an affordable level, or that American consumers would receive a high-quality product that was produced under safe, healthy conditions?

When we compare the cost of U.S. sugar with the price of sugar on the world market we must also not forget the other benefits that come from a healthy domestic sugar industry, including the benefit of increased employment for our rural communities. Economies in rural communities are not like economies in more urban settings. Rural economies cannot make the kind of rapid adjustments that are available to more populated areas. When a sugar processing plant of about 250 people goes out of business in rural America, even though its number of employees may seem small under urban standards, those 150 employees can make up a large percentage of the local work force. The impact of this sudden high unemployment can resound through such a community for many, many years.

Furthermore, it is unfair to compare the cost of U.S. sugar with the price of sugar on the world market because when we look at the actual source of the world price we learn it is not an accurate or comparable price. In reality, it is a dump price, or in other words it is the price sugar-exporting countries get for dumping their highly-subsidized sugar on world markets.

In conclusion, Mr. President, I urge my colleagues to support America's farmers and to support America's consumers by opposing this amendment.

AMENDMENT NO. 1510, AS MODIFIED

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I ask unanimous consent to modify my amendment by removing part (b) of this amendment. That has to do with the marketing assessment.

The PRESIDING OFFICER. Is there objection? Hearing none, the amendment is modified.

The amendment as modified is as follows:

At the appropriate place insert the following:

SEC. 7. SUGAR PROGRAM.

(a) IN GENERAL.—None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272), other than subsection (f).

Mr. McCAIN. Mr. President, I am always entertained by this debate, especially by my friend. I understand the argument of my friends on the other side of the aisle because they have a philosophy concerning big government and government has the answer to our problems and we should subsidize industries and also practice protectionism. I understand that.

It is a little harder for me to understand the philosophy on this side of the aisle, which is supposed to be less government, less regulation, fewer subsidies, lower taxes, and looking out for the individual.

The combination of import restrictions, guaranteed prices, and subsidized loans keep the prices artificially high. There is no objective economist in America who will disagree with that. There will be people in the sugar growing industry and those who represent States where sugar is grown, but that is a fact. It transfers about $1.5 billion a year from consumers to a handful of large sugar growers. Almost half the benefits from the sugar program go to little more than 1 percent of growers. The high prices act as a tax on food, and it hits hardest at poor families who typically spend a large fraction of their budget on food and other necessities.

If this proposal passes, according to any objective economist, including our much respected Heritage Foundation and others, the sugar price could fall 20 cents for a 5-pound bag.

The advocates justify their subsidies as needed to counter foreign subsidized imports and protect the jobs of domestic workers. Neither argument withstands scrutiny. There are ample rules to prevent foreign countries from dumping Government-subsidized sugar in the U.S. markets. Also, by propping up raw sugar prices, the program has driven half the U.S. sugar refiners out of business or out of the country, taking the jobs with them.

Mr. President, I am sorry to see the Senator from Florida defend the sugar growers because everybody knows, and any environmental organization will agree, that what has happened in the Everglades has caused enormous damage.

I ask unanimous consent for 60 more seconds.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCAIN. Whether they are willing to kick in and fix it is one thing, but I think any environmental organization would attest to the fact that the increase of a half million acres of sugar growing around the Everglades has done significant damage to the Everglades.

I am glad they are being forced to pay for part of the cleanup since they are clearly a great part of the problem. I also think it is wrong when one family gets $35 million in subsidies—35 million of taxpayer dollars. I think it is wrong. I think most Americans think it is wrong, too. I do not expect to win this amendment, but some day we are going to realize that by subsidizing big producers, whether they be for sugar or anything else, the American people will grow a little weary of this kind of expenditure of their taxpayer dollars and demand we change.

I yield back my remaining time. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Has all time been used or yielded back?

The PRESIDING OFFICER. All time has been used or yielded back.

Mr. COCHRAN. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1510, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Florida (Mr. MACK) is necessarily absent.

The result was announced—yeas 66, nays 33, as follows:

[Rollcall Vote No. 254 Leg.]

YEAS—66

Abraham
Akaka
Allard
Ashcroft
Baucus
Bayh
Bennett
Bingaman
Bond
Boxer
Breaux
Bryan
Bunning
Burns
Campbell
Cleland
Cochran
Conrad
Coverdell
Craig
Crapo
Daschle
Dodd
Domenici
Dorgan
Durbin
Edwards
Enzi
Graham
Gramm
Grams
Grassley
Hagel
Harkin
Hatch
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kerrey
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
McConnell
Murkowski
Murray
Reid
Robb
Roberts
Rockefeller
Sessions
Shelby
Smith (OR)
Stevens
Thomas
Thurmond
Torricelli
Warner
Wellstone
Wyden

NAYS—33

Biden
Brownback
Byrd
Chafee
Collins
DeWine
Feingold
Feinstein
Fitzgerald
Frist
Gorton
Gregg

Hutchinson
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Lugar
McCain
Mikulski
Moynihan
Nickles
Reed
Roth
Santorum
Sarbanes
Schumer
Smith (NH)
Snowe
Specter
Thompson
Voinovich

NOT VOTING—1

Mack

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Pennsylvania is recognized.

AMENDMENT NO. 1512 TO AMENDMENT NO. 1499

(Purpose: To reauthorize, and modify the conditions for, the consent of Congress to the Northeast Dairy Compact, to grant the consent of Congress to the Southern Dairy Compact, and to require the Secretary of Agriculture to use certain methods for pricing milk under consolidated Federal milk marketing orders)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], proposes an amendment numbered 1512 to amendment No. 1499.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SPECTER. This amendment calls for the creation of a dairy compact that would extend beyond the New England States, which currently have a dairy compact, and would include a number of other States, such as Pennsylvania, New York, and others. The purpose of this dairy compact is to stabilize the price of milk. The price of milk has fluctuated enormously. In December of last year, it was as high as $17.34 per hundredweight; in June of this year, it went down to $11.42 per hundredweight.

There is currently a dairy compact in effect for the Northeastern States—not including Pennsylvania or New York—which will expire in October of this year. The compact will provide some stability in the industry and will guarantee consumers an uninterrupted supply of milk. There has been some concern expressed about the cost to the consumers. When the Northeast Compact went into effect, the prices for milk within the compact region were 5 cents lower than retail prices in the rest of the Nation.

This bill would authorize member States to enter into a voluntary agreement to create a minimum price for milk in the compact region that takes into account the regional differences in the costs of production. In addition to providing the stability, it will ensure, with an appropriate safety net, that milk can be produced and be available for very important programs like WIC—Women, Infants, and Children—and the availability generally.

Pennsylvania passed legislation that will enable Pennsylvania to enter into this compact if it is authorized by the Congress. Some 40 Senators have cosponsored similar legislation, and Governor Ridge signed legislation that would permit my State of Pennsylvania to enter into the compact.

Mr. President, as I outlined earlier, when seeking a unanimous consent agreement, I do not intend to press this issue to a vote. I do not intend to do so because of the rule of the Senate that bars legislation on an appropriations bill—a recently revived rule. But I am putting it in the RECORD today and outlining its basic purpose, with the intent to bring it up in the conference with the House to try to get this enacted into law.

I am pleased now to yield to the distinguished Senator from New York, Mr. SCHUMER.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Mr. President, I thank my friend and colleague from Pennsylvania. I am proud to work with him on this amendment. As was stated, this would reauthorize the Northeast Dairy Compact and extend it to New York and Pennsylvania, as well as New Jersey, Maryland, Delaware, and Ohio. It also implements the 1–A pricing structure.

I have visited dairy farms throughout New York State, and I have become an enthusiastic supporter of the compact, which will preserve the economy and a rural way of life in my State and throughout the country. Over the last 10 years, New York State has lost a third of its dairy farms, dropping from 13,000 to 8,600. These are not just 8,600 farms; they are the backbone of a rural economy. We in New York State have the third largest rural population of any State, and the dairy compact is vital.

I have talked to constituents in New York City, and they would, in some cases, pay a little bit more for milk. But we need to bring both parts of the State together. As I have asked my upstate constituents to sometimes consider the problems we have downstate and be mindful of those, I ask the same of my downstate constituents about upstate.

The cost is not great. The New England compact price of milk has not risen by more than 4 cents a year; that is, $3.50 a family. WIC is exempt. There is a move I support to exempt senior citizen programs.

So it is not going to cost anyone very much to help preserve a portion of our State and a way of life. I am disappointed, of course, that we were unable to garner the 60 votes for the New England compact. I understand why the Senator from Pennsylvania—and I agree with him—will not pursue this to a vote at this point, but we do this in hopes that in conference we can be added to the compact.

Both of my good friends from Wisconsin led a strong, valiant fight on the other side. The only thing I would ask them to understand is how desperately our State needs this compact. I am hopeful that we can find some common ground that will benefit both areas.

But in the meantime, New York needs entry into the compact. We need 1–A, and I hope that my colleagues will look at this amendment and might be able to support it in conference.

I yield whatever remaining time I have. I thank the Senator from Pennsylvania for yielding time to me.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I had hoped that the last vote had ended the debate on dairy compacts. But if my colleagues wish to eulogize these cartels, I am happy to join them.

First, I want to explain why I care so much about this issue. Wisconsin is the dairy state. We have 22,000 farms, and almost all of them family-owned businesses. We have thousands more residents who make their living buying and selling dairy products, farm equipment, barns, feed, even the early morning coffee served to the farmers who come to town straight from their milking barns each morning. Dairy compacts do not only strike at an industry in my state. They strike at the heart and soul of Wisconsin, at our way of life.

The Northeast dairy compact legislatively raises the price of class I milk above the prevailing federal milk marketing order price for farmers in the States lucky enough to be in the compact region. By a complicated formula, all dairy farmers in the region—regardless of what class milk they produce or for what use—receive some extra subsidy from the region's milk processors based on their overall milk production. Of course, this is a classic anti-market incentive for these farmers to produce more milk than the region needs or demands.

Besides having a very real cost to the Treasury, the overproduction of all sorts of milk in the compact region causes prices to fall in non-compact states for milk used to produce cheese, butter, milk powder and other products likely to be exported out of State. If the Northeast dairy compact becomes permanent, the oversupply problem will grow exponentially as Northeast farmers make the capital investments warranted by their permanent guarantee of an artificially high price for all of their milk. If compacts spread to other regions of the country, non-compact regions—the fewer and fewer farmers operating in a free market—will be squeezed even more by even more overproduction. The cost to the Treasury would be unjustifiable. The cost to efficient family farms in the Midwest would be unbearable.

This is more than bad economic policy. The regional favoritsm it embodies is downright un-American. What other industry sees prices set based soley on what region of the country the producer produces? What other industry faces trade barriers erected within the United States?

You may support dairy compacts today based on the hope your State might join a dairy compact soon or based on indifference to a dairy industry problem that doesn't have much to do with your State. But remember your support tomorrow when your neighboring state or region throws up a wall to keep you from selling fruit or vegetables or grain or beef or cars or computers in their State. That is no way to run a country. That is no policy for States that are allegedly united into one country. Mr. President, I hope we can put this issue to rest for the year and move forward with this important agricultural appropriations bill. I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, let me associate myself with all of the comments of the senior Senator from Wisconsin with regard to the merits of this amendment.

Again, I agree that this has to be one of the most bizarre pieces of the American economy that the Congress ever sought to set up.

We are extremely pleased and happy with the vote on cloture. There was a full court press to try to get cloture on this very hard fought issue.

Frankly, the proponents of the compact didn't even come close. That is the message that is sent.

So when the Senator from Pennsylvania indicates that he is going to withdraw this amendment, which certainly is within his rights, and then fight for it in conference, let me simply point out at this point that I could offer a point of order, which I assume would be agreed to by the Presiding Officer, which would make it clear and indisputable that this simply does not belong on an appropriations bill under rule XVI. That is clear.

So if it isn't appropriate in the Senate to do it, and it is against our rules, I would suggest it doesn't belong in conference either.

The message from the Senate is clear. All the efforts were made on both sides to try to win that cloture vote. The message is very simple. This body is not representing to the conference or anyone else any other conclusion other than that the compact should come to an end, as the Secretary of Agriculture has proposed.

I will not offer that point of order in deference to the Senator from Pennsylvania. But I want to be very clear in the RECORD that that is the posture from the Senate as this bill ultimately goes to conference.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I understand the parliamentary situation. But I want to strongly support the amendment of both Senator SPECTER and Senator SCHUMER.

The distinguished Senator from New York has been a tremendous advocate for his dairy farmers, and this amendment is critical to keeping them in business. Upstate New York, just as Vermont, needs a compact to keep their dairy industry alive.

The distinguished senior Senator from Pennsylvania, Mr. SPECTER, has taken the lead on this issue for years for his dairy farmers in Pennsylvania. He recognizes that participating in our regional compact will increase farm income at a time when dairy farmers around the Nation are in dire straits.

I will continue to fight for them—for a Southern compact and for a Northeast compact. There will be other opportunities this year. I stand united with them. Congress should not stand in the way of the wishes of 25 Governors, 25 State senates, and 25 State assemblies, or house of representatives—especially when all they want is to provide a safety net for their dairy farmers without raiding the Federal Treasury.

We talk about billions of dollars in farm programs. We are asking everybody to embrace these compacts because they do not cost the taxpayers anything.

Napoleon said that "sometimes the most trifling thing decides the fate of battle." In this case, the new rule changes of rule XVI coupled with bringing up the Senate Agriculture appropriations bill makes it difficult to extend the compact to the additional 19 States that already have approved compacts. Eventually it will be done. I will do everything possible to get it done.

The National Grange pointed out that "regional dairy compacts offer the best opportunity to preserve family dairy farms."

The Grange goes on to support the Southern Dairy compact since a Southern Compact would "provide dairy farmers in that region with a stable price structure for the milk they produce while assuring the region a viable supply of locally produced milk."

I support both the Senator from Pennsylvania, Mr. SPECTER, and the Senator from New York, Mr. SCHUMER, and appreciate all of the tremendous work they have done for the dairy farmers.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I take sharp exception to the argument of the Senator from Wisconsin, Mr. FEINGOLD, where the assertion is made that we fell far short of cloture. We had 53 Senators who voted in favor of cloture. We are moving up the line toward the requisite 60 number.

I might point out that on the campaign finance reform bill after some substantial years of effort there are 52 votes. I am one of the 52. I believe the campaign finance bill is going to get to 60 just as I think the chances are excellent that we may well get to 60 on this cloture vote.

But the important point is that 53 Senators signified their desire to support strong dairy prices. That is much more significant in terms of being two votes over the majority. It is hard to get 51 Senators in this body to agree to anything. It is harder yet to get 52, and harder still to get 53.

There is a widespread recognition in this body, including the 40 Senators who have cosponsored this legislation. I believe there is a lot of support signified by 53 votes for cloture.

We will have an opportunity to move ahead with this bill when it gets to conference.

We will let the conference work its will and it may return to the floor. There are very good reasons for this bill. I understand there are regional differences, and what may benefit the farmers of Pennsylvania may detract to some extent from the farmers in other States.

In our Government, in our democracy, we work these things out as best we can. I hope we can find some common ground. If we can't, let the Congress work its will.

AMENDMENT NO. 1512, WITHDRAWN

Mr. SPECTER. Mr. President, I formally withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECTER DAIRY COMPACT AMENDMENT

Mr. JEFFORDS. Mr. President, I rise along with my colleagues to support this important amendment. On April 27, I introduced S.J. Res. 22, along with 39 of my colleagues. Support for S.J. Res. 22, which reauthorizes the Northeast Dairy Compact and ratifies the creation of the Southern Dairy Compact, is impressive.

As we know, Secretary Glickman's final pricing rule, which is scheduled to be implemented on October 1, 1999, will cost dairy farmers millions of dollars in lost income. In addition, successful pilot program of the Northeast Dairy Compact will expire on October 1, 1999, unless congressional action is taken.

This amendment would: Extend the Northeast Dairy Compact until 2002 and ratify a Southern Dairy Compact as a pilot program until 2002: Mandate Option 1–A for the pricing formula for Class 1 milk: and Require the Secretary of Agriculture to use formal rule making to determine the pricing formula for Class III milk.

This amendment must be addressed before the October 1, 1999, deadline. We have an opportunity to give the states the right to help protect their farmers with no cost to the federal government and correct the Secretary of Agriculture's flawed pricing rules.

This amendment is about fairness to both farmers and consumers. It has the broad support of governors, state departments of agriculture, the American Farm Bureau, and dairy cooperatives and coalitions from throughout the country. Even the Land-O-Lakes Cooperative in the Upper Midwest supports this important amendment.

However, I am aware that some of my colleagues oppose our efforts to bring fairness to our states and farmers. Also, unfortunately, Congress has been bombarded with misinformation from an army of lobbyists representing the national milk processors, led by the International Dairy Foods Association (IDFA) and the Milk Industry Foundation. These two groups, backed by the likes of Philip Morse, have funded several front groups to lobby against this amendment.

I would like to set the record straight. It is crucial that Congress debate the issues presented on the merits, rather than based on misinformation. When properly armed with the facts, I believe you will conclude that the Northeast Dairy Compact was a successful experiment that works and that other states should be given the opportunity to prove whether a dairy compact would work for them.

This amendment reauthorizes the very successful Northeast Dairy Compact pilot program and allows the Southern Dairy Compact to operate as a pilot program until 2002, when Congress would have an opportunity to revisit and carefully consider the Northeast and Southern Compacts in the 2002 farm bill.

Currently the bill to reauthorize the Northeast and ratify the Southern compact has 40 cosponsors. Twenty-five states have passed dairy compacts and now even more than half the states in the county are interested in having the right to form dairy compacts. During the past year Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, Georgia, Missouri and Kansas, have all passed legislation to form a southern dairy compact. Texas is also considering joining the Southern Compact.

The Oregon legislature is in the process of developing a Pacific Northwest Dairy Compact as well. New Jersey, Maryland, Delaware, Pennsylvania, and New York have passed state legislation enabling them to join the Northeast Dairy Compact.

The Northeast Dairy Compact, which was authorized by the 1996 farm bill as a three-year pilot program, has been extremely successful. The Compact has been studied, audited, and sued—but has always come through with a clean bill of health. Because of the success of the Compact it has served as a model for the entire country.

One look at the votes cast by each state legislature, and you can see that there is little controversy over what is in best interest for the consumers and farmers in each respected state. For example, in Alabama and Arkansas, both legislative chambers passed compact legislation unanimously. It passed unanimously in the North Carolina Senate and by a vote of 106–1 in the North Carolina House. In the Oklahoma State Senate, it passed by a vote of 44–1 and unanimously in the Oklahoma House. It passed unanimously in the Virginia State Senate and by a vote of 90–6 in the Virginia House. In Kansas, the bill passed in the Senate by a vote of 39–1 and an impressive 122–1 in the Kansas House.

A 1998 report by the Office of Management and Budget (OMB), requested by Members from the Upper Midwest, on the economic effects of the Dairy Compact illustrates the Compact's success. The OMB reported that during the first six months of the Compact, consumer prices for milk within the Compact region were five cents lower than retail store prices in the rest of the nation.

OMB concluded that the Compact added no federal costs to nutrition programs during this time, and that the Compact did not adversely affect farmers outside the Compact region. This is an important fact to remember as some of my colleagues may debate that the Compact harms the farmers in the compact region.

Congressional opponents of the Compact also requested an audit of the Dairy Compact Commission by the USDA's Office of Inspector General and federal auditors gave the Compact Commission a clean bill of health. The auditors stated unequivocally that the Commission has properly administered funds and provided $46 million to dairy farmers.

The courts also agree that the Compact is legally sound. Last January, a Federal appeals court rejected a challenge to the Dairy Compact by the Milk Industry Foundation. The Court found that the Compact was constitutional and the U.S. Agriculture Secretary's approval of the Compact was justified.

Recently seventeen Governors from throughout the Northeast and Southeast sent a letter to the Majority Leader of the Senate and House, urging Congress to consider and support the Dairy Compact legislation. The Governors of the Compact regions speak not only for their farmers and consumers but for the rights of the States. The message to Congress from Governors nationwide has been clear. "Increase the flexibility of states and support legislation that promotes state and regional policy initiatives."

I would now like to address the actual and potential impact of dairy compacts on milk production and the cost to taxpayers. In short, dairy compacts have and should have little impact on production and operates without cost to taxpayers and the federal government, not one penny. Opposition claims to the contrary, even accounting for the admitted uncertainty of dairy economics, are overblown and distorted.

First, these compacts contain specific provisions designed to ensure the prevention of surplus production attributable to operation of the compacts. The compacts are entirely self-funded, without any recourse to the federal (or state) treasury and preclude any cost to taxpayers. Additionally, the states have agreed to the condition of consent contained in S.J. Res. 22 which requires the compact commissions to reimburse USDA for any surplus purchases made, should the internal protection devices fail. While the latter provision does not directly prevent the potential adverse impact of surplus production on the national marketplace, it does act as a further restraint on the commission's function. It is only logical to see that the last thing the commissions would want is to end up as funding USDA purchases of surplus powdered milk production for the national milk market!

With this analysis in mind, I would like to briefly respond to the claims about milk production and taxpayers costs made by opponents of dairy compact legislation. The International Dairy Foods Association, the trade organization for the processors' lobby which is leading the opposition to S.J. Res. 22, claims that the Northeast Compact has resulted in an estimated 60 percent increase in milk powder production while national powder production increased only by 2 percent, and that the USDA has expended $11 million in surplus production purchases attributable to the regional production increase. In various statements against dairy compacts, opponents have cited the percentage increase in milk powder production and purchase costs with approval.

Anyone who has worked in the area of dairy pricing and statistics knows of the hazards of attempting to quantify analysis of this most complex sector of our economy. The above analysis proves the point. It is certainly true that milk powder production in the northeast increased during the first six months of operation of the Northeast

Compact at a rate above the national average. Yet the reasons are not as simple—only because of operation of the Northeast Compact—as opponents of dairy compacts would have us believe. First, one of the largest cheese processing plants in the region shut down during this time, and the raw milk supply had to be converted from cheese to powder production. On the other side of the equation, national production during this period was quite depressed, despite the apparent two percent increase, because of a dramatic downturn in California and southwest production. Hence the otherwise seeming disparities in rates of production.

Furthermore, the claim that USDA spend $11 million in surplus purchases attributable to the Northeast Compact's operation is blatantly misleading. In fact, $1.7 million in such reimbursement was provided—nowhere near the $11 million amount claimed by the opposition. In addition, whether the $1.7 million represents purchases which more reflect the increase in powder production attributable to the shut down of the cheese plant, and other factors, remains an open question of economic analysis, despite the reimbursement provided also by the Compact Commission.

Opponents further cite with approval the claim of IDFA that operation of the Northeast Compact will cost taxpayers an estimated $400 million annually. This claim is made without basis or analysis and must not be relied upon at all. Simply put, CBO gave the Northeast Compact a zero source, which is a long, long, way from $400 million.

I feel I should take some time to explain just how the Compact operates. The Northeast Dairy Compact Commission has the authority to regulate Class 1 (or fluid) milk prices. The commission, which consists of consumer, processor and farmer representatives appointed by each state's governor, determines both the price necessary to yield a reasonable return to producers and distributors as well as the purchasing power of the public through a formal rule making procedure. Any regulation is subject to a two-thirds vote by a state delegation as well as a producer referendum.

All milk consumed in compact-affected areas is uniformly regulated. This provision ensures an equal benefit to New York or California farmers who supply milk to the compact states. The Compact Commission's price regulation works in conjunction with the federal government's pricing program, which establishes minimum prices paid by processors and received by dairy farmers for raw milk produced on farms.

The Compact regulation raises these minimum prices as they relate to the market for fluid, or bottled milk. Part of the difference between the Compact's minimum price and the federal minimum price is set aside to compensate any cost that may be associated to the WIC programs and school lunch programs.

Processors purchasing milk to produce other dairy products such as cheese or ice cream are not subject to the Compact's pricing regulations, although all farmers producing milk in the region, for any purpose, share equally in the regulation's benefits.

Here is how it works. The Commission established $16.94 per hundredweight as the Compact over-order price for Class 1 milk. All milk processors having sales of fluid milk in New England are required to pay a monthly over-order obligation. This obligation is the difference between $16.94 and the price established monthly by federal regulation for the same milk.

For instance, if the federal price for Class 1 milk was $13.94 for a particular month, the processors' over-order obligation for that month would be $16.94 minus $13.94—or $3.00. Processors multiply their total fluid milk sales by this amount and that is what they pay into the Compact Commission.

Three percent of the pooled price regulation proceeds are then set aside to hold harmless the impact on New England WIC programs. At least 4 cents but no more than 5 cents is deducted from the pooled proceeds each month and placed in a reserve fund established in the event of late payments by handlers.

Approximately half of the unobligated balance of this fund is added back into the pool for redistribution in the following month in order to prevent the reserve fund from growing too large.

Farmers receive the balance of the proceeds in accordance with the Class 1 utilization rate—the percentage of milk produced that actually goes towards drinking milk, not cheese or other manufactured products. Therefore, the producer price is derived by dividing the balance of the pool proceeds by the total number of pounds of all producer milk in the region.

The Compact Commission makes disbursements to farmer cooperatives and milk handlers, who then make the individual payments to farmers based on their production.

When the Compact regulation first took effect in July of 1997, the Compact over-order obligation was $3.00. During that month, 245,001,960 pounds of milk, or 46.14% of the total milk in the region was sold as Class 1 milk. This resulted in a pool paid into the Commission of $7,350,058.80. After the WIC and reserve fund adjustments were made, the balance of the pool proceeds was $6,903,009.44. When this number was divided by the total number of pounds of all producer milk, in this case 531,000,726 pounds, the resulting producer price was $1.30.

For many farmers in Vermont and New England, the Compact payments have meant the difference between keeping the farm and calling the auctioneer.

Federal dairy policy is difficult to explain at best. As a Member of the House of Representatives, I served as the ranking member of the Dairy and Livestock Subcommittee. During my years in the House, I worked very closely with the programs that impacted dairy farmers and consumers. Of all the programs and efforts by the federal government to help our nation's dairy farmers, the most effective and promising solution have seen thus far is the creation and operation of the Northeast Dairy Compact.

I would like to address the actual and potential impact of dairy compacts on consumer prices. In short, opposition claims about the actual and possible impact of dairy compacts on consumers, including low income consumers, are unfounded and grossly distorted.

While farm milk prices have fluctuated wildly, remaining constant overall during the last ten years, consumers prices have risen sharply. The explanation for this is apparently that variations in store prices do not mirror the wild fluctuations in farm prices.

In other words, when farm prices go up, the store prices go up, but when the farm prices recede, the store prices do not come back down as quickly or at the same rate. Hence, and quite logically, if you take away the fluctuations in farm prices, you take away the catalyst for unwarranted increases in store prices.

Let's take a look at what the retail price has done in the Compact region compared to other areas that do not have Compacts in place. This demonstrates several extremely important points that dispute the claims that the compact hits consumers with higher retail prices compared to other regions. The average price per gallon of milk in Boston remained steady at $2.89 for February, March and April of 1999 in the Compact areas. Meanwhile retail prices across the country widely fluctuated and were most often higher than in the Compact area of New England.

Again, I would like to make it very clear that the Compact only regulates fluid milk used for drinking, called Class I milk. Although not shown on this chart, milk prices in suburban areas of New England can often be found for $2.00 or less per gallon. Generally, the shelf price of milk has increased proportionally to increases in producer prices, yet, has not decreased at the same rate when farm prices have dropped. The result has been an upward price ratcheting in the retail milk price—a rise of about 30 percent between 1985 and 1993 while the farm price actually fell.

Even with the Northeast Dairy Compact, New England retail milk prices are among the lowest in the country!

Contrary to the claims of the opposition, regional compact regulation remain open to the interstate commerce of all producer milk and processor milk products, from whatever source. Compacts establish neither "cartels", "tariffs" nor "barriers to trade" and are not economic "protectionism."

According to the opponents characterizations, dairy compacts somehow establish a "wall" around the regions subject to compact regulation, and thereby prohibit competition from milk produced and processed from outside the regions.

These are entirely misleading characterizations. It is really quite simple and straightforward: All fluid, or beverage milk sold in a compact region is subject to uniform regulation, regardless of its source within or outside the compact region. This means that all farmers, including farmers from the Upper Midwest, providing milk for beverage sale in the region, receive the same pay prices without discrimination.

Despite what some of my colleagues have said, the Northeast Dairy Compact is working as it was intended to. Instead of trying to destroy an initiative that works to help dairy farmers with cost to the federal government, I urge my colleagues from the Upper Midwest to respect the states' interest and initiative to help protect their farmers and encourage that region of the country to explore the possibility of forming your own interstate dairy compact.

When the June 1999 Compact payments were paid, the Compact will have returned an average of 51 cents per hundredweight of milk to farmers over the past two years of operation. The average Vermont family farm realized an additional $13,000 net income during the life of the Compact. For seven of those months no payments were made because market prices were above the Compact floor.

In April of this year, farmers felt the effect of a record $6.00 per hundredweight drop in the Basic Formula Price. In New England, blend prices dropped an unprecedented $3.93 per hundredweight from the previous month, but the Compact payment of $1.43 made up nearly half of the loss for Northeast farmers.

We would like every region of the country to have the same opportunity to provide stability for their farmers and consumers that the Northeast Dairy Compact provides for our region.

Earlier today, when we were debating the cloture vote on the dairy amendment, I responded to my colleague from Minnesota statement that the dairy compact somehow lowered his farmer's price of milk. I would again, refer to the USDA mailbox price. The mailbox price is the net price that dairy farmers receive for the milk that is marketed under the Federal milk marketing program.

The average prices shows on this chart include all payments received for milk sold and deducts all costs associated with marketing milk. As you can see, in 1998 New England received $14.89 per hundredweight, ten cents below the national average.

Most importantly, despite claims that the Northeast Dairy Compact means smaller checks for Midwest farmers, they received $15.27 per hundredweight, twenty-eight cents above the national average, and thirty-eight more cents per hundredweight than New England producers.

The amendment also mandates that the Secretary use Option 1–A as the pricing formula for fluid milk. As I discussed earlier today, the Secretary's rule, known as 1B, is sue to be implemented on October 1, unless congressional action is taken.

Sixty-one Senators and more than 240 House members signed letters to Secretary Glickman last year supporting the pricing option known as Option A–1, for the pricing of fluid milk. The majority of the country and dairy industry support Option 1–A.

Most all areas of the country are better off under Option 1–A, including the Upper Midwest. Option 1–A is based on solid economic analysis, benefiting both farmers and consumers. It takes into account; transportation costs for moving fluid milk; regional supply and demand needs; costs of producing and marketing milk; and the need to attract milk to regions that occasionally face production deficits.

Finally, the amendment requires the Secretary of Agriculture to hold formal hearings to determine how the Class II, and Class IV price will be calculated. There is concern that the Secretary's final rule will drop the price paid for cheese by as much as $.40 per hundredweight. The amendment would give both producers and processors the opportunity to have input on the formula through the formal rule making process.

This amendment is about helping farmers and protecting consumers. Farmers deserve our support and recognition. It is sometimes easy to forget just how fortunate we are in this country to have the world's cheapest and safest food supply.

I listened with great interest to the sugar debate earlier today. I support this Federal no-cost that provides stability to farmers and consumers in sugar growing states. I don't have sugar growers in Vermont. I have dairy farmers. But that does not mean I should not support a commodity program that helps protect farmers in other states with no cost to the federal government.

I noticed that during the debate several of my colleagues that argued so pationately about protecting the sugar program, did not support my efforts to protect the dairy program. Agriculture, nationwide needs our collective help. Let's not divide agriculture, but join together to protect our nation's most important resources.

I am certain that my colleagues will agree with me that dairy farmers deserve a fair price for their products. What does it say about our values when some of the hardest working people, our farmers, are underpaid and unappreciated? In the last couple of days we have debated providing billions of dollars in assistance to farmers who face the current disasters. This amendment would help prevent a disaster for America's dairy farmers by giving the states and the dairy farmers the tools to face the challenges of improving and stabilizing farm prices.

In Vermont, dairy farmers help define the character of the state. I am proud to work to protect them and to protect the traditions and special qualities of the state.

I realize that this amendment is not in order at this time, however, I urge my colleagues to give great consideration to the importance of this amendment and the need to address these important issues as soon as possible. Supporting this amendment respect the interstate cooperation among states, protects the interests of consumers, and supports America's dairy farmers.

I ask unanimous consent that two "Dear Colleague" letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, DC, July 15, 1999.

SETTING THE RECORD STRAIGHT: DAIRY COMPACTS AND INTERSTATE COMMERCE

DEAR COLLEAGUE: We would like to set the record straight regarding the relationship between dairy compacts and interstate commerce. Contrary to the claims of the opposition, regional milk markets subject to dairy compact regulation remain open to the interstate commerce of all producer milk and processor milk products, from whatever source. Compacts establish neither "cartels," "tariffs" nor "barriers to trade" and are not "economic protectionism."

Opponents of dairy compacts, most particularly the International Dairy Foods Association (IDFA) have variously claimed that dairy compacts operate to the benefit of dairy farmers and processors within the compact regions and to the detriment of those outside the compact regions. According to the opponent's characterizations, dairy compacts somehow establish a "wall" around the regions subject to compact regulation, and thereby prohibit competition from milk produced and processed from outside the regions.

These are entirely misleading characterizations. Yet despite all these misleading descriptions, the regulatory theory of compacts is really quite simple and straightforward: All fluid, or beverage milk sold in a compact region is subject to uniform regulation, regardless of its source within or outside the compact region. This means that all farmers, including farmers from the Upper Midwest, providing milk for beverage sale in the region, receive the same pay prices under the regulation without discrimination. Similarly, all processors with sales in the region must pay the same price for raw milk used for those sales, regardless of the location of the processing facility or the location of the farm sources of their raw milk supplies.

Hence, there is no "economic protectionism" or the erection of barriers to trade, except for the uniform regulation, the market remains open to all, and the benefits of the regulations are provided without discrimination to all participating in the market, including those who participate in the market from beyond the territorial boundaries of the region.

We hope you will conclude as have 40 of our colleagues that dairy compacts provide fair and equitable milk market regulation, that promotes the interests of the regions which have proposed the compacts without discrimination against farmers or processors from other regions.

Thank you for your consideration.

Sincerely,

Jim Jeffords.
Arlen Specter.
Ted Kennedy.
Charles Schumer.

United States Senate,
Washington, DC, July 20, 1999.

Setting the Record Straight: The Impact of Dairy Compacts on Consumer Prices

Dear Colleague: Over the past number of months, the milk processors lobby has bombarded Congress with disinformation about the impact of dairy compacts on consumer prices. Consistent with the time-honored tradition of industry lobbyists working to defeat legislation contrary to their vested interest, this storm of paper is only intended to confuse the issues involved so as to convince you to oppose the dairy compact legislation, regardless of the actual facts.

Twenty-five states have formally presented these compacts for review and approval. Congress must respond by debating the issues presented on the merits. This is especially true with regard to the critical question of the impact of dairy compacts on consumers. On this issue, the opponent's claims are particularly distorted and unfounded.

Can we truly believe that twenty-five governors and the host of state legislative committees and deliberative bodies which have approved these compacts would have approved them if they were likely to have the horrific impact on consumers proclaimed by the opposition?

The opponents claim that the Northeast Compact has caused milk prices to rise "15 to 20" cents per gallon. They also claim that in its first year, the Northeast Compact cost New England consumers $65 million in higher milk prices, and that with the creation of a southern compact, consumers would pay $600 million a year in higher milk prices. These claims are nothing but the grossest of scare tactics.

The opponents base their analysis on the OMB study which reviewed the economic impacts of the Northeast Compact during its first six months of operation. In fact, the OMB study concluded that the potential impact of the Northeast Compact on prices might be as low as approximately five cents a gallon. In any event, OMB carefully prefaced its assessment by stating that no reliable conclusions could be drawn based upon a limited data set of six months.

Perhaps more to the point, the design of the dairy compacts and the actual operation of the Northeast Compact Commission should assure Congress that the interests of low income consumers are adequately protected. Each state delegation to the commissions created by dairy compacts must include a consumer representative. This assures that consumers have a voice in pricing decisions, and means that they will certainly have more of a voice than they now have in today's highly concentrated marketplace.

Moreover, the Northeast Compact Commission has acted to provide for reimbursement of the state WIC programs of even potential adverse impacts, regardless of actual impact, and for reimbursement to the School Lunch programs for any documented adverse impact. In design and actual practice, then, dairy compacts work to protect rather than harm consumers, particularly low income consumers.

We hope you will side with the states' actual judgement that these compacts are in the public interest, and choose to support this vital legislation.

Sincerely,

Jesse Helms, Max Cleland, Daniel Moynihan, Mary L. Landrieu, Patrick Leahy, Jim Jeffords, Olympia Snowe, Charles Schumer, Arlen Specter.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

(The remarks of Mr. Specter pertaining to the introduction of S. 1484 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

AMENDMENT NO. 1513 TO AMENDMENT NO. 1499

(Purpose: To make a perfecting amendment)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. Cochran] proposes an amendment numbered 1513 to amendment No. 1499.

Mr. COCHRAN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's Record under "Amendments Submitted.")

Mr. COCHRAN. Mr. President, this is an amendment relating to economic and disaster assistance. This is the amendment that the Senate voted against tabling when a motion to table the amendment was made by the distinguished Democratic leader, Mr. Daschle.

A vote has already been taken on a motion to table this amendment, but it was then, under leadership agreement on how to proceed to this bill, withdrawn.

This action that has just been taken puts this amendment back before the Senate. There was an amendment offered by the Democratic leader and the Senator from Iowa, Mr. Harkin, which was also the subject of a motion to table. That motion to table was agreed to.

Before the Senate now is the issue of economic and disaster assistance for farmers in the form of the so-called Cochran amendment.

To refresh the memory of Senators, this is an amendment that seeks to give the Secretary of Agriculture authority and funds with which to deal with the economic crisis that exists in production agriculture today. This is funding for the fiscal year that begins next October 1, so it is not an endeavor to deal with all of the existing problems in agriculture in the current fiscal year, but it is an effort to deal with economic problems during the harvesting and marketing of the 1999 crop throughout the country.

There is already in place a $6 billion disaster program that was approved last year that has been administered by the Department. Some of those checks for weather-related disasters went out to farmers as recently as June. We are hopeful if any additional funds are needed for this crop-year, the President will submit a budget request asking for additional funds.

There has been some discussion during the debate on the floor that there is nothing in this amendment that provides immediate assistance for drought victims and the like. The point is, in a recent supplemental that we had on funding the military action in Kosovo, that subject was raised and an amendment was offered, which was rejected, that would provide additional disaster assistance funds in this crop-year and in the next crop-year as well. What we did was adopt the sense-of-the-Senate language that would ask the President to submit a supplemental request if additional funds were needed over and above that amount that had already been provided by the Congress. No request has been made.

A letter was written to the President in June, signed by 22 Senators, reiterating the fact that we approved language requesting a supplemental request if one was needed and that nothing had been heard. We did get an acknowledgment to the letter, but we have had no subsequent request.

The chairman of the Agriculture Committee, the Senator from Indiana, Mr. Lugar, has been having hearings in the Senate Agriculture Committee, yesterday and again today, getting information, getting expert advice and testimony on the condition of agriculture in America today to determine what level of assistance is appropriate, what level is needed, and what kind and character should this assistance take. We have had a long debate. Senators on both sides have expressed their views on this subject, and we are at a point now where we have to either adopt an amendment or not adopt an amendment providing disaster assistance.

It seems to me it would be appropriate now, after hearing all the evidence, after reviewing all the arguments, to proceed with the adoption of this amendment and go to conference with the House and try to resolve whatever differences we may have on this issue with House conferees and then come back with a conference report for the consideration of the Senate. If we do not have a provision for disaster or economic assistance in our bill, this will not be an item that can be considered in conference. So I think it is very important for the Senate to approve this amendment, giving us a conference vehicle for further consideration of this issue with the House. If we do not approve this amendment or some other amendment that could be offered, then we will not have a vehicle.

We have already expressed our views as a body on the Daschle-Harkin proposal. It was rejected. This amendment was not rejected. The motion to table was not agreed to. So it is now back before the Senate for its consideration.

I am going to review briefly what this legislation contains and urge Senators to approve the amendment. We can have a record vote on that if the Senate desires or we can adopt it on a voice vote. It suits me to adopt it on a voice vote, but I am putting Senators on notice that is the issue before the Senate now. If anyone wants to request a record vote, they are free, of course, to come to the Senate floor and do that.

The bulk of the funds provided in this amendment—which now has a cost estimated by the Congressional Budget Office of almost $7 billion—the bulk of the assistance is in the form of increased payments, so-called AMTA payments. That is the agricultural market transition payments. These are payments that are made to commodity producers under existing farm law, provided to help farmers make the transition from a Government-controlled and mandated agricultural production system to a more open and free market system where farmers can make their own decisions about what they plant on their crop acreage. In the past, the Government had tight controls over not only what crops could be subsidized by the Government, but how much acreage could be planted with those crops. If you violated the rules, you lost your right to Federal assistance.

Under the new program, Federal assistance is provided without regard to what crop you plant or how much of the acreage you use. There is no mandatory set-aside of acreage, telling farmers you cannot plant but so much of your acreage this year, as was the case under preexisting agricultural legislation. The amount of money that would be paid directly to farmers as authorized in this legislation would represent 100 percent of the total of the 1999 producers AMTA payment. So in effect, by the passage of this amendment, we would double the amount of money that would go to farmers who are entitled to agriculture market transition assistance payments. That comes to a total of $5.54 billion. There is no redtape. There is no discretion in the Department of Agriculture. There is no special procedure for establishing eligibility. If you are eligible under current law for a transition payment, you are eligible for this additional payment. The checks go out.

It was shown in the experience this year in administering the current disaster assistance program that the AMTA payment system was the most efficient way of providing assistance to farmers who were entitled to add additional benefits under an economic assistance program. So that is why in this amendment we have elected to use that vehicle to disseminate funds for disaster and economic assistance to farmers because of this year's economic stress in agriculture. But not all farmers are eligible for AMTA payments. Because they are not, most of the rest of the funds in the bill are used for disaster assistance for those farmers that they may need.

The Secretary of Agriculture is, for example, given discretion to establish a program to provide assistance to livestock and dairy producers. There is a livestock assistance program in place now which was utilized to deliver disaster assistance provided last year. So, because of that experience, it seems logical that the Department of Agriculture will be able to provide regulatory guidance and eligibility standards for those who suffered by reason of drought or other conditions that have adversely affected them if they are in the livestock business. This applies to beef cattle production; it applies to hog production; and it applies to dairy.

So it is a program that is included in this legislation. Other specialty crops are included as well—fruits and vegetables. Other crops and other commodities that are grown by landowners who are involved in production agriculture are intended to be included in this program, and the Secretary of Agriculture is given the authority to use funds appropriated in this amendment to provide assistance to those farmers as well.

We do not try to pick and choose among farmers, whether you are eligible or not eligible for benefits. The intent is we want all farmers to benefit from this program under this amendment.

There is also, at the conclusion of our bill, a provision that states the sense of the Congress with respect to a more aggressive policy with agricultural trade issues. There have been situations that have developed around the world where our producers and exporters have been shut out of markets or have been discriminated against because of tariffs or other rules and regulations adopted by other countries or groups of countries that have made it impossible for us to have access to markets that we have traditionally enjoyed or which we ought to by right have an opportunity to enjoy.

We are urging the administration to be more aggressive in strengthening trade negotiating authority for American agriculture, and we express Congress' objectives for future trade negotiations. We ask the President to evaluate and make recommendations on the effectiveness of our existing export and food aid programs.

I think we have heard enough about what the facts are. Senators who have been to their own States have had an opportunity to view the situation, to talk with their farmers, and to understand the stress that is confronting American agriculture today.

Here are some of the Department of Agriculture's own facts and estimates that had been given to our subcommittee when we had our hearings earlier this year: 1999 net cash farm income is expected to decline $3.6 billion below last year's level. Incidentally, in 1998, net farm income for wheat, corn, soybeans, cotton, and rice was 17 percent below the previous 5-year average. For this crop-year, 1999, the projections indicate that income for the same crops will be 27 percent below the previous 5-year average.

Those are the projections that persuade me that disaster and economic assistance is not only important for us to consider but is necessary for us to deliver if we have the expectation of maintaining health and vitality in American agriculture.

I think the facts are clear and justify the amendment we are offering today to provide disaster assistance and economic assistance to agricultural producers for the 1999 crop-year. The bulk of the assistance is going to be made available in the most efficient way possible: through the disbursement of the market transition payments providing a 100-percent bonus, in effect, to all who are eligible for those payments.

Those who are soybean farmers or who grow other oilseeds will be entitled to benefits under a special program. They do not receive these transition payments, but they will receive benefits under this amendment. The same is true of livestock farmers, whether they are beef cattle, pork producers, or dairymen.

We think we have created a balanced program, one that is fair to all farmers, one that will help put money in the pockets of farmers, not just give them a promise of loans or technical assistance or other advice from the Government. Our amendment does not just add money to Government agencies; it does not just increase the size of Government agencies; it sends the money directly to the producers.

We have also agreed to add to this bill, at the request of other Senators, additional funds for crop insurance benefits. That was not included in the original amendment that was offered as a part of the Cochran amendment, but it will be added to this amendment in the form of a modification. We have heard the persuasive arguments in support of that suggestion, and we have agreed to accommodate those Senators who are interested in that additional benefit.

My hope is Senators will review the amendment as we are modifying the amendment and will support it, and we can then move on to the final conclusion of this legislation.

Mr. President, if there is no Senator seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VOINOVICH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I was prepared at this time to offer an amendment, but I will not be offering an amendment because Senator COCHRAN, Senator KOHL, and myself have worked out an agreement on an amendment which will ultimately be part of the bill, and I will leave it to the chairman of the subcommittee to decide the best course to bring it into the bill. I am happy we have been able to work this out because I think it is a critically important issue and to which I want to take a few minutes to alert the membership.

I happened to read a few months ago an article in Forbes magazine which was an eye opener. It really disturbed me, and I asked my staff to take a look at it a little more closely. The article is entitled "Blood Money." It documented that many medical devices that were approved and manufactured for a single use had been cleaned and reused on patients without any demonstration to the Food and Drug Administration that the devices are, in fact, safe and fully functional after this reprocessing.

When I tell you these devices, it may give you some pause to consider the types of things that have been manufactured and labeled for a single use and are being reprocessed and used over and over again. Here are some of the most commonly recycled disposables: electrophysiology catheters for heart catheterizations; sequential compression devices; biopsy forceps; pulse—this is where my liberal arts education will fail me—oximeter sensors; laparoscopic instruments. Think of all the laparoscopic procedures going on now. One of the things we find is that many of the instruments that are being used have been labeled single use and are being so-called cleaned and reprocessed and used again.

Continuing with some of the most commonly recycled disposables—drills, bits, blades, catheters, and many other things.

At least a third of the hospitals ignore the manufacturer's warnings and recycle these so-called disposable products for their patients without telling their patients.

As you can see, we are not talking about bedpans here. We are talking about highly invasive and high-risk devices, devices that come in contact with the patient's blood or other bodily fluids. This reuse is happening without the knowledge of patients and without a requirement that the devices be shown to still be safe and effective after reprocessing.

Here in the United States we have a Food and Drug Administration which oversees the safety of drugs, medical devices, biologics, foods, and cosmetics. Let me say that I am one of the biggest fans in Washington of the Food and Drug Administration.

Dr. Jane Henney, who is now the head of that agency, is an extraordinarily talented person. Though she and I have had some debates on various issues, I am grateful that she has left the private practice of medicine to give these years of public service to the Food and Drug Administration because this FDA literally inspects and approves devices, instruments, prescription drugs—all sorts of things—that we take for granted in our everyday life.

FDA approval is considered the gold standard all around the world. Yet that gold standard is only being applied to devices when they first come on the market. The FDA takes a look at these various devices as they are being sold to determine whether or not they are safe and effective, as they should. With that approval, they are sold to hospitals around America.

But when it comes to the issue of reprocessing this disposable device, which is used a second, third, or fourth time, I am afraid the FDA has not been as effective as they should be. The Los Angeles Times ran an article 2 days ago reporting a bacterial outbreak in a Colorado hospital due to contaminated reused cardiac catheters. One of the patients involved died because of that outbreak.

This chart makes reference to the Federal MEDWATCH program which is an effort to get a report from any hospital if it shows that a device has resulted in some problem. One of the adverse event reports that was reported to FDA's MEDWATCH shows that the tip of a catheter that had been reused six times broke and lodged in a 32-year-old man's right atrium—if you recall from biology, that is inside the heart—where it is still lodged today.

The Los Angeles Times article also talks about another incident where a 4-inch-long tip traveled from a patient's heart to his stomach, leading to additional surgery in which the doctors opened the man's stomach in an attempt to remove it.

I find this shocking. You or I could be admitted to a hospital tomorrow, and without our knowledge we could be exposed to a device of completely unknown standard.

I have here some charts that depict some reused devices that were retrieved from hospitals in exchange for new devices. They show that many of the devices had either remaining blood or tissue on them or were damaged, so they could not have met the standards FDA had for original manufacturers.

This is an example of a cutting device. It shows, unfortunately, that it was still contaminated when it was removed from the hospital.

There are other photographs as well, each one raising a question as to whether or not these devices, when used, were sufficiently cleaned or up to the job that they were called to do. We have several other photographs. I think they all demonstrate that.

The amendment which I have offered, and which has been accepted by both the majority and minority, is supported by various consumer groups—Public Citizen, the Consumer Federation of America, and the Consumers Union—and patient groups such as AIDS Action, the Alzheimer's Association, the National Organization for Rare Diseases, the National Women's Health Network, and by health professionals, such as the American Nurses Association, that say we should reserve a very small amount of FDA's medical device money—in this case $1 million —out of the $154 million allocated for medical and radiological devices to provide oversight for these reused medical devices.

One has to wonder why we spend any money on device safety if the device only has to be safe when it is used initially. In the case of the catheter that is now lodged in a patient's heart, it was reused six times. This was supposed to have been used once.

When you go in for heart surgery or these diagnostic treatments, it never crosses your mind to ask the doctor: Incidentally, will all the devices you are going to use in the course of my treatmment be used for the first time only? Has someone else used this catheter before? Has it been reprocessed? Is it being reused?

That never dawns on the patient, but in fact we find a third of the hospitals are reusing these devices. That is why I think this amendment is so necessary.

I think we can do a lot better. In fact, I believe we can go a lot further than my amendment goes. I will be introducing a bill shortly that will completely overhaul this system to provide patients with assurance that all medical devices used on them are of a high standard and that we can accurately track injuries and infections due to reprocessed devices.

My amendment attempts to take a small step to encourage the FDA to provide necessary oversight of reprocessed devices. America uses the FDA to make sure that products, including medical devices, are safe. It does not make sense to have safety equipment for devices when they are brand new but to turn a blind eye thereafter. All medical devices should be required to be safe.

I might add, in closing, that at a recent hearing before the Governmental Affairs Committee, I asked Dr. Henney about the efforts being made by the Food and Drug Administration to deal with this problem. She referred me to Dr. Jacobson. Dr. Jacobson is currently the acting director of the Center for Devices. He acknowledged my question about reusing medical devices was a difficult one. He also acknowledged that the FDA is in the process of establishing standards and procedures to make sure that these reused devices are safe. I am heartened that, when brought to his attention, the FDA was responsive. Frankly, I think we need a lot more. That is the purpose of this amendment.

I thank the Chair for the time. I also extend my thanks to Senator COCHRAN of Mississippi and Senator KOHL of Wisconsin for agreeing to this amendment which will be made part of the bill, so that $1 million in the Food and Drug Administration is going to be directed toward the efforts to clean up the reuse of these medical devices.

I yield the floor.

Mr. KENNEDY. In an effort to reduce costs under managed care, more than a third of all hospitals across the country are now reusing medical devices that are labeled by the original manufacturer as "disposable" or "for single-use only." More than a million devices a year are being reprocessed and then used on patients without their knowledge, in violation of the original manufacturer's recommendation or warning, and without a determination by the FDA that these devices are safe and effective.

To protect patient safety, FDA requires that before a medical device manufacturer can begin selling a single-use device as reusable by additional patients, the manufacturer must file the appropriate premarket notification to prove the safety and efficacy of the reused device.

But this requirement only applies to original equipment manufacturers, and not to hospitals, other providers, or third party reprocessors. When hospitals, or third-party reprocessors, prepare a "single-use only" device for use again in another patient, they do not supply the FDA with any information on the safety and efficacy of the device and they do not notify the FDA of their intent to remarket the used device.

The FDA does require third-party reprocessors to register with the Agency and to conform to the "Good Manufacturing Practices" required of device manufacturers. The larger reprocessors are registered with the FDA and may be inspected for compliance. But there are numerous smaller reprocessors that do not register with FDA, and hospitals that reprocess in-house do not register either.

Even when registration takes place, is not a form of approval. Compliance with Good Manufacturing Practices does not assure that the reprocessing results in a safe and effective device. The reprocessing industry is, for the most part, unregulated.

Some of the disposable devices that are reprocessed and reused are highly invasive and are contaminated with blood and tissue during use. A few examples include:

Balloon angioplasty catheters for dilating coronary arteries;

Electrophysiology catheters for cardiac testing;

Biopsy forceps and biopsy needles for removing tissues and cells;

Laparoscopic instruments for surgical procedures.

Inadequate cleaning and sterilization of these devices prior to reuse can lead to cross-contamination of patients and hospital staff.

Single-use devices are often made from heat sensitive plastics, and have intricate, inaccessible parts which can be difficult, if not impossible, to clean. They often contain long narrow tubing, acute angles, crevices, coils, joints, and porous surfaces where contaminants can collect. The potential is high for contamination by blood, respiratory secretions, gastric secretions, and fecal matter.

Cleaning and resterilizing can also threaten the operation of a used single-use device. Physical, mechanical or electrical properties can be altered when the device is subject to harsh chemicals, high temperatures, pressure, gases, and physical removal of debris. Proper use of the device in the initial patient may also alter the performance of the device.

Reprocessors say that they test these devices. But any testing is done without the benefit of the data and other proprietary information in the original manufacturer's Premarket Notification to the FDA.

The FDA has conducted studies on balloon angioplasty catheters. These devices are threaded from an artery in the leg into the heart, and then inflated to open the coronary arteries. The studies concluded that many of the narrow spaces in these catheters were contaminated with blood, and that the balloons no longer inflated properly.

Studies by FDA on reprocessed electrophysiology catheters have found debris accumulated at the edges of the electrodes. These devices are also threaded into the heart, and measure electrical activity to locate abnormal heart tissue and burn it away.

FDA concluded that the determination as to which devices can be safely reused must be made on a model-by-model basis, and should not be made for an entire class or type of device.

Other independent studies on biopsy forceps used to collect samples from the colon and digestive tract showed that over 80% were contaminated with blood, tissue, or fecal matter. The devices in this study were taken from hospital shelves where they were waiting for reuse on future patients.

Injuries and product failures have also been associated with reused disposable devices. In January of this year, metal from an electrophysiology catheter electrode fell off and lodged in the heart of a 32-year-old woman in Kansas. The device had been reprocessed six times.

In another case, a reprocessed catheter partially separated, and the tip was retained only by a small piece of wire. In this case, fortunately, the patient was not injured, but the potential for serious injury was great.

The Medical Device Amendments of 1976 gave FDA the authority to exercise pre-market control over medical devices for the first time. The Safe Medical Devices Act of 1990 required hospitals and other facilities that use medical devices to report adverse events to FDA. A box on the MedWatch adverse event form asks if the device was being used for the first time or was reused.

Additional information is needed on how many times a device has been reused and the name of the reprocessor, so that the Agency can identify signs or trends of problems with the reuse of a particular class or model of device, or with a particular reprocessor or process.

The amendment we offer today will help ensure the safety and effectiveness of reprocessed medical devices.

I commend the FDA for its continuing efforts to improve the premarket review program. This effort has resulted in reduced review times of Premarket Notifications, so that in 1997 and 1998, FDA had no backlog of these marketing applications.

FDA should now move forward and require medical device reprocessors to demonstrate that reprocessed devices are safe and effective for use.

Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

AMENDMENT NO. 1513, AS MODIFIED

Mr. COCHRAN. Madam President, I send a modification of my amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 1513, as modified.

Mr. COCHRAN. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 1, line 3, strike all that follows "SEC." to the end of the amendment and insert the following:

. EMERGENCY AND MARKET LOSS ASSISTANCE.—(a) MARKET LOSS ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the "Secretary") shall use not more than $5,544,453,000 of funds of the Commodity Credit Corporation to provide assistance to owners and producers on a farm that are eligible for payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(2) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this subsection shall be proportionate to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(3) TIME FOR PAYMENT.—The assistance made available under this subsection for an eligible owner or producer shall be provided not later than 45 days after the date of enactment of this Act.

(b) SPECIALTY CROPS.—

(1) ASSISTANCE TO CERTAIN PRODUCERS.—The Secretary shall use not more than $50,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers of fruits and vegetables in a manner determined by the Secretary.

(2) PAYMENTS TO CERTAIN PRODUCERS.—

(A) IN GENERAL.—The Secretary shall use such amounts as are necessary to provide payments to producers of quota peanuts or additional peanuts to partially compensate the producers for continuing low commodity prices, and increasing costs of production, for the 1999 crop year.

(B) AMOUNT.—The amount of a payment made to producers on a farm of quota peanuts or additional peanuts under subparagraph (A) shall be equal to the product obtained by multiplying—

(i) the quantity of quota peanuts or additional peanuts produced or considered produced by the producers under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271); by

(ii) an amount equal to 5 percent of the loan rate established for quota peanuts or additional peanuts, respectively, under section 155 of that Act.

(3) CONDITION ON PAYMENT OF SALARIES AND EXPENSES.—None of the funds appropriated or otherwise made available by this Act or any other Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out or enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001, if the Federal budget is determined by the Office of Management and Budget to be in surplus for fiscal year 2000.

(c) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed $150,000.

(d) UPLAND COTTON PRICE COMPETITIVENESS.—

(1) IN GENERAL.—Section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(A) in paragraph (1), by striking "or cash payments" and inserting "or cash payments, at the option of the recipient,";

(B) by striking "3 cents per pound" each place it appears and inserting "1.25 cents per pound";

(C) in the first sentence of paragraph (3)(A), by striking "owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates" and inserting "owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton"; and

(D) by striking paragraph (4).

(2) ENSURING THE AVAILABILITY OF UPLAND COTTON.—Section 136(b) of the Agricultural Market Transition Act (7 U.S.C. 7236(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—The President shall carry out an import quota program during the period ending July 31, 2003, as provided in this subsection.

"(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

"(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

"(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year."; and

(B) by adding at the end the following:

"(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.".

(e) OILSEED PAYMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall use not less than $475,000,000 of funds of the Commodity Credit Corporation to make payments to producers of the 1999 crop of oilseeds that are eligible to obtain a marketing assistance loan under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

(2) COMPUTATION.—A payment to producers on a farm under this subsection shall be computed by multiplying—

(A) a payment rate determined by the Secretary; by

(B) the quantity of oilseeds that the producers on the farm are eligible to place under loan under section 131 of that Act.

(3) LIMITATION.—Payments made under this subsection shall be considered to be contract payments for the purposes of section 1001(1) of the Food Security Act of 1985 (7 U.S.C. 1308(1)).

(f) ASSISTANCE TO LIVESTOCK AND DAIRY PRODUCERS.—The Secretary shall use $325,000,000 of funds of the Commodity Credit Corporation to provide assistance to livestock and dairy producers in a manner determined by the Secretary.

(g) TOBACCO.—The Secretary shall use $328,000,000 of funds of the Commodity Credit Corporation to make distributions to tobacco growers in accordance with the formulas established under the National Tobacco Grower Settlement Trust.

(h) SENSE OF CONGRESS REGARDING FAST-TRACK AUTHORITY AND FUTURE WORLD TRADE ORGANIZATION NEGOTIATIONS.—It is the sense of Congress that—

(1) the President should make a formal request for appropriate fast-track authority for future United States trade negotiations;

(2) regarding future World Trade Organization negotiations—

(A) rules for trade in agricultural commodities should be strengthened and trade-distorting import and export practices should be eliminated or substantially reduced;

(B) the rules of the World Trade Organization should be strengthened regarding the practices or policies of a foreign government that unreasonably—

(i) restrict market access for products of new technologies, including products of biotechnology; or

(ii) delay or preclude implementation of a report of a dispute panel of the World Trade Organization; and

(C) negotiations within the World Trade Organization should be structured so as to provide the maximum leverage possible to ensure the successful conclusion of negotiations on agricultural products;

(3) the President should—

(A) conduct a comprehensive evaluation of all existing export and food aid programs, including—

(i) the export credit guarantee program established under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622);

(ii) the market access program established under section 203 of that Act (7 U.S.C. 5623);

(iii) the export enhancement program established under section 301 of that Act (7 U.S.C. 5651);

(iv) the foreign market development cooperator program established under section 702 of that Act (7 U.S.C. 5722); and

(v) programs established under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

(B) transmit to Congress—

(i) the results of the evaluation under subparagraph (A); and

(ii) recommendations on maximizing the effectiveness of the programs described in subparagraph (A); and

(4) the Secretary should carry out a purchase and donation or concessional sales initiative in each of fiscal years 1999 and 2000 to promote the export of additional quantities of soybeans, beef, pork, poultry, and products of such commodities (including soybean meal, soybean oil, textured vegetable protein, and soy protein concentrates and isolates) using programs established under—

(A) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) titles I and II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.); and

(D) the Food for Progress Act of 1985 (7 U.S.C. 1736o).

(i) Crop Insurance.—The Secretary shall use $400,000,000 of funds of the Commodity Credit Corporation to assist agricultural producers in purchasing additional coverage for the 2000 crop year under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(j) Emergency Requirement.—The entire amount necessary to carry out this section and the amendments made by this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

The PRESIDING OFFICER. The amendment is so modified.

Mr. COCHRAN. Madam President, this is the modification that I mentioned in my remarks, when I sent the Cochran amendment to the desk, that we were making to add $400 million for the Crop Insurance Program to the Cochran amendment. There are other technical changes, but that is the substantive change that is made by this modification, for the information of Senators.

We are also hopeful, after talking with the distinguished Democratic leader, that it is possible we will be able to move to a vote on the Cochran amendment—the details of that are being discussed now with leaders on both sides and interested Senators—and then consider any other amendments that may be offered on this subject—we know of two suggested major amendments that may still be presented to the Senate for its consideration—to have votes on those or on motions to table those amendments, and then move on to consideration of other amendments which have been suggested by Senators.

We have a list of amendments the managers have agreed to accept. There are a few that we know of that Senators have indicated an interest in offering which we are not able to accept, but we hope that if there are Senators who have amendments they intend to offer, they will let us know about this. We have asked each Cloakroom to try to find out what we can expect in the way of additional amendments because we would like to conclude action on this bill this afternoon or early this evening. We think that is certainly possible under the arrangement that has just been discussed with the managers by the Democratic leader.

We appreciate the cooperation of all Senators.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, my hope is that we are able to find a way this afternoon to adequately deal with this question of disaster relief. I know Senator COCHRAN has just reoffered and now modified the proposal he made previously. We had a tabling vote on that proposal and the tabling vote did not prevail. So we know at least somewhat where the votes are on the Cochran proposal.

He has modified it, as I understand, to include $400 million with respect to crop insurance. My hope is that we can move beyond this proposal, which I think is short on what is necessary, to a couple of additional proposals that we may be able to agree to with respect to procedure at least.

This proposal that is now before the Senate does not provide assistance for disaster relief. We now see, in every television and radio newscast that we turn to or refer to on the front pages of the papers, the worst drought in this century in some parts of our country. We know disaster relief is going to be necessary because of this drought. We ought to begin to get a start on that in any emergency package we pass dealing with family farmers.

There are a number of other things that are left out of the proposal that has just been offered. My hope is that we can, in the next couple of hours, improve this package to the point where most of us believe it does what we believe it should do for family farmers.

I want to mention, again, we are not on the floor dealing with an agricultural disaster or agricultural crisis issue because of something farmers have done. It is not their fault the Asian economies have collapsed. It is not the farmers' fault in my State that they have suffered the worst crop disease of the century. It is not their fault we have 3 million acres that couldn't be planted this spring because of wet conditions. Incidentally, that would not be dealt with in the Cochran proposal, flooded lands and so on. This is not the fault of family farmers.

We have faced a very serious problem at this point. There is a responsibility for the Congress to help. This is the appropriate place to do that. This is the Agriculture appropriations bill. We have been discussing this now for a number of months. The collapse in the grain and commodities and livestock markets have been spectacular and have been noticed by everyone who cares about the farm economy and family farmers. This is not a surprise to anyone that we are dealing with this question now.

While there may be disagreements on the floor of the Senate about exactly how to do it, I think in the end, when we finish this afternoon, we should have been able to pass a piece of legislation dealing with the farm crisis that provides opportunity and hope to family farmers. If we just kick it around a bit and just tune it up a little bit so that it looks better or sounds better or appears better but doesn't provide the kind of help necessary for family farmers, this has all been wasted effort. If we are not able to provide a reasonable safety net and/or during tough times some emergency help that gives family farmers a chance to get from here to there, that gives them a chance to feel that there is some hope for the ability to continue farming, then we haven't accomplished anything at all.

The test, then, this afternoon is not whether we pass the proposal before us. That proposal is insufficient. It doesn't meet the needs. The test is whether we can pass one of a couple other proposals that we will, I hope, shortly make in order by consent that will be debated under short time considerations and then will be voted upon.

Those of us from farm country understand every day the dichotomy about this economy of ours. We hear about all of the wonderful things in the American economy. Yet in farm country, we see a near total collapse of rural communities, rural counties, and the economies of family farming. We understand this Congress cannot say it doesn't matter. It does matter in this country.

I am not going to revisit all the history of the current farm bill, but the philosophy of the current farm bill is that family farmers in this country shall be transitioned out of the farm program. Farm programs shall cease to exist at some point and the transition payments shall allow farmers to get from here to no farm program.

The folly of that is to believe that family-sized farms out there by themselves, trying to float in this sea of uncertainty, with all of the potential adverse effects of weather and grain markets and all of the other catastrophes that can befall a family farmer, that they can do this by themselves. When grain markets collapse and grain prices fall to half, that doesn't matter because family farmers can manage that.

That is folly. They can't manage that. Family farmers will not make it. They won't make it across this price valley unless Congress extends a helping hand. The helping hand ought to be an investment in this country, an investment in a disaster package that says family farmers matter to this country in many different ways, and we want to try to give them the capability and the hope that they can survive beyond this price catastrophe.

I say again, as I close, the current amendment which is before the Senate is deficient in many ways. It falls far short of doing what is necessary in the area of flooded lands, for example, and many other areas. It simply doesn't offer the kind of support we need in rural America to respond to the current disaster and to respond to the current crisis with respect to the collapse of farming commodity prices.

Most deficient is the fact that the underlying amendment doesn't address the disaster issue at all that is now enveloping large parts of our country and devastating family farm producers.

Madam President, I yield the floor.

Mr. COCHRAN. Madam President, after consultation with the Democratic leader and other Senators, my understanding of the procedure now that is agreed upon is that the Cochran amendment can now be adopted by voice vote.

Then there will be two other amendments on the subject of disaster assistance that will be offered and voted on. The times for those votes has not yet been agreed upon. But we can take the first step by adopting the Cochran amendment on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment (No. 1513), as modified, was agreed to.

Mr. COCHRAN. Madam President, I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

PRIVILEGE OF THE FLOOR

Mr. KOHL. Madam President, I ask unanimous consent that Cynthia Garman-Squier, Dan Alpert, and John Jennings, fellows working in Senator BINGAMAN's office, be accorded the privilege of the floor today, August 4, and during the pendency of S. 1233, the Agriculture appropriations bill and any votes thereupon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Ms. LANDRIEU. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Ms. LANDRIEU. Madam President, I ask unanimous consent that my State director, Don Hutchinson, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. LANDRIEU. Madam President, I rise for the purpose of introducing a piece of legislation as in morning business.

The PRESIDING OFFICER. The Senator may proceed.

Ms. LANDRIEU. I thank the Chair.

(The remarks of Ms. LANDRIEU pertaining to the introduction of S. 1485 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Ms. LANDRIEU. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GREGG). The clerk will call the roll.

Mr. AKAKA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AKAKA. I ask unanimous consent to speak for 6 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 1487 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I am waiting for Senator HARKIN. He should be here in a moment. We intend to offer an amendment per the previous agreement.

AMENDMENT NO. 1514 TO AMENDMENT NO. 1499

(Purpose: To provide emergency and income loss assistance to agricultural producers)

Mr. DORGAN. Mr. President, I send the amendment to the desk, an amendment in the second degree, and ask for its immediate consideration.

I offer this amendment on behalf of myself, Senators HARKIN, DASCHLE, KERREY, JOHNSON, CONRAD, BAUCUS, DURBIN, WELLSTONE, LINCOLN and SARBANES.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. HARKIN, Mr. DASCHLE, Mr. KERREY, Mr. JOHNSON, Mr. CONRAD, Mr. BAUCUS, Mr. DURBIN, Mr. WELLSTONE, Mrs. LINCOLN and Mr. SARBANES, proposes an amendment numbered 1514 to amendment No. 1499.

Mr. DORGAN. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DORGAN. My understanding is we have a time agreement of 15 minutes on each side.

Mr. COCHRAN. If the Senator will yield, I am happy to agree that this amendment would have 30 minutes equally divided.

Mr. DORGAN. Yes.

Mr. COCHRAN. I am advised that I need to do this. I ask unanimous consent that the time for debate prior to a motion to table the pending amendment be limited to 30 minutes, to be equally divided in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. I thank the Senator.

Mr. DORGAN. Mr. President, in an attempt to try to find a solution to the issue of providing relief during this farm crisis, I am offering an amendment, in the second degree, on behalf of myself and Senator HARKIN and other Members here on the Senate floor.

As Members of the Senate will recall, the proposal we offered yesterday was a proposal that called for $10.7 billion in crisis relief. That $10.7 billion has been modified in this second-degree amendment, and is $9.837 billion. We have reduced it nearly $1 billion by making adjustments in a range of accounts.

The accounts include emergency short-term land diversion, disaster reserve—a number of different programs that we have adjusted, that we have thought it appropriate to adjust in order to try to find a compromise that would cost less but still provide significant support and help to family farmers.

My colleague, Senator HARKIN, and I have worked, along with Senator CONRAD and Senator DASCHLE, Senator JOHNSON of South Dakota, and others, to see if there is some way we can provide for legislation that will offer assistance at a level that is greater than that which now rests with the underlying amendment.

I had indicated previously that the amendment offered by Senator COCHRAN does not deal with disaster issues. There isn't money for disaster issues in that piece of legislation. There isn't money for flooded lands. There are a number of deficiencies in that amendment, and it simply does not reach the level that is necessary to address this farm crisis.

So in an attempt to see if we can find some middle ground, in an attempt to offer an amendment that is almost $1 billion less than we had offered previously, by making adjustments in about seven or eight categories, we are trying to see if we can get a favorable vote on this amendment.

This amendment, if it should fail, as I understand it, will be followed by one additional amendment.

But let me at this moment call on my colleague from Iowa who has joined me in offering this amendment.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN. I yield as much time as the Senator from Iowa consumes.

Mr. HARKIN. How much time do we have?

The PRESIDING OFFICER. The Senator has 12 minutes 20 seconds.

Mr. HARKIN. Mr. President, first of all, I compliment and thank my colleague from North Dakota for crafting this new proposal and for all of his hard work on behalf of farmers and ranchers all over this country. Senator DORGAN has, indeed, been a leader in this Senate in focusing attention on the fact that so many of our farmers and ranchers are in dire straits, and that we need a substantial package of relief and help to get them through this winter and into next year.

What Senator DORGAN has now sent to the desk is, hopefully, a reaching out to our colleagues and friends on the Republican side to join us in this effort. The proposal we had yesterday that I had offered was $10.7 billion. This is now $1 billion less. So we have come down $1 billion. We have taken some money out of places which, quite frankly, this Senator thinks is going to be hard to explain to some farmers. But in order to try to reach an agreement with our colleagues on the other side, for at least a meaningful package, Senator DORGAN and I and others have crafted this new package that is $1 billion less than what we offered yesterday.

This may, indeed, be the Senate's last chance to vote on a meaningful package of support for our farmers and ranchers.

Again, the amounts that are in this package are pretty close to the minimum of what we are going to need. I cannot, for the life of me, understand why we have the proposal again before us that, as I understand it, is about $400 million more than what it was yesterday.

I don't know, the Senator from Mississippi might correct me on that, but I think it is about $400 million more. I think that includes crop insurance.

Mr. COCHRAN. That is right.

Mr. HARKIN. I thank the Senator.

That is a step in the right direction to put that $400 million for the Crop Insurance Program. That was in our initial proposal. I am delighted to see it in this one.

But I must say the entire package is still not enough. Will it help? Sure, it will help. Heck, $100 would help. I have farmers out in my area who would take $100. One thousand dollars would help. Yes; this will help.

If I might analogize it a little bit, it is the kind of help that if a person is out there drowning in deep water, and you throw him one of those little life preservers, the drowning person grabs ahold of the life preserver, only to find out there is a slow leak in it. It is going to keep that person alive for a while, give him a few more moments of life on Earth. Then the air is going to go out.

That is sort of the way I see the Republican amendment before us now. It will help. It will get some farmers through. It is going to leave a lot behind. I think it is going to hold out some false hopes. The last thing our farmers and ranchers need now is false hope. They need real hope that we are going to significantly address the problem.

Again, I point out that the amendment offered by the Senator from Mississippi includes payments that go out to farmers all as agriculture marketing transition adjustment payments, so-called AMTA payments. These payments are based upon old-fashioned, outdated ag policies. What I mean by that is that the AMTA payments are based upon something known as base acres and proven yields. Base acres has gone out the window; we don't have that any longer; and yet they reach back, years back, to take base acres and proven yields in order to make the payments.

I want to forewarn my colleagues: You are going to see a lot of stories in the paper this fall and this winter about people getting these payments who aren't even farming, aren't even raising a crop. But they are going to get them because several years ago, 10 years ago, they had some base acres and they had an established proven yield. They may not even have that any longer, but they are going to get a payment. They are going to get an AMTA payment.

Yet a young producer who may not even have been in business 10 years ago, who started up in this decade, does not have base acres, does not have proven yields, but they are out there struggling to get by, they are not going to get the same AMTA payment. They will get a modest LDP this fall that is already in the bill, but this amendment offers no further relief under the loan deficiency payments.

To be sure, I understand that Senator COCHRAN's amendment has a $500 million payment to soybeans and oilseeds. Again, that is helpful. But under our LDP program the payments to soybean producers would be in the neighborhood of about $1 billion, not $500 million. They deserve some help also. I shouldn't just say soybeans. I mean all oilseeds, whether it is safflower or canola oilseeds, would also get more under the LDP payment than they would under the AMTA payment.

That is why I believe the Cochran amendment is still insufficient and why I believe the amendment sent forward by the Senator from North Dakota, Mr. DORGAN, again may be our last best hope to get meaningful help to all the farmers—all of them, not just a few.

I thank the Senator for yielding the time.

Mr. DORGAN. How much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes 15 seconds.

Mr. DORGAN. I will reserve the remainder of my time in the event the manager wishes to speak at this point.

Mr. President, if Senator COCHRAN does not have a speaker, let me then finish by saying that while I think the proposal that was offered today is improved by Senator COCHRAN—adding the $400 million for crop insurance improves it—as we indicated yesterday, it is not sufficient. It does not provide help for disaster.

It provides payments directly to farmers using AMTA. AMTA might sound like a foreign language to some people, but AMTA is a mechanism by which payments are made to people based on a 1991–1995 crop history, and we will have payments going to people who aren't producing anything. All of a sudden, they will open their mailbox and get a check. We will have payments made to people who aren't in trouble at all because AMTA is disconnected from any relationship to production.

We have proposed that the payments go with respect to a loan deficiency payment that relates to production, relates to people who are not able to receive the adequate price they need for their commodity. It tries to say let us use scarce public money here, Federal tax dollars, where they might be invested and do the most good.

It doesn't make much sense to throw a 5-foot rope to somebody drowning in 30 feet of water. One can say thanks for the rope, but it didn't save anybody. What we need to do at the end of today is to have said: Well, we have done something to try to address the farm crisis, collapsed commodity prices, collapsed livestock prices, devastating crop disease in some parts of the country, devastating drought in others, and flooding in yet other parts of the country. We need at the end of the day to say we have put together a package of help that says to those family farmers trying to do business under those circumstances: You have a chance here to survive. You can make it across these price valleys.

Putting together an inadequate package and then just going home is not solving problems. It is just prolonging the day, probably by a month or 2 or 6 months, by which farmers might have a chance to make a decision later that they are going to have to be out of business.'

That is not what we want to do for farmers. Family farmers are important to this country. I come here with a real passion for family farming. It is because I grew up in a rural area of this country and I know what it takes to raise livestock. I know what kinds of efforts and passions people put into trying to operate a family farm. I see now the tears in the eyes of family farmers who stands up at meetings with me and say: I am losing the farm. This is a farm my grand-dad operated and my dad operated, and I am losing it. I am not a bad farmer, I am a good farmer, but I can't make it with Depression-era prices for wheat and corn. I just can't make a living that way.

Members of the Senate couldn't make a living that way. People on minimum wage couldn't make a living that way. Nobody can make a living when their prices collapse. Is there anybody you know of who has half the income they used to have a couple years ago and are doing well? I don't think so. That is what this is about.

Are we going to invest in family farming? Are we going to extend a helping hand to say, you matter, we want to help you, or are we going to pass a bill that is inadequate and say, we passed it, so credit us for passing a bill?

I hope my colleagues will take a close look at this compromise, $9.837 billion, nearly $1 billion less than that which we offered yesterday. My colleagues, Senators HARKIN and CONRAD and others, sincerely hope we will be able to accept this as a compromise and then understand that we have done something significant and real, something helpful to America's family farmers and for America's family farmers.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

I don't know of any Senators on this side of the aisle who desire to debate this issue any further. We have had a full debate of all of the issues surrounding this amendment—the issues of disaster and income assistance.

I observe that the proposal that is now before the Senate, offered by the Senators from North Dakota and Iowa and others who may be cosponsors, is very similar to the amendment that has already been voted on, on a motion to table the Daschle-Harkin amendment. On that vote, the motion to table was agreed to.

There are some reductions in the individual items of assistance that are included in the bill, but the bill is basically the same bill substantively and in terms of the procedures used to deliver the disaster assistance. We were told also that the earlier bill had been estimated by the Congressional Budget Office to cost over $11 billion. It had been advertised as having a cost of $10.793 billion. This has been revised downward from that previous estimate to $9.83 billion.

The individual items we observe that have been changed: There is $100 million less for dairy. There is a reduction in the livestock assistance program from $200 million to $150 million. There was a so-called flooded land program at $250 million in the earlier proposal which is now $150 million. There is a cancellation of the so-called emergency short-term land diversion program and also of the producers erroneously denied eligibility for the 1998 relief program. There are two programs in the emergency conservation area that have been reduced in cost, and one has been canceled.

Those are the highlights of the changes that have been made in this legislation from the way it appeared when the Senate voted to table the amendment earlier in the consideration of this bill. So it is virtually the same amendment. There have been some modifications.

I urge Senators to vote to table the amendment when that motion is made. It is the intention of this manager to yield back all time that remains on this side, and I will be prepared to do that whenever the Senator from North Dakota says they are ready to vote.

Mr. DORGAN. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute 11 seconds.

Mr. DORGAN. Mr. President, of those items that my colleague, Senator COCHRAN, described as having been reduced, in most cases, they were reduced from a level of funding that we thought was necessary. But I say that, in almost every case, these items have no entry on the underlying amendment. There isn't any money available in the Cochran proposal that the Senate has considered.

So it is true, we have had to reduce some accounts. But whatever is left is certainly more than exists in the farm crisis package that has been offered today by my colleague.

I hope that our colleagues will look at this in the spirit in which it is offered and believe that a compromise is important and necessary and believe it is far better during a farm crisis to try to extend the helping hand to people who are producing and provide help, because prices have collapsed for that which they have produced, than it is to concoct another approach that says: Let's just send checks out there and hope some of them get in the right mailboxes. That is what AMTA is and what it does. That is why it is not effective.

I yield the floor.

Mr. COCHRAN. Mr. President, I yield back all time remaining on this side on the amendment.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second.

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1514.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—55

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Bunning
Campbell
Chafee
Cochran
Collins
Coverdell
Craig
DeWine
Domenici
Enzi
Feingold
Fitzgerald
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NAYS—44

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Burns
Byrd
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feinstein
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Torricelli
Wellstone
Wyden

NOT VOTING—1

Crapo

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, as I understand it, under the agreement there was an opportunity for another disaster assistance amendment to be offered. It is my understanding that an agreement has been reached to limit the time for debate on that amendment to 30 minutes equally divided prior to a motion to table.

I make that suggestion to see if it is satisfactory with the distinguished Senator from North Dakota.

Mr. CONRAD. That is the understanding.

AMENDMENT NO. 1517 TO AMENDMENT NO. 1499

(Purpose: To make a perfecting amendment)

Mr. CONRAD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 1517 to amendment No. 1499.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. CONRAD. Mr. President, this is an attempt to have a pure compromise between the two sides on the question of disaster relief for agriculture. The Democratic plan previously proposed was at $10.8 billion. The Republican plan that we started with was $6.9 billion. This is for $8.8 billion. First, it compromises on the money.

Second, on the payment methodology, it adopts what the Republicans have insisted on, the use of enhanced AMTA payments for income support. This is a sincere attempt to compromise on the question of disaster relief.

Beyond that, there are significant differences. This is a disaster bill that actually has disaster aid. Our amendment has $500 million set aside for 1999 crop income losses. There is nothing in the underlying amendment. Let me repeat that for people who are listening, and for our colleagues. Our amendment has $500 million for 1999 crop income losses from droughts and floods. The underlying amendment has zero. We are talking about a disaster bill that, on the Republican side, does not have disaster provisions. It has provisions to offset the dramatic loss from the plummeting crop prices, but it does not have provisions to address drought or flooded lands.

In addition, the underlying amendment has no money for the unmet 1998 disaster assistance promise that was made. Last year, the government came up short. We gave farmers compensation based on a formula. They got 85 percent of what Congress had promised. My amendment improves on that. It closes the gap between what was promised and what was delivered. The underlying amendment has no money for dairy. Our proposal has $200 million for dairy. The underlying amendment has no money for price reporting. We have a modest amount of money for that. The underlying amendment has no money for agricultural mediation. We have a small amount of money for that.

In addition, the underlying amendment has no money for section 32 commodity purchases to address the drought and the livestock price collapse that we have seen for hogs. Our amendment does.

The underlying amendment, the Cochran amendment, is at $7.5 billion. Our amendment is at $8.8 billion. It represents a pure compromise on the dollars. It represents an acceptance of the Republican payment mechanism—all AMTA payments. As I have indicated, the other differences are as follows: The underlying amendment has about $200 million for specialty crops; we have $300 million. The underlying amendment has $325 million for livestock assistance and section 32; we have $550 million. The underlying amendment has nothing for 1999 crop income losses; we have $500 million. The underlying amendment has nothing for dairy; we have $200 million. The underlying amendment has nothing for the unmet 1998 disaster promise; we have $162 million. The underlying amendment has money for tobacco farmers; so do we.

We also have some miscellaneous provisions and deal with raising payment limits. We have the same approach as in the Republican proposal.

This is an attempt to have a straightforward compromise between the two positions. I hope very much our colleagues will accept it. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume. I know of no Senators on this side who are requesting recognition to debate this amendment. I observe that there has been a lot of discussion and consideration in the Senate on all of the issues that are included in this proposed amendment. Nothing really has been changed except the vehicle for delivery of assistance—that has been changed—and a reduction in total cost.

We still observe this is not a CBO estimate of the cost. The earliest cost of the Harkin amendment was over $10 billion, but then CBO sends us an estimate and it is over $11 billion. So one thing for Senators to keep in mind is that the cost of this proposed amendment is still considerably higher than the Cochran amendment that has previously been agreed to by the Senate on a voice vote this afternoon.

I hope Senators will continue to support the managers' effort to table this amendment and proceed to then consider the remaining amendments we have available to be disposed of in connection with this legislation. We think the underlying amendment fully addresses the need for action to deal with the problem of lost income and disaster assistance. It may not be perfect. There is no provision in the House bill on this subject. So we have an opportunity in conference to work out differences. If there are developments between now and the time when we do go to conference with the House, we will have an opportunity to address those issues.

I am hopeful Senators will understand this is our first action on this subject by the Congress. We have had no support from the administration in terms of trying to identify an appropriate level of disaster assistance for current problems. We already have a disaster program that is still being administered by the Department of Agriculture which was approved in the last Congress. That is a $6 billion program. We are willing to continue to work with the administration and with Senators in this Chamber to design the best possible economic assistance program.

We think this is a very strong effort and is a sign that we are serious about dealing with the problems in agriculture. It is a strong commitment. It is a $7 billion effort that has already been agreed to this afternoon. So we will continue to talk to Senators on both sides of the aisle to try to reach a point where we have a consensus and we have an understanding that will be acceptable not only to Congress but get the signature of the White House as well. We realize that is a fact of legislative life. But this is an important issue.

We appreciate the way Senators have responded to the challenge, discussing the options and voting for the measures that have been before us. But it is my intention, once the Senator has used his time or yielded it back, to yield the time that remains on this side and move to table the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, first of all, I thank both Senator CONRAD from North Dakota and Senator GRASSLEY from Iowa. This is the first bipartisan effort we have had.

I also want to key on what the Senator from Mississippi just said. I appreciate very much what the Senator from Mississippi did earlier with the voice vote, basically saying let's try to get some agreement on what our baseline is going to be.

I am wondering. I say to the Senator from Mississippi, it seems some things put together in the package by Senators GRASSLEY and CONRAD might be agreeable to the Senator from Mississippi. Perhaps all of them are not. I wonder if the Senator will be willing to consider adding by voice vote some of the things? Look, for example, at the 1999 agricultural disaster losses. That almost on the face cries out for funding, it seems to me.

I wonder if the Senator from Mississippi will respond to that. I know earlier we had a voice vote that set down a foundation of what we were going to do. Since this is the first truly bipartisan effort we have had, which is exactly what we are going to need in order to get the President's signature and the House to come along, we have a ways to go before we can get something signed and assistance out to farmers who are in need.

As I said, I appreciate very much the Senator from Mississippi—there is no question he understands there is a real need there, and it is not a question of whether or not he wants to help. He has a problem with some of the details of it and the timing of it. I wonder if there is anything on this list that the Senator from Mississippi by voice vote will be able to add in at this stage of the game?

Mr. COCHRAN. Mr. President, if the Senator will yield, no, there is not.

Mr. KERREY. Let me ask specifically on the ag disaster income loss, it seems to me—this is for 1999 that had been promised previously—this is just a matter of keeping a promise that was made previously. The Senator still would not—he can shake his head no if the answer is no. I am seeking some way to build on what Senator GRASSLEY and Senator CONRAD have done, which is trying to split the difference here and come up with a proposal.

Their proposal, for example, the most controversial one right off the bat, was they have all the money going out in an AMTA payment. As the Senator from Mississippi knows, the earlier effort reached by partisan agreement was one of the most difficult issues. Democrats wanted the money to go out in LDPs, and Republicans wanted it to go out in AMTA. We yielded in the bipartisan proposal of which I am fully supportive. It seems to me it would be reasonable at least to consider putting this 1999 assistance that has been promised on the appropriations bill. Does the Senator not agree with that?

Mr. COCHRAN. Mr. President, if the Senator will yield, I am happy to discuss this. I do not think we are going to make any progress in reaching an agreement in the way the Senator from Nebraska has undertaken to try to explore the options. This is, is it the third day? It seems as if it has been 3 days. Maybe it has just been 2. Time passes so fast when you are having fun trying to work something out.

We have undertaken in good faith to try to arrive at a package of assistance that will address the needs, as we understand them, in agriculture. If the Senator has listened to the debate, as I am sure he has, there have been some Senators who do not think there should be any funds made available at this time for this purpose because the harvests have not been completed and we do not know what the losses are in some areas of the country.

This year, some farmers are predicted to make more money than they did last year. In my State, aquaculture is considered to be having a very good year. There was a big feature story just this week in our State's press about that. But there are some farmers who are having a terrible time. Many of them are in the newspapers and photographs where drought has hit crops in this region of the country.

We are all aware of those problems. To suggest to me that I should now look at this last amendment that has a long list of things in it and I should select things that I could be willing to accept puts me in a position that is really untenable. I think the Senator understands that. So I think his questions are not only facetious but not well intended to really achieve the result of a compromise.

I cannot speak for all Senators on this side of the aisle when trying to respond to a question such as that. I can say that there is a lot of diversity in the Senate. We have come together to agree on an approach. It is a generous approach, and I think we are willing to go to conference with that. I am willing to take that to conference and defend it and improve it if we can, if the House has some better ideas.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. COCHRAN. Mr. President, I yield back all the time remaining on this side on the amendment. I move to table the amendment, and I ask for the yeas and nays.

Mr. CONRAD. Will the Senator withhold until Senator GRASSLEY has a chance to speak? I am not out of time.

Mr. COCHRAN. I will be happy to withhold if the Senator wants to talk.

The PRESIDING OFFICER. I believe the Senator from North Dakota has 4 minutes, 56 seconds.

Mr. CONRAD. I give 4 minutes to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, yesterday I spoke about the hope that we could get a bipartisan agreement. I spoke also about the fact that I consider ag programs and Social Security and Medicare as social contracts that we have with segments of our population and the Government, and the extent to which, for the most part, those social contracts have been bipartisan when there have been changes made.

I welcomed the opportunity yesterday to have Democratic leaders and people interested in agricultural issues wanting to meet with Republicans to reach that bipartisan accord. An accord such as this is one where each side gives some. I think Republicans have given, the extent to which this is more than some magic $7.5 billion, but, there again, as the Senator from North Dakota explained, it is about halfway between the extremes of what both parties were offering.

What I know is very strongly felt by a lot of people on the other side of the aisle is that there should be a division of the cash infusion into agriculture between AMTA payments and LDPs. We on this side of the aisle believe more strongly about that than almost any other issue—that that is the wrong way to go, for two reasons: One, LDP is a convoluted way to get money to farmers; and the second one is that when we have an emergency such as this, we ought to be able to get the money to the community as fast as we can. This can be done within 10 days after the President signs the bill.

On the other side of the aisle, at least I can say for the Senator from North Dakota, they have given a lot in order to reach this compromise. It is very deeply felt by Republicans that all of this money should go out through AMTA. This is give and take on both sides, and I hope that it does get a massive amount of support so we can say we did something with a social contract that is bipartisan, which is a tradition of this body.

I yield the floor.

Mr. CONRAD. Mr. President, I ask unanimous consent for an additional 5 minutes so that two other Senators may speak.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CONRAD. I thank my colleague from Mississippi for the accommodation.

I yield 3 minutes to the Senator from Iowa, Senator HARKIN.

Mr. HARKIN. I thank the Chair, and I thank the Senator from Mississippi for letting us have this additional time.

Again, I rise to support the amendment offered by the Senator from North Dakota and my colleague from Iowa. Sure, there are some things in this with which I do not agree. I do not think it all ought to go out in AMTA payments.

Obviously, the body has spoken. The Republicans have the votes on that. So it is done.

There is a better way of putting it out through the LDP system, but that is a moot point right now. What we are down to is really how much we are going to put out there and whether or not we are going to dribble it out or do something meaningful.

We keep coming down from the amendment we offered the other day for about 10.7; then we came down to 9.8, and I guess this now is about 8.5.

Mr. CONRAD. Mr. President, 8.8.

Mr. HARKIN. It is 8.8.

So, again, I hope that Senators will see fit to at least endorse and vote for this package. The amendment offered by Senator COCHRAN has no money for section 32 purchases, which I think is going to be very important for our pork and cattlemen, to buy up some of this excess stuff we have and put it into food banks, school lunch programs, and things such as that.

I also must say there is no money in the Cochran amendment for price reporting. Quite frankly, I still think we have an obligation to do something about the unmet needs from the 1998 floods we had that so devastated North Dakota and some other parts of this country. Quite frankly, in this amendment, this compromise proposal that Senator CONRAD and Senator GRASSLEY have offered, there is money for that.

So I think it does represent a true compromise. It represents a sort of meeting between where we started yesterday and where the manager of the bill started. Again, I think there are some provisions in there I wish we could have changed, but we had our votes and we were not on the winning side of that.

So I think we can at least now have an agreement to get the amount of money out there, even though it is through the AMTA payments, that is needed and to provide some of the money for some of the areas that the Cochran amendment has omitted.

I thank the managers, and I thank Senator CONRAD for yielding me this time. I urge support of the amendment.

Mr. CONRAD. I yield 1 minute to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I thank the Chair and thank the Senator for yielding me this time.

I am one of the newer Members of the Senate. I have not taken to the floor of the Senate often to speak yet. But I have been on the floor of the Senate five times already to speak on this issue of the agricultural crisis. I think it is immensely important to this Nation and certainly vital to the rural areas of our country.

I compliment my colleague from North Dakota, Senator CONRAD. I think the spirit in which this bipartisan effort has been crafted is essential in being able to produce good policy for this country.

I also agree with the words of my colleague from Mississippi that without a doubt this is a diverse body, and especially when it comes to agriculture, oftentimes we certainly see our diversity in terms of regions more than parties. I compliment his leadership in many of these areas.

But I do think the debate and the differences we have seen are certainly reflective of the necessity now to review agricultural policy in this country. I truly encourage my colleagues to take a look at this bipartisan approach that has been presented by Senator CONRAD.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. I yield 1 minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 1 minute.

Mr. WELLSTONE. Mr. President, this is not all that I hoped for for farmers in Minnesota, but I thank Senator CONRAD and Senator GRASSLEY for this compromise effort.

I think we are doing more for dairy. I think we are doing more for livestock producers. I think we are doing much more for disaster relief, which is terribly important to farmers in my State and farmers all across the Nation.

I hope that we get a very strong vote. I think at this point in time in the week this is the very best we can do. I am pleased to support this effort.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I just urge my colleagues to give our amendment close consideration. This is the only amendment that is bipartisan. We have compromised on the dollar amounts almost down the middle. We have provided the Republican payment mechanism.

We have $500 million to address drought and flooded lands. There is nothing in the underlying amendment for that. We have $200 million to address the crisis in dairy. There is nothing in the underlying amendment for that.

This is $8.8 billion, in a bipartisan proposal, to deal with the disaster. I hope my colleagues can support it on a bipartisan basis.

I thank the Chair and yield the floor and yield back our time.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, all time has been consumed or yielded back.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1517. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO), is necessarily absent.

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—51

Abraham
Allard
Bennett
Bond
Brownback
Bunning
Chafee
Cochran
Collins
Coverdell
Craig
DeWine
Domenici
Enzi
Feingold
Fitzgerald
Frist
Gorton
Graham
Gramm
Gregg
Hagel
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner

NAYS—48

Akaka
Ashcroft
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Burns
Byrd
Campbell
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feinstein
Grams
Grassley
Harkin
Hatch
Hollings
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Wellstone
Wyden

NOT VOTING—1

Crapo

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, at the time the Ashcroft amendment was agreed to, it was offered in a form that related to the Harkin-Daschle amendment.

The PRESIDING OFFICER. The Senate will come to order. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I have been asked to seek unanimous consent that it be in order to reoffer the Ashcroft amendment regarding sanctions, that the amendment be considered agreed to, and the motion to reconsider be laid upon the table.

I announce that I have been asked to seek that consent. I know a copy of the agreement has been furnished to staff on both sides, and it has been hotlined. I don't have a response as to whether it has been agreed to. So I am raising the question as to whether or not that consent can be granted.

Mr. GRAHAM. Mr. President, I will object if that unanimous consent request is placed.

The PRESIDING OFFICER. Objection is heard.

Mr. COCHRAN. In that event, as I understand the parliamentary situation, the Senator from Missouri could offer his amendment on sanctions for the consideration of the Senate and, at this time, it would be parliamentarily permissible for him to do it.

The PRESIDING OFFICER. That is correct.

Mr. ASHCROFT. Mr. President, it is my intention to send an amendment to the desk and ask for its immediate consideration.

AMENDMENT NO. 1516 TO AMENDMENT NO. 1499

(Purpose: To provide stability in the United States agriculture sector and to promote adequate availability of food and medicine abroad by requiring congressional approval before the imposition of any unilateral agricultural or medical sanction against a foreign country or foreign entity)

Mr. ASHCROFT. Mr. President, it is my intention to send an amendment to the desk. I ask unanimous consent that the amendment be considered as read, the amendment be considered agreed to, and the motion to reconsider be laid upon the table.

Mr. GRAHAM. Mr. President, I object to the unanimous consent request.

The PRESIDING OFFICER. Objection is heard.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. Ashcroft), for himself, and Mr. Hagel, Mr. Baucus, Mr. Roberts, Mr. Kerrey, Mr. Dodd, Mr. Brownback, Mr. Grams, Mr. Warner, Mr. Leahy, Mr. Craig, Mr. Fitzgerald, Mr. Dorgan, Mr. Sessions, Mrs. Lincoln, Mrs. Landrieu, Mr. Harkin, Mr. Chafee, and Mr. Inhofe, proposes an amendment numbered 1516 to amendment No. 1499.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. GRAHAM. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk read as follows:

At the appropriate place, insert the following:

(   ) Requirement of Congressional Approval of Any Unilateral Agricultural or Medical Sanction.—

(1) Definitions.—In this subsection:

(A) Agricultural commodity.—The term "agricultural commodity" has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(B) Agricultural program.—The term "agricultural program" means—

(i) any program administered under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.);

(ii) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(iii) any commercial sale of agricultural commodities, including a commercial sale of an agricultural commodity that is prohibited under a unilateral agricultural sanction that is in effect on the date of enactment of this Act; or

(iv) any export financing (including credits or credit guarantees) for agricultural commodities.

(C) Joint resolution.—The term "joint resolution" means—

(i) in the case of paragraph (2)(A)(ii), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (2)(A)(i) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section (   )(2)(A)(i) of the   Act   , transmitted on   .", with the blank completed with the appropriate date; and

(ii) in the case of paragraph (5)(B), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (5)(A) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section (   )(5)(A) of the   Act   , transmitted on   .", with the blank completed with the appropriate date.

(D) Unilateral agricultural sanction.—The term "unilateral agricultural sanction" means any prohibition, restriction, or condition on carrying out an agricultural program with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(E) Unilateral medical sanction.—The term "unilateral medical sanction" means any prohibition, restriction, or condition on exports of, or the provision of assistance consisting of, medicine or a medical device with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(2) Restriction.—

(A) New sanctions.—Except as provided in paragraphs (3) and (4) and notwithstanding any other provision of law, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity for any fiscal year, unless—

(i) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(I) describes the activity proposed to be prohibited, restricted, or conditioned; and

(II) describes the actions by the foreign country or foreign entity that justify the sanction; and

(ii) Congress enacts a joint resolution stating the approval of Congress for the report submitted under clause (i).

(B) Existing sanctions.—

(i) In general.—Except as provided in clause (ii), with respect to any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act for any fiscal year, the President shall immediately cease to implement such sanction.

(ii) Exemptions.—Clause (i) shall not apply to a unilateral agricultural sanction or unilateral medical sanction imposed with respect to an agricultural program or activity described in clause (ii) or (iv) of paragraph (1)(B).

(3) Exceptions.—The President may impose (or continue to impose) a sanction described in paragraph (2) without regard to the procedures required by that paragraph—

(A) against a foreign country or foreign entity with respect to which Congress has enacted a declaration of war that is in effect on or after the date of enactment of this Act; or

(B) to the extent that the sanction would prohibit, restrict, or condition the provision or use of any agricultural commodity, medicine, or medical device that is—

(i) controlled on the United States Munitions List;

(ii) an item for which export controls are administered by the Department of Commerce for foreign policy or national security reasons; or

(iii) used to facilitate the development or production of a chemical or biological weapon.

(4) Countries supporting international terrorism.—This subsection shall not affect the current prohibitions on providing, to the government of any country supporting international terrorism, United States government assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

(5) Termination of sanctions.—Any unilateral agricultural sanction or unilateral medical sanction that is imposed pursuant to the procedures described in paragraph (2)(A) shall terminate not later than 2 years after the date on which the sanction became effective unless—

(A) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years and the request of the President for approval by Congress of the recommendation; and

(B) Congress enacts a joint resolution stating the approval of Congress for the report submitted under subparagraph (A).

(6) Congressional priority procedures.—

(A) Referral of report.—A report described in paragraph (2)(A)(i) or (5)(A) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(B) Referral of joint resolution.—

(i) In general.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(ii) Reporting date.—A joint resolution referred to in clause (i) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(C) Discharge of committee.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(i) the committee shall be discharged from further consideration of the joint resolution; and

(ii) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(D) Floor consideration.—

(i) Motion to proceed.—

(I) In general.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under subparagraph (C) from further consideration of, a joint resolution—

(aa) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(bb) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(II) Privilege.—The motion to proceed to the consideration of the joint resolution—

(aa) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(bb) not debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(aa) amendment;

(bb) a motion to postpone; or

(cc) a motion to proceed to the consideration of other business.

(IV) MOTION TO RECONSIDER NOT IN ORDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(V) BUSINESS UNTIL DISPOSITION.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(ii) LIMITATIONS ON DEBATE.—

(I) IN GENERAL.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(II) FURTHER DEBATE LIMITATIONS.—A motion to limit debate shall be in order and shall not be debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(iii) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(iv) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(E) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(i) NO COMMITTEE REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(ii) FLOOR PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(I) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(II) the vote on final passage shall be on the joint resolution of the other House.

(iii) DISPOSITION OF JOINT RESOLUTIONS OF RECEIVING HOUSE.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(F) PROCEDURES AFTER ACTION BY BOTH THE HOUSE AND SENATE.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(G) RULEMAKING POWER.—This paragraph is enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this paragraph—

(I) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(II) supersedes other rules only to the extent that this paragraph is inconsistent with those rules; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(7) EFFECTIVE DATE.—This subsection takes effect 180 days after the date of enactment of this Act.

Mr. ASHCROFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABRAHAM). The clerk will call the roll.

The legislative assistant proceeded to call the roll.

AMENDMENT NO. 1094

Mr. SANTORUM. Mr. President, I rise to talk about the issue of farmland preservation. I have an amendment that was filed. It is amendment No. 1094. I will not call up that amendment, but I do want to speak on it for a couple of minutes.

The reason I will not call the amendment up is the amendment is now subject to rule XVI. It is on farmland preservation, which was an authorized program under the farm bill in 1996, but because the program was so successful, all the money has been used in the authorization. So while I would very much like to see more money be appropriated for this program that shares very broad bipartisan support, the job before us is to get this program authorized. Since legislating on appropriations bills is now not the order of the day, and I support that, we are going to have to work through the authorization process.

But the Farmland Preservation Program, I think, has probably been shown to be one of the most successful pieces of legislation in preserving open space and critical farmland that we have seen in this country. In fact, last year, $7 billion of farmland protection money, preservation money, was approved via voter referendum throughout the country. That is an enormous commitment on the part of States and localities to preserve this vital agricultural land and at the same time preserve a way of life and preserve vital open space in places where the pressure for development is extremely high.

The area of my State that is under the most development pressure is the southeastern corner of Pennsylvania. The counties there, from Lancaster County to Chester County, Bucks County, York County, and others, have done a great job in their own programs. In fact, all those programs I mentioned, county programs, were started long before the Federal Government ever even thought of participating in helping them acquire land. In fact, we have helped. The $35 million—that is all it was, $35 million—from the Federal level which was spent over the first 3 years of the farm bill preserved over 127,000 acres of land that is under great pressure of development on 460 farms.

In Pennsylvania alone, we have a 10-year backlog, a 10-year waiting list of farmers who voluntarily want to preserve their land and preserve, as a result, the family farm to be able to pass it on from generation to generation. States and localities, in partnership with the Federal Government—and as I said, in some cases without the Federal partnership—have bought these development rights so they can get some money to help keep this farm within the family. In fact, in a third of the cases—and we will be dealing with the tax bill tomorrow—these development rights were sold by farmers so they could pay death taxes, they could pay inheritance taxes, estate taxes—call them what you want. They sold their development rights on the farm so they could keep the farm in the family because of what the Federal Government has done in taxing their estates upon death.

That is a remarkable situation. Hopefully, if we can get the President to sign the tax bill we will pass tomorrow, we can go a long way toward avoiding that kind of use for these development rights. These development rights can then be used to modernize, to upgrade, and to make more competitive these agricultural lands that are under this intense development pressure.

I am disappointed we are not going to be successful in agreeing to the $10 million that is in this amendment. It would go a long way to relieve that backlog, not only in Pennsylvania but in the 19 other States that have participated in the Federal program. Since the Federal program was enacted, many more States have passed laws—in fact, 52 jurisdictions in States and localities have adopted some sort of farmland preservation program that would dovetail very nicely with the Federal effort.

This is an important issue to the people, particularly in the eastern part of the State of Pennsylvania. It is an important issue, I know, to my colleagues all throughout the Mid-Atlantic and New England States, many of whom are cosponsors of this legislation; also in California, where Senator BOXER and Senator FEINSTEIN worked to pass the original farmland preservation amendment back in 1996.

I am hopeful that the Agriculture Committee on which I serve will bring up this legislation and reauthorize it for the remaining part of the farm bill so we can include this in the Agriculture appropriations bill next time. I commend and thank Senator LUGAR who, a couple of weeks ago, held a hearing in the Agriculture Committee about this subject. We had some very enlightened testimony. It shows how incredibly popular this program is across the country and how important it is to preserve a way of life in rural America, particularly those areas that are threatened by development pressure.

I am hopeful, again, while we will not be able to accomplish it here today, that soon in this session of Congress we will pass a reauthorization of this program and be able to fund it in future appropriations bills.

Mr. President, seeing no one else seeking the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1516, AS MODIFIED

Mr. ASHCROFT. Mr. President, I modify my amendment with the modification that is at the desk.

The modification is as follows:

GUIDELINES WITH RESPECT TO STATE SPONSORS OF INTERNATIONAL TERRORISM.—(A) Notwithstanding any other provision of the Act, the export of agricultural commodities or medicine or medical devices to the government of a country that has been determined by the Secretary of State to have repeatedly provided support for acts of international terrorism under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) shall only be made——

(1) pursuant to one year licenses issued by the United States Government for contracts entered into during that one year period and completed within a twelve-month period after the signing of the contract; and

(2) without benefit of federal financing, direct export subsidies, federal credit guarantees or other federal promotion assistance programs.

(B) Quarterly reports to the appropriate congressional committees shall be submitted by the applicable agency charged with issuing licenses in subparagraph (A)(1).

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the amendment, as modified, be considered agreed to and the motion to reconsider be laid upon the table. I further ask unanimous consent that any rule XVI objections to the amendment be inappropriate and out of order and be waived.

The PRESIDING OFFICER. Without objection, is it so ordered.

The amendment (No. 1516), as modified, was agreed to.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Missouri and others who were interested in the sanctions amendment that he had offered and which had been approved in a different form earlier in the consideration of the bill for working to put this legislation together in a form that could be adopted by the Senate tonight. I know the Senators from Florida and New Jersey were interested in this legislation, and the author of the amendment has shown strong leadership in bringing this issue to the Senate and in pushing it the way he did to get it approved. I compliment him and those who worked with him to try to resolve this issue.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I want to make a couple of remarks by way of appreciation to the other Senators as well, to Senator HAGEL, to Senator GRAHAM of Florida, Senator MACK of Florida, Senator TORRICELLI, and to all the Senators who worked together. It was important for us to make the fine-tuning adjustments that make this a better piece of legislation, and I commend them for their cooperation.

I trust, even expect, that in implementing this process, the administration will endeavor to streamline to the maximum extent possible the process by which food and medicine can be exported pursuant to this provision. This is what our farmers and ranchers and those who produce our medicinal supplies expect from their Government and the people expect from America. For example, I urge the implementing agencies to use general licenses to the maximum extent possible, but obviously this provision provides some judgment and exercise by the administration in this regard.

I thank my colleagues, and I thank the Senator from Mississippi for his patience in this respect. I am grateful to him and pleased to have had this opportunity to make this contribution to the measure. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I think progress is being made by the managers and our staff members with those Senators who have suggested amendments to the bill. We are compiling a list of amendments that will be agreed upon. There are a few that have not been resolved and that probably will require either disposition by voice vote or rollcall vote either up or down or on a motion to table.

I am just suggesting we are getting to that point toward the end of the bill when we are ready to wrap this up. We hope we are not in too late tonight. If Senators will cooperate and offer the amendments they have, we will appreciate that very much.

AMENDMENT NO. 1499, AS AMENDED

Mr. COCHRAN. Mr. President, at this point in the proceeding, I know the pending business is the Cochran amendment and it is at the desk. I know of no other amendments that are going to be offered to that amendment. The bill will be open for amendment further upon the adoption of that amendment. It is an amendment that has already been voted on twice, once on a motion to table and then adopted on a voice vote. I am prepared to move forward to dispose of that disaster assistance issue.

I am awaiting the advice of the Chair. Do we have to have third reading? If we do, I will request it.

The PRESIDING OFFICER. The yeas and nays have been ordered on amendment No. 1499, as amended. Does the Senator wish a rollcall vote?

Mr. COCHRAN. The staff is advising me that the yeas and nays have been ordered.

The PRESIDING OFFICER. The Senator is correct. Is there further debate?

The Senator from Kansas.

Mr. BROWNBACK. Mr. President, point of inquiry of the manager of the bill to understand where we are. We will be voting on the managers' base bill as has been put forward in amendments so far; is that where we are? I want to understand where we are.

Mr. COCHRAN. The Senator is correct.

Any parliamentary inquiries can be directed to the Chair.

I tried to explain the vote. It is on the Cochran amendment. We have voted on it twice—on a motion to table; and it was adopted on a voice vote. It was an amendment to the Daschle-Harkin amendment.

Mr. BROWNBACK. I want to understand for sure what all this contains in it, whether or not I am looking at the proper bill, the Cochran amendment No. 1499 to S. 1233. I want to make sure I have the right section, section G, regarding the tobacco program in the base bill.

Mr. COCHRAN. Mr. President, if the Senator would yield, I will be glad to suggest the absence of a quorum and go over the bill and try to answer any questions the Senator has.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. Mr. President, I rise today to express my opposition to the amendment before us today by the Senator from Mississippi. While I know my friends who support this amendment have the best of intentions in offering the agricultural relief package, I must say I am concerned with the direction of this debate.

We find ourselves today, Mr. President, in an increasingly familiar place. Once again, there is a crisis in farm country and the Congress is called on to construct a comprehensive package of relief and support. The amendment before us would spend more than $7 billion on—among other things—direct cash payments to farmers. This follows our efforts last year when we provided just short of $6 billion in emergency payments to America's farmers. Since 1988 emergency supplemental acts and farm disaster acts have amounted to approximately $17 billion in emergency supplemental funding for USDA programs.

Now I understand that much of this money was spent helping farmers who had suffered crop losses through drought, seasonal storms and other natural disasters. In fact, a portion of last year's emergency appropriations went to farmers who were harmed by weather conditions related to the El Nino phenomenon and other acts of God.

In other words, we were attempting to help farmers in previous years because times were bad. What concerns me about this effort today is that we are helping farmers because times are good. Increasingly in these relief bills we are seeing the bulk of support going in response to low commodity prices. In fact, much of the rhetoric we're hearing is going to the issue of declining farm income and the difficulty farmers in the heartland and elsewhere are having finding markets for their goods.

Today we're not addressing a crisis borne of declining productivity. It is not that America's farmer's aren't extremely good at what they do. Rather exactly the opposite. We are here because—stimulated by science and technology—farm productivity has persistently grown more rapidly than other sectors of the economy. More importantly, agricultural productivity has outstripped demand. And it leaves us faced with the one of the most basic economic functions: in the face of overwhelming supply and insufficient demand, prices will fall.

In nearly all sectors, this phenomenon is a quiet one. The "unseen hand" of the market in most cases allocates resources among the population and prevents market saturation. But in the farm sector, Congress is often asked to intervene in this process and all too often in the past, we have. For far too long, we have allowed politics rather than economics to allocate agricultural resources and determine business success or failure. As seen by the overwhelming failure this century of centrally planned economies across the globe, political allocation leads to economic stagnation and long-term failure.

It is for these reasons I fear our continued subsidization of the farm sector thwarts the free market process and will ultimately harm well-run farms by enabling continued market saturation. I understand the production of food is essential to the past and future of our country. I also recognize the instability and risk farmers face on a year to year basis and appreciate the need for occasional assistance. The New York Times, for example, contains an article yesterday discussing the drought disaster facing farmers in Maryland and West Virginia and the need for assistance in those areas. I do not discount the need for federal disaster relief. In Florida, Agriculture is a major part of our economy, and certainly there have been circumstances when we've called on Congress to assist us after hurricanes or winter freezes. These natural events warrant Congressional consideration and our best efforts. However, it seems our debate here is increasingly about politics rather than economics or weather-related disasters.

In 1996, the Congress passed a Farm Bill which provided farmers of our major export crops with direct payments to transition them off the old subsidy programs and onto the free market. These direct payments were supposed to diminish each year until 2002. Instead, we are here—for the second year in a row—considering legislation to increase these payments. Once again, Congress is using emergency payments to undo the 1996 Farm Bill and circumvent the free market. I hear my colleagues blaming the free market for price failures and I find this to be a somewhat misguided notion. In fact, the market is working all too well; the overcapacity in agriculture that was papered over by government price supports for generations is now in full view. And the results are evident in the low commodity prices we're seeing on the markets today.

I support the ideals and practices of family farming. I do not, however, support continually subsidizing businesses that fail. This is wasteful and destructive. By paying farmers who are unable to make profits in farming, you only delay their ultimate failure, and deter them from seeking other alternatives for income and employment. In addition, these farms that would otherwise fail still can produce crops that dilute the market and drive prices down, thereby creating a vicious cycle that we are seeing realized in this year's crisis in farm country.

This problem far outstrips any two-day debate on emergency cash payments for farmers. What we need, Mr. President, is long-term structural solutions that solve the underlying problems of oversupply in the face of insufficient world demand. One major impediment to the movement of people out of the farming sector and into other areas of the economy is the punitive capital gains taxes owed by farmers who sell their land. I will be introducing legislation soon to repeal the capital gains tax on the sale of farmland. This will allow farmers to realize an additional dollar in five on the sale of their land. They can then use this money to help them in the transition to non-farm businesses or work. While I agree with my colleagues that we need solutions to the crisis in American agriculture, I submit we need solutions that solve the underlying economic problems rather than patchwork measures that do little more than treat the symptoms and defer the problem to another year and another Congress.

Mr. President, my opposition to this amendment is not based on a disdain or lack of appreciation for American agriculture. On the contrary, I believe it is a vital part of our economy and food security is clearly in our national interest. But the farming way of life is not served by government handout and bailouts of alarming size and regularity. Rather—like most other businesses—it is only preserved through sound business practices, hard work and an understanding of market fundamentals. Agriculture does not operate outside of the laws of supply and demand, and I urge my colleagues to carefully consider the long-term impact of continual subsidization on this important sector of the American economy.

I hope my colleagues will oppose this amendment and explore ways to help farmers who are facing natural disasters rather than price disasters. We cannot allow the short-term politics to deter us from the long-term effort to steer agriculture towards the free market. Nobody wants to see failure in America. Nobody wants to see families lose their farms. Nobody wants the agrarian way of life in America to fade from existence. For these very reasons, Congress has an obligation to stay the course and lay the free-market groundwork for a prosperous farm economy.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1499, as amended. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Louisiana (Ms. LANDRIEU) are necessarily absent.

The result was announced—yeas 89, nays 8, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—89

Abraham
Akaka
Allard
Ashcroft
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bunning
Burns
Byrd
Campbell
Chafee
Cleland
Cochran
Collins
Conrad
Coverdell
Craig
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Enzi
Feinstein
Fitzgerald
Frist
Gorton
Grams
Grassley

Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NAYS—8

Feingold
Graham
Gramm
Gregg
Mack
Smith (NH)
Torricelli
Voinovich

NOT VOTING—3

Crapo
Kennedy
Landrieu

The amendment (No. 1499), as amended, was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHANGE OF VOTE

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that my last recorded vote be changed to nay. I voted in error.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. COCHRAN. Mr. President, there are several Senators who have amendments we want to consider. I know Senator BOXER has an amendment. She is prepared to offer it. We are trying to resolve most of the amendments that have been brought to our attention, but there are a few that may require a vote. I think Senator BOXER's amendment may be one of them.

The PRESIDING OFFICER. The Senator from California is recognized.

AMENDMENT NO. 1521

(Purpose: Expressing the sense of the Senate regarding the continued use of the fuel additive methyl tertiary butyl ether (MTBE) and its impact on drinking water)

Mrs. BOXER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California (Mrs. BOXER), for herself, Mr. FITZGERALD, Mr. DURBIN, Mr. HARKIN, Mr. GRASSLEY, Mr. WELLSTONE, and Mr. CRAPO, proposes an amendment numbered 1521.

Mrs. BOXER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following:

SEC. . (a) FINDINGS.—Congress finds that—

(1) The Clean Air Act requires that federal reformulated gasoline contain oxygen as a means of achieving air quality benefits.

(2) While both renewable ethanol and MTBE may be used to meet this Clean Air Act requirement, MTBE is in substantially greater use than ethanol.

(3) MTBE is classified as a possible human carcinogen, and when leaked into water causes water to take on the taste and smell of turpentine, rendering it undrinkable.

(4) MTBE leaking from underground fuel storage tanks, recreational watercraft and abandoned automobiles has led to growing detections of MTBE in drinking water, and has contaminated groundwater and drinking water throughout the United States.

(5) Approximately five to ten percent of drinking water supplies in areas using reformulated gasoline now show detectable levels of MTBE.

(6) MTBE poses a more pervasive threat to drinking water than the other harmful constituents of gasoline because MTBE is more soluble, more mobile and slower to degrade than those other constituents.

(7) Renewable ethanol provides air quality and energy security benefits without raising drinking water concerns.

(8) A substantial increase in renewable ethanol production would enhance the energy security of the United States by reducing dependence upon foreign oil.

(9) A substantial increase in renewable ethanol production would help alleviate the financial crisis facing farmers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should—

(1) phase out MTBE in order to address the threats MTBE poses to public health and the environment;

(2) promote renewable ethanol to replace MTBE as a means of enhancing energy security and supporting the farm economy;

(3) provide assistance to state and local governments to treat drinking water supplies contaminated with MTBE;

(4) provide assistance to state and local governments to protect lakes and reservoirs from MTBE contamination.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, it is very unusual that an amendment has such strong bipartisan support and unlikely allies across the aisle. This is one of those. I will tell you the reason.

We have a situation in this country that has just been recognized by the Environmental Protection Agency where we have been using an oxygenate in gasoline, MTBE, methyl tertiary butyl ether, an additive which is in essence, without going into technicalities, poisoning the water across this country, and particularly in my home State where MTBE is in use. It is an oxygenate, and it has been used in the blending of gasoline. We thought it was safe, and we thought it cleaned up the air. It does help clean up the air, but it is in fact harming our water supply.

While other oxygenates such as ethanol may be used to meet the requirement of the Clean Air Act which calls for 2 percent of our gas to be reformulated, MTBE is the oxygenate of choice for most refiners, and today it fulfills 85 percent of the demand for oxygenate that the Clean Air Act requires. Ethanol fulfills only 8 percent of that demand.

Why did I offer this to the Agriculture bill? I think that is a legitimate question. Some Senators have asked me. Because I will tell you that if we can use more ethanol, it is going to help our farm States in a big way. Senator FITZGERALD is going to go into that point far more than I will. He knows the subject. If we can help our farm States increase their income, that is going to reduce the cost of subsidies to taxpayers. So this is very much related to the Agriculture bill.

Unlike other harmful constituents of gasoline, such as benzene, when MTBE leaks from underground fuel tanks, it moves through the water very fast and very far. After it is released into the environment, it resists degrading. Once in the water, MTBE, even at the very low level of 5 parts per billion, can cause that water to take on the taste and smell of turpentine, rendering it undrinkable.

My colleague from Texas said, How do you know it is undrinkable? The answer is, there have been many hearings all across my State of California. People have testified that where MTBE leaks into the drinking water supply, the water smells. We had a chance to smell that water. You wouldn't even put it close to your lips.

MTBE is a possible carcinogen in animals, and it is a probable carcinogen in humans. Why on Earth would we continue to add it to our gasoline, knowing it will leak into our drinking water supply? There is no Federal drinking water standard for MTBE to protect the public health, because the studies necessary to determine if there is a safe level of MTBE have not been performed. Let me tell you the news on this.

Many of us have been calling for a phaseout of MTBE. Senator FEINSTEIN has her own bill. I have a bill. We know there is a reason. There is a reason to ban it, because the EPA has just stated that it should be decreased dramatically. This is the first time they have ever stated that in their blue-ribbon panel.

In Santa Monica, CA, the people of that city lost 71 percent of their local water supply because of MTBE contamination. Imagine being told you cannot drink the water because it is contaminated. They were forced to close nine high-volume drinking water wells. Before the contamination, those wells served 6.5 million gallons of water per day. Efforts to clean up continue today. The city estimates that it will cost $160 million to clean up the affected wells.

I want to tell you that the EPA has spent hundreds of millions of dollars in an effort to clean up the contamination from MTBE. Just in the city of Santa Monica, they say it is going to cost $160 million to clean up those affected wells.

Why are we continuing to use MTBE? We know enough now to move away from it. We have alternatives, and our resolution talks about that. We have litigation now concerning cleanup, and alternative water supply costs continue to rise.

Santa Monica's contamination is just the tip of the iceberg. I think a lot of you have heard about Lake Tahoe. What a beautiful place that is. Yet in South Lake Tahoe, CA, we have lost 13 of 34 drinking water wells because of MTBE contamination.

If somebody stands up on the floor of the Senate and says this is premature and that we have not looked at this enough, I say: Come to California. Take a look at Lake Tahoe. Talk to the people of Santa Monica. They have lost their water supply. Read the blue-ribbon panel report of the EPA that was very reticent to take it on initially. They finally did. That blue-ribbon panel says that MTBE is bad.

In Santa Clara, CA—that is in the Silicon Valley—MTBE has been detected in the local drinking water supply reservoirs, and it is creating a real problem there. We have seen it in the ground water in that county in over 400 sites, and many of those sites are very near public water supply wells.

I don't want to have to come back here every year and talk to you about the tragedy of MTBE destroying the water. We take this first step tonight. Several of our colleagues want to speak on this. I will quickly summarize. Hopefully, we will hear from other colleagues.

We know that California isn't the only place where there is trouble. Governor Davis has signed an executive order prohibiting MTBE in California after December 31, 2002.

Last year, Maine announced it would take steps to reduce MTBE's use after a study revealed between 1,000 and 4,300 private wells could contain unhealthful levels of MTBE. New Hampshire is considering taking similar action. In New Hampshire, MTBE has been detected in more than 100 public wells.

We cannot allow the States to take on this fight by themselves. After all, it is up to Congress because of the Clean Air Act and the requirement to make sure that a safe additive is used.

In summary, I think we have a terrific chance tonight to send a very clear signal to the Environmental Protection Agency. It is simply a sense of the Senate, but I think it will have a lot of weight because we have never voted on the MTBE question before. This would be our first vote. We will have a vote most likely on a motion to table.

The bottom line is MTBE is poison. It is poisoning water supplies. It is a known danger. We have options, including ethanol. We have other options. We can do two things at once: We can send a message to the EPA, phase out MTBE; and at the same time send a message to our farmers who need a message of hope that they have a product that can fill the void.

I hope we will get a good vote on this. If there is a motion to table, I hope we will have a strong vote against that. I look forward to listening to my colleagues who have been extraordinary in helping to shape this resolution and helping get it to the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I know it is kind of late tonight and everybody is eager to go home, and I know we are dealing with a farm bill, an agriculture appropriations bill. I also know that this amendment is cloaked in the garb of being a sense-of-the-Senate resolution and sense-of-the-Senate resolutions tend to be viewed as relatively insignificant.

I want to argue that this is not insignificant, that this amendment is not based on any scientific study. We should not be making a major energy policy decision in America tonight at 7:30 as we debate the agriculture appropriations bill. I want to argue that we should table this amendment. Let me explain why.

First of all, we all have trouble pronouncing it. MTBE is an ether derivative that EPA has certified lowers the amount of pollution generated when an internal combustion engine burns gasoline. This ether derivative makes gasoline burn more thoroughly. As a result, it is the dominant oxygenate used in reformulated gasoline all over America. It has been a major contributor toward improving the environment in those areas of the country where there is both a high concentration of automobiles and people.

We have had relatively limited scientific analysis of this problem, other than a clear finding that California's underground storage tanks are leaking gasoline into the ground. If there are holes in these tanks, it seems the obvious solution to the problem is to fix those underground tanks.

When gasoline leaches into the ground, the gasoline and all of its components start to leach through the soil. What has been found, and what our dear colleague from California is referring to, is the discovery that this ether derivative, in areas surrounding leaking underground storage tanks, is starting to show up in ground water and in wells. Ultimately, if these leaks are not fixed, all the other components that make up gasoline will be found in ground water.

Here are the problems:

No. 1, compared to MTBE, ethanol is in very limited supply, and our Nation's capacity to produce more of it is substantially limited from year to year.

No. 2, ethanol has several problems that MTBE does not. Let me state two. One, it tends to vaporize at a much lower pressure. We are going to create a problem because ethanol vaporizes more rapidly than MTBE and could in itself create another environmental problem. Two, Distributors have a very difficult time getting it into various parts of the country. It is quite competitive where it is produced, but it is very difficult to transport. If this should be implemented, the result of these two problems would be a spike in gasoline prices.

Ethanol is a wonderful derivative, and I am not arguing one against the other. I am trying to explain that if you remove the dominant derivative and attempt to ban it, you force the substitution of another derivative which has a fixed supply from year to year based on agricultural production levels. You are going to produce shortages that will be exacerbated by the fact that ethanol tends to degrade in a pipeline.

I urge my colleagues to not get into a long debate on a subject that few Members are qualified to debate. Fortunately, the distinguished chairman of the Environment Committee is here, a man respected by people on both sides of the aisle, who opposes this amendment. I will let him explain why.

To sum up, here is the problem. We have leaking underground tanks. We need to fix the leaks in the underground tanks. It is bad to go around pouring gasoline, no matter what additives are in it, into the ground. Rather than California fixing its leaking underground tanks, we are being called on by the Senator from California to take a major step in going on record by encouraging Administrator Browner to ban MTBE, which she has the power to do.

This is not a trivial, throw away sense-of-the-Senate resolution. We are, by taking this position, in essence, encouraging the Administrator to take action that would produce gasoline shortages in over half the country, that would spike gasoline prices, that would create a new environmental problem because of vaporizing ethanol. Why are we doing it? Because we have leaking underground tanks. Let's fix the tanks.

If the Senate were asking support for programs to do something about the leaking tanks, that would be one thing. But to ban a gasoline additive, which is the dominant additive in producing clean air in America because you have holes in tanks that are not being fixed in California is a policy which I think is totally irresponsible. This is not a decision that should be made by the Senate on a farm bill at 7:30 tonight.

I urge my colleagues, when the motion is made to table this amendment, to vote to table it. Not because Members are not concerned about leaking underground tanks and about MTBE in potential underground water or drinking water, because I think we ought to be concerned.

Mrs. BOXER. Will the Senator yield?

Mr. GRAMM. Let me finish and I am happy to yield.

I think we ought to be concerned. But the Committee on Environment and Public Works is holding hearings; they are working with Administrator Browner; they are trying to come up with a comprehensive policy in committee.

This is an area that is very complicated. I don't think there is anybody here, without reading it off a piece of paper, who can pronounce the ether derivative that is MTBE, much less understand its chemical makeup and its advantages in clean air and its disadvantages if you spill it in a creek.

So I do not doubt the Senator from California is well intended, trying to do something that she thinks sends a good signal. But we are not talking about signals. We are talking about the energy policy of a nation that is dependent on energy. This is not a good policy to decide on the floor when the committee of jurisdiction is working on this problem right now on a bipartisan basis. So I urge my colleagues to not support this amendment, and in tabling it, simply refer it to the committee of jurisdiction. Let's get a comprehensive look at it; let the committee decide how to deal with this problem.

Might I say, I am from one of the ten largest corn-growing States in the Union. I hope my colleagues from farm States are not going to jump onto bad science, bad environmental policy, and disastrous economic policy in the name of trying to ban the use of MTBE, which receives no Government subsidy, in favor of ethanol, which is already highly subsidized. I hope we will not get into this deal, "I am going to support it because I have corn in my State."

I have corn in my State and I have oil in my State. I am glad the Lord put one there and we brought the other there to grow it. But the point is, this is a serious issue that deserves more attention than it is going to get tonight in a sense-of-the-Senate resolution. I hope my colleagues will vote to table this amendment and give the committee an opportunity to do something about it.

Mrs. BOXER. Will the Senator yield for a question?

Mr. GRAMM. I am happy to.

Mrs. BOXER. I appreciate my friend's strong feelings on this point. I know he appreciates mine. I want him to know I did actually say the full name of MTBE.

Mr. GRAMM. It is tough.

Mrs. BOXER. It is very tough: Methyl tertiary butyl ether, MTBE.

Mr. GRAMM. You looked down.

Mrs. BOXER. I did look down. Methyl tertiary butyl ether, let the RECORD show I have mastered it.

The point is what I have mastered—I want to ask my friend a question—is that this is a serious problem wherever the MTBE shows up, and I have discussed in my abbreviated statement the places it has. Has the Senator had the opportunity to read the blue-ribbon committee's report? I do not know that he has because it is very fresh off the press. I wanted to say to my friend, is he aware that in this the EPA blue-ribbon panel says the new tanks are simply not the solution? Because we have had new tanks put into place in California, and it is not working. This stuff is leaking. It is leaking badly.

Also, I know my friend talked about environmentalists and I also want to know if he knows the list of environmental organizations that support what we are doing.

I ask unanimous consent to have both the blue-ribbon panel findings and the names of the environmental organizations printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BLUE RIBBON PANEL ON OXYGENATES IN GASOLINE—EXECUTIVE SUMMARY AND RECOMMENDATIONS, JULY 27, 1999

INTRODUCTION

The Federal Reformulated Gasoline Program (RFG) established in the Clean Air Act Amendments of 1990, and implemented in 1995, has provided substantial reductions in the emissions of a number of air pollutants from motor vehicles, most notably volatile organic compounds (precursors of ozone), carbon monoxide, and mobile-source air toxics (benzene, 1,3-butadiene, and others), in most cases resulting in emissions reductions that exceed those required by law. To address its unique air pollution challenges, California has adopted similar but more stringent requirements for California RFG.

The Clean Air Act requires that RFG contain 2% oxygen, by weight. Over 85% of RFG contains the oxygenate methyl tertiary butyl ether (MTBE) and approximately 8% contains ethanol—a domestic fuel-blending stock made from grain and potentially from recycled biomass waste. There is disagreement about the precise role of oxygenates in attaining the RFG air quality benefits although there is evidence from the existing program that increased use of oxygenates results in reduced carbon monoxide emissions, and it appears that additives contribute to reductions in aromatics in fuels and related air benefits. It is possible to formulate gasoline without oxygenates that can attain similar air toxics reductions, but less certain that, given current federal RFG requirements, all fuel blends created without oxygenates could maintain the benefits provided today by oxygenated RFG.

At the same time,the use of MTBE in the program has resulted in growing detections of MTBE in drinking water, with between 5% and 10% of drinking water supplies in high oxygenate use areas[1] showing at least detectable amounts of MTBE. The great majority of these detections to date have been well below levels of public health concern, with approximately one percent rising to levels above 20 ppb. Detections at lower levels have, however, raised consumer taste and odor concerns that have caused water suppliers to stop using some water supplies and to incur costs of treatment and remediation. The contaminated wells include private wells that are less well protected than public drinking water supplies and not monitored for chemical contamination. There is also evidence of contamination of surface waters, particularly during summer boating seasons.

The major source of groundwater contamination appears to be releases from underground gasoline storage systems (UST). These systems have been upgraded over the last decade, likely resulting in reduced risk of leaks. However, approximately 20% of the storage systems have not yet been upgraded, and there continue to be reports of releases from some upgraded systems, due to inadequate design, installation, maintenance, and/or operation. In addition, many fuel storage systems (e.g. farms, small aboveground tanks) are not currently regulated by U.S. EPA. Beyond groundwater contamination from UST sources, the other major sources of water contamination appear to be small and large gasoline spills to ground and surface waters, and recreational water craft—particularly those with older motors—releasing unburned fuel to surface waters.

THE BLUE RIBBON PANEL

In November, 1998, U.S. EPA Administrator Carol M. Browner appointed a Blue Ribbon Panel to investigate the air quality benefits and water quality concerns associated with oxygenates in gasoline, and to provide independent advice and recommendations on ways to maintain air quality while protecting water quality. The Panel, which met six times from January–June, 1999, heard presentations in Washington, the Northeast, and California about the benefits and concerns related to RFG and the oxygenates; gathered the best available information on the program and its effects; identified key data gaps; and evaluated a series of alternative recommendations based on their effects on: air quality; water quality; and stability of fuel supply and cost.

THE FINDINGS AND RECOMMENDATIONS OF THE BLUE RIBBON PANEL

Findings

Based on its review of the issues, the Panel made the following overall findings:

The distribution, use, and combustion of gasoline poses risks to our environment and public health.

RFG provides considerable air quality improvements and benefits for millions of US citizens.

The use of MTBE has raised the issue of the effects of both MTBE alone and MTBE in gasoline. This panel was not constituted to perform an independent comprehensive health assessment and has chosen to rely on recent reports by a number of state, national, and international health agencies. What seems clear, however, is that MTBE, due to its persistence and mobility in water, is more likely to contaminate ground and surface water than the other components of gasoline.

MTBE has been found in a number of water supplies nationwide, primarily causing consumer odor and taste concerns that have led water suppliers to reduce use of those supplies. Incidents of MTBE in drinking water supplies at levels well above EPA and state guidelines and standards have occurred, but are rare. The Panel believes that the occurrence of MTBE in drinking water supplies can and should be substantially reduced.

MTBE is currently an integral component of the U.S. gasoline supply both in terms of

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Footnotes at end of article.

volume and octane. As such, changes in its use, with the attendant capital construction and infrastructure modifications, must be implemented with sufficient time, certainty, and flexibility to maintain the stability of both the complex U.S. fuel supply system and gasoline prices.

The following recommendations are intended to be implemented as a single package of actions designed to simultaneously maintain air quality benefits while enhancing water quality protection and assuring a stable supply at reasonable cost. The majority of these recommendations could be implemented by federal and state environmental agencies without further legislative action, and we would urge their rapid implementation. We would, as well, urge all parties to work with Congress to implement those of our recommendations that require legislative action.

Recommendations to enhance water protection

Based on its review of the existing federal, state and local programs to protect, treat, and remediate water supplies, the Blue Ribbon Panel makes the following recommendations to enhance, accelerate, and expand existing programs to improve protection of drinking water supplies from contamination.

Prevention

1. EPA, working with the states, should take the following actions to enhance significantly the Federal and State Underground Storage Tank programs.

a. Accelerate enforcement of the replacement of existing bank systems to conform with the federally-required December 22, 1998 deadline for upgrade, including, at a minimum, moving to have all states prohibit fuel deliveries to non-upgraded tanks, and adding enforcement and compliance resources to ensure prompt enforcement action, especially in areas using RFG and Wintertime Oxyfuel.

b. Evaluate the field performance of current system design requirements and technology and, based on that evaluation, improve system requirements to minimize leaks/releases, particularly in vulnerable areas (see recommendations on Wellhead Protection Program in 2, below).

c. Strengthen release detection requirements to enhance early detection, particularly in vulnerable areas, and to ensure rapid repair and remediation.

d. Require monitoring and reporting of MTBE and other ethers in groundwater at all UST release sites.

e. Encourage states to require that the proximity to drinking water supplies, and the potential to impact those supplies, be considered in land-use planning and permitting decisions for siting of new UST facilities and petroleum pipelines.

f. Implement and/or expand programs to train and license UST system installers and maintenance personnel.

g. Work with Congress to examine and, if needed, expand the universe of regulated tanks to include underground and aboveground fuel storage systems that are not currently regulated yet pose substantial risk to drinking water supplies.

2. EPA should work with its state and local water supply partners to enhance implementation of the Federal and State Safe Drinking Water Act programs to:

a. Accelerate, particularly in those areas where RFG or Oxygenated Fuel is used, the assessments of drinking water source protection areas required in Section 1453 of the 1996 Safe Drinking Water Act Amendments.

b. Coordinate the Source Water Assessment program in each state with federal and state Underground Storage Tank Programs using geographic information and other advanced data systems to determine the location of drinking water sources and to identify UST sites within source protection zones.

c. Accelerate currently-planned implementation of testing for and reporting of MTBE in public drinking water supplies to occur before 2001.

d. Increase ongoing federal, state, and local efforts in Wellhead Protection Areas including: enhanced permitting, design, and system installation requirements for USTs and pipelines in these areas; strengthened efforts to ensure that non-operating USTs are properly closed; enhanced UST release prevention and detection; and improved inventory management of fuels.

3. EPA should work with states and localities to enhance their efforts to protect lakes and reservoirs that serve as drinking water supplies by restricting use of recreational water craft, particularly those with older motors.

4. EPA should work with other federal agencies, the states, and private sector partners to implement expanded programs to protect private well users, including, but not limited to:

a. A nationwide assessment of the incidence of contamination of private wells by components of gasoline as well as by other common contaminants in shallow groundwater;

b. Broad-based outreach and public education programs for owners and users of private wells on preventing, detecting, and treating contamination;

c. Programs to encourage and facilitate regular water quality testing of private wells.

5. Implement, through public-private partnerships, expanded public Education programs at the federal, state, and local levels on the proper handling and disposal of gasoline.

6. Develop and implement an integral field research program into the groundwater behavior of gasoline and oxygenates, including:

a. Identifying and initiating research at a population of UST release sites and nearby drinking waters suppliers including sites with MTBE, sites with ethanol, and sites using no oxygenate;

b. Conducting broader, comparative studies of levels of MTBE, ethanol, benzene, and other gasoline compounds in drinking water supplies in areas using primarily MTBE, areas using primarily ethanol, and areas using no or lower levels of oxygenate.

Treatment and remediation

7. EPA should work with Congress to expand resources available for the up-front funding of the treatment of drinking water supplies contaminated with MTBE and other gasoline components to ensure that affected supplies can be rapidly treated and returned to service, or that an alternative water supply can be provided. This could take a number of forms, including but not limited to:

a. Enhancing the existing Federal Leaking Underground Storage Tank Trust Fund by fully appropriating the annual available amount in the Fund, ensuring that treatment of contaminated drinking water supplies can be funded, and streamlining the procedures for obtaining funding.

b. Establishing another form of funding mechanism which ties the funding more directly to the source of contamination.

c. Encouraging states to consider targeting State Revolving Funds (SRF) to help accelerate treatment and remediation in high priority areas.

8. Given the different behavior of MTBE in groundwater when compared to other components of gasoline, states in RFG and Oxyfuel areas should reexamine and enhance state and federal "triage" procedures for prioritizing remediation efforts at UST sites based on their proximity to drinking water supplies.

9. Accelerate laboratory and field research, and pilot projects, for the development and implementation of cost-effective water supply treatment and remediation technology, and harmonize these efforts with other public/private efforts underway.

Recommendations for blending fuel for clean air and water

Based on its review of the current water protection programs, and the likely progress that can be made in tightening and strengthening those programs by implementing Recommendations 1–9 above, the Panel agreed broadly, although not unanimously, that even enhanced protection programs will not give adequate assurance that water supplies will be protected, and that changes need to be made to the RFG program to reduce the amount of MTBE being used, while ensuring that the air quality benefits of RFG, and fuel supply and price stability, are maintained.

Given the complexity of the national fuel system, the advantages and disadvantages of each of the fuel blending options the Panel considered (see Appendix A), and the need to maintain the air quality benefits of the current program, the Panel recommends an integrated package of actions by both Congress and EPA that should be implemented as quickly as possible. The key elements of that package, described in more detail below, are:

Action agreed to broadly by the Panel to reduce the use of MTBE substantially (with some members supporting its complete phase out), and action by Congress to clarify federal and state authority to regulate and/or eliminate the use of gasoline additives that threaten drinking water supplies;

Action by Congress to remove the current 2% oxygen requirement to ensure that adequate fuel supplies can be blended in a cost-effective manner while quickly reducing usage of MTBE; and

Action by EPA to ensure that there is no loss of current air quality benefits.

The oxygen requirement

10. The current clean Air Act requirement to require 2% oxygen, by weight, in RFG must be removed in order to provide flexibility to blend adequate fuel supplies in a cost-effective manner while quickly reducing usage of MTBE and maintaining air quality benefits.

The panel recognizes that Congress, when adopting the oxygen requirement, sought to advance several national policy goals (energy security and diversity, agricultural policy, etc) that are beyond the scope of our expertise and deliberations.

The panel further recognizes that if Congress acts on the recommendation to remove the requirement, Congress will likely seek other legislative mechanisms to fulfill these other national policy interests.

Maintaining air benefits

11. Present toxic emission performance of RFG can be attributed, to some degree, to a combination of three primary factors: (1) mass emission performance requirements, (2) the use of oxygenates, and (3) a necessary compliance margin with a per gallon standard. In Cal RFG, caps on specific components of fuel is an additional factor to which toxics emission reductions can be attributed.

Outside of California, lifting the oxygen requirement as recommended above may lead to fuel reformulations that achieve the minimum performance standards required under the 1990 Act, rather than the larger air quality benefits currently observed. In addition, changes in the RFG program could have adverse consequences for conventional gasoline as well.

Within California, lifting the oxygen requirement will result in greater flexibility to maintain and enhance emission reductions, particularly as California pursues new formulation requirements for gasoline.

In order to ensure that there is no loss of current air quality benefits, EPA should seek appropriate mechanisms for both the RFG Phase II and Conventional Gasoline programs to define and maintain in RFG II the real world performance observed in RFG Phase I while preventing deterioration of the current air quality performance of conventional gasoline.[2]

There are several possible mechanisms to accomplish this. One obvious way is to enhance the mass-based performance requirements currently used in the program. At the same time, the panel recognizes that the different exhaust components pose differential risks to public health due in large degree to their variable potency. The panel urges EPA to explore and implement mechanisms to achieve equivalent or improved public health results that focus on reducing those compounds that pose the greatest risk.

Reducing the use of MTBE

12. The Panel agreed broadly that, in order to minimize current and future threats to drinking water, the use of MTBE should be reduced substantially. Several members believed that the use of MTBE should be phased out completely. The Panel recommends that Congress act quickly to clarify federal and state authority to regulate and/or eliminate the use of gasoline additives that pose a threat to drinking water supplies.[3]

Initial efforts to reduce should begin immediately, with substantial reductions to begin as soon as Recommendation 10 above—the removal of the 2% oxygen requirement—is implemented.[4] Accomplishing any such major change in the gasoline supply without disruptions to fuel supply and price will require adequate lead time—up to 4 years if the use of MTBE is eliminated, sooner in the case of a substantial reduction (e.g. returning to historical levels of MTBE use).

The Panel recommends, as well, that any reduction should be designed so as to not result in an increase in MTBE use in Conventional Gasoline areas.

13. The other ethers (e.g. ETBE, TAME, and DIPE) have been less widely used and less widely studied than MTBE. To the extent that they have been studied, they appear to have similar, but not identical, chemical and hydrogeologic characteristics. The Panel recommends accelerated study of the health effects and groundwater characteristics of these compounds before they are allowed to be placed in widespread use.

In addition, EPA and others should accelerate ongoing research effortsd into the inhalation and ingestion health effects, air emission transformation byproducts, and environmental behavior of *all* oxygenates and other components likely to increase in the absence of MTBE. This should include research on ethanol, alkylates, and aromatics, as well as of gasoline compositions containing those components.

14. To ensure that any reduction is adequate to protect water supplies, the Panel recommends that EPA, in conjunction with USGS, the Departments of Agriculture and Energy, industry, and water suppliers, should move quickly to:

a. Conduct short-term modeling analyses and other research based on existing data to estimate current and likely future threats of contamination;

b. Establish routine systems to collect and publish, at least annually, all available monitoring data on: use of MTBE, other ethers, and Ethanol; levels of MTBE, Ethanol, and petroleum hydrocarbons found in ground, surface and drinking water; and trends in detections and levels of MTBE, Ethanol, and petroleum hydrocarbons in ground and drinking water;

c. Identify and begin to collect additional data necessary to adequately assist the current and potential future state of contamination.

The Wintertime Oxyfuel Program

The Wintertime Oxyfuel Program continues to provide a means for some areas of the country to come into, or maintain, compliance with the Carbon Monoxide standard. Only a few metropolitan areas continue to use MTBE in this program. In most areas today, ethanol can and is meeting these wintertime needs for oxygen without raising volatility concerns given the season.

15. The Panel recommends that the Wintertime Oxyfuel program be continued (a) for as long as it provides a useful compliance and and/or maintenance tool for the affected states and metropolitan areas, and (b) assuming that the clarification of state and federal authority described above is enacted to enable states, where necessary, to regulate and/or eliminate the use of gasoline addictives that threaten drinking water supplies.

Recommendations for evaluating and learning from experience

The introduction of reformulated gasoline has had substantial air quality benefits, but has at the same time raised significant issues about the questions that should be asked before widespread introduction of a new, broadly-used product. The unanticipated effects of RFG on groundwater highlight the importance of exploring the potential for adverse effects in all media (air, soil, and water), and on human and ecosystem health, before widespread introduction of any new, broadly-used, product.

16. In order to prevent future such incidents, and to evaluate of the effectiveness and the impacts of the RFG program, EPA should:

d. Conduct a full, multi-media assessment (of effects on air, soil, and water) of any major new addictive to gasoline prior to its introduction.

e. Establish routine and stastistically valid methods for assessing the actual composition of RFG and its air quality benefits, including the development, to the maximum extent possible, of field monitoring and emissions characterization techniques to assess "real world" effects of different blends on emissions.

f. Establish a routine process, perhaps as a part of the Annual Air Quality trends reporting process, for reporting on the air quality results from the RFG program.

g. Build on existing public health surveillance systems to measure the broader impact (both beneficial and adverse) of changes in gasoline formulations on public health and the environment.

APPENDIX A

In reviewing the RFG program, the panel identified three main options (MTBE and other ethers, ethanol, and a combination of alkylates and aromatics) for blending to meet air quality requirements. They identified strength and weaknesses of each option:

MTBE/other ethers—A cost-effective fuel blending component that provides high octane, carbon monoxide and exhaust VOCs emissions benefits, and appears to contribute to reduction of the use of aromatics with related toxics and other air quality benefits; has high solubility and low biodegradability in groundwater, leading to increased detections in drinking water, particularly in high MTBE use areas. Other ethers, such as ETBE, appear to have similar, but not identical, behavior in water, suggesting that more needs to be learned before widespread use.

Ethanol—An effective fuel-blending component, made from domestic grain and potentially from recycled biomass, that provides high octane, carbon monoxide emission benefits, and appears to contribute to reduction of the use of aromatics with related toxics and other air quality benefits; can be blended to maintain low fuel volatility; could raise possibility of increased ozone precursor emissions as a result of commingling in gas tanks if ethanol is not present in a majority of fuels; is produced currently primarily in Midwest, requiring enhancement of infrastructure to meet broader demand; because of high biodegradability, may retard biodegradation and increase movement of benzene and other hydrocarbons around leaking tanks.

Blends of Alkylates and Aromatics—Effective fuel blending components made from crude oil; alkylates provide lower octane than oxygenates; increased use of aromatics will likely result in higher air toxics emissions than current RFG; would require enhancement of infrastructure to meet increased demand; have groundwater characteristics similar, but not identical, to other components of gasoline (i.e., low solubility and intermediate biodegradability).

APPENDIX B

Members of the Blue Ribbon Panel

Dan Greenbaum, Health Effects Institute, Chair.
Mark Buehler, Metropolitan Water District, So. California.
Robert Campbell, CEO, Sun Oil.
Patricia Ellis, Hydrogeologist, Delaware Department of Natural Resources and Environmental Conservation.
Linda Greer, Natural Resources Defense Council.
Jason Grumet, NESCAUM.
Anne Happel, Lawrence Livermore Nat. Lab.
Carol Henry, American Petroleum Institute.
Michael Kenny, California Air Resources Board.
Robert Sawyer, University of California, Berkeley.
Todd Sneller, Nebraska Ethanol Board.
Debbie Starnes, Lyondell Chemical.
Ron White, American Lung Assoc.

Federal representatives (non-voting)

Robert Perciasepe, Air and Radiation, U.S. EPA.
Roger Conway, US Dept. of Agriculture.
Cynthia Dougherty, Drinking Water, U.S. EPA.
William Farland, Risk Assessment, US EPA.
Barry McNutt, US DOE.
Margo Oge, Mobile Sources, US EPA.
Samuel Ng, Underground Tanks, US EPA.
Mary White, ATSDR.
John Zogorski, USGS.

SUMMARY OF DISSENTING OPINION

(By Todd C. Sneller, Member EPA Blue Ribbon Panel)

(The complete text of Mr. Sneller's dissenting opinion on the Panel's recommendation to eliminate the federal oxygen standard for reformulated gasoline has been submitted for inclusion in the final report and recommendations of the Blue Ribbon Panel.)

In its report regarding the use of oxygenates in gasoline, a majority of the Blue Ribbon Panel on Oxygenates in Gasoline recommends that action be taken to eliminate the current oxygen standard for reformulated gasoline. Based on legislative history, public policy objectives, and information presented to the Panel, I do not concur with this specific recommendation. The basis for my position follows:

1. The Panel's report concludes that aromatics can be used as a safe and effective replacement for oxygenates without resulting in deterioration in VOC and toxic emissions. In fact, a review of the legislative history behind the passage of the Clean Air Act Amendments of 1990 clearly shows that Congress found the increased use of aromatics to be harmful to human health and intended that their use in gasoline be reduced as much as technically feasible.

2. The Panel's report concludes that oxygenates fail to provide overwhelming air quality benefits associated with their required use in gasoline. The Panel recommendations, in my opinion, do not accurately reflect the benefits provided by the use of oxygenates in reformulated gasoline. Congress correctly saw a minimum oxygenate requirement as a cost effective means to both reduce levels of harmful aromatics and help rid the air we breathe of harmful pollutants.

3. The Panel's recommendation to urge removal of the oxygen standard does not fully take into account other public policy objectives specifically identified during Congressional debate on the 1990 Clean Air Act Amendments. While projected benefits related to public health were a focal point during the debate in 1990, energy security, national security, the environment and economic impact of the Amendments were clearly part of the rationale for adopting such amendments. It is my belief that the rationale behind adoption of the Amendments in 1990 is equally valid, if not more so, today.

Congress thoughtfully considered and debated the benefits of reducing aromatics and requiring the use of oxygenates in reformulated gasoline before adopting the oxygenate provisions in 1990. Based on the weight of evidence presented to the Panel, I remain convinced that maintenance of the oxygenate standard is necessary to ensure cleaner air and a healthier environment. I am also convinced that water quality must be better protected through significant improvements to gasoline storage tanks and containment facilities. Therefore, because it is directly counter to the weight of the vast majority of scientific and technical evidence and the clear intent of Congress, I respectfully disagree with the Panel recommendation that the oxygenate provisions of the federal reformulated gasoline program be removed from current law.

LYONDELL CHEMICAL COMPANY—SUMMARY OF DISSENTING REPORT

While the Panel is to be commended on a number of good recommendations to improve the current underground storage tank regulations and reduce the improper use of gasoline, the Panel's recommendations to limit the use of MTBE are not justified.

Firstly, the Panel was charged to review public health effects posed by use of oxygenates, particularly with respect to water contamination. The Panel did not identify any increased public health risk associated with MTBE use in gasoline.

Secondly, no quantifiable evidence was provided to show the environmental risk to drinking water from leaking underground storage tanks (LUST) will not be reduced to manageable levels once the 1998 LUST regulations are fully implemented and enforced. The water contamination data relied upon by the panel is largely misleading because it predates the implementation of the LUST regulations.

Thirdly, the recommendations fall short in preserving the air quality benefits achieved with oxygenate use in the existing RFG program. The air quality benefits achieved by the RFG program will be degraded because they fall outside the control of EPA's Complex Model used for RFG regulations and because the alternatives do not match all of MTBE's emission and gasoline quality improvements.

Lastly, the recommendations will impose an unnecessary additional cost of 1 to 3 billion dollars per year (3–7 c/gal. RFG) on consumers and society without quantifiable offsetting social benefits or avoided costs with respect to water quality in the future.

Unfortunately, there appears to be an emotional rush to judgment to limit the use of MTBE. For the forgoing reasons, Lyondell dissents from the Panel report regarding the following recommendations:

The recommendation to reduce the use of MTBE substantially is unwarranted given that no increased public health risk associated with its use has been identified by the Panel.

The recommendation to maintain air quality benefits of RFG is narrowly limited to the use of EPA's RFG Complex Model which does not reflect many of the vehicle emission benefits realized with oxygenates as identified in the supporting panel issue papers. Therefore, degradation of air quality will occur and the ability to meet the Nation's Clean Air Goals will suffer and under these recommendations.

FOOTNOTES

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[1] Areas using RFG (2% by weight oxygen) and/or Oxyfuel (2.7% by weight Oxygen)

[2] The Panel is aware of the current proposal for further changes to the sulfur levels of gasoline and recognizes that implementation of any change resulting from the Panel's recommendations will, of necessity, need to be coordinated with implementation of these other changes. However, a majority of the panel considered the maintenance of current RFG air quality benefits as separate from any additional benefits that might accrue from the sulfur changes currently under consideration.

[3] Under §211 of the 1990 Clean Air Act, Congress provided EPA with authority to regulate fuel formulation to improve air quality. In addition to EPA's national authority, in §211(c)(4) Congress sought to balance the desire for maximum uniformity in our nation's fuel supply with the obligation to empower states to adopt measures necessary to meet national air quality standards. Under §211(c)(4), states may adopt regulations on the components of fuel, but must demonstrate that (1) their proposed regulations are needed to address a violation of the NAAQS and (2) it is not possible to achieve the desired outcome without such changes.

The panel recommends that federal law be amended to clarify EPA and state authority to regulate and/or eliminate gasoline additives that threaten water supplies. It is expected that this would be done initially on a national level to maintain uniformity in the fuel supply. For further action by the states, the granting of such authority should be based upon a similar two part test:

(1) states must demonstrate that their water resources are at risk from MTBE use, above and beyond the risk posed by other gasoline components at levels of MTBE use present at the time of the request.

(2) states have taken necessary measures to restrict/eliminate the presence of gasoline in the water resource. To maximize the uniformity with which any changes are implemented and minimize impacts on cost and fuel supply, the panel recommends that EPA establish criteria for state waiver requests including but not limited to:

a. Water quality metrics necessary to demonstrate the risk to water resources and air quality metrics to ensure no loss of benefits from the federal RFG program.

b. Compliance with federal requirements to prevent leaking and spilling of gasoline.

c. Programs for remediation and response.

d. A consistent schedule for state demonstrations, EPA review, and any resulting regulation of the volume of gasoline components in order to minimize disruption to the fuel supply system.

[4] Although a rapid, substantial reduction will require removal of the oxygen requirement, EPA should, in order to enable initial reductions to occur as soon as possible, review administrative flexibility under existing law to allow refiners who desire to make reductions to begin doing so.

Mr. GRAMM. Mr. President, let me first say I admit I have not read the study, as probably 98 other Members of the Senate tonight have not read it, which is the reason we ought to have the committee of jurisdiction look at it.

Second, when we are talking about something leaking into ground water from tanks, my point is that this is a problem with tanks. We do not have this problem in Texas. We have gone to great lengths to try to deal with underground tanks that leak. We have required the tanks to be dug up in every old filling station in the State.

I think the Senator has raised a legitimate problem about leaking and underground water sources. But the point is we need to fix the tanks. I know of no study that suggests that fixing tanks does not solve the problem.

In any case, I want to conclude so Senator CHAFEE and others can speak. But I want to remind my colleagues that the EPA has the power to act in this area. I urge my colleagues not to put the Senate on record, on a subject that we have relatively little knowledge about, on a farm bill, when we are talking about a policy that has profound environmental impact, including the potential for more air pollution because of the higher vapor pressure for ethanol as compared to MTBE; second, shortages of gasoline potentially in huge quantities of the country because of, one, eliminating the dominant oxygenate in fuels from consideration; and, second, the problem of transporting the alternative to MTBE; and, finally, the potential spike in gasoline prices that could occur.

This is simply a policy we ought to be dealing with in a systematic way. I am delighted the chairman of the committee is dealing with it because it is a serious problem.

I yield the floor. Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. FITZGERALD. Mr. President, I am very pleased to rise in strong support of my colleague from California on this legislation. Senator GRAMM is one of my senior colleagues whom I respect as much as anybody in this body for his intelligence and hard work. On this issue, though, I respectfully disagree.

The EPA called for a study last November. They appointed a blue-ribbon committee that did come up and look into the scientific evidence. On that blue-ribbon committee there were representatives, importantly, of the oil industry, which would have an economic interest to see that MTBE not be done away with. This committee, this blue-ribbon panel, had a representative from the American Petroleum Institute and also an oil company. They said of MTBE in our Nation's fuel supply, that while all gasoline can possibly leak through an underground storage tank into the ground water, they specifically pointed out that MTBE is more dangerous when leaking into the ground water than other gasoline components. That is on page 3 of the report.

They recommend that MTBE be phased out gradually. Senator GRAMM brings up a good point. We have to have an alternative. We may not have at the current moment the production capabilities to replace the MTBE all at once. But I do believe we have to act quickly because we are talking about our Nation's ground water, and ground water contamination is very serious. In California it has been estimated that a large percentage of their ground water has been contaminated. This is a possible carcinogen. We cannot dawdle on an issue such as this. We have to move quickly.

Ethanol, as many of you know, can be used as an alternative to MTBE. We do have an alternative that is environmentally safe and sound. Yes, it does help our American farmers. Not only does it help corn growers in my State, which is a major corn-producing State, but ethanol can be derived from wheat, from rice straws, even from potatoes and, yes, potentially it could help farmers all across the country if they could produce the oxygenate for our reformulated fuel in this country.

So I am in strong support of this legislation. I think it is good public policy for us to urge the EPA to act quickly. Our Nation's ground water supply is at stake. We do not want this situation to go on any longer. We cannot afford to wait. We must act quickly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, this is a very complicated subject. It is not only the pronunciation of MTBE that is complicated. The whole area of oxygenates as additives to gasoline adds to the complication that we face.

There have been several references, and aptly so, to the blue-ribbon panel that EPA established to look into MTBE and decide to the best of its ability what ought to be done. This blue-ribbon panel has just reported, so we have hardly had a chance to see it. I think it was a report in the last 2 weeks. So we have hardly had a chance to see it.

I would point this out: The report looked to a reduction in the use of MTBE, whereas, if you note from the sense-of-the-Senate resolution that the Senator from California has, she looks to a complete phaseout—phaseout meaning end the production of, use of, MTBE, in order, she says, to address the threats posed by it.

As I said in my opening remarks, this is a complicated issue. We have had two hearings on it in the Committee on Environment and Public Works which has jurisdiction over this matter, and we have been waiting for the report which now has just come in. In September, I can promise everyone here that, indeed—the Senator from California is a member of our committee—we will have further hearings on it and decide what recommendations we will make to the full Congress.

As has been pointed out, to just ban MTBE is not the way to go, recognizing that even though the corn growers are anxious to fill the gap, they would themselves recognize there is just plain not enough ethanol to take care of our Nation at this time.

I greatly urge my colleague, the Senator from California, to withdraw her amendment. We are going to have a hearing on it. She is going to have an opportunity to have her views expressed come September, which is very close. Secondly, I urge my colleagues, absent the Senator from California withdrawing the amendment, to vote to table it and give us a chance within the committee to study not only the report itself but just to make up our minds in a bipartisan fashion what we think is the best route to go.

Mrs. BOXER. Will my friend yield for one question?

Mr. CHAFEE. Yes.

Mrs. BOXER. I just want to make sure my chairman, who I absolutely revere, has read that we do not say "ban." We say "phase out." That is a big difference. We phase it out so you make sure you are doing it in a wise fashion. That is exactly what Gov. Gray Davis said. I want to make sure that is what we are calling for.

Mr. CHAFEE. I did say "phase out," that it was to end it. That is the way I read it. Perhaps others may read it differently. My point is, we have a real problem on our hands. We need a little time to examine this, to give attention to the report, to consider it, and make our recommendations.

In our committee, we are fortunate to have the chairman of the subcommittee of jurisdiction, Senator INHOFE. I am sure he has some comments in connection with this whole problem.

Mr. INHOFE. Mr. President, I do not mind yielding first to the Senator from Illinois to make his remarks and we can go back and forth.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the Senator from Oklahoma for his graciousness. There will be more to the debate if we take turns expressing our points of view.

I rise in support of the amendment offered by the Senator from California and my colleague, the Senator from Illinois. I am happy to join both of them as cosponsors of this amendment.

First, when we talk about methyl tertiary butyl ether, which we are familiar with in the Midwest, we have to put it in perspective of what role it has played in terms of providing energy and whether or not it adds to problems with pollution, because that is the bottom line.

We are talking about additives to gasoline that we hope will clean up the environment. That is why we have the program. That is why we are using ethanol with MTBE because the bottom line is we want to say to Americans: When you use your automobiles, the gasoline you use should contain additives that make America a cleaner place—cleaner air and cleaner water. That is why the amendment of the Senator from California is so important because we no longer can trust MTBE to meet that mission goal.

The findings of the EPA blue-ribbon panel on oxygenates in gasoline was reported last week. The panel confirmed my long-held belief that MTBE poses a risk to ground water and to the health and safety of the American public.

I hope those who are following this debate will listen carefully to the pervasive nature of MTBE when it occurs in the natural environment. MTBE, a petroleum-derived chemical, does not biodegrade. In 5 years of widespread use, MTBE has become the second most commonly found chemical in ground water. It is second only to chloroform. One gallon of MTBE is enough to pollute 26 million gallons of water.

So when the Senator from Texas stands and says the problem is in the storage tanks, I suggest to him, no, it goes far beyond that. The problem is in two-cycle engines, for example, as you find on many boats which use MTBE additives in their fuels, and as they spray out the back of those engines, because of their fuel inefficiency, what they are spraying into reservoirs and water supplies across America is MTBE which is not biodegradable. When they test these water supplies, it is not alone from leaking storage tanks but from the fact that this additive is particularly sinister when it comes to the clean water goals that we all share.

It has been labeled by the U.S. EPA as a carcinogen. If this additive did not biodegrade and was benign, did not cause any health problems, we would not be here. The fact is, whether it is a leaking storage tank or a two-cycle engine spraying it into Lake Decatur or Lake Springfield in Illinois, which also serve as water supplies, it increases the risk of cancer. That is why it is a particularly sinister additive, and that is why the amendment of the Senator from California is so important.

Let me give an example in my home State of the dangers of MTBE. Ten years ago, a gasoline spill occurred in Kankakee, IL. To this day, MTBE still contaminates that area's drinking water supply. It does not go away, and it causes cancer. It is carcinogenic.

With MTBE's future clearly in doubt, now is the time for us to really make clear that corn-based ethanol, or many other crops which can be used as a base for ethanol, should step up to fill this void. Ethanol currently comprises about 15 percent of the reformulated gasoline program, including a successful effort in Chicago and Milwaukee. That is the top RFG, reformulated gasoline, market in the Nation, accounting for 400 million gallons of ethanol demand, or approximately one-third of the industry's production.

Many of the arguments against the amendment of the Senator from California suggest since we do not have enough supply of ethanol at this moment to replace MTBE, we ought to stick with it. As the blue-ribbon panel found, and I think common sense tells us, you would not stick with an additive that is this dangerous, one that is so pervasive, not biodegradable and carcinogenic. It is far better for us to set out a national program to expand ethanol production.

Naturally, many people are listening and we expect to hear: DURBIN, you are from Illinois where they produce most of the ethanol and primarily from one company.

I will concede that fact. I am open to suggestions for legislation to increase ethanol nationwide from a variety of sources. I think it is good. It will create better competition and may develop better standards for manufacturers to bring down the cost. I will certainly support it whatever State wants to engage in ethanol production.

It is also important to note that recent studies have found that ethanol and MTBE are essentially equivalent in terms of their effect on ozone; that is, in reducing air pollution, so we are not losing in this tradeoff moving from MTBE to ethanol. In fact, we are holding our ground with a much safer additive.

Ethanol has lower carbon monoxide emissions and reduced reactivity, along with a lower incidence of environmental contamination when compared to MTBE.

Instead of shelving the RFG oxygenate requirements—that additive that makes it safer for the requirement—it would be in our country's best interest to expand the use of a safe oxygenate such as ethanol. The U.S. Department of Agriculture and industry data demonstrate that adequate supplies of ethanol would exist to meet the oxygenate requirement in a cost-effective manner with a gradual phaseout of MTBE.

I say to my friend—a man I also respect—from the State of Rhode Island that we are not talking about an instantaneous ban on MTBE. Instead, we are talking about a phaseout of the use of this additive as we increase the production of the safer additive, the oxygenate ethanol. In fact, ethanol blends with reformulated gas would be more cost effective than nonoxygenated gasoline.

We need to look no further than rural America to understand the benefits an ethanol-based RFG program would have on our ag economy. The USDA is predicting a bumper corn crop of 9.7 billion bushels. Farm prices are in a free-fall, and we need to find alternative uses for our agricultural bounty.

Illinois annually produces about 40 percent of the nearly 1.5 billion gallons of ethanol. Illinois corn accounts for about 17 percent of the crop use for ethanol. As you drive or fly over the Midwest and look down on those cornfields, one out of six of those cornfields is dedicated to go into processing and come out as ethanol, which we burn in our automobiles. This allows ethanol to gradually replace MTBE as a great benefit to our fragile rural economy.

I am pleased to join Senator BOXER and Senator FITZGERALD on her amendment and urge my colleagues from both rural and urban States to support this important effort to encourage the phaseout of MTBE and the promotion of ethanol as an alternative.

Mrs. BOXER. Would my friend yield for a question?

Mr. DURBIN. I would be happy to yield.

Mrs. BOXER. I know Senator INHOFE is patiently waiting, and he is chair of the Clean Air Subcommittee, as my chairman, Senator CHAFEE, has stated, but it is important to know, and I want to know if my friend is aware, that the chairman of the Drinking Water Subcommittee, Senator CRAPO, is an original coauthor of this.

I want to make the point of my friend that we have a situation that this additive was to clean the air, and now we find out it is poisoning the water, and we cannot get it out of the drinking water. The more we let this thing go, without phasing it out, my friend is absolutely right, the more expensive it gets, the more of a problem it is, the more poison is spread. To sit here and wait around does not seem to make much sense.

I also ask my friend if he is aware that we have large numbers of environmental organizations that support this, along with many in the farm community, including the Sierra Club, the Audubon Society, and Communities for a Better Environment. I hope my friend asks that we place that in the RECORD. I wonder if he is aware that Senator CRAPO brings a lot of authority, I think, to this particular debate.

Mr. DURBIN. I thank the Senator from California. I was not aware of all the details.

I ask unanimous consent that the document evidencing the organizations supporting the Boxer amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BLUEWATER NETWORK,
August 3, 1999.

Hon. BARBARA BOXER,
Senate Hart Office Building, Washington, DC.

DEAR SENATOR BOXER: Bluewater Network and the following signatories strongly support S. 1037 to eliminate MTBE use nationwide. Extensive investigation into the hazards of MTBE demonstrates that continued use of this oxygenate will further jeopardize U.S. water supplies and undercut the public's right to clean drinking water, shoulder water and regulatory agencies with unprecedented liabilities and cost burdens, and seriously threaten public health.

S. 1037 targets three key areas:

(1) It provides EPA with the authority to immediately prohibit MTBE in sensitive or at-risk communities. This will save many areas millions of taxpayer dollars in clean up and liability costs. California alone faces an estimated $1 to $2 billion in MTBE cost. This provision also allows EPA to react swiftly to contamination sites, and effectively prioritize public health.

(2) It immediately restricts the use of MTBE to areas where oxygenates are required by the Clean Air Act. This is a common sense approach which will minimize the use and the impacts of MTBE during the phase-out.

Voluntary use of MTBE is common throughout the country. Almost all of California's gasoline contains MTBE, while only Los Angeles, San Diego, and Sacramento are required to use oxygenates. MTBE use in non-oxygenated zones may increase during a phase-out for various economic reasons involving fuel supply and distribution. For example, Chevron and Tosco recently increased their use of MTBE in Northern California—where oxygenates are not required—despite their agreement with Governor Davis to cooperate with California's MTBE phase-out. Providing immediate restrictions on MTBE in non-oxygenated zones will prevent needless MTBE contamination, and ensure that the use of the chemical does not spread further into these areas.

(3) It provides an investigation into the impacts of ethanol, olefins, aromatics, and alkylates which will provide critical information about the impacts of banning MTBE, the general effectiveness of oxygenates, and the overall benefits of the federal Reformulated Gasoline Program. We strongly recommend Senator Boxer include the study of "other ether-based additives" in this section to adequately assess the feasibility and risks of chemical additives with similar properties as MTBE (e.g. TAME, ETBE). The elimination of MTBE, and especially the use of

non-oxygenated fuels proposed by some refiners, necessitates fuel blending adjustments which employ these chemicals. These studies will ensure that the impacts of non-MTBE fuels are fully realized.

We commend Senator Boxer's efforts to combat the MTBE problem nationally. Neither improving underground storage tanks, banning two-stroke engines, and/or lifting the Clean Air Act's oxygen mandate will prevent continued use of the additive, nor will such steps protect our most critical resources and public health from ongoing MTBE contamination.

S. 1037 provides critical protections against the inherent risks of MTBE use, and phases out a chemical known to be a significant threat to public health.

We look forward to working with you on this issue. If we can be of any assistance, please do not hesitate to contact us. Thank you for your consideration.

Sincerely,

BROOKE COLEMAN,
Project Coordinator.
RUSSELL LONG, PH.D.,
Executive Director.

SIGNATORIES

Friends of the Earth, Brent Blackwelder.
International Rivers Network, Patrick McCully.
Audubon Society, Cassandra Lista.
Sierra Club, National Marine Wildlife and Habitat Committee, Vivian Newman.
Communities for a Better Environment, Denny Larson.
Animal Rights Foundation, Doe McCaffrey.
Backcountry Skiers Alliance, Lynn Buhlig.
Campaign to Safeguard America's Waters, Gershon Cohen.
Concerned Citizens, Renee Chapotel.
Earth Island Institute, John Knox.
Earth Island Journal, Gar Smith.
Earth Rescue, Ian Looney.
GaiaLink, Marv Lyons.
Hells Canyon Preservation Council, Brenda Schweitzer.
Hudson River Sloop Clearwater, Andi Weiss Bartczak.
Institute of Social Studies, Isaack Otienno.
If Not Now, Phil Mitchell.
Lake Hamilton Safety Supporters, Stan Cothren.
North Farm Cooperative, Sarah Wepman.
Ocean Advocates, Fred Felleman.
Architects, Designers, Planners for Social Responsibility, Kay Yeuell.
Pinniped-Fisheries Project, Laura Seligsohn.
San Francisco BayKeeper, Mike Lozeau.
Save Our Shores, Vicki Nichols.
Coalition to Stop Vail Expansion, Emily Wolf.
Site for Social Action, Doug Casner.
Surfers Tired of Pollution, Donna Frye.
World Stewardship Institute, Sarah Nossaman.

Mr. DURBIN. Mr. President, I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, when I heard that the Senator from California was going to bring up her amendment, I came down to the floor. Quite frankly, I came down carrying the credentials of the blue-ribbon committee. I think there is one thing on which we can all agree: If you actually read the recommendations of the committee, they are not consistent with the amendment that is offered by the Senator from California.

We have 13 people on the panel. They are from industry, they are from some of the environmentalist groups, chaired by Dan Greenbaum of the Health Effects Institute. I think it is important that we read what this blue-ribbon committee recommends.

What they recommend is that they are not through yet. I will just read a couple of the recommendations here. They recommend that MTBE should be reduced but not banned. They said that oxygenate mandates should be eliminated. This amendment would increase mandates, not eliminate them. They said that benefits of ethanol need to be studied more. They did not say they have already been proven scientifically.

If there is one thing that has bothered me about the Environment and Public Works Committee, it is that some of the things that come out are not based on sound science. In this case, we do have the beginning of sound science. We have a recommendation by a blue-ribbon committee, made up of 13 people who are very professional and should represent all aspects of this issue.

Anyway, that is not what their recommendation is. They said that we should not ban MTBE, considering all alternatives and benefits. In addition to use as an oxygenate, MTBE is also used as an oxygenate enhancer. I think this has not been brought out. There is a reason for MTBE to be included.

As far as the use of ethanol, as far as the report is concerned, the environmental benefits are in question. The blue-ribbon panel recommended that it further be studied before its use is increased. That is what the recommendations were of this committee. I think we have plenty of time to have the hearings, as we have discussed.

There is another thing that has not been talked about. That is, if we were to adopt the Boxer amendment, some amount of money would have to come from the highway trust fund. Ethanol users receive a tax credit at the current time, and at the end of each year it comes out of the highway trust fund. Therefore, each of our States will have their highway funds reduced if this amendment should pass.

It is not possible to switch to ethanol right away, as the Senator from California suggests. We do not have the national infrastructure to transport the ethanol. A lot of people are not aware that this cannot be added at the refinery; it has to be added at the rack where the fuels are mixed.

On health effects, only 1 percent of the detections of MTBE in water has met the threshold for smell, which is below the threshold for human health effects. I really think if we want to use, as our basis, our decision on this amendment being the blue-ribbon panel recommendations, we ought to go ahead and not pass the amendment, allow Senator CHAFEE and me, as chairman of the subcommittee of jurisdiction, to have hearings. We are going to have hearings on this, on the blue-ribbon committee, in September. We are prepared to do that.

This is a drastic step. It is something we do not want to get into unless we are sure. If you read the report, it says: Do not do it now. Study it. The results are not in. We will have to make further recommendations.

We are willing to have the committee hearing on this. I can just give you my word at this time we will have it probably sometime in September.

I yield the floor or yield for questions.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, Senator HARKIN.

Mr. HARKIN. Mr. President, first, I just respond to my friend from Oklahoma by saying that they can still go ahead and have the hearings and everything else after we adopt the sense-of-the-Senate resolution. Nothing prevents the committee from going ahead and meeting and having the blue-ribbon panel appear, and proceed with hearings. But we ought to express ourselves here as to the health issues that confront us.

I also point out to my friend from Oklahoma that I was reading the blue-ribbon panel's page here on this, and I thought I might read the pertinent parts because it is not quite exactly as my friend from Oklahoma said.

On page 6 it says: "Recommendations for Blending Fuel for Clean Air and Water."

> Based on its review of the current water protection programs, and the likely progress that can be made in tightening and strengthening those programs by implementing Recommendations 1-9 above, the Panel agreed broadly, although not unanimously, that even enhanced protection programs will not give adequate assurance that water supplies will be protected, and that changes need to be made to the RFG [the reformulated gasoline] program to reduce the amount of MTBE being used, while ensuring that the air quality benefits of RFG, and fuel supply and price stability, are maintained.

The next paragraph said:

> The key elements of that package, described in more detail below, are:
>
> Action agreed to broadly by the Panel to reduce the use of MTBE substantially (with some members supporting its complete phaseout), and action by Congress to clarify federal and state authority to regulate and/or eliminate the use of gasoline additives that threaten drinking water supplies. . .

So I think it is quite clear where they are headed on that: To reduce MTBE use substantially. Some members even wanted its total elimination.

Mr. President, what we are talking about here is a health issue. I find it astounding——

Mr. INHOFE. Would the Senator yield on that point?

Mr. HARKIN. I will yield without losing my right to the floor.

Mr. INHOFE. Of course.

The Senator was reading from the report. I would like to read the next paragraph that he overlooked. It says they are recommending:

> Action by Congress to remove the current 2% oxygen requirement—

That is right before ethanol—

> to ensure that adequate fuel supplies can be blended in a cost-effective manner while quickly reducing usage of MTBE. . . .

Exactly the opposite of what the Senator from California is trying to do with her amendment.

Mr. HARKIN. I beg to differ. The blue-ribbon panel's conclusions support the Senator's resolution. What we are talking about is phasing out MTBE, and encouraging the use of ethanol—an oxygenate that reduces air pollution and at the same time does not contaminate water supplies or adversely affect health.

That is what we are talking about. I was responding to the point of the Senator from Oklahoma about what the blue-ribbon panel was saying. They were clearly saying that we ought to substantially reduce or eliminate the use of MTBE. They want to make sure we have a fuel supply that is not a health hazard to our people. That is what they are saying. That is really the issue before us. It is a health issue, pure and simple.

Again, I find it astounding that people can argue and say: We have a lot of MTBE out there; forget that it is a possible human carcinogen; forget that it is highly polluting; let's go ahead and keep using it because, quite frankly, we don't have anything to replace it with right now. That is the sort of argument that is being used.

I thought the Senator from Illinois, Mr. DURBIN, laid out quite succinctly how dangerous MTBE is. We have been told, first by the Senator from Texas, that it is just a matter of leaking tanks. Well, that is not just it at all. Senator DURBIN pointed out motor boats, motor skis, everything else, lawn mowers, motorcycles, airplanes, everything else that is using MTBE all leak a little bit, and every time it leaks, MTBE gets into the surface water and ground water.

One might say: Well, it is the gasoline leak that is the problem, and not what is in the gasoline. But when you have a gasoline leak, most of the components in gasoline, tend to break down. MTBE breaks down very little and very slowly, and it permeates rapidly. It is highly soluble in water, when it gets in water. If you put some oil in water, it doesn't mix. It can be separated out. But when MTBE gets in water, because of its chemical properties, it permeates the water quite rapidly, and that is what makes it so tough to get it out. It is not like oil or gasoline in water at all. It is highly soluble in the water.

As Senator DURBIN pointed out, the U.S. Geologic Survey has found that MTBE is the second most commonly found contaminant in ground water. But it has been in widespread use for only about 7 years. The second most prevalent contaminant in ground water in the United States, in a matter of only 7 years. EPA estimates that MTBE already can be detected in 5 to 10 percent of water supplies nationwide.

MTBE has been found to be leaking into groundwater at over 10,000 sites in California. A state report in Maine found that anywhere from 1,000 to 4,300 private wells could contain unhealthful levels of MTBE. And in New Hampshire, MTBE has been found in 100 public wells and water supplies. Five parts per billion is enough to contaminate water and make it taste and smell like turpentine. As I said, it is highly toxic. It is a poison. It permeates rapidly.

I think I would like to review a little bit some of the history of why we are here. In 1990, when we passed the Clean Air Act, trying to reduce the pollutants in automobile gasoline, we wanted to get rid of the witch's brew—we always called it the witch's brew—of toxins that were basically used as octane enhancers, such as benzene, xylene and toluene, highly toxic, highly poisonous substances used to enhance octane and performance.

In order to get rid of those toxics, while maintaining gasoline performance, something was needed to replace them. The oxygenates make a cleaner burning gasoline while improving octane and gasoline performance. So we came up with the oxygen content standard in the Clean Air Act so that we could have cleaner gasoline, and reduce the toxics and carbon monoxide emissions. The oxygenate in the fuel does that. It reduces carbon monoxide. We all know what carbon monoxide is—a pollutant that makes you sick or kills you. So we came up with the oxygenate standard for that. We got rid of pollution and carbon monoxide. Both MTBE and ethanol were octane enhancers so they could be used to make cleaner gasoline and replace the witch's brew of toxics like xylene and benzene and toluene.

Because MTBE is a derivative of petroleum, it was much easier to get the MTBE and to use it and to have it marketed more rapidly around the country than ethanol. That is why MTBE became the largest part of the oxygenate supply for the reformulated gasoline program.

I freely admit that MTBE does do some good in reducing air pollution. I would never argue that it doesn't; of course, it does. But we have found that the downside is even worse in terms of its pollution of water supplies. So we say, are we on the horns of a dilemma? We have MTBE. It reduces air pollution. It keeps the octane up. But it terribly pollutes our ground water. Is there nothing we can do?

Well, yes, there is. We can move toward using more ethanol. Now, ethanol is a renewable fuel that provides the clean air benefits, but it will not pollute ground water. Ethanol is so safe one can drink it. It is about 190 proof. That is what it is, basically 190 proof, good old corn alcohol. That is all it is. You can drink it if you want. It is pretty strong, but it won't hurt you. So we can replace it MTBE with ethanol.

Senator GRAMM talked about the vapor pressure, the fact that when you mix ethanol with gasoline, a funny thing happens. It becomes more volatile. True. Therefore, they say because it is more volatile, it evaporates and it causes ozone. Well, I have looked at that, and quite frankly, I think the conclusions about evaporation are outdated and not valid.

First of all, it is true that the Reid vapor pressure does go up, so it is more evaporative. But if you look at the design and building of automobiles since that time, you find that automobiles are not like they were 20 years ago. The gas tanks have a sealing flap on them. All gas tanks have an airtight lock on them now, all cars built probably within the last 10 to 15 years. Almost all new cars use fuel injection. They don't have carburetors like the old cars used to have. There isn't that much evaporation from automobiles, even when they sit in the hot summer sun. It may be true of older cars, but not of the new cars that have been built within the last 10 or 15 years.

Secondly, at most of the gas pumps in the United States now, they have a recapturing mechanism to recapture the fumes from the pumps. So those that say that because we mix ethanol with gasoline and it evaporates and causes ozone, that is based upon studies that I believe are not valid and are outdated.

We do know one thing about ethanol. It reduces carbon monoxide tailpipe emissions. And carbon monoxide contributes to ozone formation. The air quality benefits of reduced carbon monoxide emissions has to be taken into account when talking about the evaporation of gasoline containing ethanol. So we have a proposition. We can replace MTBE with ethanol. We can enhance the octane. We can clean up the gasoline, cut the toxics and reduce carbon monoxide, and there is absolutely no pollution water pollution. But Senator GRAMM and others have said, and the Senator from Oklahoma, we can't do that. The reason we can't do that is because we don't have an alternative in place right now to replace MTBE.

If I read the sense-of-the-Senate resolution of the Senator from California, it doesn't say we have to do this immediately. It says: It is the sense of the Senate that the United States should, one, phase out MTBE in order to address the threats that MTBE poses to public health and the environment—

phase it out. We didn't put a time limit on it, just phase it out.

Well, let me, for the record, point out how we can, without disruptions in fuel supplies, replace MTBE with nonpolluting ethanol. We now produce about 1.5 billion gallons of ethanol annually. We use about 1.2 billion gallons of that in this country and we export the rest. We would need about an additional 2.1 to 2.2 billion gallons of ethanol production to replace MTBE. The current ethanol production capacity that we have in the United States right now is about 1.8 billion gallons annually. So to replace MTBE, the U.S. would need to have the capacity to produce about 3.3 billion gallons of ethanol each year. That is the 1.2 billion that we use domestically, plus the 2.1 it would take to replace MTBE. So that would be about 3.3 billion gallons.

In checking with the producers of ethanol, they have told me ethanol production could be ramped up anywhere in 2.5 to 3 years to meet those requirements. We already have 1.8 billion gallons of annual ethanol production capacity. We don't even have to double it in order to meet the requirements of replacing MTBE.

I point out that the U.S. Department of Agriculture's analysis supports this conclusion that we could, within 2.5 years, and at the most 3 years, ramp up the production of ethanol to replace MTBE. I would have to admit there is probably no way we can phase out MTBE in probably less than 2.5 to 3 years. So as we phase out MTBE, we could ramp up the production of ethanol.

Now, my friend from Oklahoma said we don't have the transportation facilities and things such as that. They would come along, plus, I daresay that ethanol would be produced in a lot of different places in the country. Now it is mostly produced in the Midwest, but it will probably be produced in a lot of other areas in the United States.

So for the reasons of health, for the reasons of making sure we don't further contaminate our ground water and our water supplies in this country, to ensure that we are able to replace MTBE in an orderly fashion with a renewable fuel produced here in this country, I support the sense-of-the-Senate amendment offered by the Senator from California, Senator FITZGERALD, and others.

Lastly, I want to make one more point. The Senator from Texas went on about subsidies for ethanol. I don't think he wants to get involved in that subject. Quite frankly, we have the data to show that the tax breaks to the oil industry vastly exceed the modest tax incentives for ethanol. That is just during the recent past, not to mention all the tax and other subsidies the oil industry has gotten over the last 100 years or so from the U.S. Government. So I don't think the Senator from Texas wants to get involved in talking about subsidies, especially when we can point out the huge tax subsidies the oil industry has gotten over all these years.

In conclusion, the issue before us is framed this evening primarily as an environmental and health issue, pure and simple. All of these arguments from the other side notwithstanding, what we are about is saying the Senate is going on record that we ought to phase out MTBE and to promote renewable ethanol to replace MTBE. Ethanol enhances energy security, it supports the farm economy, it improves air quality and the environment. There are many reasons to support ethanol, but when it comes down to the crux of the debate tonight we are talking about the extensive water contamination caused by MTBE and the fact that with ethanol we have a clean and safe alternative to take its place. That is what this debate is about.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, Mr. GRASSLEY, is recognized.

Mr. GRASSLEY. Mr. President, this is a health issue, yes, but it is more than just an issue of whether or not we are going to continue to poison the environment and the ground water and permit poison, on the one hand, or a product that you can drink, on the other hand, to take its place. This is also an economic issue, although we have almost exclusively debated the health issues tonight. We just as easily could be conjuring up the debates of previous years between big oil on the one hand and agriculture on the other hand—agriculture being the base product for the production of ethanol, and big oil because of its interest in MTBE.

So it is an economic issue, not just an issue of poisoning the environment. It is also an issue of whether or not we ought to rely upon a renewable source of energy that comes from agriculture and corn, to make ethanol, or whether you ought to rely upon a nonrenewable fuel, MTBE. It is also an issue of whether or not this country ought to be energy-dependent upon foreign resources, because like our importing more than half of our petroleum, we also import half of our MTBE. The issue should be how we are going to be less dependent upon foreign sources of energy when we fully use our own family farmers to grow our own crops and use our own agricultural products to produce ethanol, a renewable fuel.

It is an environmental issue in regards to whether or not you are going to produce MTBE from a nonrenewable source, a finite source, and poison; or whether you are going to have the more clean-burning, renewable source that doesn't poison from ethanol.

Our balance of trade is also an issue due to the fact that one-third of our unfavorable balance of trade comes from the fact that we import so much of our energy. We should use more of our domestically produced energy, a renewable source of energy which is not imported and not controlled by oil companies. This would provide the nation with a more favorable balance of trade.

Our national defense should not be devoted in part to defending foreign sources of energy. An admiral in the Navy once explained that about half of the Navy's budget is dependent upon protecting oil, the flow of oil from the Middle East to the United States. This should be considered a subsidy. This source of energy partially compromises our national defense. We should base our national defense more on energy independence through the use of renewable energy, domestically produced energy, of which ethanol is part of that equation, produced from a renewable source.

Yes, this is an issue of poison versus a product that isn't poison. Ethanol is a product that you can drink, but it has a positive economic impact, solidifies our national defense, benefits our environment, and reduces our trade deficit.

So let's look at it in a very broad vein because this is not a brand new debate. This is a debate that has been going on in this body over a period of time, dating back to 1980 when we first started the renewable resource of ethanol as a supplement to gasoline.

Now, this isn't just a recent health issue because of California and what the Governor of California has done to phase out MTBE, the poisonous product in their State. The Governor has already made that decision. But I have given evidence on the floor in this body, in previous debates on this issue, where people using MTBE in Alaska got sick and the Governor had to ask for waivers. I think I also produced evidence in those previous debates regarding a similar situation in the State of New Jersey, just as an example.

I think it has been well established that this does not just come from leaky gasoline tanks leaking into the underground water. It has been presented very clearly that this product also is emitted into the air and because of rainfall finds its way into our water supply.

In my State of Iowa, the legislature has banned MTBE. My State banned its use in the last legislative session. The Governor of California has also moved to phase the poison out of its fuel. While we have been moving forward on this issue, the debate tonight might appear new to many of my colleagues. To those colleagues it might make sense to study this more, to let the committees make the proper decisions. But there are numerous state legislatures that have made the conclusion that MTBE should be banned. I hope we will favorably consider the Boxer amendment because I think it is very legitimate that we immediately move forward on this issue.

Obviously, my State of Iowa, as the No. 1 corn-producing State in the Nation, will benefit if this poisonous product is phased out. I stand guilty of promoting ethanol. But it is not fair to say that just because you as the traveling public—and every one of you in this body owns an automobile—who pull up to the gasoline pump and pay a little bit less gas tax because a portion of your gasoline is ethanol which doesn't have the Federal gas tax in it, that this is a subsidy. The word "subsidy" implies that there is money paid out of the Federal Treasury to somebody to use that product. That is not true. Do we want to raise the tax on people motoring? Then do away with the ethanol tax exemption and you would have it.

I think we have the arguments on our side. I think it is going to be easy to cloud the issue and claim this needs to be studied. Remember, there are legislative bodies elsewhere in this country that have come to the conclusion that this has had enough study and that something as poisonous as MTBE should not be in the water.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I don't address these remarks to any exporter of ethanol. But I am really astounded tonight. I think if you pull out your ledger, every time we have an ethanol vote, my friend or someone else is standing there to make sure that I vote for it and make sure that I vote the same way over and over.

Frankly, I wouldn't be voting for ethanol if I had to put up with this kind of argument and justification for being for ethanol. Just put that in your hat. Because this is an absurd argument. Most of those who support ethanol on this side of the aisle are constantly arguing that the Environmental Protection Agency oversteps all the time—that they overregulate, that they do things that cost the American taxpayers too much. And yet they come here tonight.

There is the chairman of the Committee on Environment and Public Works. Is this man antienvironment? For most of the same people, they have been arguing that he is too much in favor of the environment. He comes to the floor of the Senate a reputed chairman, and you all make this an environmental issue?

You want to make this issue one that says we will sell more corn. I don't believe that is the right way to handle environmental issues in the United States when a blue-ribbon commission issued a report, and the chairman of the committee says: I need time to study it. But it will just be a matter of a few weeks, and we will have a hearing.

That is what we should do tonight. We should say to that committee: Do your hearings quickly and give us your recommendation.

But to stand here on the floor of the Senate and make this a corn-growers versus a non-corn-growers issue, and try to say it is the environment when you are counting heads, to every head you are counting, you are sending a memo: This is for corn.

Is that why we want you to vote for it? Right. In fact, my friend, who I greatly respect, tried to cover that up in a 15-minute speech about it being something else. But it is an effort to say let us get rid of this thing that we are using to make our gasoline better, more oxygenated, and better for the clean air of our country when there is a study that is only 5 days old—6 days, whatever it is. You have the chairman of the subcommittee and the chairman of the full committee saying: Wouldn't you give us time to look at it?

Here we have an agriculture bill and somebody making an issue that now what you would do is make PETE DOMENICI tonight, who is not going to vote with you anti-corn growers, says listen, corn growers. You are more apt to make me an anti-corn grower with this kind of approach than if you leave it in the committee and let them do their work.

I hope some others will join me in that respect because I am not against corn growers. I don't have very many in my State. But I think it is ridiculous to come to the floor and make this kind of argument in behalf of the environment and leaking underground tanks when you won't even give the most esteemed environmental chairman we have had around here since Ed Muskie a chance to conduct some hearings on it.

Frankly, I hope we either table it or somebody offers a substitute so we can do what is right here tonight.

Mr. HARKIN. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. I am finished. But I would be glad to answer a question.

Mr. HARKIN. I understand that Senator INHOFE is the chairman of the air quality subcommittee. I understand—and I don't know this—that he is the chairman of the water quality subcommittee, which we are talking about, and Senator CRAPO is in favor of this.

Mr. DOMENICI. Senator who?

Mr. HARKIN. Senator CRAPO.

Mr. DOMENICI. Senator CRAPO is in favor? Of course. Maybe he is because he is a corn grower. But I do not know that he is.

Mr. HARKIN. He is chairman of the water quality subcommittee. That is what I am told.

Mr. DOMENICI. All I know is that I mentioned two chairmen. I mentioned the esteemed chairman of the full committee and the chairman of the subcommittee on clean air. I don't know the makeup of the public works committee. I served on it for 12 years. I think it is a wonderful committee.

But to be honest with you, I am thrilled it is your job and not mine. I say to the chairman that I could have been chairman. I am glad he is chairman and that I am not.

But what I said tonight I believe is true; that is, we ought to tell the committee to do their job and do it quickly. That ought to be the vote tonight.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I am sitting here looking at the chairman of the Agriculture Appropriations Subcommittee who has been trying to pass a responsible bill all week. All of a sudden, out of the blue, we have a sense of the Senate that doesn't belong on the Agriculture appropriations at all.

Mr. INHOFE. Will the Senator yield?

Mrs. HUTCHISON. Then you see the chairman of the Committee on Environment and Public Works who says: Excuse me, but this is my jurisdiction, and I would like to address it. And he is, as Senator DOMENICI said, one of the most distinguished of our Members.

I say to Members, do this: MTBE should be looked at. It is a way to clean the air. It is an additive to gasoline to meet the clean air requirements of EPA.

We should not have a sense of the Senate that holds up the Agriculture appropriations bill. I hope Members will vote to table this sense of the Senate and give Chairman CHAFEE the opportunity to look at this issue to determine if there is something wrong with MTBE, which I think is very much a question.

But to have something like this continue to hold up this bill, when our farmers certainly need the relief this appropriations bill is going to give us, I think is the wrong approach.

I urge Members to table this sense of the Senate.

Mr. INHOFE. Will the Senator yield?

Mrs. HUTCHISON. I am happy to yield to the Senator.

Mr. INHOFE. I know people are getting restless and I know there will be a substitute offered, but if there is anyone in here who is predicating their decision on how to vote on this blue-ribbon committee, let me read from the report. It totally contradicts what the Senator from California is saying. They recommend:

> Action by Congress to remove the current 2 percent oxygen requirement to ensure that the adequate fuel supplies can be blended in a cost-effective manner, while quickly reducing usage of MTBE.

What she is trying to do is actually fill that 2 percent with ethanol.

Another recommendation says:

> Accelerate air and water affects research on other fuel components likely to take MTBE's place such as . . .

It names ethanol, aromatics, and alkylates. It says don't do it until we do the research.

That is the recommendation of this blue-ribbon committee.

Last, it bothers me when people use scare tactics. This blue-ribbon committee said:

> The great majority of these detections to date have been well below levels of public health concern with approximately 1 percent rising to levels above 20 parts per billion.

I certainly concur with the recommendation of the Senator from Texas. Let Members have a chance to hold hearings on the results of the blue-ribbon committee. Nothing would be lost.

Mrs. HUTCHISON. I thank the Senator from Oklahoma.

It is clear from the debate this is not an issue that should be taken up on this bill. Clearly there are questions. The scientific basis is not proven at all. I hope we will not do something that will mar the record and take the jurisdiction from where it should be, and that is the Environment and Public Works Committee.

AMENDMENT NO. 1522 TO AMENDMENT NO. 1521

Mr. CHAFEE. Mr. President, I send a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DEWINE). The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Rhode Island [Mr. CHAFEE] proposes an amendment number 1522 to amendment No. 1521.
>
> Strike all after the first word, and insert the following: “ . It is the sense of the Senate that the Committee on Environment and Public Works should review the findings of the EPA Blue Ribbon Panel on MTBE and other relevant scientific studies, hold comprehensive hearings, and report to the senate at the earliest possible date any legislation necessary to address the recommendations of the Blue Ribbon Panel.”

Mr. CHAFEE. Mr. President, this is very cut-and-dried. What we say in this substitute is give us a chance. We have a committee. In September, as chairman of the committee—and the chairman of the subcommittee is here—we promise the Senator to hold, very early in September, as soon as we can get proper witnesses, a hearing on this subject. It is an important subject. I recognize that to California it is very important, and it is important to other States, likewise.

I think that is the proper way to go. It is a complicated subject and it involves not just MTBE; it involves the oxygenates that come from corn. That is the way I recommend we proceed.

Mrs. BOXER. Mr. President, I hope we will not accept this. I will be very brief. We all know what this is. This is sending this bipartisan sense-of-the-Senate resolution right into the graveyard.

My friend, my esteemed chairman, says it is complicated. Let me tell him it is not complicated to understand that MTBE is leaking. It is leaking badly. The State of California has phased it out. It is an opportunity for other options which will help our farmers. I think this is a unique moment.

We have Senators agreeing, Members who don't vote together very often. We have a long list of environmental organizations that support this. We have a long list of people from the farm States and organizations that support this. We don't need to continue with hearings.

As the Senator from Texas stated, the head of the Environmental Protection Agency can take action under her emergency powers to phase out MTBE. I believe if we support this sense of the Senate and vote down the second-degree amendment, she will understand that we really care about this issue, we care about getting rid of a possible carcinogen, and we care about helping our fathers at the same time.

To me, it isn't that complicated, perhaps because I see what is happening to drinking water in California. Right now in California it is going to cost $1 to $2 billion to clean up the poison in our drinking water. And my friends are saying: Plenty of time to study.

Members don't want this to happen to their State.

I yield the floor.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mrs. BOXER. Mr. President, I move to table the Chafee amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1522. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) and the Senator from Florida (Mr. MACK) are necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote “no.”

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 44, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—51

Abraham
Akaka
Ashcroft
Baucus
Bayh
Bond
Boxer
Brownback
Bryan
Burns
Byrd
Cleland
Collins
Conrad
Daschle
DeWine
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Fitzgerald
Graham
Grams
Grassley
Harkin
Hollings
Inouye
Johnson
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Murray
Reed
Reid
Robb
Roberts
Rockefeller
Sarbanes
Schumer
Snowe
Torricelli
Wellstone
Wyden

NAYS—44

Allard
Bennett
Biden
Bingaman
Breaux
Bunning
Campbell
Chafee
Cochran
Coverdell
Craig
Domenici
Enzi
Frist
Gorton
Gramm
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lincoln
Lott
McCain
McConnell
Murkowski
Nickles
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NOT VOTING—5

Crapo
Kennedy
Landrieu
Mack
Moynihan

The motion was agreed to.

AMENDMENT NO. 1521

The PRESIDING OFFICER. The question is on agreeing to the Boxer amendment.

The amendment (No. 1521) was agreed to.

Mr. COCHRAN. I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the only amendment that I am aware of that has not already been agreed to by the managers or a recommendation to the Senate for agreement is the amendment of the Senator from South Carolina. Senator THURMOND has an amendment. After his amendment is offered—and it will be accepted—we have a group of amendments that we can recommend be agreed to by the Senate. I know of no other controversial amendment that would require a recorded vote.

Then it would be up to the Senate whether to accept passage of the bill on a voice vote or insist on a recorded vote. I have had no one ask me to request the yeas and nays on final passage. So if that is an understanding that is agreeable to the Senate, we will proceed to accept the amendment of the Senator from South Carolina, then the agreed-upon list the managers will recommend, and then adopt the bill on final passage by voice vote.

If there is any objection to that, speak up now.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 1523

(Purpose: To prohibit the use of foreign assistance funds to promote the sale or export of alcoholic beverages, including wine)

Mr. THURMOND. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] proposes an amendment numbered 1523.

Mr. THURMOND. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 51, line 13, before the period, insert the following: ", or alcoholic beverages, including wine".

Mr. THURMOND. Mr. President, the mission of the Foreign Agricultural Service, in conjunction with the Commodity Credit Corporation, is to open, expand and maintain global market opportunities for agricultural commodities. One program in place to accomplish this mission is the Market Access Program. This program, funded at $90 million per year, is a cost-share program to help U.S. companies expand their sales in the international marketplace.

I recognize that export promotion is a vital tool in our Nation's effort to expand trade. Since its inception in 1986, the Market Access Program has helped many companies, trade organizations, state and regional trade groups, and agriculture cooperatives to build new markets overseas.

There is, however, one aspect of the market access program, which gives me great concern. In late June, Secretary Glickman announced the 1999 allocations of the $90 million authorized, to 65 U.S. trade organizations for export promotion activities. Included in that allocation is over $3.6 million for the promotion of alcoholic beverages.

Even if one accepts the notion that alcoholic beverages are "agricultural commodities," there is still difficulty in justifying the Federal Government's promotion of such products. I do not believe the United States Government should be funding the marketing of alcoholic beverages, within the United States or in export markets. Further support of this market promotion program cannot be justified by public policy reasons or on economic grounds.

From a public policy viewpoint, the promotion of alcoholic beverages, including wine, by the Federal Government is unsupportable. The Federal Government spends millions of dollars each year researching and combating the ill effects of alcohol. The negative consequences of alcohol use and abuse are well documented—disease, cancer, traffic deaths and injuries, economic loss, and a variety of social costs. Last September, the National Institutes of Health published a study entitled, "The Economic Costs of Alcohol and Drug Abuse in the United States, 1992." The economic costs for alcohol abuse alone were reported at over $148 billion. Remember, these statistics were for 1992. There's no doubt the costs are greater today. I ask unanimous consent that this table be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. It was for these reasons and others that I was proud to be a part of a National public health campaign that resulted in alcohol container warning labels. It is irresponsible and poor public policy for the federal government to continue to subsidize the marketing of alcohol beverage products.

In addition, it is poor economics to continue to support the alcohol beverage industry's export program. Quite frankly, Mr. President, the Market Access Program has been a huge success for the wine industry. In the 13 years of the Program, the wine industry has received about $90 million in export program funds. The Wine Institute boasts that the California wine industry has been one of the largest recipients of USDA export promotion funding. This has resulted in record exports each year. During that time, export sales have risen from $35 million in 1986 to $537 million in 1998. This is a 448 percent increase from export sales of a decade ago.

I do not begrudge this success. The wine industry is a legitimate industry, producing and marketing a legal product. It is made up of many small businesses, with thousands of employees. I recognize it contributes billions of dollars to or economy in sales, wages, and taxes.

However, the success of the industry, particularly with its record breaking exports, leads me to conclude that federal government export subsidies are improper, and no longer required. The industry's export program has matured to the point where it can stand on its own. Critical market development funds can surely be used to assist less successful agricultural commodity export programs.

Mr. President, the time has come to discontinue the subsidy of wine exports. It is poor public policy and wasteful spending. I would note than the Federal Government has imposed a similar restriction on export promotion for tobacco.

The amendment I am offering would expand the restriction of Federal funding to alcoholic beverages, including wine.

EXHIBIT NO. 1

ECONOMIC COSTS OF ALCOHOL AND DRUG ABUSE IN THE UNITED STATES, 1992

[In millions of dollars]

Economic costs	Total ($)	Alcohol ($)	Drugs ($)
Health Care Expenditures:			
Alcohol and drug abuse services	9,973	5,573	4,400
Medical consequences	18,778	13,247	5,531
Total, Health Care Expenditures	28,751	18,820	9,931
Productivity Effects (Lost Earnings):			
Premature death	45,902	31,327	14,575
Impaired productivity	82,201	67,696	14,205
Institutionalized populations	2,990	1,513	1,477
Incarceration	23,356	5,449	17,907
Crime careers	19,198		19,198
Victims of crime	3,071	1,012	2,059
Total, Productivity Effects	176,418	106,997	69,421
Other Effects on Society:			
Crime	24,282	6,312	17,970
Social welfare administration	1,020	683	337
Motor vehicle crashes	13,619	13,619	
Fire destruction	1,590	1,590	
Total, Other Effects on Society	40,511	22,204	18,307
Grand Total	245,680	148,021	97,659

Note: Components may not sum to totals because of rounding.

Source: The Economic Costs of Alcohol and Drug Abuse in the United States, 1992. H. Harwood, D. Fountain, and G. Livermore. Analysis by the Lewin Group., Rockville, MD: DHHS, NIH, NIDA, OSPC, NIAAA, OPA. NIH Publication No. 98–4327, Printed September 1998.

Mr. THURMOND. I understand the chairman will accept this amendment. I thank him for his cooperation. I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1523.

The amendment (No. 1523) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. COVERDELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I ask unanimous consent that immediately upon the passage of S. 1233, the Fiscal Year 2000 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, H.R. 1906, the House companion measure, be discharged from committee and that the Senate proceed to its immediate consideration; that all after the enacting clause of H.R. 1906 be stricken and the text of S. 1233, as passed, be inserted in lieu thereof; that H.R. 1906 then be read for a third time and deemed passed; that the Senate insist on its amendment and request a conference with the House and that the Chair be authorized to appoint conferees, and that upon the appointment of conferees, the passage of S. 1233 be vitiated and the bill S. 1233 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. I take this opportunity to thank Senator COCHRAN and his staff, particularly Becky Davies, and Galen Fountain from my staff. Senator COCHRAN has been very cooperative, very supportive. I think he has done a great job in managing this bill. He has my appreciation and my thanks.

I thank the Chair.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). THE CLERK WILL CALL THE ROLL.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 1524 THROUGH 1561 EN BLOC

Mr. COCHRAN. Mr. President, we are now ready to proceed to the consideration of the amendments. We are now in a position to recommend on behalf of the managers of the bill the amendments to the bill that should be agreed to by the Senate.

I am going to read a list of the amendments, and the Senators who are the authors of the amendments, and the statements that accompany some of the amendments. I will ask unanimous consent the amendments be considered en bloc, approved en bloc, and that the statements relating to the amendments be printed in the RECORD.

The list is as follows: an amendment of Senator ABRAHAM on bovine tuberculosis research; Senator ABRAHAM, Food and Drug Administration offices in Detroit, MI; Bingaman-Leahy-Domenici amendment on RCAP set-aside for Native Americans; an amendment by Senator BOND on contracts for procurement of food aid commodities; Senator BURNS, sense-of-the-Senate resolution regarding eligibility of dry beans for contract acreage; Senator BYRD, an amendment relating to West Virginia State College; an amendment by Senators CLELAND and COVERDELL to rename the School Lunch Act; an amendment by Senator COCHRAN and Senator KOHL regarding Mississippi and Wisconsin pilot projects; an amendment by Senator COCHRAN regarding rural business loans; Senator COCHRAN's amendment regarding rural cooperative development grants for minority farmers; Senator DOMENICI's amendment on the National Drought Commission; Senator DURBIN's amendment on Food and Drug Administration device earmark; Senator DURBIN's amendment on the sense-of-the-Senate resolution regarding the U.S. Food Security Action Plan; Senator GORTON's amendment relating to assistance to American farmers; an amendment by Senators GRAHAM and MACK on funding for the fruit fly exclusion and detection in Florida; Senator KERREY's amendment earmarking funds for grassroots projects; Senator LEVIN's amendment to provide funding for a special research grant in Michigan; Senator LINCOLN's amendment to rename a USDA facility in Arkansas; Senator MACK's amendment to provide funding for climate change research; Senator MCCONNELL's amendment regarding cross-county leasing; Senator NICKLES' amendment to modify section 739 of the bill; an amendment by Senator REID to provide funding for a special research grant in Nevada; Senator ROBERTS' amendment on cross-compliance with certain conservation requirements; Senator SESSIONS amendment to fund a special research food safety grant in Alabama; Senator BOB SMITH's amendment to waive certain rural utilities service regulations for a city in New Hampshre; an amendment by Senator GORDON SMITH on paid advertising for cranberries through the marketing committee; amendments by Senator STEVENS to amend the Food Stamp Program, and WIC food packages; an amendment by Senators INOUYE, AKAKA, and STEVENS to authorize education grant programs for Alaska and Hawaii native institutions; Senator STEVENS' amendment on Smith Leaver Act formulation; Senator STEVENS' amendment on Hatch Act formula; Senator THOMAS' amendment on livestock marketing information systems; Senator WELLSTONE's amendment to the Economic Research Service study on food stamp participation; Senator EDWARDS' amendment to fund a research project to improve early detection of crop diseases; Senator HUTCHISON's amendment, a sense-of-the-Senate resolution on Food and Drug Administration produce sampling; an amendment by Senators BRYAN and REID regarding Clark County, NV, Milk Marketing Order; Senator BAUCUS' amendment on the sense of the Senate relating to WTO actions; Senator KOHL's amendment to increase funding for existing research grants; and an amendment by Senators HARKIN, DASCHLE, and WELLSTONE to increase funding for GIPSA.

I ask unanimous consent those amendments be considered en bloc, be agreed to en bloc, and statements relating thereto be printed in the RECORD.

Mr. KOHL. Mr. President, there is an objection to the Roberts' cross-compliance with certain conservation requirements.

Mr. COCHRAN. We will withdraw the amendment by Senator ROBERTS on cross-compliance with certain conservation requirements.

Mr. KOHL. Then we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments have been considered en bloc and agreed to en bloc.

The amendments (Nos. 1524 to 1561) were agreed to, en bloc, as follows:

AMENDMENT NO. 1524

(Purpose: To provide funding for bovine tuberculosis research)

On page 13, line 13, strike "$54,276,000" and insert "$54,476,000". On page 13, line 16, strike "$119,300,000" and insert "$119,100,000".

Mr. ABRAHAM. Mr. President, this amendment funds a special research grant for the study of Bovine Tuberculosis by the Agricultural Experiment Station at Michigan State University. This special research grant will fund the study of methods of transmission of Bovine TB and will also look toward developing vaccines and possibly a cure.

In order to fund this grant, I propose to reduce funding for Competitive research grants within the Cooperative State Research, Education, and Extension Service (CSREES). Specifically, I intend to take this offset from Animal systems account.

In the past year, Bovine TB has spread from the oversized deer population in the north to a number of herds in Michigan's northern lower peninsula. The spread of this disease threatens Michigan's TB-free status and must be controlled as soon as possible. I urge my colleagues to support this effort.

AMENDMENT NO. 1525

(Purpose: To provide the reduction of the Food and Drug Administration capabilities in Detroit, Michigan)

On page 68, line 5, before the period insert the following: ", or the Food and Drug Administration Detroit, Michigan District Office Laboratory; or to reduce the Detroit Michigan Food and Drug Administration District Office below the operating and full-time equivalent staffing level of July 31, 1999; or to change the Detroit District Office to a station, residence post or similarly modified office; or to reassign residence posts assigned to the Detroit District Office".

AMENDMENT NO. 1526

On page 35, line 20, after the semicolon, insert the following: "not to exceed $12,000,000 shall be for water and waste disposal systems to benefit Federally Recognized Native American Tribes, including grants pursuant to section 306C of such Act, provided that the Federally Recognized Native American Tribe is not eligible for any other rural utilities programs set aside under the Rural Community Advancement Program;".

Mr. BINGAMAN. Mr. President, first, I want to thank the chairman and ranking member for their fine work on this agricultural appropriations bill. I also want to take this opportunity to thank Senator LEAHY and his staff for their work on this amendment. It will mean a great deal to Tribes all over America.

Mr. President, I am sure all Senators recognize the important contributions that the Rural Utilities Service is making in every state. RUS has been especially effective in the rural portions of New Mexico. The RUS's grant and loan programs are making tremendous progress in improving the quality of life of our small towns and in Indian Country. The basic health of rural people in New Mexico, as well as their economic future, are being greatly improved by RUS's programs.

I'd like to take a few minutes to explain what our amendment does. Under current rules RUS can provide no more than 75 percent of the cost of a project in the form of a grant. The remaining 25 percent can be in the form of a loan or from some other local source of funds. This program works well throughout most of rural America. Communities generally have access to taxing or bonding authority or to state funds that they can use for the required matching funds or to guarantee a loan.

However, there are some cases where a community doesn't have the means to provide the required matching funds. Congress has recognized this problem and has created special rules to address these unique situations. One example are colonias, where Congress allows RUS to provide 100 percent of the cost of a project so that the local community isn't burdened by these immigrant settlements, and this bill provides up to $20 million for projects in colonias. Mr. President, the funding authorization for colonias is a good program, and I thank the Chairman and ranking member for their continued support of it.

Very simply, our amendment would create a parallel program for Indian Country. Currently, RUS is already providing loans and grants to tribes using its standard funding rules. However, some tribes can't take advantage of RUS's programs simply because they don't qualify for the loans required to cover 25 percent of a project's cost. Tribes generally lack taxing or bonding authority to provide these required matching funds.

Mr. President, our amendment would allow RUS to provide 100 percent of the cost of a project for the most economically disadvantaged tribes that can't otherwise provide the required matching funds. The amendment allows up to $12 million for water and wastewater projects for this purpose. The funds come from within RUS's existing appropriation. Without our amendment, a few of our tribes will continue to suffer from a lack of basic water and sewer systems.

Mr. President, our amendment is not a substantial portion of RUS's total appropriation of $630 million, and the funds would not be used unless a tribe did not qualify for any of the RUS's other programs. I think this is an important program to help deal with the critical infrastructure needs of our tribes.

Mr. President, I ask unanimous consent that a letter from the National Congress of American Indians supporting this amendment be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. BINGAMAN. Again, I want to thank Senator LEAHY and his staff for their work on this important amendment and I hope the Senate will support it.

EXHIBIT 1

JULY 21, 1999.

Hon. JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR SENATOR BINGAMAN: The National Congress of American Indians (NCAI), the oldest and largest Indian advocacy organization is pleased to endorse the Leahy/Bingaman amendment, number 1067, to the FY2000 agriculture appropriations bill (S. 1233). This amendment will make available $12 million dollars in direct funding for water and wastewater projects in Indian Country.

The funds for the amendment are from within the Rural Utilities Service's (RUS) $630 million dollar total appropriation. In general, tribes are already eligible for RUS funding; however, current rules limit RUS grants to a maximum of 75 percent of a project's cost.

Infrastructure development in Indian Country is at a critical need. The tribes who can benefit the most are unable to access RUS grants due to their inability to obtain the 25 percent matching requirement from either loans or other funding sources. Moreover, tribes generally lack taxing and bonding authority to obtain the matching funds normally required by RUS.

The structure of the new program in the amendment parallels the $20 million dollar grant program established for the colonias located along the United States/Mexico border, which also allows RUS to provide 100% of the cost of a project. A similar $20 million grant program is also provided in the bill for rural and Native Americans in Alaska. We believe your amendment will benefit a number of tribes throughout Indian Country and we thank you for your efforts.

Sincerely,

W. RON ALLEN,
President.

AMENDMENT NO. 1527

(Purpose: To limit the use of appropriated funds for award of contracts through the HUBZone program)

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . CONTRACTS FOR PROCUREMENT OF FOOD FOR PEACE COMMODITIES.—(a) DEFINITIONS.—In this section:

(1) HUBZONE SOLE SOURCE CONTRACT.—The term "HUBZone sole source contract" means a sole source contract authorized by section 31 of the Small Business Act (15 U.S.C. 657a).

(2) HUBZONE PRICE EVALUATION PREFERENCE.—The term "HUBZone price evaluation preference" means a price evaluation preference authorized by section 31 of the Small Business Act (15 U.S.C. 657a).

(3) QUALIFIED HUBZONE SMALL BUSINESS CONCERN.—The term "qualified HUBZone small business concern" has the meaning given the term in section 3(p) of the Small Business Act (15 U.S.C. 632(p)).

(4) COVERED PROCUREMENT.—The term "covered procurement" means a contract for the procurement or processing of a commodity furnished under title II or III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), the Food for Progress Act of 1985 (7 U.S.C. 1736o), or any other commodity procurement or acquisition by the Commodity Credit Corporation under any other law.

(b) PROHIBITION OF USE OF FUNDS.—None of the funds made available by this Act may be used to award a HUBZone sole source contract or a contract awarded through full and open competition in combination with a HUBZone price evaluation preference to any qualified HUBZone small business concern in any covered procurement if performance of the contract by the business concern would exceed the production capacity of the business concern or would require the business concern to subcontract to any other company or enterprise for the purchase of the commodity being procured through the covered procurement.

Mr. BOND. Mr. President, this amendment is intended to prevent a potentially harmful conflict that has come to our attention as we implement the new HUBZone program adopted in the Small Business Reauthorization Act. It appears this program doesn't quite mesh properly with the procurement of grain products in the Food for Peace program funded in this bill, and I offer this amendment to prevent the major economic disruption that could occur between now and the time we are able to correct this glitch in authorizing legislation.

The HUBZone program is a valuable new tool I was able to put together as Chairman of the Small Business Committee. It provides competitive advantages for small businesses located in economically distressed areas as they seek to obtain government contracts. If these small businesses agree to hire 35 percent of their employees from these distressed areas, they become eligible for a 10 percent price evaluation preference in bidding on contracts awarded through free and open competition. The law also provides for certain contracts to be set aside exclusively for competition among HUBZone small business concerns, as well as sole source contracts.

As we implement this program this year, we are occasionally running into situations where the program doesn't quite fit with existing law and other programs. We are working to resolve these issues in a manner that we hope will be as consistent as possible with both the intent of the HUBZone law and those other programs.

When the government purchases agriculture products for the Food for Peace program, those purchases are a procurement within the meaning of the government's's small business procurement policies, including the HUBZone program. Some products like corn soy blend are procured with a mix of both small business set-asides and full and open procedures. In this particular case, 10% of the corn soy blend is purchased as a set aside for small business and 90% is purchased through full and open competition.

Corn soy blend has only a handful of about five vendors, only two of which are small businesses. They would be the only ones allowed to compete for the small business set-aside. Only one of those two small businesses is a HUBZone small business, however. That HUBZone vendor would also be eligible for the 10 percent price evaluation preference in full and open competition. It could bid up to 10 percent more than the other vendors and still be deemed the lowest bidder. For a product like corn soy blend, operating on narrow price margins, this 10 percent preference is likely decisive.

This means that this one HUBZone small business could lock up 90 percent or even 100 percent of the entire market for corn soy blend.It would do so as a matter of law, not simply because it produces the best product at the best price. We could accidentally create a monopoly by government action, thanks to the way these various programs come together in this particular type of procurement.

I can say as Chairman of the Small Business Committee, this is not the outcome we intended. We are not here to create monopolies, even if the monopoly is currently a small business. The small business program seeks to expand small business opportunities and foster competition, not stifle it.

That's why I have offered this amendment. This amendment does not alter any of the existing programs—Food for Peace or HUBZones. It just says, let's not create a monopoly between now and the time we are able to adopt corrective legislation in the next small business reauthorization bill, which is due next year. I'm sure we can fix this problem appropriately. But in the meantime, contracts for corn soy blend will continue to be awarded, and it is possible the market may have been converted into a monopoly in the short run.

My amendment says that no funds will be used in this bill to award HUBZone contracts for Food for Peace commodities if the award would exceed the actual production capacity of the successful HUBZone small business. The amendment places a similar limitation on Food for Progress procurements of commodities, which are procured in a similar fashion. CCC procurements of non-commodity items—such as desks, computers, office supplies, and the other apparatus needed by any Government agency—would not be covered by this amendment.

This means that a HUBZone small business would not be allowed to lock up the entire market, collect the HUBZone benefits, and then subcontract the actual contract performance to another firm. The business would be limited by the amount of commodity it could deliver on its own. This prevents an abuse of the program that could create a monopoly position for a HUBZone small business, unfairly threaten the livelihoods of its competitors, and unnecessarily drive up costs for the taxpayers.

I should note also that this doesn't lock out anybody, including small businesses that I hope will in fact take advantage of the HUBZone program. It just prevents an abuse of the HUBZone program while we put together a long-term fix that reflects the particular circumstances that prevail in commodities procurement.

I would note also that I anticipate this will be necessary only for this year. I know the managers of the Agriculture Appropriations bill sometimes get a little frustrated at the number of general provisions that get inserted into this bill, and many times these provisions tend to be carried over from year to year. In this particular case, we seek only to prevent market disruption in the interim until we tackle this in the small business reauthorization that will be due next year. Thus, I think this provision will be only for the Fiscal 2000 bill that is in front of us.

This should be a non-controversial amendment, and I hope it can be cleared by unanimous consent. My staff and I are available to answer questions for anyone needing clarification on this.

AMENDMENT NO. 1528

On Page 76, after Line 6 insert the following:

SEC. . It is the Sense of the Senate that the Secretary of Agriculture shall exercise reasonable treatment of producers in order to avoid harmful consequences regarding the inadvertent planting of dry beans on contract acres, up to and including the 1999 crop year.

AMENDMENT NO. 1529

(Purpose: To designate West Virginia State College in Institute, West Virginia, as a land-grant college and to provide funding for the college, with an offset)

On page 13, line 11, strike "$29,676,000" and insert "$30,676,000".

On page 13, line 13, before the semicolon, insert the following: ", of which $1,000,000 shall be made available to West Virginia State College in Institute, West Virginia, which for fiscal year 2000 and thereafter shall be designated as an eligible institution under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222)".

On page 13, line 16, strike "$119,100,000" and insert "$117,100,000".

On page 14, line 22, strike "$474,377,000" and insert "$473,377,000".

On page 16, line 16, strike "$25,843,000" and insert "$26,843,000, of which $1,000,000 shall be made available to West Virginia State College in Institute, West Virginia, which for fiscal year 2000 and thereafter shall be designated as an eligible institution under section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221)".

On page 16, line 23, strike "$421,620,000" and insert "$422,620,000".

Mr. BYRD. Mr. President, West Virginia State College in Institute, West Virginia, was designated by Congress as one of the original 1890 land-grant schools under the Second Morrill Act. The college was the first 1890 land-grant school to be accredited and has been accredited longer than any other public college or university in West Virginia.

West Virginia was one of six states to establish a new land-grant college under State control. West Virginia State College faithfully met its duties to the citizens of West Virginia as a land-grant college in an outstanding manner.

However, on October 23, 1956, the State Board of Education voted to surrender the land-grant status of State College (effective July 1, 1957). Historical data suggests that this action was taken in an effort to enhance State College's ability to accommodate veterans returning home with GI benefits. In addition, the decision to surrender the land-grant status preceded explicit funding by Congress for land-grant institutions.

For thirty-three years, West Virginia State College has sought to regain its land-grant status. On February 12, 1991, Governor Gaston Caperton signed a bill into law that provided redesignation authority for land-grant status from the State of West Virginia. On March 28, 1994, then U.S. Department of Agriculture Secretary Mike Espy informed West Virginia Governor Caperton that State College would receive a partial land-grant designation that would entitle the college to $50,000 annually under the Second Morrill Act.

It has become clear that funding, rather than merit, is the issue that must be addressed to reinstate West Virginia State College's land-grant status. I have authored an amendment that would provide $2 million in additional funds for 1890 Institution entitlements to be used for base line funding for West Virginia State College. This amendment does not grant full 1890 land-grant funding privileges to State College, but provides a $2 million entitlement. The amendment does not cut into the current 1890 entitlement accounts. It adds additional funding with an offset from the National Research Initiative account.

My amendment provides fair treatment to West Virginia State College, an original 1890 land-grant school, and I thank my colleagues for supporting this provision.

AMENDMENT NO. 1530

(Purpose: To redesignate the National School Lunch Act as the "Richard B. Russell National School Lunch Act")

At the end of the bill, insert the following:

SEC. . REDESIGNATION OF NATIONAL SCHOOL LUNCH ACT AS RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT.—(a) IN GENERAL.—The first section of the National School Lunch Act (42 U.S.C. 1751 note) is amended by striking "National School Lunch Act" and inserting "Richard B. Russell National School Lunch Act".

(b) CONFORMING AMENDMENTS.—The following provisions of law are amended by striking "National School Lunch Act" each place it appears and inserting "Richard B. Russell National School Lunch Act":

(1) Sections 3 and 13(3)(A) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237).

(2) Section 404 of the Agricultural Act of 1949 (7 U.S.C. 1424).

(3) Section 201(a) of the Act entitled "An Act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes", approved September 21, 1959 (7 U.S.C. 1431c(a); 73 Stat. 610).

(4) Section 211(a) of the Agricultural Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4004(a)).

(5) Section 245A(h)(4)(A) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(A)).

(6) Sections 403(c)(2)(C), 422(b)(3), 423(d)(3), 741(a)(1), and 742 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)(C), 1632(b)(3), 1183a note, 42 U.S.C. 1751 note, 8 U.S.C. 1615; Public Law 104–193).

(7) Section 2243(b) of title 10, United States Code.

(8) Sections 404B(g)(1)(A), 404D(c)(2), and 404F(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a–22(g)(1)(A), 1070a–24(c)(2), 1070a–26(a)(2); Public Law 105–244).

(9) Section 231(d)(3)(A)(i) of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2341(d)(3)(A)(i)).

(10) Section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)).

(11) Section 1397E(d)(4)(A)(iv)(II) of the Internal Revenue Code of 1986.

(12) Sections 254(b)(2)(B) and 263(a)(2)(C) of the Job Training Partnership Act (29 U.S.C. 1633(b)(2)(B), 1643(a)(2)(C)).

(13) Section 3803(c)(2)(C)(xiii) of title 31, United States Code.

(14) Section 602(d)(9)(A) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474(d)(9)(A)).

(15) Sections 2(4), 3(1), and 301 of the Healthy Meals for Healthy Americans Act of 1994 (42 U.S.C. 1751 note; Public Law 103–448).

(16) Sections 3, 4, 7, 10, 13, 16(b), 17, and 19(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1772, 1773, 1776, 1779, 1782, 1785(b), 1786, 1788(d)).

(17) Section 658O(b)(3) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m(b)(3)).

(18) Subsection (b) of the first section of Public Law 87–688 (48 U.S.C. 1666(b)).

(19) Section 10405(a)(2)(H) of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239; 103 Stat. 2489).

AMENDMENT NO. 1531

(Purpose: To provide additional funding for the Watershed and Flood Preventions and earmark funds for financial and technical assistance for pilot rehabilitation projects in Mississippi)

On page 33, line 15 after the period, insert the following: ": *Provided further*, That of the funds available for Emergency Watershed Protection activities, $5,000,000 shall be available for Mississippi and Wisconsin for financial and technical assistance for pilot rehabilitation projects of small, upstream dams built under the Watershed and Flood Prevention Act (16 U.S.C. 1001 et seq., Section 13 of the Act of December 22, 1994) Public Law 78–534; 58 Stat. 905, and the pilot watershed program authorized under the heading 'FLOOD PREVENTION' of the Department of Agriculture Appropriation Act, 1954, (Public Law 156; 67 Stat 214)".

AMENDMENT NO. 1532

(Purpose: To increase the fee on guaranteed business and industry loans thereby reducing the subsidy costs)

On page 41, line 6, insert the following before the period: ": *Provided further*, That none of the funds appropriated under this paragraph shall be available unless the Department of Agriculture proposes a revised regulation to allow leaders to be charged a fee of up to 3% on guaranteed business and industry loans".

AMENDMENT NO. 1533

(Purpose: To provide at least twenty five percent of the appropriated funds to small minority farmers for cooperatives)

On page 42, line 7, insert the following before the period: ": *Provided*, That at least twenty-five percent of the total amount appropriated shall be made available to cooperatives or associations of cooperatives that assist small minority producers".

AMENDMENT NO. 1534

(Purpose: To amend the National Drought Policy Act of 1998, to make a technical correction)

At the appropriate place in the bill, add the following new section:

SEC. . Public Law 105–199 (112 Stat. 641) is amended in section 3(b)(1)(G) by striking "persons", and inserting in lieu thereof "governors, who may be represented on the Commission by their respective designees,".

AMENDMENT NO. 1535

(Purpose: To require the expenditure of appropriated funds for certain enforcement activities)

On page 55, line 5, strike the semicolon and insert the following: ", of which $1,000,000 shall be for premarket review, enforcement and oversight activities related to users and manufacturers of all reprocessed medical devices as authorized by the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.), and of which no less than $55,500,000 and 522 full-time equivalent positions shall be for premarket application review activities to meet statutory review times;".

AMENDMENT NO. 1536

(Purpose: Expressing the sense of the Senate concerning the United States Action Plan on Food Security)

On page 76, between lines 6 and 7, insert the following:

SEC. 7. SENSE OF THE SENATE CONCERNING ACTION PLAN ON FOOD SECURITY.

It is the sense of the Senate that the President should include in the fiscal year 2001 budget request funding to implement the United States Action Plan on Food Security.

Mr. DURBIN. Mr. President, this Saturday, August 7 will mark the tenth anniversary of the death of Congressman Mickey Leland, who was an extraordinarily effective advocate for the hungry people here at home and throughout the world. In remembering his tireless work for the hungry, I think it is fitting to redouble our own efforts to fight hunger and malnutrition.

The United States recently released its plan to reduce hunger. I am offering an amendment today to ask that the President include in his budget request next year specific proposals to implement the U.S. plan.

In November 1996 the United Nations Food and Agriculture Organization convened a World Food Summit in Rome. The goal of the conference was to "renew the commitment of world leaders at the highest level to the eradication of hunger and malnutrition and the achievement of food security for all, through the adoption of concerted policies and actions at global, regional, and national levels." Summit participants pledged to cut the number of undernourished people in half by 2015. Each participating country was to decide independently how it could contribute to the goal of food security for all.

This March of this year, the U.S. Department of Agriculture published the U.S. government's plan to meet the goals of the 1996 World Food Summit, entitled U.S. Action Plan on Food Security, Solutions to Hunger. The plan outlines how the United States will fight hunger both at home and abroad. The plan is broad and involves a number of U.S. agencies and policies. It aims to reduce both U.S. and world hunger by addressing the "policy environment," promoting trade and investment, strengthening food security research and educational capacity, integrating environmental concerns into food security efforts, improving the "safety net," better identifying "food insecure" individuals and populations, and addressing food and water safety issues.

The USDA report was issued after the President had already submitted his budget. Many of the recommendations in the report are policies already in place and so already addressed in the President's budget. The report has some specific recommendations, but many are broad principles that need to be fleshed out to lead to specific actions.

I want to be sure that this report does not become one of the many government reports that leads nowhere, that fulfills the requirements of an international conference with lofty goals but little follow-through.

I am offering this amendment today, which simply says that it is the sense of the Senate that the President should include in the fiscal year 2001 budget request funding to implement this plan, to encourage the Administration to submit specific proposals and budget requests to follow through on our fight against hunger.

AMENDMENT NO. 1537

(Purpose: To require the Farm Service Agency to review programs that provide assistance to apple farmers and report to Congress)

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . FINANCIAL HARDSHIPS FACING APPLE FARMERS.—The Farm Service Agency—

(1) in view of the financial hardship facing United States apple farmers as a result of a loss of markets and excessive imports of apple juice concentrate, shall review all programs that assist apple growers in time of need;

(2) in view of the increased operating costs associated with tree fruit production, shall review the limits currently set on operating loan programs used by apple growers to determine whether the current limits are insufficient to cover those costs; and

(3) shall report to Congress its findings not later than January 1, 2000.

AMENDMENT NO. 1538

(Purpose: To provide additional funding for fruit fly exclusion and detection, with an offset)

On page 18, line 12, strike "$437,445,000" and insert "$439,445,000".

On page 18, line 19, after the colon, insert the following "*Provided further*, That, of the amounts made available under this heading, not less than $24,970,000 shall be used for fruit fly exclusion and detection (including at least $6,000,000 for fruit fly exclusion and detection in the state of Florida):".

On page 20, line 16, strike $7,200,000" and insert "$5,200,000".

AMENDMENT NO. 1539

On page 36 of S. 1233, line 3 after the word "systems:" insert the following: "*Provided further*, That of the total amount appropriated, not to exceed $1,500,000 shall be available to the Grassroots project:".

AMENDMENT NO. 1540

(Purpose: To provide funding for sustainable agriculture research and a research program on improved fruit practices in the State of Michigan, with an offset)

On page 13, line 13, strike "$54,476,000" and insert "$54,951,000".

On page 13, line 16, strike "$117,100,000" and insert "$116,625,000".

Mr. LEVIN. Mr. President, I am pleased the managers have accepted the amendment that I introduced adding funds for existing research programs under the Cooperative State Research, Education, and Extension Service (CSREES) to help identify and develop alternatives for pesticides that are currently necessary for fruit production and whose use is likely to be restricted under the Food Quality Protection Act. This research program has provided much needed support to Michigan's fruit producers, and I thank the managers for allowing it to continue. It is my understanding that the full amount of the cost of this program will come from the "Markets, trade, and policy" section of the CSREES research grants, which currently is undersubscribed. It is also my hope that the additional research funds that I sought for another ongoing CSREES research project to help farmers reduce their use of fertilizer and pesticide inputs can be secured in conference.

AMENDMENT NO. 1541

At the end of the bill insert:

SEC. . Section 889 of the Federal Agriculture Improvement and Reform Act of 1996 is amended—

(1) in the heading, by inserting "HARRY K. DUPREE" before "STUTTGART";

(2) in subsection (b)(1)—

(A) in the heading, by inserting "HARRY K. DUPREE" before "STUTTGART"; and

(B) in subparagraphs (A) and (B), by inserting "Harry K. Dupree" before "Stuttgart National Aquaculture Research Center" each place it appears.

AMENDMENT NO. 1542

(Purpose: To provide $300,000 for climate change research at the Florida Center for Climate Prediction at Florida State University, the University of Florida and the University of Miami with an offset)

On Page 13, Line 16, strike "$116,625,000" and insert "$116,325,000".

On Page 14, Line 19, strike "$13,666,000" and insert "$13,966,000".

Mr. MACK. Mr. President, I rise today in strong support of the amendment my colleague from Florida, Senator GRAHAM, and I have offered on behalf of the Florida Center for Climate Prediction.

The Center is a consortium between the University of Florida, Florida State University and the University of Miami to study climate variability in the Southeast region. The objective of this unique partnership is to explore the potential value and practical application for long-term climate data and science to the agricultural community in my state and throughout the Southeast.

The consortium's purpose is to develop and evaluate a useful set of tools and methodologies for assessing the regional agricultural consequences of the El Nino/La Nina phenomenons and applying these forecasts to agricultural decision-making. This is a truly innovative project and I am pleased this partnership is making good progress on these important agricultural issues.

Our amendment will provide $300,000 in funding for the Center in the Federal administration section of the Cooperative State Research and Education, and extension Service [CSREES]—Research and Education Activities section of the bill before us today. I appreciate the support my colleagues on the Appropriations Committee provided this important research initiative.

AMENDMENT NO. 1543

(Purpose: To provide that certain cross-county leasing provisions apply to Kentucky and to release and protect the release of tobacco production and marketing information)

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . TOBACCO LEASING AND INFORMATION.—(a) CROSS-COUNTY LEASING.—Section 319(l) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(l)) is amended in the second sentence by inserting ", Kentucky," after "Tennessee".

(b) TOBACCO PRODUCTION AND MARKETING INFORMATION.—Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following:

"SEC. 320D. TOBACCO PRODUCTION AND MARKETING INFORMATION.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may, subject to subsection (b), release marketing information submitted by persons relating to the production and marketing of tobacco to State trusts or similar organizations engaged in the distribution of national trust funds to tobacco producers and other persons with interests associated with the production of tobacco, as determined by the Secretary.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—Information may be released under subsection (a) only to the extent that—

"(A) the release is in the interest of tobacco producers, as determined by the Secretary; and

"(B) the information is released to a State trust or other organization that is created to, or charged with, distributing funds to tobacco producers or other parties with an interest in tobacco production or tobacco farms under a national or State trust or settlement.

"(2) EXEMPTION FROM RELEASE.—The Secretary shall, to the maximum extent practicable, in advance of making a release of information under subsection (a), allow, by announcement, a period of at least 15 days for persons whose consent would otherwise be required by law to effectuate the release, to elect to be exempt from the release.

"(c) ASSISTANCE.—

"(1) IN GENERAL.—In making a release under subsection (a), the Secretary may provide such other assistance with respect to information released under subsection (a) as will facilitate the interest of producers in receiving the funds that are the subject of a trust described in subsection (a).

"(2) FUNDS.—The Secretary shall use amounts made available for salaries and expenses of the Department to carry out paragraph (1).

"(d) RECORDS.—

"(1) IN GENERAL.—A person that obtains information described in subsection (a) shall maintain records that are consistent with the purposes of the release and shall not use the records for any purpose not authorized under this section.

"(2) PENALTY.—A person that knowingly violates this subsection shall be fined not more than $10,000, imprisoned not more than 1 year, or both.

"(e) APPLICATION.—This section shall not apply to—

"(1) records submitted by cigarette manufacturers with respect to the production of cigarettes;

"(2) records that were submitted as expected purchase intentions in connection with the establishment of national tobacco quotas; or

"(3) records that aggregate the purchases of particular buyers.".

AMENDMENT NO. 1544

(Purpose: To modify Section 739 of the bill)

On page 70, strike lines 3 through 10, and insert in lieu thereof:

"SEC. 739. None of the funds appropriated or otherwise made available by this Act may be used to declare excess or surplus all or part of the lands and facilities owned by the federal government and administered by the Secretary of Agriculture at Fort Reno, Oklahoma, or to transfer or convey such lands or facilities, without the specific authorization of Congress.".

AMENDMENT NO. 1545

(Purpose: To appropriate $500,000 for the Nevada Arid Rangelands Initiative to develop research and educational programs to manage healthy and productive rangelands, provide abundant renewable natural resources, and support the economic development of the rangelands in a sustainable manner)

On page 13, line 16, strike the figure "$116,325,000" and insert in lieu thereof the figure "$115,825,000" and on page 13, line 13, strike the figure "$54,951,000" and insert in lieu thereof the figure "$55,451,000".

Mr. REID. Mr. President, I rise today to seek amendment to the allocation for special grants for agricultural research under the Cooperative State Research, Education, and Extension Service, Research and Education Activities. I respectfully request that $500,000 be added to this activity to fund the Nevada Arid Rangelands Initiative at the University of Nevada, Reno. This program is critical to Nevada, which has a higher percentage of its lands classified as arid rangeland than any other state in the union.

The mission of the Nevada Arid Rangelands Initiative is to develop research, management, and educational programs to promote healthy and productive rangelands and to support economic development of these rangelands in a sustainable manner. Healthy, productive rangelands are critical to the support of many rural families and communities and important to Nevada's quality of life.

The rangelands of Nevada are at risk from many factors including competing demands for water, loss of scarce riparian vegetation, invasive weeds, and wildfire. The Nevada Arid Rangelands Initiative will seek to develop innovative strategies for such items as simplified methods to assess rangeland health, the development of watershed grazing strategies, control of invasive weeds and the use of vegetative management strategies to control wildfire.

This money should be included in the following account: "Competitive Research Grants, Natural Resources and the Environment."

AMENDMENT NO. 1546

On page 13, line 13, increase the dollar amount by $750,000; and

On page 13, line 16, decrease the dollar amount by $750,000.

Mr. SESSIONS. Mr. President, I thank my good friend from Mississippi, the chairman of the Agriculture Appropriations committee, for his leadership on this bill and for his accepting this amendment.

This amendment reduces funding from the National Research Initiative Competitive Grants Program (NRI) on Nutrition, Food Quality and Health in order to target $750,000 for the continuation of Next Generation Detection and Information Systems for food pathogens and toxins at Auburn University, Auburn, Alabama.

AMENDMENT NO. 1547

(Purpose: To promote eligibility to Berlin, New Hampshire for a rural utilities grant or loan under the Rural Community Advancement Program)

At the end of the bill, add the following:

"SEC. . That notwithstanding section 306(a)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 (a)(7)), the city of Berlin, New Hampshire, shall be eligible during fiscal year 2000 for a rural utilities grant or loan under the Rural Community Advancement Program.".

AMENDMENT NO. 1548

(Purpose: To authorize the Cranberry Marketing Committee to conduct paid advertising for cranberries and cranberry products and to authorize the Secretary of Agriculture and the Committee to collect cranberry inventory data)

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . CRANBERRY MARKETING ORDERS.—(a) PAID ADVERTISING FOR CRANBERRIES AND CRANBERRY PRODUCTS.—Section 8c(6)(I) of the Agricultural Adjustment Act (7 U.S.C. 608c(6)(I)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in the first proviso—

(1) by striking "or Florida grown strawberries" and inserting ", Florida grown strawberries, or cranberries"; and

(2) by striking "and Florida Indian River grapefruit" and inserting "Florida Indian River grapefruit, and cranberries".

(b) COLLECTION OF CRANBERRY INVENTORY DATA.—Section 8d of the Agricultural Adjustment Act (7 U.S.C. 608d), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(3) COLLECTION OF CRANBERRY INVENTORY DATA.—

"(A) IN GENERAL.—If an order is in effect with respect to cranberries, the Secretary of Agriculture may require persons engaged in the handling or importation of cranberries or cranberry products (including producer-handlers, second handlers, processors, brokers, and importers) to provide such information as the Secretary considers necessary to effectuate the declared policy of this title, including information on acquisitions, inventories, and dispositions of cranberries and cranberry products.

"(B) DELEGATION TO COMMITTEE.—The Secretary may delegate the authority to carry out subparagraph (A) to any committee that is responsible for administering an order covering cranberries.

"(C) CONFIDENTIALITY.—Paragraph (2) shall apply to information provided under this paragraph.

"(D) VIOLATIONS.—Any person that violates this paragraph shall be subject to the penalties provided under section 8c(14).".

Mr. SMITH of Oregon. Mr. President, this amendment, cosponsored by my colleague from Oregon and others from cranberry producing states, amends the Agriculture Marketing Agreement Act of 1937, giving cranberry producers the tools they need to meet the challenges of a rapidly changing marketplace. Cranberry growers in my state produce a fruit that is an important portion of our state's agriculture economy. Despite their economic significance, cranberry marshes or bogs are often small and multi-generational family farms. In fact, it is not uncommon to find a grower who is a third, or fourth generation farmer, working the same ten-acre bog that is or her grandparents or great-grandparents worked in the twenties or thirties. They have a strong tradition of independence and stewardship and have been marvels of ingenuity and productivity for a long time.

However, today they are suffering. Prices are down by forty to sixty percent over the levels of only a year ago. In some cases the cost of production exceeds the current value of the harvest crop. While cranberry growers tend to be resilient, many are having difficulties dealing with these extreme market conditions.

Our amendment will not solve all of the problems this industry faces in the near-term, but we believe it will help the industry in the long-term. It does not provide any money or increase the regulatory controls on industry. However, the amendment before us today addresses the problems in the cranberry industry in two ways:

First, our amendment would expand the information-gathering authority of the Cranberry Marketing Committee beyond the traditional production states outlined in the original Cranberry Marketing Order. When the order was first conceived, cranberries were largely used only as fresh fruit for the Thanksgiving and Christmas holidays. As I am sure many of my colleagues are aware, decades of innovation and creative marketing by the cranberry industry has led to a tremendous expansion of this commodity—mainly through its use in juices and other products that are consumed year-round. Unfortunately, the commodity reporting mechanisms provided under the current Cranberry Marketing Order have not kept up with the growth and evolution of the industry. Today, vast amounts of cranberry supplies are imported and processed outside of production states that are subject to the Cranberry Marketing Order. This handicaps our cranberry growers, who are unable to obtain accurate information about the available supply, and therefore cannot make the optimum planting decisions. Our legislation would correct this by expanding the Cranberry marketing Committee authority, ultimately enabling growers to make better production decisions.

A second component of our amendment would add cranberries to the list of commodities eligible to use funds raised from domestic procedures for overseas advertising as part of a generic marketing promotion program. Like all other agriculture producers, cranberry growers know the ability to effectively market products in the global marketplace is critical to maintaining growth and increasing price stability. Although it is my understanding that the Cranberry Marketing Committee does not currently plan to initiate such a campaign at this time, our legislation gives them the flexibility to do so.

Much has been said in recent months on this floor about the plight of agriculture and an ongoing farm crisis brought about by record low commodity prices. This problem is real and cranberry producers in small Oregon coastal towns like Bandon and Coos Bay have felt it as well. I would like to urge the Secretary of Agriculture to get directly involved with the leadership of the industry to try and find meaningful initiatives that can help them weather this difficult time and ensure a healthy industry for a healthy product.

Mr. President, cranberry growers know global competition will become increasingly fierce in the next century, yet they also know that their future prosperity will be built upon effective marketing and production innovation—not expensive safety nets or reactive trade barriers. I thank my colleagues for joining me in support of this amendment to give cranberry growers in my state and throughout the nation the freedom to address the current farm crisis and pro-actively meet the challenges of the new century.

AMENDMENT NO. 1549

(Purpose: To authorize Alaska Native tribes for payment of certain administrative costs for the Food Stamp Program)

On page 76, line 6, please add the following: "Beginning in fiscal year 2001 and thereafter:

"SEC. . The Food Stamp Act (P.L. 95–113, section 16(a)) is amended by inserting after the phrase 'Indian reservation under section 11(d) of this Act' the following new phrase: 'or in a Native village within the State of Alaska identified in section 11(b) of Public Law 92–203, as amended.'."

AMENDMENT NO. 1550

(Purpose: To amend S. 1233 to require the Secretary review food packages periodically and consider including other nutritious foods under the food package program for Women, Children and Infants)

At the appropriate place insert the following new section:

"SEC. . It is the Sense of the Senate that the Secretary of Agriculture shall periodically review the Food Packages listed at 7 CFR 246.10(c) (1996) and consider including additional nutritious foods for women, infants and children."

Mr. STEVENS. Mr. President, I would like to make a brief statement concerning my amendment to the fiscal year 2000 Agriculture Appropriations bill regarding the Women, Infants, and Children nutrition program. My reading of the regulations implementing this program indicate that they provide women and their children with a very limited range of food options. For example, the only non-dried vegetable they may chose from is carrots. They may eat canned carrots, raw carrots, and frozen carrots, but no other non-dried vegetable is permitted. Likewise the only meat or fish they allow is tuna. Salmon, the most heart-healthy protein source available, is essentially banned along with beef, poultry, pork, and other protein sources.

My amendment directs the Secretary to review the WIC food packages currently available to pregnant and lactating women and their children and consider adding new, but nutritious foods to the list. It is ridiculous to expect children to eat foods from such a limited list. Anyone with a picky toddler knows that a varied diet is critical to developing healthy eating habits.

Several years ago there was a controversy concerning Congress deciding which foods should be included in the WIC package, substituting its judgment for that of nutrition experts at USDA. This amendment does not mandate that salmon or any other food be included on the list. It gives complete and full discretion to the Secretary to determine which foods should be included. It simply directs him to periodically update the list.

I have worked for years with Dr. William Castelli at the Framington Heart Study in Massachusetts and know firsthand the health benefits of salmon. The omega 3 oils within salmon actually reduce cholesterol levels, I eat salmon at least twice a week. I am confident that salmon will meet any standard that USDA applies without any additional help from me. When the nutrition experts see what a wonderful protein source salmon is, they will wonder why they didn't put it on the list in the first place.

AMENDMENT NO. 1551

(Purpose: To amend S. 1233 to provide for education grants to Alaska Native serving institutions and Native Hawaiian serving institutions)

Amend Title VII—GENERAL PROVISIONS by inserting a new section as follows:

"SEC. . EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS.

"(a) EDUCATION GRANTS PROGRAM FOR ALASKA NATIVE SERVING INSTITUTIONS.—(1) GRANT AUTHORITY.—The Secretary of Agriculture may make competitive grants (or grants without regard to any requirement for competition) to Alaska Native serving institutions for the purpose of promoting and stengthening the ability of Alaska Native serving instituions to carry out education, applied research, and related community development programs.

(2) USE OF GRANT FUNDS. Grants made under this section shall be used—

(A) to support the activities of consortia of Alaska Native serving institutions to enhance education equity for under represented students:

(B) to strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agriculture sciences:

(C) to attract and support undergraduate and graduate students from under represented groups in order to prepare them for careers related to the food, agricultural, and natural resource systems of the United States, beginning with the mentoring of students at the high school level including by village elders and continuing with the provision of financial support for students through their attainment of a doctoral degree; and

(D) to facilitate cooperative initiatives between two or more Alaska Native serving institutions, or between Alaska Native serving institutions and units of State government or the private sector, to maximize the development and use of resources, such as faculty, facilities, and equipment, to improve food and agricultural sciences teaching programs.

(2) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to make grants under this subsection $10,000,000 in fiscal years 2001 through 2006.

"(b) EDUCATION GRANTS PROGRAM FOR NATIVE HAWAIIAN SERVING INSTITUTIONS.—(1) GRANT AUTHORITY.—The Secretary of Agriculture may make competitive grants (or grants without regard to any requirement for competition) to Native Hawaiian serving institutions for the purpose of promoting and strengthening the ability of Native Hawaiian serving institutions to carry our education, applied research, and related community development programs.

(2) USE OF GRANT FUNDS. Grants made under this section shall be used—

(A) to support the activities of consortia of Native Hawaiian serving institutions to enhance educational equity for under represented students:

(B) to strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction deliver systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agriculture sciences:

(C) to attract and support undergraduate and graduate students from under represented groups in order to prepare them for careers related to the food, agricultural, and natural resources systems of the United States, beginning with the mentoring of students at the high school level and continuing with the provision of financial support for students through their attainment of a doctoral degree; and

(D) to facilitate cooperative initiatives between two or more Native Hawaiian serving institutions, or between Native Hawaiian serving institutions and units of State government or the private sector, to maximize the development and use of resources, such as a faculty, facilities, and equipment, to improve food and agricultural sciences teaching programs.

(2) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to make grants under this subsection $10,000,000 for each of fiscal years 2001 through 2006.

AMENDMENT NO. 1552

(Purpose: To amend S. 1233 to provide a minimum allocation of Smith Lever Act funds to States subject to a special statutory cost of living adjustment)

At the appropriate place in the bill insert the following new section:

"**SEC. . SMITH-LEVER ACT ALLOCATIONS IN STATES WITH CONGRESSIONALLY-AUTHORIZED COST OF LIVING ADJUSTMENTS.**

"Beginning in fiscal year 2001 and thereafter, a state in which federal employees receive a special allowance because of the high cost of living or conditions of environment which differ substantially from conditions in other parts of the country as provided under section 1 of title IV of Public Law 102–141 (105 Stat. 861) shall receive an allotment of no less than $2,000,000 under the Smith Lever Act of 1914, as amended (7 U.S.C. 343)."

AMENDMENT NO. 1553

(Purpose: To amend S. 1233 to provide a minimum allocation of Hatch Act funds to States subject to a special statutory cost of living adjustment)

At the appropriate place in the bill insert the following new section:

"**SEC. . HATCH ACT ALLOCATIONS IN STATES WITH CONGRESSIONALLY-AUTHORIZED COST OF LIVING ADJUSTMENTS.**

"Beginning in fiscal year 2001 and thereafter, a state in which federal employees receive a special allowance because of the high cost of living or conditions of environment which differ substantially from conditions in other parts of the country as provided under section 1 of title IV of Public Law 102–141 (105 Stat. 861) shall receive an allotment of no less than $2,000,000 under 7 U.S.C. 361c(c)."

AMENDMENT NO. 1554

(Purpose: To set aside certain funds for programs and activities of the Livestock Marketing Information Center in Lakewood, Colorado, with an offset)

On page 13, line 16, strike "$115,075,000" and insert "$114,825,000".

On page 14, line 19, strike "$13,966,000" and insert "$14,216,000".

On page 14, line 22, before the period at the end, insert the following: ", of which not less than $250,000 shall be provided to carry out market analysis programs at the Livestock Marketing Information Center in Lakewood, Colorado".

AMENDMENT NO. 1555

(Purpose: To require the use of certain funds transferred to the Economic Research Service to conduct a study of reasons for the decline in participation in the food stamp program and any problems that households with eligible children have experienced in obtaining food stamps)

On page 9, line 9, strike "$2,000,000" and insert "$2,500,000".

On page 9, line 12, after "tions:", insert the following: ": *Provided further*, That not more than $500,000 of the amount transferred under the preceding proviso shall be available to conduct, not later than 180 days after the date of enactment of this Act, a study based on all available administrative data and onsite inspections conducted by the Secretary of Agriculture of local food stamp offices in each State, of (1) reasons for the decline in participation in the food stamp program, and (2) any problems that households with eligible children have experienced in obtaining food stamps, and to report the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate:".

AMENDMENT NO. 1556

On page 13, line 19, strike "$56,201,000" and insert "56,401,000".

On page 13, on line 13 strike "$114,825,000" and insert "114,625,000".

Mr. EDWARDS. Mr. President, I rise to elaborate on my amendment that would provide $200,000 in funding under the Cooperative State Research, Education, and Extension Service (CSREES) to a research project in North Carolina to improve early detection of crop diseases. This funding boost is accomplished through an offset in NRI.

This funding would go to North Carolina State which will work in conjunction with the University of North Carolina at Greensboro to create an innovative early warning system for crop failure.

Mr. President, more than 30% of crop failures could be prevented if farmers had an early warning of disease or insect damage. However, by the time most diseases and insect infestations are visible to the naked eye, they are too far advanced for effective treatment.

The University of North Carolina at Greensboro has been conducting a series of experiments that would introduce a color-change gene into crops such as soybeans and cranberries. These crops could be genetically engineered to change color when under stress, insect attack or diseased. A farmer could then shine a black light on the leaves and see the damage long before it is visible to the naked eye. Armed with this early warning, he could begin dealing with the problem long before it becomes fatal to the crop.

This is an important project to support. The research will help bring crop management into the 21st century and could help farmers avert needless disasters. And it could yield enormous benefits soon.

AMENDMENT NO. 1557

(Purpose: To ensure timely testing of imports under the President's Food Safety Initiative)

At the appropriate place insert the following:

SEC. . It is the sense of the Senate that the Food and Drug Administration, to the maximum extent possible, when conducting Food Safety Initiative, ensure timely testing of produce imports by conducting survey tests at the USDA or FDA laboratory closest to the port of entry if testing result are not provided within twenty-four hours of collection.

AMENDMENT NO. 1558

(Purpose: To provide that the price of milk received by producers in Clark County, Nevada, shall not be subject to any Federal milk marketing order or any other regulation by the Secretary of Agriculture and shall solely be regulated by the State of Nevada and the Nevada State Dairy Commission)

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . DEREGULATION OF PRODUCER MILK PRICES IN CLARK COUNTY, NEVADA.—Effective October 1, 1999, section 8c(11) of the Agricultural Adjustment Act (7 U.S.C. 608c(11)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(D) PRODUCER MILK PRICES IN CLARK COUNTY, NEVADA.—The price of milk received by producers located in Clark County, Nevada—

"(i) shall not be subject to any order issued under this section or any other regulation by the Secretary; and

"(ii) shall solely be regulated by the State of Nevada and the Nevada State Dairy Commission.".

AMENDMENT NO. 1559

(Purpose: To express the sense of the Senate concerning actions by the World Trade Organization relating to trade in agricultural commodities)

On page 76, between lines 6 and 7, insert the following:

SEC. . The Senate finds that—

(1) agricultural producers in the United States compete effectively when world markets are not distorted by government intervention;

(2) the elimination of barriers to competition in world markets for agricultural commodities is in the interest of producers and consumers in the United States;

(3) the United States must provide leadership on the opening of the agricultural markets in upcoming multilateral World Trade Organization negotiations;

(4) countries that import agricultural commodities are more likely to liberalize practices if they are confident that their trading partners will not curtail the availability of agricultural commodities on world markets for foreign policy purposes; and

(5) a multilateral commitment to use the open market, rather than government intervention, to guarantee food security would advance the interests of the farm community of the United States.

(b) It is the sense of the Senate that members of the World Trade Organization should undertake multilateral negotiations to eliminate policies and programs that distort world markets for agricultural commodities.

AMENDMENT NO. 1560

(Purpose: To provide additional funding to existing research programs)

On page 13, line 13, strike "56,401,000" and insert in lieu thereof "56,901,000".

On page 13, line 16, strike "114,625,000" and insert in lieu thereof "114,125,000".

Mr. KOHL. Mr. President, the amendment I introduce will increase the University of Wisconsin's Babcock Institute's Special Research Grant to $800,000, with $300,000 being appropriated from the Cooperative State Research, Education and Extension Service's (CSREES) Competitive Research Grant Market, Trade and Policy account.

This amendment will also increase funding for the University's Food System Research Group Special Research Grant to $700,000, with $200,000 appropriated from the Cooperative State Research, Education and Extension Service's (CSREES) Competitive Research Grant Nutrition, Food Quality and Health account.

AMENDMENT NO. 1561

(Purpose: To provide an additional $2,000,000 for the Grain Inspection, Packers and Stockyards Administration, offset from the Economic Research Service)

Amend page 22, line 26 by increasing the dollar figure by $2,000,000.

Amend page 9, line 8 by reducing the dollar figure by $2,000,000.

Amend page 9, line 15 by striking the line and inserting in lieu thereof the following: "2225); *Provided further*, That university research shall be reduced below the fiscal year 1999 level by $2,000,000."

GIPSA AMENDMENT

Mr. HARKIN. Mr. President, this amendment is offered on behalf of Senators DASCHLE, WELLSTONE, and myself to provide an additional $2 million for the Grain Inspection, Packers and Stockyards Administration, known as GIPSA. This agency performs a critical role in ensuring open markets and fair trade practices for the livestock market. These are issues of great concern to livestock producers, especially in recent years as low prices have raised questions about decreasing competition, inadequate price information and possible abuses of market power.

The Packers and Stockyards Program at GIPSA already has large demands placed on its investigative, analytical and legal resources. Congress and others are putting pressure on GIPSA to conduct more and more sophisticated investigations under significant time pressure.

One of the strongest needs is for rapid response teams which are sent out to specific areas where serious complaints are occurring to quickly determine what is happening and to quickly resolve the problems that are occurring so farmers can get real relief in a timely manner.

GIPSA continues to oversee contracting practices, which are the subject of increasing concern, scrutiny and debate.

In an ever-faster paced market, GIPSA must have the resources to meet its responsibilities. These additional funds are essential to ensuring that the nation's livestock markets remain fair and open to all producers.

The amendment is paid for by reducing the funding for the Economic Research Service. The reduction will be from academic research contracted out by that agency.

CHILE AS SPECIALTY CROP

Mr. DOMENICI. Mr. President, I would like to address the distinguished chairman of the Agriculture Appropriations Committee on an issue associated with the emergency agriculture disaster aid package.

The amendment adopted by the Senate to provide emergency agriculture disaster aid includes a provision to assist the producers of specialty crops. May I enquire of the distinguished Senator from Mississippi if chile crops in New Mexico would be eligible for emergency aid under the specialty crop provision?

Mr. COCHRAN. I respond to my friend from New Mexico that he has requested the assistance of the appropriations subcommittee in addressing the serious situation of New Mexico's chile farmers, and it is the intention of the subcommittee that the chile crop would be eligible for assistance under the specialty crop provision of the bill.

Mr. DOMENICI. I thank the distinguished Subcommittee Chairman for clarifying his understanding and mine that New Mexico's chile producers would be eligible for assistance through the specialty crop provisions of the pending Agriculture appropriations bill.

I appreciate his assistance on this important matter.

COLD WAR AQUACULTURE RESEARCH CENTER

Ms. SNOWE. Mr. President, as the distinguished Senator from Mississippi is aware, at the present time, the United States has no capability for the culture of cold-water, marine finfish, and the industry continues to need a consistent supply of high quality eggs or juvenile organisms. At the same time, I am especially aware as Chair of the Oceans and Fisheries Subcommittee, that many important wild fish stocks in the United States, including the Gulf of Maine, as well as around the world, are suffering from overharvesting. This has the potential to greatly diminish the food supply of many nations whose greatest source of protein is from the fish they catch. The opportunity for cold water aquaculture research is immense and the rewards great for U.S. salmon farming in particular, which is a strategic industry in my State of Maine, especially in the rural area of Downeast Maine.

It is important for the committee to know that representatives of the Maine Atlantic salmon industry and the University of Maine have been working with USDA's Agricultural Research Service and have defined the need to study the feasibility of a research center concept, program criteria and site criteria, site identification and evaluation. Once this has been completed, I hope we can look forward to the committee's future consideration for establishing a cold-water, marine aquaculture research center in an appropriate State such as Maine.

Ms. COLLINS. Mr. President, there is no question that cold-water marine aquaculture holds enormous exciting potential that remains untapped by the Federal Government. Despite its cryptic name, cold-water marine aquaculture is the lifeblood of a very tangible important industry. Each year millions of Atlantic salmon are raised in the cold quick-moving coastal water off the coast of Downeast Maine. The strong tides and rocky coast combined with many sheltering islands provide the perfect environment for a commercially viable finfish aquaculture industry. My discussions with the Agricultural Resources Service, experienced aquaculturalists, and researchers at the University of Maine have confirmed that the coast of Maine would, indeed, be an excellent location for Federal research into marine aquaculture.

I understand that language included in the Agricultural appropriations bill requires ARS to study all of its current aquacultural activities. Is it the chairman's understanding that the study referenced in this bill will focus on, among other things, the feasibility of marine cold-water research program?

Mr. COCHRAN. I understand that my colleagues from Maine have a deep interest in furthering cold-water aquaculture research on marine species, especially since cold water aquaculture is an important industry in their State. In marking up the FY2000 appropriations, the committee considered the need for the Agricultural Research Service to update warmwater aquaculture research activities and in our report language, directed the ARS to submit to the committee by January 31, 2000, a report that will not only update warmwater aquaculture research activities but also to include all aquaculture research currently being conducted by the agency. The report language also requires the agency to address the agency's current capacity and requirements for additional resources to meet future needs and issues confronting the Nation's aquaculture farmers, including opportunities in rural America. I agree that cold water aquaculture research needs are included in the overall mandate of the report language. I also believe the ARS report will be helpful in establishing the need for coldwater aquaculture research for marine species.

Ms. COLLINS. I appreciate the further clarification and would like to ask one additional question if I may. Could the study called for in the report address the feasibility and desirability of establishing a cold-water aquaculture research program in the State of Maine?

Mr. COCHRAN. Yes, that will be added to the report mandate.

Ms. COLLINS. My colleague and friend from Mississippi is clearly dedicated to the well-being of rural citizens from across the Nation. I thank him for his clarification of this matter of great importance to rural, coastal Maine and look forward to enacting this important legislation.

Ms. SNOWE. I thank my colleague from Mississippi not only for recognizing the importance of cold water aquaculture research for marine species but also for his continued fine work as Chair of the Senate agricultural appropriations process where he continues to be a strong advocate for numerous facets of agricultural research throughout the country.

HUMAN NUTRITION RESEARCH

Mr. DORGAN. Mr. President, I wish to thank the Chairman for his longstanding support of agricultural research and, more specifically, of the human nutrition research programs of the Agricultural Research Service.

Emphasis in human nutrition research at the USDA is designed to maintain a healthy populace and avoid the problems and substantial costs of diseases linked to poor dietary choices. Many diseases such as diabetes, cancer, osteoporosis, cataracts, and others, could be nearly eliminated with improved nutrition research and education.

The President's budget requested $20.25 million for the Human Nutrition Initiative, but because of significant constraints resulting from the allocation, the bill provides only $1.5 million. Of the $53 million originally requested for the program, $48.5 million is still needed.

These funds would reconcile production agriculture, which provides America the most abundant and safest food supply in the world, with consumer demands for a wholesome diet to enhance health, reduce illness, and improve the quality of life.

Does the Chairman agree that because of the critical nature of funding for the program the Human Nutrition Initiative is a subject that should be evaluated in greater detail during conference on this bill?

Mr. KOHL. I concur in my colleague's comments that funding for this program should be an item of discussion and greater support during conference with the House on this bill, and will work with him to that end.

GMO ACCESS IN SOUTHEAST ASIA

Mr. BOND. Mr. President, I and the several members of this Subcommittee have spent a considerable amount of time working to ensure that other nations do not unfairly discriminate against genetically modified crops grown by American farmers. These crops hold great promise for eliminating hunger in the developing nations of the world. In addition, advances in biotechnology will lead to a reduction in the use of pesticides, improvements in soil quality and many GMO (Genetically Modified Organisms) crops have documented health benefits. It would truly be a disaster for the people of those nations—as well as for farm families in this country—if the benefits of these products are lost because of unsound science or straight up protectionism.

We are all aware of the problems that we face in opening markets for these products in Europe and many of my colleagues are aware that we face new labeling requirements in Japan. What many of my colleagues may not realize is that the same groups that are fighting these products in Europe are funding similar efforts to stop the introduction and consumption of GMO products in developing countries around the world—some of the very countries that stand to benefit the most from these products. The opponents are now turning their attention to a key U.S. market—Southeast Asia. This area of the world is home to a half billion consumers and the income levels are well above those in countries such as India or China. Unfortunately, the GMO opponents are busy at work to keep us from competing fairly in the markets of Southeast Asia.

In Thailand, Malaysia, the Philippines and other countries in the region, American producers are facing a real threat of closed markets due to the efforts of non-governmental groups based mostly in Europe. This is a very important time in the region as a number of governments are studying how to and whether to regulate genetically modified organisms. As governments are reviewing the issues, it would be a tremendous mistake to allow the GMO opponents to go unanswered. As a government, we should be making every effort to assist our farmers and producers in educating government officials in these countries as to the sound scientific reviews that have been conducted on these products and the extensive regulatory approval process that the products are subjected to in the United States. Unfortunately, it appears that our federal government resources are completely tied up in fighting what some consider to be more pressing battles around the globe.

My staff and I have been in contact with the Administrator of the Foreign Agriculture Service, Tim Galvin, several times in the past few months urging him to dedicate a relatively modest amount of funding—$80,000—for the FAS to take internationally-respected scientists to countries throughout Southeast Asia so that they may meet with government officials and scientists who are working to address the GMO regulation issue. It is essential that we move forward with such education efforts to counter the rhetoric and the scare tactics of the NGOs. Several of the countries in this region are proceeding towards implementing regulatory schemes; if we do not take affirmative action on this front we stand to lose valuable markets. Despite the critical need for moving forward with such a program now, I have been unable to get Mr. Galvin to agree to this important program.

I also understand that there is a plan to eliminate the regional FAS position in Singapore, which is dedicated to working for biotechnology acceptance throughout Southeast Asia. Such a move would be a terrible mistake. Singapore is in many ways the gateway to the ASEAN region—which will overtake Japan as the second largest market for U.S. products and services by the year 2005. The Agricultural Trade Office's work with the ASEAN Secretariat towards establishing an ASEAN regional trade regime based on sound science and its work with the Singapore regional traders must continue if U.S. agriculture is successfully to realize this region's market potential. We should be focusing on improving and bolstering this office rather than eliminating it at a time when these countries are beginning to work on these important issues.

I know that the chairman of the Subcommittee shares my concern about these issues. I urge him to join me in calling on Mr. Galvin and other officials at USDA to move to address the need for the U.S. to become engaged on this issue in Southeast Asia and to fund these important programs.

Mr. COCHRAN. I thank the Senator for his comments and I assure him that I share his concern that we must fight to ensure that our commodities are not unfairly discriminated against in markets around the world. We cannot allow our soybean farmers, cotton farmers, corn farmers and others to have their exports put at risk by unfair regulation. We cannot cede any markets to GMO opponents. I share his desire to see USDA put the necessary resources into ensuring our interests are adequately represented as the nations of Southeast Asia consider regulation. I assure him that I will look into the status of these activities and seek to have them adequately funded.

Mr. BOND. I thank the chairman for his remarks, and I look forward to working with him to address this issue.

ANIMAL WELFARE ENFORCEMENT

Mr. KOHL. Mr. President, I would like to take this opportunity to make a few points about the increase included in this bill for enforcement of the Animal Welfare Act and certain language which appears in the Senate Report to accompany the appropriations bill now before the Senate.

Under the Animal Welfare Act, the Secretary of Agriculture is authorized to promulgate standards and other requirements governing the humane handling, housing, care, treatment, and transportation of certain animals by dealers and other regulated businesses. The Secretary has delegated the authority for enforcing this Act to the Administrator of the Animal and Plant Health Inspection Service (APHIS) whose budget is included in the pending appropriations bill.

For a number of years, the appropriated level for APHIS's enforcement activities of the Animal Welfare Act has held stagnant in the area of $9 million annually. The level of funding has allowed for employment of approximately 69 field inspectors to monitor activities in all fifty states plus the District of Columbia, Guam, and the Virgin Islands. Obviously, this number of inspectors, responsible for such a vast geographical area, is totally insufficient to investigate and control all inappropriate and illegal mistreatment of animals where it occurs within the regulated community. For many people, their pets are essentially members of their families and too often we learn of tragedies that occur during commercial transportation where pets are injured or killed. In other instances, we learn of inhumane treatment of animals in settings often referred to as "puppy mills" where conditions include disease, pests, poor feeding, and other forms of mistreatment that should and must be stopped.

Mr. COCHRAN. I thank the Senator from Wisconsin for raising the issue of enforcement of the Animal Welfare Act and for pointing out many of the terrible conditions for which this Act is designed to halt and efforts by USDA and this Congress to put an end to them. The Senator is correct that funding for this activity has remained constant over the past several years. The President included in his budget request for fiscal year 2000 an increase of $515,000 for these activities.

The President's request would provide additional funds for enforcement of the Animal Welfare Act, but only to maintain current activities such as inspections at regulated facilities to ensure compliance with the Act. In addition, inspectors would receive much needed training to ensure uniform enforcement of the regulations and to stay current with industry advancements in methodologies of research and caring for animals. APHIS would continue to replace outdated and old equipment including vehicles and continue modernizing its computer databases program. In view of the needs outlined in the budget request, and the overall problems outlined by the Senator from Wisconsin, this bill includes an increase of $2 million above last years level, nearly four times the amount of increase requested by the President.

Mr. KOHL. I thank the Senator from Mississippi for his explanation of the activities included in the President's request for enforcement of the Animal Welfare Act and for the generous increase he was able to provide in this bill. I want to stress to all Senators that the increase in this bill is designed to allow better enforcement of currently regulated activities. I am aware that the President's budget explanation also included concern that pending litigation and potentially expanded jurisdiction for enforcement of the Animal Welfare Act would further strain the limited resources of the agency. It was, in part, for that reason that language is included in Senate Report to make clear that the increase in this bill is to improve ongoing activities of the agency and not for expansion of regulated activities.

Mr. COCHRAN. The Senator is correct.

Mr. KOHL. The Senate report language expresses our concern, as does the President's budget justification, that a strain on existing resources could potentially negate the efforts taken in our bill to increase the number of inspections at regulated facilities by inadvertently increasing the caseload of inspectors. I have heard from numerous animal care advocates in Wisconsin who have told me we need more inspectors to make sure the work now going undone is taken care of. For that reason, and not for expansion of authorities, the increase is included in this bill.

However, I also want to note that while the language in the Senate report expressly limits the increased funding to currently authorized activities and also expresses our concern that expansion of agency programs at this time may strain resources past the breaking point, it is not intended to chill the efforts by advocacy groups to pursue their interests through either the rulemaking process or through the courts. It is not our intention for the Senate report language to sway, in one way or the other, upcoming decisions of the courts or to infringe on the Department's proper exercise of rulemaking authority. For those who may read the report language and be concerned that we are stepping too far into the realm of agency or court activities, we may wish to consider some modifications to this language for purposes of inclusion in the statement of managers to accompany the conference report to this appropriations bill.

Mr. COCHRAN. I thank the Senator for his concerns and I will work with him in the conference to consider whether modifications to this language are in order.

GREATER YELLOWSTONE INTERAGENCY BRUCELLOSIS COMMITTEE

Mr. CRAIG. Mr. President, first I would like to thank Chairman COCHRAN and Senator KOHL for the hard work they have put into the Fiscal Year 2000 Agriculture, Rural Development, and Related Agencies Appropriations bill. It is a challenging process, and they have done an excellent job balancing competing interests within the confines of a balanced budget.

I wish to engage in a colloquy with the distinguished Chairman of the Subcommittee regarding funding for the Greater Yellowstone Interagency Brucellosis Committee (GYIBC). There is currently a Cooperative State Federal Brucellosis Eradication Program to eliminate the brucellosis from the country. States are designated brucellosis free when none of their cattle or bison are found to be infected for 12 consecutive months. As of March 31, 1998, 42 States, plus Puerto Rico and the U.S. Virgin Islands, are free of brucellosis. The presence of brucellosis in free-ranging bison in Yellowstone National Park threatens the brucellosis status of Idaho, Wyoming, and Montana, as well as the health of their livestock herds, which are free of the disease. Reintroduction of the disease into a brucellosis-free State could have a serious economic impact on domestic livestock markets and potentially threaten export markets.

The Committee saw fit to allocate $610,000 for the coordination of Federal, state and private actions aimed at eliminating brucellosis from wildlife in the Greater Yellowstone Area. I would like to clarify how this money is to be allocated. Of the funds appropriated for the GYIBC, $400,000 is for the States of Idaho, Wyoming, and Montana to participate in the GYIBC, with the understanding that 50 percent goes to the state that chairs the committee and 25 percent goes to each of the other states. The remaining $210,000 is for the State of Idaho to protect the State's brucellosis-free status and implement the Idaho Wildlife Brucellosis plan. Is it the intent of the Committee to use these funds as I have described?

Mr. COCHRAN. Yes, it is the intent of the Committee to use the allocated funds as the Senator from Idaho stated.

Mr. CRAIG. I thank the Chairman.

APHIS PLANT PROTECTION COLLOQUY

Mr. CRAIG. Mr. President, first I would like to thank Chairman COCHRAN and Senator KOHL for the hard work they have put into the Fiscal Year 2000 Agriculture, Rural Development, and related Agencies Appropriations bill. It is a challenging process, and they have done an excellent job balancing competing interests within the confines of a balanced budget.

I wish to engage in a colloquy with the distinguished Chairman and Ranking Member of the Subcommittee regarding the appropriation for the Department of Agriculture's Animal and Plant Health Inspection Service plant protection programs and regulations. The funds this bill makes available for plant protection are critical to protecting American agriculture from diseases, pests, and invasive plants. My own state of Idaho struggles greatly with noxious weeds, such as leafy spurge, which compete with the native grasses so essential for the raising of cattle.

Researchers at the University of Idaho and around the country are working diligently to develop mechanisms to use biological controls for weeds and to manage diseases of important agriculture plants. It is my understanding that current APHIS regulations require a permit for interstate transfer of a pathogen or plant infected with a pathogen from one research location to another. However, research and education facilities routinely transfer plant materials from one research location to another using good management practices.

To facilitate researchers' work on behalf of American agriculture, I ask that the Committee clarify its intent that the appropriations contained in this bill for the Department of Agriculture's Animal and Plant Health Inspection Service should be used to carry out plant protection programs and regulations that take into account the levels of risk presented by pathogens and to establish mechanisms to expedite or provide exemptions from any formal permit or certification processes for research and education facilities established under implementing regulations as the Secretary deems appropriate. Is it the intent of the Committee to use these funds as I have described?

Mr. COCHRAN. Yes, it is the intent of the Committee to use the allocated funds as the Senator from Idaho stated. Use of these appropriations for plant protection purposes will indeed benefit American agriculture, including producers in Mississippi.

Mr. CRAIG. It is also the Committee's belief that the routine handling of a variety of pathogens by many research and education facilities, using good management practices, has occurred widely without their untoward release and establishment in the environment?

Mr. COCHRAN. Yes. The Secretary of Agriculture should take this into account when establishing any regulatory processes for the movement and handling of pathogens. The Secretary should establish, to the extent possible, processes under which the facilities and their management practices are reviewed periodically, rather than requiring case-by-case approval for each us of a pathogen regardless of risk.

Mr. CRAIG. I understand from researchers in my state that pathogens that might be considered for exemption or expedited processes include: endemic and naturalized pathogens for which there is extensive information and handling experience and for which management strategies have been developed; pathogens intended for educational, research, or reference use that are not to be released into the environment; or pathogens that present low risk because of their mode of survival, dissemination, or some other aspect of their biology. Is that the Committee's understanding?

Mr. COCHRAN. Yes, the committee understands that certain types of pathogens present low risks and research education facilities should face minimal regulatory burden as deemed appropriate by the Secretary of Agriculture. The Committee would also urge APHIS to develop laboratory standards for facilities and management practices that will enable research and education facilities to handle higher-risk pathogens as well. These laboratory standards will help APHIS use its resources more efficiently and allow efficient use of research resources to combat plant diseases more effectively.

Mr. CRAIG. Mr. Chairman, is it the intent of the Committee that APHIS consult with relevant scientific societies as well as state regulators of plan pathogens and on-site reviewers of facilities where possible in modifying current regulations or developing future regulations regarding the movement of pathogens between research and education facilities?

Mr. COCHRAN. Yes, that is the Committee's intent.

Mr. KOHL. I agree with the distinguished Senator from Mississippi. In my home state of Wisconsin, a number of plant pathogens cause production losses for our producers. APHIS' implementation of plant protection programs using the appropriations in this bill, consistent with the Committee's intent, will assist researchers at many universities including the University of Wisconsin in their research efforts to combat plant disease and pests.

Mr. CRAIG. It is my understanding the APHIS is moving in this direction already. APHIS recently requested that the National Plant Board review its Plant Protection and Quarantine program to make recommendations for changes and improvements in the framework for regulations. This review, which included representatives of universities and industry as well as the state regulators, resulted in recommendations that will soon be presented in a report called "Safeguarding American Plant Resources: A Review of APHIS' Plant Protection and Quarantine's Pest Safeguarding System." This report will also recommend risk-based management of plant permits, including development of mechanisms to exempt from permitting or expedite permitting in certain low-risk cases. Thank you for your continued interest in this matter.

CLARIFICATIONS TO THE SENATE COMMITTEE REPORT NO. 106–80

Mr. COCHRAN. I note for the record the following technical clarifications to the Senate committee report (Senate Report 106–80) on S. 1233, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill for fiscal year 2000:

On page 96 of the report, the chart regarding the rural economic development loans program account should not footnote the Committee recommendation. The Committee's recommendation for the direct loan subsidy is not offset by a rescission from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936.

On page 133 of the report, Bill Emerson and Mickey Leland Hunger Fellowships should be added to the list of programs which currently lack authorization for fiscal year 2000.

Mr. McCAIN. Mr. President, this agriculture appropriations bill provides annual funding for our nation's farmers, producers and the agency supporting our agricultural industry, the U.S. Department of Agriculture. The chairman and his colleagues on the Agriculture Appropriations Subcommittee deserve much credit for their work on this bill, which ensures funding for fundamental programs to support agricultural, rural development and nutrition programs. Unfortunately, the process by which appropriators continue to add wasteful and unnecessary spending to this important funding measure is unacceptable.

Each year, I am amazed by arbitrary fashion in which the appropriations committees choose to allocate the strict federal dollars that we should reserve for important and necessary federal programs. At the expense of our American taxpayers, this bill and its accompanying report are riddled with unrequested, low-priority earmarks, representing $170 million in additional spending.

The agriculture appropriations bill is a haven for members to tack on unrequested and unauthorized funding for special interest projects, particularly in sections of the accompanying Senate report dealing with the Cooperative State Research, Education, and Extension Service. For example, 114 out of a total 118 projects funded under the section for special research grants are either unrequested or received additional funding above the budget request. Over 90 projects under the Agriculture Research Service were targeted for termination by the administration, yet a majority of these projects continue to receive funding in this bill.

These actions lead me to ask a fundamental question. What is the purpose of conducting a formal budget process when the Appropriations Committee exhibits such carte blanche authority to fund projects which have not been considered in our established authorization and funding process? I review all of the annual appropriations bills, yet I have rarely seen such flagrant examples of egregious spending as those included in this bill.

In the Senate report, the appropriations committee state their commitment to only fund priority projects, yet earmarks are approved for such projects as $300,000 for cereal rust research in St. Paul, MN. No information is provided for members to determine what kind of project deals with "cereal rust" and why this project deserves a specific earmark of nearly a third of a million dollars.

Other earmarks include $500,000 for swine waste management in North Carolina, $100,000 to reduce damages and manage populations of fish-eating birds which prey on farm-raised cattle in the Mid-south area, and an increase of $452,000 to support the sterile fly release in San Joaquin Valley. It is incredible to me, and no doubt to the American people, that we speak of fiscal responsibility and budget constraints in one manner, and yet act in a diametrically opposite manner wasting enormous amounts of funding for projects that appear to have little relationship to improving the agricultural economy.

Some projects may be meritorious, such as potato research and weed control, but are these problems specific only to certain states like Washington and North Dakota? Enough to receive not only an earmark, but an increase above the requested levels? I am certain that my constituents in Arizona can attest to the need for funding to monitor certain crops and deal with problems of weed control, yet they are unable to compete for funding to address these issues when decisions are based more on parochial interests rather than national priority.

This bill goes beyond the traditional earmarking process by selecting particular sites across the country to receive additional spending for extra staff and personnel. Why are these facilities receiving direct funding for additional staff at a time when each agency is required to abide by the mandate of the Government Performance and Results Act to operate more efficiently with less bureaucracy? Even if these positions are critical, why are they not prioritized in the normal administrative process?

In various parts of the bill and report, the committee includes express language which all but provides direct earmarks for certain projects and grantees and effectively intervenes in what is supposed to be a competitive grant process outside the realm of political influences. For example, in the Senate report, language is included which states the committee's expectation that the Administration give full consideration to an application for funds to construct a new facility for the St. Paul Island Health Clinic in Alaska and other language which urges the Administration to consider applications from the State of Alabama for projects benefitting Montgomery, State Farmer's Market and other farmers in the State.

We are invested with the responsibility to fully consider and debate the appropriate expenditure of federal funds. I commend Senator COCHRAN, chairman of the Senate Subcommittee on Agriculture Appropriations, for his floor statement in which he stated that the committee sought to apply funding in a "reasonable and thoughtful way." Unfortunately, the pork in this bill and report prove that the Appropriations Committee is still unable to curb its appetite for unnecessary and wasteful spending.

I have compiled a list of objectionable provisions, totalling $170 million, to S. 1233 and its accompanying Senate report, which, due to its length, cannot be printed in the RECORD. The list of objectionable provisions will be available on my Senate web page.

Mr. KERREY. Mr. President, I would like to indicate my strong support for two related research and technology initiatives in the U.S. Department of Agriculture's FY2000 budget—initiatives that were in the President's request, but which have not reeeived any increases in this budget being debated today. The USDA Global Change Research Program and the Climate Change Technology Initiative are two very important programs that deserve additional attention and funding. I recognize that this Congress is faced with many competing funding needs, particularly with the dire situation faced by much of the agriculture community today, but I submit also that we cannot ignore the needs of potential future disasters, especially when the means to avoiding such disaster will benefit U.S. farmers and U.S. agriculture while also benefiting the entire nation.

I am referring to the potential effects of global climate change, and the potential for the agriculture sector to cost-effectively and efficiently help us to mitigate against increased concentrations of atmospheric greenhouse gases.

Like many policymakers and many of my colleagues, I am convinced by the data international scientists have amassed that indicates climate change is a phenomenon to be dealt with in order to avoid calamitous effects. I agree with the assessment of the scientific community that we must insure against potentially devastating effects of climate change by taking action now. We are certain that greenhouse gas concentrations have been substantially increasing in the atmosphere, and as those concentrations have increased, global surface temperatures have risen. While we are not sure of the exact nature or extent of the resulting climatic and weather-related disruptions that may occur as the greenhouse effect is intensified, we do know that we should act now. Acting now will benefit the global climate, and the health of our citizens.

A significant body of research indicates that there is great potential for U.S. agriculture—for cropland, rangeland, and pastureland, as well as for forests—to sequester carbon at particularly low costs to society. Scientists have shown that with selected management practices, agricultural soils can effectively absorb a large proportion of the annual increases in atmospheric CO^2 that are attributed to the greenhouse effect of global climate change.

What this means for the U.S. is that we have a cheap, effective sink—a means to sequester a large amount of the carbon dioxide and other greenhouse gases that are being emitted from fossil fuel emissions. The sequestration of carbon in soils is a benefit to agriculture, in addition to society. Increased carbon in soils leads to reduced soil erosion, increased soil tilth and fertility, increased water absorption and retention, and most notably for agriculture, increased productivity. As noted recently by Dr. Rattan Lal, an international soil carbon research scientist—carbon is the basis for all life—including in agricultural soils. Carbon absorption by soils helps agriculture, and helps to reduce our greenhouse gas emissions.

While we understand a great deal about the means by which carbon is absorbed and retained in soils—for instance through minimal or no-till practices—there is still much that needs to be learned about the entire carbon cycle in nature, and how it moves from one pool, such as soils, to others, such as the atmosphere. We need to better understand the balance of land management and tillage techniques that sequester and retain carbon in soils, and to insure that agricultural policies are supportive of and encourage these activities. Additionally, research is needed to more accurately identify how carbon is lost from soils, either to the atmosphere or elsewhere—and to then identify how best to preserve and retain carbon in the soil sink.

What we are looking at is a win-win-win situation—a win for society, a win for the climate, and a win for agriculture. But we must invest now in this future, not only because it will help us to bridge the gap, as we move in the direction of reducing our dependence on fossil fuels and practices that emit greenhouse gases, but it will help us to soften the blow on all other impacted sectors. Using agriculture as a carbon sink helps not only agriculture—it gives all other sectors breathing room to technologically or otherwise adapt to reduced fossil fuel dependence. It will help this country to reduce our greenhouse gas emissions sooner, cheaper, and without the disruptions to businesses and the economy that some sectors have forecast.

Mr. President, that is why I want to voice my support for funding the USDA Carbon Cycle Research Program and the Climate Change Technology Initiative. Funding for these important programs is essential to optimize the potential for agriculture and for the climate. I urge that the Senate consider additional funding for these programs.

Mr. President, I ask that my full statement be included in the record during the debate on the Agriculture Appropriations Bill.

Mr. FEINGOLD. Mr. President, I'm proud to represent a state that produces a wide variety of the highest quality agricultural products, from dairy products to cranberries, ginseng, corn, wheat—the list goes on, and it is as varied as Wisconsin itself.

Agriculture is the lifeblood of my state, so when a bill like Agriculture Appropriations comes to the floor, I feel it's vitally important that every aspect of the legislation—including the interests attempting to influence this debate—be discussed and examined.

Earlier this year when I gave remarks on this floor, I promised that from time to time when I participate in debates on legislation I would point out the role of special interest money in our legislative process, an effort I am calling The Calling of the Bankroll.

That's why today I want to briefly highlight some of the political contributions that have been made by the agriculture industry—money spent to influence the way we approach agriculture appropriations on this floor, in the other body, and at the White House.

Agriculture interests have donated nearly $3 million in soft money during the last election cycle, and $15.6 million in PAC money. That's well over $18 million overall—and again that's during just a two-year period.

The soft money numbers are particularly interesting, Mr. President, because they reflect a pattern that a number of special interests follow, known as "double giving" or "switch hitting." It means that a donor doesn't just give soft money to one party, the party whose political views the donor might favor. Instead double givers amass political clout by donating generously to both parties.

Examples of these soft money double givers in the agriculture industry during the last cycle include the Archer Daniels Midland Company, which donated $263,000 to the Democrats and $255,000 to the Republicans; United States Sugar Corp, which donated $157,500 to the Democrats and almost $250,000 to the Republicans; and Ocean Spray Cranberries Incorporated, which donated $156,060 to the Democrats and $117,600 to the Republicans.

Those are just a handful of examples, Mr. President, but I think they give my colleagues an idea of how the double-giving game is played.

Of course not everyone is a double giver. The top agribusiness soft money donor to the Democratic party, crop producer Connell Company, gave $435,000, all to the Democratic party committees. Dole Food Company gave more than $200,000 in soft money in 1997 and 1998, all to Republican party committees.

And in the interest of fairness, Mr. President, I also should mention an agribusiness donor that shares my position against the extension of the Northeast Dairy Compact: The International Dairy Foods Association, which gave more than $71,000 in soft money during 1997 and 1998 all to the Republican party committees.

There are many interests that will be affected by what we do here on this floor with regard to agriculture appropriations, Mr. President, and some have more resources to influence this debate than others. It is in the spirit of providing a fuller picture of the debate over agricultural issues—and the wealthy interests that seek to influence the debate's outcome—that I have presented this information, both for the benefit of the public and my colleagues.

I thank the chair and I yield the floor.

Mr. GORTON. Mr. President, like many in the Nation, Washington's agriculture communities have fallen on extremely tough times. For example, a combination of adverse economic circumstances has caused apple prices to fall to their lowest level in over a decade, while the price for soft winter wheat has plummeted to below $2.50 a bushel.

During the debate on the Fiscal Year 2000 Agriculture Appropriations bill, we have been discussing what to most growers is in the forefront of their mind—their bankbook and their bottom line. Without question, this issue deserves our time and attention.

While crumbling commodity prices have taken their toll on far too many proud and previously profitable agricultural producers and their families, they also are eroding the very foundation upon which much of my State's rural economy is built. Simply put, many of my state's farmers and their communities are suffering.

Washington State produces half the Nation's apples from orchards that start at the base of the Cascade mountains and stretch from the Canadian border in the north, to the Columbia River in the south. Aided by volcanic soil rich in nutrients, irrigation, cool nights and warm sunny days, Washington's apples are the envy of the world's other apple producing countries.

Where my State's apple orchards end, Washington's lush fields of wheat begin. Spanning the eastern third of my State, Washington's wheat farms produce the most sought after wheat in Asia. And yet, being the best and producing such high quality products does not always equate to success.

The Asian financial crisis and world wide overproduction have taken their toll on Washington's wheat farmers. At the same time, a record crop coupled with a decline in export opportunities and a flood of cheap apple-juice concentrate imports from China have imperiled many of my State's apple growers.

Still, Washington's agricultural producers are fiercely independent and not ones to look for a handout from the Federal Government. Rather, in all my discussions with members Washington's agricultural community and its leaders, what I am told my State's farmers need and want most from the Federal Government is a fair shake. Specifically, their list of demands includes trade, access to the tools necessary for quality production, regulatory relief, tax relief a dependable labor force, and Federal participation in agriculture research.

Growers have rightfully insisted upon fair and unfettered access to the world's consumers, which can only be achieved by insisting that there will be no trade deals until an acceptable agricultural agreement is reached during the upcoming round of multilateral trade negotiations slated to commence this fall in Seattle. I thoroughly support this demand, recognizing that Washington's producers export more than 25 percent of their harvest, with at least one third of the apples grown in Washington being shipped, and nine in ten bushels of wheat being exported.

Unfortunately, far too many countries still restrict or prohibit the importation of Washington's cornucopia of commodities. That is why I have expressed to administration trade officials the importance and significance of agriculture negotiations during the Ministerial. We must work to pry open these markets and, if need be, deny another country's goods access to our market until the doors of trade swing freely in both directions.

For example, just recently the Government of Taiwan agreed to delay implementation of pesticide tolerance tests that would have seriously hampered the U.S. apple and cherry trade with that country. Recognizing Taiwan is the apple industry's largest export market, I took the lead among my colleagues in the Senate to ensure that these tests would not be implemented until further scientific discovery had occurred.

Farmers face not only bogus phytosanitary trade barriers, but unfair trade practices by other countries. In early June, I sent a letter of support to the International Trade Commission regarding the dumping case brought by the U.S. apple industry against China. The ITC recently unanimously agreed that dumping had occurred and will announce potential duties in the near future. The case brought by the industry was terribly justified, recognizing the price paid for U.S. apples for juice concentrate plummeted to nearly a penny a pound.

Unilateral trade sanctions, as a result of the convincing messages sent by Washington farmers, have been at the center of nearly every agriculture discussion in the U.S. Senate. In response to the cries for relief from farmers, I have supported nearly every agriculture trade sanctions relief bill that has been introduced in the Senate. With nearly 60% of the world's population under U.S. sanction, the time to discuss the impact of these sanctions on the American family farm could not be more timely. It is without question that these sanctions do more harm to our agriculture communities than to the regimes on which they are imposed.

In addition to all the various trade conditions facing the producer, farmers in Washington have also demanded access to affordable and effective crop protection tools, which can only be achieved through science-based implementation of the Food Quality Protection Act. That's why I am an original cosponsor of the Regulatory Openness and Fairness Act to ensure that decisions regarding health risks are informed and not hasty, that the intent of the FQPA is carried out with the use of sound science and practical application, that a dose of common sense is applied, and that adequate time is available to make certain all decisions and tolerance standards are healthy and equitable.

Continued availability of water for irrigation, electrical generation and the transportation of bulk commodities from field to port, which can only be achieved through a balanced and scientifically-sound salmon recovery effort in the Pacific Northwest is a demand that resinates throughout Washington's orchards and fields. This is a demand I not only respect, but as most producers will know, continues to be one of my most important priorities as a U.S. Senator. I have gone to great lengths to ensure the solvency of the Snake and Columbia River hydroelectric systems with one key user in mind—farmers.

Washington produces a wide array of minor crops, many that are very labor intensive and require special attention during harvest. Washington's agriculture community demands a dependable and legal workforce to harvest and process their crops, which can only be achieved by reforming the H2A labor program to provide agricultural employers with an affordable and workable system for securing temporary foreign labor. I have testified with my colleagues and introduced bills in the Senate that would provide such reforms.

Farmers in Washington demand meaningful tax relief. Just last week, the tax bill passed in the Senate included the much sought after Farm and Ranch Risk Management accounts. These set-aside accounts will provide the savings mechanism growers have requested in order to secure financial longevity. In addition, I am a strong proponent for the elimination of the estate tax, one the most onerous financial burdens placed on a livelihood that is passed from generation to generation.

And finally, with passage of the 1996 Freedom to Farm bill, growers demanded federal participation in agriculture research. My role as a member of the Senate Agriculture Appropriations Subcommittee provides the mechanism necessary to ensure that the Pacific Northwest is adequately represented, and that science based research is utilized to assist growers in producing some of the most demanded, nutritional, and safest food supplies in the world.

All of the aforementioned demands are intended to provide Washington's agricultural producers the tools they need to cultivate a profitable future. I remain convinced of their merit and committed to the task of securing their achievement. Unfortunately, this administration has yet to recognize their importance and, in most cases, actually opposes their adoption.

And now the Senate is in the midst of a debate not only over the livelihood and longevity of the American farm, but to some extent, the policy that drives our nation's combines and tractors. I am unwilling to condone the approach being advocated by some of my colleagues, who are seeking to turn back the hands of time and to undermine the free-market principles embodies in the Freedom to Farm Act. Instead, I support an approach that provides the resources to those programs already in place to assist producers to overcome these difficult times.

Meanwhile, as the Senate debates the issue of farm economy and financial assistance, the White House remains silent. Recognizing the bottom line for many in the agriculture sector is slowly dropping, my colleagues and I sent a letter to the President, requesting his active participation in the establishment of a financial relief package for farmers. This letter was in addition to a request included in the fiscal year 1999 supplemental appropriations bill for administration involvement. As we debate this sensitive issue today, the Administration's inactivity and silence is deafening.

Recognizing the bleak financial future facing Washington's minor crops, I have during the past few days fought tirelessly to ensure that funding is provided in the Republican farm assistance package for fruits and vegetables. I have undertaken this endeavor very seriously and have engaged in extremely frank discussions with my colleagues over my support for an amendment that includes such a provision.

During the debate on the original Cochran financial relief package, I was successful in negotiating the inclusion of $50 million for the fruit and vegetable industries. Because of my desire to provide additional funds for fruits and vegetables, I worked with Senator Roberts to include in his amendment $300 million for specialty crops. While the entire Roberts amendment failed in the Senate, I am pleased that our tree fruit and vegetable industries have a $50 million starting point. As a member of the Senate Agriculture Appropriations Subcommittee, I will have the opportunity to work to increase this funding during conference on the bill.

I also responded to the calls for assistance from those in orchard country by including an amendment in the bill directing the Farm Service Agency to review all programs that assist apple growers in time of need. Specifically, I requested that FSA review the limits placed on operating loans utilized by apple farmers, and report back to Congress what the agency perceives is a workable remedy.

Rest assured, whatever the final outcome of the Fiscal Year 2000 Agriculture Appropriations bill, I will send two important messages to my agriculture constituency back home. First, I will continue working tirelessly to make certain all commodities produced from Washington's fertile soil will have a fair shake at receiving some form of assistance. I am poised and prepared to continue this challenge. And second, I will continue working on agriculture's list of demands, pushing to ensure that from trade to labor, and from taxes to environment, the livelihood that has made agriculture the career choice for so many will remain just that.

Mr. BAUCUS. Mr. President, I rise today to express my concern that S. 1233, the Agriculture Appropriations bill for FY2000 does not include adequate funding for carbon cycle or carbon sequestration research. The Administration has proposed approximately $22 million for these programs at the Natural Resource Conservation Service (NRCS) and the Agriculture Research Service (ARS). With that money, scientists can develop a better understanding of the potential for agricultural lands to serve as carbon sinks. These programs are priorities in the U.S. Global Change Research Program and the Administration's Climate Change Technology Initiative.

Once we more thoroughly understand how our soils capture and store carbon, we can use that knowledge to improve our management practices and yields. We can also cost-effectively use soils to offset carbon emissions that might lead to global warming. Failure to provide these funds is short-sighted and may prevent farmers and ranchers from reaping profits through storing carbon on their land in the near future.

Agricultural lands in the U.S. have a huge potential to store carbon that would otherwise be released into the atmosphere. Each year, the U.S. emits about 1.5 billion metric tons of carbon equivalent (MMTC) or gases that contribute to the greenhouse effect. According to USDA experts, properly managed U.S. croplands could be major sinks or reservoirs of carbon. They could sequester, or store, 85–200 MMTC more per year than the agriculture sector does now. If a coordinated program to manage carbon in agricultural soils were implemented worldwide, some experts project that carbon sequestration could increase to the rate of 3000 MMTC per year. This rate is equal to the world's net annual increases in atmospheric carbon dioxide.

Mr. President, about 25–30% of our nation's farmers, growers and ranchers are already employing best management practices which will effectively store carbon, so farmers and ranchers would not need to adopt radically new production techniques to store carbon. Most find these practices very cost-effective for their bottom-line because the land rewards them for their attention. There are higher yields with increased carbon storage, less erosion, and improved soil and water quality. As an example, adoption of conservation tillage and residue management practices could lock up about .2 metric tons of carbon per acre every year.

Eventually, as actions by some of our major trading partners are now demonstrating, there is likely to be a worldwide market in carbon credit trading, regardless of what happens to the Kyoto Treaty in this country. This is a terrific economic opportunity. As we discuss the sorry state of American agriculture and the family farm in the context of this bill, we should keep in mind that soil carbon storage could become a very lucrative opportunity to maintain income levels. Experts are projecting that carbon credits will sell for somewhere between $10–$50 per ton and maybe higher. So, a farmer using best management practices on his 1000 acres could possibly get payments of $2,000–$10,000 or more per year for storing carbon.

Mr. President, the very modest sums that the Administration is seeking for these programs are not to implement Kyoto through some back-door method. There are legitimate scientific questions that need to be answered whether or not one believes Kyoto is necessary. Understanding soil science better will improve crop yields, make range management more efficient, and provide a host of environmental quality benefits. This knowledge will benefit all those who produce food and fiber.

I should note for my colleagues that there will be a national conference to explore opportunities for carbon sequestration in Missoula, Montana, from October 26–28. The purpose of this conference is to provide information and education on carbon sequestration activities to mitigate carbon dioxide emissions through market-based conservation.

Many of the experts that will speak at this conference are scientists whose work would be furthered if Congress funds the Administration's request. The efforts of the Montana Carbon Offset Coalition to establish a pilot carbon trading program would also be helped along by funding these programs.

Mr. President, there are many pressing needs facing Congress and, in particular, the managers of the Agriculture Appropriations bill. I just think that we should make investing in our future a priority. Soils seem to be a great low-cost way for us to reduce the impact our country has on the global climate. Even for those who do not believe climate change is happening due to mankind's emissions, increasing soil carbon content has huge side benefits for the economy and the environment. I hope the managers will find a way to fund these important programs in conference.

Mr. GRAMS. Mr. President, today the Senate passed the Cochran amendment to the agriculture appropriations bill that provides emergency relief to the nation's rural communities. I voted for the Cochran plan and the assistance it will bring to suffering Minnesota farm families.

Earlier in the discussion of agriculture relief, I participated in efforts to find a compromise that could provide more relief than the Cochran proposal. Specifically, I believe Minnesota farmers would have been better served by the Grassley-Conrad amendment, which failed by a close margin. The Grassley-Conrad package provided some additional elements, such as flood and crop loss payments, as well as increased aid for dairy producers. It was an $8.8 billion proposal that would have been particularly beneficial to our state's farmers.

The Cochran bill preserves the use of increased Agricultural Market Transition Act (AMTA) payments for income assistance to farmers, which is good for Minnesota producers. The Daschle-Harkin alternative package, while providing a higher amount of relief, tied income assistance to production levels. I am concerned that their proposal would have shortchanged some farmers, like wheat farmers in Northwestern Minnesota, who were unable to plant a crop this year due to severe weather. In one Northwestern county, only 10 percent of the normal acreage was planted. The Cochran proposal also provides needed relief to oilseed, livestock, dairy, and sugar producers. It also reduces the cost of crop insurance and increases the LDP payment limit to $150,000. And it exempts food and medicine sales from unilateral sanctions which will help Minnesota farmers sell to Cuba and other countries.

I am also pleased that the Senate resisted the attempt to extend the life of the Northeast Compact and prevent enactment of the federal milk marketing order reforms during consideration of the emergency farm relief package. Considering the hardships that the rural areas are suffering, now is certainly not the time to be taking up controversial proposals which discriminate against Midwest dairy farmers. Dairy farmers in the Midwest are struggling to make a decent living for their families, and they should not have to shoulder the additional burden of dairy policies that prevent them from receiving a fair price. I urge the conferees on the agriculture appropriations bill to likewise reject extension of the dairy compacts, and restore market fairness for America's dairy producers.

There is a great deal of apprehension in the rural community over the future of farming, and I am certainly glad that we passed essential relief for farmers now, instead of waiting until after the August recess. I remain committed to Freedom to Farm and the opportunity that it promises. However, Freedom to Farm can only help our farmers if the political courage can be mustered to enact reforms in the areas of taxation, sanctions and regulations, and if we can continue to expand our markets. In the short-term the nation's farmers need assistance to tide them over in these difficult times, and I'm pleased that the Senate took the necessary steps to get aid to them quickly.

Mr. DOMENICI. Mr. President, I rise in support of the Department of Agriculture and Related Agencies Appropriations bill for fiscal year 2000.

The Senate-reported bill provides $60.4 billion in new budget authority (BA) and $40.2 billion in new outlays to fund most of the programs of the Department of Agriculture and other related agencies. All of the discretionary funding in this bill is nondefense spending.

When outlays from prior-year appropriations and other adjustments are taken into account, the Senate-reported bill totals $64.3 billion in BA and $47.3 billion in outlays for FY 2000. Including mandatory savings, the Subcommittee is at its 302(b) allocation in both BA and outlays.

The Senate Agriculture Appropriations Subcommittee 302(b) allocation totals $64.3 billion in BA and $47.3 billion in outlays. Within this amount, $14.0 billion in BA and $14.3 billion in outlays is for nondefense discretionary spending.

For discretionary spending in the bill, and counting (scoring) all the mandatory savings in the bill, the Senate-reported bill is at the Subcommittee's 302(b) allocation in BA and outlays. It is $22 million in BA below and $161 million in outlays above the 1999 level for discretionary spending, and $537 million in BA and $577 million in outlays below the President's request for these programs.

I recognize the difficulty of bringing this bill to the floor at its 302(b) allocation. I appreciate the Committee's support for a number of ongoing projects and programs important to my home State of New Mexico as it has worked to keep this bill within its budget allocation.

Mr. President, I ask unanimous consent that a table displaying the Senate Budget Committee scoring of the bill be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

H.R. 1906, AGRICULTURE APPROPRIATIONS, 2000; SPENDING COMPARISONS—SENATE-REPORTED BILL

(Fiscal Year 2000 $ millions]

Senate-reported bill:				
Budget authority	13,983	....	50,295	64,278
Outlays	14,254	....	33,088	47,342
Senate 302(b) allocation:				
Budget authority	13,983	....	50,295	64,278
Outlays	14,254	....	33,088	47,342
1999 level:				
Budget authority	14,005	....	41,460	55,465
Outlays	14,093	....	33,429	47,522
President's request:				
Budget authority	14,520	....	50,295	64,815
Outlays	14,831	....	33,088	47,919
House-passed bill:				
Budget authority	13,882	....	50,295	64,177
Outlays	14,508	....	33,088	47,596
SENATE-REPORTED BILL COMPARED TO:				
Senate 302(b) allocation:				
Budget authority	....	....	....	....
Outlays	....	....	....	....
1999 level:				
Budget authority	(22)	....	8,835	8,813
Outlays	161	....	(341)	(180)
President's request:				
Budget authority	(537)	....	....	(537)
Outlays	(577)	....	....	(577)
House-passed bill:				
Budget authority	101	....	....	101
Outlays	(254)	....	....	(254)

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.

Mr. COCHRAN. Mr. President, I know of no other statements or amendments to be submitted.

I suggest that we are ready for third reading of the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under order of the Senate, H.R. 1906 is discharged and the Senate will proceed to the bill. All after the enacting clause is stricken, and the text of S. 1233 is inserted, H.R. 1906 is read a third time and passed, the Senate insists on its amendment, requests a conference with the House, and the Chair appoints Mr. COCHRAN, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. BURNS, Mr. STEVENS, Mr. KOHL, Mr. HARKIN, Mr. DORGAN, Mrs. FEINSTEIN, Mr. DURBIN, and Mr. BYRD conferees on the part of the Senate.

The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to take this opportunity to commend Senator COCHRAN for the great job he has done in handling this matter. There were a lot of interesting matters that came up and a lot of amendments that he had to consider. He has handled all of them skillfully and ably. We are very proud of the manner in which he has handled it. I also wish to commend the able Senator KOHL for working with him so well and doing such a fine job. We are very fortunate to have these fine men to handle this matter in such a skillful manner.

Mr. COCHRAN. Mr. President, I thank very much the distinguished President pro tempore, the Senator from South Carolina, Mr. THURMOND, for his generous remarks and his assistance in the handling of this bill of the Senate. His leadership is legendary. His influence in this body continues to be very important. We are grateful for his continued service in the Senate.

I also want to commend members of our staffs who have been so diligent and so effective in the handling of the duties they have assumed in connection with the development of this legislation and the passage of the bill. I specifically want to commend: Mark Keenum, my chief of staff; Rebecca Davies, chief clerk of the subcommittee; Hunt Shipman, Martha Scott Poindexter, Les Spivey, and Buddy Allen. They have all been very helpful and very conscientious and discharged their responsibilities in a professional and very praiseworthy way. I am deeply grateful for their good help.

On the Democratic side of the aisle, my good friend and colleague from Wisconsin is serving as a manager of this bill for the first time. He has done a great job helping us sort through the requests and the amendments that have been suggested in helping guide this bill to passage. We have not agreed on everything, but we worked through our disagreements in a cordial way. I appreciate very much his leadership on the Democratic side and the way he has handled his responsibilities.

I also want to thank the staff members who have worked on the Democratic side on this bill: Paul Bock, who is the chief of staff of Senator KOHL; Kate Sparks, his legislative director; Galen Fountain, who is an experienced member of the subcommittee staff, having worked for Senator Bumpers and others since his time here as a member of the Senate staff; and Carole Geagley. We appreciate the opportunity to work with all these fine folks.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I take this moment to thank Senator COCHRAN who has been an extremely fine and fair chairman. He has done a tremendous job in shepherding this bill through. I thank also Becky Davies of his subcommittee, and I express my appreciation to Galen Fountain, Paul Bock, and Kate Sparks of my side. They have done a tremendous job and been of great assistance to me. I couldn't have done my job without their help.

I am very pleased we have reached this point.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

The PRESIDING OFFICER. Under the order of the Senate of June 30, having received H.R. 2606, the Senate will proceed to the bill, all after the enacting clause is stricken, and the text of S. 1234 is inserted. H.R. 2606, as amended, is read a third time and passed. The Senate insists on its amendment, requests a conference with the House, and the Chair appoints Mr. MCCONNELL, Mr. SPECTER, Mr. GREGG, Mr. SHELBY, Mr. BENNETT, Mr. CAMPBELL, Mr. BOND, Mr. STEVENS, Mr. LEAHY, Mr. INOUYE, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mrs. MURRAY, and Mr. BYRD conferees on the part of the Senate.

The bill (H.R. 2606), as amended, was passed.

(The text of S. 1234 was printed in the RECORD of July 1, 1999)

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

WILLIE MORRIS, HONORING THE LIFE OF A GREAT SOUTHERN WRITER

Mr. LOTT. Mr. President, earlier this week, author Willie Morris, a native of Mississippi, passed away from an apparent heart attack at the young age of 64. Mr. Morris was a writer and editor who painted a vivid picture of the Southern way of life unlike any literary figure since William Faulkner. Mr. Morris had the heart of a good ole country boy who grew up in Yazoo City, and the intellect of a Rhodes Scholar.

Mr. Morris later went on to become a major literary leader, becoming editor and chief of Harper's Magazine at the age of 32. He attained national prominence in his career as a journalist, nonfiction writer, novelist, editor, and essayist by writing more than a dozen books on subjects ranging from his childhood English fox terrier in "My Dog Skip" to the intersection of football and race in "The Courting of Marcus Dupree." Critics have characterized Mr. Morris's works as being "exquisite and lyrical rendering." He was particularly well known for the books and articles in which he compared his experiences and southern heritage to America's own history.

Rather than attend the University of Mississippi, his father had him go to the distant and alien environs of the University of Texas in Austin, but in

1980 he returned to Ole Miss to be the writer in residence. His class room has been described like being at an Ole Miss v. LSU football game, because the students were always so excited.

Mr. President, Mr. Morris has been described as being "a prolific author in his own life, defining moments of intimacy and compassion."

David Sansing, a retired University of Mississippi historian said this about Mr. Morris, "Willie was such an honest voice, clear, vivid, never ambiguous. He had to leave the South to really confirm his own Southernness. But of course, he came back."

Willie Morris's writing undoubtedly had a grave impact on the lives of Mississippians and Southerners alike. He is survived by his wife, JoAnne Prichard of Jackson, and his son David Rae of New Orleans.

BUILDING SAFE SCHOOLS AND HEALTHY COMMUNITIES: THE WEST VIRGINIA RESPONSE

Mr. BYRD. Mr. President, stacks of spiral-bound notebooks and reams of paper, boxes of pencils and pens, lunch boxes and backpacks, are all making their way onto store shelves across the Nation as summer limps toward its hot, dry conclusion and the warm, crisp promise of autumn days, yellow school buses, and children walking to school closes in on us. A new school year is upon us, with all its bright potential for learning. Most students welcome the chance to see their friends again, and to again immerse themselves in the business of learning and growing. But sadly, some children are afraid to go to school. Some children must face and conquer the memories of sudden, violent death that have visited their schools in recent years.

Mr. President, in the wake of the senseless atrocities that have ripped at the traditional calm of schools across the country, it has become increasingly evident that we must work together here in Congress, and with our state governments, to prevent this kind of terrible tragedy from striking yet another American schoolyard. I am pleased to have recently joined with Senators LIEBERMAN and McCAIN in authoring legislation to create a National Commission on Youth Violence, which has been included in the Senate-passed juvenile justice legislation.

With the new school year just around the corner, it seems an opportune time to refocus our energies on the work underway in each of our respective states, and to help the states craft even more effective prevention strategies for the upcoming academic year. And similarly, the states will serve as an invaluable resource for helping us to better strategize on federal solutions necessary for restoring peace and tranquility to our nation's schools. If we hope to have a school year free from the violence and emotional grief that rocked our nation last year, an equal exchange and dialogue is truly in order.

Given the most serious nature of the challenge we face, it is important that we bring together a wide range of experts to seek solutions to school violence. In this vein, I am pleased, today, to announce my cosponsorship with West Virginia University of a day-long symposium on safe schools and communities. From representatives of the West Virginia State Police, to parents, students, and the church community, the symposium participants will focus on efforts already underway throughout the state to combat school violence, and what more needs to be done to better protect our teachers and students from classroom violence. I hope that this event will give participants the opportunity to highlight the progress that has already been made in school safety, while also helping to create a guide for what still needs to be accomplished. West Virginia University, with its wealth of research and expertise, is the ideal forum for this event, and I feel confident that its contribution in behalf of the higher education community will further strengthen this ongoing dialogue throughout the state.

A school ought to be a place where students thrive on learning for learning's sake alone, and where teachers find true pleasure in explaining the details of the battle at Antietam or the Pythagorean theorem. It ought to be a place where students can frolic in the school playground with classmates during recess without a worry in the world. Mr. President, the events of the recent past work against this vision.

It is my hope that this symposium will provide West Virginians with an opportunity to look for ways to prevent such violence from occurring in West Virginia schools. By bringing together West Virginia parents, educators, students, law enforcement officials, policy makers, and a variety of other experts to examine school- and community-based strategies to reduce youth violence, we, collectively, will bring greater clarity and wisdom to this troubling issue, both at the state and federal levels.

As students and teachers prepare for another school year, we need to reflect on the violence that has taken place in so many other communities, and look for ways to prevent such violence from occurring in West Virginia schools. Through this symposium, it is my hope that we will take the time to find the strength to reach across the lines that serve to divide us and touch the common spirit that the Creator instilled in each of us. It is long past time for us to work together on common ground to achieve common dreams.

TIME TO SUPPORT CTBT RATIFICATION

Mr. AKAKA. Mr. President, I rise to urge Senate consideration of the Comprehensive Test Ban Treaty, CTBT. As Ranking Member of the Governmental Affairs Subcommittee on International Security, Proliferation and Federal Services, I believe that ratification of the CTBT would enhance our nation's security for several reasons.

It imposes a verifiable ban on all nuclear weapons testing, conducted anywhere, at any time; it takes a pro-active step towards ending the threat of nuclear tests conducted by rogue nations attempting to develop nuclear weapons; and it demonstrates the United States' commitment to a safer and more secure future free from radioactive fallout produced by nuclear explosions. Implementing the CTBT does not preclude improving our nuclear weapons. The United States will be able to maintain a sophisticated and viable arsenal without conducting dangerous nuclear tests.

In the last decade, the most frequently cited argument against a test ban has been the claim that continued testing is necessary to ensure that stockpiled weapons are reliable; that is, they will detonate as planned and that the yield and effects will meet design specifications. Even test ban critics acknowledge that reliability stockpile testing has been mainly non-nuclear.

In testimony before the Senate Armed Services Committee, Robert Baker, former Deputy Assistant Director for Verification and Intelligence at the Arms Control and Disarmament Agency, ACDA, said, "[they] do not routinely go out and take nuclear weapons out of the stockpile and test them." Other weapons designers have testified that nuclear tests simulations on high-performance computers are adequate substitutes for nuclear explosions and can provide accurate data on warhead viability.

The purpose of testing existing weapons has not been to detect unforeseen problems but rather to check on particular problems identified through the non-nuclear inspection and simulation program. With very rare exceptions, the tested weapons performed in the desired manner. In fact, only one stockpile confidence test performed between 1979 and 1986 revealed a problem needing correction. The reason that any nuclear reliability testing of stockpiled weapons has been necessary in the past is that some older types of nuclear designs were originally put into the stockpile without the stringent production verification tests now standard. Our stockpile stewardship program enables the United States to meet the requirements for a treaty banning all types of nuclear testing while simultaneously maintaining a viable nuclear arsenal.

This is not a new effort. It was not invented by the Clinton Administration. American presidents have sought for nearly forty years to negotiate a treaty that prohibits nuclear testing.

President Eisenhower initially noted its importance in his State of the Union address in January of 1960 when he said that "looking to a controlled ban on nuclear testing" could be the means of ending the "calamitous cycle . . . which, if unchecked, could spiral into nuclear disaster."

President Kennedy later reaffirmed the United States' commitment to such a treaty in a 1963 commencement address at American University, stating that "the conclusion of such a treaty [that ended nuclear testing] would check the spiraling arms race in one of its most dangerous areas. . . . [Furthermore,] it would increase our security [and] it would decrease the prospects of war." Today, this treaty has the strong support of members from both parties.

If the Senate does not consent to the ratification of this treaty before the September 24, 1999, deadline, the United States will not be able to participate in decisions regarding the future of the treaty. Under the terms of Article XIV of the CTBT, a conference of the countries that have ratified can be convened on the third anniversary of the treaty's opening for signature to determine how to "accelerate the ratification process in order to facilitate the [treaty's] early entry into force." Although both countries that have and have not ratified the treaty before the date of this conference may attend, the non-member countries of the treaty are only invited as observers and may not participate.

The United States is one of the 44 named countries that is required to sign and ratify the treaty before it can "enter into force". If the United States does not ratify this treaty, we are preventing the CTBT's implementation. The United States must ratify this treaty so that it can continue its leadership role in arms control. We should not be the holdout country that threatens the CTBT's entry into force. By demonstrating our commitment to halting nuclear testing, the United States creates an environment that encourages other countries to ratify the treaty.

The threat of rogue nations developing nuclear weapons is real and urgent. The July 1999 Deutch Commission's Report, entitled "Combating Proliferation of Weapons of Mass Destruction," cites several examples: in the spring of 1998, India and Pakistan conducted nuclear tests, worsening instability on the subcontinent; during the recent crisis in Kashmir, a nuclear war in South Asia looked possible for the first time; and countries in the Middle East and East Asia attempted to acquire weapons of mass destruction. The CTBT prevents other nations who ratify it from conducting nuclear tests. It helps rein in rogue nations now and in the future that attempt to acquire and develop weapons of mass destruction.

Finally, this is a treaty that the American people want. Recent polls show that 82 percent of Americans support ratification of the CTBT. They know that ending nuclear explosions is a better way to protect the United States against nuclear weapons threats.

I urge the Senate Foreign Relations Committee to hold hearings on the Comprehensive Test Ban Treaty so that we may take action on this agreement before it is too late. We cannot allow the United States to be locked out of its rightful leadership role at the September review conference on this treaty. This treaty is the most effective step that we can take to enhance international security and to maintain nuclear safety.

TRIBUTE TO SPECIALIST T. BRUCE CLUFF

Mr. BENNETT. Mr. President, a memorial service was held on Monday in Ft. Bliss, Texas, to honor five American men and women who lost their lives last week in the service of this country. On July 23, an Army airplane was reported missing over Colombia with five U.S. military personnel and two Colombians on board. The wreckage was located later in the week and days later, the Department of Defense confirmed the deaths of those on board.

Coffins draped with the Stars and Stripes left Bogota, and were flown to Ft. Bliss Texas, a wreching reminder of the continued sacrifice made by American men and women in the Armed Forces and of course their families.

One of the soldiers killed in the crash was Private First Class T. Bruce Cluff, a former resident of the city of Washington in my home state of Utah. Private Cluff served as one of 300 soldiers in a Battalion whose uniforms bear a crest that states "Silently We Defend."

Mr. President, because we cannot, and should not, allow the untimely loss of those in uniform to go unnoticed, I rise today to pay tribute to Private T. Bruce Cluff, a soldier killed in the line of duty; a soldier who received the Army Good Conduct Medal; a soldier who volunteered to risk his life for the protection of our nation and its defense against aggressors.

T. Bruce Cluff was born in Mesa, Arizona, and as a member of the Boy Scouts of America, attained the rank of Eagle Scout at the age of 13. He graduated from Whitehorse High School in 1992, and served a two year mission for the Church of Jesus Christ of Latter-day Saints in the state of Montana. Private Cluff attended Dixie College in Utah and worked as a Computer Aided Draftsman before enlisting in the Army in 1997. He completed basic training at Fort Leonard Wood, Missouri and Advanced Individual Training (AIT) at Fort Huachuca, Arizona.

In mourning Cluff's death and announcing his posthumous promotion to the rank of specialist, a statement from the Army read, "His commander and NCO supervisors regarded his skills—as superlative. His can-do attitude and enthusiasm embodied the motto of his platoon, which reads, 'Excellence—Nothing Else is Acceptable.'"

As a reminder to those of use who didn't know any of the soldiers personally, I share writings from George Washington which I believe shed light on a soldier's quiet commitment, and perhaps a tendency to forget what is asked of our men and women in uniform. The winter of 1777 was a bleak time in our nation's military history. George Washington, after his defeat at the Brandywine, established Winter Headquarters at Valley Forge. The soldiers were in rags, were sick and starving. Criticism of Washington from the Congress was loud, and spreading to the public.

On December 23, General Washington wrote to the Continental Congress, explaining that "no less than 2,898 men now in camp are unfit for duty, because they are barefoot and otherwise naked.

He then addresses the criticism, "But what makes this matter still more extraordinary in my eye is, that these very gentlemen—who were well apprised of the nakedness of our troops—should think a winter's campaign, and the covering of these States [New Jersey and Pennsylvania] from the invasion of an enemy, so easy and practicable a business. I can assure those gentlemen, that it is a much easier and less distressing thing to draw remonstrances in a comfortable room by a good fireside, than to occupy a cold, bleak hill, and sleep under frost and snow, without clothes or blankets.

Those of us who are in a 'comfortable room by a good fireside,' should be reminded that the missions of the military are not comfortable nor are they easy. Even in peacetime, America has troops stationed all over the world, engaged in all manner of missions, and regrettably, none without threat.

There will be few who know about the Cluffs' loss. Specialist Cluff, to use his new rank, has not had his picture on the cover of any magazine. His life hasn't been the subject of wide media attention. However, his young wife who is expecting their third child, and his remaining two children, have lost a husband and young father. His siblings have lost a brother and his parents have lost a son. This country has lost a good soldier. It mourns with his family and honors his memory.

May the Cluffs be comforted in their time of grief. As we remember them and ask God to watch over them and bring them solace, may we also remember the family members of the other military personnel who, with Specialist Cluff, made the ultimate sacrifice in service to our country.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, let me say I was very moved by the remarks of the Senator from Utah. I am sure every Member of the Senate shares in expressing our sympathy for the men who were killed in that air crash. Certainly the Senator has done the Specialist and other Members very proud in his comments before the Senate.

HOLD ON THE NOMINATION OF RICHARD HOLBROOKE

Mr. GRASSLEY. Mr. President, on June 24 I announced that I had placed a hold on the nomination of Mr. Richard Holbrooke to be the new U.S. Ambassador to the United Nations. At that time, I had indicated that it was not a personal dispute with Mr. Holbrooke, but that it was a signal to the State Department. The Department has been mistreating a whistle blower, Ms. Linda Shenwick. She had made protected financial mismanagement disclosures to Congress. Her disclosures led to the creation of an Inspector General at the U.N., as well as other management reforms and statutory requirements.

My interest in this matter is simple. Congress cannot function as an institution if government employees cannot communicate with Congress about wrongdoing. And the executive branch should not be allowed to shoot the messenger with impunity. I am simply trying to get the two parties to return to the negotiating table, where they had been up to as recently as two months ago, and arrive at a mutually agreed-upon new job for Ms. Shenwick.

Accordingly, I have placed a hold on three new nominees from the State Department. They are the following: A. Peter Burleigh as Ambassador to the Philippines; Carl Spielvogel as Ambassador to the Slovak Republic; and, J. Richard Fredericks as Ambassador to Switzerland.

In addition to these new holds, I have taken additional steps which I choose not to disclose at this time. They are designed to increase my and other interested colleagues' ability to insist that Ms. Shenwick be treated fairly. Several of my colleagues have indicated a desire to assist me on my further endeavors.

My interest, as I said, was not with Mr. Holbrooke. I intend to vote for him. My interest is, and has been from the beginning, in making sure the process for Ms. Shenwick remains fair. It became evident to me that the Secretary of State was not out of sorts with the hold-up of the Holbrooke nomination. Yet the hold accomplished some progress.

In the first place, the Department had long ignored a letter signed by nine United States Senators in October of last year, raising our concerns about its mistreatment of Ms. Shenwick. The Department did not even respond until June 30 of this year—eight months later. Since then, we have corresponded again, and I met with State Department attorneys through the good offices of my friend from Virginia, Senator Warner.

I also met with Administration officials and have engaged in useful dialogue. It has resulted in a more highly sensitized Administration as to the need for effective communications with the State Department to ensure fair treatment for Ms. Shenwick. These communications have produced one small yet positive step toward ensuring the fairest possible process.

In the meantime, I have chosen to increase my leverage by putting the holds on these three nominees. At the same time, I will release my hold on Mr. Holbrooke, satisfied that I have greater leverage, and the Administration's heightened awareness and assurances of a fair process.

AMBASSADOR RICHARD HOLBROOKE

Mr. LEAHY. Mr. President, I have lost track of how long it has been since the President nominated Ambassador Richard Holbrooke to be the United States Permanent Representative to the United Nations.

What I do know is that in the intervening months we have fought a war in Kosovo that I supported, but which harmed our relations with Russia and China.

We have watched as tens of thousands of students demonstrated in the streets of Tehran; seen further signs that North Korea is preparing to test a long-range missile that could reach our shores; entered a new and hopeful period in the Middle East peace process; watched the Northern Ireland peace process reach a dead end once again; and seen India and Pakistan, armed with nuclear weapons and the missiles to deliver them, clash over Kashmir. All of this has occurred while Ambassador Holbrooke has been waiting to be confirmed.

So, Mr. President, it is possible for the United States to carry on without a UN ambassador. We have managed to do that. The world has not come to an end, although not a day has passed without a crisis that we have an interest in. But does anyone here think it is a sensible way for the world's only superpower to conduct itself?

Every day, we face threats to our security interests, our economic interest, that affect the health and welfare of the American people, and which require the intensive attention and intervention of skilled diplomats. Aside from the Secretary of State, there is no diplomatic position more important than our UN Ambassador.

Yet month after month after month, we have seen this nomination delayed by the Majority party. First it was due to allegations of financial irregularities, which Ambassador Holbrooke resolved months ago. Months had already been lost waiting for a hearing.

Then, shortly after the Majority Leader said the Senate would vote on his nomination, a hold was placed on it and more weeks have passed without a vote being scheduled—a vote that is certain to confirm Ambassador Holbrooke overwhelmingly. In fact, he would have been confirmed easily months ago, if the Senate had been permitted to vote.

This is the last week before the August recess. There is absolutely no justification whatsoever for delaying this further. There are no political points to be made here. On the contrary, we hurt ourselves each day that we are without a UN Ambassador. It is, frankly, ridiculous to be acting as if this position can remain vacant for month after month, without weakening our influence around the world.

So let us hope this is the week that Ambassador Holbrooke will be confirmed, and that he can get started on the difficult job that we, the American people and the President, need him to do.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, August 3, 1999, the Federal debt stood at $5,613,220,970,175.47 (Five trillion, six hundred thirteen billion, two hundred twenty million, nine hundred seventy thousand, one hundred seventy-five dollars and forty-seven cents).

One year ago, August 3, 1998, the Federal debt stood at $5,505,964,000,000 (Five trillion, five hundred five billion, nine hundred sixty-four million).

Five years ago, August 3, 1994, the Federal debt stood at $4,640,190,000,000 (Four trillion, six hundred forty billion, one hundred ninety million).

Ten years ago, August 3, 1989, the Federal debt stood at $2,811,435,000,000 (Two trillion, eight hundred eleven billion, four hundred thirty-five million).

Fifteen years ago, August 3, 1984, the Federal debt stood at $1,557,032,000,000 (One trillion, five hundred fifty-seven billion, thirty-two million) which reflects a debt increase of more than $4 trillion—$4,056,188,970,175.47 (Four trillion, fifty-six billion, one hundred eighty-eight million, nine hundred seventy thousand, one hundred seventy-five dollars and forty-seven cents) during the past 15 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 9:52 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2606. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes.

At 3:51 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 987. An act to require the Secretary of Labor to wait for completion of a National Academy of Sciences study before promulgating a standard or guideline on ergonomics.

H.R. 2031. An act to provide for injunctive relief in Federal district court to enforce State laws relating to the interstate transportation of intoxicating liquor.

H.R. 1907. An act to amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 167. Concurrent resolution authorizing the Architect of the Capitol to permit temporary construction and other work on the Capitol Grounds that may be necessary for construction of a building on Constitution Avenue Northwest, between 2nd Street Northwest and Louisiana Avenue Northwest.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 987. An act to require the Secretary of Labor to wait for completion of a National Academy of Sciences study before promulgating a standard or guideline on ergonomics; to the Committee on Health, Education, Labor, and Pensions.

H.R. 2031. An act to provide for injunctive relief in Federal district court to enforce State laws relating to the interstate transportation of intoxicating liquor; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on August 4, 1999, he had presented to the President of the United States, the following enrolled bill:

S. 880. An act to amend the Clean Air Act to remove flammable fuels from the list of substances with respect to which reporting and other activities are required under the risk management plan program, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4494. A communication from the Under Secretary of Defense for Acquisition and Technology, transmitting Selected Acquisition Reports (SARs) for the quarter ending June 30, 1999; to the Committee on Armed Services.

EC-4495. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of the Office of Civilian Radioactive Waste Management for fiscal year 1998; referred jointly, pursuant to Public Law 97-425, to the Committees on Energy and Natural Resources, and the Environment and Public Works.

EC-4496. A communication from the Deputy General Counsel, Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "Administrative Claims Under the Tort Claims Act and Representations and Indemnification of SBA Employees" (FR Doc. 99-18951 Filed 7-23-99), received August 2, 1999; to the Committee on Small Business.

EC-4497. A communication from the Interim Staff Director, United States Sentencing Commission, transmitting, pursuant to law, the annual report for fiscal year 1998; to the Committee on the Judiciary.

EC-4498. A communication from the Deputy Executive Secretary, Health Resources and Services Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Vaccine Injury Compensation Program; Addition of Vaccines Against Rotavirus to the Program" (RIN0906-AA50), received August 3, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC-4499. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to danger pay for government employees in Lima, Peru; to the Committee on Foreign Relations.

EC-4500. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, certification of a proposed Technical Assistance Agreement with Spain; to the Committee on Foreign Relations.

EC-4501. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed Manufacturing License Agreement for the export of defense services in the amount of $50,000,000 or more with the Republic of Italy; to the Committee on Foreign Relations.

EC-4502. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed Manufacturing License Agreement for the export of defense services in the amount of $50,000,000 or more with Canada; to the Committee on Foreign Relations.

EC-4503. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed Manufacturing License Agreement with Germany; to the Committee on Foreign Relations.

EC-4504. A communication from the Under Secretary of Defense, transmitting, pursuant to law, a report relative to DoD purchases from foreign entities in fiscal year 1998; to the Committee on Armed Services.

EC-4505. A communication from the Executive Director, Procurement Management Directorate, Contract Policy Team, Defense Logistics Agency, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "DLA Acquisition Directive; Types of Contracts", received August 3, 1999; to the Committee on Armed Services.

EC-4506. A communication from the Acting Branch Chief, Environmental Planning Branch, Environmental Division, U.S. Air Force, transmitting, pursuant to law, the report of a rule entitled "Environmental Impact Analysis Process" (32 CFR 989), received July 29, 1999; to the Committee on Armed Services.

EC-4507. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Temporary Assistance for Needy Families Program, dated August 1999; to the Committee on Finance.

EC-4508. A communication from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Exemption of Originating Mexican Goods From Certain Customs User Fees" (RIN1515-AC47), received July 29, 1199; to the Committee on Finance.

EC-4509. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Weighted Average Interest Rate Update" (Notice 99-38), received August 2, 1999; to the Committee on Finance.

EC-4510. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Rev. Rul. 99-34, BLS-LIFO Department Store Indexes-June 1999" (Rev. Rul. 99-34), received July 29, 1999; to the Committee on Finance.

EC-4511. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities (HCFA-1913-F)" (RIN0938-AI47), received August 3, 1999; to the Committee on Finance.

EC-4512. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Hospice Wage Index (HCFA-1054-N)" (RIN0938-AJ62), received August 3, 1999; to the Committee on Finance.

EC-4513. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of

Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Schedules of Per-Visit and Per-Beneficiary Limitations on Home Health Agency Costs Reporting Periods Beginning on or After October 1, 1999 and Portions of Cost Reporting Periods Beginning Before October 1, 1999" (RIN0938–AJ57), received August 3, 1999; to the Committee on Finance.

EC–4514. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities (HCFA–1056–N)" (RIN0938–AJ38), received August 3, 1999; to the Committee on Finance.

EC–4515. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2000 Rates" (RIN0938–AJ50), received August 3, 1999; to the Committee on Finance.

EC–4516. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Civil Money Penalties for Nursing Homes (SNF/NF), Changes in Notice Requirements, and Expansion of Discretionary Remedy", received August 3, 1999; to the Committee on Finance.

EC–4517. A communication from the Deputy Executive Secretary, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Implementation of Section 403(a)(2) of the Social Security Act Bonus to Reward Decreases in Illigitimacy Ratio" (RIN0970–AB79), received August 3, 1999; to the Committee on Finance.

EC–4518. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Appeal of the Loss of Nurse Aide Training Program" (RIN0938–AJ59), received August 3, 1999; to the Committee on Finance.

EC–4519. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, the report of a rule entitled "Documentation Requirements for Matching Credit Card and Debit Card Contributions in Presidential Campaigns", received August 2, 1999; to the Committee on Rules and Administration.

EC–4520. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, the report of a rule entitled "Party Committee Coordinated Expenditures; Costs of Media Travel with Publicly Financed Presidential Candidates", received August 2, 1999; to the Committee on Rules and Administration.

EC–4521. A communication from the Employee Benefits Manager, AgFirst Farm Credit Bank, transmitting, pursuant to law, three reports relative to federal pension plans for calendar year 1998; to the Committee on Governmental Affairs.

EC–4522. A communication from the General Counsel, Office of Management and Budget, transmitting, pursuant to law, a report relative to a vacancy in the position of Deputy Director for Management, the designation of an Acting Deputy Director, and the nomination of a Deputy Director; to the Committee on Governmental Affairs.

EC–4523. A communication from the General Counsel, Office of Management and Budget, transmitting, pursuant to law, a report relative to a vacancy in the position of Controller, Office of Federal Financial Management, the designation of an Acting Controller, and the nomination of a Controller; to the Committee on Governmental Affairs.

EC–4524. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to the Procurement List, received August 2, 1999; to the Committee on Governmental Affairs.

EC–4525. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the annual report of the Civil Service Retirement and Disability Fund for fiscal year 1998; to the Committee on Governmental Affairs.

EC–4526. A communication from the Chairman, U.S. Merit Systems Protection Board, transmitting, pursuant to law, a report entitled "Federal Supervisors and Poor Performers", dated July 1999; to the Committee on Governmental Affairs.

EC–4527. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relative to General Accounting Office employees detailed to congressional committees as of July 19, 1999; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–287. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the appellate jurisdiction of federal courts regarding partial-birth abortions; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION NO. 257

Whereas, Louisiana is one of twenty-five states which has recently prohibited the specific medical procedure termed "partial-birth abortions"; and

Whereas, numerous other states are working this legislative session to enact the same ban; and

Whereas, federal district courts have thus far struck down laws in seventeen different states, effectively declaring that partial-birth abortions cannot be banned; and

Whereas, this intrusion of the Federal courts in these states decisions concerning this medical procedure can be remedied only by federal congressional action to limit the jurisdiction of these federal courts; and

Whereas, the United States Constitution does not create or regulate these inferior federal courts, but instead explicitly gives congress the power to do so; and

Whereas, the U.S. Constitution makes the jurisdiction of the federal courts subject to congressional proscription through Article III, Section 2, Para. 2, by declaring that federal courts "shall have appellate jurisdiction both as to law and fact with such exceptions and under such regulations as congress shall make"; and

Whereas, the intent of the framers of our documents was clear on this power of congress, such as when Samuel Chase (a signer of the Declaration of Independence and a U.S. Supreme Court Justice appointed by President George Washington) declared, "The notion has frequently been entertained that the federal courts derive their judicial power immediately from the constitution; but the political truth is that the disposal of the judicial power (except in a few specified instances) belongs to Congress. If Congress has given the power to this court, we possess it, not otherwise"; and

Whereas, Justice Joseph Story, in his authoritative Commentaries on the Constitution, similarly declares, "In all cases where the judicial power of the United States is to be exercised, it is for Congress along to furnish the rules of proceeding, to direct the process, to declare the nature and effect of the process, and the mode, in which the judgment, consequent thereon, shall be executed . . . And if Congress may confer power, they may repeal it . . . [The power of Congress [is] complete to make exceptions"]; and

Whereas, this position is confirmed not only by the signers of the Constitution themselves, such as George Washington and James Madison, but also by other leading constitutional experts and jurists of the day, including Chief Justice John Rutledge, Chief Justice Oliver Ellsworth, Chief Justice John Marshall, Richard Henry Lee, Robert Yates, George Mason, and John Randolph; and

Whereas, the United States Supreme Court has long recognized and affirmed this power of congress to limit the appellate jurisdiction of the federal courts, as in 1847 when the court declared that the "court possesses no appellate power in any case unless conferred upon it by act of Congress" and in 1865 when it declared "it is for Congress to determine how far . . . appellate jurisdiction shall be given; and when conferred, it can be exercised only to the extent and in the manner prescribed by law"; and

Whereas, congress has on numerous occasions exercised this power to limit the jurisdiction of federal courts, and the Supreme Court has consistently upheld this power of congress in rulings over the last two centuries, including cases in 1847, 1866, 1868, 1876, 1878, 1882, 1893, 1898, 1901, 1904, 1906, 1908, 1910, 1922, 1948, 1966, 1973, 1977, etc; and

Whereas, it is congress alone which can remedy this current crisis and return to the states the power to make their own decisions on partial-birth abortions by excepting this issue from the appellate jurisdiction of the federal courts.

Therefore, be it *Resolved*, That the Legislature of Louisiana respectfully appeals to the Congress of these United States to limit the appellate jurisdiction of the federal courts regarding the specific medical practice of partial-birth abortions.

Be it *further Resolved*, That a copy of this Resolution be sent to the Speaker of the United States House of Representatives, the President of the United States Senate, and the Chief Clerical Officers of the United States House of Representatives and the United States Senate.

POM–288. A resolution adopted by the Legislature of the State of Alaska relative to the division of the Ninth Circuit Court of Appeals; to the Committee on the Judiciary.

LEGISLATIVE RESOLVE NO. 25

Be it resolved by the legislature of the State of Alaska:

Whereas the State of Alaska is within the jurisdiction of the United States Court of Appeals for the Ninth Circuit; and

Whereas the Court of Appeals for the Ninth Circuit consists of the States of Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington, and Guam, and the Commonwealth of the Northern Marianas Islands; and

Whereas United States Senators Murkowski of Alaska and Gorton of Washington have introduced S. 253, a bill that would amend Title 28 of the United States Code to divide the Court of Appeals for the Ninth Circuit into three regional divisions and a fourth circuit division, and that has the short title of the "Federal Ninth Circuit Reorganization Act of 1999"; and

Whereas S. 253 proposes to place the states of Alaska, Idaho, Montana, Oregon, and Washington within one regional division of the Court of Appeals for the Ninth Circuit and to place the other states and territories, possessions, and protectorates into two other regional divisions; and

Whereas S. 253 proposes to adopt the recommendations of a Congressionally mandated commission, chaired by retired Supreme Court Justice Byron R. White, that studied the realignment of the federal courts of appeal; the recommendations were made in a report issued in December 1998; and

Whereas the membership of the Court of Appeals for the Ninth Circuit is heavily weighted toward the State of California and the court seems to concern itself predominately with issues arising out of California and the Southwestern United States; and

Whereas the Court of Appeals for the Ninth Circuit's case filings are consistently either greater than any other federal circuit or among the greatest; and

Whereas the Court of Appeals for the Ninth Circuit is the largest of the 13 circuit courts of appeal, spanning 1,400,000 square miles, and is larger than the First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eleventh Circuits combined; and

Whereas the Court of Appeals for the Ninth Circuit serves a population of more than 49,000,000 people, almost 60 percent more than any other federal circuit; and

Whereas members of the Court of Appeals for the Ninth Circuit have shown a surprising lack of understanding of Alaska's people and geography; and

Whereas, in the so-called "Katie John" subsistence case, which is of tremendous importance to the people of the State of Alaska, even though the Court of Appeals for the Ninth Circuit granted expedited consideration of that case, the court did not issue its decision for over 13 months; and

Whereas the Court of Appeals for the Ninth Circuit consistently ranks at or near the bottom of the circuits in time from the filing of a case in the district court to final disposition in the court appeals; and

Whereas Attorney General Bruce Botelho has estimated that there are more than 200 Alaska cases currently pending before the Court of Appeals for the Ninth Circuit; and

Whereas, previously, the Attorneys General of the States of Idaho, Montana, Oregon, and Washington have also found that similar issues of unnecessary delay concerning, lack of understanding of, and lack of consideration for cases and issues by the Court of Appeals for the Ninth Circuit exist in regard to those states; and

Whereas the division of the Court of Appeals for the Ninth Circuit into regions would benefit the States of Alaska, Idaho, Montana, Oregon, and Washington by providing speedier and more consistent rulings by jurists who have a greater familiarity with the social, geographical, political, and economic life of the region, especially if those jurists were required to be residents of that region;

Be it, *Resolved* That the Alaska State Legislature strongly supports S. 253 and the division of the Court of Appeals for the Ninth Circuit into three regional divisions with one region consisting of the States of Alaska, Idaho, Montana, Oregon, and Washington headquartered in the Pacific Northwest; and be it

Further Resolved, That the Alaska State Legislature questions the need for a fourth circuit division and urges the sponsors of S. 253 and the United States Congress to inquire into the need for a fourth circuit division; and be it

Further Resolved, That the Alaska State Legislature urges the sponsors of S. 253 to consider including a requirement that judges assigned to one of the three regional divisions must reside in that regional division and urges the United States Congress to amend S. 253 to address this concern; and be it

Further Resolved, That the Alaska State Legislature believes that a reorganization of the Court of Appeals for the Ninth Circuit is long overdue and urges the United States Congress to expeditiously consider and enact S. 253.

Copies of this resolution shall be sent to the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Trent Lott, Majority Leader of the U.S. Senate; the Honorable Dick Armey, Majority Leader of the U.S. House of Representatives; the Honorable Thomas Daschle, Minority Leader of the U.S. Senate; the Honorable Richard A. Gephardt, Minority Leader of the U.S. House of Representatives; the Honorable Orrin G. Hatch, Chair of the U.S. Senate Committee on the Judiciary; the Honorable Henry J. Hyde, Chair of the U.S. House Committee on the Judiciary; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

POM–289. A resolution adopted by the Legislature of the State of Alaska relative to the year 2000 census; to the Committee on Governmental Affairs.

Legislative Resolve No. 22

Be it resolved by the legislature of the State of Alaska:

Whereas the Constitution of the United States requires an enumeration of the population every 10 years and entrusts the Congress with overseeing each decennial enumeration; and

Whereas the sole constitutional purpose of the decennial census is to apportion the seats in the United States House of Representatives among the several states; and

Whereas an accurate and legal decennial census is necessary to properly apportion the seats in the United States House of Representatives among the states and to create legislative districts within the states; and

Whereas 13 U.S.C. 141(c) mandates that the Bureau of the Census provide each state with basic tabulations of population (P.L. 94–171 data) within one year after the decennial census date; and

Whereas the Alaska State Legislature believes that Article I, Section 2, Constitution of the United States, in order to ensure an accurate count and to minimize the potential for political manipulation, mandates an "actual enumeration," meaning a physical headcount of the population, and prohibits reliance on estimates of the population for purposes of apportioning seats in the United States House of Representatives among the several states; and

Whereas legislative redistricting conducted by the states is a critical subfunction of the constitutional requirement to apportion representatives among the states; and

Whereas the United States Supreme Court, in Department of Commerce v. United States House, slip. op. no. 98–404, 1999 WL 24616, 67 U.S.L.W. 4090, ruled on January 25, 1999, that 13 U.S.C. 195 prohibits the proposed use by the Bureau of Census of statistical sampling in the determination of population for purposes of apportioning seats in the United States House of Representatives among the several states; and

Whereas the appellees in Department of Commerce v. United States House established standing partly on the basis of a claim of expected intrastate vote dilution due to the proposed use by the Bureau of the Census of statistical sampling; and

Whereas the use of census data adjusted by means of sampling or other statistical methodologies in redistricting by the State of Alaska could raise serious issues of vote dilution and violate "one-person, one-vote" legal protections, expose the state to protracted and costly litigation over redistricting, and ultimately result in a court ruling invalidating the redistricting plan; and

Whereas the Alaska State Legislature believes that a person, once enumerated, should not be counted by sampling or other statistical methodologies for purposes of redistricting; and

Whereas every reasonable and practical effort should be made to obtain the fullest and most accurate count of the population possible, including appropriate funding for state and local census outreach and education programs and post-census local review;

Be it *Resolved* That the Alaska State Legislature calls on the Bureau of the Census to conduct the 2000 decennial census consistent with the ruling in Department of Commerce v. United States House and with the Constitution of the United States; and be it

Further Resolved That the Alaska State Legislature calls on the Bureau of the Census to conduct a physical headcount of the population and not to use random sampling techniques or other statistical methodologies that add persons to or subtract persons from the census count in developing redistricting data under P.L. 94–171 for use by the states in intrastate redistricting; and be it

Further Resolved That the Alaska State Legislature opposes the use of P.L. 94–171 data for state legislative redistricting based on census numbers that have been determined in whole or in part by the use of statistical inferences derived by means of random sampling techniques or other statistical methodologies that add or subtract persons; and be it

Further Resolved That the Alaska State Legislature requests that Alaska be given P.L. 94–171 data for legislative redistricting identical to the census tabulation date used to apportion seats in the United States House of Representatives, derived from a physical headcount of the population, and not adjusted using random sampling techniques or other statistical methodologies that add persons to or subtract persons from the census count; and be it

Further Resolved That the Alaska State Legislature urges the Congress, as the branch of government assigned the responsibility of overseeing the decennial enumeration of the population, to take whatever steps are necessary to ensure that the 2000 decennial census is conducted fairly and legally.

Copies of this resolution shall be sent to the Honorable Bill Clinton, President of the United States; the Honorable Al Gore, Jr., Vice-President of the United States and President of the U.S. Senate; the Honorable William M. Daley, Secretary of the U.S. Department of Commerce; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Trent Lott, Majority Leader of the U.S. Senate; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 832: A bill to extend the commercial space launch damage indemnification provisions of section 70113 of title 49, United States Code (Rept. No. 106–135).

By Mr. BOND, from the Committee on Small Business, with an amendment in the nature of a substitute:

H.R. 1568: A bill to provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes (Rept. No. 106–136).

By Mr. ROTH, from the Committee on Finance:

Report to accompany the bill (S. 1388) to extend the Generalized System of Preferences (Rept. No. 106–137).

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 800: A bill to promote and enhance public safety through the use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services, and for other purposes (Rept. No. 106–138).

By Mr. JEFFORDS, from the Committee on Health, Education, Labor and Pensions, with an amendment in the nature of a substitute:

S. 632: A bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. WARNER, for the Committee on Armed Services:

Charles A. Blanchard, of Arizona, to be General Counsel of the Department of the Army.

Carol DiBattiste, of Florida, to be Under Secretary of the Air Force.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Larry T. Ellis, 0760

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral (lower half)

David M. Crocker, 2737

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral (lower half)

Capt. Mark A. Young, 5581

The following named officer for appointment as Chief of Naval Personnel, United States Navy, and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., sections 601 and 5141:

To be vice admiral

Rear Adm. Norbert R. Ryan, Jr., 4487

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Ms. SNOWE (for herself and Mr. Wyden):

S. 1480. A bill to amend title XVIII of the Social Security Act to assure access of medicare beneficiaries to prescription drug coverage through the SPICE drug benefit program; to the Committee on Finance.

By Mr. McCONNELL (for himself, Mr. Helms, Mr. Bunning, Mr. Coverdell, Mr. Edwards, Mr. Robb, and Mr. Warner):

S. 1481. A bill to amend the Agricultural Adjustment Act of 1938 to release and protect the release of tobacco production and marketing information; to the Committee on Agriculture, Nutrition, and Forestry.

By Ms. SNOWE (for herself, Mr. Kerry, Mr. McCain, Mr. Hollings, and Mr. Breaux):

S. 1482. A bill to amend the National Marine Sanctuaries Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. REID (for himself, Mr. Kerry, Mrs. Murray, Mr. Daschle, and Mr. Kennedy):

S. 1483. A bill to amend the National Defense Authorization Act for Fiscal Year 1998 with respect to export controls on high performance computers; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPECTER:

S. 1484. A bill entitled "Blind Justice Act of 1999"; to the Committee on the Judiciary.

By Ms. LANDRIEU (for Mr. Nickles (for himself, Ms. Landrieu, Mr. Ashcroft, Mr. Bond, Mr. Brownback, Mr. Chafee, Mr. Cochran, Mr. Craig, Mr. DeWine, Mr. Edwards, Mr. Grassley, Mr. Hollings, Mr. Inhofe, Mr. Kennedy, Mr. Levin, Mr. Lott, Mr. Rockefeller, and Mr. Smith of Oregon)):

S. 1485. A bill to amend the Immigration and Nationality Act to confer United States citizenship automatically and retroactively on certain foreign-born children adopted by citizens of the United States; to the Committee on the Judiciary.

By Mr. GORTON:

S. 1486. A bill to establish a Take Pride in America Program; to the Committee on Energy and Natural Resources.

By Mr. AKAKA (for himself, Mr. Cochran, Mrs. Murray, Mr. Inouye, and Mr. Kerrey):

S. 1487. A bill to provide for excellence in economic education, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GORTON:

S. 1488. A bill to amend the Public Health Service Act to provide for recommendations of the Secretary of Health and Human Services regarding the placement of automatic external defibrillators in Federal buildings in order to improve survival rates of individuals who experience cardiac arrest in such buildings, and to establish protections from civil liability arising from the emergency use of the devices; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BIDEN:

S. 1489. A bill to amend title 38, United States Code, to provide for the payment to States of pilot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States; to the Committee on Veterans Affairs.

By Mr. THOMPSON (for himself and Mr. Frist):

S. 1490. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes; to the Committee on Finance.

By Mr. GRAMS (for himself and Mr. Wellstone):

S. 1491. A bill to authorize a comprehensive program of support for victims of torture abroad; to the Committee on Foreign Relations.

By Mr. MACK (for himself, Mr. Abraham, Mr. Allard, Mr. Bennett, Mr. Brownback, Mr. Hagel, Mr. Helms, and Mr. Shelby):

S. 1492. A bill to require the Board of Governors of the Federal Reserve System to focus on price stability in establishing monetary policy to ensure the stable, long-term purchasing power of the currency, to repeal the Full Employment and Balanced Growth Act of 1978, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPECTER (for himself and Mr. Santorum):

S. 1493. A bill to establish a John Heinz Senate Fellowship Program to advance the development of public policy with respect to issues affecting senior citizens; to the Committee on Rules and Administration.

By Mr. BINGAMAN (for himself, Mr. Rockefeller, Ms. Snowe, and Ms. Mikulski):

S. 1494. A bill to ensure that small businesses throughout the United States participate fully in the unfolding electronic commerce revolution through the establishment of an electronic commerce extension program at the National Institutes of Standards and Technology; to the Committee on Commerce, Science, and Transportation.

By Mr. DeWINE:

S. 1495. A bill to establish, wherever feasible, guidelines, recommendations, and regulations that promote the regulatory acceptance of new and revised toxicological tests that protect human and animal health and the environment while reducing, refining, or replacing animal tests and ensuring human safety and product effectiveness; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HOLLINGS (by request):

S. 1496. A bill to authorize activities under the Federal railroad safety laws for fiscal years 2000 through 2003, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER (for herself, Mr. Smith of Oregon, and Mr. Lautenberg):

S. 1497. A bill to amend the Foreign Assistance Act of 1961 to take steps to control the growing international problem of tuberculosis; to the Committee on Foreign Relations.

By Mr. BURNS:

S. 1498. A bill to amend chapter 55 of title 5, United States Code, to authorize equal overtime pay provisions for all Federal employees engaged in wildland fire suppression operations; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BROWNBACK (for himself, Mr. Moynihan, Mr. Lott, Mr. Dorgan, Mr. Allard, Mr. Conrad, Mr. Abraham, Mr. Coverdell, Mr. Sessions, and Mr. Craig):

S. Res. 172. A resolution to establish a special committee of the Senate to address the cultural crisis facing America; to the Committee on Rules and Administration.

By Mr. LOTT (for himself and Mr. Daschle):

S. Res. 173. To authorize representation of the Senate Committee on Armed Services in the case of Philip Tinsley III v. Senate Committee on Armed Services; considered and agreed to.

S. Res. 174. To authorize representation of the Senate Committee on the Judiciary in the case of Philip Tinsley III v. Senate Committee on the Judiciary; considered and agreed to.

By Mr. BROWNBACK (for himself, Mr. Lieberman, Mr. Lott, Mr. Helms, Mr. Graham, Mr. Mack, Mr. Wellstone, and Mr. Wyden):

S. Con. Res. 50. A concurrent resolution expressing the sense of Congress concerning the continuous repression of freedom of expression and assembly, and of individual human rights, in Iran, as exemplified by the recent repression of the democratic movement of Iran; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. SNOWE (for herself and Mr. Wyden):

S. 1480. A bill to amend title XVIII of the Social Security Act of assure access of Medicare beneficiaries to prescription drug coverage through the SPICE drug benefit program; to the Committee on Finance.

SENIORS PRESCRIPTION INSURANCE COVERAGE EQUITY (SPICE) ACT OF 1999

• Ms. SNOWE. Mr. President, today I am introducing the Seniors Prescription Insurance Coverage Equity (SPICE) Act along with my colleague from Oregon, Senator Wyden. The purpose of this bill is to provide Medicare beneficiaries with access to prescription drug coverage. The program is voluntary and federal assistance will be provided to help pay for the premiums. Senator Wyden and I believe that this bill is one solution to the lack of prescription drug coverage for America's seniors and we believe that it is a bill we could and should enact this year.

Lack of prescription drug coverage is a serious problem facing our seniors. When Medicare was created in 1965 it was based on the inpatient care system that was prevalent at that time. Today, thirty four years later, drug therapy often allows individuals to stay out of the hospital—but Medicare does not cover drugs. And the lack of coverage means that those over 65 years of age end up paying for half the costs associated with their prescriptions, while the average person under age 65 pays only a third. It also means that seniors are forgoing medication because they cannot afford it.

The SPICE Act creates a voluntary supplemental drug insurance policy that all Medicare eligible individuals can purchase. These policies will be guaranteed issue—no one can be turned down. SPICE eligibility will begin when Medicare eligibility begins. There will be a penalty for late entry, just as there is for those who make a late entry into the Medicare Part B program. The penalty fee for late entry will be waived if the late entry is based on the loss of prior drug coverage from a Medicare + Choice plan or a retiree group health plan.

All seniors will receive some premium support assistance on a sliding scale based on income. Every senior will receive at least 25% premium support. Those below 150% of the federal poverty line will receive 100% premium support. A sliding scale will phase down the premium support from 100% to 25% for those between 150% and 175% of the federal poverty line.

The federal premium support will be used to allow seniors to purchase SPICE policies from private providers, similar to the Medigap program. The policies will all meet a threshold standard developed by the SPICE Board, which includes consumers, state insurance commissioners, and insurance representatives, and will be designed with seniors needs in mind. Medicare+Choice and group health plans which provide drug coverage for Medicare eligible individuals will be able to receive the actuarial value of the drug benefit if their plans meet or exceed the SPICE Board threshold benefit plan.

Seniors will be given a choice of plans. This will ensure competition and help keep the costs down and will allow seniors to choose the plan that best meets their needs. To provide an idea of the types of choices, plans may offer coverage for different drugs (formularies), copays, deductibles, and caps. The SPICE Board will disseminate information about these choices, much like the Federal Employee Benefit Health Program (FEHBP) does.

Funding sources for the benefit will come from the on-budget surplus, which the Congressional Budget Office (CBO) estimates show to be $505 billion after the $792 billion tax cut legislation that is currently in conference. Additional funding may come from implementing the President's FY2000 budget proposal to raise the tobacco tax by 55 cents per pack in addition to enacting the 15 cent tobacco increase already in law one year earlier than originally planned.

America's seniors need help in obtaining prescription drug coverage. SPICE is a doable proposal that can be passed whether or not we are able to move forward on Medicare reform this year.•

• Mr. WYDEN. Mr. President, today Senator Snowe and I are introducing legislation to provide seniors with insurance coverage for prescription drugs. This legislation, the Seniors Prescription Insurance Coverage Equity Act, SPICE, is the only bipartisan, market-based approach to provide seniors with choice and access to coverage that is actually paid for. It will give seniors the same kind of coverage that their member of Congress has.

The key issue for seniors around our nation, when it comes to the issue of prescription drugs, is affordability. Our proposal will assure that each and every senior who voluntarily chooses to enroll in a SPICE plan will have the bargaining power of HMOs and of the large insurers whose job it is to get the best price they can. At least 13 million seniors have no prescription drug coverage at all. Those seniors get penalized twice: they have to pay all their costs, and they pay more because they can't get the negotiated rate that the insurers and HMOs can. This bill will level the playing field for those seniors giving them affordability and access.

We know the kinds of drugs that are coming on the market now can help save lives, better the health status of an older person and, in many instances, save dollars because seniors taking their prescription drugs as they are told to by their doctor will prevent costly hospitalizations and the progression of disease. If we were to create Medicare today from scratch, there would be no questions about including prescription drug coverage. If we want to assure that Medicare beneficiaries stay healthy longer we must provide prescription drug coverage. If we want to be thoughtful, prudent purchasers of health care, we must find a way to assure seniors access to the drugs.

I believe the Snowe-Wyden proposal is that thoughtful, prudent and reasonable way. It assures a variety of options for coverage, and it assures that we bring real dollars to the table to pay for the program. There is no smoke and mirrors, no IOUs or other budget gimmicks in this plan.

The Snowe-Wyden proposal will be funded by funding from the non-Social Security on-budget surplus and a 55-cent increase in the tobacco tax. During this body's deliberations of the budget resolution, an amendment that Sen. SNOWE and I offered received 54 votes, including 12 Republican votes to do just this—fund a prescription drug benefit for seniors with an increase in the tobacco tax.

The SPICE legislation creates a senior-oriented program using the Federal Employees Benefit Program (FEHBP) as a model to provide benefits that include prescription drugs and other non-Medicare covered benefits. This benefit would be open to every beneficiary and be voluntary. However, if the senior elected coverage later rather when they were first eligible, the individual would pay incrementally more the longer he or she waited to choose a comprehensive coverage option.

The individual senior would be able to select from an array of drug policies and Medicare+Choice plans with prescription drugs coverage. This would be voluntary. No senior would have to change what their current coverage is if they do not choose to do so. All plans would be offered by private sector companies. For beneficiaries under 150 percent of the poverty level—$12,075 for a single senior and $16,275 for a couple, the federal government would pay the entire premium. For those between 150 percent and 175 percent of the federal poverty level, the amount the federal government would pay phases down from 100 percent of premium to 25 percent of the premium amount. For beneficiaries at 175 percent of poverty and over, the federal government would pay 25 percent of the premium amount.

Our SPICE benefit will be administered by a new Board that would be separate from the Health Care Financing Administration but report to the Secretary of Health and Human Services. The Board would approve plan designs and premium submissions, approve and distribute consumer education materials, develop enrollment procedures and make recommendations concerning additional funding, further ability to pay mechanisms and other steps needed to assure continuing availability of comprehensive coverage as seniors' health needs change over time.

Many of us would prefer to do an overhaul of Medicare and modernize it to include benefits like prescription drugs. However, the thirteen million Medicare beneficiaries who need coverage and the millions who have coverage that does not truly help them, need a way to get meaningful coverage today. This proposal will do that.●

By Ms. SNOWE (for herself, Mr. KERRY, Mr. MCCAIN, Mr. HOLLINGS, and Mr. BREAUX):

S. 1482. A bill to amend the National Marine Sanctuaries Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NATIONAL MARINE SANCTUARIES AMENDMENTS ACT OF 1999

Ms. SNOWE. Mr. President, I rise today to introduce the National Marine Sanctuaries Amendments Act of 1999. I am pleased that Senator KERRY, Ranking Member of the Subcommittee on Oceans and Fisheries, Senator MCCAIN, Chairman of the Commerce Committee, Senator HOLLINGS, Ranking Member of the Commerce Committee, and Senator BREAUX are joining me as cosponsors on this legislation. This bill will protect our nation's valuable marine resources while facilitating their sustainable use.

One hundred years after the first national park was created, the United States made a similar commitment to preserving its valuable marine resources by establishing the National Marine Sanctuary Program in 1972. Since then, twelve areas covering a wide range of marine habitats have been designated as national marine sanctuaries. Half of these designations have occurred in the last decade.

Today, our marine sanctuaries encompass everything from kelp forests and marine mammal nursery grounds, to underwater archeological sites. Together these sanctuaries protect nearly 18,000 square miles of ocean waters, an area nearly the size of Vermont and New Hampshire combined.

Acting as a platform for better ocean stewardship, these sanctuaries offer an opportunity for research, outreach, and educational activities. The national sanctuaries are also a model for multiple use management in the marine environment.

Obviously, balancing the protection of public resources with fostering economic activities requires the cooperative efforts of the federal, state, and local governments, as well as nongovernmental organizations and the public. There are many of these partnerships working together within the national marine sanctuary program. Most of the successes of the program can be attributed to these partnerships.

One of these sanctuaries is located in the Gulf of Maine. The Stellwagen Bank National Marine Sanctuary provides feeding and nursery grounds for more than a dozen types of whales, including the endangered humpback, northern right, sei, and fin whales. This has led to the development of a thriving whale watching tourist trade in the sanctuary. The area also supports diverse seabird species and other fish and shellfish such as bluefin tuna, herring, cod, flounder, lobster, and scallops. Consequently, important commercial fisheries for lobster, bluefin tuna, cod and others exist in and around the sanctuary.

Historic data strongly suggest the presence of several shipwreck sites within the sanctuary, including the recently discovered wreck of the steamship *Portland* which sunk in 1898. Seven historic shipwrecks have been identified within or adjacent to the boundaries. However, a complete inventory of historical resources has not been conducted. These traditional shipping lanes are still active today. A heavily-used vessel traffic separation lane in the sanctuary facilitates the passage of more than 2,700 commercial vessels in and out of regional ports each year.

Through careful management and cooperation, all of these diverse uses coexist in a marine sanctuary while providing protection to the marine resources. This is just one example of the diverse management strategies being utilized by the national program.

The goal of the national marine sanctuary program is quite ambitious. Unfortunately, lack of funding has hampered their success. To date, insufficient funds have been provided to keep up with the pace of expansion of the sanctuary system. As a result, the 12 existing sanctuaries are not fully operational. Nationwide, individual sanctuaries are understaffed; unable to fully implement their management plans; unable to review existing management plans every five years as required by law; and lack educational and outreach materials and facilities. Consequently, management plans that were written twenty years ago have not been updated to adapt to the changing needs of the area nor for advances in science and resource management.

Congress identified the need for these sanctuaries when we passed the original Act in 1972. It is time now to provide the funds necessary to achieve what we set out to do. This will require an increase in the authorization level. The bill we are introducing today provides $30 million in FY 2000 and increases the annual authorization level by $2 million a year to $38 million in FY 2004.

It is time to move beyond fundamental planning and reach full implementation of the national program. This bill focuses the sanctuary program on making the existing sanctuaries fully operational before the formal designation process can begin for additional sanctuaries. It is our intention that management plans be developed in an open and participatory process so that partnerships between resource protection and compatible uses are given every chance to succeed. Further, management plans must be reviewed and updated in a timely manner so that we can prioritize our objectives and respond to the changing needs of the resources and the people who utilize them.

A large part of the implementation process is the development of enforcement capabilities. It is one thing to plan resource protection, it is another thing to actually provide it. At the Subcommittee on Oceans and Fisheries hearing on reauthorization of the National Marine Sanctuaries Act, it was disappointing to hear about the overwhelming lack of enforcement in our marine sanctuaries. This bill encourages the development and implementation of meaningful enforcement plans, including partnerships with the states and other authorized entities. This will now become a part of the management plan review process. Further, the Administration will need to demonstrate that effective enforcement plans exist for the current sanctuaries before beginning the formal designation process for additional sanctuaries.

The National Marine Sanctuaries Act expires at the end of Fiscal Year 1999. This bill gives us the opportunity to realize the goals first laid out by Congress in 1972. There can be no doubt that this revitalization of the sanctuary program is long overdue.

Mr. President, this is a strong and much-needed bill that enjoys bipartisan support on the Commerce Committee. I look forward to moving this bill at the earliest opportunity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Marine Sanctuaries Amendments Act of 1999".

SEC. 2. AMENDMENT OF NATIONAL MARINE SANCTUARIES ACT.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment or repeal to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Marine Sanctuaries Act (16 U.S.C. 1431 et seq.).

SEC. 3. CHANGES IN FINDINGS, PURPOSES, AND POLICIES.

(a) AMENDMENT OF FINDINGS.—Section 301(a) (16 U.S.C. 1431(a)) is amended—

(1) by striking "research, educational, or aesthetic" in paragraph (2) and inserting "scientific, educational, cultural, archaeological, or aesthetic";

(2) by inserting "ecosystem" after "comprehensive" in paragraph (3);

(3) by striking "wise use" in paragraph (5) and inserting "sustainable use";

(4) by striking "and" after the semicolon in paragraph (5);

(5) by striking "protection of these" in paragraph (6) and inserting "protecting the biodiversity, habitats, and qualities of such"; and

(6) by inserting "and the values and ecological services they provide" in paragraph (6) after "living resources".

(b) AMENDMENT OF PURPOSES AND POLICIES.—Section 301(b) (16 1431(b)) is amended—

(1) by striking "significance;" in paragraph (1) and inserting "significance and to manage these areas as the National Marine Sanctuary System;";

(2) by striking paragraph (3) and inserting the following:

"(3) to maintain natural biodiversity and biological communities, and to protect, and where appropriate, restore, and enhance natural habitats, populations, and ecological processes;";

(3) by striking "understanding, appreciation, and wise use of the marine environment;" in paragraph (4) and inserting "understanding, and appreciation of the natural, historical, cultural, and archaeological resources of national marine sanctuaries;";

(4) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), and inserting after paragraph (4) the following:

"(5) to support, promote, and coordinate scientific research on, and long-term monitoring of, the resources of these marine areas;";

(5) by striking "areas;" in paragraph (8), as redesignated, and inserting "areas, including the application of innovative management techniques; and";

(6) by striking "marine resources; and" in paragraph (9), as redesignated, and inserting "marine and coastal resources."; and

(7) by striking paragraph (10), as redesignated.

SEC. 4. CHANGES IN DEFINITIONS.

Section 302 (16 U.S.C. 1432) is amended—

(1) by striking "304(a)(1)(C)(v)" in paragraph (1) and inserting "304(a)(2)(A)";

(2) by striking " 'Magnuson" in paragraph (2) and inserting " 'Magnuson-Stevens";

(3) by striking "and" after the semicolon in subparagraph (B) of paragraph (6);

(4) by striking "resources;" in subparagraph (C) of paragraph (6) and inserting "resources; and";

(5) by inserting after paragraph (6)(C) the following:

"(D) the cost of curation and conservation of archaeological, historical, and cultural sanctuary resources;";

(6) by striking "injury;" in paragraph (7) and inserting "injury, including enforcement activities related to any incident;"

(7) by striking "educational, or " in paragraph (8) and inserting "educational, cultural, archaeological,";

(8) by striking "and" after the semicolon in paragraph (8);

(9) by striking "Magnuson Fishery Conservation and Management Act." in paragraph (9) and inserting "Magnuson-Stevens Act;"; and

(10) by adding at the end thereof the following:

"(10) 'system' means the National Marine Sanctuary System established by section 303; and

"(11) 'person' has the meaning given that term by section 1 of title 1, United States Code, but includes a department, agency, and instrumentality of the government of the United States, a State, or a foreign Nation.".

SEC. 5. CHANGES IN SANCTUARY DESIGNATION STANDARDS.

Section 303 (16 U.S.C. 1433) is amended—

(1) by striking the section caption and inserting the following:

SEC. 303. NATIONAL MARINE SANCTUARY SYSTEM.

(2) by striking subsection (a) and inserting the following:

"(a) ESTABLISHMENT OF SYSTEM.—There is established the National Marine Sanctuary System, which shall consist of national marine sanctuaries designated by the Secretary in accordance with this title.";

(3) by striking paragraph (3) of subsection (b), and redesignating paragraphs (1) and (2) as paragraphs (2) and (3);

(4) by striking so much of subsection (b) as precedes paragraph (2), as redesignated, and inserting the following:

"(b) SANCTUARY DESIGNATION STANDARDS.—

"(1) IN GENERAL.—Before designating an area of the marine environment as a national marine sanctuary, the Secretary shall find that—

"(A) the area is of special national significance due to its—

"(i) biodiversity;

"(ii) ecological importance;

"(iii) archaeological, cultural, or historical importance; or

"(iv) human-use values;

"(B) existing State and Federal authorities should be supplemented to ensure coordinated and comprehensive conservation and management of the area, including resource protection, scientific research, and public education;

"(C) designation of the area as a national marine sanctuary will facilitate the objectives in subparagraph (B); and

"(D) the area is of a size and nature that will permit comprehensive and coordinated conservation and management.";

(5) by striking "subsection (a)" in paragraph (2), as redesignated, and inserting "paragraph (1)";

(6) by redesignating subparagraphs (E) through (I) of paragraph (2), as redesignated, as paragraphs (F) through (J), and inserting after paragraph (D) the following:

"(E) the areas's scientific value and value for monitoring as a special area of the marine environment;";

(7) by redesignating subparagraphs (H), (I), and (J), as redesignated, as subparagraphs (I), (J), and (K) and by inserting after subparagraph (G), as redesignated, the following:

"(H) the feasibility, where appropriate, of employing innovative management approaches to protect sanctuary resources or to manage compatible uses;";

(8) by striking "vital habitats, and resources which generate tourism;" in subparagraph (I), as redesignated, and inserting "and vital habitats;";

(9) by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L), and inserting after subparagraph (I) the following:

"(J) the value of the area as an addition to the System;"; and

(10) by striking "Merchant Marine and Fisheries" in subparagraph (A) of paragraph (3), as redesignated, and inserting "Resources";

(11) by inserting after "Administrator" in subparagraph (B) of paragraph (3), as redesignated the following: "of the Environmental Protection Agency,"; and

(12) by adding at the end of subsection (b) the following:

"(4) REQUIRED FINDINGS.—

"(A) NEW DESIGNATIONS.—Before beginning the designation process for any sanctuary that is not a designated sanctuary before January 1, 2000, the Secretary shall make, and submit to the Congress, a finding that each designated sanctuary has—

"(i) an operational level of facilities, equipment, and employees;

"(ii) a list of priorities it considers most urgent and a strategy to address those priorities;

"(iii) a plan and schedule to complete site characterization studies to inventory existing sanctuary resources, including cultural resources; and

"(iv) a plan for enforcement of the Act within its boundaries, including partnerships with adjacent States or other authorities.

"(B) Exception.—Subparagraph (A) does not apply to any draft management plan, draft environmental impact statement, or proposed regulation for a Thunder Bay National Marine Sanctuary.".

SEC. 6. CHANGES IN PROCEDURES FOR DESIGNATION AND IMPLEMENTATION.

(a) Changes in Notice Requirements.—Section 304(a) (16 U.S.C. 1434(a)) is amended—

(1) by striking paragraph (1)(C) and inserting the following:

"(C) on the same day the notice required by subparagraph (A) is submitted to the Office of the Federal Register, the Secretary shall submit a copy of the notice and the draft sanctuary designation documents prepared under paragraph (2) to the Committee on Resources of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.";

(2) by redesignating paragraphs (2) through (6) as paragraphs (3) through (7), and inserting the following after paragraph (1):

"(2) Sanctuary designation documents.—The Secretary shall prepare sanctuary designation documents on the proposal that include the following:

"(A) A draft environmental impact statement under paragraph (3).

"(B) A management plan document, which the Secretary shall make available to the public, containing—

"(i) the terms of the proposed designation;

"(ii) proposed mechanisms to coordinate existing regulatory and management authorities within the area;

"(iii) the proposed goals and objectives, management responsibilities, resource studies, and appropriate strategies for managing sanctuary resources, including innovative approaches such as marine zoning, interpretation and education, research, monitoring and assessment, resource protection, restoration, and enforcement (including surveillance activities for the area);

"(iv) an evaluation of the advantages of cooperative State and Federal management if all or part of a proposed marine sanctuary is within the territorial limits of a State, or is superjacent to the subsoil and seabed within the seaward boundary of a State (as established under the Submerged Lands Act (43 U.S.C. 1301 et seq.);

"(v) an estimate of the annual cost to the Federal government of the proposed designation, including costs of personnel, equipment and facilities, enforcement, research, and public education; and

"(vi) the regulations proposed under paragraph (1)(A).

"(C) Maps depicting the boundaries of the proposed sanctuary.

"(D) A statement of the basis for the findings made under section 303(b)(2).

"(E) An assessment of the considerations under section 303(b)(1).

"(F) A resource assessment that includes—

"(i) present and potential uses of the area, including commercial and recreational fishing, research and education, minerals and energy development, subsistence uses, and other commercial, governmental, or recreational uses;

"(ii) a discussion, prepared after consultation with the Secretary of the Interior, of any commercial, governmental, or recreational resource uses in the areas that are subject to the primary jurisidiction of the Department of the Interior; and

"(iii) information prepared in consultation with the Secretary of Defense, the Secretary of Energy, and the Administrator of the Environmental Protection Agency, on any past, present, or proposed future disposal or discharge of materials in the vicinity of the proposed sanctuary.".

(b) Other Notice-related Changes.—Section 304(a) (16 U.S.C. 1434(a)) is further amended—

(1) by striking "as provided by" in subparagraph (A) of paragraph (3), as redesignated, and inserting "under";

(2) by inserting "cultural, archaeological," after "educational," in paragraph (4), as redesignated;

(3) by striking "only by the same procedures by which the original designation is made." in paragraph (4), as redesignated, and inserting "by following the applicable procedures of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and chapter 5 of title 5, United States Code.";

(4) by inserting "this Act and" after "objectives of" in the second sentence of paragraph (6), as redesignated; and

(5) by striking "Merchant Marine and Fisheries Resources" in paragraph (7), as redesignated, and inserting "Resources".

(c) Other Changes.—Section 304 (16 U.S.C. 1434) is amended—

(1) by inserting "or the national system" in subsection (b)(2) after "sanctuary";

(2) by striking "management techniques," in subsection (e) and inserting "management techniques and strategies,"; and

(3) by striking "title." in subsection (e) and inserting "title. This review shall include a prioritization of management objectives."

SEC. 7. CHANGES IN ACTIVITIES PROHIBITED.

Section 306 (16 U.S.C. 1436) is amended—

(1) by striking "sell," in paragraph (2) and inserting "offer for sale, sell, purchase, import, export,"; and

(2) by striking paragraph (3) and inserting the following:

"(3) interfere with the enforcement of this title by—

"(A) refusing to permit any authorized officer to board a vessel, other than a vessel operated by the Department of Defense or United States Coast Guard, subject to such person's control for the purpose of conducting a search or inspection in connection with the enforcement of this title;

"(B) assaulting, resisting, opposing, impeding, intimidating, or interfering with any authorized officer in the conduct of any search or inspection under this title;

"(C) submitting false information to the Secretary or any officer authorized by the Secretary in connection with any search or inspection under this title; or

"(D) assaulting, resisting, opposing, impeding, intimidating, harassing, bribing, or interfering with any person authorized by the Secretary to implement the provisions of this title; or".

SEC. 8. CHANGES IN ENFORCEMENT PROVISIONS.

Section 307 (16 U.S.C. 1437) is amended—

(1) by redesignating paragraphs (1) through (5) of subsection (b) as paragraphs (2) through (6), and inserting before paragraph (2) the following:

"(1) arrest any person, if there is reasonable cause to believe that the person has committed an act prohibited by section 306(3);";

(2) by redesignating subsections (c) through (j) as subsections (d) through (k), and inserting after subsection (b) the following:

"(c) Criminal Offenses.—

"(1) In general.—Violation of section 306(3) is punishable by a fine under title 18, United States Code, imprisonment for not more than 6 months, or both.

"(2) Aggrevated Violations.—If a person in the course of violating section 306(3)—

"(A) uses a dangerous weapon,

"(B) causes bodily injury to any person authorized to enforce this title or to implement its provisions, or

"(C) causes such a person to fear imminent bodily injury,

then the violation is punishable by a fine under title 18, United States Code, imprisonment for not more than 10 years, or both.";

(3) by redesignating subsections (e) through (k), as redesignated, as subsections (f) through (l), respectively, and by inserting after subsection (d), as redesignated, the following:

"(e) Judicial Civil Penalties.—The Secretary may bring an action to access and collect any civil penalty for which a person is liable under paragraph (d)(1) in the United States district court for the district in which the person from whom the penalty is sought resides, in which such person's principal place of business is located, or where the incident giving rise to civil penalties under this section occurred.";

(4) by inserting "electronic files," after "books," in subsection (h), as redesignated; and

(5) by redesignating subsections (i) through (l), as designated, as subsections (j) through (m), and by inserting after subsection (h), as redesignated, the following:

"(i) Nationwide Service of Process.—In any action by the United States under this chapter, process may be served in any district where the defendant is found, resides, transacts business, or has appointed an agent for the service of process.".

SEC. 9. ADDITIONAL REGULATIONS AUTHORITY ADDED.

Section 308 (16 U.S.C. 1439) is amended to read as follows:

"SEC. 308. REGULATIONS AND SEVERABILITY."

"(a) Regulations.—The Secretary may issue such regulations as may be necessary to carry out this title.

"(b) Severability.—If any provision of this title, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of this title and of the application of that provision to other persons and circumstances shall not be affected.".

SEC. 10. CHANGES IN RESEARCH, MONITORING, AND EDUCATION PROVISIONS.

Section 309 (16 U.S.C. 1440) is amended to read as follows:

"SEC. 309. RESEARCH, MONITORING, AND EDUCATION PROGRAMS AND INTERPRETIVE FACILITIES.

"(a) In General.—The Secretary shall conduct, support, or coordinate research, monitoring, evaluation, and education programs necessary and reasonable to carry out the purposes and policies of this title.

"(b) Research and Monitoring.—The Secretary may support, promote, and coordinate appropriate research on, and long-term monitoring of, the resources and human uses of marine sanctuaries, as is consistent with the purposes and policies of this title. In carrying out this subsection the Secretary may consult with Federal agencies, States, local governments, regional agencies, interstate agencies, or other persons, and coordinate with the National Estuarine Research Reserve System.

"(c) EDUCATION AND INTERPRETIVE FACILITIES.—The Secretary may establish facilities or displays—

"(1) to promote national marine sanctuaries and the purposes and policies of this title; and

"(2) either solely or in partnership with other persons, under an agreement under section 311.".

SEC. 11. CHANGES IN SPECIAL USE PERMIT PROVISIONS.

Section 310 (16 U.S.C. 1441) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), and by inserting after subsection (a) the following:

"(b) PUBLIC NOTICE REQUIRED.—The Secretary shall provide appropriate public notice before identifying any activity subject to a special use permit under subsection (a).";

(2) by striking "insurance" in paragraph (4) of subsection (c), as redesignated, and inserting "insurance, or post an equivalent bond,";

(3) by striking "resource and a reasonable return to the United States Government." in paragraph (2)(C) of subsection (d), as redesignated, and inserting "resource.";

(4) by redesignating paragraph (3) of subsection (d), as redesignated, as paragraph (4), and by inserting after paragraph (2) thereof the following:

"(3) WAIVER OR REDUCTION OF FEES.—The Secretary may waive or reduce fees under this subsection, or accept in-kind contributions in lieu of fees under this subsection, for activities that do not derive profit from the access to and use of sanctuary resources or that the Secretary considers to be beneficial to the system."; and

(5) by striking "designating and" in paragraph (4)(B) of subsection (d), as redesignated.

SEC. 12. CHANGES IN COOPERATIVE AGREEMENTS PROVISIONS.

Section 311 (16 U.S.C. 1442) is amended—

(1) by adding at the end of subsection (a) the following: "Notwithstanding any other provision of law to the contrary, the Secretary may apply for, accept, and use grants from Federal agencies, States, local governments, regional agencies, interstate agencies, foundations, or other persons, to carry out the purposes and policies of this title."; and

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), and inserting after subsection (a) the following:

"(b) USE OF STATE AND FEDERAL AGENCY RESOURCES.—The Secretary may, whenever appropriate, use by agreement the personnel, services, or facilities of departments, agencies, and instrumentalities of the government of the United States or of any State or political subdivision thereof on a reimbursable or non-reimbursable basis to assist in carrying out the purposes and policies of this title.".

SEC. 13. CHANGES IN PROVISIONS CONCERNING DESTRUCTION, LOSS, OR INJURY.

(a) LIABILITY.—Section 312 (16 U.S.C. 1443(a)) is amended—

(1) by striking "used to destroy, cause the loss of, or injure" in subsection (a)(2) and inserting "that destroys, causes the loss of, or injures";

(2) by inserting "or vessel" after "person" in subsection (a)(4);

(3) by inserting "(as defined in section 302(11))" after "damages" in subsection (b)(2);

(4) by striking "vessel who" in subsection (c) and inserting "vessel that";

(5) by striking "person may" in subsection (c) and inserting "person or vessel may";

(6) by inserting "by the Secretary" after "used" in subsection (d); and

(7) by adding at the end of subsection (d) the following:

"(4) STATUTE OF LIMITATIONS.—An action for response costs and damages under subsection (c) may not be brought more than 2 years after the date of completion of the relevant damage assessment and restoration plan prepared by the Secretary.".

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

Section 313 (16 U.S.C. 1444) is amended by striking paragraphs (1), (2), and (3) and inserting the following:

"(1) $30,000,000 for fiscal year 2000;
"(2) $32,000,000 for fiscal year 2001;
"(3) $34,000,000 for fiscal year 2002;
"(4) $36,000,000 for fiscal year 2003; and
"(5) $38,000,000 for fiscal year 2004.".

SEC. 15. CHANGES IN U.S.S. MONITOR PROVISIONS.

Section 314 (16 U.S.C. 1445) is amended by striking subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 16. CHANGES IN ADVISORY COUNCIL PROVISIONS.

Section 315 (16 U.S.C. 1446) is amended by striking "provide assistance" in subsection (a) and inserting "advise and make recommendations".

SEC. 17. CHANGES IN THE SUPPORT ENHANCEMENT PROVISIONS.

Section 316 (16 U.S.C. 1447) is amended—

(1) by striking "use" in subsection (a)(4) and inserting "manufacture, reproduction, or other use";

(2) by striking "sanctuaries;" in subsection (a)(4) and inserting "sanctuaries or by persons that enter cooperative agreements with the Secretary under subsection (f);";

(3) by striking "symbols" in subsection (a)(6) and inserting "symbols, including sale of items bearing the symbols,";

(4) striking "Secretary; and" in paragraph (3) of subsection (f), as redesignated, and inserting "Secretary, or without prior authorization under subsection (a)(4); or"; and

(5) by adding at the end thereof the following:

"(f) AUTHORIZATION FOR NON-PROFIT ORGANIZATION TO SOLICIT SPONSORS.—

"(1) IN GENERAL.—The Secretary may enter into an agreement with a non-profit organization authorizing it to assist in the administration of the sponsorship program established under this section. Under an agreement entered into under this paragraph, the Secretary may authorize the non-profit organization to solicit persons to be official sponsors of the national marine sanctuary program or of individual national marine sanctuaries, upon such terms as the Secretary deems reasonable and will contribute to the successful administration of the sanctuary system. The Secretary may also authorize the non-profit organization to collect the statutory contribution from the sponsor, and, subject to paragraph (2), transfer the contribution to the Secretary.

"(2) REIMBURSEMENT FOR ADMINISTRATIVE COSTS.—Under the agreement entered into under paragraph (1), the Secretary may authorize the non-profit organization to retain not more than 5 percent of the amount of monetary contributions it receives from official sponsors under the agreement to offset the administrative costs of the organization in soliciting sponsors.".

By Mr. REID (for himself and Mr. KERRY):

S. 1483. A bill to amend the National Defense Authorization Act for fiscal Year 1998 with respect to export controls on high performance computers; to the Committee on Banking, Housing, and Urban Affairs.

ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE LEVELS OF HIGH PERFORMANCE COMPUTERS

Mr. REID. Mr. President, on July 1, 1999, President Clinton announced that the Commerce Department would implement changes to the United States export controls on high performance computers. By changing the limits on high performance computers, we will be increasing our national security and easing outdated regulations that are currently imposed on the thriving high tech industry and on government itself.

Mr. President, as you may know, I have followed this issue closely for the last eight months since the inception of the high-tech working group that I chair. I have met with many company leaders, both large and small, to discuss the issue of export controls on computers. I am convinced that if we don't immediately act to ease export controls, many American jobs may be at risk. Each day that our nations's companies can't compete in foreign markets, we are losing market share and eventually will be giving up our world dominance in the high-tech sector.

The bill that I am offering today reduces the review period from 180 days to 30 days to complement the Administration's easing of export restrictions by amending the National Defense Authorization Act of 1998.

Mr. President. In closing, I would like to share with you an example of how outdated today's restrictions are. I was recently at a meeting where Michael Dell, President of Dell Computers, stood up and pulled his pager from his hip holster. He held it up and said that under current export controls, his little pager that is smaller than a computer mouse, cannot be exported to many countries because it is considered a "super computer."

Mr. President. These controls need to be changed as the Administration has made clear, but it needs to be done sooner rather than later. In short, these controls need to be eased yesterday.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1483

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE LEVELS OF HIGH PERFORMANCE COMPUTERS.

Section 1211(d) of the National Defense Authorization Act for Fiscal Year 1998 (50

U.S.C. App. 2404 note) is amended in the second sentence by striking "180" and inserting "30".

By Mr. SPECTER:

S. 1484. A bill entitled "Random Selection of Judges Act of 1999"; to the Committee on the Judiciary.

RANDOM SELECTION OF JUDGES ACT OF 1999

Mr. SPECTER. Mr. President, I will speak very briefly on the introduction of legislation for the random selection of judges. I had thought when cases were assigned in the Federal courts they were assigned in a random fashion, unless they were related to some other case where a specific judge had jurisdiction and that judge would have the case by a related case assignment.

During the course of the past week there has come to light a situation in the District of Columbia where the chief judge assigned specific judges to two very high-profile cases, one involving Mr. Webster Hubbell as a defendant and the other involving Mr. Charlie Trie as a defendant.

My understanding of the practice has been that cases would be assigned on a random basis. In checking the specifics, I have found that the Judicial Conference, which is the policy-making body for the Federal Judiciary, only recommends that Federal courts randomly assign cases. It has not become a mandate to do so. I believe that public policy warrants having it as a mandate.

It is customary for the Congress to legislate on matters of administration. For example, Congress has set a time limit under the speedy trial rule in the criminal courts. For another example, Congress has established time limits on Federal court habeas corpus cases where death penalty cases are appealed into the Federal courts.

This is not a matter where we are talking about the discretion or judgment of an individual judge on how to decide a case, where judicial independence mandates that nobody make any suggestion to the judge as to how an individual case is to be decided. But as a matter of administrative policy it is entirely appropriate for the Congress to set the rules, one of which I think should be the random assignment of judges.

In March of this year the Judicial Conference even rescinded its 28-year-old policy that recommended giving the chief judges, the assigning judge, latitude to make special assignments of "protracted, difficult, or wildly publicized cases," so such latitude is no longer recommended by the Judicial Conference.

The chief judge of the District of Columbia has responded to the Associated Press article in a letter to the Washington Times dated August 2. I ask unanimous consent to have printed in the RECORD a copy of the newspaper article from the Washington Times, together with a copy of the response by the chief judge to the newspaper article.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUDGES FRET OVER ASSIGNING OF CASES

FELLOW JURISTS ARE CONCERNED THAT TRIALS OF CLINTON FRIENDS WENT TO HIS APPOINTEES

(By Pete Yost)

The chief judge of the U.S. District Court bypassed the traditional random assignment system to send criminal cases against presidential friends Webster Hubbell and Charlie Trie to judges President Clinton appointed, court officials said.

U.S. District Judge Norma Holloway Johnson's decision to abandon the longtime random computer assignment for high-profile cases has raised concerns among several other judges, the officials said in interviews.

The judges also raised concerns about an appearance of possible conflicts of interest, because judges assigned the cases were friendly with key players—presidential confidant Vernon Jordan and defense lawyer Reid Weingarten—and made rulings that handicapped prosecutors.

Half a dozen judges, Republicans and Democrats, said they have high regard for the ethics they have high regard for the ethics and work of the two judges involved, Paul L. Friedman and James Robertson, and do not believe they were improperly influenced.

But the judges, who spoke on condition for anonymity, said they have discussed among themselves the public perception of ignoring the random draw—used in almost all cases—and passing over more experienced judges appointed by presidents of both parties.

One judge said his colleagues have discussed whether assigning cases directly rather than using the random lottery raises "an appearance problem at least" and "whether there has been impartial administration of justice."

The airing of the behind-the-scenes controversy provides a rare window into a court process sealed from public view.

Judges Johnson, Friedman and Robertson all declined repeated requests for interviews.

Judge Johnson, an appointee of President Carter, assigned:

Judge Friedman to the Trie case, the first major prosecution from the Justice Department probe of Democratic fund raising. Mr. Clinton nominated Judge Friedman, a former president of the local bar, in 1994.

Judge Robertson was handed the Hubbell tax case, independent counsel Kenneth Starr's first prosecution in Washington. Judge Robertson is an ex-president of the local bar and a former partner at the law firm of former White House counsel Lloyd Cutler.

Mr. Clinton nominated him in the last days of Mr. Cutler's tenure as counsel in 1994. Judge Robertson had donated $1,000 to Mr. Clinton's 1992 presidential bid and has said he "worked on the periphery" of that campaign.

Judge Robertson on two occasions dismissed felony charges against Hubbell. He dismissed the tax case against Hubbell, who eventually pleaded guilty to a misdemeanor when an appeals court reinstated the case.

Judge Johnson allowed a later indictment—charging Hubbell with lying to federal regulators—be assigned at random by computer. By coincidence, the computer picked Judge Robertson, who threw out the central felony count in the case. Judge Robertson, who threw out the central felony count in the case. Hubbell pleaded guilty to that same felony count June 30, after an appeals court reversed Judge Robertson.

One politically sensitive aspect of the Hubbell tax evasion indictment was a reference to a $62,500 consulting arrangement that Mr. Jordan helped obtain for Hubbell, making Mr. Jordan a potential witness.

Judge Robertson and Mr. Jordan are friends from their days in the civil rights movement. Mr. Jordan did not return repeated calls seeking comment.

[Judge Robertson, who was highly critical of Mr. Starr's tactics in the Hubbell case, also dealt major setbacks to Donald Smaltz, the independent counsel who investigated former Agriculture Secretary Mike Espy.

[In one instance, the judge granted a new trial to a Tyson Foods Inc. executive, Jack L. Williams, who had been convicted on two counts of making false statements to federal investigators.

[Last September, Judge Robertson overturned the conviction of Tyson lobbyist Archie Schaeffer III for giving illegal gifts to Mr. Espy. A federal appeals court reinstated that conviction July 23.]

Judge Johnson assigned the Trie case and two subsequent cases against Democratic fund-raisers to Judge Friedman, who tossed out various charges.

After one of Judge Friedman's rulings was overturned on appeal, Trie agreed to plead guilty.

Judge Friedman and Mr. Weingarten, the defense lawyer in two of three fund-raising cases before Judge Friedman, are longtime friends.

"He's a professional friend, but he's a judge now," Mr. Weingarten said. "These relationships change when somebody goes to the bench."

When Judge Johnson bypassed the random draw for these cases, 12 full-time judges were on the federal court, seven of them Clinton appointees. Four were Republican appointees. The court also has a number of senior judges who work part-time.

Judge Johnson garnered headlines for her rulings against Mr. Clinton in the Monica Lewinsky scandal, rejecting privilege claims by the president and ordering White House lawyer Bruce Lindsey and Secret Service personnel to testify.

Experts said the assignments to Clinton-nominated judges did not violate any rules but could shake public confidence.

"As far as assigning a recently appointed judge of the same party, it's dangerous, it's risky, it's hazardous because the outcome might support the cynical view that the judge did not decide the matter on the merits even though that may be the furthest thing from the truth," Columbia University law professor H. Richard Uviller said.

New York University law professor Stephen Gillers said, "If the case is high-profile, that should increase the presumption in favor of random selection."

The assignments were confirmed to AP by several court officials with access to parts of the court computer system not available to the public.

Local court rules give Judge Johnson the right to assign "protracted" cases to specific judges, although nearly all the cases in U.S. District Court here are assigned by lottery, court officials said.

The Judicial Conference, the policy-making body for the federal judiciary, recommends that federal courts randomly assign cases. In March, the conference rescinded its 28-year-old policy that recommended giving chief judges latitude to make special assignments of "protracted, difficult or widely publicized cases."

Actual practice varies from court to court.

In the Southern District of New York, which has more than two dozen full-time judges, Court Executive Clifford P. Kirsch said, "It's all been by a blind draw . . . so it doesn't appear anyone is preselecting or favoring one judge over another judge."

U.S. DISTRICT COURT FOR
THE DISTRICT OF COLUMBIA,
Washington, DC, August 2, 1999.

EDITOR,
The Washington Times,
Washington, DC.

As I firmly believe that justice is best served in the courts of law and not on the front page of a newspaper, it has long been my policy not to discuss my judicial decision-making with members of the press. However, I feel compelled to make an exception to that policy in order to correct the disturbing misimpression left by a recent story circulated by the Associated Press and published in your paper as well as several other news outlets. [This A.P. article alleges that I "bypassed the traditional random assignment system" to assign certain criminal cases to judges appointed by President Clinton, singling out the criminal case against Yah Lin "Charlie" Trie, which was assigned to Judge Paul L. Friedman, and the criminal case against Webster Hubbell, which was assigned to Judge James Robertson. The article implies that these cases were assigned to these judges based on political motivations. This unsubstantiated assertion could not be further from the truth.] Moreover, it does a significant disservice to the perception of impartial justice that I believe all of the judges on our Court strive mightily to maintain. Contrary to the false perception left by the A.P. story, these cases were assigned to highly capable federal judges. Politics was not and is never a factor in our case assignments.

In order to set the record straight, the circumstances leading to these routine "special assignments" are quite simple. For years, Local Rule 403(g) of the Rules of the District Court for the District of Columbia has authorized the Chief Judge to specially assign protracted or complex criminal cases to consenting judges when circumstances warrant. My predecessors and I have used this assignment system to enable our Court to expeditiously handle high profile criminal cases with their unique demands on judicial resources. For example, criminal cases arising from Watergate and the Iran-Contra affair were handled through special assignment. In both those instances of overwhelming media scrutiny and complexity, the special assignment system well served our needs. In addition to these highly publicized criminal cases, special assignment has also been a valuable tool in addressing multiple defendant narcotics conspiracy cases. It is the responsibility of the Chief Judge to move the docket as expeditiously as possible. That is all that was intended by these assignments.

Finally, I must note that the A.P. article irresponsibly impugns the reputation of two fine federal judges by suggesting conflicts of interest in their handling of these cases. Neither judge had any obligation to recuse himself from the cases to which he was assigned, for neither faced a conflict of any sort. A judge's prior affiliations and acquaintances, alone, do not require recusal or disqualification. Indeed, many judges on this Court know many lawyers and public officials in Washington. If recusal were required on the basis of these innocuous connections, it would wreak havoc on case scheduling.

In the future, I suggest that before your newspaper prints a story that impugns the integrity of two outstanding members of the federal judiciary, you offer more evidence of an actual conflict than the slender reed of innuendo which supports these current allegations. Such an unsubstantiated and unsupportable attack does your publication little credit and the truth much harm.

Sincerely,
NORMA HOLLOWAY JOHNSON,
Chief Judge.

Mr. SPECTER. In the reply, the chief judge says this:

> This A.P. article alleges that I "bypassed the traditional random assignment system" to assign certain criminal cases to judges appointed by President Clinton, singling out the criminal case against Yah Lin "Charlie" Trie, which was assigned to Judge Paul L. Friedman, and the criminal case against Webster Hubbell, which was assigned to Judge James Robertson. The article implies that these cases were assigned to these judges based on political motivations. The unsubstantiated assertion could not be further from the truth.

Now, I do not question the statements made by the chief judge in denying any portion of partiality or impropriety, but I do believe that when this case is called to widespread public attention the Congress ought to act. That is why I am introducing this legislation today on behalf of myself and Senator HATCH, chairman of the Judiciary Committee.

The reasons for this legislation are articulated by Columbia University law professor H. Richard Uviller, who said:

> As far as assigning a recently appointed judge of the same party, it's dangerous, it's risky, it's hazardous because the outcome might support the cynical view that the judge did not decide the matter on the merits even though that may be the furthest thing from the truth.

A similar statement was made by New York University law professor Steven Gillers, who said:

> If the case is high-profile, that should increase the presumption in favor of random selection.

This issue of random selection is one that I feel particularly strongly about based on my experience as district attorney in the Philadelphia criminal courts. When high-profile or politically-tinged cases were filed in the criminal courts of Philadelphia during my tenure as district attorney, I routinely asked for a jury trial because I wanted the facts decided by an impartial fact finder. At the outset of that tenure in January of 1966, the Commonwealth was a party to the proceeding and, like the defendant, had a right to demand a jury trial. I did demand jury trials because I found that the assignment to specific judges was not random and did on some occasions have inappropriate motivations.

During the course of my tenure as district attorney, the State supreme court made a change in the criminal rules and took away the right of the district attorney to demand a jury trial. That was recently reinstated by a constitutional amendment so that the experience I have seen requires a very heavy emphasis on the random selection.

During my tenure as district attorney, we reformed the entire minor judiciary of Philadelphia known as magistrates because of widespread corruption and inappropriate practices in that judicial system. While this in no way reflects upon the Federal courts of the United States, which I think are of uniformly high quality, I do believe that the principle of random selection of judges is a very important principle. I do believe there ought to be an exception if there is a related case; that is, where a judge was assigned a case on a random basis and another matter comes in where there are very similar, if not identical, questions of fact and questions of the parties. But this legislation removes at least the appearance and the question that there may be some collateral motivation.

To reiterate, I seek recognition today to introduce the Random Selection of Judges Act of 1999, a bill which will require that cases in Federal court be assigned to judges randomly, by means of a computer program. I believe that only the random assignment of cases to judges will ensure blind justice in our courts.

This power to assign cases creates the potential for abuse. An assigning judge who is so inclined could attempt to alter the outcome of a case by assigning it to a judge who, in the opinion of the chief judge, holds a "correct" view on the issue at hand.

A story recently in the news clearly demonstrates the potential for abuse under the current system. Over the weekend, the Associated Press reported that Judge Norma Holloway Johnson, Chief Judge of the District Court for the District of Columbia, bypassed the traditional random computer assignment system in her court and instead directly assigned criminal cases against certain presidential friends to judges appointed by President Clinton. Specifically, the campaign finance case against Charlie Trie was assigned to Judge Paul L. Friedman, and the tax cases against Webster Hubbell were assigned to Judge James Robertson. According to the news reports, Judge Johnson's decision to abandon random assignment in these high profile cases raised concerns among several other judges on her court. It was also reported that these judges raised concerns because Judge Robertson is friends with Vernon Jordan, who played a role in the Hubbell affair, and Judge Friedman is friends with Reid Weingarten, who represents the defendants in two fundraising cases before Friedman.

According to the Associated Press article, it has been asserted by some that

Judge Johnson assigned these cases to Clinton appointees because they would be more sympathetic to the President and his friends than Republican appointees who may have gotten the cases through random assignment. Judge Johnson has denied any political or other improper motive in a letter to the Washington Times. The fact is that Judge Johnson herself issued a number of rulings against President Clinton, including her rulings rejecting privilege claims by White House lawyer Bruce Lindsey and the Secret Service. But no matter what Judge Johnson's motives, her actions make quite clear that, under the current system, the potential for abuse does exist.

Currently, the Judicial Conference, which is the policymaking body for the federal judiciary, recommends that Federal courts randomly assign cases. In fact, in March the conference even rescinded its 28-year-old policy that recommended giving chief judges latitude to make special assignments of "protracted, difficult, or widely publicized cases." But there is still no requirement that Federal courts randomly assign cases. The problem with mere recommendations is that they can be ignored. If we believe that cases should be randomly assigned, then we must require that cases be randomly assigned.

My bill imposes such a requirement. Under my bill, the chief judges of the Federal district and circuit courts must assign cases by means of an automated random assignment program. Recognizing that there are some instances in which it would serve the interests of efficiency to allow the chief judges to directly assign cases to specific judges, my bill includes two important exceptions to the random assignment requirement. First, chief judges will be permitted to directly assign a case to a judge who has already heard a related case. A related case is defined as one which involves substantially the same facts, individuals and/or property as a case previously before the court. For instance, a case against a defendant in a bank robbery could be directly assigned to a judge who already heard the case against another defendant in the same bank robbery.

Secondly, chief judges will be permitted to directly assign a technical case to a judge who is already familiar with the subject matter at issue. Technical cases are defined as those which involve specialized, unusually complex facts or subject matter and which would demand a great deal of time to master. For example, an asbestos liability case could be directly assigned to a judge who has already developed an expertise in handling asbestos liability cases.

While Congress should not micromanage the Courts, the legislation I introduce today is reasonable, limited, and well within our power. Article 1, Section 8, Clause 9 of the Constitution gives Congress the power to "constitute Tribunals inferior to the supreme Court." Pursuant to this power, Congress established the Federal circuits and originally assigned Supreme Court justices to ride these circuits. Under this power, Congress eventually established the Federal district courts and outlined their jurisdiction. The sections of the Federal Code I seek to amend today—which permit the assignment of judges in accordance with court rules—were themselves Congressional enactments. Even in recent years, Congress has imposed restrictions on the procedures of the courts. For example, the Anti-Terrorism Bill of 1996 contained a provision I authored to reform habeas corpus. This provision imposes strict time limits on both the filing of habeas corpus petitions and the response by the courts to such petitions. Likewise, many bills we pass include requirements that certain cases be heard by the Courts on an expedited basis.

Mr. President, I feel strongly that my bill should not become a partisan issue. As I mentioned before, one's opinion of Judge Johnson and her actions is entirely beside the point. Judge Johnson's reported actions merely make us aware of the potential for abuse in our current system and the need to rectify it. I hope my colleagues will join me in supporting this necessary, common-sense legislation.

I ask unanimous consent that the bill be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(A) SHORT TITLE.—This act may be cited as the "Random Selection of Judges Act of 1999."

SECTION 2. ASSIGNMENT OF CASES IN DISTRICT COURT.

Title 28, United States Code is amended—

(1) in section 137 as follows:

(A) By adding the words, "Except as provided below," at the beginning of the first paragraph.

(B) By deleting the words "and assign in cases" in the middle of the second paragraph.

(C) By inserting the following new paragraphs at the end of the section:

"Except as provided below, the chief judge of the district court shall assign all cases by means of an automated random assignment program provided by the Administrative Office of the United States Courts.

"Notwithstanding the foregoing, the chief judge of the district court may directly assign related cases and technical cases to a specific judge without using the automated random assignment program. The chief judge may directly assign a related case only to a judge who is hearing or has heard a case or cases to which the new case relates. The chief judge may directly assign a technical case only to a judge who has significant experience with the subject matter at issue.

"For purposes of this section, a 'related case' is a case which involves substantially the same facts, individuals, and/or property as a case previously or contemporaneously before the court.

"For purposes of this section, a 'technical case' is a case which involves specialized, unusually complex facts or subject matter and which would demand a significant investment of time for a judge to master."

SECTION 3. ASSIGNMENT OF CASES IN CIRCUIT COURT.

Title 28, United States Code is amended—

(1) in section 46 as follows:

(A) By adding the words, "in accordance with the procedures outlined in Section 46(e)," at the end of Section 46(a).

(B) By adding the words, "In accordance with the procedures outlined in Section 46(e)" at the beginning of Section 46(b).

(C) By inserting the following new Section 46(e) at the end of the section:

"Except as provided below, the chief judge of the circuit court shall assign all cases by means of an automated random assignment program provided by the Administrative Office of the United States Courts.

"Notwithstanding the foregoing, the chief judge of the circuit court may directly assign related cases and technical cases to a specific judge or judges without using the automated random assignment program. The chief judge may directly assign a related case only to a judge or judges who are hearing or have heard a case or cases to which the new case relates. The chief judge may directly assign a technical case only to a judge or judges who have significant experience with the subject matter at issue.

"For purposes of this section, a 'related case' is a case which involves substantially the same facts, individuals, and/or property as a case previously or contemporaneously before the court.

"For purposes of this section, a 'technical case' is a case which involves specialized, unusually complex facts or subject matter and which would demand a significant investment of time for a judge to master."

By Ms. LANDRIEU (for Mr. NICKLES (for himself, Ms. LANDRIEU, Mr. ASHCROFT, Mr. BOND, Mr. BROWNBACK, Mr. CHAFEE, Mr. COCHRAN, Mr. CRAIG, Mr. DEWINE, Mr. EDWARDS, Mr. GRASSLEY, Mr. HOLLINGS, Mr. INHOFE, Mr. KENNEDY, Mr. LEVIN, Mr. LOTT, Mr. ROCKEFELLER, and Mr. SMITH of Oregon)):

S. 1485. A bill to amend the Immigration and Nationality Act to confer United States citizenship automatically and retroactively on certain foreign-born children adopted by citizens of the United States; to the Committee on the Judiciary.

ADOPTED ORPHANS CITIZENSHIP ACT

Ms. LANDRIEU. Mr. President, I am proud to join the Senator from Oklahoma, Mr. DON NICKLES, and a number of my colleagues, including Senators ASHCROFT, BOND, BROWNBACK, CHAFEE, COCHRAN, CRAIG, DEWINE, EDWARDS, GRASSLEY, HOLLINGS, INHOFE, KENNEDY, LEVIN, LOTT, ROCKEFELLER, and GORDON SMITH in introducing a very important piece of legislation called the Adopted Orphans Citizenship Act.

As you can see from this long list of distinguished Members, the Adopted Orphans Citizenship Act is an important piece of legislation and one I hope, by introducing it today, we could actually have some committee and floor action on in the weeks and months ahead. I commend Senator NICKLES for his leadership. We have presented this bill on behalf of the 15,000 children who are adopted into our country each year through the process of international adoption.

A few weeks ago, I had the great privilege to join Senator LEVIN and others to travel to Romania and had the opportunity to see firsthand the institutions and orphanages. Over 100,000 children of Romania call these places home, but they in fact do not look much like homes, as you can imagine. The staff at these homes try very hard to give the children in their care the love and support they need as they grow and mature, yet the fact is they are living in these institutions. Nothing can really supplant or take the place of a family or home to call your own.

Not only in Romania but in many places in the world, American families are building their families through the process of international adoption. Last year alone, 15,000 families opened their homes and their hearts to adopt a child from another country, and 85,000 families adopted children from within the United States. But this bill is directed at the families who are bringing children from other parts of the world to come and be part of an American family and become American citizens. What people may not realize is that now, when the adoption process is final, when all the paperwork has been done, after all the time and energy and in some cases a considerable amount of financial expense that is associated with these particular adoptions, under our current law, these children and these families still have to go through a citizenship process.

This bill will basically make that process automatic and would, as the other parts of our law, recognize no difference between a child who is a biological child and a child who is an adopted child. It simplifies our law, it reduces paperwork, it reduces heartaches, reduces headaches, and really is something we should have done years ago. I am proud to join my colleagues today to introduce this legislation that, if passed, will make it automatic that children who are adopted into families in the United States will receive, with their adoption finalization, automatic citizenship, to be citizens of the United States of America.

I think this change is long overdue. I can say, as the mother of two beautiful adopted children, obviously there is no difference between biological and adopted children. Both are wonderful ways to build families. Through the adoption process, many families in the United States are able to provide homes for children who were not fortunate enough to have them the first time around. So I am happy to join my colleagues to introduce this bill.

I send it to the desk and ask it be referred to the proper committee, and I ask unanimous consent the bill be printed in the RECORD.

There being no objection the bill was ordered to be printed in the RECORD, as follows:

S. 1485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Adopted Orphans Citizenship Act".

SEC. 2. ACQUISITION OF UNITED STATES CITIZENSHIP BY CERTAIN ADOPTED CHILDREN.

(a) AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT.—Section 301 of the Immigration and Nationality Act (8 U.S.C. 1401) is amended—

(1) by striking "and" at the end of subsection (g);

(2) by striking the period at the end of subsection (h) and inserting "; and"; and

(3) by adding at the end the following:

"(i) an unmarried person, under the age of 18 years, born outside the United States and its outlying possessions and thereafter adopted by at least one parent who is a citizen of the United States and who has been physically present in the United States or one of its outlying possessions for a period or periods totaling not less than 5 years prior to the adoption of the person, at least 2 of which were after attaining the age of 14 years, if—

"(1) the person is physically present in the United States with the citizen parent, having attained the status of an alien lawfully admitted for permanent residence;

"(2) the person satisfied the requirements in subparagraph (E) or (F) of section 101(b)(1); and

"(3) the person seeks documentation as a United States citizen while under the age of 18 years.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to persons adopted before, on, or after the date of enactment of this Act.

By Mr. GORTON:

S. 1486. A bill to establish a Take Pride in America Program; to the Committee on Energy and Natural Resources.

TAKE PRIDE IN AMERICA VOLUNTEER RECOGNITION ACT OF 1999

Mr. GORTON. Mr. President, I am delighted to introduce the Take Pride in America Volunteer Recognition Act of 1999, legislation which will revitalize and expand an important program created in the 1980's to enhance the legacy of the Great Outdoors.

Each American is part owner of an incredible asset—millions and millions of acres of national parks, national forests, national wildlife refuges and other public lands. These wonderful places are part of the legacy each of us shares, whether we live in my state of Washington or on the other side of the nation. We visit these places often and for a variety of reasons. Together, federal lands attract nearly two billion visits annually. Americas' Great Outdoors is a place for active fun—for skiing and fishing, camping and whitewatersports—as well as for quite time away from our cities, jobs and commutes.

Years ago, an important initiative was launched to encourage Americans to enjoy this legacy, and take responsibility for protecting it for future generations. The program was called Take Pride in America and had three components. The first portion was a public awareness campaign, designed to emphasize the importance of caring for federal lands and water. The second portion was an environmental education program for school children and for visitors to public lands. The third portion was a volunteer recruitment and recognition effort.

The Take Pride in America program received the support of a great number of well-known Americans. Public Service Announcements and appearances were contributed by Clint Eastwood and Linda Evans, Lou Gossett and Charles Bronson, Gerald McRainey and even ALF. The Oak Ridge Boys wrote and recorded to Take Pride in America theme song, and donated all royalties to the program. Forty-seven governors initiated Take Pride programs within their states, recognizing outstanding volunteers ranging from young children to seniors. Volunteers from across the nation came to Washington for an annual national recognition event at the White House and similar prominent locations. The Ad Council obtained professional support for the program and donated placements for PSA's—in fact, some of the elements of this campaign continue to run.

The results were good. Volunteerism for America's Great Outdoors surged and vandalism decline. Agencies such as the National Park Service, the Bureau of Land Management, the Forest Service and the Corps of Engineers were given a new tool to recruit and recognize Americans who invested their time and energy into enhancing our shared wealth of parks and forests.

Other priorities have put the Take Pride in America Program on hold in recent years. It is time to take this tool out and put it to good use once again.

Our public lands have maintenance and enhancement needs that exceed our ability to fund through general appropriations. We are now experimenting with new recreation fees and other mechanisms to attack a deferred maintenance backlog amounting to more than one billion dollars.

My legislation would restore and expand the program created by Congress in 1990, recommitting us to all three parts of the original program. It would also strengthen the program to reflect a special opportunity associated with the National Fee Demonstration Program created in 1996, which provides nearly $200 million annually in additional resources to four key federal land systems. The legislation would strengthen our volunteer programs in several ways, including the establishment of a special pass to recognize volunteers who serve 50 hours or more on federal public lands.

In my state, the Forest Service has done a tremendous job of organizing and utilizing the skills and enthusiasm of volunteers committed to improving our forests. The volunteer programs in the Northwest vary from forest to forest. Typically, groups like the Student Conservation Association, Mountaineers, Mazamas, and Backcountry Horsemen of Washington contract with the National Forest Service to complete specific projects designed to improve the health of the forests and enhance recreational opportunities. Individuals within these associations can earn passes for free access at national forest trailheads in the Pacific Northwest. I think this program is outstanding, and I want the Forest Service to continue accommodating and encouraging the efforts of volunteers. This bill is designed to encore these types of volunteer programs in other regions of the National Forest Service, the National Park Service, the Bureau of Land Management, and the U.S. Fish and Wildlife Service. In addition, I want to recognize the special efforts of volunteers who contribute over 50 hours of work on federal lands. The legislation directs the Department of Interior and Department of Agriculture to recognize these individuals with a pass to recreation areas throughout the federal system.

I look forward to exploring appropriate means for recognition of volunteers as this legislation is considered in the hearing process. We need to consider carefully the relationship between the special Take Pride in America Pass and other passes, including the Golden Eagle and Golden Age passes.

This legislation also will serve as a catalyst for expanding the scope of volunteer programs on federal lands. Too often in the past, our expectations for volunteer projects have focused on projects requiring shovels or paint brushes and requiring high levels of physical exertion. The truth is that important volunteer projects that can protect and enhance America's Great Outdoors are far more diverse. We need skills senior Americans have developed during a lifetime of living and learning, from research in libraries to teaching. We need those with special talents and gifts, from architects to web page designers, from attorneys—yes, even attorneys—to masons. We need to have meaningful projects for those with just a few hours to contribute as well as for those who are prepared to make an ongoing commitment of their time. Some of the projects can even be undertaken off-site. We need a good directory of needed volunteer undertakings that is widely available long before a volunteer shows up at a forest or park headquarters.

To the hundreds of thousands of Americans who already spend time protecting and enhancing America's public lands—covering nearly one in three acres of the nation—I give my thanks and ask for help in devising a system that recognizes the wonderful contribution you make and inspires millions of others to join in your important work. I also ask for the support of the Department of Interior and the Department of Agriculture for this legislation and its goal of taking better care of America's Great Outdoors.

By Mr. AKAKA (for himself, Mr. COCHRAN, Mrs. MURRAY, Mr. INOUYE, and Mr. KERREY):

S. 1487. A bill to provide for excellence in economic education, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

EXCELLENCE IN ECONOMIC EDUCATION ACT OF 1999

Mr. AKAKA. Mr. President, I rise to speak about the Excellence in Economic Education Act of 1999, a bill I am introducing today with my friends, Senators COCHRAN, MURRAY, INOUYE, and KERREY.

With each passing day, the need for increased economic literacy becomes more and more apparent. The rise of Internet commerce, market globalization, advances in technology, growth of online investment services, and the increase in the number of Americans who invest in the stock market serve to highlight the importance of economic literacy for citizens of every age and professional background. I am convinced that more education about basic economic concepts such as money, personal finance, and inflation—starting from a young age—could help people make decisions about their financial situation, so that they can better prepare for and endure our changing economy.

We need to help young people better understand economic implications of their actions: they can't always get what they want; they need to be more responsible with money; and, they are learning fiscal habits now that will stay with them for the rest of their lives.

In addition to teaching our youth how to make good financial decisions, we must help them become productive and well-informed citizens. It has been shown that a lack of knowledge about fundamental economics can have negative effects on our economy and lead to divisions and polarization in our communities. Economic education can have profound long-term effects for all of us.

We must educate our country's future workforce about what effects the retirements of our "baby boom generation" will have on them. Currently, Social Security reform is one of the biggest issues that is before us. We are working to ensure that Social Security will remain solvent well into the next century.

As we know, the number of people receiving Social Security will surge from 44 million now to 75 million in 2020. Even if we achieve a truly bipartisan solution on Social Security, our young people will still feel the impact from this tremendous future demographic shift, and they should learn how to prepare themselves for security in retirement. Economic education can help them.

Mr. President, I would like to comment on the results of a basic economics test given nationally by the National Council on Economic Education, which provides further evidence of the need for increased economic education. Taken by 1,010 adults and 1,085 high school students, the test's findings are striking:

(1) half of adults and two-thirds of high school students failed, while only six percent of adults and three percent of high school students got an "A";

(2) on average, adults received a grade of 57 percent and high school students a grade of 48 percent;

(3) students and adults alike lacked a basic understanding about the concepts of money, inflation and scarcity of resources—core economic concepts;

(4) a sizeable number of students—35 percent—admitted that they simply do not know what the effect of an increase in interest rates would be; and

(5) only a little more than half of adults, 54 percent, and less than one in four students, 23 percent, know that a budget deficit occurs when the Federal Government's expenditures exceed its revenues for that year.

However, amid these disappointing results, the study found that 96 percent believe basic economics should be taught in high school. Currently, 38 states have adopted guidelines for teaching economics in their schools, but only 13 states require that students take economics in order to graduate. Clearly, people see the need for improved economic education, and this need exists in many States.

This brings me to a brief description of what the Excellence in Economic Education Act would do. My bill would ensure that a majority of total funds appropriated under the Act would be distributed to state councils on economic education and economic education centers based at universities to support the work that these entities are performing. It would support the National Council on Economic Education in economic literacy activities that it conducts. It would also fund the creation of new councils and centers in states without a council or center.

The goals of the bill are to increase student knowledge of and achievement in economics; strengthen teachers' understanding of and ability to teach economics; encourage related research and development, dissemination of instructional materials, and replication of best practices and programs; help States measure the impact of economic education; ensure a strong presence of the nationwide network in every State; and leverage and increase private and public support for economic education partnerships at all levels.

Support for economic education is in the Goals 2000: Educate America Act which lists economics as a national core subject area.

My bill encourages the National Council and state councils and centers to work with local businesses and private industry as much as possible, particularly in obtaining matching funds.

Mr. President, we need to improve economic literacy for our children, just as we need to ensure reading literacy, writing aptitude, math and science comprehension, and an understanding of history and the arts. Economics is a fundamental, practical building block that should round out our children's education. I hope that my colleagues will join me in cosponsoring the Excellence in Economic Education Act.

For more specific details on the grants my bill creates, one-fourth of funds would be provided to the National Council, so that the council may strengthen and expand its nationwide economic education network, support and promote teacher training in coordination with current Eisenhower Professional Development activities, support related research, and develop and disseminate appropriate materials.

The remaining funds will be distributed by the National Council to state councils or centers, which will work in partnership with the private sector, state educational agencies, local educational agencies, institutions of higher education or other organizations that promote economic development or educational excellence. With this money, councils and centers will be able to fund teacher training programs, resources to school districts that want to incorporate economics into curricula, evaluations of the impact of economic education on students, related research, school-based student activities to promote consumer and personal finance education and to encourage awareness and student achievement in economics, interstate and international student and teacher exchanges, and replication of best practices to promote economic literacy.

The National Council runs an International Economics Exchange Program which is authorized in the Elementary and Secondary Education Act. This program assists with economic education in transition countries of the former Soviet Union, and enjoys broad support. My bill would boost the domestic component of the National Council's activities.

In addition, my bill puts increased emphasis on economics by adding it to the list of subject areas in Elementary and Secondary Education Act programs, such as National Teacher Training Project, Star Schools, Magnet Schools, Fund for the Improvement of Education, and Urban and Rural Education Assistance.

We are looking for ways to better educate our young people on how to manage their resources, be better workers, make wise investments, and prepare for a secure financial future. My bill provides the flexibility needed so that this may happen through practical means and make economics come alive for students. It is important to start working on this now. Before we know it, current eighth graders will have gone through high school, possibly college, and entered the workforce.

One again, I thank Senators COCHRAN, INOUYE, MURRAY, and KERREY for becoming original cosponsors of this bill, and I urge my colleagues to join us in cosponsoring the Excellence in Economic Education Act.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCELLENCE IN ECONOMIC EDUCATION.

(a) AMENDMENT.—Title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.) is amended by adding at the end the following:

"PART L—EXCELLENCE IN ECONOMIC EDUCATION

"SEC. 10995. SHORT TITLE; FINDINGS.

"(a) SHORT TITLE.—This part may be cited as the "Excellence in Economic Education Act of 1999".

"(b) FINDINGS.—Congress makes the following findings:

"(1) The need for economic literacy in the United States has grown exponentially in the 1990's as a result of rapid technological advancements and increasing globalization, giving individuals in the United States more numerous and complex economic and financial choices than ever before as members of the workforce, managers of their families' resources, and voting citizens.

"(2) Individuals in the United States lack essential economic knowledge, as demonstrated in a 1998–1999 test conducted by the National Council on Economic Education, a private nonprofit organization. The test results indicated the following:

"(A) Students and adults alike lack a basic understanding of core economic concepts such as scarcity of resources and inflation, with less than half of those tested demonstrating knowledge of those basic concepts.

"(B) A little more than ⅓ of those tested realize that society must make choices about how to use resources.

"(C) Only ⅓ of those tested understand that active competition in the marketplace serves to lower prices and improve product quality.

"(D) Slightly more than ½ of adults in the United States and less than ¼ of students in the United States know that a Federal budget deficit is created when the Federal Government's expenditures exceed its revenues in a year.

"(E) Overall, adults received a grade of 57 percent on the test and secondary school students received a grade of 48 percent on the test.

"(F) Despite those poor results, the test pointed out that individuals in the United States realize the need for understanding basic economic concepts, with 96 percent of adults tested believing that basic economics should be taught in secondary school.

"(3) A range of trends points to the need for individuals in the United States to receive a practical economics education that will give the individuals tools to make responsible choices about their limited financial resources, choices which face all people regardless of their financial circumstances. Examples of the trends are the following:

"(A) The number of personal bankruptcies in the United States continued to rise and set new records in the 1990's, despite the longest peacetime economic expansion in United States history. One in every 70 United States households filed for bankruptcy in 1998. Rising bankruptcies have an impact on the cost and availability of consumer credit which in turn negatively affect overall economic growth.

"(B) Credit card delinquencies in the United States rose to 1.83 percent in 1998, which is a percentage not seen since 1992 when the effects of a recession were still strong.

"(C) The personal savings rate in the United States over the 5 years ending in 1998 averaged only 4.5 percent. In the first quarter of 1999, the personal savings rate dropped to negative 0.4 percent. A decline in savings rates reduces potential investment and economic growth.

"(D) By 2030, the number of older persons in the United States will grow to 70,000,000, more than twice the number of older persons in the United States in 1997. The additional older persons will add significantly to the population of retirees in the United States and require a shift in private and public resources to attend to their specific needs. The needs will have dramatic, long-term economic consequences for younger generations of individuals in the United States workforce who will need to plan well in order to support their families and ensure themselves a secure retirement.

"(4) The third National Education Goal puts economics forth as 1 of 9 core content areas in which teaching, learning, and students' mastery of basic and advanced skills must improve.

"(5) The National Council on Economic Education presents a compelling case for doing more to meet the need for economic literacy. While an understanding of economics is necessary to help the next generation to think, choose, and function in a changing global economy, economics has too often been neglected in schools.

"(6) States' requirements for economic and personal finance education are insufficient as evidenced by the fact that, while 39 States have adopted educational standards (including guidelines or proficiencies) in economics—

“(A) only 13 of those States require all students to take a course in economics before graduating from secondary school;

“(B) only 25 States administer tests to determine whether students meet the standards; and

“(C) only 27 States require that the standards be implemented in schools.

“(7) Improved and enhanced national, State, and local economic education efforts, conducted as part of the Campaign for Economic Literacy led by the National Council on Economic Education, will help individuals become informed consumers, conscientious savers, prudent investors, productive workforce members, responsible citizens, and effective participants in the global economy.

“(8)(A) Founded in 1949, the National Council on Economic Education is the preeminent economic education organization in the United States, having a nationwide network that supports economic education in the Nation's schools.

“(B) This network supports teacher preparedness in economics through—

“(i) inservice teacher education;

“(ii) classroom-tested materials and appropriate curricula;

“(iii) evaluation, assessment, and research on economics education; and

“(iv) suggested content standards for economics.

“(9) The National Council on Economic Education network includes affiliated State Councils on Economic Education and more than 275 university or college-based Centers for Economic Education. This network represents a unique partnership among leaders in education, business, economics, and labor, the purpose of which is to effectively deliver economic education throughout the United States.

“(10) Each year the National Council on Economic Education network trains 120,000 teachers, reaching more than 7,000,000 students. By strengthening the Council's nationwide network, the Council can reach more of the Nation's 50,000,000 students.

“(11) The National Council on Economic Education conducts an international economic education program that provides information on market principles to the world (particularly emerging democracies) through teacher training, materials translation and development, study tours, conferences, and research and evaluation. As a result of those activities, the National Council on Economic Education is helping to support educational reform and build economic education infrastructures in emerging market economies, and reinforcing the national interest of the United States.

“(12) Evaluation results of economics education activities support the following conclusions:

“(A) Inservice education in economics for teachers contributes significantly to students' gains in economic knowledge.

“(B) Secondary school students who have taken economics courses perform significantly better on tests of economic literacy than do their counterparts who have not taken economics.

“(C) Economics courses contribute significantly more to gains in economic knowledge than does integration of economics into other subjects.

“(13) Through partnerships, the National Council on Economic Education network leverages support for its mission by raising $35,000,000 from the private sector, universities, and States.

“SEC. 10996. EXCELLENCE IN ECONOMIC EDUCATION.

“(a) Purpose.—The purpose of this part is to promote economic literacy among all United States students in kindergarten through grade 12 by enhancing national leadership in economic education through the strengthening of a nationwide economic education network and the provision of resources to appropriate State and local entities.

“(b) Goals.—The goals of this part are—

“(1) to increase students' knowledge of and achievement in economics to enable the students to become more productive and informed citizens;

“(2) to strengthen teachers' understanding of and competency in economics to enable the teachers to increase student mastery of economic principles and their practical application;

“(3) to encourage economic education research and development, to disseminate effective instructional materials, and to promote replication of best practices and exemplary programs that foster economic literacy;

“(4) to assist States in measuring the impact of education in economics, which is 1 of 9 national core content areas described in section 306(c) of the Goals 2000: Educate America Act (20 U.S.C. 5886(c));

“(5) to extend strong economic education delivery systems to every State; and

“(6) to leverage and expand private and public support for economic education partnerships at national, State, and local levels.

“SEC. 10997. GRANT PROGRAM AUTHORIZED.

“(a) Grants to the National Council on Economic Education.—

“(1) In general.—The Secretary is authorized to award a grant to the National Council on Economic Education (referred to in this section as the 'grantee'), which is a nonprofit educational organization that has as its primary purpose the improvement of the quality of student understanding of economics through effective teaching of economics in the Nation's classrooms.

“(2) Use of grant funds.—

“(A) One-quarter.—The grantee shall use ¼ of the funds made available through the grant and not reserved under subsection (f) for a fiscal year—

“(i) to strengthen and expand the grantee's nationwide network on economic education;

“(ii) to support and promote training, of teachers who teach a grade from kindergarten through grade 12, regarding economics, including the dissemination of information on effective practices and research findings regarding the teaching of economics;

“(iii) to support research on effective teaching practices and the development of assessment instruments to document student performance;

“(iv) to develop and disseminate appropriate materials to foster economic literacy; and

“(v) to coordinate activities assisted under this section with activities assisted under title II.

“(B) Three-quarters.—The grantee shall use ¾ of the funds made available through the grant and not reserved under subsection (f) for a fiscal year to award grants to State economic education councils, or in the case of a State that does not have a State economic education council, a center for economic education (which council or center shall be referred to in this section as a 'recipient'). The grantee shall award such a grant to pay for the Federal share of the cost of enabling the recipient to work in partnership with 1 or more of the entities described in paragraph (3) for 1 or more of the following purposes:

“(i) Collaboratively establishing and conducting teacher training programs that use effective and innovative approaches to the teaching of economics.

“(ii) Providing resources to school districts that want to incorporate economics into the curricula of the schools in the districts.

“(iii) Conducting evaluations of the impact of economic education on students.

“(iv) Conducting economic education research.

“(v) Creating and conducting school-based student activities to promote consumer, economic, and personal finance education, such as saving, investing, and entrepreneurial education, and to encourage awareness and student achievement in economics.

“(vi) Establishing interstate and international student and teacher exchanges to promote economic literacy.

“(vii) Encouraging replication of best practices to encourage economic literacy.

“(C) Additional requirements and technical assistance.—The grantee shall—

“(i) meet such other requirements as the Secretary determines to be necessary to assure compliance with this section; and

“(ii) provide such technical assistance as may be necessary to carry out this section.

“(3) Partnership entities.—The entities referred to in paragraph (2)(B) are the following:

“(A) A private sector entity.

“(B) A State educational agency.

“(C) A local educational agency.

“(D) An institution of higher education.

“(E) Another organization promoting economic development.

“(F) Another organization promoting educational excellence.

“(4) Administrative costs.—The grantee and each recipient receiving a grant under this section for a fiscal year may use not more than 25 percent of the funds made available through the grant for administrative costs.

“(b) Teacher Training Programs.—

“(1) In general.—In carrying out the teacher training programs described in subsection (a)(2)(B) a recipient shall—

“(A) train teachers who teach a grade from kindergarten through grade 12;

“(B) conduct programs taught by qualified teacher trainers who can tap the expertise, knowledge, and experience of classroom teachers, private sector leaders, and other members of the community involved, for the training; and

“(C) encourage teachers from disciplines other than economics to participate in such teacher training programs, if the training will promote the economic understanding of their students.

“(2) Release time.—Funds made available under this section for the teacher training programs described in subparagraphs (A) and (B) of subsection (a)(2) may be used to pay for release time for teachers and teacher trainers who participate in the training.

“(c) Involvement of Business Community.—In carrying out the activities assisted under this part the grantee and recipients are encouraged to—

“(1) include interactions with the local business community to the fullest extent possible, to reinforce the connection between economic education and economic development; and

“(2) work with private businesses to obtain matching contributions for Federal funds and assist recipients in working toward self-sufficiency.

"(d) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of the cost described in subsection (a)(2)(B) shall be 50 percent. The Federal share of the cost of establishing a State council on economic education or a center for economic education under subsection (f), for 1 fiscal year only, shall be 75 percent.

"(2) NON-FEDERAL SHARE.—The non-Federal share may be paid in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(e) APPLICATIONS.—

"(1) GRANTEE.—To be eligible to receive a grant under this section, the grantee shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

"(2) RECIPIENTS.—

"(A) IN GENERAL.—To be eligible to receive a grant under this section, a recipient shall submit an application to the grantee at such time, in such manner, and accompanied by such information as the grantee may require.

"(B) REVIEW.—The grantee shall invite the individuals described in subparagraph (C) to review all applications from recipients for a grant under this section and to make recommendations to the grantee regarding the funding of the applications.

"(C) INDIVIDUALS.—The individuals referred to in subparagraph (B) are the following:

"(i) Leaders in the fields of economics and education.

"(ii) Such other individuals as the grantee determines to be necessary.

"(f) SPECIAL RULE.—For each State that does not have a recipient in the State, as determined by the grantee, not less than the greater of 1.5 percent or $100,000 of the total amount appropriated under subsection (i), for 1 fiscal year, shall be made available to the State to pay for the Federal share of the cost of establishing a State council on economic education or a center for economic education in partnership with a private sector entity, an institution of higher education, the State educational agency, and other organizations.

"(g) SUPPLEMENT AND NOT SUPPLANT.—Funds appropriated under this section shall be used to supplement and not supplant other Federal, State, and local funds expended for the purpose described in section 10996(a).

"(h) REPORT.—The Secretary shall prepare and submit to the appropriate committees of Congress a report regarding activities assisted under this section not later than 2 years after the date funds are first appropriated under subsection (i) and every 2 years thereafter.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part $10,000,000 for fiscal year 2000, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

(b) RELATED AMENDMENTS.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(1) in section 2103(a)(2)(I) (20 U.S.C. 6623(a)(2)(I)), by inserting "economics," after "civics and government,";

(2) in section 3206(b)(4) (20 U.S.C. 6896(b)(4)), by inserting "economics," after "history,";

(3) in section 5108(b) (20 U.S.C. 7208(b)), by inserting "economics," after "history,";

(4) in section 10101(b)(1)(A)(iii) (20 U.S.C. 8001(b)(1)(A)(iii)), by striking "and social studies" and inserting "social studies, and economics,";

(5) in section 10963(b)(4) (20 U.S.C. 8283(b)(4))—

(A) in subparagraph (E), by striking "and" after the semicolon;

(B) in subparagraph (F), by inserting "and" after the semicolon; and

(C) by adding at the end the following:

"(G) economic education and other programs designed to enhance economic literacy and personal financial responsibility;"; and

(6) in section 10974(a)(8)(H) (20 U.S.C. 8294(a)(8)(H)), by striking "local rural entrepreneurship" and inserting "promoting economic literacy, local rural entrepreneurship,".

By Mr. BIDEN:

S. 1489. A bill to amend title 38, United States Code, to provide for the payment to States of pilot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States.

VETERANS' PLOT ALLOWANCE EQUITY

• Mr. BIDEN. Mr. President, today I am introducing legislation which provides equity for a group of veterans at their final moment: those veterans who are buried in State-owned veterans' cemeteries.

For a number of years, the amount of space in national veterans' cemeteries has been rapidly declining. With the strong encouragement of the Federal government, the States have undertaken to develop their own veterans' cemeteries. When certain categories of veterans are buried without charge in these State veterans' cemeteries, the Federal government pays the State a $150 "plot allowance" for the burial space. However, only limited categories of veterans are covered by this payment: those who were discharged for disability or who were receiving disability-related compensation; those who died in a veterans hospital; and those indigent veterans whose bodies were unclaimed after death.

For the many other veterans who don't fall into one of these few categories, the federal government will pay nothing for their burial space if they are buried in a State veterans' cemetery. By contrast, if any of these veterans were buried in a national veterans' cemetery, for which they are eligible, the federal government picks up the cost of the burial space. This disparity seems inexplicable, a final insult to the dedicated service of men and women who unselfishly served their country.

My bill removes this inequity by stating that, for any veteran who is eligible for burial in a national veterans' cemetery but who is interred in a State veterans' cemetery, the federal government will pay the State a $150 plot allowance for the burial space. That's it. No ifs, ands, or buts. No exceptions.

The government promised these veterans that they would be taken care of in their final passage, and it must live up to this vow. Regardless of whether veterans are buried in a State cemetery or in a national cemetery, their service in the armed forces benefitted all of us, and we should stop quibbling about whether the location of the grave has anything to do with the dignity and selflessness of the service to the country.

Mr. President, I urge my fellow Senators to support this bill in the name of fairness and in recognition of the service to the country of all our veterans in their final hour.•

By Mr. THOMPSON (for himself and Mr. FRIST):

S. 1490. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes; to the Committee on Finance.

DEDUCTIBILITY OF STATE SALES TAXES

• Mr. THOMPSON. Mr. President, I rise today to introduce legislation that will address an inequity in the tax code that affects the citizens of my state and citizens of the other states that do not have a state income tax. Tennesseans are discriminated against under federal tax laws simply because our state chooses to raise revenue primarily through a sales tax instead of an income tax. My bill would end this inequity by allowing taxpayers to deduct either their state and local sales taxes or their state and local income taxes on their federal tax forms, but not both. I am joined today by my colleague from Tennessee, Senator FRIST.

Under current law, individuals who itemize their deductions for federal tax purposes are only permitted to deduct state and local income taxes and property taxes paid. State and local sales taxes are not deductible. Therefore, residents of nine states are treated differently from residents of states with an income tax. Seven states—Texas, Florida, Alaska, Wyoming, Washington, South Dakota and Nebraska—have no state income tax. Two states—Tennessee and New Hampshire—only impose an income tax on interest and dividends, but not wages.

Prior to 1986, taxpayers were permitted to deduct all of their state and local taxes paid (including income, sales and property taxes) when computing their federal tax liability. The ability to deduct all state and local taxes is based on the principle that levying a tax on a tax is unfair.

In 1986, however, Congress made dramatic changes to the tax code. The Tax Reform Act of 1986 significantly reduced federal tax rates on individuals. In exchange for these lower rates, Congress broadened the base of income that is taxed by eliminating many of the deductions and credits that previously existed in the code, including the deduction for state and local sales taxes.

Mr. President, I believe that our federal tax laws should be neutral with respect to the treatment of state and local taxes. As I have said, that is not the case now. The current tax code is biased in favor of states that raise revenue through an income tax. I strongly support comprehensive reform of the tax code that will address issues such as neutrality, fairness and simplicity. As we work to reform the overall tax code, restoring equality in this area should be a part of the discussion.●

By Mr. MACK (for himself, Mr. Abraham, Mr. Allard, Mr. Bennett, Mr. Brownback, Mr. Hagel, Mr. Helms, and Mr. Shelby):

S. 1492. A bill to require the Board of Governors of the Federal Reserve System to focus on price stability in establishing monetary policy to ensure the stable, long-term purchasing power of the currency, to repeal the Full Employment and Balanced Growth Act of 1978, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

ECONOMIC GROWTH AND PRICE STABILITY ACT OF 1999

● Mr. MACK. Mr. President, I ask that the text of the bill be printed in the Record.

The bill follows:

S. 1492

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Economic Growth and Price Stability Act of 1999".

SEC. 2. FINDINGS; STATEMENT OF POLICY.

(a) Findings.—The Congress finds that—

(1) during periods of inflation, the United States has experienced a deterioration in its potential economic growth;

(2) a decline in inflation has been a crucial factor in encouraging recent robust economic growth;

(3) stable prices facilitate higher sustainable levels of economic growth, investment, and job creation;

(4) the multiple policy goals of the Full Employment and Balanced Growth Act of 1978 cause confusion and ambiguity about the appropriate role and aims of monetary policy, which can add to volatility in economic activity and financial markets, harming economic growth and costing workers jobs;

(5) recognizing the dangers of inflation and the appropriate role of monetary policy, political leaders in countries throughout the world have directed the central banks of those countries to institute reforms that focus monetary policy on the single objective of price stability, rather than on multiple policy goals;

(6) there is a need for the Congress to clarify the proper role of the Board of Governors of the Federal Reserve System in economic policymaking, in order to achieve the best environment for long-term economic growth and job creation; and

(7) because price stability is a key condition for maintaining the highest possible levels of productivity, real incomes, living standards, employment, and global competitiveness, price stability should be the primary long-term goal of the Board of Governors of the Federal Reserve System.

(b) Statement of Policy.—It is the policy of the United States that—

(1) the principal economic responsibilities of the Government are to establish and ensure an environment that is conducive to both long-term economic growth and increases in living standards, by establishing and maintaining free markets, low taxes, respect for private property, and the stable, long-term purchasing power of the United States currency; and

(2) the primary long-term goal of the Board of Governors of the Federal Reserve System (hereafter in this Act referred to as the "Board") should be to promote price stability.

SEC. 3. MONETARY POLICY.

(a) Amendment to the Federal Reserve Act.—Section 2A of the Federal Reserve Act (12 U.S.C. 225a) is amended to read as follows:

"SEC. 2A. MONETARY POLICY.

"(a) Price Stability.—The Board and the Federal Open Market Committee (hereafter in this section referred to as the 'Committee') shall—

"(1) establish an explicit numerical definition of the term 'price stability'; and

"(2) maintain a monetary policy that effectively promotes long-term price stability.

"(b) Congressional Consultation.—Not later than February 20 and July 20 of each year, the Board shall consult with the Congress at semiannual hearings before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, about the objectives and plans of the Board and the Committee with respect to achieving and maintaining price stability.

"(c) Congressional Oversight.—The Board shall, concurrent with each semiannual hearing required by subsection (b), submit a written report to the Congress containing—

"(1) numerical measures to help assess the extent to which the Board and the Committee are achieving and maintaining price stability in accordance with subsection (a);

"(2) a description of the intermediate variables used by the Board to gauge the prospects for achieving the objective of price stability; and

"(3) the definition, or any modifications thereto, of 'price stability' established in accordance with subsection (a)(1).".

(b) Compliance Estimate.—

(1) In general.—Concurrent with the first semiannual hearing required by section 2A(b) of the Federal Reserve Act (as amended by subsection (a) of this section) following the date of enactment of this Act, the Board shall submit to the Congress a written estimate of the length of time it will take for the Board and the Committee to fully achieve price stability. The Board and the Committee shall take into account any potential short-term effects on employment and output in complying with the goal of price stability.

(2) Definitions.—For purposes of this section—

(A) the term "Board" means the Board of Governors of the Federal Reserve System; and

(B) the term "Committee" means the Federal Open Market Committee.

SEC. 4. REPEAL OF OBSOLETE PROVISIONS.

(a) Full Employment and Balanced Growth Act of 1978.—The Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3101 et seq.) is repealed.

(b) Employment Act of 1946.—The Employment Act of 1946 (15 U.S.C. 1021 et seq.) is amended—

(1) in section 3 (15 U.S.C. 1022)—

(A) in the section heading, by striking "and short-term economic goals and policies";

(B) by striking "(a)"; and

(C) by striking "in accord with section 11(c) of this Act" and all that follows through the end of the section and inserting "in accordance with section 5(c).";

(2) in section 9(b) (15 U.S.C. 1022f(b)), by striking ", the Full Employment and Balanced Growth Act of 1978,";

(3) in section 10 (15 U.S.C. 1023)—

(A) in subsection (a), by striking "in the light of the policy declared in section 2";

(B) in subsection (e)(1), by striking "section 9" and inserting "section 3"; and

(C) in the matter immediately following paragraph (2) of subsection (e), by striking "and the Full Employment and Balanced Growth Act of 1978";

(4) by striking section 2;

(5) by striking sections 4 through 8; and

(6) by redesignating sections 3, 9, 10, and 11 as sections 2 through 5, respectively.

(c) Congressional Budget Act of 1974.—Title III of the Congressional Budget Act of 1974 (2 U.S.C. 631 et seq.) is amended—

(1) in section 301—

(A) in subsection (b), by striking paragraph (1) and redesignating paragraphs (2) through (9) as paragraphs (1) through (8), respectively;

(B) in subsection (d), in the second sentence, by striking "the fiscal policy" and all that follows through the end of the sentence and inserting "fiscal policy.";

(C) in subsection (e)(1), in the second sentence, by striking "as to short-term and medium-term goals"; and

(D) by striking subsection (f) and inserting the following:

"(f) [Reserved.]"; and

(2) in section 305—

(A) in subsection (a)(3), by inserting before the period at the end ", as described in section 2 of the Economic Growth and Price Stability Act of 1999";

(B) in subsection (a)(4)—

(i) by striking "House sets forth the economic goals" and all that follows through "designed to achieve," and inserting "House of Representatives sets forth the economic goals and policies, as described in section 2 of the Economic Growth and Price Stability Act of 1999,"; and

(ii) by striking "such goals," and all that follows through the end of the paragraph and inserting "such goals and policies.";

(C) in subsection (b)(3), by inserting before the period at the end ", as described in section 2 of the Economic Growth and Price Stability Act of 1999"; and

(D) in subsection (b)(4)—

(i) by striking "goals (as" and all that follows through "designed to achieve," and inserting "goals and policies, as described in section 2 of the Economic Growth and Price Stability Act of 1999,"; and

(ii) by striking "such goals," and all that follows through the end of the paragraph and inserting "such goals and policies.".●

By Mr. SPECTER (for himself and Mr. Santorum):

S. 1493. A bill to establish a John Heinz Senate Fellowship Program to advance the development of public policy with respect to issues affecting senior citizens; to the Committee on Rules and Administration.

THE JOHN HEINZ SENATE FELLOWSHIP PROGRAM

Mr. SPECTER. Mr. President, I have sought recognition to introduce a bill reauthorizing the John Heinz Senate Fellowship Program. This Congressional fellowship program, created in 1992, is a fitting tribute to my late colleague and dear friend, United States Senator John Heinz. Senator Heinz dedicated his life and much of his Congressional career to improving the lives of senior citizens. He believed that Congress has a special responsibility to serve as a guardian for those who cannot protect themselves. This fellowship program, which focuses on aging issues, honors the life and continues the legacy of Senator John Heinz.

During his 20 years in the Congress, John Heinz compiled an enviable record of accomplishments. While he was successful in many areas, he built a national reputation for his strong commitment to improving the quality of life of our nation's elderly. Pennsylvania, with nearly 2 million citizens aged 65 or older—over 15% of the population—houses the second largest elderly population nationwide. As John traveled throughout the state, he listened to the concerns of this important constituency and came back to Washington to address their needs through policy and legislation.

Senator Heinz led the fight against age discrimination by championing legislation to eliminate the requirement that older Americans must retire at age 65, and by ensuring full retirement pay for older workers employed by factories forced to close. During his Chairmanship of the Senate Special Committee on Aging from 1981–1986 and his tenure as Ranking Minority Member from 1987–1991, Senator Heinz used his position to improve health care accessibility and affordability for senior citizens and to reduce fraud and abuse within Federal health care programs. Congress enacted his legislation to provide Medicare recipients a lower cost alternative to fee-for-service medicine, as well as his legislation to add a hospice benefit to the Medicare program.

John also recognized the great need for nursing home reforms. He was successful in passing legislation mandating that safety measures be implemented in nursing homes and ensuring that nursing home residents cannot be bound and tied to their beds or wheelchairs.

Mr. President, the John Heinz Senate Fellowship Program will help continue the efforts of Senator Heinz to give our nation's elderly the quality of life they deserve. The program encourages the identification and training of new leadership in aging policy by awarding fellowships to qualified candidates to serve in a Senate office or with a Senate Committee staff. The goal of this program is to advance the development of the public policy in issues affecting senior citizens. Administered by the Heinz Family Foundation in conjunction with the Secretary of the Senate, the program allows fellows to bring their firsthand experience in aging issues to the work of Congress. Heinz fellows who are advocates for aging issues spend a year to help us learn about the effects of Federal policies on our elderly citizens, those who are social workers help us find better ways to protect our nation's elderly from abuse and neglect, and those who are health care providers help us to build a strong health care system that addresses the unique needs of our seniors.

As fellows, senior citizen advocates and aging policy experts not only have the opportunity to use their expertise to facilitate national debate about issues concerning senior citizens, they also prepare themselves to make future contributions to their local communities. The Heinz fellowship enables us to train new leaders in senior citizen advocacy and aging policy. The fellows return to their respective careers with a new understanding about how to work effectively with government, so they may better fulfill their goals as senior citizen advocates.

The John Heinz Fellowship Program has been a valuable tool for Congress and our communities since its establishment in 1992. The continuation of this vital program will signal a sustained commitment to our nation's elderly. I urge my colleagues to join me in cosponsoring this resolution, and urge its swift adoption. I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "John Heinz Senate Fellowship Program".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Senator John Heinz believed that Congress has a special responsibility to serve as a guardian for those persons who cannot protect themselves.

(2) Senator Heinz dedicated much of his career in Congress to improving the lives of senior citizens.

(3) It is especially appropriate to honor the memory of Senator Heinz through the creation of a Senate fellowship program to encourage the identification and training of new leadership in aging policy and to bring experts with firsthand experience of aging issues to the assistance of the Congress in order to advance the development of public policy in issues that affect senior citizens.

SEC. 3. FELLOWSHIP PROGRAM.

(a) IN GENERAL.—In order to encourage the identification and training of new leadership in issues affecting senior citizens and to advance the development of public policy with respect to such issues, there is established a John Heinz Senate Fellowship Program.

(b) SENATE FELLOWSHIPS.—The Heinz Family Foundation, in consultation with the Secretary of the Senate, is authorized to select Senate fellowship participants.

(c) SELECTION PROCESS.—The Heinz Family Foundation shall—

(1) publicize the availability of the fellowship program;

(2) develop and administer an application process for Senate fellowships; and

(3) conduct a screening of applicants for the fellowship program.

SEC. 4. COMPENSATION; NUMBER OF FELLOWSHIPS; PLACEMENT.

(a) COMPENSATION.—The Secretary of the Senate is authorized, from funds made available under section 5, to appoint and fix the compensation of each eligible participant selected under this Act for a period determined by the Secretary.

(b) NUMBER OF FELLOWSHIPS.—No more than 2 fellowship participants shall be so employed. Any individual appointed pursuant to this Act shall be subject to all laws, regulations and rules in the same manner and to the same extent as any other employee of the Senate.

(c) PLACEMENT.—The Secretary of the Senate, after consultation with the Majority Leader and Minority Leader of the Senate, shall place eligible participants in positions in the Senate that are, within practical considerations, supportive of the fellowship participants' areas of expertise.

SEC. 5. FUNDS.

The funds necessary to compensate eligible participants under this Act for fiscal year 1999 shall be paid from the contingent fund of the Senate. Such funds shall not exceed, for fiscal year 1999, $71,000. There are authorized to be appropriated $71,000 for each of the fiscal years 2000 through 2004 to carry out the provisions of this Act.

By Mr. BINGAMAN (for himself, Mr. ROCKEFELLER, Ms. SNOWE, and Ms. MIKULSKI):

S. 1494. A bill to ensure that small businesses throughout the United States participate fully in the unfolding electronic commerce revolution through the establishment of an electronic commerce extension program at the National Institutes of Standards and Technology; to the Committee on Commerce, Science, and Transportation.

ELECTRONIC COMMERCE EXTENSION ESTABLISHMENT ACT OF 1999

Mr. BINGAMAN. Mr. President, today I'm very pleased to be joined by Senators ROCKEFELLER, SNOWE, and MIKULSKI in introducing the "Electronic Commerce Extension Establishment Act of 1999." The purpose of this bill is simple—to ensure that small businesses in every corner of our nation fully participate in the electronic commerce revolution unfolding around us by helping them find and adopt the right e-commerce technology and techniques. It does this by authorizing an "electronic commerce extension" program at the National Institute of Standards and Technology modeled on NIST's existing, highly successful Manufacturing Extension Program.

Everywhere you look today, e-commerce—the buying, selling, and even the delivery of goods and services via computer networks—is starting a revolution in American business. Being so new, precise e-commerce numbers are hard to come by, but by one estimate business to business and business to consumer e-commerce sales in 1998 were $100 billion. If you add in the hardware, software, and services making those sales possible, the number rises to $300 billion. That's comparable to adding another entire automobile industry to the economy in the last few years. Another estimate has business to business e-commerce growing to $1.3 trillion by 2003. Whatever the exact numbers, an amazing change in our economy has begun.

But the shift to e-commerce is about more than new ways to sell things; it's about new ways to do things. It promises to transform how we do business—how we design products, manage supply chains and inventories, advertise and distribute goods, et cetera—and thereby boost productivity, the root of long term improvements in our standard of living. A recent Washington Post piece on Cisco Systems, a major supplier of Internet hardware, notes that Cisco saved $500 million last year by selling its products and buying its supplies online. On sales of $8.5 billion, that helped make for some nice profits. Imagine the productivity and economic growth spurred when more firms get efficiencies like that. And that's the point of this bill, to make sure that small businesses get those benefits too.

Electronic commerce is a new use of information technology and the Internet. Many people, including Alan Greenspan, suspect information technology is the major driver behind the productivity and economic growth we've been enjoying. The crucial verb here is "use." It is the widespread use of a more productive technology that sustains accelerated productivity growth. It was steam engine, not its sales, that powered the industrial revolution. In 1899, only about 5 percent of factory horsepower came from electric motors, even though the technologies had been around for two decades. But by 1920, when electric motors finally accounted for more than half of factory horsepower, they created a surge in industrial productivity as more efficient factory designs became common.

Closer to today, in 1987, Nobel Prize winning economist Robert Solow quipped, "We see the computer age everywhere but in the productivity statistics." Well, it looks like the computer has started to show up because more people are using them in more ways, like e-commerce. Information technology producers, companies like Cisco Systems who are, notably, some of the most sophisticated users of IT, are 8 percent of our economy; from 1995 to 1998 they contributed 35 percent of our economic growth. There are also some indications that IT is now improving productivity among companies that only use IT, though economists continue to debate that.

But here's the real point. If we are going to sustain this productivity and economic growth, if this is to be more than a one time boost that dies out, we have to spread sophisticated uses of information technology like e-commerce beyond the high tech sector and companies like Cisco Systems and into every corner of the economy, including small businesses. Back in the 1980s we used to debate if it mattered if we made money selling "potato chips or computer chips." But here's the real difference: consuming a lot of potato chips isn't good for you; consuming a lot of computer chips is.

I emphasize all this because too often our discussions of government policy, technology, and economic growth dwell on the invention and sale of new technologies, which are crucial, but shortchange the all important, but not terribly glamorous topic of their adoption and use. Extension programs, like the electronic commerce extension program in this bill, are policy aimed at precisely spreading the adoption and use of more productive technology by small businesses.

Now, with that in mind, the e-commerce revolution creates both opportunities and challenges for small businesses. On the one hand, it will open new markets to them and help them be more efficient. Many of us have seen that cartoon with a dog in front of a computer saying, "On the Internet no one knows you're a dog." Well, on the web, the garage shop can look as good as IBM or GM. On the other hand, the high fixed costs, low marginal costs, and technical sophistication that can sometimes characterize e-commerce, when coupled with a good brand name, may allow larger, more established e-commerce firms to quickly move from market to market. Amazon.com, perhaps the archetype e-commerce firm, has done such a wonderful job of making a huge variety of books widely available that it's been able to expand to CDs, to toys, to electronics, to auctions. Moreover, firms in more rural or isolated areas have suddenly found sophisticated, low cost, previously distant businesses entering their market, and competing with them. Thus, there is considerable risk that many small businesses be left behind in the shift to e-commerce. That would not be good for them, nor for the rest of us, because we all benefit when everyone is more productive and everyone competes.

The root of this problem is the fact that many small firms have a hard time identifying and adopting new technology. They're hard pressed and hard working, but they just don't have the time, people, or money to understand all the different technologies they might use. And, they often don't even know where to turn for help. Thus, while small firms are very flexible, they can be slow to adopt new technology, because they don't know which to use or what to do about it. That's why we have extension programs. Extension programs give small businesses low cost, impartial advice on what technologies are out there and how to use them.

Extension programs have a long, solid pedigree. They started in 1914, with the Department of Agriculture's Cooperative Extension Service to "extend" the benefits of agricultural research to the farmer. That extension service has played no small part in making the American farmer the most productive in the world. More recently, the competitiveness crisis of the 1980's prompted the creation of the Manufacturing Extension Program, or MEP, at NIST to help small manufacturers find and use the technology they need. NIST has done a good job building and managing MEP's network of more than 70 non-profit centers, in all 50 states, with 2000 experts on call, that has helped over 60,000 manufacturers.

Today, the United States is the international leader in e-commerce, but other nations are working to catch up, just like they did in manufacturing. Thus, the time is ripe to solidify our lead in e-commerce and extend it to every part of our economy in every corner of the nation. An electronic commerce extension program will help us do that.

So, what might such a program do? Imagine you're a small specialty foods retailer in rural New Mexico and you see e-commerce as a way to reach more customers. But your specialty is chiles, not computers; imagine all the questions you'd have. How do I sell over the web? Can I buy supplies that way too? How do I keep hackers out of my system? What privacy policies should I follow? How do I use encryption to collect credit card numbers and guarantee customers that I'm who I say I am? Can I electronically integrate my sales orders with instructions to shippers like Federal Express? How might I handle orders from Japan or Holland? Should I band together with other local producers to form a chile cybermall? What servers, software, and telecommunications will I need and how much will it cost? Can I do this via satellite links? Your local e-commerce extension center would answer those questions for you. And, you could trust their advice, because you'd know they were impartial and had no interest in selling you a particular product.

This bill will lead to the creation of a high quality, nationwide network of non-profit organizations providing that kind of expert advice, analogous to the MEP network NIST runs today, but with a focus on e-commerce and on firms beyond manufacturers. NIST, as part of the Department of Commerce, is a logical choice to run an e-commerce extension program because it's about promoting commerce via technology and standards; recall that the Internet is based on standards for how computers can talk to each other. But the best reason for NIST to do this is that MEP shows they can do it well; that expertise will prove invaluable in getting this new network up and running.

Similarly, this bill is directly modeled on the MEP authorization. It retains the key features of MEP: a network of centers run by non-profits; strict merit selection; cost sharing where the federal government's share decreases from one half to one third over time; and periodic independent review of each center. In addition, it emphasizes serving small businesses in rural or more isolated areas, so that those businesses can get a leg up on e-commerce too. In short, this legislation takes an approach that has already been proven to work.

Practically speaking, if this bill becomes law, I assume NIST, together with its headquarters organization, the Technology Administration, would begin by leveraging their MEP management expertise to start a few e-commerce extension centers and then gradually build out a network separate from MEP. They could also use the study of e-commerce extension resulting from my amendment to the Commerce, State, Justice Appropriations bill the other week. I also want to note that this is a new, separate authorization for an e-commerce extension program because it will have a different focus than MEP and because I do not want it to displace MEP in any way. MEP is a great program. Let's keep it going strong while we build this new e-commerce extension system.

Mr. President, I hope my colleagues will join me in supporting this important, timely, and practical piece of legislation. Just as a strong agricultural sector called for an agricultural extension service, and a strong industrial sector called for manufacturing extension, our shift to an information economy calls for electronic commerce extension.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no obection, the bill was ordered to be printed in the RECORD, as follows:

S. 1494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Electronic Commerce Extension Establishment Act of 1999".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The United States economy is in the early stages of a revolution in electronic commerce—the ability to buy, sell, and even deliver goods and services through computer networks. Estimates are that electronic commerce sales in 1998 were around $100,000,000,000 and could rise to $1,300,000,000,000 by 2003.

(2) Electronic commerce promises to spur tremendously United States productivity and economic growth—repeating a historical pattern where the greatest impetus toward economic growth lies not in the sale of new technologies but in their widespread adoption and use.

(3) Electronic commerce presents an enormous opportunity and challenge for small businesses. Such commerce will give such businesses new markets and new ways of doing businesses. However, many such business will have difficulty in adopting appropriate electronic commerce technologies and practices. Moreover, such businesses in more rural areas will find distant businesses entering their markets and competing with them. Thus, there is considerable risk many small businesses will be left behind in the shift to electronic commerce.

(4) The United States has an interest in ensuring that small businesses in all parts of the United States participate fully in the electronic commerce revolution, both for the sake of such businesses and in order to promote productivity and economic growth throughout the entire United States economy.

(5) The Federal Government has a long history of successfully helping small farmers with new agricultural technologies through the Cooperative Extension System at the Department of Agriculture, founded in 1914. More recently, the National Institute of Standards and Technology has successfully helped small manufacturers with manufacturing technologies though its Manufacturing Extension Program, established in 1988.

(6) Similarly, now is the time to establish an electronic commerce extension program to help small businesses throughout the United States identify, adapt, and adopt electronic commerce technologies and business practices, thereby ensuring that such businesses fully participate in the electronic commerce revolution.

SEC. 3. PURPOSE.

The purpose of this Act is to establish an electronic commerce extension program focused on small businesses at the National Institute of Standards and Technology.

SEC. 4. ESTABLISHMENT OF ELECTRONIC COMMERCE EXTENSION PROGRAM AT NATIONAL INSTITUTES OF STANDARDS AND TECHNOLOGY.

(a) ESTABLISHMENT.—The National Bureau of Standards Act (15 U.S.C. 271 et seq.) is amended by inserting after section 25 (15 U.S.C. 278k) the following new section:

"REGIONAL CENTERS FOR THE TRANSFER OF ELECTRONIC COMMERCE TECHNOLOGY

"SEC. 25A. (a)(1) The Secretary, through the Undersecretary of Commerce for Technology and the Director and in consultation with other appropriate officials, shall provide assistance for the creation and support of Regional Centers for the Transfer of Electronic Commerce Technology (in this section referred to as 'Centers').

"(2) The Centers shall be affiliated with any United States-based nonprofit institution or organization, or group thereof, that applies for and is awarded financial assistance under this section in accordance with the program established by the Secretary under subsection (c).

"(3) The objective of the Centers is to enhance productivity and technological performance in United States electronic commerce through—

"(A) the transfer of electronic commerce technology and techniques developed at the Institute to Centers and, through them, to companies throughout the United States;

"(B) the participation of individuals from industry, institutions of higher education, State governments, other Federal agencies, and, when appropriate, the Institute in cooperative technology transfer activities;

"(C) efforts to make electronic commerce technology and techniques usable by a wide range of United States-based small companies;

"(D) the active dissemination of scientific, engineering, technical, and management information about electronic commerce to small companies, with a particular focus on reaching those located in rural or isolated areas; and

"(E) the utilization, when appropriate, of the expertise and capability that exists in State and local governments, institutions of higher education, the private sector, and Federal laboratories other than the Institute.

"(b) The activities of the Centers shall include—

"(1) the establishment of electronic commerce demonstration systems, based on research by the Institute and other organizations and entities, for the purpose of technology transfer; and

"(2) the active transfer and dissemination of research findings and Center expertise to a wide range of companies and enterprises, particularly small companies.

"(c)(1) The Secretary may provide financial support to any Center created under subsection (a) in accordance with a program established by the Secretary for purposes of this section.

"(2) The Secretary may not provide to a Center more than 50 percent of the capital and annual operating and maintenance funds required to create and maintain the Center.

"(3)(A) Any nonprofit institution, or group thereof, or consortia of nonprofit institutions may, in accordance with the procedures established by the Secretary under the program under paragraph (1), submit to the Secretary an application for financial support for the creation and operation of a Center under this section.

"(B) In order to receive financial assistance under this section for a Center, an applicant shall provide adequate assurances that it will contribute 50 percent or more of the estimated capital and annual operating and maintenance costs of the Center for the first three years of its operation and an increasing share of such costs over the next three years of its operation.

"(C) An applicant shall also submit a proposal for the allocation of the legal rights associated with any invention which may result from the activities of the Center proposed by the applicant.

"(4)(A) The Secretary shall subject each application submitted under this subsection to merit review.

"(B) In making a decision whether to approve an application and provide financial support for a Center under this section, the Secretary shall consider at a minimum—

"(i) the merits of the application, particularly the portions of the application regarding technology transfer, training and education, and adaptation of electronic commerce technologies to the needs of particular industrial sectors;

"(ii) the quality of service to be provided;

"(iii) geographical diversity and extent of service area; and

"(iv) the percentage of funding and amount of in-kind commitment from other sources.

"(5)(A) Each Center receiving financial assistance under this section shall be evaluated during the third year of its operation by an evaluation panel appointed by the Secretary.

"(B) Each evaluation panel under this paragraph shall be composed of private experts, none of whom shall be connected with the Center involved, and with appropriate Federal officials. An official of the Institute shall chair each evaluation panel.

"(C) Each evaluation panel under this paragraph shall measure the performance of the Center involved against the objectives specified in this section and under the arrangement between the Center and the Institute.

"(6) The Secretary may not provide funding for a Center under this section for the fourth through the sixth years of its operation unless the evaluation regarding the Center under paragraph (5) is positive. If such evaluation for a Center is positive, the Secretary may provide continued funding for the Center through the sixth year of its operation at declining levels.

"(7)(A) After the sixth year of operation of a Center, the Center may receive additional financial support under this section if the Center has received a positive evaluation of its operation through an independent review conducted under procedures established by the Institute. Such independent review shall be undertaken for a Center not less often than every two years commencing after the sixth year of its operation.

"(B) The amount of funding received by a Center under this section for any fiscal year of the Center after the sixth year of its operation may not exceed an amount equal to one-third of the capital and annual operating and maintenance costs of the Center in such fiscal year under the program.

"(8) The provisions of chapter 18 of title 35, United States Code, shall (to the extent not inconsistent with this section) apply to the promotion of technology from research by Centers under this section except for contracts for such specific technology extension or transfer services as may be specified by statute or by the Director.

"(d)(1) In addition to such sums as may be appropriated to the Secretary and Director for purposes of the support of Centers under this section, the Secretary and Director may accept funds from other Federal departments and agencies for such purposes.

"(2) The selection and operation of a Center under this section shall be governed by the provisions of this section, regardless of the Federal department or agency providing funds for the operation of the Center.

"(e) In this section, the term 'electronic commerce' means the buying, selling, and delivery of goods and services, or the coordination or conduct of economic activities within and among organizations, through computer networks.".

(b) DESCRIPTION OF PROGRAM.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce shall publish in the Federal Register a proposal for the program required by section 25A(c) of the National Bureau of Standards Act, as added by subsection (a).

(2) The proposal for the program under paragraph (1) shall include—

(A) a description of the program;

(B) procedures to be followed by applicants for support under the program;

(C) criteria for determining qualified applicants under the program;

(D) criteria, including the criteria specified in paragraph (4) of such section 25A(c), for choosing recipients of financial assistance under the program from among qualified applicants; and

(E) maximum support levels expected to be available to Centers for the Transfer of Electronic Commerce Technology under the program in each year of assistance under the program.

(3) The Secretary shall provide a 30-day period of opportunity for public comment on the proposal published under paragraph (1).

(4) Upon completion of the period referred to in paragraph (3), the Secretary shall publish in the Federal Register a final version of the program referred to in paragraph (1). The final version of the program shall take into account public comments received by the Secretary under paragraph (3).

(c) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for the Department of Commerce each fiscal year such amounts as may be required during such fiscal year for purposes of activities under section 25A of the National Bureau of Standards Act, as added by subsection (a).

By Mr. DEWINE:

S. 1495. A bill to establish, wherever feasible, guidelines, recommendations, and regulations that promote the regulatory acceptance of new and revised toxicological tests that protect human and animal health and the environment while reducing, refining, or replacing animal tests and ensuring human safety and product effectiveness; to the Committee on Health, Education, Labor, and Pensions.

THE ICCVAM AUTHORIZATION ACT OF 1999

● Mr. DEWINE. Mr. President, I rise today to introduce a bill that would authorize the Interagency Coordinating Committee on the Validation of Alternative Methods, otherwise known as "ICCVAM." This bill would permanently establish ICCVAM, which currently only exists as a "standing" committee—so, it could be dismantled at any time. This bill would make it more permanent, thus giving companies and Federal agencies a sense of certainty, and encourage them to make the long term research investments that are required to develop alternative animal toxicology test methods for ICCVAM to review. This will decrease, and may ultimately lead to the end of, the use of animals in testing cosmetics, shampoos, detergents, and other products.

ICCVAM was created pursuant to the 1993 National Institutes of Health Revitalization Act's mandate that the National Institute of Environmental Health Sciences (NIEHS) recommend new processes for Federal agencies' acceptance of alternative toxicology tests using animals. ICCVAM is composed of representatives of 13 Federal agencies that use animals in toxicology research.

ICCVAM evaluates and recommends improved testing methods and makes it possible for more uniform testing to be adopted across Federal agencies. This legislation maintains the current practice of leaving the ultimate decision of whether or not to adopt the new test method up to each individual Federal agency. For example, a new lab test using a skin substitute has been evaluated and accepted by ICCVAM so that potentially toxic substances can first be tested on this "substitute skin" rather than on an animal. The test is a measure of the ability of a chemical to burn the skin. If the substance tests positive (i.e., burns or irritates the "substitute skin"), then it could be considered to produce skin burns and no animal would be used in further testing. If the substance does not irritate the "artificial skin," then the substance might then be tested on an animal. Ultimately, ICCVAM streamlines the test method validation and approval process by evaluating methods of interest to multiple agencies. By having the same method in place in multiple agencies, it aids in reducing the need to perform multiple animal tests to meet the requirements of various federal agencies. This bill and ICCVAM do not apply to regulations related to medical research. This bill is supported by the Humane Society of the United States, the Doris Day Animal League, Procter & Gamble, the American Humane Association, Colgate-Palmolive Company, the Gillette Company, and the Massachusetts Society for the Prevention of Cruelty to Animals.●

By Mrs. BOXER (for herself, Mr. SMITH of Oregon, and Mr. LAUTENBERG):

S. 1497. A bill to amend the Foreign Assistance Act of 1961 to take steps to control the growing international problem of tuberculosis; to the Committee on Foreign Relations.

INTERNATIONAL TUBERCULOSIS CONTROL ACT OF 1999

Mrs. BOXER. Mr. President, today I am pleased to be joined by my colleague on the Foreign Relations Committee, Senator SMITH of Oregon, and by Senator LAUTENBERG in introducing the International Tuberculosis Control Act.

This bill speaks to the growing international problem of tuberculosis. That is a disease we thought we had eliminated—and in fact, in the Western World, we largely did with the development of antibiotics in the 1950s. But the disease is making a comeback. As the World Health Organization (WHO) notes on the back cover of its most recent report on TB, "The tuberculosis epidemic is growing larger and more dangerous each year."

According to the WHO, last year, nearly 2 million people died of tuberculosis-related conditions. And—get this—the WHO estimates that one-third of the entire world's population is infected with TB.

Like so many other diseases, it impacts women disproportionately. TB is the world's leading killer of women between the ages of 15 and 44. For women in the primes of their lives, more than twice as many die of tuberculosis than because of war. TB kills three times as many women aged 15–44 as HIV/AIDS, and three times as many as heart disease.

And it is a leading cause of children becoming orphans.

But this is not just a growing international problem. Because of its persistence abroad, it is having a tremendous impact here at home.

TB is an airborne disease. You can get it when someone coughs or sneezes. And with the increased immigration and travel to the United States—as well as the homeless population, the rate of incarceration, and HIV/AIDS—we are seeing it re-emerge in many of our communities. Nearly 40 percent of the TB cases in the United States are attributable to foreign-born individuals.

We have seen it in my state of California, where local public health officials never thought they would have to worry about TB again. But they are. In 1997, nearly 20,000 TB cases were reported to the Centers for Disease Control. And over 4000 of them—20 percent of all TB cases in the United States—were in California.

The headline on the March 25 editorial in "The Oakland Tribune" said it best: "We ignore TB at our peril." Public health officials acknowledge that the key to controlling TB at home is to control TB abroad.

Fortunately, the experts know what to do—and it works. TB can be treated and cured. We have seen that in this country.

But in many other countries where this disease persists, there are numerous barriers that are facing public health officials. For example, the process for screening, detecting, and treating tuberculosis is very lengthy and labor intensive. Also, there is a lack of trained personnel and medicine in those nations with a high incidence of TB.

The United States Agency for International Development (USAID) and the World Health Organization have begun implementing a program to eliminate these barriers and to treat and control tuberculosis. So far, they have had some success. But the resources are, quite frankly, inadequate.

And they may become even more inadequate in the near future. The WHO is currently developing a global action plan to combat tuberculosis. That plan should be finalized and ready for implementation early in the year 2001. But unless there is a greater global investment of resources, we may have an action plan that does not see much action.

So the purpose of our bill is two-fold. First, we must raise awareness that TB is still a problem. I suspect that few Americans realize that the disease persists—not only in other countries, but also right here in the United States. And fewer still realize how easily it can be transmitted.

Second, we must increase the resources available to fight this disease in foreign countries.

This year, USAID will spend about $12 million on fighting tuberculosis abroad. Under the Foreign Operations Appropriations bill, as passed by the Senate, there should be enough funding for USAID to increase that to about $14 million next year.

I wanted to increase that even more, and I offered an amendment to the Foreign Operations bill. My amendment, which was accepted, says that if more money overall is provided for foreign aid programs before the appropriations bill becomes law, a top priority should be to provide more money for the infectious disease control program, especially tuberculosis.

But, Mr. President, I am not sure that will happen, and even if it does, I do not believe it will be enough. So our bill would authorize $60 million for fiscal year 2001—a five-fold increase over current funding levels—so that USAID can expand the work it has begun.

Make no mistake, we cannot do this alone. That is why this legislation calls on USAID to coordinate its efforts with the WHO and other organizations and why the bill adopts detection- and cure-rate goals based on the goals established by WHO. This must be a global effort with contributions and participation from nations around the world. But it is also an opportunity for the United States to provide global leadership.

Mr. President, this bill is supported by the American Lung Association, Results, the Global Health Council, and Princeton Project 55, an organization formed specifically to fight the international TB problem. I ask unanimous consent that the statements of support from these groups be included in the RECORD.

I am pleased to have their support, and I am pleased to have the cosponsorship of my colleagues from Oregon and New Jersey. I hope others will join us in this important bipartisan effort.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Tuberculosis Control Act of 1999".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Since the development of antibiotics in the 1950s, tuberculosis has been largely controlled in the United States and the Western World.

(2) Due to societal factors, including growing urban decay, inadequate health care systems, persistent poverty, overcrowding, and malnutrition, as well as medical factors, including the HIV/AIDS epidemic and the emergence of multi-drug resistant strains of tuberculosis, tuberculosis has again become a leading and growing cause of adult deaths in the developing world.

(3) According to the World Health Organization—

(A) in 1998, about 1,860,000 people worldwide died of tuberculosis-related illnesses;

(B) one-third of the world's total population is infected with tuberculosis; and

(C) tuberculosis is the world's leading killer of women between 15 and 44 years old and is a leading cause of children becoming orphans.

(4) Because of the ease of transmission of tuberculosis, its international persistence and growth pose a direct public health threat to those nations that had previously largely controlled the disease. This is complicated in the United States by the growth of the homeless population, the rate of incarceration, international travel, immigration, and HIV/AIDS.

(5) With nearly 40 percent of the tuberculosis cases in the United States attributable to foreign-born persons, tuberculosis will never be controlled in the United States until it is controlled abroad.

(6) The means exist to control tuberculosis through screening, diagnosis, treatment, patient compliance, monitoring, and ongoing review of outcomes.

(7) Efforts to control tuberculosis are complicated by several barriers, including—

(A) the labor intensive and lengthy process involved in screening, detecting, and treating the disease;

(B) a lack of funding, trained personnel, and medicine in virtually every nation with a high rate of the disease;

(C) the unique circumstances in each country, which requires the development and implementation of country-specific programs; and

(D) the risk of having a bad tuberculosis program, which is worse than having no tuberculosis program because it would significantly increase the risk of the development of more widespread drug-resistant strains of the disease.

(8) Eliminating the barriers to the international control of tuberculosis through a well-structured, comprehensive, and coordinated worldwide effort would be a significant step in dealing with the increasing public health problem posed by the disease.

SEC. 3. ASSISTANCE FOR TUBERCULOSIS PREVENTION, TREATMENT, CONTROL, AND ELIMINATION.

Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) is amended by adding at the end the following:

"(4)(A) Congress recognizes the growing international problem of tuberculosis and the impact its continued existence has on those nations that had previously largely controlled the disease. Congress further recognizes that the means exist to control and treat tuberculosis, and that it is therefore a major objective of the foreign assistance program to control the disease. To this end, Congress expects the agency primarily responsible for administering this part—

"(i) to coordinate with the World Health Organization, the Centers for Disease Control, the National Institutes of Health, and other organizations toward the development and implementation of a comprehensive tuberculosis control program; and

"(ii) to set as a goal the detection of at least 70 percent of the cases of infectious tuberculosis, and the cure of at least 85 percent of the cases detected, in those countries in which the agency has established development programs, by December 31, 2010.

"(B) There are authorized to be appropriated to the President, $60,000,000 for fiscal year 2001 to be used to carry out this paragraph. Funds appropriated under this subparagraph are authorized to remain available until expended.''.

AMERICAN THORACIC SOCIETY,
August 4, 1999.

Hon. BARBARA BOXER,
U.S. Senate, Washington, DC.

DEAR SENATOR BOXER: On behalf of the American Lung Association and its medical section, the American Thoracic Society, I want to express our strong support for your legislation, the International Tuberculosis Control Act 1999. This bill will provide needed resources to combat the threat that tuberculosis poses the world and to the United States.

The American Lung Association was founded in 1904 as the National Association for the Study of Prevention of Tuberculosis. While the American Lung Associations and its medical section, the American Thoracic Society has made steady progress over the past 90 years, much has changed in the area of U.S. tuberculosis control. The two biggest changes have been the development of multi-drug resistant tuberculosis and the growth of foreign-born cases of TB in the U.S.

Multi-drug resistant tuberculosis (MDR-TB) is a form of tuberculosis that is resistant to two or more of the primary drugs used to treat TB. A strain of MDR-TB develops when a case of a drug susceptible TB is improperly treated. MDR-TB is more expensive to treat and more likely to kill. MDR-TB is on the rise, both in the U.S., and throughout the world. Unless we quickly develop and implement an effective global response to TB, deadly strains of MDR-TB will continue to spread.

Tuberculosis will kill almost two million people this year. Eight million people will become sick with the disease. Today nearly 40% of TB cases in the U.S. are in foreign-born individuals. We can't stop TB from entering the country. But through our continued support of global TB programs we can reduce the impact of the disease around the world and at home.

The U.S. Agency for International Development has taken initial steps towards coordinating an international response to the global TB epidemic. Your legislation will provide the U.S. Agency for International Development the resources needed to plan and implement a cooperative global TB control strategy. With direction from Congress and your leadership we are confident that U.S. can lead the way to controlling TB globally.

Sincerely,

FRAN DUMELLE,
Deputy Managing Director.

PRINCETON PROJECT 55 INC.,
TUBERCULOSIS INITIATIVE,
Washington, DC, August 3, 1999.

Senator BARBARA BOXER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BOXER, The Princeton Project 55 Tuberculosis Initiative (TBI) would like to express its support for your sponsorship of the "International Tuberculosis Control Act of 1999," aimed at increasing funding for international TB control. At a time when funding for tuberculosis is severely inadequate, it is important that additional monies be allocated to fight the world's second leading infectious disease killer.

The TBI commends your leadership in calling attention to the TB threat and your work to increase funding for the international fight against tuberculosis. In order to control TB within the United States, it is crucial that we control TB internationally.

As you know, although TB is an easily preventable and 100% curable disease, over one third of the world's population is infected with TB and many international TB control programs are poorly managed and underfunded. It has been proven that TB treatment is cost-effective and saves both money and lives. Yet only 16% of TB patients receive the recommended Directly Observed Therapy (DOTS) regimen. The risk of multi-drug resistant TB, a strain of TB that is often incurable, has become more widespread as a result of the poorly organized TB control programs.

Your bill's proposed $60 million for U.S. Agency for International Development (USAID) to support tuberculosis control would expand funding to develop country-specific plans for TB control programs for nations with the highest prevalence of TB. Many of these nations face major barriers to effective TB control programs, including lack of funds, trained personnel, and drug supply. The $60 million would also increase support to develop an integrated global tuberculosis control program in coordination with Centers for Disease Control (CDC), National Institutes of Health (NIH), World Health Organization (WHO), and private voluntary organizations.

The Princeton Project 55 Tuberculosis Initiative has worked tirelessly with you and other health organizations to increase awareness of the need for increased international tuberculosis funding. Your bill aims to control TB internationally now, before the problem is uncontrollable. The bill also brings needed attention to an often forgotten disease.

The TBI congratulates your efforts to fight TB and looks forward to working with you in the future, to ensure the passage of your TB bill in the coming legislative session.

Sincerely,

GORDON DOUGLAS,
Project Manager.
RALPH NADER,
Steering Committee.

GLOBAL HEALTH COUNCIL,
August 4, 1999.

Senator BARBARA BOXER,
112 Hart Office Building,
Washington, DC

DEAR SENATOR BOXER. On behalf of the Global Health Council, a private, not-for-profit membership organization consisting of over 2000 individual and organizational members world-wide, I would like to thank you for your support and leadership on the issue of tuberculosis control. Your bill, the "International Tuberculosis Control Act of 1999," is an important step in the prevention of and fight against tuberculosis.

I would especially like to commend you on your recognition of the increase of tuberculosis internationally and the problem of the development of multiple drug resistant strains of the disease. World wide, more people die of tuberculosis than at any other time in our history—between two to three million deaths per year. Projections indicate that left unchecked, the death toll for this disease could reach as high as 30 million in the next decade.

The problem of Multiple Drug Resistant Tuberculosis—100 times more expensive to treat—is emerging in communities around the world. Inappropriate treatment regimens, self-medication, the proliferation of inferior drugs, and interruptions in patient treatment all give TB the opportunity to become resistant to one or more drugs over times, making the disease more expensive and difficult to cure.

As we move towards a global economy—economic trade policy, improved transportation and tourism, voluntary and forced migration have collectively changed the pattern and spread of infectious diseases. Last year, more than 19,000 people came down with this disease in the U.S.—more than 4,000 in California.

A 1998 General Accounting report highlights the new reality: the world now has tools and the know-how to vastly improve the health of the four billion humans living in poverty in the developing world. It also makes clear that there are enormous benefits to the American people, both in terms of health and of economics that will come from improving the health of others.

Your legislation is another step towards achieving this new reality. It sets achievable goals that will work to control the threat of tuberculosis in our nation and in our world. Thank you again for your commitment to this cause. we look forward to working with you to assure global health for all.

Sincerely,

NILS DAULAIRE, MD, MPH,
President & CEO.

RESULTS HAILS SENATOR BOXER'S EFFORTS TO CONTROL TB'S SPREAD: TUBERCULOSIS IS ON THE RISE AROUND THE WORLD—KILLING AS MANY AS 2 MILLION PEOPLE EACH YEAR.

WASHINGTON, D.C.—Senator Boxer (D-CA), along with Senator Smith (R-OR) and Senator Lautenberg (D-NJ) introduced legislation today which would control the growing problem of tuberculosis internationally. The bill calls for the investment of $60 million next year to jump-start tuberculosis control programs in some of the countries of the world with the highest TB rates.

Senator Barbara Boxer, a leading health advocate in Congress, is also a member of the Foreign Relations Committee. Her bill sets out to address the fact that despite the existence of an extremely cost-effective TB treatment (according to the World Bank, an investment of between $20–$100 can save a life), only 16 percent of those with active TB, actually have access to it.

The fact that millions of victims are not being treated for TB, combined with its highly infectious nature, has resulted in two million people dying every year from this disease. TB kills more women than any cause of maternal mortality and is the biggest killer of people with AIDS. In addition, with the rise in global travel and with forty percent of TB cases here in the United States attributable to foreign born persons, tuberculosis will never be eliminated in this country until it is controlled worldwide. Multi drug resistant TB, the result of poor treatment programs, threaten to render this disease incurable unless we act now.

RESULTS Executive Director, Lynn McMullen, praised Boxer for her leadership. "Thanks to the efforts of Senator Boxer and her colleagues, TB will not be allowed to spread unchecked around the world. Her commitment to controlling this plague will mean millions of lives saved."

RESULTS is a citizens grassroots advocacy organization which works to end hunger and the worst aspects of poverty.

Mr. SMITH of Oregon. Mr. President, I am pleased to join my colleague Senator BOXER in introducing this legislation to help control a deadly and easily communicable disease—tuberculosis (TB). I, like many of you, thought we had this scourge under control since the development of antibiotics more than 40 years ago.

However, TB is a real problem here and abroad. It is a disease that knows no borders—because of the ease of transmission of TB, its growth abroad poses a real public health threat to nations like the United States that had previously controlled TB.

Our bill will authorize $60 million in FY 2001 to help control this deadly disease. This bill calls for a coordinated effort to wipe out this disease and sets goals for the detection and cure.

The statistics surrounding tuberculosis are terrifying. TB kills almost 2 million people abroad every year. The rate of infection abroad is increasing each year and TB is transmitted as easily as the common cold. Every second someone is infected with TB. Further, TB is the leading killer of women, more than any single cause of maternal mortality. This has an enormous impact on families and the very social fabric of a society. TB is the leading cause of death among HIV-positive individuals. It accounts for almost one-third of AIDS deaths worldwide.

Many TB cases are easily treatable by a six-month antibiotic regimen. Tragically, this regimen is only used in 15% of TB cases worldwide. An untreated person with active TB will infect 10–15 people per year. TB control programs are underfunded and poorly organized in many countries. Since millions of people travel between the U.S. and other nations daily, we must develop stable country-specific programs that will control this disease.

I believe that our bill is a good strong step towards ending TB here and abroad and I look forward to working with my colleague from California on this legislation. I ask all my colleagues in the Senate to support his important legislation.

Mr. LAUTENBERG. Mr. President, I rise as a proud cosponsor of legislation the Senator from California, Senator BOXER, is introducing today, the "International Tuberculosis Act of 1999." This bill seeks to control the growing international problem of tuberculosis.

Mr. President, we cannot stand idly by while tuberculosis kills more people worldwide than AIDS and malaria combined, and yet still receives substantially less attention and aid dollars.

Although the introduction of antibiotics in the 1950's led to the near eradication of tuberculosis, it still plagues many nations throughout the world. In 1993 the World Health Organization declared tuberculosis to be a public health emergency, with an estimated 1,700 million people, or nearly one third of the world's population, infected with the tubercle bacillus. The World Health Organization estimates that eight million people get TB every year, and an estimated 3 million die from the disease annually.

Mr. President, the registered number of new cases of TB worldwide roughly correlates with economic conditions: the highest incidences are seen in those countries of Africa, Asia, and Latin America with the lowest gross national products. We must now face the realization that without much needed aid, most of the countries with a high burden of TB will not be able to reach the targets for TB control established by the World Health Assembly for the year 2000. In human terms, this means that each year millions of lives could be lost due to a preventable and curable disease.

Thankfully, Mr. President, efforts to combat this terrible disease have been largely successful inside U.S. borders. In my own State of New Jersey, the number of people with active tuberculosis has declined each year for the past six years. But the problem still persists. Each year over 25,000 people in the United States contract TB. The treat of infection here in America still looms large for anyone who travels abroad or comes into contact with those who have recently traveled outside the United States. This disease does not discriminate: People of all ages, all nationalities and all incomes can get tuberculosis.

An airborne disease that can be spread through a simple cough, TB can be carried around the world in a matter of hours on a transcontinental flight. Nearly 40 percent of TB cases in the U.S. are attributable to foreign-born persons. Until TB is eradicated worldwide, no person—no American—will ever be safe from its affliction.

Only small steps have been taken to eradicate TB outside the United States. Medical experts estimate that over $1 billion is necessary to control TB. This money will allow scientists and doctors to take the necessary steps to wipe out this disease, much like the world community has already done with malaria and small pox. The longer we wait, the larger the TB population will be. This translates into higher costs to eradicate this debilitating disease. International organizations note that for every dollar spent on prevention, a nation saves between three and four dollars in treatment.

Mr. President, TB control efforts have received approximately $12 million a year for the last two fiscal years under USAID's Infectious Disease Initiative to create a TB Global Action Plan. However, this is not enough; an increase in funding is critical if tuberculosis is to be vanquished. The U.S. must do its part.

An increase in funding to $60 million for TB would help expedite global action, and give aid officials the necessary resources to develop and implement country specific plans for control programs for nations with a high prevalence of TB. Once a plan is implemented, it is necessary to formulate a systematic program to avoid increases of drug resistant strains of TB.

A plan, coordinated with the World Health Organization, the Centers for Disease Control, the National Institutes of Health and other organizations, will expand and provide a framework for enhanced direction and coordination of worldwide tuberculosis research activities, translate research results into efficient and effective TB control practices which are applicable to all environments, and engage society and government control programs more quickly and widely.

The American Lung Association, American Thoracic Society and International Union Against Tuberculosis and Lung Disease and other renowed organizations support an increase in funding for TB prevention.

Mr. President, a global TB prevention effort makes sense. The benefits outweigh the costs. Given the importance of a global plan to eradicate TB, and its potential in saving lives, I urge the Senate to approve this bill.

Mr. President, tuberculosis is a global problem. We will never control TB in this country until we control it worldwide, since infectious diseases do not stop at the border. I commend the Senator from California for introducing this important and timely legislation to address tuberculosis effectively now. I hope and believe this bill will gain the support of the full Senate.

I yield the floor.

ADDITIONAL COSPONSORS

S. 285

At the request of Mr. McCAIN, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 285, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 343

At the request of Mr. BOND, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 343, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

S. 391

At the request of Mr. KERREY, the names of the Senator from Michigan (Mr. ABRAHAM), and the Senator from Arkansas (Mr. HUTCHINSON) were added as cosponsors of S. 391, a bill to provide for payments to children's hospitals that operate graduate medical education programs.

S. 514

At the request of Mr. COCHRAN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 514, a bill to improve the National Writing Project.

S. 622

At the request of Mr. KENNEDY, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 622, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 805

At the request of Mr. DURBIN, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 941

At the request of Mr. WYDEN, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 941, a bill to amend the Public Health Service Act to provide for a public response to the public health crisis of pain, and for other purposes.

S. 980

At the request of Mr. BAUCUS, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 980, a bill to promote access to health care services in rural areas.

S. 1072

At the request of Mr. EDWARDS, his name was added as a cosponsor of S. 1072, a bill to make certain technical and other corrections relating to the Centennial of Flight Commemoration Act (36 U.S.C. 143 note; 112 Stat. 3486 et seq.).

S. 1144

At the request of Mr. VOINOVICH, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Florida (Mr. GRAHAM), and the Senator from Florida (Mr. MACK) were added as cosponsors of S. 1144, a bill to provide increased flexibility in use of highway funding, and for other purposes.

S. 1185

At the request of Mr. ABRAHAM, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1185, a bill to provide small business certain protections from litigation excesses and to limit the product liability of non-manufacturer product sellers.

S. 1214

At the request of Mr. THOMPSON, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 1214, a bill to ensure the liberties of the people by promoting federalism, to protect the reserved powers of the States, to impose accountability for Federal preemption of State and local laws, and for other purposes.

S. 1255

At the request of Mr. ABRAHAM, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 1255, a bill to protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes.

S. 1263

At the request of Mr. JEFFORDS, the names of the Senator from Montana (Mr. BURNS), the Senator from Mississippi (Mr. COCHRAN), the Senator from Nebraska (Mr. HAGEL), the Senator from Oklahoma (Mr. INHOFE), the Senator from Texas (Mrs. HUTCHISON), and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. 1263, a bill to amend the Balanced Budget Act of 1997 to limit the reductions in medicare payments under the prospective payment system for hospital outpatient department services.

S. 1272

At the request of Mr. NICKLES, the names of the Senator from Indiana (Mr. BAYH) and the Senator from New Hampshire (Mr. GREGG) were added as cosponsors of S. 1272, a bill to amend the Controlled Substances Act to promote pain management and palliative care without permitting assisted suicide and euthanasia, and for other purposes.

S. 1310

At the request of Ms. COLLINS, the names of the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from New Hampshire (Mr. GREGG) were added as cosponsors of S. 1310, a bill to amend title XVIII of the Social Security Act to modify the interim payment system for home health services, and for other purposes.

S. 1328

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1328, a bill to amend the Internal Revenue Code of 1986 to permit the disclosure of certain tax information by the Secretary of the Treasury to facilitate combined Federal and State employment tax reporting, and for other purposes.

S. 1333

At the request of Mr. WYDEN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1333, a bill to expand homeownership in the United States.

S. 1440

At the request of Mr. GRAMM, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1440, a bill to promote economic growth and opportunity by increasing the level of visas available for highly specialized scientists and engineers and by eliminating the earnings penalty on senior citizens who continue to work after reaching retirement age.

S. 1473

At the request of Mr. ROBB, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1473, a bill to amend section 2007 of the Social Security Act to provide grant funding for additional Empowerment Zones, Enterprise Communities, and Strategic Planning Communities, and for other purposes.

SENATE CONCURRENT RESOLUTION 34

At the request of Mr. SPECTER, the names of the Senator from North Dakota (Mr. DORGAN), and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of Senate Concurrent Resolution 34, A concurrent resolution relating to the observence of "In Memory" Day.

SENATE RESOLUTION 95

At the request of Mr. THURMOND, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of Senate Resolution 95, a resolution designating August 16, 1999, as "National Airborne Day."

SENATE RESOLUTION 108

At the request of Mr. BREAUX, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of Senate Resolution 108, A resolution designating the month of March each year as "National Colorectal Cancer Awareness Month."

AMENDMENT NO. 1495

At the request of Mr. BAUCUS the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of amendment No. 1495 intended to be proposed to S. 1233, an original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes.

SENATE CONCURRENT RESOLUTION 50—EXPRESSING THE SENSE OF THE CONGRESS CONCERNING THE CONTINUOUS REPRESSION OF FREEDOM OF EXPRESSION AND ASSEMBLY, AND OF INDIVIDUAL HUMAN RIGHTS, IN IRAN, AS EXEMPLIFIED BY THE RECENT REPRESSION OF THE DEMOCRATIC MOVEMENT OF IRAN

Mr. BROWNBACK (for Mr. LIEBERMAN, Mr. LOTT, Mr. HELMS, Mr. GRAHAM, Mr. MACK, Mr. WELLSTONE, and Mr. WYDEN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 50

Whereas freedom of expression and assembly, individual human rights, and pursuit of democratic ideals have been systematically repressed by the government of Iran;

Whereas in recent months several members of the press and other individuals who peacefully criticized the policies of the Islamic

Republic of Iran were assassinated by elements that are now known to have belonged to the Iranian government's security forces;

Whereas this continuous repression of freedom has been once more exemplified by the vicious and unjustifiable assault by the government of Iran and its vigilantes on students who marched peacefully and within the law on July 8, 1999, to protest, on the grounds of democracy, freedom of the press, and individual and civil rights, the closure of a reformist newspaper, Salaam;

Whereas the Iranian government forces and vigilantes killed, wounded, and incarcerated students and destroyed their dormitories, rooms, and belongings;

Whereas the Iranian government now has accused falsely and unjustifiably a number of students and other seekers of democracy and human rights of high crimes, theoretically punishable by death under Iranian law; and

Whereas freedom of expression and assembly are fundamental human rights which are recognized as such under the United Nations Declaration of Human Rights: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SENSE OF CONGRESS REGARDING THE REPRESSION OF THE DEMOCRATIC MOVEMENT OF IRAN.

(a) Condemnation.—Congress hereby condemns the repressive actions taken by the Iranian government against the democratic movement of Iran.

(b) Sense of Congress.—It is the sense of Congress that—

(1) the Iranian government should respect the fundamental principles contained in the Universal Declaration of Human Rights and, thereby, to cease its repression of peaceful dissent and to release unharmed the student leaders and the other pro democracy activists the government continues to detain;

(2) the President of the United States should give clear voice to—

(A) the abhorrence of the American people for the violence used against the Iranian students and pro-democracy activists; and

(B) the solidarity of the United States with the values and objectives that the students and activists have espoused;

(3) the European allies of the United States, who maintain political and economic relations with Iran, should convey their own concerns and objections to the Iranian authorities;

(4) the Secretary of State should urge the Secretary General of the United Nations to exercise his influence with the Iranian government to secure the release of the student leaders and other pro-democracy activists who are now being detained and whose lives are threatened;

(5) the Secretary of State should urge the United Nations High Commissioner for Human Rights to convey her concern for the safety of the Iranian student leaders and other pro-democracy activists to the Iranian government and should assist in securing their prompt release; and

(6) the United States delegate to the United Nations Sub-Commission on Prevention of Discrimination and Protection of Minorities, at its upcoming meeting, should introduce a resolution calling for the release of the Iranian student leaders and other pro-democracy activists and the termination of repressive actions against the nonviolent and democratic student movement of Iran.

SENATE RESOLUTION 172—TO ESTABLISH A SPECIAL COMMITTEE OF THE SENATE TO ADDRESS THE CULTURAL CRISIS FACING AMERICA

Mr. BROWNBACK (for himself, Mr. Moynihan, Mr. Lott, Mr. Dorgan, Mr. Allard, Mr. Conrad, Mr. Abraham, Mr. Coverdell, Mr. Sessions, and Mr. Craig) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. Res. 172

Resolved,

SECTION 1. ESTABLISHMENT OF THE SPECIAL COMMITTEE.

(a) Establishment.—There is established a special committee of the Senate to be known as the Special Committee on American Culture (hereafter in this resolution referred to as the "special committee").

(b) Purpose.—The purpose of the special committee is—

(1) to study the causes and reasons for social and cultural regression;

(2) to make such findings of fact as are warranted and appropriate, including the impact that such negative cultural trends and developments have on the broader society, particularly in regards to child well-being; and

(3) to explore means of cultural renewal.

No proposed legislation shall be referred to the special committee, and the committee shall not have power to report by bill, or otherwise have legislative jurisdiction.

(c) Treatment as Standing Committee.—For purposes of paragraphs 1, 2, 7(a) (1) and (2), and 10(a) of rule XXVI and rule XXVII of the Standing Rules of the Senate, and section 202 (i) and (j) of the Legislative Reorganization Act of 1946, the special committee shall be treated as a standing committee of the Senate.

SEC. 2. MEMBERSHIP AND ORGANIZATION OF THE SPECIAL COMMITTEE.

(a) Membership.—

(1) In general.—The special committee shall consist of 7 members of the Senate—

(A) 4 of whom shall be appointed by the President pro tempore of the Senate from the majority party of the Senate upon the recommendation of the Majority Leader of the Senate; and

(B) 3 of whom shall be appointed by the President pro tempore of the Senate from the minority party of the Senate upon the recommendation of the Minority Leader of the Senate.

(2) Vacancies.—Vacancies in the membership of the special committee shall not affect the authority of the remaining members to execute the functions of the special committee and shall be filled in the same manner as original appointments to it are made.

(3) Service.—For the purpose of paragraph 4 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice chairman of the special committee shall not be taken into account.

(b) Chairman.—The chairman of the special committee shall be selected by the Majority Leader of the Senate and the vice chairman of the special committee shall be selected by the Minority Leader of the Senate. The vice chairman shall discharge such responsibilities as the special committee or the chairman may assign.

SEC. 3. AUTHORITY OF SPECIAL COMMITTEE.

(a) In General.—For the purposes of this resolution, the special committee is authorized, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel;

(3) to hold hearings;

(4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate;

(5) to require, by subpoena or otherwise, the attendance of witnesses and the production of correspondence, books, papers, and documents;

(6) to take depositions and other testimony;

(7) to procure the services of individual consultations or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946; and

(8) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a nonreimbursable basis the services of personnel of any such department or agency.

(b) Oaths for Witnesses.—The chairman of the special committee or any member thereof may administer oaths to witnesses.

(c) Subpoenas.—Subpoenas authorized by the special committee may be—

(1) issued over the signature of the chairman after consultation with the vice chairman, or any member of the special committee designated by the chairman after consultation with the vice chairman; and

(2) served by any person designated by the chairman or the member signing the subpoena.

(d) Other Committee Staff.—The special committee may use, with the prior consent of the chairman of any other Senate committee or the chairman of any subcommittee of any committee of the Senate and on a nonreimburseable basis, the facilities or services of any members of the staff of such other Senate committee whenever the special committee or its chairman, following consultation with the vice chairman, considers that such action is necessary or appropriate to enable the special committee to make the investigation and study provided for in this resolution.

(e) Use of Office Space.—The staff of the special committee may be located in the personal office of a Member of the special committee.

SEC. 4. REPORT AND TERMINATION.

The special committee shall report its findings, together with such recommendations as it deems advisable, to the Senate prior to December 31, 2000.

SEC. 5. FUNDING.

(a) In General.—From the date this resolution is agreed to through December 31, 2000, the expenses of the special committee incurred under this resolution—

(1) shall be paid out of the miscellaneous items account of the contingent fund of the Senate;

(2) shall not exceed $500,000, of which amount not to exceed $150,000 shall be available for the procurement of the services of individual consultants, or organizations thereof, as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)); and

(3) shall include sums in addition to expenses described under paragraph (2), as may be necessary for agency contributions related to compensation of employees of the special committee.

(b) Payment of Expenses.—Payment of expenses of the special committee shall be disbursed upon vouchers approved by the chairman, except that vouchers shall not be required for disbursements of salaries (and related agency contributions) paid at an annual rate.

SENATE RESOLUTION 173—TO AUTHORIZE REPRESENTATION OF THE SENATE COMMITTEE ON ARMED SERVICES IN THE CASE OF PHILIP TINSLEY III V. SENATE COMMITTEE ON ARMED SERVICES

Mr. LOTT (for himself and Mr. Daschle) submitted the following resolution which was considered and agreed to:

S. Res. 173

Whereas, in the case of *Philip Tinsley III* v. *Senate Committee on Armed Services*, Civil Action No. 99-951-A, pending in the United States District Court for the Eastern District of Virginia, the plaintiff has sued the United States Senate Committee on Armed Services;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to defend Senate committees in civil actions. Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to represent the Senate Committee on Armed Services in the case of *Philip Tinsley III* v. *Senate Committee on Armed Services*.

SENATE RESOLUTION 174—TO AUTHORIZE REPRESENTATION OF THE SENATE COMMITTEE ON THE JUDICIARY IN THE CASE OF PHILIP TINSLEY III V. SENATE COMMITTEE ON THE JUDICIARY

Mr. LOTT (for himself and Mr. Daschle) submitted the following resolution; which was considered and agreed to:

S. Res. 174

Whereas, in the case of *Philip Tinsley III* v. *Senate Committee on the Judiciary*, Civil Action No. 99-952-A, pending in the United States District Court for the Eastern District of Virginia, the plaintiff has sued the United States Senate Committee on the Judiciary;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), Senate may direct its counsel to defend Senate committees in civil actions. Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to represent the Senate Committee on the Judiciary in the case of *Philip Tinsley III* v. *Senate Committee on the Judiciary*.

AMENDMENTS SUBMITTED

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

ROBERTS (AND OTHERS) AMENDMENT NO. 1509

Mr. ROBERTS (for himself, Mr. Grams, Mr. Grassley, Mr. Santorum, Mr. Craig, Mr. Gorton, Mr. Burns, Mr. Brownback, and Mr. Hagel) proposed an amendment to the bill (S. 1233) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes; as follow:

Beginning on page 1, line 3, strike all that follows "Sec." to the end of the amendment and insert the following:

. Emergency and Market Loss Assistance.—(a) Crop Loss Assistance.—

(1) In general.—In accordance with this subsection, the Secretary of Agriculture (referred to in this section as the "Secretary") shall administer a program under which emergency financial assistance is made available to producers on a farm that have incurred crop losses due to disasters (as determined by the Secretary).

(2) Losses incurred for 1999 crop.—The Secretary shall use not more than $400,000,000 of funds of the Commodity Credit Corporation to make available assistance to producers on a farm that have incurred losses in the 1999 crop due to disasters.

(3) Qualifying losses.—With respect to a crop, assistance under this subsection may be made for—

(A) quantity losses;

(B) quality (including aflatoxin) losses; or

(C) severe economic losses due to damaging weather or related condition.

(4) Crops covered.—Assistance under this subsection shall be applicable to losses for all crops (including losses of trees from which a crop is harvested), as determined by the Secretary, due to disasters.

(b) Market Loss Assistance.—

(1) In general.—The Secretary shall use not more than $5,500,000,000 of funds of the Commodity Credit Corporation to provide assistance to owners and producers on a farm that are eligible for payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(2) Amount.—The amount of assistance made available to owners and producers on a farm under this subsection shall be proportionate to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(3) Time for payment.—The assistance made available under this subsection for an eligible owner or producer shall be provided not later than 45 days after the date of enactment of this Act.

(c) Limitation on Marketing Loan Gains and Loan Deficiency Payments.—Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed $150,000.

(d) Upland Cotton Price Competitiveness.—

(1) In general.—Section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(A) in paragraph (1), by striking "or cash payments" and inserting "or cash payments, at the option of the recipient,";

(B) by striking "3 cents per pound" each place it appears and inserting "1.25 cents per pound";

(C) in the first sentence of paragraph (3)(A), by striking "owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates" and inserting "owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton"; and

(D) by striking paragraph (4).

(2) Ensuring the availability of upland cotton.—Section 136(b) of the Agricultural Market Transition Act (7 U.S.C. 7236(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) Establishment.—

"(A) In general.—The President shall carry out an import quota program during the period ending July 31, 2003, as provided in this subsection.

"(B) Program requirements.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

"(C) Tight domestic supply.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

"(D) Season-ending United States stocks-to-use ratio.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year."; and

(B) by adding at the end the following:

"(7) Limitation.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.".

(e) Oilseed Payments.—

(1) In general.—Notwithstanding any other provision of law, the Secretary shall use not less than $500,000,000 of funds of the Commodity Credit Corporation to make payments to producers of the 1999 crop of oilseeds that are eligible to obtain a marketing assistance loan under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

(2) Computation.—A payment to producers on a farm under this subsection shall be computed by multiplying—

(A) a payment rate determined by the Secretary; by

(B) the quantity of oilseeds that the producers on the farm are eligible to place under loan under section 131 of that Act.

(3) Limitation.—Payments made under this subsection shall be considered to be contract payments for the purposes of section 1001(1) of the Food Security Act of 1985 (7 U.S.C. 1308(1)).

(f) Assistance to Livestock Producers.—The Secretary shall use $250,000,000 of funds of the Commodity Credit Corporation to provide assistance to livestock producers in a manner determined by the Secretary.

(g) Crop Insurance.—The Secretary shall use $400,000,000 of funds of the Commodity Credit Corporation to assist agricultural producers in purchasing additional coverage for the 2000 crop year under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(h) Specialty and Other Crops.—

(1) In general.—The Secretary shall use $300,000,000 of funds of the Commodity Credit Corporation to provide assistance, in a manner determined by the Secretary, to producers of specialty crops and other agricultural commodities that are not eligible for assistance under other provisions of this section.

(2) Condition on payment of salaries and expenses.—None of the funds appropriated or otherwise made available by this Act or any other Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out or enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001, if the Federal budget is determined by the Office of Management and Budget to be in surplus for fiscal year 2000.

(i) Emergency Requirement.—The entire amount necessary to carry out this section and the amendments made by this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

(   ) Requirement of Congressional Approval of Any Unilateral Agricultural or Medical Sanction.—

(1) Definitions.—In this subsection:

(A) Agricultural commodity.—The term "agricultural commodity" has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(B) Agricultural program.—The term "agricultural program" means—

(i) any program administered under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.);

(ii) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(iii) any commercial sale of agricultural commodities, including a commercial sale of an agricultural commodity that is prohibited under a unilateral agricultural sanction that is in effect on the date of enactment of this Act; or

(iv) any export financing (including credits or credit guarantees) for agricultural commodities.

(C) Joint resolution.—The term "joint resolution" means—

(i) in the case of paragraph (2)(A)(ii), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (2)(A)(i) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section (   )(2)(A)(i) of the   Act, transmitted on   .", with the blank completed with the appropriate date; and

(ii) in the case of paragraph (5)(B), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (5)(A) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section (   )(5)(A) of the   Act, transmitted on   .", with the blank completed with the appropriate date.

(D) Unilateral agricultural sanction.—The term "unilateral agricultural sanction" means any prohibition, restriction, or condition on carrying out an agricultural program with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(E) Unilateral medical sanction.—The term "unilateral medical sanction" means any prohibition, restriction, or condition on exports of, or the provision of assistance consisting of, medicine or a medical device with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(2) Restriction.—

(A) New sanctions.—Except as provided in paragraphs (3) and (4) and notwithstanding any other provision of law, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity for any fiscal year, unless—

(i) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(I) describes the activity proposed to be prohibited, restricted, or conditioned; and

(II) describes the actions by the foreign country or foreign entity that justify the sanction; and

(ii) Congress enacts a joint resolution stating the approval of Congress for the report submitted under clause (i).

(B) Existing sanctions.—

(i) In general.—Except as provided in clause (ii), with respect to any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act for any fiscal year, the President shall immediately cease to implement such sanction.

(ii) Exemptions.—Clause (i) shall not apply to a unilateral agricultural sanction or unilateral medical sanction imposed with respect to an agricultural program or activity described in clause (ii) or (iv) of paragraph (1)(B).

(3) Exceptions.—The President may impose (or continue to impose) a sanction described in paragraph (2) without regard to the procedures required by that paragraph—

(A) against a foreign country or foreign entity with respect to which Congress has enacted a declaration of war that is in effect on or after the date of enactment of this Act; or

(B) to the extent that the sanction would prohibit, restrict, or condition the provision or use of any agricultural commodity, medicine, or medical device that is—

(i) controlled on the United States Munitions List;

(ii) an item for which export controls are administered by the Department of Commerce for foreign policy or national security reasons; or

(iii) used to facilitate the development or production of a chemical or biological weapon.

(4) Countries supporting international terrorism.—This subsection shall not affect the current prohibitions on providing, to the government of any country supporting international terrorism, United States government assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

(5) Termination of sanctions.—Any unilateral agricultural sanction or unilateral medical sanction that is imposed pursuant to the procedures described in paragraph (2)(A) shall terminate not later than 2 years after the date on which the sanction became effective unless—

(A) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years and the request of the President for approval by Congress of the recommendation; and

(B) Congress enacts a joint resolution stating the approval of Congress for the report submitted under subparagraph (A).

(6) Congressional priority procedures.—

(A) Referral of report.—A report described in paragraph (2)(A)(i) or (5)(A) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(B) Referral of joint resolution.—

(i) In general.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(ii) Reporting date.—A joint resolution referred to in clause (i) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(C) Discharge of committee.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(i) the committee shall be discharged from further consideration of the joint resolution; and

(ii) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(D) Floor consideration.—

(i) Motion to proceed.—

(I) In general.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under subparagraph (C) from further consideration of, a joint resolution—

(aa) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(bb) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(II) PRIVILEGE.—The motion to proceed to the consideration of the joint resolution—

(aa) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(bb) not debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(aa) amendment;

(bb) a motion to postpone; or

(cc) a motion to proceed to the consideration of other business.

(IV) MOTION TO RECONSIDER NOT IN ORDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(V) BUSINESS UNTIL DISPOSITION.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(ii) LIMITATIONS ON DEBATE.—

(I) IN GENERAL.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(II) FURTHER DEBATE LIMITATIONS.—A motion to limit debate shall be in order and shall not be debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(iii) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(iv) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(E) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(i) NO COMMITTEE REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(ii) FLOOR PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(I) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(II) the vote on final passage shall be on the joint resolution of the other House.

(iii) DISPOSITION OF JOINT RESOLUTIONS OF RECEIVING HOUSE.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(F) PROCEDURES AFTER ACTION BY BOTH THE HOUSE AND SENATE.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(G) RULEMAKING POWER.—This paragraph is enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this paragraph—

(I) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(II) supersedes other rules only to the extent that this paragraph is inconsistent with those rules; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(7) EFFECTIVE DATE.—This subsection takes effect 180 days after the date of enactment of this Act.

McCAIN (AND GREGG) AMENDMENT NO. 1510

Mr. McCAIN (for himself and Mr. GREGG) proposed an amendment to amendment No. 1499 proposed by Mr. DASCHLE to the bill, S. 1233, supra; as follows:

At the appropriate place, insert the following:

SEC. 7 . SUGAR PROGRAM.—(a) IN GENERAL.—None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272), other than subsection (f).

(b) MARKETING ASSESSMENT.—Notwithstanding any other provision of this Act, funds appropriated or otherwise made available by this Act or any other Act shall be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out and enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001.

LEVIN AMENDMENT NO. 1511

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 1233, supra; as follows:

On page 13, line 13, strike "$54,276,000" and insert "$55,166,000".

On page 13, line 14, before the semicolon, insert the following: ", of which not less than $445,000 shall be used to make a special grant to the State of Michigan to carry out sustainable agriculture research, and of which not less than $445,000 shall be used to make a special grant to the State of Michigan to carry out a research program on improved fruit practices".

On page 13, line 16, strike "$119,300,000" and insert "$118,410,000".

SPECTER AMENDMENT NO. 1512

Mr. SPECTER proposed an amendment to amendment No. 1499 proposed by Mr. DASCHLE to the bill, S. 1233, supra; as follows:

At the appropriate place, insert the following:

SEC. 7 . DAIRY COMPACTS; FEDERAL MILK MARKETING ORDERS.—(a) NORTHEAST INTERSTATE DAIRY COMPACT.—Section 147 of the Agricultural Market Transition Act (7 U.S.C. 7256) is amended—

(1) in the matter preceding paragraph (1), by striking "Massachusetts, New Hampshire," and inserting "Maryland, Massachusetts, New Hampshire, New Jersey, New York,";

(2) by striking paragraphs (1) and (7);

(3) in paragraph (3), by striking "concurrent" and all that follows through "section 143" and inserting "on December 31, 2002";

(4) in paragraph (4), by striking "Delaware, New Jersey, New York, Pennsylvania, Maryland, and Virginia" and inserting "Delaware, Ohio, and Pennsylvania";

(5) in paragraph (5), by striking "for the cost" and all that follows through "Secretary" and inserting "for the increased cost of any purchases of milk and milk products by the Corporation that result from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code";

(6) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively; and

(7) by adding at the end the following:

"(6) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Northeast Interstate Dairy Compact Commission shall compensate the Secretary for the increased costs of any milk and milk products provided under the special milk program authorized under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.".

(b) SOUTHERN DAIRY COMPACT.—

(1) IN GENERAL.—Congress consents to the Southern Dairy Compact entered into among the States of Alabama, Arkansas, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia as specified in section 201(b) of Senate Joint Resolution 22 of the 106th Congress, as placed on the calendar of the Senate, subject to the following conditions:

(A) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Southern Dairy Compact Commission may not regulate Class II, Class III, or Class III-A milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937 (referred to in this paragraph as a "Federal milk marketing order") unless Congress has first consented to and approved such authority by a law enacted after the date of enactment of this joint resolution.

(B) DURATION.—Consent for the Southern Dairy Compact shall terminate on December 31, 2002.

(C) ADDITIONAL STATES.—The States of Florida, Georgia, Missouri, Oklahoma, Kansas, and Texas are the only additional States that may join the Southern Dairy Compact, individually or otherwise.

(D) COMPENSATION OF COMMODITY CREDIT CORPORATION.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Southern Dairy Compact Commission shall compensate the Commodity Credit Corporation for the increased costs of any purchases of milk and milk products by the Corporation that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary of Agriculture (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(E) COMPENSATION OF SPECIAL MILK PROGRAM.—Before the end of each fiscal year in which a Compact price regulation is in effect, the Southern Dairy Compact Commission shall compensate the Secretary of Agriculture for the increased costs of any milk and milk products provided under the special milk program authorized under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) that results from the operation of the Compact price regulation during the fiscal year, as determined by the Secretary (in consultation with the Commission) using notice and comment procedures provided in section 553 of title 5, United States Code.

(F) MILK MARKETING ORDER ADMINISTRATOR.—At the request of the Southern Dairy Compact Commission, the Administrator of the applicable Federal milk marketing order shall provide technical assistance to the Compact Commission and be compensated for that assistance.

(2) RESERVATION OF RIGHTS.—The right to alter, amend, or repeal this paragraph is reserved.

(c) FEDERAL MILK MARKETING ORDERS.—

(1) IN GENERAL.—Section 143 of the Agricultural Market Transition Act (7 U.S.C. 7253) is amended by adding at the end the following:

"(e) FLUID OR CLASS I MILK.—

"(1) DELAY IN IMPLEMENTATION.—The Secretary shall not implement the amendments to Federal milk marketing orders required by subsection (a)(1) before the date that is 90 days after the date of enactment of this subsection.

"(2) OPTION 1A.—Effective on the date that is 90 days after the date of enactment of this subsection, the Secretary shall price fluid or Class I milk under the orders using the Class I price differentials identified as Option 1A 'Location-Specific Differentials Analysis' in the proposed rule published in the Federal Register on January 30, 1998 (63 Fed. Reg. 4802, 4809), except that the Secretary shall include the corrections and modifications to the Class I differentials made by the Secretary through April 2, 1999.

"(f) NECESSITY OF USING FORMAL RULEMAKING TO DEVELOP PRICING METHODS FOR CLASS III AND CLASS IV MILK; MODIFIED MANUFACTURING ALLOWANCE FOR CHEESE.—

"(1) FINDINGS.—Congress finds that the Class III and Class IV pricing formulas included in the final decision for the consolidation and reform of Federal milk marketing orders, as published in the Federal Register on April 2, 1999 (64 Fed. Reg. 16025)—

"(A) do not adequately reflect public comment on the original proposed rule published in the Federal Register on January 30, 1998 (63 Fed. Reg. 4802); and

"(B) are sufficiently different from the proposed rule and any comments submitted with regard to the proposed rule that further emergency rulemaking is merited.

"(2) FORMAL RULEMAKING.—

"(A) REQUIRED.—The Secretary shall conduct rulemaking, on the record after an opportunity for an agency hearing, to reconsider the Class III and Class IV pricing formulas included in the final decision referred to in paragraph (1).

"(B) IMPLEMENTATION.—A final decision on the formula shall be implemented not earlier than the date that is 90 days after the date of enactment of this subsection.

"(C) EFFECT OF COURT ORDER.—

"(i) PURPOSE.—The purpose of the actions authorized by this paragraph is to ensure the timely publication and implementation of new pricing formulas for Class III and Class IV milk.

"(ii) EFFECT.—If the Secretary is enjoined or otherwise restrained by a court order from implementing the final decision under subparagraph (B), the length of time for which that injunction or other restraining order is effective shall be added to the time limitations specified in subparagraph (B), thereby extending those time limitations by a period of time equal to the period of time for which the injunction or other restraining order is effective.

"(3) FAILURE TO TIMELY COMPLETE RULEMAKING.—

"(A) IN GENERAL.—If the Secretary fails to implement new Class III and Class IV pricing formulas within the time period required under paragraph (2)(B) (plus any additional period provided under paragraph (2)(C)), the Secretary may not assess or collect assessments from milk producers or handlers under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, for marketing order administration and services provided under that section after the end of that period until the pricing formulas are implemented.

"(B) SERVICES.—The Secretary—

"(i) may not reduce the level of services provided under that section on account of the prohibition against assessment; and

"(ii) shall cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department.

"(4) EFFECT ON IMPLEMENTATION SCHEDULE.—Subject to paragraph (5), the requirement for additional rulemaking under paragraph (2) does not modify or delay the time period for implementation of the final decision referred to in paragraph (1) as part of Federal milk marketing orders, as that time period is required under section 738 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–30).

"(5) MODIFIED MANUFACTURING ALLOWANCE FOR CHEESE.—Pending the implementation of new pricing formulas for Class III and Class IV milk as required by paragraph (2), the Secretary shall modify the formula used for determining Class III prices, as contained in the final decision referred to in paragraph (1), to replace the manufacturing allowance of 17.02 cents per pound of cheese each place it appears in that formula with an amount equal to 14.7 cents per pound of cheese.".

(2) CONFORMING AMENDMENTS.—Section 738 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–30), is amended—

(A) by striking subsection (a);

(B) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(C) in subsection (a) (as so redesignated)—

(i) by striking "subsection (a)(2) of such section" and inserting "section 143(a)(2) of the Agricultural Market Transition Act (7 U.S.C. 7253(a)(2))"; and

(ii) by striking "final rule referred to in subsection (a)" and by inserting "final rule to implement the amendments to Federal milk marketing orders required by section 143(a)(1) of that Act".

(d) MILK PRICE SUPPORT PROGRAM.—

(1) IN GENERAL.—Section 141 of the Agricultural Market Transition Act (7 U.S.C. 7251) is amended—

(A) in subsection (b)(4), by striking "calendar year 1999" and inserting "each of calendar years 1999 and 2000"; and

(B) in subsection (h), by striking "1999" each place it appears and inserting "2000".

(2) CONFORMING AMENDMENT.—Section 142(e) of the Agricultural Market Transition Act (7 U.S.C. 7252(e)) is amended by striking "2000" and inserting "2001".

(e) EFFECTIVE DATE.—This section and the amendments made by this section take effect on the earlier of—

(1) the date of enactment of this Act; or

(2) October 1, 1999.

COCHRAN AMENDMENT NO. 1513

Mr. COCHRAN proposed an amendment to amendment No. 1499 proposed by Mr. DASCHLE to the bill, S. 1233, supra; as follows:

Beginning on page 1, line 3, strike all that follows "SEC." to the end of the amendment and insert the following:

. EMERGENCY AND MARKET LOSS ASSISTANCE.—(a) MARKET LOSS ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the "Secretary") shall use not more than $5,544,453,000 of funds of the Commodity Credit Corporation to provide assistance to owners and producers on a farm that are eligible for payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(2) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this subsection shall be proportionate to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(3) TIME FOR PAYMENT.—The assistance made available under this subsection for an eligible owner or producer shall be provided not later than 45 days after the date of enactment of this Act.

(b) SPECIALTY CROPS.—

(1) ASSISTANCE TO CERTAIN PRODUCERS.—The Secretary shall use not more than $50,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers of fruits and vegetables in a manner determined by the Secretary.

(2) PAYMENTS TO CERTAIN PRODUCERS.—

(A) IN GENERAL.—The Secretary shall use such amounts as are necessary to provide payments to producers of quota peanuts or additional peanuts to partially compensate the producers for continuing low commodity prices, and increasing costs of production, for the 1999 crop year.

(B) AMOUNT.—The amount of a payment made to producers on a farm of quota peanuts or additional peanuts under subparagraph (A) shall be equal to the product obtained by multiplying—

(i) the quantity of quota peanuts or additional peanuts produced or considered produced by the producers under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271); by

(ii) an amount equal to 5 percent of the loan rate established for quota peanuts or additional peanuts, respectively, under section 155 of that Act.

(3) Condition on payment of salaries and expenses.—None of the funds appropriated or otherwise made available by this Act or any other Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out or enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001, if the Federal budget is determined by the Office of Management and Budget to be in surplus for fiscal year 2000.

(c) Limitation on Marketing Loan Gains and Loan Deficiency Payments.—Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed $150,000.

(d) Upland Cotton Price Competitiveness.—

(1) In general.—Section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(A) in paragraph (1), by striking "or cash payments" and inserting "or cash payments, at the option of the recipient,";

(B) by striking "3 cents per pound" each place it appears and inserting "1.25 cents per pound";

(C) in the first sentence of paragraph (3)(A), by striking "owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates" and inserting "owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton"; and

(D) by striking paragraph (4).

(2) Ensuring the availability of upland cotton.—Section 136(b) of the Agricultural Market Transition Act (7 U.S.C. 7236(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) Establishment.—

"(A) In general.—The President shall carry out an import quota program during the period ending July 31, 2003, as provided in this subsection.

"(B) Program requirements.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

"(C) Tight domestic supply.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1$\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

"(D) Season-ending United States stocks-to-use ratio.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year."; and

(B) by adding at the end the following:

"(7) Limitation.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.".

(3) Removal of suspension of marketing certificate authority.—Section 171(b)(1) of the Agricultural Market Transition Act (7 U.S.C. 7301(b)(1)) is amended—

(A) by striking subparagraph (G); and

(B) by redesignating subparagraphs (H) through (L) as subparagraphs (G) through (K), respectively.

(4) Redemption of marketing certificates.—Section 115 of the Agricultural Act of 1949 (7 U.S.C. 1445k) is amended—

(A) in subsection (a)—

(i) by striking "rice (other than negotiable marketing certificates for upland cotton or rice)" and inserting "rice, including the issuance of negotiable marketing certificates for upland cotton or rice";

(ii) in paragraph (1), by striking "and" at the end;

(iii) in paragraph (2), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(3) redeem negotiable marketing certificates for cash under such terms and conditions as are established by the Secretary."; and

(B) in the second sentence of subsection (c), by striking "export enhancement program or the marketing promotion program established under the Agricultural Trade Act of 1978" and inserting "market access program or the export enhancement program established under sections 203 and 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623, 5651)".

(e) Oilseed Payments.—

(1) In general.—Notwithstanding any other provision of law, the Secretary shall use not less than $475,000,000 of funds of the Commodity Credit Corporation to make payments to producers of the 1999 crop of oilseeds that are eligible to obtain a marketing assistance loan under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

(2) Computation.—A payment to producers on a farm under this subsection shall be computed by multiplying—

(A) a payment rate determined by the Secretary; by

(B) the quantity of oilseeds that the producers on the farm are eligible to place under loan under section 131 of that Act.

(3) Limitation.—Payments made under this subsection shall be considered to be contract payments for the purposes of section 1001(1) of the Food Security Act of 1985 (7 U.S.C. 1308(1)).

(f) Assistance to Livestock and Dairy Producers.—The Secretary shall use $325,000,000 of funds of the Commodity Credit Corporation to provide assistance to livestock and dairy producers in a manner determined by the Secretary.

(g) Tobacco.—The Secretary shall use $328,000,000 of funds of the Commodity Credit Corporation to make distributions to tobacco growers in accordance with the formulas established under the National Tobacco Grower Settlement Trust.

(h) Sense of Congress Regarding Fast-Track Authority and Future World Trade Organization Negotiations.—It is the sense of Congress that—

(1) the President should make a formal request for appropriate fast-track authority for future United States trade negotiations;

(2) regarding future World Trade Organization negotiations—

(A) rules for trade in agricultural commodities should be strengthened and trade-distorting import and export practices should be eliminated or substantially reduced;

(B) the rules of the World Trade Organization should be strengthened regarding the practices or policies of a foreign government that unreasonably—

(i) restrict market access for products of new technologies, including products of biotechnology; or

(ii) delay or preclude implementation of a report of a dispute panel of the World Trade Organization; and

(C) negotiations within the World Trade Organization should be structured so as to provide the maximum leverage possible to ensure the successful conclusion of negotiations on agricultural products;

(3) the President should—

(A) conduct a comprehensive evaluation of all existing export and food aid programs, including—

(i) the export credit guarantee program established under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622);

(ii) the market access program established under section 203 of that Act (7 U.S.C. 5623);

(iii) the export enhancement program established under section 301 of that Act (7 U.S.C. 5651);

(iv) the foreign market development cooperator program established under section 702 of that Act (7 U.S.C. 5722); and

(v) programs established under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

(B) transmit to Congress—

(i) the results of the evaluation under subparagraph (A); and

(ii) recommendations on maximizing the effectiveness of the programs described in subparagraph (A); and

(4) the Secretary should carry out a purchase and donation or concessional sales initiative in each of fiscal years 1999 and 2000 to promote the export of additional quantities of soybeans, beef, pork, poultry, and products of such commodities (including soybean meal, soybean oil, textured vegetable protein, and soy protein concentrates and isolates) using programs established under—

(A) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) titles I and II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.); and

(D) the Food for Progress Act of 1985 (7 U.S.C. 1736o).

(i) Emergency Requirement.—The entire amount necessary to carry out this section and the amendments made by this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

DORGAN (AND OTHERS) AMENDMENT NO. 1514

Mr. DORGAN (for himself, Mr. HARKIN, Mr. DASCHLE, Mr. KERREY, Mr. JOHNSON, Mr. CONRAD, Mr. BAUCUS, Mr. DURBIN, Mr. WELLSTONE, Ms. LINCOLN, Mr. SARBANES, and Ms. MIKULSKI) proposed an amendment to amendment No. 1499 proposed by Mr. DASCHLE to the bill, S. 1233, supra; as follows:

Beginning on page 1, line 3, strike all that follows "Sec." to the end of the amendment and insert the following:

. Emergency and Income Loss Assistance.—(a) Additional Crop Loss Assistance.—

(1) In general.—Except as provided in paragraph (2), in addition to amounts that have been made available to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277) under other law, the Secretary of Agriculture (referred to in this section as the 'Secretary') shall use not more than $756,000,000 of funds of the Commodity Credit Corporation to provide crop loss assistance in accordance with that section in a manner that, to the maximum extent practicable—

(A) fully compensates agricultural producers for crop losses in accordance with that section (including regulations promulgated to carry out that section); and

(B) provides equitable treatment under that section for agricultural producers described in subsections (b) and (c) of that section.

(2) Crop insurance.—Of the total amount made available under paragraph (1), the Secretary shall use not less than $400,000,000 to assist agricultural producers in purchasing additional coverage for the 2000 crop year under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(b) Income Loss Assistance.—

(1) In general.—The Secretary shall use not more than $6,273,000,000 of funds of the Commodity Credit Corporation to provide (on an equitable basis among producers, as determined by the Secretary) supplemental loan deficiency payments to producers on a farm that are eligible for marketing assistance loans for the 1999 crop of a commodity under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

(2) Payment limitation.—The total amount of the payments that a person may receive under paragraph (1) during any crop year may not exceed $40,000.

(3) Producers without production.—The payments made available under this subsection shall be provided (on an equitable basis among producers, according to actual production history, as determined by the Secretary) to producers with failed acreage, or acreage on which planting was prevented, due to circumstances beyond the control of the producers.

(4) Time for payment.—The assistance made available under this subsection for an eligible owner or producer shall be provided as soon as practicable after the date of enactment of this Act by providing advance payments that are based on expected production and by taking such measures as are determined appropriate by the Secretary.

(5) Dairy producers.—

(A) In general.—Of the total amount made available under paragraph (1), $300,000,000 shall be available to provide assistance to dairy producers in a manner determined by the Secretary.

(B) Federal milk marketing orders.—Payments made under this subsection shall not affect any decision with respect to rulemaking activities under section 143 of the Agricultural Market Transition Act (7 U.S.C. 7253).

(6) Peanuts.—

(A) In general.—Of the total amount made available under paragraph (1), the Secretary shall use not to exceed $45,000,000 to provide payments to producers of quota peanuts or additional peanuts to partially compensate the producers for the loss of markets for the 1998 crop of peanuts.

(B) Amount.—The amount of a payment made to producers on a farm of quota peanuts or additional peanuts under subparagraph (A) shall be equal to the product obtained by multiplying—

(i) the quantity of quota peanuts or additional peanuts produced or considered produced by the producers under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271); by

(ii) an amount equal to 5 percent of the loan rate established for quota peanuts or additional peanuts, respectively, under section 155 of that Act.

(7) Tobacco grower assistance.—The Secretary shall provide $328,000,000 to be distributed to tobacco growers according to the formulas established pursuant to the National Tobacco Grower Settlement Trust.

(c) Funds for Strengthening Markets, Income, and Supply (Section 32).—

(1) In general.—For an additional amount for the fund maintained for funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), there is appropriated, out of any money in the Treasury not otherwise appropriated, $500,000,000.

(2) Set-aside for certain livestock producers.—Of the funds made available by paragraph (1), the Secretary shall use not more than $200,000,000 to provide assistance to livestock producers—

(A) the operations of which are located in counties with respect to which during 1999 a natural disaster was declared for losses due to excessive heat or drought by the Secretary, or a major disaster or emergency was declared for losses due to excessive heat or drought by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

(B) that experienced livestock losses as a result of the declared disaster or emergency.

(3) Waiver of commodity limitation.—In providing assistance under this subsection, the Secretary may waive the limitation established under the second sentence of the second paragraph of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), on the amount of funds that may be devoted to any 1 agricultural commodity or product.

(d) Emergency Livestock Assistance.—For an additional amount to provide emergency livestock assistance, there is appropriated, out of any money in the Treasury not otherwise appropriated, $150,000,000.

(e) Commodity Purchases and Humanitarian Donations.—

(1) In general.—Notwithstanding any other provision of law, the Secretary shall use not less than $778,000,000 of funds of the Commodity Credit Corporation for the purchase and distribution of agricultural commodities, under applicable food aid authorities, including—

(A) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b));

(B) the Food for Progress Act of 1985 (7 U.S.C. 1736o); and

(C) the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

(2) Least developed countries.—Not less than 40 percent of the commodities distributed pursuant to this subsection shall be made available to least developed countries, as determined by the Secretary.

(3) Local currencies.—To the maximum extent practicable, local currencies generated from the sale of commodities under this subsection shall be used for development purposes that foster United States agricultural exports.

(f) Upland Cotton Price Competitiveness.—

(1) In general.—Section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(A) in paragraph (1), by inserting "(in the case of each of the 1999–2000, 2000–2001, and 2001–2002 marketing years for upland cotton, at the option of the recipient)" after "or cash payments";

(B) by inserting "(or, in the case of each of the 1999–2000, 2000–2001, and 2001–2002 marketing years for upland cotton, 1.25 cents per pound)" after "3 cents per pound" each place it appears;

(C) in paragraph (3), by striking subparagraph (A) and inserting the following:

"(A) Redemption, marketing, or exchange.—

"(i) In general.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for—

"(I) except as provided in subclause (II), agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates; or

"(II) in the case of each of the 1999–2000, 2000–2001, and 2001–2002 marketing years for upland cotton, agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton.

"(ii) Price restrictions.—Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph."; and

(D) in paragraph (4), by inserting before the period at the end the following: ", except that this paragraph shall not apply to each of fiscal years 2000, 2001, and 2002".

(2) Ensuring the availability of upland cotton.—Section 136(b) of the Agricultural Market Transition Act (7 U.S.C. 7236(b)) is amended—

(A) in paragraph (1), by striking "The" and inserting "Except as provided in paragraph (7), the"; and

(B) by adding at the end the following:

"(7) 1999–2000, 2000–2001, and 2001–2002 marketing years.—

"(A) IN GENERAL.—In the case of each of the 1999–2000, 2000–2001, and 2001–2002 marketing years for upland cotton, the President shall carry out an import quota program as provided in this paragraph.

"(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

"(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

"(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

"(E) LIMITATION.—The quantity of cotton entered into the United States during any marketing year described in subparagraph (A) under the special import quota established under this paragraph may not exceed the equivalent of 5 weeks' consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.".

(3) REMOVAL OF SUSPENSION OF MARKETING CERTIFICATE AUTHORITY.—Section 171(b)(1)(G) of the Agricultural Market Transition Act (7 U.S.C. 7301(b)(1)(G)) is amended by inserting before the period at the end the following: ", except that this subparagraph shall not apply to each of the 1999–2000, 2000–2001, and 2001–2002 marketing years for upland cotton".

(4) REDEMPTION OF MARKETING CERTIFICATES.—Section 115 of the Agricultural Act of 1949 (7 U.S.C. 1445k) is amended—

(A) in subsection (a)—

(i) by striking "rice (other than negotiable marketing certificates for upland cotton or rice)" and inserting "rice, including the issuance of negotiable marketing certificates for upland cotton or rice";

(ii) in paragraph (1), by striking "and" at the end;

(iii) in paragraph (2), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(3) redeem negotiable marketing certificates for cash under such terms and conditions as are established by the Secretary."; and

(B) in the second sentence of subsection (c), by striking "export enhancement program or the marketing promotion program established under the Agricultural Trade Act of 1978" and inserting "market access program or the export enhancement program established under sections 203 and 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623, 5651)".

(g) FARM SERVICE AGENCY.—For an additional amount for the Farm Service Agency, there is appropriated, out of any money in the Treasury not otherwise appropriated, $140,000,000, of which—

(1) $40,000,000 shall be used for salaries and expenses of the Farm Service Agency; and

(2) $100,000,000 shall be used for direct or guaranteed farm ownership, operating, or emergency loans under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.),

(h) STATE MEDIATION GRANTS.—For an additional amount for grants pursuant to section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5102(b)), there is appropriated, out of any money in the Treasury not otherwise appropriated, $2,000,000.

(i) DISASTER RESERVE.—

(1) IN GENERAL.—For the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a), there is appropriated, out of any money in the Treasury not otherwise appropriated, $500,000,000.

(2) CROP AND LIVESTOCK CASH INDEMNITY PAYMENTS.—Notwithstanding any other provision of law, the Secretary may use the amount made available under this subsection to carry out a program to provide crop or livestock cash indemnity payments to agricultural producers for the purpose of remedying losses caused by damaging weather or related condition resulting from a natural or major disaster or emergency.

(3) COMMERCIAL FISHERIES FAILURE.—Notwithstanding any other provision of law, the Secretary shall provide $15,000,000 of the amount made available under this section to the Department of Commerce to provide emergency disaster assistance to persons or entities that have incurred losses from a commercial fishery failure described in section 308(b)(1) of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107(b)) with respect to a Northeast multispecies fishery.

(j) FLOODED LAND RESERVE PROGRAM.—For an additional amount to carry out a flooded land reserve program in a manner that is consistent with section 1124 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), there is appropriated, out of any money in the Treasury not otherwise appropriated, $150,000,000.

(l) GRAIN INSPECTION, PACKERS, AND STOCKYARDS ADMINISTRATION.—For an additional amount for the Grain Inspection, Packers, and Stockyards Administration to support rapid response teams to enforce the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), there is appropriated, out of any money in the Treasury not otherwise appropriated, $1,000,000.

(m) WATERSHED AND FLOOD PREVENTION OPERATIONS.—For an additional amount for watershed and flood prevention operations to repair damage to waterways and watersheds resulting from natural disasters, there is appropriated, out of any money in the Treasury not otherwise appropriated, $60,000,000.

(n) EMERGENCY CONSERVATION PROGRAM.—For an additional amount for the emergency conservation program authorized under sections 401, 402, and 404 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201, 2202, 2204) for expenses resulting from natural disasters, there is appropriated, out of any money in the Treasury not otherwise appropriated, $30,000,000.

(o) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

(1) IN GENERAL.—For an additional amount for the environmental quality incentives program established under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.), there is appropriated, out of any money in the Treasury not otherwise appropriated, $52,000,000.

(2) LIVESTOCK NUTRIENT MANAGEMENT PLANS.—The Secretary shall provide a priority in the use of funds made available under paragraph (1) to implementing livestock nutrient management plans.

(q) FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.—For an additional amount for the foreign market development cooperator program established under section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722), there is appropriated, out of any money in the Treasury not otherwise appropriated, $10,000,000.

(r) RURAL ECONOMIC ASSISTANCE.—For an additional amount for rural economic assistance, there is appropriated, out of any money in the Treasury not otherwise appropriated, $150,000,000, of which—

(1) $100,000,000 shall be used for rural economic development, with the highest priority given to the most economically disadvantaged rural communities; and

(2) $50,000,000 shall be used to establish and carry out a program of revolving loans for the support of farmer-owned cooperatives.

(s) MANDATORY PRICE REPORTING.—For an additional amount to carry out a program of mandatory price reporting for livestock and livestock products, on enactment of a law establishing the program, there is appropriated, out of any money in the Treasury not otherwise appropriated, $4,000,000.

(t) LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.—

(1) DEFINITIONS.—Section 1 of the Federal Meat Inspection Act (21 U.S.C. 601) is amended by adding at the end the following:

"(w) BEEF.—The term 'beef' means meat produced from cattle (including veal).

"(x) IMPORTED BEEF.—The term 'imported beef' means beef that is not United States beef, whether or not the beef is graded with a quality grade issued by the Secretary.

"(y) IMPORTED LAMB.—The term 'imported lamb' means lamb that is not United States lamb, whether or not the lamb is graded with a quality grade issued by the Secretary.

"(z) IMPORTED PORK.—The term 'imported pork' means pork that is not United States pork.

"(aa) LAMB.—The term 'lamb' means meat, other than mutton, produced from sheep.

"(bb) PORK.—The term 'pork' means meat produced from hogs.

"(cc) UNITED STATES BEEF.—

"(1) IN GENERAL.—The term 'United States beef' means beef produced from cattle slaughtered in the United States.

"(2) EXCLUSION.—The term 'United States beef' does not include beef produced from cattle imported into the United States in sealed trucks for slaughter.

"(dd) UNITED STATES LAMB.—

"(1) IN GENERAL.—The term 'United States lamb' means lamb produced from sheep slaughtered in the United States.

"(2) EXCLUSION.—The term 'United States lamb' does not include lamb produced from sheep imported into the United States in sealed trucks for slaughter.

"(ee) UNITED STATES PORK.—

"(1) IN GENERAL.—The term 'United States pork' means pork produced from hogs slaughtered in the United States.

"(2) EXCLUSION.—The term 'United States pork' does not include pork produced from hogs imported into the United States in sealed trucks for slaughter.".

(2) MISBRANDING.—Section 1(n) of the Federal Meat Inspection Act (21 U.S.C. 601(n)) is amended—

(A) in paragraph (11), by striking "or" at the end;

(B) in paragraph (12), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(13)(A) if it is imported beef, imported lamb, or imported pork offered for retail sale as muscle cuts of beef, lamb, or pork and does not bear a label that identifies its country of origin;

"(B) if it is United States beef, United States lamb, or United States pork offered for retail sale as muscle cuts of beef, lamb, or pork, and does not bear a label that identifies its country of origin; or

"(C) if it is United States or imported ground beef, ground lamb, or ground pork and is not accompanied by labeling that identifies it as United States beef, United States lamb, United States pork, imported beef, imported lamb, imported pork, or other designation that identifies the content of United States beef, imported beef, United States lamb, imported lamb, United States pork, and imported pork contained in the product, as determined by the Secretary.".

(3) LABELING.—Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

"(g) MANDATORY LABELING.—The Secretary shall provide by regulation that the following offered for retail sale bear a label that identifies its country of origin:

"(1) Muscle cuts of United States beef, United States lamb, United States pork, imported beef, imported lamb, and imported pork.

"(2) Ground beef, ground lamb, and ground pork.

"(h) AUDIT VERIFICATION SYSTEM FOR UNITED STATES AND IMPORTED MUSCLE CUTS OF BEEF, LAMB, AND PORK AND GROUND BEEF, LAMB, AND PORK.—The Secretary may require by regulation that any person that prepares, stores, handles, or distributes muscle cuts of United States beef, imported beef, United States lamb, imported lamb, United States pork, imported pork, ground beef, ground lamb, or ground pork for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to ensure compliance with the regulations promulgated under subsection (g).".

(4) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate final regulations to carry out the amendments made by this subsection.

(5) FUNDING.—For an additional amount to carry out this subsection and the amendments made by this subsection, there is appropriated, out of any money in the Treasury not otherwise appropriated, $8,000,000.

(6) EFFECTIVE DATE.—The amendments made by this subsection take effect 60 days after the date on which final regulations are promulgated under paragraph (4).

(u) INDICATION OF COUNTRY OF ORIGIN OF PERISHABLE AGRICULTURAL COMMODITIES.—

(1) DEFINITIONS.—In this section:

(A) FOOD SERVICE ESTABLISHMENT.—The term "food service establishment" means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

(B) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms "perishable agricultural commodity" and "retailer" have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

(2) NOTICE OF COUNTRY OF ORIGIN REQUIRED.—Except as provided in paragraph (3), a retailer of a perishable agricultural commodity shall inform consumers, at the final point of sale of the perishable agricultural commodity to consumers, of the country of origin of the perishable agricultural commodity.

(3) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Paragraph (2) shall not apply to a perishable agricultural commodity if the perishable agricultural commodity is—

(A) prepared or served in a food service establishment; and

(B)(i) offered for sale or sold at the food service establishment in normal retail quantities; or

(ii) served to consumers at the food service establishment.

(4) METHOD OF NOTIFICATION.—

(A) IN GENERAL.—The information required by paragraph (2) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the perishable agricultural commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

(B) LABELED COMMODITIES.—If the perishable agricultural commodity is already individually labeled regarding country of origin by the packer, importer, or another person, the retailer shall not be required to provide any additional information to comply with this subsection.

(5) VIOLATIONS.—If a retailer fails to indicate the country of origin of a perishable agricultural commodity as required by paragraph (2), the Secretary may assess a civil penalty on the retailer in an amount not to exceed—

(A) $1,000 for the first day on which the violation occurs; and

(B) $250 for each day on which the same violation continues.

(6) DEPOSIT OF FUNDS.—Amounts collected under paragraph (5) shall be deposited in the Treasury of the United States as miscellaneous receipts.

(7) APPLICATION OF SUBSECTION.—This section shall apply with respect to a perishable agricultural commodity after the end of the 6-month period beginning on the date of the enactment of this Act.

(v) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed $150,000.

(w) SUSPENSION OF SUGAR ASSESSMENTS.—Section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (6)," after "years,";

(2) in paragraph (2), by inserting "except as provided in paragraph (6)," after "years,"; and

(3) by adding at the end the following:

"(6) SUSPENSION OF ASSESSMENTS.—Effective beginning with fiscal year 2000, no assessments shall be required under this subsection during any fiscal year that immediately follows a fiscal year during which the Federal budget was determined to be in surplus, based on the most recent estimates available from the Office of Management and Budget as of the last day of the fiscal year.".

(x) FARMERS MARKET PROGRAM.—For an additional amount for the Farmers Market Program in the Supplemental Nutrition Program for Women, Infants, and Children, there is appropriated, out of any money in the Treasury not otherwise appropriated, $10,000,000.

(y) EMERGENCY REQUIREMENT.—The entire amount necessary to carry out this section and the amendments made by this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

(z) AVAILABILITY.—The amount necessary to carry out this section and the amendments made by this section shall be available upon enactment of this Act for the remainder of fiscal year 1999 and for fiscal year 2000, and shall remain available until expended.

THOMAS (AND OTHERS) AMENDMENT NO. 1515

Mr. THOMAS (for himself, Mr. BURNS, Mr. ALLARD, Mr. ROBERTS, Mr. ENZI, Mr. CRAIG, Mr. HAGEL, and Mr. DASCHLE) submitted an amendment intended to be proposed by them to the bill, S. 1233, supra; as follows:

On page 13, line 16, strike "$119,300,000" and insert "$119,050,000".

On page 14, line 19, strike "$13,666,000" and insert "$13,916,000"

On page 14, line 22, before the period at the end, insert the following: ", of which not less than $250,000 shall be provided to carry out market analysis programs at the Livestock Marketing Information Center in Lakewood, Colorado".

ASHCROFT (AND OTHERS) AMENDMENT NO. 1516

Mr. ASHCROFT (for himself, Mr. HAGEL, Mr. BAUCUS, Mr. ROBERTS, Mr. KERREY, Mr. DODD, Mr. BROWNBACK, Mr. GRAMS, Mr. WARNER, Mr. LEAHY, Mr. CRAIG, Mr. FITZGERALD, Mr. DORGAN, Mr. SESSIONS, Mrs. LINCOLN, Ms. LANDRIEU, Mr. HARKIN, Mr. CHAFEE, and Mr. INHOFE) proposed an amendment to amendment No. 1499 proposed by Mr. DASCHLE to the bill, S. 1233, supra; as follows:

At the appropriate place, insert the following:

(   ) REQUIREMENT OF CONGRESSIONAL APPROVAL OF ANY UNILATERAL AGRICULTURAL OR MEDICAL SANCTION.—

(1) DEFINITIONS.—In this subsection:

(A) AGRICULTURAL COMMODITY.—The term "agricultural commodity" has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(B) AGRICULTURAL PROGRAM.—The term "agricultural program" means—

(i) any program administered under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.);

(ii) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(iii) any commercial sale of agricultural commodities, including a commercial sale of an agricultural commodity that is prohibited under a unilateral agricultural sanction that is in effect on the date of enactment of this Act; or

(iv) any export financing (including credits or credit guarantees) for agricultural commodities.

(C) JOINT RESOLUTION.—The term "joint resolution" means—

(i) in the case of paragraph (2)(A)(ii), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (2)(A)(i) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section ( )(2)(A)(i) of the Act , transmitted on .", with the blank completed with the appropriate date; and

(ii) in the case of paragraph (5)(B), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (5)(A) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section ( )(5)(A) of the Act , transmitted on .", with the blank completed with the appropriate date.

(D) UNILATERAL AGRICULTURAL SANCTION.—The term "unilateral agricultural sanction" means any prohibition, restriction, or condition on carrying out an agricultural program with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(E) UNILATERAL MEDICAL SANCTION.—The term "unilateral medical sanction" means any prohibition, restriction, or condition on exports of, or the provision of assistance consisting of, medicine or a medical device with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(2) RESTRICTION.—

(A) NEW SANCTIONS.—Except as provided in paragraphs (3) and (4) and notwithstanding any other provision of law, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity for any fiscal year, unless—

(i) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(I) describes the activity proposed to be prohibited, restricted, or conditioned; and

(II) describes the actions by the foreign country or foreign entity that justify the sanction; and

(ii) Congress enacts a joint resolution stating the approval of Congress for the report submitted under clause (i).

(B) EXISTING SANCTIONS.—

(i) IN GENERAL.—Except as provided in clause (ii), with respect to any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act for any fiscal year, the President shall immediately cease to implement such sanction.

(ii) EXEMPTIONS.—Clause (i) shall not apply to a unilateral agricultural sanction or unilateral medical sanction imposed with respect to an agricultural program or activity described in clause (ii) or (iv) of paragraph (1)(B).

(3) EXCEPTIONS.—The President may impose (or continue to impose) a sanction described in paragraph (2) without regard to the procedures required by that paragraph—

(A) against a foreign country or foreign entity with respect to which Congress has enacted a declaration of war that is in effect on or after the date of enactment of this Act; or

(B) to the extent that the sanction would prohibit, restrict, or condition the provision or use of any agricultural commodity, medicine, or medical device that is—

(i) controlled on the United States Munitions List;

(ii) an item for which export controls are administered by the Department of Commerce for foreign policy or national security reasons; or

(iii) used to facilitate the development or production of a chemical or biological weapon.

(4) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—This subsection shall not affect the current prohibitions on providing, to the government of any country supporting international terrorism, United States government assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

(5) TERMINATION OF SANCTIONS.—Any unilateral agricultural sanction or unilateral medical sanction that is imposed pursuant to the procedures described in paragraph (2)(A) shall terminate not later than 2 years after the date on which the sanction became effective unless—

(A) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years and the request of the President for approval by Congress of the recommendation; and

(B) Congress enacts a joint resolution stating the approval of Congress for the report submitted under subparagraph (A).

(6) CONGRESSIONAL PRIORITY PROCEDURES.—

(A) REFERRAL OF REPORT.—A report described in paragraph (2)(A)(i) or (5)(A) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(B) REFERRAL OF JOINT RESOLUTION.—

(i) IN GENERAL.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(ii) REPORTING DATE.—A joint resolution referred to in clause (i) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(C) DISCHARGE OF COMMITTEE.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(i) the committee shall be discharged from further consideration of the joint resolution; and

(ii) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(D) FLOOR CONSIDERATION.—

(i) MOTION TO PROCEED.—

(I) IN GENERAL.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under subparagraph (C) from further consideration of, a joint resolution—

(aa) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(bb) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(II) PRIVILEGE.—The motion to proceed to the consideration of the joint resolution—

(aa) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(bb) not debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(aa) amendment;

(bb) a motion to postpone; or

(cc) a motion to proceed to the consideration of other business.

(IV) MOTION TO RECONSIDER NOT IN ORDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(V) BUSINESS UNTIL DISPOSITION.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(ii) LIMITATIONS ON DEBATE.—

(I) IN GENERAL.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(II) FURTHER DEBATE LIMITATIONS.—A motion to limit debate shall be in order and shall not be debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(iii) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(iv) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(E) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(i) NO COMMITTEE REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(ii) FLOOR PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(I) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(II) the vote on final passage shall be on the joint resolution of the other House.

(iii) DISPOSITION OF JOINT RESOLUTIONS OF RECEIVING HOUSE.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(F) PROCEDURES AFTER ACTION BY BOTH THE HOUSE AND SENATE.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(G) RULEMAKING POWER.—This paragraph is enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this paragraph—

(I) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(II) supersedes other rules only to the extent that this paragraph is inconsistent with those rules; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(7) EFFECTIVE DATE.—This subsection takes effect 180 days after the date of enactment of this Act.

CONRAD AMENDMENT NO. 1517

Mr. CONRAD proposed an amendment to amendment No. 1499 proposed by Mr. DASCHLE to the bill, S. 1233, supra; as follows:

At the end of the amendment add the following:

Notwithstanding any other provision of this Act the following shall be the only Emergency Assistance provisions provided in this bill:

. EMERGENCY AND MARKET LOSS ASSISTANCE.—(a) MARKET LOSS ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the "Secretary") shall use not more than $5,544,453,000 of funds of the Commodity Credit Corporation to provide assistance to owners and producers on a farm that are eligible for payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(2) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this subsection shall be proportionate to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(3) TIME FOR PAYMENT.—The assistance made available under this subsection for an eligible owner or producer shall be provided not later than 45 days after the date of enactment of this Act.

(4) DAIRY PRODUCERS.—

(A) IN GENERAL.—Of the total amount made available under paragraph (1), $200,000,000 shall be available to provide assistance to dairy producers in a manner determined by the Secretary.

(B) FEDERAL MILK MARKETING ORDERS.—Payments made under this subsection shall not affect any decision with respect to rulemaking activities under section 143 of the Agricultural Market Transition Act (7 U.S.C. 7253).

(b) OILSEED PAYMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall use not less than $500,000,000 of funds of the Commodity Credit Corporation to make payments to producers of the 1999 crop of oilseeds that are eligible to obtain a marketing assistance loan under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

(2) COMPUTATION.—A payment to producers on a farm under this subsection shall be computed by multiplying—

(A) a payment rate determined by the Secretary; by

(B) the quantity of oilseeds that the producers on the farm are eligible to place under loan under section 131 of that Act.

(3) LIMITATION.—Payments made under this subsection shall be considered to be contract payments for the purposes of section 1001(1) of the Food Security Act of 1985 (7 U.S.C. 1308(1)).

(c) UPLAND COTTON PRICE COMPETITIVENESS.—

(1) IN GENERAL.—Section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(A) in paragraph (1), by striking "or cash payments" and inserting "or cash payments, at the option of the recipient,";

(B) by striking "3 cents per pound" each place it appears and inserting "1.25 cents per pound";

(C) in the first sentence of paragraph (3)(A), by striking "owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates" and inserting "owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton"; and

(D) by striking paragraph (4).

(2) ENSURING THE AVAILABILITY OF UPLAND COTTON.—Section 136(b) of the Agricultural Market Transition Act (7 U.S.C. 7236(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—The President shall carry out an import quota program during the period ending July 31, 2003, as provided in this subsection.

"(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

"(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

"(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year."; and

(B) by adding at the end the following:

"(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.".

(d) FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32).—

(1) IN GENERAL.—For an additional amount for the fund maintained for funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), there is appropriated, out of any money in the Treasury not otherwise appropriated, $300,000,000.

(2) SET-ASIDE FOR CERTAIN LIVESTOCK PRODUCERS.—Of the funds made available by paragraph (1), the Secretary shall use not more than $100,000,000 to provide assistance to livestock producers—

(A) the operations of which are located in counties with respect to which during 1999 a natural disaster was declared for losses due to excessive heat or drought by the Secretary, or a major disaster or emergency was declared for losses due to excessive heat or drought by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

(B) that experienced livestock losses as a result of the declared disaster or emergency.

(3) WAIVER OF COMMODITY LIMITATION.—In providing assistance under this subsection, the Secretary may waive the limitation established under the second sentence of the second paragraph of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), on the amount of funds that may be devoted to any 1 agricultural commodity or product.

(e) ADDITIONAL CROP LOSS ASSISTANCE.—

(1) IN GENERAL.—Except as provided in paragraph (2), in addition to amounts that have been made available to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277) under other law, the Secretary shall use not more than $492,000,000 of funds of the Commodity Credit Corporation to provide crop loss assistance in accordance with that section in a manner that, to the maximum extent practicable—

(A) fully compensates agricultural producers for crop losses in accordance with that section (including regulations promulgated to carry out that section); and

(B) provides equitable treatment under that section for agricultural producers described in subsections (b) and (c) of that section.

(2) CROP INSURANCE.—Of the total amount made available under paragraph (1), the Secretary shall use not less than $400,000,000 to assist agricultural producers in purchasing additional coverage for the 2000 crop year under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(3) COMPENSATION FOR DENIAL OF CROP LOSS ASSISTANCE BASED ON TAXPAYER IDENTIFICATION NUMBERS.—The Secretary shall use not more than $70,000,000 of funds of the Commodity Credit Corporation to make payments to producers on a farm that were denied crop loss assistance under section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), as the result of a change in the taxpayer identification numbers of the producers if the Secretary determines that the change was not made to create an advantage for the producers in the crop insurance program through lower premiums or higher actual production histories.

(f) SPECIALTY CROPS.—The Secretary shall use not more than $300,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers of fruits, vegetables, and peanuts in a manner determined by the Secretary.

(g) INCOME LOSSES FOR 1999.—

(1) IN GENERAL.—The Secretary shall use not more than $500,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers that have suffered income losses related to 1999 crops caused by damaging weather or related condition resulting from a natural or major disaster or emergency.

(2) FLOODED LAND RESERVE PROGRAM.—Of the funds made available by paragraph (1), the Secretary shall use $250,000,000 to carry out a flooded land reserve program in a manner that is consistent with section 1124 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277).

(h) EMERGENCY LIVESTOCK ASSISTANCE.—

(1) IN GENERAL.—For an additional amount to provide emergency livestock assistance, there is appropriated, out of any money in the Treasury not otherwise appropriated, $250,000,000.

(2) SET-ASIDE FOR CERTAIN LIVESTOCK PRODUCERS.—Of the funds made available by paragraph (1), the Secretary shall use not more than $100,000,000 to provide assistance to livestock producers—

(A) the operations of which are located in counties with respect to which during 1999 a natural disaster was declared for losses due to excessive heat or drought by the Secretary, or a major disaster or emergency was declared for losses due to excessive heat or drought by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

(B) that experienced livestock losses as a result of the declared disaster or emergency.

(i) RURAL ECONOMIC ASSISTANCE.—For an additional amount for rural economic assistance, there is appropriated, out of any money in the Treasury not otherwise appropriated, $100,000,000, of which—

(1) $70,000,000 shall be used for rural economic development, with the highest priority given to the most economically disadvantaged rural communities; and

(2) $30,000,000 shall be used to establish and carry out a program of revolving loans for the support of farmer-owned cooperatives.

(j) SUGAR.—

(1) CONDITION ON PAYMENT OF SALARIES AND EXPENSES.—None of the funds appropriated or otherwise made available by this Act or any other Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out or enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001, if the Federal budget is determined by the Office of Management and Budget to be in surplus for fiscal year 2000.

(2) TECHNICAL CORRECTION TO CONTINUE THE NO-COST OPERATION OF THE SUGAR PROGRAM.—Section 902(a) of the Food Security Act of 1985 (7 U.S.C. 1446g note; Public Law 99–198) is amended by striking "section 206 of the Agricultural Act of 1949" and inserting "section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272)".

(k) STATE MEDIATION GRANTS.—For an additional amount for grants pursuant to section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5102(b)), there is appropriated, out of any money in the Treasury not otherwise appropriated, $2,000,000.

(l) MANDATORY PRICE REPORTING.—For an additional amount to carry out a program of mandatory price reporting for livestock and livestock products, on enactment of a law establishing the program, there is appropriated, out of any money in the Treasury not otherwise appropriated, $4,000,000.

(m) GRAIN INSPECTION, PACKERS, AND STOCKYARDS ADMINISTRATION.—For an additional amount for the Grain Inspection, Packers, and Stockyards Administration to support rapid response teams to enforce the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), there is appropriated, out of any money in the Treasury not otherwise appropriated, $1,000,000.

(n) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed $150,000.

(o) REQUIREMENT OF CONGRESSIONAL APPROVAL OF ANY UNILATERAL AGRICULTURAL OR MEDICAL SANCTION.—

(1) DEFINITIONS.—In this subsection:

(A) AGRICULTURAL COMMODITY.—The term "agricultural commodity" has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(B) AGRICULTURAL PROGRAM.—The term "agricultural program" means—

(i) any program administered under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.);

(ii) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(iii) any commercial sale of agricultural commodities, including a commercial sale of an agricultural commodity that is prohibited under a unilateral agricultural sanction that is in effect on the date of enactment of this Act; or

(iv) any export financing (including credits or credit guarantees) for agricultural commodities.

(C) JOINT RESOLUTION.—The term "joint resolution" means—

(i) in the case of paragraph (2)(A)(ii), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (2)(A)(i) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section (o)(2)(A)(i) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, transmitted on .", with the blank completed with the appropriate date; and

(ii) in the case of paragraph (5)(B), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (5)(A) is received by Congress, the matter after the resolving clause of which is as follows: "That Congress approves the report of the President pursuant to section (o)(5)(A) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, transmitted on .", with the blank completed with the appropriate date.

(D) UNILATERAL AGRICULTURAL SANCTION.—The term "unilateral agricultural sanction" means any prohibition, restriction, or condition on carrying out an agricultural program with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(E) UNILATERAL MEDICAL SANCTION.—The term "unilateral medical sanction" means any prohibition, restriction, or condition on exports of, or the provision of assistance consisting of, medicine or a medical device with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(2) RESTRICTION.—

(A) NEW SANCTIONS.—Except as provided in paragraphs (3) and (4) and notwithstanding any other provision of law, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity for any fiscal year, unless—

(i) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(I) describes the activity proposed to be prohibited, restricted, or conditioned; and

(II) describes the actions by the foreign country or foreign entity that justify the sanction; and

(ii) Congress enacts a joint resolution stating the approval of Congress for the report submitted under clause (i).

(B) EXISTING SANCTIONS.—

(i) IN GENERAL.—Except as provided in clause (ii), with respect to any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act for any fiscal year, the President shall immediately cease to implement such sanction.

(ii) EXEMPTIONS.—Clause (i) shall not apply to a unilateral agricultural sanction or unilateral medical sanction imposed with respect to an agricultural program or activity described in clause (ii) or (iv) of paragraph (1)(B).

(3) Exceptions.—The President may impose (or continue to impose) a sanction described in paragraph (2) without regard to the procedures required by that paragraph—

(A) against a foreign country or foreign entity with respect to which Congress has enacted a declaration of war that is in effect on or after the date of enactment of this Act; or

(B) to the extent that the sanction would prohibit, restrict, or condition the provision or use of any agricultural commodity, medicine, or medical device that is—

(i) controlled on the United States Munitions List;

(ii) an item for which export controls are administered by the Department of Commerce for foreign policy or national security reasons; or

(iii) used to facilitate the development or production of a chemical or biological weapon.

(4) Countries supporting international terrorism.—This subsection shall not affect the current prohibitions on providing, to the government of any country supporting international terrorism, United States government assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

(5) Termination of sanctions.—Any unilateral agricultural sanction or unilateral medical sanction that is imposed pursuant to the procedures described in paragraph (2)(A) shall terminate not later than 2 years after the date on which the sanction became effective unless—

(A) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years and the request of the President for approval by Congress of the recommendation; and

(B) Congress enacts a joint resolution stating the approval of Congress for the report submitted under subparagraph (A).

(6) Congressional priority procedures.—

(A) Referral of report.—A report described in paragraph (2)(A)(i) or (5)(A) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(B) Referral of joint resolution.—

(i) In general.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(ii) Reporting date.—A joint resolution referred to in clause (i) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(C) Discharge of committee.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(i) the committee shall be discharged from further consideration of the joint resolution; and

(ii) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(D) Floor consideration.—

(i) Motion to proceed.—

(I) In general.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under subparagraph (C) from further consideration of, a joint resolution—

(aa) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(bb) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(II) Privilege.—The motion to proceed to the consideration of the joint resolution—

(aa) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(bb) not debatable.

(III) Amendments and motions not in order.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(aa) amendment;

(bb) a motion to postpone; or

(cc) a motion to proceed to the consideration of other business.

(IV) Motion to reconsider not in order.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(V) Business until disposition.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(ii) Limitations on debate.—

(I) In general.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(II) Further debate limitations.—A motion to limit debate shall be in order and shall not be debatable.

(III) Amendments and motions not in order.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(iii) Vote on final passage.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(iv) Rulings of the chair on procedure.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(E) Coordination with action by other house.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(i) No committee referral.—The joint resolution of the other House shall not be referred to a committee.

(ii) Floor procedure.—With respect to a joint resolution of the House receiving the joint resolution—

(I) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(II) the vote on final passage shall be on the joint resolution of the other House.

(iii) Disposition of joint resolutions of receiving house.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(F) Procedures after action by both the house and senate.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(G) Rulemaking power.—This paragraph is enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this paragraph—

(I) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(II) supersedes other rules only to the extent that this paragraph is inconsistent with those rules; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(7) Effective date.—This subsection takes effect 180 days after the date of enactment of this Act.

(p) Tobacco Grower Assistance.—The Secretary shall provide $328,000,000 to be distributed to tobacco growers according to the formulas established pursuant to the National Tobacco Grower Settlement Trust.

(q) Emergency Requirement.—The entire amount necessary to carry out this section and the amendments made by this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

(r) Availability.—The amount necessary to carry out this section and the amendments made by this section shall become available on the date of enactment of this Act for the remainder of fiscal year 1999 and for fiscal year 2000, and shall remain available until expended.

TORRICELLI AMENDMENT NO. 1518

(Ordered to lie on the table.)

Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill, S. 1233, supra; as follows:

At the appropriate place in the bill, insert the following:

Sec. . Nothing in this Act shall be construed as authorizing commercial exports or other transactions with Iraq, Iran, Libya, Sudan, Cuba, North Korea, and Syria, countries that on June 1, 1999, were determined by the Secretary of State to have been a country the government of which had repeatedly provided support for acts of international terrorism under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371).

EDWARDS AMENDMENT NO. 1519

(Ordered to lie on the table.)

Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill, S. 1233, supra; as follows:

On page 13, line 19, strike '$54,276,000' and insert '$54,476,000'.

On page 14, line 22, strike '$474,377,000' and insert '$474,577,000'.

On page 9, line 8, strike '$65,419,000' and insert '$65,219,000'.

BROWNBACK AMENDMENT NO. 1520

(Ordered to lie on the table.)

Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill, S. 1233, supra; as follows:

'At the appropriate place add the following: Notwithstanding any other provisions of this Act, the section dealing with the use of funds from the Commodity Credit Corporation for tobacco farmers shall be null and void and of no effect'.

BOXER (AND OTHERS) AMENDMENT NO. 1521

Mrs. BOXER (for herself, Mr. FITZGERALD, Mr. DURBIN, Mr. HARKIN, Mr. GRASSLEY, Mr. WELLSTONE, and Mr. CRAPO) proposed an amendment to the bill, S. 1233, supra; as follows:

CHAFEE AMENDMENT NO. 1522

Mr. CHAFEE proposed an amendment to amendment No. 1521 proposed by Mrs. BOXER to the bill, S. 1233, supra; as follows:

Strike all after the first word, and insert the following: ". It is the sense of the Senate that the Committee on Environment and Public Works should review the findings of the EPA Blue Ribbon Panel on MTBE and other relevant scientific studies, hold comprehensive hearings, and report to the senate at the earliest possible date any legislation necessary to address the recommendations of the Blue Ribbon Panel."

At the appropriate place, add the following:

SEC. . (a) FINDINGS.—Congress finds that—

(1) The Clean Air Act requires that federal reformulated gasoline contain oxygen as a means of achieving air quality benefits.

(2) While both renewable ethanol and MTBE may be used to meet this Clean Air Act requirement, MTBE is in substantially greater use than ethanol.

(3) MTBE is classified as a possible human carcinogen, and when leaked into water causes water to take on the taste and smell of turpentine, rendering it undrinkable.

(4) MTBE leaking from underground fuel storage tanks, recreational watercraft and abandoned automobiles has led to growing detections of MTBE in drinking water, and has contaminated groundwater and drinking water throughout the United States.

(5) Approximately five to ten percent of drinking water supplies in areas using reformulated gasoline now show detectable levels of MTBE.

(6) MTBE poses a more pervasive threat to drinking water than the other harmful constituents of gasoline because MTBE is more soluble, more mobile and slower to degrade than those other constituents.

(7) Renewable ethanol provides air quality and energy security benefits without raising drinking water concerns.

(8) A substantial increase in renewable ethanol production would enhance the energy security of the United States by reducing dependence upon foreign oil.

(9) A substantial increase in renewable ethanol production would help alleviate the financial crisis facing farmers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should—

(1) phase out MTBE in order to address the threats MTBE poses to public health and the environment;

(2) promote renewable ethanol to replace MTBE as a means of enhancing energy security and supporting the farm economy;

(3) provide assistance to state and local governments to treat drinking water supplies contaminated with MTBE;

(4) provide assistance to state and local governments to protect lakes and reservoirs from MTBE contamination.

THURMOND AMENDMENT NO. 1523

Mr. THURMOND proposed an amendment to the bill, S. 1233, supra; as follows:

On page 51, line 13, before the period, insert the following: ", or alcoholic beverages, including wine".

ABRAHAM AMENDMENTS NOS. 1524–1525

Mr. COCHRAN (for Mr. ABRAHAM) proposed two amendments to the bill, S. 1233, supra as follows:

AMENDMENT NO. 1524

On page 13, line 13, strike "$54,276,000" and insert "$54,476,000". On page 13, line 16, strike "$119,300,000" and insert "$119,100,000".

AMENDMENT NO. 1525

On page 68, line 5, before the period insert the following: ", or the Food and Drug Administration Detroit, Michigan District Office Laboratory; or to reduce the Detroit Michigan Food and Drug Administration District Office below the operating and full-time equivalent staffing level of July 31, 1999; or to change the Detroit District Office to a station, residence post or similarly modified office; or to reassign residence posts assigned to the Detroit District Office".

BINGAMAN (AND OTHERS) AMENDMENT NO. 1526

Mr. KOHL (for Mr. BINGAMAN (for himself and Mr. DOMENICI, Mr. LEAHY, Mr. CAMPBELL, Mr. DASCHLE, Mr. BENNETT, Mr. INOUYE, Mrs. FEINSTEIN, and Mr. DORGAN)) proposed an amendment to the bill, S. 1233, supra as follows:

On page 35, line 20, after the semi-colon, insert the following: "not to exceed $12,000,000 shall be for water and waste disposal systems to benefit Federally Recognized Native American Tribes, including grants pursuant to section 306C of such Act, provided that the Federally Recognized Native American Tribe is not eligible for any other rural utilities programs set aside under the Rural Community Advancement Program;".

BOND AMENDMENT NO. 1527

Mr. COCHRAN (for Mr. BOND) proposed an amendment to the bill, S. 1233, supra as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . CONTRACTS FOR PROCUREMENT OF FOOD FOR PEACE COMMODITIES.—(a) DEFINITIONS.—In this section:

(1) HUBZONE SOLE SOURCE CONTRACT.—The term "HUBZone sole source contract" means a sole source contract authorized by section 31 of the Small Business Act (15 U.S.C. 657a).

(2) HUBZONE PRICE EVALUATION PREFERENCE.—The term "HUBZone price evaluation preference" means a price evaluation preference authorized by section 31 of the Small Business Act (15 U.S.C. 657a).

(3) QUALIFIED HUBZONE SMALL BUSINESS CONCERN.—The term "qualified HUBZone small business concern" has the meaning given the term in section 3(p) of the Small Business Act (15 U.S.C. 632(p)).

(4) COVERED PROCUREMENT.—The term "covered procurement" means a contract for the procurement or processing of a commodity furnished under title II or III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), the Food for Progress Act of 1985 (7 U.S.C. 1736o), or any other commodity procurement or acquisition by the Commodity Credit Corporation under any other law.

(b) PROHIBITION OF USE OF FUNDS.—None of the funds made available by this Act may be used to award a HUBZone sole source contract or a contract awarded through full and open competition in combination with a HUBZone price evaluation preference to any qualified HUBZone small business concern in any covered procurement if performance of the contract by the business concern would exceed the production capacity of the business concern or would require the business concern to subcontract to any other company or enterprise for the purchase of the commodity being procured through the covered procurement.

BURNS AMENDMENT NO. 1528

Mr. COCHRAN (for Mr. BURNS) proposed an amendment to the bill, S. 1233, supra as follows:

On Page 76, after Line 6 insert the following:

SEC. . It is the Sense of the Senate that the Secretary of Agriculture shall exercise reasonable treatment of producers in order to avoid harmful consequences regarding the inadvertent planting of dry beans on contract acres, up to and including the 1999 crop year.

BYRD AMENDMENT NO. 1529

Mr. KOHL (for Mr. BYRD) proposed an amendment to the bill, S. 1233, supra as follows:

On page 13, line 11, strike "$29,676,000" and insert "$30,676,000".

On page 13, line 13, before the semicolon, insert the following: ", of which $1,000,000 shall be made available to West Virginia State College in Institute, West Virginia, which for fiscal year 2000 and thereafter shall be designated as an eligible institution under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222)".

On page 13, line 16, strike "$119,100,000" and insert "$117,100,000".

On page 14, line 22, strike "$474,377,000" and insert "$473,377,000".

On page 16, line 16, strike "$25,843,000" and insert "$26,843,000, of which $1,000,000 shall be made available to West Virginia State College in Institute, West Virginia, which for fiscal year 2000 and thereafter shall be designated as an eligible institution under section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221)".

On page 16, line 23, strike "$421,620,000" and insert "$422,620,000".

CLELAND (AND COVERDELL) AMENDMENT NO. 1530

Mr. KOHL (for Mr. CLELAND (for himself and Mr. COVERDELL)) proposed an amendment to the bill, S. 1233, supra as follows:

At the end of the bill, insert the following:

SEC. . REDESIGNATION OF NATIONAL SCHOOL LUNCH ACT AS RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT.—(a) IN GENERAL.—The first section of the National School Lunch Act (42 U.S.C. 1751 note) is amended by striking "National School Lunch Act" and inserting "Richard B. Russell National School Lunch Act".

(b) CONFORMING AMENDMENTS.—The following provisions of law are amended by striking "National School Lunch Act" each place it appears and inserting "Richard B. Russell National School Lunch Act":

(1) Sections 3 and 13(3)(A) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237).

(2) Section 404 of the Agricultural Act of 1949 (7 U.S.C. 1424).

(3) Section 201(a) of the Act entitled "An Act to extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes", approved September 21, 1959 (7 U.S.C. 1431c(a); 73 Stat. 610).

(4) Section 211(a) of the Agricultural Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4004(a)).

(5) Section 245A(h)(4)(A) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(A)).

(6) Sections 403(c)(2)(C), 422(b)(3), 423(d)(3), 741(a)(1), and 742 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)(C), 1632(b)(3), 1183a note, 42 U.S.C. 1751 note, 8 U.S.C. 1615; Public Law 104–193).

(7) Section 2243(b) of title 10, United States Code.

(8) Sections 404B(g)(1)(A), 404D(c)(2), and 404F(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a–22(g)(1)(A), 1070a–24(c)(2), 1070a–26(a)(2); Public Law 105–244).

(9) Section 231(d)(3)(A)(i) of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2341(d)(3)(A)(i)).

(10) Section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)).

(11) Section 1397E(d)(4)(A)(iv)(II) of the Internal Revenue Code of 1986.

(12) Sections 254(b)(2)(B) and 263(a)(2)(C) of the Job Training Partnership Act (29 U.S.C. 1633(b)(2)(B), 1643(a)(2)(C)).

(13) Section 3803(c)(2)(C)(xiii) of title 31, United States Code.

(14) Section 602(d)(9)(A) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474(d)(9)(A)).

(15) Sections 2(4), 3(1), and 301 of the Healthy Meals for Healthy Americans Act of 1994 (42 U.S.C. 1751 note; Public Law 103–448).

(16) Sections 3, 4, 7, 10, 13, 16(b), 17, and 19(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1772, 1773, 1776, 1779, 1782, 1785(b), 1786, 1788(d)).

(17) Section 658O(b)(3) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m(b)(3)).

(18) Subsection (b) of the first section of Public Law 87–688 (48 U.S.C. 1666(b)).

(19) Section 10405(a)(2)(H) of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239; 103 Stat. 2489).

COCHRAN (AND KOHL) AMENDMENT NO. 1531

Mr. COCHRAN (for himself and Mr. KOHL) proposed an amendment to the bill, S. 1233, supra as follows:

On page 33, line 15 after the period, insert the following: ": *Provided further*, That of the funds available for Emergency Watershed Protection activities, $5,000,000 shall be available for Mississippi and Wisconsin for financial and technical assistance for pilot rehabilitation projects of small, upstream dams built under the Watershed and Flood Prevention Act (16 U.S.C. 1001 et seq., Section 13 of the Act of December 22, 1994) Public Law 78–534; 58 Stat. 905, and the pilot watershed program authorized under the heading 'FLOOD PREVENTION' of the Department of Agriculture Appropriation Act, 1954, (Public Law 156; 67 Stat. 214)".

COCHRAN AMENDMENTS NOS. 1532–1533

Mr. COCHRAN proposed two amendments to the bill, S. 1233, supra as follows:

AMENDMENT NO. 1532

On page 41, line 6, insert the following before the period: ": *Provided further*, That none of the funds appropriated under this paragraph shall be available unless the Department of Agriculture proposes a revised regulation to allow leaders charged a fee to be up to 3% on guaranteed business and industry loans".

AMENDMENT NO. 1533

On page 42, line 7, insert the following before the period: ": *Provided*, That at least twenty-five percent of the total amount appropriated shall be made available to cooperatives or associations of cooperatives that assist small minority producers".

DOMENICI AMENDMENT NO. 1534

Mr. COCHRAN (for Mr. DOMENICI) proposed an amendment to the bill, S. 1233, supra as follows:

At the appropriate place in the bill, add the following new section:

SEC. . Public Law 105–199 (112 Stat. 641) is amended in section 3(b)(1)(G) by striking "persons" and inserting in lieu thereof "governors, who may be represented on the Commission by their respective designees,".

DURBIN (AND KENNEDY) AMENDMENT NO. 1535

Mr. KOHL (for Mr. DURBIN (for himself and Mr. KENNEDY)) proposed an amendment to the bill, S. 1233, supra as follows:

On page 55, line 5, strike the semicolon and insert the following: ", of which $1,000,000 shall be for premarket review, enforcement and oversight activities related to users and manufacturers of all reprocessed medical devices as authorized by the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.), and of which no less than $55,500,000 and 522 full-time equivalent positions shall be for premarket application review activities to meet statutory review times;".

DURBIN AMENDMENT NO. 1536

Mr. KOHL (for Mr. DURBIN) proposed an amendment to the bill, S. 1233, supra as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7. SENSE OF THE SENATE CONCERNING ACTION PLAN ON FOOD SECURITY.

It is the sense of the Senate that the President should include in the fiscal year 2001 budget request funding to implement the United States Action Plan on Food Security.

GORTON AMENDMENT NO. 1537

Mr. COCHRAN (for Mr. GORTON) proposed an amendment to the bill, S. 1233, supra as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . FINANCIAL HARDSHIPS FACING APPLE FARMERS.—The Farm Service Agency—

(1) In view of the financial hardship facing United States apple farmers as a result of a loss of markets and excessive imports of apple juice concentrate, shall review all programs that assist apple growers in time of need;

(2) in view of the increased operating costs associated with tree fruit production, shall review the limits currently set on operating loan programs used by apple growers to determine whether the current limits are insufficient to cover those costs; and

(3) shall report to Congress in findings not later than January 1, 2000.

GRAHAM AND (MACK) AMENDMENT NO. 1538

Mr. KOHL (for Mr. GRAHAM (for himself and Mr. MACK)) proposed an amendment to the bill, S. 1233, supra as follows:

On page 18, line 12, strike "$437,445,000" and insert "$439,445,000".

On page 18, line 19, after the colon, insert the following: "*Provided further*, That, of the amounts made available under this heading, not less than $24,970,000 shall be used for fruit fly exclusion and detection (including at least $6,000,000 for fruit fly exclusion and detection in the state of Florida):".

On page 20, line 16, strike "$7,200,000" and insert "$5,200,000".

KERREY AMENDMENT NO. 1539

Mr. KOHL (for Mr. KERREY) proposed an amendment to the bill, S. 1233, supra as follows:

On page 36 of S. 1233, line 3 after the word "systems:" insert the following: "*Provided further*, That of the total amount appropriated, not to exceed $1,500,000 shall be available to the Grassroots project:".

LEVIN AMENDMENT NO. 1540

Mr. KOHL (for Mr. LEVIN) proposed an amendment to the bill, S. 1233, supra as follows:

On page 13, line 13, strike "$54,476,000" and insert "$54,951,000".

On page 13, line 16, strike "$117,100,000" and insert "$116,625,000".

LINCOLN AMENDMENT NO. 1541

Mr. KOHL (for Mrs. LINCOLN) proposed an amendment to the bill, S. 1233, supra as follows:

SEC. . Section 889 of the Federal Agriculture Improvement and Reform Act of 1996 is amended—

(1) in the heading, by inserting "HARRY K. DUPREE" before "STUTTGART";

(2) in subsection (b)(1)—

(A) in the heading, by inserting "HARRY K. DUPREE" before "STUTTGART"; and

(B) in subparagraphs (A) and (B), by inserting "Harry K. Dupree" before "Struttgart National Aquaculture Research Center" each place it appears.

MACK (AND GRAHAM) AMENDMENT NO. 1542

Mr. COCHRAN (for Mr. MACK (for himself and Mr. GRAHAM)) proposed an amendment to the bill, S. 1233, supra as follows:

On Page 13, Line 16, strike "$116,625,000 and insert "$116,325,000".

On Page 14, Line 19, strike "$13,666,000 and insert "$13,966,000".

McCONNELL AMENDMENT NO. 1543

Mr. COCHRAN (for Mr. McCONNELL) proposed an amendment to the bill, S. 1233, supra as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . TOBACCO LEASING AND INFORMATION.—(a) CROSS-COUNTY LEASING.—Section 319(l) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(l)) is amended in the second sentence by inserting ", Kentucky," after "Tennessee".

(b) TOBACCO PRODUCTION AND MARKETING INFORMATION.—Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following:

"SEC. 320D. TOBACCO PRODUCTION AND MARKETING INFORMATION.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may, subject to subsection (b), release marketing information submitted by persons relating to the production and marketing of tobacco to State trusts or similar organizations engaged in the distribution of national trust funds to tobacco producers and other persons with interests associated with the production of tobacco, as determined by the Secretary.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—Information may be released under subsection (a) only to the extent that—

"(A) the release is in the interest of tobacco producers, as determined by the Secretary; and

"(B) the information is released to a State trust or other organization that is created to, or charged with, distributing funds to tobacco producers or other parties with an interest in tobacco production or tobacco farms under a national or State trust or settlement.

"(2) EXEMPTION FROM RELEASE.—The Secretary shall, to the maximum extent practicable, in advance of making a release of information under subsection (a), allow, by announcement, a period of at least 15 days for persons whose consent would otherwise be required by law to effectuate the release, to elect to be exempt from the release.

"(c) ASSISTANCE.—

"(1) IN GENERAL.—In making a release under subsection (a), the Secretary may provide such other assistance with respect to information released under subsection (a) as will facilitate the interest of producers in receiving the funds that are the subject of a trust described in subsection (a).

"(2) FUNDS.—The Secretary shall use amounts made available for salaries and expenses of the Department to carry out paragraph (1).

"(d) RECORDS.—

"(1) IN GENERAL.—A person that obtains information described in subsection (a) shall maintain records that are consistent with the purposes of the release and shall not use the records for any purpose not authorized under this section.

"(2) PENALTY.—A person that knowingly violates this subsection shall be fined not more than $10,000, imprisoned not more than 1 year, or both.

"(e) APPLICATION.—This section shall not apply to—

"(1) records submitted by cigarette manufacturers with respect to the production of cigarettes;

"(2) records that were submitted as expected purchase intentions in connection with the establishment of national tobacco quotas; or

"(3) records that aggregate the purchases of particular buyers.".

NICKLES AMENDMENT NO. 1544

Mr. COCHRAN (for Mr. NICKLES) proposed an amendment to the bill, S. 1233, supra as follows:

On page 70, strike lines 3 through 10, and insert in lieu thereof:

"SEC. 739. None of the funds appropriated or otherwise made available by this Act may be used to declare excess or surplus all or part of the lands and facilities owned by the federal government and administered by the Secretary of Agriculture at Fort Reno, Oklahoma, or to transfer or convey such lands or facilities, without the specific authorization of Congress.".

REID AMENDMENT NO. 1545

Mr. KOHL (for Mr. REID) proposed an amendment to the bill, S. 1233, supra as follows:

On page 13, line 16, strike the figure "$116,325,000" and insert in lieu thereof the figure "$115,825,000" and on page 13, line 13, strike the figure "$54,951,000" and insert in lieu thereof the figure "$55,451,000.

SESSIONS AMENDMENT NO. 1546

Mr. COCHRAN (for Mr. SESSIONS) proposed an amendment to the bill, S. 1233, supra as follows:

On page 13, line 13, increase the dollar amount by $750,000; and

On page 13, line 16, decrease the dollar amount by $750,000.

SMITH AMENDMENT NO. 1547

Mr. COCHRAN (for Mr. SMITH of New Hampshire) proposed an amendment to the bill, S. 1233, supra as follows:

At the end of the bill, add the following:

"SEC. . That notwithstanding section 306(a)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), the city of Berlin, New Hampshire, shall be eligible during fiscal year 2000 for a rural utilities grant or loan under the Rural Community Advancement Program.".

SMITH AMENDMENT NO. 1548

Mr. COCHRAN (for Mr. SMITH of Oregon) proposed an amendment to the bill, S. 1233, supra as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . CRANBERRY MARKETING ORDERS.—(a) PAID ADVERTISING FOR CRANBERRIES AND CRANBERRY PRODUCTS.—Section 8c(6)(I) of the Agricultural Adjustment Act (7 U.S.C. 608c(6)(I)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in the first proviso—

(1) by striking "or Florida grown strawberries" and inserting ", Florida grown strawberries, or cranberries"; and

(2) by striking "and Florida Indian River grapefruit" and inserting "Florida Indian River grapefruit, and cranberries".

(b) COLLECTION OF CRANBERRY INVENTORY DATA.—Section 8d of the Agricultural Adjustment Act (7 U.S.C. 608d), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(3) COLLECTION OF CRANBERRY INVENTORY DATA.—

"(A) IN GENERAL.—If an order is in effect with respect to cranberries, the Secretary of Agriculture may require persons engaged in the handling or importation of cranberries or cranberry products (including producer-handlers, second handlers, processors, brokers, and importers) to provide such information as the Secretary considers necessary to effectuate the declared policy of this title, including information on acquisitions, inventories, and dispositions of cranberries and cranberry products.

"(B) DELEGATION TO COMMITTEE.—The Secretary may delegate the authority to carry out subparagraph (A) to any committee that is responsible for administering an order covering cranberries.

"(C) CONFIDENTIALITY.—Paragraph (2) shall apply to information provided under this paragraph.

"(D) VIOLATIONS.—Any person that violates this paragraph shall be subject to the penalties provided under section 8c(14).".

STEVENS AMENDMENTS NOS. 1549–1550

Mr. COCHRAN (for Mr. STEVENS) proposed two amendments to the bill, S. 1233, supra as follows:

AMENDMENT NO. 1549

On page 76, line 6, please add the following:

"Beginning in fiscal year 2001 and thereafter:

"SEC. . The Food Stamp Act (P.L. 95-113, section 16(a)) is amended by inserting after the phrase 'Indian reservation under section 11(d) of this Act' the following new phrase: 'or in a Native village within the State of Alaska identified in section 11(b) of Public Law 92-203, as amended.'"

AMENDMENT NO. 1550

At the appropriate place insert the following new section:

"SEC. . It is the Sense of the Senate that the Secretary of Agriculture shall periodically review the Food Packages listed at 7.

CFR 246.10(c) (1996) and consider including additional nutritious food for women, infants and children.".

STEVENS (AND OTHERS) AMENDMENT NO. 1551

Mr. COCHRAN (for Mr. STEVENS (for himself, Mr. INOUYE, and Mr. AKAKA)) proposed an amendment to the bill, S. 1233, supra as follows:

Amend Title VII—GENERAL PROVISIONS by inserting a new section as follows:

"SEC. . EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS.

"(a) EDUCATION GRANTS PROGRAM FOR ALASKA NATIVE SERVING INSTITUTIONS.—(1) GRANT AUTHORITY.—The Secretary of Agriculture may make competitive grants (or grants without regard to any requirement for competition) to Alaska Native serving institutions for the purpose of promoting and strengthening the ability of Alaska Native serving institutions to carry out education, applied research, and related community development programs.

(2) USE OF GRANT FUNDS.—Grants made under this section shall be used—

(A) to support the activities of consortia of Alaska Native serving institutions to enhance educational equity for under represented students:

(B) to strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional national, or international educational needs in the food and agriculture sciences:

(C) to attract and support undergraduate and graduate students from under represented groups in order to prepare them for careers related to the food, agricultural, and natural resource systems of the United States, beginning with the mentoring of students at the high school level including by village elders and continuing with the provision of financial support for students through their attainment of a doctoral degree; and

(D) to facilitate cooperative initiatives between two or more Alaska Native serving institutions, or between Alaska Native serving institutions and units of State government or the private sector, to maximize the development and use of resources, such as faculty, facilities, and equipment, to improve food and agricultural sciences teaching programs.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this subsection $10,000,000 in fiscal years 2001 through 2006.

"(b) EDUCATION GRANTS PROGRAM FOR NATIVE HAWAIIAN SERVING INSTITUTIONS.—(1) GRANT AUTHORITY.—The Secretary of Agriculture may make competitive grants (or grants without regard to any requirement for competition) to Native Hawaiian serving institutions for the purpose of promoting and strengthening the ability of Native Hawaiian serving institutions to carry out education, applied research, and related community development programs.

(2) USE OF GRANT FUNDS.—Grants made under this section shall be used—

(A) to support the activities of consortia of Native Hawaiian serving institutions to enhance educational equity for under represented students:

(B) to strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified state, regional, national, or international educational needs in the food and agriculture sciences:

(C) to attract and support undergraduate and graduate students from under represented groups in order to prepare them for careers related to the food, agricultural, and natural resource systems of the United States, beginning with the mentoring of students at the high school level and continuing with the provision of financial support for students through their attainment of a doctoral degree; and

(D) to facilitate cooperative initiatives between two or more Native Hawaiian serving institutions, or between Native Hawaiian serving institutions and units of State government or the private sector, to maximize the development and use of resources, such as faculty, facilities, and equipment, to improve food and agricultural sciences teaching programs.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this subsection $10,000,000 for each of fiscal years 2001 through 2006.

STEVENS AMENDMENT NO. 1552

Mr. COCHRAN (for Mr. STEVENS) proposed an amendment to the bill, S. 1233, supra as follows:

At the appropriate place in the bill insert the following new section:

"SEC. . SMITH-LEVER ACT ALLOCATIONS IN STATES WITH CONGRESSIONALLY-AUTHORIZED COST OF LIVING ADJUSTMENTS.

Beginning is fiscal year 2001 and thereafter, a state in which federal employees receive a special allowance because of the high cost of living or conditions of environment which differ substantially from conditions in other parts of the country as provided under section 1 of title IV of Public Law 102–141 (105 Stat. 861) shall receive an allotment of no less than $2,000,000 under the Smith Lever Act of 1914, as amended (7 U.S.C. 343)."

STEVENS (AND OTHERS) AMENDMENT NO. 1553

Mr. COCHRAN (for Mr. STEVENS (for himself, Mr. MURKOWSKI, Mr. INOUYE, and Mr. AKAKA)) proposed an amendment to the bill, S. 1233, supra as follows:

At the appropriate place in the bill insert the following new section:

"SEC. . HATCH ACT ALLOCATIONS IN STATES WITH CONGRESSIONALLY-AUTHORIZED COST OF LIVING ADJUSTMENTS."

Beginning in fiscal year 2001 and thereafter, a state in which federal employees receive a special allowance because of the high cost of living or conditions of environment which differ substantially from conditions in other parts of the country as provided under section 1 of title IV of Public Law 102–141 (105 Stat. 861) shall receive an allotment of no less than $2,000,000 under 7 U.S.C. 361c(c)."

THOMAS (AND OTHERS) AMENDMENT NO. 1554

Mr. COCHRAN (for Mr. THOMAS (for himself, Mr. BURNS, Mr. ALLARD, Mr. ROBERTS, Mr. ENZI, Mr. CRAIG, Mr. HAGEL, and Mr. DASCHLE)) proposed an amendment to the bill, S. 1233, supra as follows:

On page 13, line 16, strike "$115,075,000 and insert "$114,825,000".

On page 14, line 19, strike "$13,966,000" and insert "$14,216,000"

On page 14, line 22, before the period at the end, insert the following: ", of which not less than $250,000 shall be provided to carry out market analysis programs at the Livestock Marketing Information Center in Lakewood, Colorado".

WELLSTONE AMENDMENT NO. 1555

Mr. KOHL (for Mr. WELLSTONE) proposed an amendment to the bill, S. 1233, supra as follows:

On page 9, line 9, strike "$2,000,000" and insert "$2,500,000".

On page 9, line 12, after "tions:", insert the following: ": *Provided further*, That not more than $500,000 of the amount transferred under the preceding proviso shall be available to conduct, not later than 180 days after the date of enactment of this Act, a study based on all available administrative data and onsite inspections conducted by the Secretary of Agriculture of local food stamp offices in each State, of (1) reasons for the decline in participation in the food stamp program, and (2) any problems that households with eligible children have experienced in obtaining food stamps, and to report the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate:".

EDWARDS AMENDMENT NO. 1556

Mr. KOHL (for Mr. EDWARDS) proposed an amendment to the bill, S. 1233, supra as follows:

On page 13, line 19, strike "$56,201,000" and insert "$56,401,000".

On page 13, strike on line 13, strike "$114,825,000" and insert "$114,625,000".

HUTCHISON AMENDMENT NO. 1557

Mr. COCHRAN (for Mrs. HUTCHISON) proposed an amendment to the bill, S. 1233, supra as follows:

At the appropriate place insert the following:

SEC. . It is the sense of the Senate that the Food and Drug Administration, to the maximum extent possible, when conducting an Import Food Survey under the President's Food Safety Initiative, ensure timely testing of produce imports by conducting survey tests at the USDA or FDA laboratory closest to the port of entry. If testing results are not provided within twenty-four hours of collection.

BRYAN (AND REID) AMENDMENT NO. 1558

Mr. KOHL (for Mr. BRYAN (for himself and Mr. REID)) proposed an amendment to the bill, S. 1233, supra as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7 . DEREGULATION OF PRODUCER MILK PRICES IN CLARK COUNTY, NEVADA.—Effective October 1, 1999, section 8c(11) of the Agricultural Adjustment Act (7 U.S.C. 608c(11)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(D) PRODUCER MILK PRICES IN CLARK COUNTY, NEVADA.—The price of milk received by producers located in Clark County, Nevada—

"(i) shall not be subject to any order issued under this section or any other regulation by the Secretary; and

"(ii) shall solely be regulated by the State of Nevada and the Nevada State Dairy Commission.".

BAUCUS AMENDMENT NO. 1559

Mr. KOHL (for Mr. BAUCUS) proposed an amendment to the bill, S. 1233, supra as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. . The Senate finds that—

(1) agricultural producers in the United States compete effectively when world markets are not distorted by government intervention;

(2) the elimination of barriers to competition in world markets for agricultural commodities is in the interest of producers and consumers in the United States;

(3) the United States must provide leadership on the opening of the agricultural markets in upcoming multilateral World Trade Organization negotiations;

(4) countries that import agricultural commodities are more likely to liberalize practices if they are confident that their trading partners will not curtail the availability of agricultural commodities on world markets for foreign policy purposes; and

(5) a multilateral commitment to use the open market, rather than government intervention, to guarantee food security would advance the interests of the farm community of the United States.

(b) It is the sense of the Senate that members of the World Trade Organization should undertake multilateral negotiations to eliminate policies and programs that distort world markets for agricultural commodities.

KOHL AMENDMENT NO. 1560

Mr. KOHL proposed an amendment to the bill, S. 1233, supra as follows:

On page 13, line 13, strike "56,401,000" and insert in lieu thereof "56,901,000".

On page 13, line 16, strike "114,625,000" and insert in lieu thereof "114,125,000".

HARKIN (AND OTHERS) AMENDMENT NO. 1561

Mr. KOHL (for Mr. HARKIN (for himself, Mr. DASCHLE, and Mr. WELLSTONE)) proposed an amendment to the bill, S. 1233, supra as follows:

Amend page 22, line 26 by increasing the dollar figure by $2,000,000.

Amend page 9, line 8 by reducing the dollar figure by $2,000,000.

Amend page 9, line 15 by striking the line and inserting in lieu thereof the following: "2225): *Provided further*, That university research shall be reduced below the fiscal year 1999 level by $2,000,000."

LEGISLATION TO ESTABLISH A NATIONAL CEMETERY FOR VETERANS IN THE ATLANTA, GEORGIA, METROPOLITAN AREA

SPECTER (AND ROCKEFELLER) AMENDMENT NO. 1562

Mr. COCHRAN (for Mr. SPECTER (for himself and Mr. ROCKEFELLER)) proposed an amendment to the bill (S. 695) to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in Atlanta, Georgia, metropolitan area; as follows:

On page 3, between lines 9 and 10, insert the following:

(4) A national cemetery in the Detroit, Michigan, metropolitan area to serve the needs of veterans and their families.

(5) A national cemetery in the Sacramento, California, metropolitan area to serve the needs of veterans and their families.

On page 4, strike lines 3 and 4 and insert the following:

Florida, metropolitan area;

(4) in the case of the national cemetery to be established under paragraph (4) of that subsection, appropriate officials of the State of Michigan and appropriate officials of local governments in the Detroit, Michigan, metropolitan area;

(5) in the case of the national cemetery to be established under paragraph (5) of that subsection, appropriate officials of the State of California and appropriate officials of local governments in the Sacramento, California, metropolitan area; and

(6) appropriate officials of the United States, in—

On page 4, after line 15, add the following:

SEC. 2. USE OF FLAT GRAVE MARKERS.

(a) AUTHORITY TO USE FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY.—Notwithstanding section 2404(c)(2) of title 38, United States Code, the Secretary of Veterans Affairs may provide for flat grave markers at the Santa Fe National Cemetery, New Mexico.

(b) REPORT COMPARING USE OF FLAT GRAVE MARKERS AND UPRIGHT GRAVE MARKERS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report assessing the advantages and disadvantages of the use by the National Cemetery Administration of flat grave markers and upright grave markers.

(2) The report under paragraph (1) shall set forth the advantages and disadvantages of the use of each type of grave marker referred to in that paragraph, and shall include criteria to be utilizing in determining whether to prefer the use of one such type of grave marker over the other.

In the amendment to the title, strike "in the Atlanta, Georgia, metropolitan area" and all that follows through "metropolitan area" and insert the following: "in various locations in the United States, and for other purposes".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday August 4, 1999. The purpose of this meeting will be discuss the farm crisis.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, August 4, 1999, at 2.:15 p.m. on fraud against seniors.

The PRESIDING OFFICER. Without objection, it is ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to mark up S. 1090, the Superfund Program Completion Act of 1999, Wednesday, August 4, 9:00 a.m., Hearing Room (SD–406).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 4, 1999 at 10:30 a.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, August 4, 1999 at 9:30 a.m to conduct a hearing on S. 299, to elevate the Director of the Indian Health Service to an Assistant Secretary for Indian Health within the Department of Health and Human Services; and S. 406, a bill to allow tribes to bill directly for Medicaid and Medicare; To be followed by a business meeting, to consider pending legislation. The hearing/business meeting will be held in room 485, Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it so ordered

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for a hearing re Department of Justice Nominations, during the session of the Senate on Wednesday, August 4, 1999, at 8:30 a.m., in SD628.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for a hearing re Pipeline Drugs: Proposed Remedies for Relief in S. 1172, during the session of the Senate on Wednesday, August 4, 1999, at 10:00 a.m., in SD628.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for a hearing re Annual Refugee Consultation during the session of the Senate on Wednesday, August 4, 1999, at 2:00 p.m., in SD628.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, August 4, 1999, at 9:15 a.m., to receive testimony on committee funding resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, August 4, 1999, at 2:00 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Special Committee on the Year 2000 Technology Problem be permitted to meet on August 4, 1999, at 9:30 a.m., or the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, EXPORT AND TRADE PROMOTION AND THE SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on International Economic Policy, Export and Trade Promotion and the Subcommittee on East Asian and Pacific Affairs be authorized to meet during the session of the Senate on Wednesday, August 4, 1999, at 2:30 p.m., to hold a joint hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, August 4, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:15 p.m. The purpose of this oversight hearing is to review the performance management process under the requirements of the Government Performance and Results Act by the National Park Service.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING AND THE DISTRICT OF COLUMBIA

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Governmental Affairs Committee Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia be permitted to meet on Wednesday, August 4, 1999, at 10:30 a.m., for a hearing on Overlap and Duplication in the Federal Food Safety System.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

OCCUPATIONAL AND ENVIRONMENTAL HEALTH AND SAFETY WEEK

• Mr. SARBANES. Mr. President, during the week of August 30–September 3 we will celebrate Occupational and Environmental Health and Safety Week. As a strong and vigorous supporter of Federal initiatives to strengthen our safety and environmental laws and protect our workers and citizens, I am pleased to take this opportunity to draw my colleagues' attention to this important occasion and to take a few moments to reflect on and bring greater awareness of workplace and community health and safety issues to the public.

Occupational and Environmental Health and Safety Week is sponsored by the American Industrial Hygiene Association. This is the first annual celebration of this event and the goal is to highlight workplace and community health issues. This year's theme, "Protecting Your Future . . . Today," shows the far-reaching nature of occupational and environmental safety's impact on the public.

One of the major issues concerning workplace safety is Ergonomics. Ergonomics is the science of fitting the job to the worker. It is the solution to a host of physical problems brought about by over-exertion or repetitive stress. More than 650,000 Americans suffer serious injuries and illnesses due to work-related musculoskeletal disorders each year, accounting for more than 34 percent of all lost-workday injuries and illnesses, and costing employers $15–20 billion annually in direct workers' compensation costs.

There is sound scientific evidence linking musculoskeletal disorders (MSDs) to work. Last summer, the National Academy of Sciences (NAS) found "compelling evidence" that workplace modifications can reduce the risk of injury. A 1997 review of 600 studies by the National Institute of Occupational Safety and Health drew similar conclusions. For the average worker, the back takes the brunt of the injuries. About 4 out of 10 injuries involve strains and sprains, most of them back-related. The Department of Labor recently reported that injuries and illnesses for construction laborers, carpenters, welders and cutters increased by a total of 8,000 cases. Additionally, truck drivers suffer more than their share of injuries, including approximately 145,000 work-related injuries or illnesses each year.

Although many injuries occur in the workplace, our concern does not end there. OEHS Week's second important emphasis is safety in the community and home. Protecting and improving our environment, our parks and wildlife refuges, and natural resources have been among my highest priorities since I was first elected to the Congress. I have fought for, and helped enact, every major piece of legislation to enhance environmental quality—the Clean Water Act, the Clean Air Act, the Endangered Species Act, and Superfund, to name a few. OEHS Week is designed to heighten awareness about several vital community health concerns including carbon monoxide poisoning, indoor air quality, and noise exposure.

In my view, a clean environment is a legacy we leave for future generations. After all, our natural resources—our farmlands and forests, water, air, and our wildlife—are the foundation of our country's present and future well-being and quality of life. We are making progress in the effort to clean up the Chesapeake Bay—our nation's largest and most productive estuary. But much more work needs to be done to revitalize this national treasure and I have introduced legislation to amend the Federal Water Pollution Act to assist in the restoration of the Chesapeake Bay. Additionally, I have introduced a bill to implement pilot projects in Maryland, Virginia, and North Carolina to address problems associated with toxic microorganisms in tidal and non-tidal wetlands and waters.

As we approach over 100 years of celebrating Labor Day, it is appropriate that we focus our attention on the safety of workers while in a workplace environment and on their safety and environmental concerns while away from the job site. This 1st annual Occupational and Environmental Health and Safety Week truly represents a spotlight on the total quality of life of working Americans.•

25TH ANNIVERSARY OF THE VERMONT HOUSING FINANCE AGENCY

• Mr. JEFFORDS. Mr. President, I am honored to congratulate the Vermont Housing Finance Agency on its 25th Anniversary of providing Vermonters with access to safe, decent and affordable housing.

In 1974, the Vermont Housing Finance Agency, VHFA, was established to ensure that Vermonters of a variety of different backgrounds have access to affordable housing. Over many years of finding innovative ways to finance and stimulate the preservation and development of affordable housing, VHFA has multiplied the number of home ownership opportunities in Vermont many times over. This dedication to aggressively and compassionately provide affordable housing opportunities ensures that today's neediest Vermont families need not go without shelter.

As a Senator one of my highest priorities is to help secure for Vermont's low and moderate income families a home they can afford. We all know that having a home is a critical foundation to achieving success. Every year VHFA helps Vermonters build this foundation by making financing possible for thousands of Vermonters to purchase hundreds of dwellings. Over the years, VHFA has worked with private lenders, real estate professionals, builders, developers and nonprofit organizations throughout the state to get the job done. This dynamic approach to home financing has brought about dozens of healthy and safe Vermont communities where residents thrive and communities grow. The professionalism, reliability, and accomplishments of the staff at VHFA are unsurpassed.

I commend the Vermont Housing Finance Agency for its outstanding contribution and dedication to improving the quality of life for so many Vermonters. VHFA has my sincerest thanks and unending respect for its 25 years of commitment to Vermont and her people. I am both proud and honored to represent such an accomplished group of individuals in Washington as they are a national model for how to provide affordable, quality housing opportunities for those in need. As they celebrate their 25th anniversary at the end of this month in Vermont, the VHFA staff, past and present, should be proud that their leadership and continued perseverance will help ensure that every Vermonter has a place to call home.●

TRIBUTE TO THE EMTER FAMILY

● Mr. DORGAN. Mr. President, I rise today to take note of the superb performances given yesterday by the Emter family of Glen Ullin, North Dakota, on the Capitol lawn and later at the Kennedy Center. The Emters were here in Washington as part of the Millennium Series being sponsored by the Kennedy Center. When the Kennedy Center asked me to make a recommendation of a group from North Dakota that might exhibit some of the cultural heritage of my state, the Emter family was a natural and immediate choice.

One obvious reason was their outstanding musical accomplishment. The Emters are button accordionists. Mr. President, the button accordion is a unique instrument, brought to America by settlers from Austria at the turn of the 20th century. Button accordions have been in this country for nearly 100 years, and have helped make polka one of America's most loved traditional dances. In North Dakota even today you'd be hard pressed to find a wedding reception or barn dance where a polka wasn't played and the entire room doesn't pour onto the dance floor. Accordion music may not have the popular following that it did before the advent of rock and roll, but its lyrical and nostalgic flavor still tugs at the heartstrings of this Senator and many other folks of my generation who grew up watching our parents polka the night away across the American Legion Hall dance floor, at Ted Strand's barn or at Hardmeyer Hall.

The Emter Family—parents Renae and Roger (who met at a polka dance), 18 year old son Adam, and three daughters Angelina, 16; Alida, 15; and Abigail, 13—has performed all over North America, from county fairs, church functions and Oktoberfests to national television and radio appearances. They have taken top honors at a number of international button accordion competitions. They are truly accomplished.

I have to tell you though, Mr. President, that it isn't just for their musical achievement that the Emter Family deserves our recognition and honor today. That's because this is a great family. Their presence on stage tells you this, the way they interact with one another and everyone around them tells you this, the message in their music tell you this. They are good people that exemplify the steadfast, positive attitude of the vast majority of rural America's families. They live in Glen Ullin, in southwestern North Dakota, a part of the state that has seen one of the most significant decrease in population. Times are desperate for many families in this region of my state, along with rural areas in most of our farm states. These people have every reason in the world to lose faith, to have negative attitudes, to let frustration get the best of them and give up. None of us could fault them for that. But, Mr. President, most of these families don't despair. They look forward, they continue to work incredibly hard, they still pack the American Legion Hall to dance the polka once and awhile. The Emters are a symbol of hope in these areas of our country, Mr. President, and I want to thank them for sharing that hope with us yesterday through their music and their presence in Washington.●

JIM BATTIN COURTHOUSE

● Mr. BURNS. Mr. President, today I rise to pay tribute to one of Montana's greatest citizens, the Honorable James F. Battin, Sr. Jim Battin was born in Wichita, Kansas, and at the age of four, moved to Billings, Montana, where he was raised. After graduating from high school, he served for three years in the U.S. Navy during World War II, spending most of that time in the Pacific theater. Following the war, Jim returned home to continue his education, graduating first from Eastern Montana College in Billings and later receiving his J.D. from George Washington University. He continued his career in public service as a city attorney in Billings, and in 1958, he was elected to the Montana state legislature. Only two years later, he successfully ran for a seat in the U.S. House of Representatives, where he was quickly assigned seats on the House Committee on Committees, as well as Ways and Means, two very prestigious seats for a freshman member of Congress. Jim later served on the House Foreign Relations and Judiciary Committees, and was ultimately elected five times by the people of his district, which then covered the eastern half of the state of Montana. During his congressional career, which lasted from 1961 to 1969, Congressman Battin played an instrumental role in a good deal of legislation, including the bill which created Montana's Bob Marshall Wilderness Area, at the time the largest wildlife area in the United States. Jim also served as one of two U.S. Congressional Representatives to the Inter-Governmental Committee on European Migration, which met in Geneva. This group helped individuals who were expelled from behind the Iron Curtain to re-establish businesses in other countries, or to find work in other occupations. In 1968, Congressman Battin was President Nixon's representative to the Platform Committee at the Republican National Committee, and shortly thereafter, in early 1969, he became President Nixon's first judicial appointment. He served as a U.S. district judge for the district of Montana for 27 years, becoming its Chief Judge in 1978. During his time on the bench, Judge Battin issued key rulings affecting the lives of Montana citizens, among them his ruling which preserved access to the Bighorn River for people throughout the state, and his creation of the precedent for the now universally accepted six-man federal jury in civil cases. A dedicated and hard working man, James F. Battin Sr. remained on the bench until his passing in the autumn of 1996.

It was with these facts in mind, Mr. President, that led to my support of H.R. 158, a bill which would designate the United States courthouse located at 316 North 26th Street in Billings, Montana, as the "James F. Battin United States Courthouse". Congress passed H.R. 158 earlier this year, and it was signed into law by the President on April 5th, 1999, as Public Law 106–11. I believe that the renaming of this courthouse, which Judge Battin presided over for so long, is the most fitting tribute that the United States Congress and the people of Montana can pay to this great man, whose outstanding career in public service spanned over 40 years. Come next Monday, when this building is officially rechristened with its new name, I think all of us should take a moment to tip our hats in thanks to Judge Battin for a job well-done. Mr. President, I yield the floor.●

TRIBUTE TO ROBERT TOBIAS

● Mr. ROBB. Mr. President, I rise to pay tribute to Robert Tobias, a man who has shown untiring commitment to the concerns of Federal employees. Recently I had the opportunity to attend one of the receptions in his honor hosted by the many Federal employees he has represented and led so effectively.

Mr. Tobias, who is retiring after four terms as president of the National Treasury Employees Union, NTEU, has proven his dedication to the fair treatment, professional development and quality of life for Federal workers time and time again. During his 31 years of service, the organization has grown to the point that it now represents over 155,000 men and women who serve our Federal Government. For the past 16 years, Mr. Tobias led the NTEU, spearheading initiatives to ensure fair workplace policies for Federal workers and pursuing effective labor-management policies for more efficient service from Federal agencies. But perhaps most importantly, he's championed family friendly policies to help our outstanding Federal workers continue to meet demands and increase productivity. These innovations include implementing alternative work schedules and negotiating child care facilities for busy Federal families.

Because of his outstanding reputation, he's won many awards and appointments, most notably his appointment to the National Partnership Council and the Commission to Restructure the IRS among them. Under his leadership, he's ensured that Federal employees are included in the many decisions to help Federal agencies run more efficiently and that they are publicly recognized for all the hard work they perform.

Robert Tobias leaves an indelible mark on the Federal workplace by the hard work he has done on behalf of NTEU—indeed, the nation—and we are indebted to him for his service. I wish him continued success as he moves on to teaching and writing, knowing we can still rely on his voice and experience when it comes to the critical needs of Federal employees.●

RECOGNITION OF THE FEDERAL WAY SCHOOL DISTRICT'S INTERNET ACADEMY

● Mr. GORTON. Mr. President, when I began my Innovation in Education Award Program earlier this year, I endeavored to find and recognize programs, schools, and individuals whose work in improving education deserves recognition. The Federal Way School District's Internet Academy is just such a program and one which I am proud to present with my Innovation in Education Award.

The Internet Academy is the brain child of recently departed Superintendent Tom Vander Ark, who is widely credited with injecting new life into the Federal Way District. The Academy has a standards-based curriculum that provides a comprehensive course of study designed to meet state guidelines and instructional objectives. What is innovative, however, is the way in which the Academy engages students under the continuous guidance of state accredited teachers. The Academy offers a full range of courses for school credit, via the Internet, for grades K–12. The program was created only 3 years ago as a pilot K–8 program and has expanded significantly since then. In June of 1998 it had 65 enrollees—by June of 1999 it had expanded to over 800.

As our society's use of technology has increased, it is important that our public education system keep abreast of such transformation and provide opportunities using technology to encourage student learning. By offering an interactive curriculum that is accessible 24 hours a day, 365 days a year, the district's Academy is ensuring that students are given maximum opportunity to access a good education.

Today's best instructional technologies can enhance the learning environment by eliminating the time and space boundaries present with the traditional classroom. This alternative learning environment also allows for an increasingly active role for families in the education of our children. It is a common-sense proposition that increased parental involvement promotes a richer educational process. This aspect of learning is especially critical for home-schoolers in search of instruction for specific topics or seeking to tap into the resources of the public education system.

The parent of one home-schooled child noted: "Home-school can be really challenging sometimes. It is great to have a resource like the Internet Academy for my son."

Meanwhile, a 10th grade student said: "I like the Internet Academy because I can work at my own pace. The on-line curriculum gives me a better understanding than what I can get in a classroom with 30 other students. The approach allows me to explore areas that interest me while completing the course work."

I have heard from many educators that they sometimes struggle to maintain the interest and energy of their students. The Federal Way School District, through its Internet Academy, has shown that creative means to keep students engaged in today's multimedia environment are not only possible but, can be highly successful.

Our economy, powered in large part by a strong hi-tech sector, has achieved an impressive record of growth in recent months and it stands to reason that creatively injecting hi-tech tools into our education system can have equally rewarding results. I applaud the Federal Way School District's vision in establishing the Internet Academy, I endorse their efforts to ensure that students are given every possible opportunity to access and learn from our public education system. I hope my colleagues will join in my recognizing the Internet Academy's innovative work.●

TRIBUTE TO PAT THOMAS

● Mr. JEFFORDS. Mr. President, I rise today to pay tribute to an outstanding Vermonter, Patricia Thomas, formerly the President and Chief Executive Officer of the Visiting Nurse Association (VNA) of Chittenden and Grand Isle Counties. Pat's commitment to improving the health status of Vermonters serves as a model to us all. She is, and will remain, a stunning example of how one person can positively affect so many.

Pat has served Vermont in a variety of capacities. As a teacher and college administrator, as a government official and director of Vermont's largest United Way, and on various boards and commissions, Pat always strived to improve the quality of life here in Vermont. Most recently, she served the people of Vermont at the helm of our State's largest VNA. It is this role that I wish to elaborate upon today before the U.S. Senate.

Throughout Pat's 7-year tenure at the VNA, her leadership was instrumental in sustaining Vermont's unique, nonprofit home health care system, while maintaining its high-quality, cost-effective service. Ironically, when this nationally renowned system was severely challenged by an unintended consequence of the Balanced Budget Act of 1997, Pat's advocacy easily convinced me and other lawmakers that corrective action was essential. With such an impressive track record and with so many Vermonters relying on her agency's care, it was an easy argument to both make and adopt. Certainly, being a key member of my Health Care Advisory Board, there have been numerous occasions when I have relied on Pat's wise counsel, but none was more critical than during the last year's debate. Vermonters were fortunate to have such an advocate and leader in Pat Thomas.

In addition to being an effective advocate on the Federal level, Pat led her VNA through a dynamic and critical time in its history. During Pat's tenure, her agency more than doubled in size, successfully completed a massive capital campaign, purchased and renovated its current headquarters, and significantly diversified its services. Vermont Respite House, home psychiatric care, specialized home therapies, home infusion, palliative care and wellness programs were all added to the plethora of VNA services on Pat's watch. Other major services include their Adult Day and Hospice Programs and Maternal Child Health Services. Pat knew that these changes were necessary if her agency was to adequately reflect and meet the evolving needs of Vermonters. Her vision and leadership helped her agency do exactly that, with resounding success.

Vermont has much to be grateful for when it comes to Pat's steadfast commitment to improving the quality of life in our small state. Although her tenure at the VNA has ended, we will forever remain the beneficiaries of her expertise, vision and leadership on those issues she has been so ably, and passionately committed to. In her own words, "our house is in order and the agency is incredibly sound, despite an ever changing and challenging health care environment". Vermont has Pat Thomas to thank for this. We wish her well.●

UNANIMOUS CONSENT REQUEST—EXECUTIVE CALENDAR

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations en bloc: Executive Calendar Nos. 173, 175, 176, 191, 195, 198, 199, 210, 211, 215, 217, 218, 219, and 220. I further ask unanimous consent that the nominations be confirmed en bloc, the motion to reconsider be laid upon the table, any statements relating to the nominations appear at this point in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

Mr. KOHL. I ask unanimous consent that the requests be modified to delete 215, 217, 218, and 219.

Mr. COCHRAN. Mr. President, I am constrained to object at the request of the majority leader. I suggest we pass this item and try to resolve it later.

Mr. KOHL. I object.

The PRESIDING OFFICER. The objection is heard.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. COCHRAN. Mr. President, as in executive session, I ask unanimous consent that at 9:30 tomorrow morning the Senate proceed to executive session to consider Executive Calendar Nos. 135 and 140, en bloc. I further ask consent that there be 30 minutes equally divided in the usual form for debate. I also ask consent that following the expiration or the yielding back of time, the Senate proceed to vote on the nominations en bloc. I further ask consent that immediately following that vote, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. I ask unanimous consent that it be in order to ask for the yeas and nays on the nominations at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. I now ask for the yeas and nays

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AUTHORIZATION OF SENATE REPRESENTATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate now proceed en bloc to the immediate consideration of S. Res. 173 and S. Res. 174, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report the resolutions by title.

The legislative clerk read as follows:

A resolution (S. Res. 173) to authorize representation of the Senate Committee on Armed Services in the case of Philip Tinsley, III v. Senate Committee on Armed Services.

A resolution (S. Res. 174) to authorize representation on the Senate Committee on the Judiciary in the case of Philip Tinsely III v. Senate Committee on the Judiciary.

There being no objection, the Senate proceeded to consider the resolutions.

Mr. LOTT. Mr. President, an individual has filed two pro se civil actions in the United States District Court for the Eastern District of Virginia against two Senate Committees. In the first suit, against the Senate Committee on Armed Services, the plaintiff alleges that he was wrongfully denied a commission in the Navy and documentation of a prior honorable discharge from the Army Reserve. He has sued the Armed Services Committee because, in his view, the Committee failed to take sufficient steps to rectify these errors after he brought them to the Committee's attention.

The second complaint alleges that the Judiciary Committee failed to take appropriate action when the plaintiff, in correspondence with the Committee, accused a federal judge and state and federal law enforcement officers of malfeasance.

These resolutions authorize the Senate Legal Counsel to represent the Committees in these suits to move for their dismissal.

Mr. COCHRAN. I ask unanimous consent the resolutions be agreed to, the preambles be agreed to, the motions to reconsider be laid upon the table, any statements relating to the resolutions appear in the RECORD, with the preceding all occurring en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 173) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 173

Whereas, in the case of *Philip Tinsley III* v, *Senate Committee on Armed Services*, Civil Action No. 99-951-A, pending in the United States District Court for the Eastern District of Virginia, the plaintiff has been used the United States Senate Committee on Armed Services;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to defend Senate committees in civil actions. Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the Senate Committee on Armed Services in the case of *Philip Tinsley III* v. *Senate Committee on Armed Services*.

The resolution (S. Res. 174) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 174

Whereas, in the case of *Philip Tinsley III* v. *Senate Committee on the Judiciary*, Civil Action No. 99-952-A, pending in the United States District Court for the Eastern District of Virginia, the plaintiff has sued the United States Senate Committee on the Judiciary;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to defend Senate committees in civil actions: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the Senate Committee on the Judiciary in the case of *Philip Tinsely III* v. *Senate Committee on the Judiciary*.

RELIEF OF GLOBAL EXPLORATION AND DEVELOPMENT CORPORATION, KERR-McGEE CORPORATION, AND KERR-McGEE CHEMICAL, LLC

Mr. BENNETT. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on the bill (S. 606) of the relief of Global Exploration and Development Corporation, Kerr-McGee Corporation, and Kerr-McGee Chemical, LLC (successor to Kerr-McGee Chemical Corporation), and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the bill from the Senate (S. 606) entitled "An Act for the relief of Global Exploration and Development Corporation, Kerr-McGee Corporation, and Kerr-McGee Chemical, LLC (successor to Kerr-McGee

Chemical Corporation), and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SATISFACTION OF CLAIMS AGAINST THE UNITED STATES.

(a) PAYMENT OF CLAIMS.—The Secretary of the Treasury shall pay, out of money not otherwise appropriated—

(1) to the Global Exploration and Development Corporation, a Florida corporation incorporated in Delaware, $9,500,000;

(2) to Kerr-McGee Corporation, an Oklahoma corporation incorporated in Delaware, $10,000,000; and

(3) to Kerr-McGee Chemical, LLC, a limited liability company organized under the laws of Delaware, $0.

(b) CONDITION OF PAYMENT.—

(1) GLOBAL EXPLORATION AND DEVELOPMENT CORPORATION.—The payment authorized by subsection (a)(1) is in settlement and compromise of all claims of Global Exploration and Development Corporation, as described in the recommendations of the United States Court of Federal Claims set forth in 36 Fed. Cl. 776.

(2) KERR-MCGEE CORPORATION AND KERR-MCGEE CHEMICAL, LLC.—The payment authorized by subsections (a)(2) and (a)(3) are in settlement and compromise of all claims of Kerr-McGee Corporation and Kerr-McGee Chemical, LLC, as described in the recommendations of the United States Court of Federal Claims set forth in 36 Fed. Cl. 776.

(c) LIMITATION ON FEES.—Not more than 15 percent of the sums authorized to be paid by subsection (a) shall be paid to or received by any agent or attorney for services rendered in connection with the recovery of such sums. Any person violating this subsection shall be fined not more than $1,000.

SEC. 2. CRIMINAL PROHIBITION ON THE DISTRIBUTION OF CERTAIN INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.

(a) UNLAWFUL CONDUCT.—Section 842 of title 18, United States Code, is amended by adding at the end the following:

"(p) DISTRIBUTION OF INFORMATION RELATING TO EXPLOSIVES, DESTRUCTIVE DEVICES, AND WEAPONS OF MASS DESTRUCTION.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'destructive device' has the same meaning as in section 921(a)(4);

"(B) the term 'explosive' has the same meaning as in section 844(j); and

"(C) the term 'weapon of mass destruction' has the same meaning as in section 2332a(c)(2).

"(2) PROHIBITION.—It shall be unlawful for any person—

"(A) to teach or demonstrate the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute by any means information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, with the intent that the teaching, demonstration, or information be used for, or in furtherance of, an activity that constitutes a Federal crime of violence; or

"(B) to teach or demonstrate to any person the making or use of an explosive, a destructive device, or a weapon of mass destruction, or to distribute to any person, by any means, information pertaining to, in whole or in part, the manufacture or use of an explosive, destructive device, or weapon of mass destruction, knowing that such person intends to use the teaching, demonstration, or information for, or in furtherance of, an activity that constitutes a Federal crime of violence.".

(b) PENALTIES.—Section 844 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "person who violates any of subsections" and inserting the following: "person who—

"(1) violates any of subsections";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(2) violates subsection (p)(2) of section 842, shall be fined under this title, imprisoned not more than 20 years, or both."; and

(2) in subsection (j), by inserting "and section 842(p)" after "this section".

SEC. 3. SETTLEMENT OF CLAIMS OF MENOMINEE INDIAN TRIBE OF WISCONSIN.

(a) PAYMENT.—The Secretary of the Treasury shall pay to the Menominee Indian Tribe of Wisconsin, out of any funds in the Treasury of the United States not otherwise appropriated, $32,052,547 for damages sustained by the Menominee Indian Tribe of Wisconsin by reason of—

(1) the enactment and implementation of the Act entitled "An Act to provide for a per capita distribution of Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction", approved June 17, 1954 (68 Stat. 250 et seq., chapter 303); and

(2) the mismanagement by the United States of assets of the Menominee Indian Tribe held in trust by the United States before April 30, 1961, the effective date of termination of Federal supervision of the Menominee Indian Tribe of Wisconsin.

(b) EFFECT OF PAYMENT.—Payment of the amount referred to in subsection (a) shall be in full satisfaction of any claims that the Menominee Indian Tribe of Wisconsin may have against the United States with respect to the damages referred to in that subsection.

(c) REQUIREMENTS FOR PAYMENT.—The payment to the Menominee Indian Tribe of Wisconsin under subsection (a) shall—

(1) have the status of a judgment of the United States Court of Federal Claims for the purposes of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.); and

(2) be made in accordance with the requirements of that Act on the condition that, of the amounts remaining after payment of attorney fees and litigation expenses—

(A) at least 30 percent shall be distributed on a per capita basis; and

(B) the balance shall be set aside and programmed to serve tribal needs, including funding for—

(i) educational, economic development, and health care programs; and

(ii) such other programs as the circumstances of the Menominee Indian Tribe of Wisconsin may justify.

(d) LIMITATION ON FEES.—Not more than 15 percent of the sums authorized to be paid by subsection (a) shall be paid to or received by any agent or attorney for services rendered in connection with the recovery of such sums. Any person violating this subsection shall be fined not more than $1,000.

Mr. COCHRAN. I ask unanimous consent the Senate concur in the amendment of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. Mr. President, I am pleased that the Senate today approved legislation that gives a Congressional "stamp of approval" to a settlement that the Menominee Indian Tribe of Wisconsin has long awaited. In my opinion, in the opinion of the U.S. Court of Claims that approved this settlement last year, and in the opinion of Wisconsin leaders like Governor Tommy Thompson and former Congressman Melvin Laird, this is a settlement that is long overdue.

As part of S. 606, the Menominee Tribal Fairness Act is the final step in a "Legislative Reference" that settles a 45-year-old case between the Tribe and the Federal Government once and for all. In the 1950s, the Bureau of Indian Affairs mismanaged the Tribe's assets such as their forests and mills, leaving them ill-prepared to be self-sufficient. However, in the 1960s, Congress terminated the Tribe's federal trust status, and the Tribe plunged into years of service impoverishment and community turmoil.

Then in the 1970s, the Government recognized its mistake in these actions and restored the Menominee Tribe's federal trust status. Clearly, though, the decades of damage could threaten the Tribe for generations to come, so the Tribe went to court seeking compensation for the devastation it had endured.

After winning at trial court, this case was dismissed on technical grounds at the appellate court in 1984. The Tribe then came to Congress for help, and we passed a "Legislative Reference" asking the Courts to decide the merits of this case and determine what, if any, compensation was due. Before this case again headed to trial, the Department of Justice settled with the Tribe, agreeing to a sum of $32,052,547. The U.S. Court of Claims endorsed this settlement last summer. Now, as the final step in this process, Congress has approved the payment of this settlement—and from the Treasury Department's already existing "judgment fund," not through a new appropriation—to finally resolve this case after 45 years.

This decades-old case is a perfect example of how the "Legislative Reference" procedure should be used: the court examines claims against the United States based on negligence or fault, or based on less than fair and honorable dealings, regardless of "technical" defenses that the United States may otherwise assert, especially the statute of limitations.

In other words, this procedure is to be used for precisely the types of circumstances surrounding the Menominee Tribe. The tribe and its members suffered grievous economic loss through legislative termination of its rights and from BIA mismanagement of its resources. Indeed, the Federal governments' actions brought the Menominee Tribe to the brink of economic, social, and cultural disaster. Although the Tribe was restored to Federal recognition and tribal status by action of the Congress, the Tribe and its members have yet to be compensated for the damages they suffered. But thanks to the Senate's actions today, that will change.

I thank my colleagues for supporting this vitally important "Legislative Reference" that will bring closure, once and for all, to a settlement that is long overdue. I especially want to thank our House sponsor, MARK GREEN, as well as Congressman SENSENBRENNER, Congressman MCCOLLUM, and Senator NICKLES, for all their hard work.

ESTABLISHMENT OF NATIONAL CEMETERY FOR VETERANS IN ATLANTA, GEORGIA

Mr. COCHRAN. Mr. President, I ask unanimous consent the Senate now proceed to consideration of Calendar No. 221, S. 695.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 695) to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Atlanta, Georgia metropolitan area.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. ESTABLISHMENT OF NATIONAL CEMETERIES.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall establish, in accordance with chapter 24 of title 38, United States Code, the following:

(1) A national cemetery in the Atlanta, Georgia, metropolitan area to serve the needs of veterans and their families.

(2) A national cemetery in Southwestern Pennsylvania to serve the needs of veterans and their families.

(3) A national cemetery in the Miami, Florida, metropolitan area to serve the needs of veterans and their families.

(b) CONSULTATION IN SELECTION OF SITES.—Before selecting the sites for the national cemeteries to be established under subsection (a), the Secretary shall consult with—

(1) in the case of the national cemetery to be established under paragraph (1) of that subsection, appropriate officials of the State of Georgia and appropriate officials of local governments in the Atlanta, Georgia, metropolitan area;

(2) in the case of the national cemetery to be established under paragraph (2) of that subsection, appropriate officials of the State of Pennsylvania and appropriate officials of local governments in Southwestern Pennsylvania;

(3) in the case of the national cemetery to be established under paragraph (3) of that subsection, appropriate officials of the State of Florida and appropriate officials of local governments in the Miami, Florida, metropolitan area; and

(4) appropriate officials of the United States, including the Administrator of General Services, with respect to land belonging to the United States that would be suitable as a location for the establishment of each such national cemetery.

(c) REPORT.—As soon as practicable after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the establishment of the national cemeteries under subsection (a). The report shall set forth a schedule for the establishment of each such cemetery and an estimate of the costs associated with the establishment of each such cemetery.

AMENDMENT NO. 1562

(Purpose: To require the establishment of a national cemetery in the Detroit, Michigan, metropolitan area and in the Sacramento, California, metropolitan area, to authorize the use of flat grave markers at Santa Fe National Cemetery, New Mexico, and for other purposes)

Mr. COCHRAN. Mr. President, Senators SPECTER and ROCKEFELLER have an amendment at the desk. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. SPECTER, for himself, and Mr. ROCKEFELLER, proposes an amendment numbered 1562.

The amendment is as follows:

On page 3, between lines 9 and 10, insert the following:

(4) A national cemetery in the Detroit, Michigan, metropolitan area to serve the needs of veterans and their families.

(5) A national cemetery in the Sacramento, California, metropolitan area to serve the needs of veterans and their families.

On page 4, strike lines 3 and 4 and insert the following:

Florida, metropolitan area;

(4) in the case of the national cemetery to be established under paragraph (4) of that subsection, appropriate officials of the State of Michigan and appropriate officials of local governments in the Detroit, Michigan, metropolitan area;

(5) in the case of the national cemetery to be established under paragraph (5) of that subsection, appropriate officials of the State of California and appropriate officials of local governments in the Sacramento, California, metropolitan area; and

(6) appropriate officials of the United States, in-

On page 4, after line 15, add the following:

SEC. 2. USE OF FLAT GRAVE MARKERS.

(a) AUTHORITY TO USE FLAT GRAVE MARKERS AT SANTA FE NATIONAL CEMETERY.—Notwithstanding section 2404(c)(2) of title 38, United States Code, the Secretary of Veterans Affairs may provide for flat grave markers at the Santa Fe National Cemetery, New Mexico.

(b) REPORT COMPARING USE OF FLAT GRAVE MARKERS AND UPRIGHT GRAVE MARKERS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report assessing the advantages and disadvantages of the use by the National Cemetery Administration of flat grave markers and upright grave markers.

(2) The report under paragraph (1) shall set forth the advantages and disadvantages of the use of each type of grave marker referred to in that paragraph, and shall include criteria to be utilizing in determining whether to prefer the use of one such type of grave marker over the other.

In the amendment to the title, strike "in the Atlanta, Georgia, metropolitan area" and all that follows through "metropolitan area" and insert the following: "in various locations in the United States, and for other purposes".

Mr. COCHRAN. I ask unanimous consent the amendment be agreed to, the committee amendment be agreed to, the bill be read a third time and passed, the title amendment be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1562) was agreed to.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 695), as amended, was read the third time and passed, as follows:

S. 695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF NATIONAL CEMETERIES.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall establish, in accordance with chapter 24 of title 38, United States Code, the following:

(1) A national cemetery in the Atlanta, Georgia, metropolitan area to serve the needs of veterans and their families.

(2) A national cemetery in Southwestern Pennsylvania to serve the needs of veterans and their families.

(3) A national cemetery in the Miami, Florida, metropolitan area to serve the needs of veterans and their families.

(4) A national cemetery in the Detroit, Michigan, metropolitan area to serve the needs of veterans and their families.

(5) A national cemetery in the Sacramento, California, metropolitan area to serve the needs of veterans and their families.

(b) CONSULTATION IN SELECTION OF SITES.—Before selecting the sites for the national cemeteries to be established under subsection (a), the Secretary shall consult with—

(1) in the case of the national cemetery to be established under paragraph (1) of that subsection, appropriate officials of the State of Georgia and appropriate officials of local governments in the Atlanta, Georgia, metropolitan area;

(2) in the case of the national cemetery to be established under paragraph (2) of that subsection, appropriate officials of the State of Pennsylvania and appropriate officials of local governments in Southwestern Pennsylvania;

(3) in the case of the national cemetery to be established under paragraph (3) of that subsection, appropriate officials of the State of Florida and appropriate officials of local governments in the Miami, Florida, metropolitan area;

(4) in the case of the national cemetery to be established under paragraph (4) of that subsection, appropriate officials of the State of Michigan and appropriate officials of local governments in the Detroit, Michigan, metropolitan area;

(5) in the case of the national cemetery to be established under paragraph (5) of that subsection, appropriate officials of the State of California and appropriate officials of local governments in the Sacramento, California, metropolitan area; and

(6) appropriate officials of the United States, including the Administrator of General Services, with respect to land belonging to the United States that would be suitable as a location for the establishment of each such national cemetery.

(c) Report.—As soon as practicable after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the establishment of the national cemeteries under subsection (a). The report shall set forth a schedule for the establishment of each such cemetery and an estimate of the costs associated with the establishment of each such cemetery.

SEC. 2. USE OF FLAT GRAVE MARKERS.

(a) Authority To Use Flat Grave Markers at Santa Fe National Cemetery.—Notwithstanding section 2404(c)(2) of title 38, United States Code, the Secretary of Veterans Affairs may provide for flat grave markers at the Santa Fe National Cemetery, New Mexico.

(b) Report Comparing Use of Flat Grave Markers and Upright Grave Markers.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report assessing the advantages and disadvantages of the use by the National Cemetery Administration of flat grave markers and upright grave markers.

(2) The report under paragraph (1) shall set forth the advantages and disadvantages of the use of each type of grave marker referred to in that paragraph, and shall include criteria to be utilizing in determining whether to prefer the use of one such type of grave marker over the other.

The title was amended so as to read: "A bill to require the Secretary of Veterans Affairs to establish a national cemetery for veterans."

Mr. DOMENICI. Mr. President, it is with great pleasure that I rise today to talk about the Senate passage of a bill I introduced that will extend the useful life of the Santa Fe National Cemetery in New Mexico. I also want to thank Senator SPECTER for his assistance that helped to make passage of this bill possible.

The men and women who have served in the United States Armed Forces have made immeasurable sacrifices for the principles of freedom and liberty that make this Nation unique throughout civilization. The service of veterans has been vital to the history of the Nation, and the sacrifices made by veterans and their families should not be forgotten.

These veterans at the very least deserve every opportunity to be buried at a National Cemetery of their choosing. Unfortunately, projections show the Santa Fe National Cemetery will run out of space to provide casketed burials for our veterans at the conclusion of 2000. However, with Senate passage of this bill we have taken an important step to ensure the continued viability of the Santa Fe National Cemetery.

I believe all New Mexicans can be proud of the Santa Fe National Cemetery that has grown from 39/100 of an acre to its current 77 acres. The cemetery first opened in 1868 and within several years was designated a National Cemetery in April of 1875.

Men and women who have fought in all of our nation's wars hold an honored spot within the hallowed ground of the cemetery. Today the Santa Fe National Cemetery contains almost 27,000 graves that are mostly marked by upright headstones.

The Senate's action today brings us another step closer to ensuring the Santa Fe National Cemetery will not be forced to close. The bill passed today allows the Secretary of Veterans Affairs to provide for the use of flat grave markers that will extend the useful life of the cemetery until 2008.

While I wish the practice of utilizing headstones could continue indefinitely if a veteran chose, my wishes are outweighed by my desire to extend the useful life of the cemetery. I would note that my desire is shared by the New Mexico Chapter of the American Legion, the Albuquerque Chapter of the Retired Officers' Association, and the New Mexico Chapter of the VFW who have all endorsed the use of flat grave markers.

Finally, this is not without precedent because exceptions to the law have been granted on six prior occasions with the most recent action occurring in 1994 when Congress authorized the Secretary of Veterans Affairs to provide for the flat grave markers at the Willamette National Cemetery in Oregon.

Mr. President, I again want to thank Senator SPECTER for his assistance and state how pleased I am with the Senate passage of this important bill.

NOMINATIONS

Executive nominations received by the Senate August 4, 1999:

EXPORT-IMPORT BANK OF THE UNITED STATES

DAN HERMAN RENBERG, OF MARYLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 2003, VICE JULIE D. BELAGA, TERM EXPIRED.

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 531:

To be captain

DAVID M. BROWN, 7509
ELWOOD W. HOPKINS, 1416
MARTIN R. STAHL, 1598
DAVID A. TAFT, 9815

To be commander

TOBIAS J. BACANER, 5671
ALICA K. BARTLETT, 9082
KEITH F. BATTS, 9713
RICHARD M. BERGER, 6692
JOHN L. BERLOT, 1877
GREGORY BLACKMAN, 3170
LEWIS E. BROWN, 6680
JACQUELYN L. CALBERT, 6988
ARDEN CHAN, 5763
CYRIL CHAVIS, 2784
JIMMIE N. COLLINS, 4711
LOUIS A. DAMIANO, 8040
DOUGLAS C. DELLINGER, 0010
JEROME V. DILLON, 2094
JONATHAN E. DOMINGUEZ, 7440
BRETT R. FINK, 2983
ALAN P. GEGENHEIMER, 9505
MARJORIE B. GWYNN, 4177
LEROY T. JACKSON, 4658
RICHARD A. JENSEN, 8212
JOHN S. KELLOGG, 3592
HAROLD LAROCHE, 7198
RICHARD W. LOTH, 5967
DENNIS E. MAYER, 7395
ROBERT P. MCCLANAHAN, JR., 9373
KENNETH E. MILEY, 6539
EDUARDO MORALES, 8999
TODD J. MORRIS, 1729
GREGORY F. PAINE, 5493
MICHAEL A. PELINI, 4938
LORING I. PERRY, 5486
MICHAEL M. QUIGLEY, 7615
TERRANCE R. REEVES, 3746
PAUL V. ROCERETO, 2918
PAULA J. SEXTON, 0349
JOHN B. SHAPIRA, 5750
STEVEN J. SHERIS, 2259
JOSEPH B. SLAKEY, 5509
JAMES T. STASIAK, 4499
MICHAEL R. TORRICELLI, 4427
ROBERT VALE, 2581

To be lieutenant commander

BILLY M. APPLETON, 9239
LEE A. AXTELL, 2588
BRUCE M. BICKNELL, 7587
JAMES A. BISHOP, 7621
MARC R. BOISVERT, 0857
JAMES A. BURCH, 2933
CHRISTINE Y. BUZIAK, 0443
ROBERT A. CALLISON, 5870
JOSEPH P. CARLOS, 0442
EDWIN M. CARROLL, 8162
PHILIP S. CHAPMAN, 6759
CARLA S. CHERRY, 6469
JOHN D. CHERRY, 5741
PHILIP B. CREIDER, 3102
PAUL B. CUNNINGHAM, 2843
WILLIAM F. DAVIS, 7303
CHRISTOPHER H. DELLOS, 8874
JOHN D. DENTON, 5143
CONSTANCE A. DORN, 0387
DOUGLAS H. DOUGHTY, JR., 3135
GREGORY D. DUNNE, 9199
TIMOTHY R. EICHLER, 0431
BRYAN K. FINCH, 0720
PHILIP A. FOLLO, 4354
TEHRAN FRAZIER, 8719
MICHAEL J. FRIEL, 8371
HARRY L. GANTEAUME, 4815
JEFFREY W. GILLETTE, 9264
BRICE A. GOODWIN, 0867
GRANT R. HIGHLAND, 5527
ANDREW J. HILL, JR., 4316
JASON V. HOFFMAN, 6380
MICHAEL S. HOGG, 3110
DONNA A. HULSE, 0625
SCOTT L. JOHNSTON, 0591
RONALD KAWCZYNSKI, 3387
ANGELA M. KEITH, 2211
TIMOTHY J. KOESTER, 5961
RONALD G. LEAVER, 3720
GUY M. LEE, 6897
LARRY B. LESLIE, 9219
STEVEN W. LIGLER, 2528
LARRY L. LOOMIS, 2830
MARK W. LOPEZ, 5438
KAREN L. LOTTRIDGE, 6400
ANDREW D. MCIRVIN, 5410
MICHAEL A. MIKSTAY, 7749
RANDALL B. MILLER, 3064
JAMES L. MINTA, 6319
REY R. MOLINA, 4307
ISRAEL NARVAEZ, 3624
ANDREW D. NELKO, 1653
EDWARD C. NORTON, JR., 2207
SCOTT E. ORGAN, 6696
VIVIANNA F. PALOMO, 2571
ANTHONY V. POTTS, 8234
ZITO D. PRINCE, 1535
DAREN L. PURNELL, 9178
JOHN A. RALPH, 5770
KATHLEEN A. RAMSEY, 4214
SHERIDAN A. RENOUF, 6607
JEFFREY S. SCHMIDT, 8779
THOMAS G. SEIDENWAND, 3790
WESLEY B. SLOAT, 9975
JOHN A. SWANSON, 9101
KATHY TRAPPJACKSON, 8362
STEVEN P. UNGER, 6316
DAVID W. WARNER, 8752
JACK H. WATERS, 7276
BENJAMIN M. WEBB, 7426
DALE C. WHITE, 8144
ANDREW R. WILLIAMS, 6791
DIANE M. WILSON, 6189
PATRICIA A. WIRTH, 3328
PAUL W. WITT, 1739

ORDERS FOR THURSDAY, AUGUST 5, 1999

Mr. COCHRAN. Mr. President, I now ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Thursday, August 5. I further ask consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin 30 minutes of debate on the Holbrooke nomination by a previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. I further ask that following the disposition of the Holbrooke nomination, the Senate resume consideration of the Interior appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. COCHRAN. Mr. President, when the Senate receives the Tax Reconciliation conference report from the House of Representatives, it will begin consideration of that legislation. Therefore, Senators should expect votes into the evening during Thursday's session of the Senate.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. COCHRAN. If there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:48 p.m., adjourned until Thursday, August 5, 1999, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, August 4, 1999*

The House met at 10 a.m.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

O gracious God, by whose hand we have come to be and by whose spirit we live each day, grant us a better understanding of the concerns and opportunities of our communities and our world. Keep us from any shallow ideas or hollow interpretations of the needs of the Nation as we seek to discover and appreciate and respect the ideas and interpretations of others. Encourage us, O God, to discover anew the unity and common purpose that we share with others so that justice will flow down as waters and righteousness like an ever flowing stream. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Montana (Mr. HILL) come forward and lead the House in the Pledge of Allegiance.

Mr. HILL of Montana led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

> H.R. 2415. An act to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2415) "An Act to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HELMS, Mr. LUGAR, Mr. COVERDELL, Mr. GRAMS, Mr. BIDEN, Mr. SARBANES, and Mr. DODD, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2465) "An Act making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes."

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 15 1-minute speeches on each side.

SURPLUS BELONGS TO WORKING FAMILIES OF AMERICA

(Mr. ROGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGAN. Mr. Speaker, those who believe Washington politicians are addicted to spending lived too long with the other party in control of Congress. That malady no longer exists with the Republicans controlling the Congress of the United States.

We are the party that balanced the budget, gave America the first broad-based tax cut in 16 years, preserved Social Security, saved Medicare from bankruptcy, reformed welfare, and we did it in spite of the fact that we have a liberal in the White House who has never supported a single attempt by the Republicans in this Chamber to limit spending.

We Republicans today, with a surplus economy, do not trust the Federal Government to use the budget surplus to reduce the debt, because we know that politicians will spend that money if they have the opportunity to do so. They always have in the past, and they always will in the future.

We Republicans in Congress believe that the surplus, after saving Social Security and Medicare, belongs to the people who earned it in the first place, and that is the working families of America.

SCHOOL MODERNIZATION

(Mr. WU asked and was given permission to address the House for 1 minute.)

Mr. WU. Mr. Speaker, as my colleagues know, I have been a strong proponent of reducing classroom size by adding 100,000 additional qualified teachers across America. But we need classrooms for these teachers to teach, and modern, decent facilities where these students can learn. That is why I strongly, strongly support the school modernization initiative which will help build more school space and modernize aging school facilities.

Schools like Findlay Elementary School near my home in Oregon which has trailers, trailers in the front lawn and in the parking lot; school districts like that in Astoria which has not added a new classroom since 1927. Many classrooms there have only one electric plug in the wall.

This does not evidence a commitment to our children. We show that we value our children by giving them the facilities where they can truly learn. We should start building additional modern school facilities today.

CASE STATISTICS DO MATTER

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, later this week we will address the question of funding for the Legal Services Corporation relative to the accuracy of their reporting regarding the caseload that they handle on behalf of the American people.

The President of the Legal Services Corporation, John McKay, stated in February of 1999:

> Case statistics play an essential role in the budget request and performance plan submitted by LSC to Congress each year. Therefore, the reliability of case statistics submitted by programs to LSC is vital to obtaining continued Federal funding for legal

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

services. This type of information holds great promise for securing increased Federal funding.

Now, what is it that we have learned about their case reports? According to the Inspector General and GAO audit of 11 grantees, the 1997 report caseload for the 11 grantees was 370,000 cases; invalidated cases by their own IG and GAO were 175,000. That means one-half of the caseload reports based upon which they request money were invalidated by their own IG and the GAO. Therefore, they should receive one-half the financial requests they make.

TAX LOOPHOLE TO BE SHUT DOWN

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation to eliminate a tax avoidance technique available to only the very wealthy. This technique involves the use of swap funds.

Legislation to shut down this particular practice was enacted in 1967, in 1976, and most recently in the Taxpayer Relief Act of 1997. Each time that we have acted to shut this activity down, we have failed. We will not fail this time.

Swap funds are designed to permit individuals with large blocks of appreciated stock to diversify their portfolio without recognizing gain and paying taxes, like ordinary Americans. This transaction is often limited to blocks of stock with a value in excess of $1 million to investors with investment holdings exceeding $5 million.

My bill shuts down the latest avoidance techniques being used, which is to retain 21 percent of the assets of the swap fund in certain limited partnerships holding real estate.

The second part of this bill is broader. It states that any transfer of marketable stock or securities to any entity would be a taxable event under certain specific conditions. Let us be clear. This bill will be enacted into law this year.

WHO PAYS THE TAXES?

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, let us have a reality check. How can we have a debate about tax cuts without discussing who pays the taxes? That is right, who pays the taxes? Now, many people might find this quite odd; bizarre, in fact, in circumstances in today's politics, but I think most people would have to agree with me that one side never, ever talks about who pays the taxes.

In fact, in all my years of politics, I have yet to hear a Democrat talk about who pays the taxes.

Just this week, I have heard perhaps 100 speeches by Democrats attacking the Republican tax relief package and have not heard a single Democrat discuss the question of who pays the taxes? This goes without saying, of course. None of the networks ever do a story on who pays the taxes. For example, I wonder how many Americans are aware of the fact that the top 50 percent of income earners pay 96 percent of the Federal income taxes. That is right. The bottom 50 percent pay only 4 percent of the load.

Now, just think about that for a second.

I ask, why do my Democrat colleague refuse to discuss the question of who pays the taxes.

COVERUP IN WACO, TEXAS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, over 80 Americans were killed at Waco, many of them women and children, actually burned to death, and the Texas Rangers have now uncovered new evidence that said the Federal Government covered up the truth and lied about Waco.

Check it out. A recent memo says, Federal agents had a friendly meeting with Koresh just 9 days before the assault, yet Federal agents testified in court, and I quote, they said, they could not lure Koresh from the compound and were forced to engage in the assault.

Unbelievable. The Justice Department is lying through their teeth. Mr. Speaker, 700 Federal agents, tanks, and rocket power attacked American civilians, 80 of them killed, many of them women and children, burned to death, and nobody did anything about it. Nobody. It is time for an independent investigation into the FBI, the Justice Department, and the coverup in Waco, Texas.

MARRIAGE TAX ELIMINATION ACT

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, over the last several years, many of us have been asking a pretty fundamental question, and that is, is it right, is it fair that under our Tax Code married working couples pay higher taxes than identical couples who live together outside of marriage. They pay higher taxes just because they are married. That is the marriage tax penalty.

Mr. Speaker, I would like to introduce to my colleagues Michelle and Shad Hallahan out of Joliette, Illinois, two public schoolteachers who suffer the marriage tax penalty just because they are married.

Well, I have good news for Michelle and Shad Hallahan, as well as 28 million married working couples who suffer the marriage tax penalty. The House and Senate agreement on lowering taxes for working families makes elimination of the marriage tax penalty the centerpiece.

I am proud to say that the Marriage Tax Elimination Act, which now has 230 cosponsors, there were two key provisions which were included which helped both itemizers and non-itemizers. If one does not itemize their taxes, they benefit from the standard deduction; we double that. If one does itemize their taxes, they benefit from the widening of 15 percent tax bracket.

The bottom line is, we eliminate the marriage tax penalty.

SCHOOL MODERNIZATION

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, the Republican leadership can somehow find the time to pass a trillion dollar tax giveaway to the special interests who said this last weekend, We got the sun, the moon, the sky in the Republican tax bill. But that tax cut will add hundreds of billions of dollars to our national debt, debt for the very people who pay the taxes we are asking about. But they cannot find the time to address the needs of America's families.

We already know they will not bring a patients' protection act to the floor because they will not stand up to the HMO industry, and now, 1 month before the start of the school year, they will not even bring up a school modernization bill to the floor because they will not stand up and be counted for the Nation's children.

So, this morning, we Democrats begin signing a discharge petition to force them to do so. Some of our children will be going back to schools where there is inadequate heating for the winter, and without the modern educational tools they deserve.

Yes, this Republican Congress is a do-nothing Congress, but much worse than that, it has no values. The values of our children should be upheld today.

AMERICANS CAN BE TRUSTED TO USE THEIR MONEY WISELY

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Mr. Speaker, I want to commend Glenn McCoy of the Belleville News-Democrat in Illinois. He is a political cartoonist whose cartoon has been circulating throughout the country this week. It shows the President of the United States at a McDonald's and the cashier behind the counter saying, "You are right, Mr. President. I did charge you too much for your value meal, leaving me with extra cash, a surplus, if you will. However, I feel it would be irresponsible and risky to give you your money back."

How ironic. The President, just a few months ago in Buffalo, New York, speaking about the Nation's budget surplus said, we could give it all back to you and hope you spend it right, but . . .

What we see unfolding today in Washington, D.C. is a sad example of the ideals of the White House and the President and the Democrat party who want to keep the change of the American taxpayers.

We have a different opinion on the Republican side. We believe the American taxpayers deserve their change back. Let us give them their change back and trust the American people to build good schools, to afford health insurance, and to run their families as they see fit.

A STEP IN THE WRONG DIRECTION

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, the Republican tax deal is a step in the wrong direction. We must use this historic opportunity to save Social Security and Medicare and to pay down on our national debt. We should not be wasting it on huge tax breaks for America's wealthiest people.

The Republican tax bill does nothing to save Social Security, nothing to strengthen Medicare, nothing to reduce our national debt. A huge windfall for the rich, pocket change; pocket change for working Americans.

□ 1015

Yes, it is pocket change for working families. It is a mistake. It is irresponsible. It is not the right thing to do. It is not the right direction to go.

TAX RELIEF

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, today we are faced with the largest tax burden since World War II, and what many people do not realize is that the Federal Government is taxing our American values.

For example, the death tax. The death tax is one of the most onerous taxes imposed by our own Federal Government. It is double and triple taxation on American families' hard-earned savings. Even worse, the death tax forces grieving sons and daughters to sell the family business or farms just to pay their taxes. It is outrageous for the Federal Government to do this to our families.

With almost no support from the Democrats, Republicans in the House and Senate have agreed to eliminate the death tax. But President Clinton has no compassion for American values. He is saying he will veto it.

Enough is enough. It is time to start repealing taxes on our American values. Americans want, need, and deserve tax relief now.

SUPPORT THE PATIENTS' BILL OF RIGHTS AND PASS REAL HMO REFORM NOW

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, last week there was a newspaper article that highlighted one of the fundamental issues at the center of the HMO debate: Who decides medical necessity, an insurance company or our local doctors?

A doctor was treating a pregnant woman who had obstetric coverage and needed a shot to protect her unborn baby from the chicken pox virus. Despite the fact that this shot is routine in this situation, and the fact that her insurance coverage also covered obstetrical care, her HMO refused to pay for that shot.

The response by the American Association of Health Care Plans was that the decision to deny care was probably based on the fact that the service was not covered by that woman's health plan. Now it seems it is not enough simply to purchase a health insurance that covers obstetric care, but HMOs expect every employer in our country to make sure that every foreseeable problem or treatment is specifically covered.

Obviously, that would be impossible, and it is ridiculous to even suggest that. If our insurance plan covers a medical condition, our doctor should be able to decide how to treat us for that particular medical condition.

The right of doctors to determine medical necessity is one of the key issues that has been included in the HMO reform bill that is predominantly Democrat-supported.

THE MIAMI RIVER CLEANUP PROJECT

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, scores of south Florida boaters and hundreds of volunteers will be picking up debris and trash from the Miami River on the last weekend of this month to contribute to the cleanup efforts that are paramount to the revitalization of this important waterway.

The cleanup is being organized by my office, by the Save Old Stiltsville group, and the Miami River Commission, to encourage others to become active in environmental issues and to promote volunteerism in our community.

The cleaning of the Miami River is vital to both the ecosystems and the economy of our south Florida community. The Miami River is the fifth largest port in the State of Florida, and it is an important link to the Caribbean and Latin America.

This cleanup effort is a good example of what can be accomplished when there is a successful coalition of businesses, civic leaders, environmentalists, and elected officials working together toward one common goal.

I congratulate the Save Old Stiltsville organization for caring so deeply about preserving our community's resources. Let us join them and clean up the Miami River.

THE EMPEROR HAS NO CLOTHES, AND THE REPUBLICANS HAVE NO SURPLUS TO SPEND ON TAX CUTS FOR THE WEALTHY

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Mr. Speaker, "emergency," an unforeseen combination of circumstances or the resulting state that calls for immediate action.

Today the House of Representatives, under Republican leadership, will declare an emergency, $4.5 billion for the decennial census. Since that is required in Article 1, Section 2 of the Constitution, Thomas Jefferson could have predicted that we would have to do a census next year, but not the Republican leadership. No.

This is the second of at least three emergencies they are going to declare this year: The war in Kosovo, with a whole lot of things added in; the drought, a real emergency; and now, the census; more than $27 billion.

The emergency is, they want to deny the reality of the budget. That reality is, we now have a deficit looming next year and for years to come because of faulty assumptions and emergency spending and other needs of the government.

The emperor has no clothes, and the Republicans have no surplus to spend on tax cuts for the wealthy. But they continue to deny that reality with shenanigans like emergency spending for routine, constitutionally-required government duties. It is a very bad joke.

TAXES ARE HIGHER THAN THEY NEED TO BE SO WASHINGTON CAN SPEND MORE

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, the pollsters and political consultants tell us not to use statistics in our speeches. They tell us that peoples' eyes just glaze over at hearing the numbers. No matter. Honest statistics, facts, do matter.

For instance, when Bill Clinton became president in 1993, the Federal Government took 17.8 percent of our productivity. Today that share is 20.7 percent, nearly 3 percent higher. Let us hear those numbers again, because they are important in discussing whether or not tax cuts are a good idea. They are also numbers that we will never, ever hear the other side refer to, ever.

In 1993 when Bill Clinton became president, Federal taxes were 17.8 percent of our economy. Today Federal taxes are 20.7 percent of the economy. In other words, the Federal tax burden is at a record peacetime level. Taxes are higher than they need to be so that Washington can spend more and more money, creating new programs, expanding old ones, and giving us less power and control over our own lives.

One-fifth of the economy in Federal taxes is just too much.

URGING A NO VOTE ON THE AMERICAN INVENTORS PROTECTION ACT OF 1999

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I would urge Members to vote no this morning on H.R. 1907, the so-called American Inventors Protection Act of 1999. This bill is being brought up under suspension. It should be brought up under regular order. It is a very consequential bill.

Last night the bill was brought on this floor at 9:17 p.m. as the last item of business. Those who had concerns about the bill and did not even have a chance to read it were limited to 10 minutes on a bill with constitutional consequences.

This is not the bill that cleared the Committee on the Judiciary on May 26, 1999. I think our U.S. patent system deserves more than this cursory treatment by the leadership of this institution.

At stake are the constitutional rights of our inventors, intellectual property rights into the next millennium, the rights to sue that are inherent in our legal system, and in fact, the independence of the Patent Office itself.

I would urge my colleagues to vote no on H.R. 1907 until they have had a chance to read it. Bring it up under regular order.

HANDS OFF THE INTERNET FOR THE U.N.

(Mr. ROYCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROYCE. Mr. Speaker, the United Nations is an organization of sovereign states funded with voluntary contributions. It lacks any authority to impose taxes on its member states. Yet, the U.N.'s development program has proposed $70 billion in taxes on e-mail, 35 times more than it currently receives in contributions. Why has it done this? Because it believes countries are poor because they lack the Internet.

The U.N. should be more concerned about real problems in developing countries, like political mismanagement and repressive economic policies. Giving away computers does nothing for the poor if their countries lack the economic fundamentals to take advantage of the Internet.

The Internet offers tremendous potential to small businesses seeking an efficient way to gain new markets. Internet taxes and the bureaucracy needed to administer them would cripple this commerce. Congress has had a hands off policy when it comes to Internet taxes, and the U.N. should do the same. Hands off the Internet for the U.N.

AMERICAN FAMILIES DESERVE AFFORDABLE AND ACCESSIBLE HEALTH CARE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, our families deserve health care that is affordable and accessible. They deserve to have their medical decisions made by their doctors and not by insurance company bureaucrats.

For the past 2 years the American public has consistently asked for reforms that put medical decisions back into the hands of doctors and patients. What do they want? Simply to choose their own doctor, to have access to the nearest emergency room, to be able to see a specialist when necessary, to be free from an HMO gag rule that prevents doctors from discussing their treatment options, and yes, they want to hold HMOs accountable.

The fact is that HMOs are making medical decisions for people today, and when something goes terribly wrong, the American individual has to have the opportunity to seek some redress and to have these HMOs be accountable.

There are Members in this body who are doctors, Democrats and Republicans. They agree that these measures benefit patients, make our health care system stronger. We need to pass a meaningful Patients' Bill of Rights that reflects our values in this country for quality health care. Let us put patients ahead of profits.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SUNUNU). The Chair asks all Members to please abide by the 1-minute rule during 1-minute speeches.

DEMOCRATS ARE WRITING OFF RURAL AMERICA

(Mr. HILL of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILL of Montana. Mr. Speaker, things are tough in rural America these days. Commodity prices, wheat, corn, soybeans, livestock, including cattle and hogs, are at near Depression level prices.

The head of the Democratic Congressional Campaign Committee has said that Democrats are writing off rural America. That is evidenced by their vote this week against tax relief for American farmers and ranchers.

Republicans have not written off rural communities. We are going to fight for them, because we know that these rural communities and the people who live in them represent bedrock American values of traditional family and hard work and individual responsibility.

Our Republican tax bill eliminates the death tax. If we do not act, this could be the last generation of American farms and ranches, and the people that the Democrats say are rich because they may have high development values on their lands would qualify on their income for food stamps.

Listen to the Democrats. They will put welfare over work. They will put government over taxpayers. They will put foreign markets over our domestic producers.

We Republicans are going to fight for rural America, even though the Democrats say, give it up.

LET US PASS H.R. 1660, A SCHOOL MODERNIZATION PROGRAM

(Mr. McNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McNULTY. Mr. Speaker, several years ago we seemed to realize that classrooms around this country were overcrowded, and we decided that we needed smaller class sizes. The Democrats proposed funding for 100,000 new teachers to go out all across the country to teach our children.

After much wrangling, and in a rare moment of bipartisanship, we finally passed the funding to provide for those new teachers. Now we have the first wave of them, tens of thousands of new teachers going out across the country. Guess what, there is no place for them to go. There are no classrooms for them to teach in.

Now we have proposed, on the Democratic side, something to correct that situation, a school modernization program, so that the classrooms are available for all these new teachers. Mr. Speaker, I do not want these new teachers to be instructing our children in hallways, broom closets, and trailers. Let us pass H.R. 1660.

IT IS THE SAME OLD NONSENSE, THE LEFT HATES TAX CUTS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, how is it that creating new spending programs will not blow a hole in the deficit, but tax cuts will? Liberals accuse Republicans of fiscal irresponsibility for passing tax relief, and yet they call us extremist in every single attempt we make to hold the line on spending.

During the 1980s, in the Reagan years liberals insisted that social spending not be cut. Not only that, they insisted that spending on social programs increase at levels far higher than the rate of inflation. Then they turned around and blamed President Reagan for the deficits.

During the 1980s, tax rates were cut but tax revenues doubled. Members heard that right, tax rates were reduced but the economy boomed so strongly that revenues increased. In fact, they doubled. Yet, liberal Democrats blamed the deficits on the tax cuts.

□ 1030

It is the same old line. The left just hates tax cuts, plain and simple.

BETTER SCHOOLS NEEDED FOR OUR NATION'S GREATEST ASSET: OUR CHILDREN

(Mr. CROWLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROWLEY. Mr. Speaker, this morning I proudly join my colleagues in signing the discharge petition H.R. 1660, the School Modernization Construction Act.

As a member of the freshman class, I have organized numerous 1 minutes and Special Orders to allow us to share with our Republican colleagues the stories from our own districts: the overcrowding, the crumbling buildings, the rapid school-age population growth. Whether they are urban, rural, or suburban, schools across our Nation need the help of Congress in addressing the infrastructure problems.

Mr. Speaker, I cannot accept that the only action taken by Congress this year to help our schools is a small arbitrage provision contained within the recently passed tax bill.

This provision will not provide assistance to our beleaguered school system and could result in delays in school construction and modernization projects for more than 2 years.

We can fix our highways. We can rebuild our bridges. Why do we sit by and do nothing about the infrastructure that houses our Nation's greatest assets, its children.

We need to help our school districts by providing them with interest-free bonds to build new facilities and to improve the existing structures now, not 2 years from now.

Mr. Speaker, before, one of our colleagues said who pays the taxes. I forgot, our children in public schools do not pay taxes. But their families do.

AGRICULTURE CRISIS

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, unfortunately, American agriculture is in a crisis, bad weather, terribly low commodity prices caused from lost markets, markets closed to our farmers, and excessive world production.

This has caused real financial stress, and it is serious. We could lose 10 to 20 percent of our family farms. The ability to produce a safe and sufficient food supply is necessary for a stable society.

What must this Congress do? We must pass the Improved Crop Insurance bill, which allows higher leverage of coverage for our farmers. That is not all. We must open market. We must make available necessary credit resources. We must improve the tax program for our farmers' inheritance tax and capital gains. We must reform our regulatory system which is such a burden to our family farmers.

Let us show our American farmers that we care and that we care about agriculture.

GET OUR PRIORITIES STRAIGHT; PROVIDE CHILDREN WITH WELL-EQUIPPED CLASSROOMS

(Mr. PRICE of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Speaker, today I am proud to be among the Members signing a discharge petition to bring school modernization tax credits to the House floor. I come from the Triangle district of North Carolina, where quality education is valued and where a trained work force is a necessity. Yet thousands of our students are going to school in hundreds of trailers.

The school modernization bill of the gentleman from New York (Mr. RANGEL) would address this need. I am also cosponsoring with 90 other Members the School Construction Act introduced by the gentleman from North Carolina (Mr. ETHERIDGE), especially targeted to high growth areas like the one I represent.

Our approach is nonintrusive. We are providing tax credits to bondholders. We are not telling local authorities when or how to build. But we are saying to local communities, as they take on these obligations, that the Federal tax code will help them stretch their scarce dollars further.

Let us get our kids out of trailers and into modern, well-equipped classrooms, where teachers can teach and students can learn. Let's get our priorities straight.

HELP OUR FARMERS DURING CRISIS

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, agriculture in this country has very serious problems. It is the second year in a row that we had low commodity prices. Profits for farmers are 30 percent below what they were just a couple of years ago. We can lose maybe 10 percent of our family farms this year.

We have got to come up with some Federal help. We have got to come up with an emergency bill this year. It might be as high as $6 billion or $7 billion or $8 billion if we want farmers in this country to continue producing the highest quality, lowest priced food in the world. If we lose our farmers and become dependent on other countries, we will have serious problems. Other countries will be able to dictate price and quality.

A couple things in the tax bill that the conferees approved yesterday that help farmers: estate tax relief so farmers do not have to sell their farms to pay taxes, above-the-line health deductions so farmers and other self-employed can be like everybody else and not have to pay taxes on what they pay for health insurance; an increase in the amount allowed for first-year depreciation so if farmers buy machinery, they can deduct it in the year of purchase rather than a depreciation schedule where the deduction is reduced by inflation; "FARRM" IRA accounts so, in good years, farmers can put some money aside as a reduction in income and pay taxes on it when they use it in future low-income years; AMT, doing away with it so farmers are not forced to pay taxes when there is no profit. Mr. Speaker, we need the tax relief for farmers. We need to help expand exports. We need to stop other countries from dumping their surplus on our markets. We need a better risk insurance program for crops, and we need an emergency supplemental. We need to help our farmers.

WE NEED TO BEHAVE RESPONSIBLY WITH FEDERAL BUDGET AND SURPLUS

(Mr. HINCHEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HINCHEY. Mr. Speaker, in 1981, then President Reagan pushed through the Congress and then signed a tax cut bill that, in the words of then budget director Dick Stockman, gave us budget deficits as far as the eye could see. Those budget deficits in 1993 approached $300 billion a year and a national debt approaching $5 trillion a year.

The Clinton budget resolution of 1993 corrected all of that. We are now moving into a situation of budget surpluses, and we have begun to pay down the national debt. Now, because of that, the Republicans are again proposing another tax cut similar to the one in 1981 which would duplicate that process all over again. It is a serious error which we need to ensure does not take place.

With this tax cut, if it passes and it were to be signed, there would be no money for education, no money for social security, no money for Medicare. Let us make sure we behave in a responsible way with this Federal budget and ensure the future of our children and the security of our parents and grandparents.

ADMINISTRATION MUST BE HELD ACCOUNTABLE FOR LOSING NUCLEAR SECRETS TO CHINA

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, apparently the other side thinks we need a 25 percent tax increase. I would disagree with that. I think we need a tax reduction.

But yesterday, in Georgia, someone won $116 million for buying a $2 lottery ticket. That seems like a great exchange. It is. But that is not nearly as good as the deal the Communist Chinese received when they obtained billions of dollars of nuclear weapons secrets from our own Department of Energy.

Well, it is not about selling out to the Communist Chinese; it is about the Clinton administration's poor management of our Nation's most important secrets. They knew that the Chinese were obtaining nuclear secrets at the same time they were receiving illegal campaign contributions from the Chinese, and they did nothing.

The administration must be held accountable. We need to eliminate the Department of Energy and transfer all nuclear funds to the Department of Defense where at least they have a culture of keeping secrets.

BRING SCHOOL CONSTRUCTION LEGISLATION TO THE FLOOR

(Mr. ANDREWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, today millions of Americans will go to work and conduct business on the World Wide Web. Millions of Americans will send e-mail messages to each other. Millions of consumers will buy goods and services over the Internet.

But next month, millions of American children will go back to schools that are out of the 1950s where they get half an hour a week on a computer if they are lucky. What is worse than that, there will be students going to schools that were built during the Civil War. There will be children taking gym class in the hallway, children taking reading classes in broom closets.

America's schools need to be modernized. We certainly can take just a piece of the largess of the Federal surplus and invest it back into a quality public school system.

I stand before my colleagues as one of the proud cosponsors of the Democratic school construction legislation. I just signed a petition which said bring that bill to the floor. Give us a vote so we can modernize and improve America's schools.

IT IS TIME FOR RESPONSIBLE TAX RELIEF FOR WORKING AMERICANS

(Mr. COX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX. Mr. Speaker, the average middle-class American family earning the median income around $39,000 a year or so pays over 40 percent of its gross income in taxes. Meanwhile, Washington is taking the highest share of our whole economy in taxes in over two centuries of the Nation's peacetime history.

The tax relief bill passed by this House will help working Americans. But it will first lock away 100 percent of Social Security taxes for retirement security and set aside $2 trillion for Social Security and Medicare over the next 10 years. It will pay down the national debt, $227 billion more in debt relief than the Democratic minority proposal.

Mr. Speaker, it is time for responsible tax relief for working Americans.

SUPPORT SCHOOL MODERNIZATION LEGISLATION

(Mr. HINOJOSA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HINOJOSA. Mr. Speaker, that we even have to debate the need for school modernization defies logic. Some congressional issues are simply nothing more than common sense, and this issue is one.

For years now, Democrats have been trying to enact a meaningful school modernization initiative. When I came to Congress in 1997, I joined these efforts and cosponsored legislation to address this crisis. But we have been consistently blocked by the majority. America's children are ultimately the victims of this disregard.

It boils down to two crucial points, crumbling schools and overcrowding. Quite simply, our schools are run down and out of room. Conditions are so poor that we would have to spend $112 billion to make the basic repairs needed.

The Public School Modernization Act of 1999 would help local communities meet that $122 billion backlog in school modernization needs documented by the nonpartisan General Accounting Office.

Ultimately, it is about ensuring that our children get safe, clean, and modern schools.

THE JOURNAL

The SPEAKER pro tempore (Mr. SUNUNU). Pursuant to clause 8 of rule XX, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. STRICKLAND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the time for any further votes on suspension motions postponed from yesterday.

The vote was taken by electronic device, and there were—ayes 366, noes 56, answered "present" 1, not voting 10, as follows:

[Roll No. 367]

YEAS—366

Ackerman
Allen
Andrews
Archer
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt

Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Conyers
Cook
Cooksey
Cox
Coyne
Cramer
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Everett
Ewing
Farr
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Ose
Owens
Oxley
Packard
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—56

Abercrombie
Aderholt
Baird
Borski
Brown (OH)
Chenoweth
Clay
Condit
Costello
Crane
Crowley
DeFazio
Dickey
English
Evans
Filner
Green (TX)
Gutierrez
Gutknecht
Hill (MT)
Hilleary
Hilliard
Hinchey
Hoyer
Hutchinson
Johnson, E.B.
Kucinich
Lewis (GA)
LoBiondo
McKinney
McNulty
Mink
Moran (KS)
Oberstar
Olver
Pallone
Peterson (MN)
Pickett
Ramstad
Riley
Rogan
Sabo
Schaffer
Slaughter
Stark
Stupak
Sweeney
Taylor (MS)
Thompson (CA)
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Weller
Wolf

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—10

Armey
Bilbray
Fattah
Jefferson
Lantos
Maloney (NY)
McDermott
Miller, George
Peterson (PA)
Thompson (MS)

□ 1100

Mr. ABERCROMBIE changed his vote from "aye" to "no."

Mr. LARGENT and Mr. REGULA changed their vote from "no" to "aye."

So the Journal was approved.

The result of the vote was announced as above recorded.

AMERICAN INVENTORS PROTECTION ACT OF 1999

The SPEAKER pro tempore (Mr. SUNUNU). The unfinished business is the question of suspending the rules and passing the bill, H.R. 1907, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the bill, H.R. 1907, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 376, nays 43, not voting 14, as follows:

[Roll No. 368]

YEAS—376

Ackerman
Aderholt
Allen
Armey
Baird
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fletcher
Foley
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Scarborough
Schaffer
Scott
Sensenbrenner

Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tiahrt
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Vitter
Walden
Walsh
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—43

Abercrombie
Andrews
Bachus
Baldwin
Barcia
Bartlett
Bonior
Brown (OH)
Capuano
Chenoweth
Davis (IL)
DeFazio
Dingell
Duncan
Filner
Forbes
Goode
Green (TX)
Hinchey
Hoyer
Hunter
Kanjorski
Kaptur
Kucinich
Lee
McGovern
Mink
Moakley
Owens
Paul
Rangel
Sanders
Saxton
Schakowsky
Shows
Slaughter
Stabenow
Stark
Tierney
Visclosky
Wamp
Waters
Wu

NOT VOTING—14

Archer
Bilbray
Cox
Fattah
Jefferson
Lantos
McDermott
Miller, George
Peterson (PA)
Radanovich
Rothman
Roukema
Thompson (MS)
Watkins

☐ 1111

Messrs. VISCLOSKY, BARCIA, SAXTON, and Ms. STABENOW changed their vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. ROUKEMA. Mr. Speaker, on roll call No. 368 I was inadvertently detained. Had I been present, I would have voted "yes."

PROVIDING FOR CONSIDERATION OF H.R. 2670, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 273 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 273

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 4 of rule XIII and section 306 of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. The amendments printed in the report of the Committee on Rules accompanying this resolution may be offered only by a Member designated in the report and only at the appropriate point in the reading of the bill, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendments printed in the report are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. During consideration of the bill, points of order against amendments for failure to comply with clause 2(e) of rule XXI are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

☐ 1115

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H.R. 273 is an open rule providing for consideration of H.R. 2670, the Commerce, Justice, State, Judiciary and related agencies appropriation bill for fiscal year 2000. The rule provides for 1 hour of general debate divided equally between the chairman and ranking minority member of the Committee on Appropriations. The rule waives clause 3 of rule XIV which requires a 3-day layover of the committee report and the 3-day availability of printed hearings on a general appropriations bill. The rule also waives clause 2 of rule XXI which prohibits unauthorized or legislative provisions in the appropriations bill. Section 306 of the Congressional Budget Act which prohibits consideration of legislation within the Committee on the Budget's jurisdiction unless reported by the Committee on the Budget is also waived. The rule makes in order the amendments printed in Committee on Rules report which may be offered only by a Member designated in the report and only at the appropriate point in the reading of the bill, shall be debatable for the time specified in the report, equally divided and controlled between the proponent and an opponent and shall not be subject to an amendment.

The rule waives all points of order against the amendment printed in Committee on Rules report. In addition the rule waives all points of order against all amendments to the bill for failure to comply with clause 2(e) of rule XXI which prohibits non-emergency designated amendments to be offered to an appropriations bill containing an emergency designation. This rule also accords priority and recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD. This simply encourages Members to take advantage of the option to facilitate consideration of amendments and to inform Members of the details pending amendments. The rule also provides that the chairman of the Committee of the Whole may postpone recorded votes on any amendment and that the chairman may reduce the voting time on a postponed question to 5 minutes provided that the vote immediately follows another recorded vote and that voting time on the first in a series of votes is not less than 15 minutes. This will provide a more definite voting schedule for all Members and hopefully will help guarantee the time of the completion of appropriations bills.

House Resolution 273 also provides for one motion to recommit with or without instructions as is the right of the minority Members of the House. Mr. Speaker, H. Res. 273 is a typical open rule to be considered for the general appropriations bills. This rule does not restrict the normal open amending process in any way, and any amendments that comply with the standing rules of the House may be offered for consideration.

Mr. Speaker, as I mentioned earlier, H. Res. 273 specifically makes in order three amendments printed in the Committee on Rules report. I am pleased that this open rule also grants necessary waivers to permit consideration of the following amendments on the House floor.

Amendment No. 1 offered by the gentleman from New Hampshire (Mr. BASS) directs the FCC to enact measures that relieve the area code and phone number shortage problem and gives the FCC until March 31, 2000, to develop and implement a plan to address this problem. Amendment No. 2 offered by the gentleman from Kansas (Mr. TIAHRT) and the gentleman from Indiana (Mr. SOUDER) prohibits the expenditure of funds for education materials and counseling programs if promoted by the Justice Department's Office of Juvenile Justice of Delinquency Prevention which undermine or denigrate the religious beliefs of minor children or adults participating in such programs.

And finally, Amendment No. 3 offered by the gentleman from Georgia (Mr. DEAL) will prevent any funds appropriated under the bill from being used to process or provide visas to those countries that refuse to repatriate their citizens or nationalists.

The Committee on Appropriations has for the fourth straight year had to balance a wide array of interests and make tough choices of scarce resources. I commend the gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO) for the work on this legislation. In particular, I want to briefly comment on the crime immigration and anti-drug provisions included in the underlying text of H.R. 2670.

First, I am pleased that the bill provides 2.82 billion for State and local law enforcement assistance so that local officials can successfully continue their efforts to fight crimes against our citizens. This provision is 1.2 billion more than requested by the administration including 523 million for the local law enforcement block grant program, 552 million for Edward Byrne Memorial State and Local law Enforcement Assistance Grant program and 686 million for the Truth in Sentencing State Prison Grant program and 283 million for Violence Against Women programs.

I am also pleased that the committee has provided 3 billion in direct funding, a $484 million increase to enforce our immigration laws. The committee recommendation includes an increase of 100 million to enforce border control including 1,000 new border control agents, 140 support personnel and increased detention of criminal and illegal aliens.

Finally I want to point out the good work by the committee in providing 1.3 billion for the Drug Enforcement Administration to continue the fight against drugs in our neighborhoods. This $73 million increase over the last year indicates our commitment to win the war on drugs, and I commend the committee for this increase in funding enhancements to bolster the Caribbean enforcement strategy and drug intelligence capabilities.

Mr. Speaker, H.R. 2670 was favorably reported out of the Committee on Appropriations, as was this open rule by the Committee on Rules. I urge my colleagues to support the rule so we may proceed with the general debate and consideration of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. I want to thank the gentleman from Georgia (Mr. LINDER) for yielding me this time.

This rule will allow for consideration of H.R. 2670. This is the bill that makes appropriation in fiscal year 2000 for Commerce, Justice and State Departments, Federal Judiciary and related agencies. As my colleague from Georgia explained, this rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. Under the rule germane amendments will be allowed under the 5-minute rule, which is the normal amending process in the House.

The underlying bill is an inadequate piece of legislation which will probably be vetoed by the President. This rule provides an insufficient opportunity to improve the bill. Therefore, I will oppose the rule, and I also intend to oppose the previous question.

The bill makes deep cuts in the President's request for numerous Federal law enforcement agencies, and this is not frivolous spending. These programs help preserve law, reduce violence, make our streets and homes safe from crime. The bill cuts funding for international organizations by 14 percent below last year's level of funding. It reduces funding for the Legal Services Corporation to less than half of its current level, and of course that is the organization that provides legal help to the poor. The bill cuts the National Oceanic and Atmospheric Administration by 10 percent below last year's level. Included in this cut is critical weather research that can help save lives and protect property. The bill cuts $1 billion from the COPS program intended to put 100,000 new police officers on the street. The list goes on and on and on.

I am pleased that the bill does provide $244 million as a down payment on the back dues the United States owes the United Nations. But once again this bill holds that money hostage to the authorization bill, and as we all know, that bill does not stand much chance of passage.

During Committee on Rules consideration yesterday, I offered a motion to make a free and clear appropriation to pay our U.N. dues back, or back dues. This amendment was defeated on a straight party-line vote. Later today I will offer the amendment on the House floor.

Mr. Speaker, it is a disgrace that we have not paid our back dues to the United Nations; it is an absolute disgrace. This is not optional spending. We made a promise; we owe them money. The faith and the credit of the United States is on the line. Do not take my word. Here is what seven former U.S. Secretaries of State have said. In a letter earlier this year to the House and Senate leaders, former State Secretaries Henry Kissinger, Alexander Haig, James Baker, Warren Christopher, Cyrus Vance, George Schultz, and Lawrence Eagleburger said our great Nation is squandering its moral authority, leadership and influence in the world. It is simply unacceptable that the richest Nation on Earth is also the biggest debtor to the United Nations.

Yesterday the Committee on Rules considered granting waivers to make in order 11 amendments that were submitted to the committee. Six were Democratic amendments, and five were Republicans. One of the amendments was offered by the ranking minority member of the Subcommittee on Commerce, Justice, State, and Judiciary, the gentleman from New York (Mr. SERRANO).

Another was offered by the ranking minority member of the full Committee on Appropriations, the gentleman from Wisconsin (Mr. OBEY). Three Republican amendments were made in order, but not one Democratic amendment was made in order, not one, not even the amendment by the ranking minority member of the committee or subcommittee.

Mr. Speaker, this is not a bipartisan cooperation. Therefore, I must oppose the rule and ask my colleagues to vote against it.

Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Speaker, I thank my friend from Atlanta for yielding this time to me and congratulate him on this handling of this rule.

I rise to begin by complimenting my very good friend and classmate, the gentleman from Kentucky (Mr. ROGERS), for the work that he has done on this bill. It has been, as we all know, a very difficult measure dealing with the constraints that have been imposed by the 1997 Budget Act, and I believe that he has done a superb job, and I am happy to report, as Mr. ROGERS well knows, that we in the Committee on Rules have done exactly what he requested of him; we provided an open rule plus. We, in fact under this open amendment process, will have every germane amendment allowable to be debated and considered, and we added three additional legislative amendments which address some concerns that a number of Members had raised to it.

So I believe that this is a very, very fair and appropriate way in which to deal with this important issue.

I also want to congratulate the gentleman from New York (Mr. SERRANO) of the minority who came forward and made the exact same request of us that the gentleman from Kentucky (Mr. ROGERS) did in his testimony before the Committee on Rules.

Let me talk about the bill itself and a couple of provisions that I think are very important.

Last week we had a very rigorous debate here in the House on the issue of whether or not to maintain normal trading relations with the People's Republic of China, and during that debate I was happy to briefly raise an issue which is very important in our quest for political pluralism and democratization of the People's Republic of China, and that is the support of the village election process.

Now more than 2 decades ago, Mao Tze Tong was a supporter of the idea of village elections, and yet at that time there were only 9 Communist candidates in the People's Republic of China who were running. Today through the efforts of the National Endowment for Democracy, which is funded in this bill and the work of the International Republican Institute, one of the core groups associated with the NED, the National Endowment for Democracy, and I am privileged to serve on their board, we have been very, very key to promoting those village elections in the People's Republic of China.

☐ 1130

I am happy to say that today, over 500 million people in China have been able to participate in local village elections. That is why I think that while it is a relatively small amount in the big picture, the support for the National Endowment for Democracy is very important, because we have the private sector involved with this and, as I said, several other core groups. So I congratulate my friend from Kentucky for putting that in the bill and maintaining strong bipartisan support for it.

I also want to mention one other issue that is of very great importance, and I see my colleague, the gentleman from California (Mr. CONDIT) to us, and it is dealing with what is known as SCAAP funding. We have in California a problem with the tremendous cost burden imposed on California's taxpayers for the incarceration of illegal immigrant felons, people who are in this country illegally and commit crimes.

In fact, one of every five prisoners in state prisons in California happens to be someone who is in this country illegally. So we all recognize that it is not the responsibility of a single state to protect the international borders, it is the responsibility of the Federal Government to do that.

That is one of the reasons we have said when we have problems protecting the boarders, the responsibility for the consequences of that should not be shouldered by the State taxpayers of one particular State. That is why this SCAAP funding provision is very important, and, again, it enjoys bipartisan support, and I am very pleased it is included in this bill.

So, once again, this is an open rule-plus that we have. All germane amendments will be made in order for consideration. I hope my colleagues on both the Republican and Democratic side of the aisle will join in enthusiastic support of it.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking minority member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, this rule is one of the most important items to come before the House in this Congress. It would permit the wholesale breach of the budget caps under the pretense that the decennial census is an emergency and, as it is currently crafted, it would even deny the House a vote on whether that designation is appropriate.

What is at stake here is more important than this bill or the $4.5 billion it spends off budget. What is at stake is the total abandonment of any pretense of orderly decision making on the budget.

If the decennial census can be classified as an "unforeseen emergency," then any item in the appropriation bills is fair game. At that point, we have returned to the era of totally ad hoc budgeting, we have thrown away the budget resolution that was adopted this spring, and we are striking out with no end game and no plan for how much we will spend or what we will spend it on.

We will continue to make daily adjustments based on the Republican whip meetings and complaints delivered to the Speaker's office. That is not a process that is acceptable to the American people, whether they hope to sustain existing services or whether they wish for deep tax cuts. It is a prescription for chaos.

Equally important, this would devastate Congress' credibility in using the discretion provided in the Budget Act to deal with real emergencies. If we permit this wholesale abuse of emergency spending powers in the Budget Act, we will end up having those powers challenged and we will find that Congress is unable to meet its fundamental responsibility in confronting future emergencies.

Whether we face a question of war or peace or whether we face a great domestic disaster, our ability to act without rewriting the funding levels agreed to over the arduous course of the previous appropriations cycle will likely depend on how responsibly we act at this moment.

I urge the House to defeat this rule and adopt a rule that will permit the House to at least vote on the emergency designation.

I would urge Members to take note of the letter from Taxpayers for Common Sense, which indicates that this is an extremely shaky way in which to proceed if we are interested in responsible budgeting.

Mr. LINDER. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I listened with great interest to my friend from Wisconsin (Mr. OBEY), the ranking member on the Committee on Appropriations, and I agree with him that the wholesale use of the emergency designation would not be too smart, but then this is not the smartest place in the world. The emergency designation in our budget process was created in 1990. That was a long time before the Republicans became the majority party in the Congress.

Since 1990, when the Democrats created this emergency provision, it has been used many times, not necessarily by the Republican majority that exists today. I would be happy to provide for the record and for Members who would like to see it, a very long list of times and events when the emergency designation was actually used.

Now, let me say something about the census, which is the issue before us today that the gentleman from Wisconsin (Mr. OBEY) mentioned. The problem here is we are dealing with the 1997 balanced budget agreement. I am not sure who the players were at that time, but when that decision was made, when those conferences were held, when the give and take was over, there was no money in the 1997 balanced budget agreement for the census, although everybody knows that the Constitution says there shall be a census every 10 years.

Of course, the Supreme Court did rule just recently in a ruling that requires that we do an actual census count in the year 2000 plus the sampling that the Administration wants to do. But, anyway, the 1997 balanced budget agreement did not provide the funding to take care of the census for the year 2000.

Now, when the House did the budget resolution for fiscal year 2000 this year, again there was no provision made for the census. So here we are trying to keep the budget balanced, trying to stay at or below last year's level of spending on all of these bills, except for national defense, trying to protect all of the receipts to the Social Security Trust Fund for Social Security recipients. We are doing all of those things, but we still have to do the census. So that is the reason that the committee decided and determined that we would use the emergency designation, similar to the way that this administration has used it without a lot of regard for what the balanced budget situation was and the way this Congress has used it many, many times.

I would hope that we would order the previous question, adopt the rule, and get on to the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. SERRANO), the ranking member on the Subcommittee on Commerce, Justice, State and the Judiciary of the Committee on Appropriations.

Mr. SERRANO. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, let me first explain what I will be doing here today. I will be voting for this bill, because I believe it is the proper position for me to take to move this process along in the hope we can get a better bill and because it fully funds the census, which is important not only for my district, but for every district throughout this country.

However, I rise today in opposition to the rule. At first glance this is a fine rule. It is an open rule providing for procedures that would help the House consider the Commerce, Justice, State appropriations bill in a fine manner.

If the Committee on Rules had simply granted the Committee on Appropriations' requested rule, this debate would be over with a voice vote. However, Mr. Speaker, Committee on Rules Republicans once again chose to stiff the Democrats on amendments. They made in order and protected from points of order three Republican amendments by the gentleman from New Hampshire (Mr. BASS), the gentleman from Kansas (Mr. TIAHRT), and the gentleman from Georgia (Mr. DEAL). But of at least seven Democratic amendments requested at the Committee on Rules hearing, not one was made in order.

I asked the committee to make in order an amendment based on my bill, H.R. 1644, the Cuban Food and Medicine Security Act of 1999, which would permit sales of U.S. food and agricultural products, including seeds and medicine and medical equipment to Cuba, without the cumbersome licensing procedures now in effect.

I argued that the time has come for the United States, on moral grounds, to relieve the suffering of the Cuban people and that American business, agriculture in particular, could benefit greatly from entering the Cuban market. USDA lists more than 25 agricultural products that Cuba imports, and farm advocates say that the U.S. could reasonably expect to provide 70 percent of Cuba's agriculture imports, earning in excess of $1 billion a year, and $3 billion by the second year.

The committee did not see fit to make my amendment in order.

Now, my amendment might be controversial in some quarters. Indeed, one Member of the Committee on Rules was heard to say "baloney," which is not on the chart, as I was discussing it. But the committee did not even protect the bipartisan amendment to name the main Justice Building after former Senator and Attorney General Robert F. Kennedy. The amendment based on legislation introduced by the gentleman from Florida (Mr. SCARBOROUGH), was requested by the gentleman from Indiana (Mr. ROEMER), the gentleman from New York (Mr. QUINN), and the very eloquent gentleman from Georgia (Mr. LEWIS). Even Mr. LEWIS's eloquence did not move the Committee on Rules to let the House consider the amendment.

In short, Mr. Speaker, the needless partisanship of the Republicans on the Committee on Rules has turned a good rule as requested by my chairman, the gentleman from Kentucky (Mr. ROGERS), into a slap in my caucus's face, and I urge my colleagues to vote against the rule.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. ROGERS), the chairman of the subcommittee whose bill we are about to take up.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, this is a fair rule. This rule is like practically all the other rules that have been brought before this body on an appropriations bill. This is an open rule. Offer any amendment you want. There are no limitations. The Committee on Rules says take it to the floor and let anybody on the floor say whatever they want, offer any amendment they want. So there you are.

Now, what you want over here, you want to offer legislation on an appropriations bill. There are legislative committees all over this Congress, all over Capitol Hill, meeting just this moment considering legislation, authorizing programs, deauthorizing programs and the like.

We do not do that on the Committee on Appropriations. Members know that. We appropriate funds. If you want to get your legislation passed, go to the appropriate committee and get it passed. I will probably vote for it. But not on an appropriations bill. That is not what we do.

This is a fair rule, and I urge its immediate adoption. This bill is a major bill that is restrained beyond any bill that I have brought to the floor in my experience. We actually cut spending from current levels by $833 million, and we do maintain the critical agencies at their current levels. We do not cut the FBI, the DEA, the Weather Service. We increase the Border Patrol. But practically everything else is frozen. It is a responsible bill written under very tough spending caps that you imposed on us 3 years ago. You voted for the caps. I am here to tell you now that you have had your good time, the piper is at the door waiting to be paid, and that is this bill. It is restrained, and we had to restrain ourselves because of the caps.

But if you want to legislate on my bill, I am going to oppose you. Go to the appropriate committee. Make your fight. Make your case. Bring it to the floor in the right way and we will probably pass it, but not on this bill.

So I urge Members to support this fair rule. There is nothing the Committee on Rules could have done under the gentleman from California (Chairman DREIER) better than this rule I think, because it is open. It is like all the other rules. It precludes legislation, because that is what this Congress is all about.

So I urge, Mr. Speaker, a strong vote for the rule, so that we can get to the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Mr. Speaker, I rise today to oppose the Commerce, Justice, State appropriations rule and the bill. While there are many reasons to do so, I am especially disappointed in the committee's decision to eliminate totally the funding for the Advanced Technology Program known as ATP. This means that not only is there no money for new research awards, but the research currently being supported will be terminated. In other words, current research contracts, current commitments, will not be kept. And who gets hurt by this cut? The hundreds of small businesses involved with ATP projects. Fifty-five percent of all ATP projects are led by small businesses, and they participate in 70 percent of all of the ATP projects.

In fact, small businesses receive about half of all ATP funding, and because Federal funds are limited to know more than 50 percent of the research project's cost, small businesses will be on the hook for the investment dollars. They have committed to the research.

Also hurt are more than 100 universities that take part in this important project, including several in Michigan that are very involved in pre-competitive research and technology efforts. This bill will terminate 240 research projects in 30 States representing a private sector investment of $931.5 million in private research dollars to create jobs.

This is matched by $926.4 million in Federal funds. In other words, this shortsighted bill wastes almost $2 billion in public-private investment that will lead to real jobs for Americans. This bill is shortsighted at best.

We know if we want to keep our strong economy going, we must continue to create cutting-edge technologies for the future. In Michigan we are doing that, and I would rise today to ask for a "no" vote on the rule and on the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, let me start by saying that I have the utmost respect for the chairman of the subcommittee, but when he mentioned that Democratic amendments were seeking to impose legislation on the appropriations bill, the bottom line is that the rule makes in order 3 Republican amendments with special waivers that really are legislative, and also the bill itself has all kinds of legislative language. So I think that saying that the Democratic amendments were not made in order because they were legislative is really not accurate.

The bottom line is that the Republican leadership makes in order whatever amendments they please, as long as they are Republican, but they denied each of the Democratic amendments that were requested.

One of those amendments was mine, and it was an amendment that really was very bipartisan. It was important to ensure that Holocaust victims who were U.S. citizens at the time they were persecuted are justly compensated for their sufferings at the hands of Nazi Germany.

I just have to say, if I can, Mr. Speaker, that I wanted to thank, first of all, the committee and particularly the gentlewoman from New York (Ms. SLAUGHTER) for her help on this. This was a recorded vote, and essentially what the Republicans did in voting against this amendment was to put themselves on record opposing the opportunity, if you will, the opportunity to provide compensation for Holocaust victims.

Over the years, many people are not aware, but over the years if you were a U.S. citizen and you happened to find yourself in Nazi Germany at the time of the Holocaust, the German government would refuse to give you any compensation or any reparations.

I found my own constituent, Hugo Prince, a few years ago in this situation, and I worked on a bipartisan basis with Senators, Republican Senators and Republicans in this House to put in place a plan whereby a compensation could be provided to these U.S. citizens that happened to be in Nazi Germany, suffered in the concentration camps and were not able to get compensation.

What we found in putting this provision in place was that over the years the money ran out, the German government was providing the money, not the taxpayers, this was money coming from the German government, and the money ran out and there were a number of claimants who did not have an opportunity, if you will, because of the law, to raise their claims.

All we are trying to do with this amendment is to make that opportunity there again. The amendment simply says that if you fail to meet the notification period, that you can now put your claim forward in a timely fashion, and if the State Department finds that your claim is legitimate, they will then negotiate with the German government to find more money to compensate these victims of the Holocaust.

□ 1145

Again, I have no idea what is going on here today and why it is that the Republicans would refuse to allow this amendment. It has been bipartisan; it is clearly something that should be done, and there is a need for it right now. This time has expired. This is not something that we can wait a year or 2 years for. A lot of these people are older, and they are dying off. So there is an immediate need for it; it is almost an emergency. I would characterize it as an emergency more in the sense than some of the "emergencies" that I have heard on the other side.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, listening to these excuses this morning from our Republican colleagues, I cannot help but think how far this great Republican revolution has sagged. My colleagues claimed they wanted to change everything, and yet they justify this morning's adventure in fiscal responsibility on the grounds that we ought to keep doing things the same old way it has been done in the past.

Last year, this Congress managed to pack in billions of dollars of pork into a weighty bill, weighing in at 40 pounds to be exact, something called the Omnibus Spending bill. Some of us called it the "Octopus Spending" bill, because of the strange reach of its long tentacles. Labeling projects as "emergencies" that did not have any genuine emergency associated with them at all was done for the sole purpose of avoiding the limitations of the Balanced Budget Act. Again this spring, billions of dollars of projects that did not have anything to do with Kosovo were given that very valued appellation "emergency" as a way of increasing defense spending while pretending to comply with the Balanced Budget Act. Apparently, getting away with such charades only whetted the appetites of those who come to this floor and preach fiscal restraint and then proceed to engage in this kind of gamesmanship.

In this bill, they designate almost $5 billion for the 2000 Census. That is the same "emergency" that our Founding Fathers required us to do every decade in the United States Constitution. It is the same "emergency" that we have had every 10 years since the year 1790. This is not an emergency, it is just another example of Republicans cooking the books.

Republicans say they want to get all of this money out of Washington with an irresponsible tax cut. Apparently, they just want protection from themselves. They really cry out, keep us from taking more money from Social Security for purposes that have nothing to do with Social Security at all. That is what they are doing this morning to pay for their phony "emergency."

Webster's dictionary defines an "emergency" as "an unforeseen combination of circumstances." Certainly, the census is not that, but the second definition is applicable. It is "an urgent need for assistance or relief." That is what America needs relief from this kind of Republican fiscal irresponsibility. It is urgent. It is an emergency in that context.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I thank the gentleman from Georgia for bringing this rule to the floor, and I obviously support the underlying initiative, the bill on Commerce, Justice, and State.

Mr. Speaker, I support the additional $20 million being allocated to the Department of Justice for border patrols, but I must tell my colleagues that I am frustrated and outraged by the pitiful amount of funding for Florida. People are literally dying on our shores. They are victims of illegal smuggling operations that take advantage of desperate, innocent people, trying to leave the rapidly deteriorating conditions in Haiti and Cuba and other impoverished or politically oppressive countries.

These countries treat human beings like cargo. This past March, 40 people died off of south Florida shores while the boat they were being smuggled in sank, 40 people died. A similar tragedy in mid-December when as many as 13 people died in another illegal smuggling attempt. Mr. Speaker, 300,000 illegal immigrants enter the United States each year. In the short period between January 1 and March 10, there were 45 illegal landings, 31 interdictions, and 34 identified smuggling activities, resulting in over 400 illegal alien entrants by sea. These entrants by sea are all coming to Florida. Florida is shortchanged while all of the funding goes to other States.

Florida is the weak link and the focal point of current smuggling operations. While the number of immigration criminal agents has more than doubled during the past 5 years to over 8,000, Florida has not seen an increase of agents in 10 years. In Florida, 52 Border Patrol agents are trying to stop an estimated 12,000 illegals who come into Florida by sea each year. Because of their few numbers, the Border Patrol and Coast Guard together are only capable of catching a mere 10 percent of them.

The mechanisms designed to nab the illegal aliens that slip in is also failing. The INS has now decided to change their enforcement tactics and has suspended most surprised workplace inspections that would identify illegal workers and the employers who hire them. The switch sends a clear message to illegal aliens and to smugglers that they are okay unless they get caught committing a crime. Enforcement standards are going down just when illegal immigration is on the rise.

Florida Governor Jeb Bush wrote to Attorney General Janet Reno following our most recent tragedy requesting additional efforts. We need, and I would ask this House to consider in the future, and I specifically ask the administration to listen: greater interdiction efforts along the U.S. coast; increased Federal resources to make the prevention of illegal smuggling a top priority with an increased focus on south Florida; expanded hold capacity for the Krome detention facility located in Miami, County so that officials will be able to retain larger numbers of illegal aliens after the raids. Even one of my own counties, Glades County, Florida has offered to construct the facility for INS, to lease on a per diem basis, bed space to make available for the excess illegals that are coming and being arrested. This request goes unanswered by members of the administration.

Again, let us think about the human tragedy here. People are smuggling innocent people to this country and oftentimes throwing them overboard miles offshore so they will not get caught, yet they have taken the money from the person hoping to come to America.

Mr. Speaker, we must support increased funding for Border Patrol. I recognize that, and that is why the base bill I support. But I want everybody to listen here today, because I believe Florida has been shortchanged. I have repeatedly asked the administration, I have repeatedly asked my colleagues in the House, and I would hope that the rest of the Florida delegation will support us in our effort for several things: Coast Guard, Border Patrol, INS and Customs.

Florida is a growing State with growing tourism, growing needs, and we would certainly hope that this Congress would be receptive to assisting us in meeting those needs and demands, and let not one more person perish on Florida seas or on Florida's coast without this being addressed.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank my friend from Ohio for yielding me this time.

If one is in a school and one is seen carrying around a host of books and one uses those books, and one's arguments are reflective of the study of those books, one is probably seen as an academician and scholarly. But if one is an accountant and one has two books, one is kind of known as cooking the books, keeping two sets of accounting on one's budget. And that is not known as a particularly good practice.

Now, I urge my colleagues to defeat this rule because this bill includes $4.5 billion of money that is in the second book. It is not accounted for. It is declared emergency funding that breaks the budget caps, that is not accounted for in the way that we should be accounting for the money as fiscally responsible Democrats and fiscally responsible Republicans.

□ 1200

Now, many Republicans came here in 1994 under the Republican revolution to revolutionize the way we did the budget around here, not to cook the books and keep two sets of books for a routine measure of spending. We are talking about $4.5 billion. That is as much as many States have for their entire yearly budget. Yet, it is okay in this practice to declare this emergency spending.

Thomas Jefferson, John Adams, James Madison, knew about it. We knew in 1991, in 1992, 1993, we were going to have to spend this money. Our American families know before they go on a vacation that they have to sit down and plan out what they are going to do with that budget, and plan backwards; if it is going to take them $1,500 for their vacation, that they may not have the opportunity to do other things. But in this budget, we go forward and spend $4.5 billion on census funding that we have known for years was coming that is routine spending, and we declare it emergency spending.

My second argument, other than fiscal responsibility for encouraging defeating the rule, is a fairness argument.

In addition to the fiscal responsibility argument, the gentleman from Florida (Mr. SCARBOROUGH), the gentleman from New York (Mr. QUINN), the gentleman from Georgia (Mr. LEWIS), and myself, a Democrat from Indiana, went before the Committee on Rules to ask for a rule to simply give us the waiver, the same waiver they have given three Republican amendments, no Democratic amendment; to simply rename the Justice Department building after Robert Kennedy.

This is, of course, the Commerce-State-Justice bill. It is not major legislation. It is not redoing U.N. funding. It is not major legislation on a new policy. Three Republican amendments were in order, no Democratic amendments in order.

So for fiscal responsibility and $4.5 billion being cooked in two sets of books on this bill, and for a rule that reflects a six-vote difference in the majority and minority for fairness for rules, I urge my colleagues to defeat this rule and send it back. Let us get a fair rule.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Speaker, I want to just take a moment, because as many in the House know, I have been, along with a number of my colleagues, fighting a battle against corporate welfare. Corporate welfare is defined as those governmental programs that cost the taxpayers more than the benefits they derive from the subsidies.

The fact is that we have a breakthrough today in corporate welfare, and we need to celebrate the victories that we have. The chairman of the committee, the gentleman from Kentucky (Mr. ROGERS) should receive large praise for his elimination of the advanced technology program. That is a program where government uses taxpayers' dollars to pick winners and losers without any relationship at all to the marketplace.

It is not the job in a free market system for the government to engage in the picking of winners and losers, particularly when the picking of winners and losers results in a bigger cost to the taxpayer than the benefit it brings to society.

No one should be confused about what this term "corporate welfare" is all about. Many of my friends on the other side do not like the notion of tax cuts. Frankly, lowering the corporate tax burden works to the benefit of job creation. The creation and extension of making permanent the research and development tax credit is a system that will allow businesses to have the incentives to do the research that they should do for themselves that exists in the real world.

Legal reform, a system that would set businesses free from the entanglements of lawsuits that in many cases make no rhyme nor reason to the kind of justice system that we all hope for, or simple regulatory reform that my friend, the gentleman from Indiana (Mr. ROEMER) who just spoke has supported, the efforts to try to make more common sense as it applies to business.

Those are the answers in terms of the way in which our businesses should be expanded, not through a government program that costs taxpayers more and provides very little benefit to the taxpayers who pay the bill.

The picking of winners and losers by government should end, and frankly, I think this is a very good day when it comes to the effort to try to reduce the level of corporate welfare that we find in the budget of the United States.

I want to praise the chairman for his good work, and hope we can hold this all the way through conference.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. UDALL).

Mr. UDALL of Colorado. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I oppose this rule and have many serious concerns about the bill itself. For one thing, as it stands, the bill will hurt, not help, our efforts to make our communities safer and to afford equal justice to all of our citizens.

Let me give a few examples. Terminating the COPS program will be bad for communities like those that I represent, where residents are struggling to cope with the increased crime that too often comes with population growth.

Secondly, cutting funding for the Legal Services Corporation calls into question our commitment to assuring that lower-income citizens can have access to our courts.

Finally, number three, failing to adequately fund the enforcement of our civil rights laws will make it harder to protect the rights of all of our American citizens.

The bill is also very bad for small business. In fact, it would cut back the Small Business Administration by forcing the SBA to lay off over 75 percent of its work force. It provides no funding for the new markets initiative, which will promote business investment in underserved areas like our urban centers and our Indian reservations.

Just as troubling is the way the bill would affect the Commerce Department's National Oceanographic and Atmospheric Administration and the National Institute of Standards and Technology, two agencies that have important research facilities in Colorado.

The bill does provide for funds for some important NOAA projects, including the hyperaircraft. However, cuts in other NOAA funding are still troublesome, particularly as they affect the oceanic and atmospheric research programs.

These programs support vital research, both in NOAA's own labs and through cooperation with universities like the University of Colorado. The bill's cuts in their funding are counterproductive to our efforts to understand and respond to climate change and global warming, and would set back needed progress in the ability of the Weather Service to predict severe events that threaten lives and property, like the destructive tornadoes in the State of Oklahoma this spring.

As for the National Institute of Standards and Technology, I asked that agency how the bill would affect them. To sum it up, the effects would be terrible. The bill would delay construction of the Advanced Measurement Laboratory, which is essential to allow NIST to conduct research that is sorely needed by American science and American industry, and would require NIST to continue to cope with deteriorating physical facilities that are a serious impediment to its ability to carry out its mission.

Mr. Speaker, I include for the RECORD a more detailed explanation of how the bill would affect NIST, which was provided to me at my request. I do not want to read it all, but I will sum it up. In short, the bill threatens to make it impossible for NIST to properly carry out its job of promoting technological progress and helping American industry to compete effectively.

These are just a few of the serious problems with the bill, Mr. Speaker, so I cannot support the bill. We can do better. We must do better.

The material referred to is as follows:

DEPARTMENT OF COMMERCE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

House Appropriations Bill impacts on NIST's Construction of Research Facilities:

The House Committee allowance bill freezes funding at the FY 1999 level and delays construction of the Advanced Measurement Laboratory (AML). The AML is the major step in a long-term plan to remedy the technical obsolescence of the NIST facilities.

NIST's mission requires it to perform world-class research, which requires world-class laboratories. NIST's outdated and deteriorating laboratory facilities are undermining its ability to promote U.S. economic growth and international competitiveness.

Delay will move the estimated completion of the AML to 2005 and could add as much as $6M to the cost. A delay in construction also means a delay in the planned renovations of our current facilities, which are in a state of continuous deterioration.

Below are just a few examples of how NIST's deteriorating physical facilities are hampering its mission.

The semiconductor and chemical processing industries need subnanometer level reference materials for measuring silicon wafer contamination and for studying catalytic surface reactions. NIST has the instrumentation available to make these measurements but cannot develop them due to poor temperature, vibration, and air quality control in its laboratories.

Nuclear facilities, pharmaceutical companies, aerospace industries, and others are pressing NIST to improve the accuracy of its mass calibrations. The lack of good environmental controls in NIST's current General Purpose Laboratories causes NIST's precision mass calibrations to be four to 10 times less accurate than they should be.

The aerospace, semiconductor, pharmaceutical, and other high tech industries need high quality pressure calibrations from NIST. Many of these measurements are delayed in delivery due to poor temperature and vibration control that prevent NIST's best calibration instrument from being used about one third of the time.

NIST's research on ferroelectric oxide thin films important in lightwave communications networks and next generation optical computing is frequently set back by dust particles that ruin delicate samples and is limited by temperature and vibration control problems.

As these examples illustrate, many NIST researchers in advanced technology areas currently must throw out or delay 10 to 30 percent of their measurements due to unacceptably large variations environmental conditions.

Mr. LINDER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding time to me.

I listened with great interest, Mr. Speaker, to several comments from the other side. Let us begin with my good friend, the gentleman from Colorado (Mr. UDALL), an Arizona native whose subsequent life's journey took him to another State. We welcome him in this body.

He mentioned his concern about the elimination of the new markets initiative as a reason why he would oppose the rule, and I surmise, the general bill. I think it is important to actually take a look at what the President proposed in his so-called new markets initiative.

Like many programs that come from the administration, it was heavy on overhead. Indeed, the new markets initiative, posturing as a program to help Indian reservations and those who live in the inner city who are economically disadvantaged, only worked to the advantage of government bureaucrats.

Indeed, what the President asked to happen was to have the taxpayers underwrite some $100 million in loans, or actually provide some $45 million in cash for a modest loan program, when instead, in our tax bill that passed on this floor in the proper jurisdiction, the Committee on Ways and Means, we incorporated a bipartisan plan that did more through tax relief for the inner cities and distressed areas than the new markets initiative could ever hope to do.

To my friend, the gentleman from Indiana (Mr. ROEMER) who talked about keeping two sets of books, I would simply commend the rest of the story. Part of it goes back to the wise words of our good friend, the committee chairman, who will offer his appropriations legislation.

We need to understand this, Mr. Speaker, that sadly, when it comes to the analogy of two sets of books, we would do well to look at the policy of the director of the Census, who, in apparent irreverence for existing law and the Constitution, this administration and this Census Bureau says that actual enumeration is not good enough when it comes to the Census, that we need to project.

We should oppose the rule. Not two sets of books, one set of facts. Support the rule and support the underlying legislation.

Mr. HALL of Ohio. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I want to make it clear, I have only the highest respect for my friend and colleague, the gentleman from Kentucky (Mr. ROGERS), the chairman of the committee. I rise against this rule but not against my colleague and the untenable situation that he and the chairman of the full committee have been put in.

I rise in opposition to the rule because it is not a fair rule. If they had allowed three Democratic votes to have waivers of the rules, then it would be a fair rule and open, and I would be supporting the rule. But someone chose not to do that.

The primary reason that I rise against the rule and against the bill is this continued charade that my friends on this side of the aisle are using regarding the caps. Everyone knows this bill, by declaring $4.5 billion as an emergency for the Census, breaks the caps. Everyone in this body knows that. If someone here does not know that, please stand up and challenge me at this time. Everyone knows we are breaking the caps.

We are spending social security trust funds for purposes of declaring an emergency on a Census that everyone has known for 220-plus years we do every 10 years.

The gentleman from Arizona was making a point a moment ago, and I could get into that, too, because I happen to believe that we do better in this country when we allow sound science to determine our policies. We could have saved $1.7 billion, $1.7 billion, had we chosen to use sound science instead of political rhetoric.

Mr. HAYWORTH. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Speaker, does my friend, the gentleman from Texas, actually favor sampling over actual enumeration and counting?

Mr. STENHOLM. I absolutely do. I take back my time. I absolutely do, because based on sound science, as I argue in the Committee on Agriculture every day, including yesterday, when we had a ruling by EPA that chose not to follow sound science, it hurts consumers, it hurts producers in Arizona, and I find myself consistent in that.

Let me just say again in closing, my reason for opposing this today is, as Members heard, no one challenged me when I said that we are spending $4.5 billion out of social security trust funds. That is why we all should oppose this rule and send it back until we can get bipartisanly accurate.

Let us start shooting straight with the American public. If we are going to spend their social security dollars, let us tell them. If they are going to break the caps, let us tell them. If we are going to give a tax cut from a fictitious surplus that is not there, let us tell them.

Let us start being honest, and we will find there will be bipartisan support for honesty, in opposition to what is going on in this rule.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to my colleague, the gentleman from Florida (Mr. DIAZ-BALART), on the Committee on Rules.

Mr. DIAZ-BALART. Mr. Speaker, I thank the gentleman from Georgia for yielding time to me.

I want to thank the gentleman from Kentucky (Mr. ROGERS) and the gentleman from Florida (Mr. YOUNG) and the gentleman from Texas (Mr. DELAY), and all the people who worked so hard on the Committee on Appropriations, for bringing this bill forward. It is a good bill.

The rule we brought forth to bring it to the floor is a fair rule. It is an open rule. We brought more open rules than any time before in the history of this Congress to the floor. We are very proud of that.

Someone spoke before, a colleague, and talked about the fact that he was opposed to the fact that we in the House are not going to lift sanctions on the Castro dictatorship until the three conditions that are within U.S. law are met, very simple conditions: the liberation of all political prisoners; the legalization of all political parties, labor unions, and the independent press; and the scheduling of three elections, internationally supervised.

Since we are going to insist on that, I think it is important to remind our colleagues and the American people through C-Span that we have those conditions. We do not have sanctions on that dictatorship 90 miles from our shores of people who have been suffering 40 years of oppression simply for the sake of having sanctions, but rather, because we are going to insist on a democratic transition that we know is going to come. Cuba is going to be free.

We also do not want, at this point, to give Castro access to American agricultural products and financing, and further exacerbate the plight of the American farmer. Do we want Castro to be able to dump citrus and rice and tobacco and sugar on the American market, exacerbate the condition of the American farmer with U.S. financing? I do not think we should do that. The House is not going to do that.

□ 1215

I also want to talk about four reasons why we maintain our sanctions. Rene Gomez Manzano, Marta Beatriz Roque, Vladimiro Roca, and Felix Bonne, distinguished professionals all. They wrote an article 2½ years ago called "The Homeland Belongs To All," where they called for that great crime in the eyes of Castro, the right to free elections. They were thrown in the dungeon where they are today, languishing along with thousands of other political prisoners in a rodent-infested dungeon and 120-degree heat without access to health care or even light.

Those are reasons. We have many reasons. What we will say, until Cuba is free, no access to the U.S. market, and the Cuban people will forever remember, and that will be glory and dignity and honor, it will mean, for the generous American people.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, I thank the gentleman from Ohio for yielding me this time.

Mr. Speaker, I would like to associate myself with those who expressed concern about the funding levels of many of the important programs in this bill. I associate myself with the remarks of the gentleman from Florida (Mr. FOLEY), with reference to the inadequate funding of customs, INS, and the Coast Guard.

But more specifically of concern to me is the cut in funding for the Dante B. Fascell North-South Center at the University of Miami as well as the East-West Center in Hawaii.

Created in response to the post-Cold War power vacuum, the Dante Fascell North-South Center has served as an incubator of innovative ideas to promote better relations among the United States, Canada, and the nations of Latin America and the Caribbean for the past 10 years.

The Center produces nonpartisan, policy-relevant analysis on issues such as trade, investment, competitiveness, security, corruption, institutional reform, drug trafficking immigration, and the environment. As the only research and public policy study center dedicated to finding practical responses to hemispheric challenges affecting the United States, the center provides a valuable service.

Zeroing out this center and zeroing out the East-West Center is irresponsible. Although I have no hope of altering the bill on the floor today, I do hope to work with the conferees to raise their conscious level with reference to the need for funding for this particularly important program.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I have never really understood why our Republican colleagues are so opposed to COPS, the Community Oriented Policing Services. It works. It gets more law enforcement officers on our streets. It reduces crime. It involves a minimum, of administrative expense and delay and a maximum amount of crime prevention. The only reason I can think of that they oppose the COPS program is that they did not think of it first.

Through COPS, we have added in my home area of Travis County, Texas, the equivalent of almost 300 new law enforcement officers in our neighborhoods and on our roads. Chief Knee, Chief Buesing, and Sheriff Frazer who are outstanding local law enforcement officers. Through the COPS program, we say to them and to crime fighters across America, "keep up the good work." We provide them the additional tools that they need to provide law enforcement that is highly visible and extremely effective.

Some of these new officers in my hometown are helping to prevent school violence; some are addressing domestic violence. Some are combatting drugs and gang violence. Together, they are not only making our community safer, they are making all of us feel safer in our community.

This week, I expect further announcements of the Troops to COPS program that permits some of our veterans who have gained skills in the military and need jobs the opportunity to transition into law enforcement, an excellent program. Yet, our Republican colleagues come forward today in this bill and propose to slash the COPS program by a billion dollars.

I would say that, with this bill, the Republicans are not only cooking the books in a fiscally irresponsible manner, but neither set of the budget books that they use contain the priority for law enforcement that I think American families have a right to demand.

This rule and this bill should be rejected.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I yield back the balance of my time, I would just like to say that we oppose the rule for a number of reasons. I would say in response to what the gentleman from Kentucky (Mr. ROGERS) said a few minutes ago, I note that, especially in the last few years, that we have lots of problems and difficulties in passing authorization bills.

This bill, in effect, becomes almost an authorization bill, even though it is an appropriation bill. It is critically important to permit legislative amendments on these bills. All three amendments that were accepted on this rule were Republican, and not only in nature; but there were Democrat amendments offered in the Committee on Rules, and none of them were permitted that were of legislative provisions.

I will just read from the Committee on Rules put out by the gentleman from Georgia (Mr. LINDER) relative to what we have in this bill: "The waiver of clause 2 of rule XI is necessary because the bill contains at least 67 legislative provisions and over 75 unauthorized programs in the bill." So for that reason and many others, we oppose the rule.

Mr. LINDER. Mr. Speaker, I am pleased to yield the remaining 3½ minutes to the gentleman from Texas (Mr. DELAY), the majority whip of the House.

Mr. DELAY. Mr. Speaker, I rise to support the rule and the bill. I want to give my heartfelt thanks to the chairman of the subcommittee for all the hard work under very difficult circumstances that he has done on this bill and finally crafting a bill that maintains a strategy of fiscal responsibility that the majority has been on the path of for all this summer.

I also want to commend the gentleman from Florida (Mr. YOUNG), chairman of the full committee, who has been working so hard to carry out a strategy that was laid out by the Speaker of the House early in this year.

That strategy was basically that we would lock up Social Security and not spend one dime of the Social Security surplus, unlike the Democrats for so many years has taken the surplus to spend on bigger government; that we would maintain the balanced budget that we brought because of a Republican Congress in the Balanced Budget Act of 1997; and we would work as hard as we could to stay under the budget cap. We have been able to do that so far through this bill.

Now I wish the gentleman from Texas (Mr. STENHOLM) was still here, because I am standing here challenging him, as he asked me to do when he made the comment that, with this bill, we are breaking the cap and spending Social Security. Nothing could be farther from the truth.

If we just can add, we take all of the 11 bills after this bill is passed and add them up, we are actually cutting spending from last year, real cuts to real spending, something the Democrat Congress has not been able to do in my lifetime. Real cuts and real spending.

Now, we did make a mistake in 1997, and I am here to admit it. In the Balanced Budget Act of 1997, we did not contemplate and did not put in the money to do the census, and we have to deal with that. But in declaring this an emergency, we do not break the cap, although, if someone votes to remove the emergency designation, they will be voting to break the cap.

What we did was we are spending the on-budget surplus, not Social Security surplus, the on-budget surplus of $4.5 billion. That is reality. That is the real thing that we are doing here.

Now, the underlying reality here is that the Democrats, the do-nothing Democrats, because we know what their strategy is, they are trying to make sure we do nothing and trying to stop all of the good things that we have been able to do this year. They want to spend more money. They are crying out to spend more money.

The administration has already put out four statements of administration policies saying that the appropriations bills that we have been passing are too low in spending. The other side of the aisle, Members have been here during this debate saying there is not enough spending, there is not enough spending.

They want to break the cap. They want to spend Social Security surplus. They want more spending. That has been their legacy for nigh on these 30 or 40 years. They want to spend more money. We are keeping fiscal responsibility. We are keeping the balanced budget. We are not going to spend one dime of the Social Security surplus.

Overall, there is only one essential thing to remember about this situation. If my colleagues vote to defeat this rule or offer an amendment that undermines this rule, they are collaborating with the forces for increased spending. Vote for the rule and vote for the bill.

Mr. LINDER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SUNUNU). The question is the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 221, nays 205, not voting 8, as follows:

[Roll No. 369]

YEAS—221

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins

Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—205

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—8

Bilbray
Deal
Ehrlich
Jefferson
Lantos
McDermott
Peterson (PA)
Thompson (MS)

☐ 1246

Mr. CALLAHAN and Mr. SANFORD changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes, and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. SUNUNU). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The SPEAKER pro tempore. Pursuant to House Resolution 273 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2670.

☐ 1248

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes, with Mr. HASTINGS of Washington in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO) each will control 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, H.R. 2670, making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for fiscal year 2000, provides funding for programs whose impact ranges from the safety of people in their homes, to the conduct of diplomacy around the world, to predicting the weather from satellites in outer space.

Mr. Chairman, this bill requires a very delicate balancing of needs and requirements, from ongoing activities and operations of the departments and regulatory agencies, to new areas of concern like preparing to respond to the threat of domestic terrorism or beefing up worldwide security for our embassies overseas, to special funding requirements like the decennial census.

This year, our capacity to respond to all of these needs is tempered by the fiscal restraint under which we are forced to operate. The 1997 budget act for 5 years imposed spending restraints in each of those 5 years, in other words, budget caps, spending caps, beyond which we cannot exceed. We all went home after we passed that Budget Act of 1997, most of us voted for it, both sides of the aisle, and we crowed about how we were saving America's fiscal integrity, and we did.

Mr. Chairman, the piper is at the door waiting to be paid for that party, and this bill represents the piper. This is a very, very austere bill. We are having to live with those budget caps and yet maintain some very, very critical agencies of this government, a little bit like as I told in the full committee, the old drunk back home that was arrested for setting his bed on fire at the rooming house where he lived, he came into court and the judge asked for his plea, and the old fellow said, "Well, your honor, I plead guilty to being drunk, but that doggone bed was on fire when I got in it." I am telling my colleagues that these budget caps are with us. We have to live with it. And we will.

We have had to carefully prioritize the funding in this bill and make very hard judgments about how to spend these limited resources.

The bill before the Committee today recommends a total of $35.8 billion in discretionary funding that comes from three places: $27.1 billion is general purpose discretionary funds; $4.2 billion is from the violent crime trust fund; and $4.5 billion is emergency funding.

Leaving aside the Census, and oh, how I wish I could leave aside the Census, the bill is $833 million below current spending and $1.3 billion below the CBO's freeze level for fiscal year 2000.

For the Department of Justice, the bill provides $18.1 billion, $6 million above current spending. Increases are provided to maintain current operating levels of key law enforcement agencies. FBI, DEA, U.S. Attorneys, U.S. Marshals, U.S. Bureau of Prisons all are maintained at their current operating level. And we address a severe detention space shortfall in the Bureau of Prisons and the INS with this bill.

These increases are offset by a decrease in funding for COPS, from $1.4 billion to $268 million. I would point out that that $268 million is the full authorization level set in law for the final year of the current program. That is all we are allowed by law to appropriate, and we did.

Local law enforcement and criminal justice block grants are maintained at or near last year's level, $1.3 billion more than the administration requested. That assures that your State and local law enforcement agencies, your sheriffs, your police departments, continue to have the resources to fight crime in your districts.

The major program increases in the bill can be counted on two fingers, and they are both in Justice, $100 million for 1,000 new border patrol agents, which the administration refused to request, and $22 million for the Drug Enforcement Administration, equaling the administration's budget request.

I would point out and remind Members that the latest statistics on violent crime in the United States show that America is now suffering the least number of violent crimes since we have been keeping records. I would like to say to my subcommittee members over those years, and the full committee members, and the full Congress, a big thank you on behalf of the American people for staying with funding for these law agencies over these years to enable America now to have the lowest crime rate in recorded history.

For the Immigration and Naturalization Service, we continue to provide resources for the naturalization backlog reduction initiative, for the detention shortfall, and for the border patrol, and we continue to hope against hope that the most mismanaged and unmanageable agency of the Federal Government, the INS, will dig its way out of its continuing state of crisis. They cannot claim money as a cause, because we have given them all the money they can spend and more, to be frank. We have doubled this agency's budget in 5 years, tripled it in the last 10 years, and yet it manages now to perform crisis after crisis.

In the Department of Commerce, we provide full funding for the 2000 decennial census. All the money is there. Every penny that is needed by the Department of Commerce and the Bureau of the Census to conduct the decennial census is in this bill. Make no mistake. For those who have been crying all of these years for adequate funding for the decennial census, and after we had pleaded with the administration to furnish us the dollar figure of the request for a full census, only 7 weeks ago, months and months behind schedule, they finally coughed up the figure. That figure now in this bill, $4.5 billion, is an increase of $3.5 billion over current spending, no restrictions. "Do the census. You got the money."

In the rest of the Commerce section, we provide $3.6 billion, which is $500 million below fiscal year 1999. We include current operating levels for the National Weather Service and avert commercial service office closings overseas, which are more than offset by decreases in low priority NOAA programs and the termination of the Advanced Technology Program.

Judiciary, $3.9 billion, an increase of $272 million, maintains current operating levels.

State Department and the Broadcasting Board of Governors, $5.7 billion, $1.3 billion below current appropriations, including emergencies.

We include $568 million, Mr. Chairman, for the costs of worldwide security improvements to our embassies, places where Americans work overseas, and we replace vulnerable embassies started in 1999 with emergency funding.

We include $351 million for the third and final year of U.N. arrears, subject to authorization, the amount agreed to by the White House and Congress in the pending authorization.

It abolishes two agencies, Arms Control and Disarmament Agency, and the U.S. Information Agency. We merge them into the State Department.

□ 1300

Most of the related agencies are frozen at 1999 levels; 141 million for the LSC; for SBA, 734 million, a $15 million increase over fiscal 1999. And we continue our emphasis on funding disaster loans, a function that SBA has continued to raid to fund salaries and expenses over the last 3 years. This is the second year we have been required to send them a message on that issue.

This is the bare bones of the recommendations before my colleagues today. It is based on a freeze with reductions where we could, and increases above fiscal 1999 where needed to maintain operations of critical law enforcement and other agencies. We give no ground on the war on crime and drugs. We provide the resources to State and local law enforcement that has helped bring the violent crime rate down for 5 straight years to its lowest level since Justice began tracking in 1973. We fully fund the 2000 census. We pull our weight with respect to meeting the need for fiscal restraint and more.

Mr. Chairman, this bill represents our best take on matching needs with scarce resources to do the right thing.

I want to thank the ranking minority member, the gentleman from New York (Mr. SERRANO), who has been a very effective and a very valued partner and colleague on this bill. He has been a quick study. He is brand new on the subcommittee and brand new as ranking member, and this is a complicated bill with a lot of coverage, and he has spent a lot of late nights working getting ready for preparing to help bring this bill to the floor. I want to thank him for his good work.

I also want to thank all of the members of the subcommittee: the gentleman from Arizona (Mr. KOLBE), the gentleman from North Carolina (Mr. TAYLOR), the gentleman from Ohio (Mr. REGULA), the gentleman from Iowa (Mr. LATHAM), the gentleman from Florida (Mr. MILLER), the gentleman from Tennessee (Mr. WAMP), the gentleman from California (Mr. DIXON), the gentleman from West Virginia (Mr. MOLLOHAN), and the gentlewoman from California (Ms. ROYBAL-ALLARD) for all of their help and assistance.

And let us take a moment to extend our deepest sympathy to the gentleman from West Virginia (Mr. MOLLOHAN) and his family on the loss of his father who preceded Alan, of course, as a Member of this body and on this subcommittee. Our hearts go out to Alan and all of his family, and I thank him for his valued help in preparing this bill.

Finally, I want to thank my full chairman, the gentleman from Florida (Mr. YOUNG), the ranking member, the gentleman from Wisconsin (Mr. OBEY). They have been marvelous in helping us move this bill forward. We have tried very hard to produce the best bill we possibly could within the resources we had to work with. I think it is a good bill; it is a fair bill. It is austere, but I think it is fair, and I urge all Members to support it.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENT OF JUSTICE					
General Administration					
Salaries and expenses	79,328	87,534	79,328		-8,206
Narrowband communications		80,000			-80,000
(By transfer)			(101,434)	(+101,434)	(+101,434)
Counterterrorism fund	10,000	27,000	10,000		-17,000
1st Responder grants	135,000			-135,000	
Telecommunications carrier compliance fund		7,000	7,000	+7,000	
Defense function		8,000	8,000	+8,000	
Administrative review and appeals:					
Direct appropriation	75,312	89,901	84,200	+8,888	-5,701
Crime trust fund	59,251	59,251	50,363	-8,888	-8,888
Total, Administrative review and appeals	134,563	149,152	134,563		-14,589
Office of Inspector General	34,175	45,021	42,475	+8,300	-2,546
Total, General administration	393,066	403,707	281,366	-111,700	-122,341
Appropriations	(333,815)	(344,456)	(231,003)	(-102,812)	(-113,453)
Crime trust fund	(59,251)	(59,251)	(50,363)	(-8,888)	(-8,888)
United States Parole Commission					
Salaries and expenses	7,380	8,527	7,380		-1,147
Legal Activities					
General legal activities:					
Direct appropriation	466,540	568,316	355,691	-110,849	-212,625
Crime trust fund	8,160	8,555	147,929	+139,769	+139,374
Total, General legal activities	474,700	576,871	503,620	+28,920	-73,251
Vaccine injury compensation trust fund (permanent)	4,028	4,028	3,424	-604	-604
Antitrust Division	98,267	114,373	105,167	+6,900	-9,206
Offsetting fee collections - carryover	-30,000	-47,799	-47,799	-17,799	
Offsetting fee collections - current year	-68,275	-66,574	-57,368	+10,907	+9,206
Direct appropriation	-8			+8	
United States Attorneys:					
Direct appropriation	1,009,253	1,217,788	1,161,957	+152,704	-55,831
Crime trust fund	80,698	57,000		-80,698	-57,000
Total, United States Attorneys	1,089,951	1,274,788	1,161,957	+72,006	-112,831
United States Trustee System Fund:					
Current year fee funding	114,248	129,329	108,248	-6,000	-21,081
Fees and interest (legislative proposal)		32,000	6,000	+6,000	-26,000
Total, United States trustee system fund	114,248	161,329	114,248		-47,081
Offsetting fee collections	-114,248	-129,329	-108,248	+6,000	+21,081
Offsetting fee collections - legis. proposal		-32,000	-6,000	-6,000	+26,000
Total, US trustee offsetting fee collections	-114,248	-161,329	-114,248		+47,081
Foreign Claims Settlement Commission	1,227	1,175	1,175	-52	
United States Marshals Service:					
Direct appropriation	476,356	543,380	329,289	-147,067	-214,091
Crime trust fund	25,553	26,210	209,620	+184,067	+183,410
Construction	4,600	8,832	4,600		-4,232
Justice prisoner and alien transportation system					
Total, United States Marshals Service	506,509	578,422	543,509	+37,000	-34,913
Federal prisoner detention	425,000	550,232	525,000	+100,000	-25,232
Fees and expenses of witnesses	95,000	110,000	95,000		-15,000
Community Relations Service	7,199	10,344	7,199		-3,145
Assets forfeiture fund	23,000	23,000	23,000		
Total, Legal activities	2,626,606	3,128,860	2,863,884	+237,278	-264,976
Appropriations	(2,512,195)	(3,037,095)	(2,506,335)	(-5,860)	(-530,760)
Crime trust fund	(114,411)	(91,765)	(357,549)	(+243,138)	(+265,784)
Radiation Exposure Compensation					
Administrative expenses	2,000	2,000	2,000		
Payment to radiation exposure compensation trust fund		21,714			-21,714
Total, Radiation Exposure Compensation	2,000	23,714	2,000		-21,714
Interagency Law Enforcement					
Interagency crime and drug enforcement 1/	304,014		316,792	+12,778	+316,792
Federal Bureau of Investigation					
Salaries and expenses	2,396,239	2,742,876	2,064,542	-331,697	-678,334
Counterintelligence and national security	292,473	260,000	292,473		+32,473
FBI Fingerprint identification	47,800			-47,800	
Direct appropriation	2,736,512	3,002,876	2,357,015	-379,497	-645,861

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Crime trust fund	223,356	280,501	752,853	+529,497	+472,352
Subtotal, Salaries and expenses	2,959,868	3,283,377	3,109,868	+150,000	-173,509
Construction	1,287	10,287	1,287		-9,000
Total, Federal Bureau of Investigation	2,961,155	3,293,664	3,111,155	+150,000	-182,509
Appropriations	(2,737,799)	(3,013,163)	(2,358,302)	(-379,497)	(-654,861)
Crime trust fund	(223,356)	(280,501)	(752,853)	(+529,497)	(+472,352)
Salaries and expenses	875,523	1,055,572	1,012,330	+136,807	-43,242
Diversion control fund	-76,710	-80,330	-80,330	-3,620	
Direct appropriation	798,813	975,242	932,000	+133,187	-43,242
Crime trust fund	405,000	405,000	344,250	-60,750	-60,750
Subtotal, Salaries and expenses	1,203,813	1,380,242	1,276,250	+72,437	-103,992
Construction	8,000	8,000	8,000		
Total, Drug Enforcement Administration	1,211,813	1,388,242	1,284,250	+72,437	-103,992
Appropriations	(806,813)	(983,242)	(940,000)	(+133,187)	(-43,242)
Crime trust fund	(405,000)	(405,000)	(344,250)	(-60,750)	(-60,750)
Immigration and Naturalization Service					
Salaries and expenses	1,617,269	2,435,638	1,665,041	+47,772	-770,597
Enforcement and border affairs	(1,069,754)	(1,900,627)	(1,130,030)	(+60,276)	(-770,597)
Citizenship and benefits, immigration support and program direction	(547,515)	(535,011)	(535,011)	(-12,504)	
Crime trust fund	842,490	500,000	1,267,225	+424,735	+767,225
Subtotal, Direct and crime trust fund	2,459,759	2,935,638	2,932,266	+472,507	-3,372
Fee accounts:					
Immigration user fee	(486,071)	(517,800)	(446,151)	(-39,920)	(-71,649)
Land border inspection fund	(3,275)	(6,595)	(6,595)	(+3,320)	
Immigration examinations fund	(635,700)	(688,579)	(712,800)	(+77,100)	(+24,221)
Breached bond fund 2/	(176,950)	(116,900)	(117,501)	(-59,449)	(+601)
Immigration enforcement fines	(4,050)	(3,800)	(1,303)	(-2,747)	(-2,497)
H-1b Visa fees		(1,125)	(1,125)	(+1,125)	
Subtotal, Fee accounts	(1,306,046)	(1,334,799)	(1,285,475)	(-20,571)	(-49,324)
Construction	90,000	99,664	90,000		-9,664
Total, Immigration and Naturalization Service	(3,855,805)	(4,370,101)	(4,307,741)	(+451,936)	(-62,360)
Appropriations	(1,707,269)	(2,535,302)	(1,755,041)	(+47,772)	(-780,261)
Crime trust fund	(842,490)	(500,000)	(1,267,225)	(+424,735)	(+767,225)
(Fee accounts)	(1,306,046)	(1,334,799)	(1,285,475)	(-20,571)	(-49,324)
Federal Prison System					
Salaries and expenses	2,952,154	3,191,928	3,172,004	+219,850	-19,924
Prior year carryover	-90,000	-70,000	-90,000		-20,000
Direct appropriation	2,862,154	3,121,928	3,082,004	+219,850	-39,924
Crime trust fund	26,499	26,499	22,524	-3,975	-3,975
Subtotal, Salaries and expenses	2,888,653	3,148,427	3,104,528	+215,875	-43,899
Buildings and facilities	410,997	558,791	558,791	+147,794	
Federal Prison Industries, Incorporated (limitation on administrative expenses)	3,000	3,429	2,490	-510	-939
Total, Federal Prison System	3,302,650	3,710,647	3,665,809	+363,159	-44,838
Office of Justice Programs					
Justice assistance	147,151	338,648	217,436	+70,285	-121,212
(By transfer)		(7,000)	(7,000)	(+7,000)	
State and local law enforcement assistance:					
Direct appropriations:					
Byrne grants (discretionary)	47,000			-47,000	
Byrne grants (formula)	505,000			-505,000	
Local law enforcement block grant			523,000	+523,000	+523,000
Boys and Girls clubs (earmark)			(40,000)	(+40,000)	(+40,000)
State prison grants			686,500	+686,500	+686,500
State criminal alien assistance program			420,000	+420,000	+420,000
Subtotal, Direct appropriations	552,000		1,629,500	+1,077,500	+1,629,500
Crime trust fund:					
Byrne grants (formula)		400,000	505,000	+505,000	+105,000
Byrne grants (discretionary)		59,950	47,000	+47,000	-12,950
Local law enforcement block grant	523,000			-523,000	
Boys and Girls clubs (earmark)	(40,000)			(-40,000)	
Juvenile crime block grant	250,000		250,000		+250,000
Drug testing and intervention program		100,000			-100,000
Indian tribal courts program	5,000	5,000		-5,000	-5,000
Drug courts	40,000	50,000	40,000		-10,000
Crime identification technology	45,000			-45,000	
State prison grants	720,500	75,000		-720,500	-75,000
State criminal alien assistance program	420,000	500,000		-420,000	-500,000
Violence Against Women grants	282,750	282,750	282,750		

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
State prison drug treatment	63,000	65,100	63,000		-2,100
DNA identification grants	15,000			-15,000	
Certainty of punishment grants		35,000			-35,000
Other crime control programs	5,700	5,700	5,700		
Subtotal, Crime trust fund	2,369,950	1,578,500	1,193,450	-1,176,500	-385,050
Total, State and local law enforcement	2,921,950	1,578,500	2,822,950	-99,000	+1,244,450
Weed and seed program fund	33,500		33,500		+33,500
Crime trust fund		33,500			-33,500
Community oriented policing services:					
Direct appropriations:					
Crime analysis technology		100,000			-100,000
Hiring program			150,000	+150,000	+150,000
School violence			17,500	+17,500	+17,500
Crime identification technology			15,000	+15,000	+15,000
Technology			15,500	+15,500	+15,500
Bulletproof vest grants			25,000	+25,000	+25,000
Subtotal, Direct appropriations		100,000	223,000	+223,000	+123,000
Crime trust fund:					
Hiring program 3/	1,400,000	600,000		-1,400,000	-600,000
Police corps 3/	30,000			-30,000	
Crime identification technology		250,000	45,000	+45,000	-205,000
Community prosecutors		200,000			-200,000
Prevention		125,000			-125,000
Subtotal, Crime trust fund	1,430,000	1,175,000	45,000	-1,385,000	-1,130,000
Total, Community oriented policing services	1,430,000	1,275,000	268,000	-1,162,000	-1,007,000
Juvenile justice programs	284,597	288,597	284,597		-4,000
Public safety officers benefits program:					
Death benefits	31,809	32,541	32,541	+732	
Disability benefits		3,500			-3,500
Total, Public safety officers benefits program	31,809	36,041	32,541	+732	-3,500
Total, Office of Justice Programs	4,849,007	3,550,286	3,659,024	-1,189,983	+108,738
Appropriations	(1,049,057)	(763,286)	(2,420,574)	(+1,371,517)	(+1,657,288)
Crime trust fund	(3,799,950)	(2,787,000)	(1,238,450)	(-2,561,500)	(-1,548,550)
Total, title I, Department of Justice	18,207,450	18,542,949	18,213,926	+6,476	-329,023
Appropriations	(12,736,493)	(14,392,933)	(14,180,712)	(+1,444,219)	(-212,221)
Crime trust fund	(5,470,957)	(4,150,016)	(4,033,214)	(-1,437,743)	(-116,802)
(By transfer)		(7,000)	(108,434)	(+108,434)	(+101,434)
TITLE II - DEPARTMENT OF COMMERCE AND RELATED AGENCIES					
TRADE AND INFRASTRUCTURE DEVELOPMENT					
Office of the United States Trade Representative					
Salaries and expenses	24,200	26,501	25,205	+1,005	-1,296
Supplemental appropriations (P.L. 106-31)	1,300			-1,300	
International Trade Commission					
Salaries and expenses	44,495	47,200	44,495		-2,705
Total, Related agencies	69,995	73,701	69,700	-295	-4,001
DEPARTMENT OF COMMERCE					
International Trade Administration					
Operations and administration	286,264	308,431	298,236	+11,972	-10,195
Offsetting fee collections	-1,600	-3,000	-3,000	-1,400	
Direct appropriation	284,664	305,431	295,236	+10,572	-10,195
Export Administration					
Operations and administration	50,454	58,578	47,650	-2,804	-10,928
CWC enforcement	1,877	1,877	1,877		
Total, Export Administration	52,331	60,455	49,527	-2,804	-10,928
Economic Development Administration					
Economic development assistance programs	368,379	364,379	364,379	-4,000	
Salaries and expenses	24,000	28,971	24,000		-4,971
Total, Economic Development Administration	392,379	393,350	388,379	-4,000	-4,971

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Minority Business Development Agency					
Minority business development	27,000	27,627	27,000	....	-627
Total, Trade and Infrastructure Development	826,369	860,564	829,842	+3,473	-30,722
ECONOMIC AND INFORMATION INFRASTRUCTURE					
Economic and Statistical Analysis					
Salaries and expenses	48,490	55,123	48,490	....	-6,633
Bureau of the Census					
Salaries and expenses	136,147	156,944	136,147	....	-20,797
Periodic censuses and programs	1,186,902	4,637,754	142,320	-1,044,582	-4,495,434
Supplemental appropriations (P.L. 106-31)	44,900	....	....	-44,900	....
Emergency appropriations	....	....	4,476,253	+4,476,253	+4,476,253
Total, Bureau of the Census	1,367,949	4,794,698	4,754,720	+3,386,771	-39,978
National Telecommunications and Information Administration					
Salaries and expenses	10,940	17,212	10,940	....	-6,272
Public telecommunications facilities, planning and construction	21,000	35,055	18,000	-3,000	-17,055
Advance appropriations, FY 2001 - 2003	....	299,000	....	....	-299,000
Information infrastructure grants	18,000	20,102	13,000	-5,000	-7,102
Total, National Telecommunications and Information Administration	49,940	371,369	41,940	-8,000	-329,429
Patent and Trademark Office					
Current year fee funding	643,026	785,976	735,538	+92,512	-50,438
Prior year fee funding	71,000	....	....	-71,000	....
(Prior year carryover)	(40,500)	(115,774)	(116,000)	(+75,500)	(+226)
Rescission	-71,000	....	....	+71,000	....
Subtotal	(683,526)	(901,750)	(851,538)	(+168,012)	(-50,212)
Legislative proposal fees	102,000	20,000	....	-102,000	-20,000
Total, Patent and Trademark Office	(785,526)	(921,750)	(851,538)	(+66,012)	(-70,212)
Offsetting fee collections	-643,026	-785,976	-785,976	-142,950	....
Offsetting fee collections - legis. proposal	-102,000	-20,000	....	+102,000	+20,000
Total, PTO offsetting fee collections	-745,026	-805,976	-785,976	-40,950	+20,000
Total, Economic and Information Infrastructure	1,466,379	5,221,190	4,794,712	+3,328,333	-426,478
SCIENCE AND TECHNOLOGY					
Technology Administration					
Under Secretary for Technology/ Office of Technology Policy					
Salaries and expenses	9,495	8,972	7,972	-1,523	-1,000
National Institute of Standards and Technology					
Scientific and technical research and services	280,136	289,622	280,136	....	-9,486
Industrial technology services	310,300	338,536	99,836	-210,464	-238,700
Construction of research facilities	56,714	106,798	56,714	....	-50,084
NTIS revolving fund	....	2,000	....	....	-2,000
Total, National Institute of Standards and Technology	647,150	736,956	436,686	-210,464	-300,270
National Oceanic and Atmospheric Administration					
Operations, research, and facilities	1,579,844	1,738,911	1,477,738	-102,106	-261,173
Offsetting collections (fisheries) (proposed)	....	-20,000	....	....	+20,000
Offsetting collections (navigations) (proposed)	....	-14,000	....	....	+14,000
Supplemental appropriations (P.L. 106-31)	1,880	....	....	-1,880	....
Direct appropriation	1,581,724	1,704,911	1,477,738	-103,986	-227,173
(By transfer from Promote and Develop Fund)	(63,381)	(64,926)	(67,226)	(+3,845)	(+2,300)
(By transfer from Damage assessment and restoration revolving fund, permanent)	5,000	....	....	-5,000	....
(Damage assessment and restoration revolving fund)	-5,000	....	....	+5,000	....
(By transfer from Coastal zone management)	....	4,000	....	....	-4,000
Total, Operations, research and facilities	1,581,724	1,708,911	1,477,738	-103,986	-231,173
Procurement, acquisition and construction	584,677	630,578	480,720	-103,957	-149,858
Advance appropriations, FY 2001 - 2018	....	5,363,345	....	....	-5,363,345
Pacific coastal salmon recovery	....	160,000	....	....	-160,000
Coastal zone management fund	4,000	....	4,000	....	+4,000
Mandatory offset	-4,000	-4,000	-4,000	....	....
Fishermen's contingency fund	953	953	953	....	....
Foreign fishing observer fund	189	189	189	....	....

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Fisheries finance program account	338	10,258	238	-100	-10,020
Total, National Oceanic and Atmospheric Administration	2,167,881	7,870,234	1,959,838	-208,043	-5,910,396
Appropriations	(2,167,881)	(2,506,889)	(1,959,838)	(-208,043)	(-547,051)
Advance appropriations		(5,363,345)			(-5,363,345)
Total, Science and Technology	2,824,526	8,616,162	2,404,496	-420,030	-6,211,666
General Administration					
Salaries and expenses	30,000	34,046	30,000		-4,046
Office of Inspector General	21,000	23,454	22,000	+1,000	-1,454
Total, General administration	51,000	57,500	52,000	+1,000	-5,500
National Oceanic and Atmospheric Administration					
Fisheries promotional fund (rescission)		-1,187	-1,187	-1,187	
Total, Department of Commerce	5,098,279	14,880,528	8,010,163	+2,911,884	-6,870,365
Appropriations	(5,169,279)	(9,019,370)	(3,535,097)	(-1,634,182)	(-5,484,273)
Emergency appropriations			(4,476,253)	(+4,476,253)	(+4,476,253)
Rescissions	(-71,000)	(-1,187)	(-1,187)	(+69,813)	
Advance appropriations		(5,862,345)			(-5,862,345)
Total, title II, Department of Commerce and related agencies	5,168,274	14,754,229	8,079,863	+2,911,589	-6,674,366
Appropriations	(5,239,274)	(9,093,071)	(3,604,797)	(-1,634,477)	(-5,488,274)
Emergency appropriations			(4,476,253)	(+4,476,253)	(+4,476,253)
Rescissions	(-71,000)	(-1,187)	(-1,187)	(+69,813)	
Advance appropriations		(5,862,345)			(-5,862,345)
(By transfer)	(63,381)	(64,926)	(67,226)	(+3,845)	(+2,300)
TITLE III - THE JUDICIARY					
Supreme Court of the United States					
Salaries and expenses:					
Salaries of justices	1,690	1,698	1,698	+8	
Other salaries and expenses	29,369	34,241	33,343	+3,974	-898
Supplemental appropriations (P.L. 106-31)	921			-921	
Total, Salaries and expenses	31,980	35,939	35,041	+3,061	-898
Care of the building and grounds	5,400	22,658	6,872	+1,472	-15,786
Total, Supreme Court of the United States	37,380	58,597	41,913	+4,533	-16,684
United States Court of Appeals for the Federal Circuit					
Salaries and expenses:					
Salaries of judges	1,943	1,945	1,945	+2	
Other salaries and expenses	14,158	15,691	14,156	-2	-1,535
Total, Salaries and expenses	16,101	17,636	16,101		-1,535
United States Court of International Trade					
Salaries and expenses:					
Salaries of judges	1,506	1,525	1,525	+19	
Other salaries and expenses	10,298	10,621	10,279	-19	-342
Total, Salaries and expenses	11,804	12,146	11,804		-342
Courts of Appeals, District Courts, and Other Judicial Services					
Salaries and expenses:					
Salaries of judges and bankruptcy judges	238,329	240,375	240,375	+2,046	
Other salaries and expenses	2,583,492	2,979,551	2,693,763	+110,271	-285,788
Direct appropriation	2,821,821	3,219,926	2,934,138	+112,317	-285,788
Crime trust fund	10,164	29,395	156,539	+146,375	+127,144
Total, Salaries and expenses	2,831,985	3,249,321	3,090,677	+258,692	-158,644
Vaccine Injury Compensation Trust Fund	2,515	2,581	2,138	-377	-443
Defender services	360,952	374,839	361,548	+596	-13,291
Crime trust fund	30,879	36,605	26,247	-4,632	-10,358
Fees of jurors and commissioners	66,861	69,510	63,400	-3,461	-6,110
Court security	174,569	206,012	190,029	+15,460	-15,983
Total, Courts of Appeals, District Courts, and Other Judicial Services	3,467,761	3,938,868	3,734,039	+266,278	-204,829
Administrative Office of the United States Courts					
Salaries and expenses	54,500	58,428	54,500		-3,928
Federal Judicial Center					
Salaries and expenses	17,716	18,997	17,716		-1,281
Judicial Retirement Funds					
Payment to Judiciary Trust Funds	37,300	39,700	39,700	+2,400	

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
United States Sentencing Commission					
Salaries and expenses	9,487	10,600	8,500	-987	-2,100
General Provisions					
Judges pay raise (sec. 304)		9,000			-9,000
Total, title III, the Judiciary	3,652,049	4,163,972	3,924,273	+272,224	-239,699
Appropriations	(3,611,006)	(4,097,972)	(3,741,487)	(+130,481)	(-356,485)
Crime trust fund	(41,043)	(66,000)	(182,786)	(+141,743)	(+116,786)
TITLE IV - DEPARTMENT OF STATE					
Administration of Foreign Affairs					
Diplomatic and consular programs 4/	1,644,300	2,838,934	2,482,825	+838,525	-356,109
Worldwide security upgrade			254,000	+254,000	+254,000
Total, Diplomatic and consular programs	1,644,300	2,838,934	2,736,825	+1,092,525	-102,109
Salaries and expenses	355,000			-355,000	
Capital investment fund	80,000	90,000	80,000		-10,000
Office of Inspector General	27,495	30,054	28,495	+1,000	-1,559
Educational and cultural exchange programs		210,329	175,000	+175,000	-35,329
Representation allowances	4,350	5,850	4,350		-1,500
Protection of foreign missions and officials	8,100	9,490	8,100		-1,390
Security and maintenance of United States missions	403,561	747,683	403,561		-344,122
Worldwide security upgrade			313,617	+313,617	+313,617
Advance appropriations, FY 2001 - 2005		3,600,000			-3,600,000
Emergencies in the diplomatic and consular service	5,500	17,000	5,500		-11,500
(By transfer)	(4,000)	(4,000)	(4,000)		
Commission on Holocaust Assets in U.S. (by transfer)	(2,000)	(1,162)	(1,162)	(-838)	
Repatriation Loans Program Account:					
Direct loans subsidy	593	593	593		
Administrative expenses	607	607	607		
(By transfer)	(1,000)	(1,000)	(1,000)		
Total, Repatriation loans program account	1,200	1,200	1,200		
Payment to the American Institute in Taiwan	14,750	15,760	14,750		-1,010
Payment to the Foreign Service Retirement and Disability Fund	132,500	128,541	128,541	-3,959	
Total, Administration of Foreign Affairs	2,676,756	7,694,841	3,899,939	+1,223,183	-3,794,902
Appropriations	(2,676,756)	(4,094,841)	(3,899,939)	(+1,223,183)	(-194,902)
Advance appropriations		(3,600,000)			(-3,600,000)
International Organizations and Conferences					
Contributions to international organizations, current year assessment	922,000	963,308	842,937	-79,063	-120,371
Contributions for international peacekeeping activities, current year	231,000	235,000	200,000	-31,000	-35,000
Arrearage payments	475,000	446,000	351,000	-124,000	-95,000
International conferences and contingencies (by transfer)	(16,223)			(-16,223)	
Total, International Organizations and Conferences	1,628,000	1,644,308	1,393,937	-234,063	-250,371
International Commissions					
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses	19,551	20,413	19,551		-862
Construction	5,939	8,435	5,750	-189	-2,685
American sections, international commissions	5,733	6,493	5,733		-760
International fisheries commissions	14,549	16,702	14,549		-2,153
Total, International commissions	45,772	52,043	45,583	-189	-6,460
Other					
Payment to the Asia Foundation	8,250	15,000	8,000	-250	-7,000
Eisenhower Exchange Fellowship Program, trust fund		525	525	+525	
Israeli Arab scholarship program		350	350	+350	
East-West Center		12,500			-12,500
North/South Center		2,500			-2,500
National Endowment for Democracy		32,000	31,000	+31,000	-1,000
Total, Department of State	4,358,778	9,454,067	5,379,334	+1,020,556	-4,074,733
Appropriations	(4,358,778)	(5,854,067)	(5,379,334)	(+1,020,556)	(-474,733)
Advance appropriations		(3,600,000)			(-3,600,000)
RELATED AGENCIES					
Arms Control and Disarmament Agency					
Arms control and disarmament activities	41,500			-41,500	
United States Information Agency					
International information programs	455,246			-455,246	
Technology fund (by transfer)	(2,000)			(-2,000)	
Educational and cultural exchange programs	202,500			-202,500	
Eisenhower Exchange Fellowship Program, trust fund	525			-525	
Israeli Arab scholarship program	350			-350	
International Broadcasting Operations	362,365			-362,365	

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Broadcasting to Cuba (direct)	22,095			-22,095	
Radio construction	13,245			-13,245	
East-West Center	12,500			-12,500	
North/South Center	1,750			-1,750	
National Endowment for Democracy	31,000			-31,000	
Total, United States Information Agency	1,101,576			-1,101,576	
Broadcasting Board of Governors					
International Broadcasting Operations		431,722	410,404	+410,404	-21,318
Broadcasting capital improvements		20,868	11,258	+11,258	-9,610
Total, Broadcasting Board of Governors		452,590	421,662	+421,662	-30,928
Total, related agencies	1,143,076	452,590	421,662	-721,414	-30,928
Total, title IV, Department of State	5,501,854	9,906,657	5,800,996	+299,142	-4,105,661
Appropriations	(5,501,854)	(6,306,657)	(5,800,996)	(+299,142)	(-505,661)
Advance appropriations		(3,600,000)			(-3,600,000)
(By transfer)	(25,223)	(6,162)	(6,162)	(-19,061)	
TITLE V - RELATED AGENCIES					
DEPARTMENT OF TRANSPORTATION					
Maritime Administration					
Maritime Security Program	89,650	98,700	98,700	+9,050	
Operations and training	69,303	72,164	69,303		-2,861
Maritime Guaranteed Loan (Title XI) Program Account:					
Guaranteed loans subsidy	6,000	6,000	5,400	-600	-600
Administrative expenses	3,725	3,893	3,725		-168
Total, Maritime guaranteed loan program account	9,725	9,893	9,125	-600	-768
Total, Maritime Administration	168,678	180,757	177,128	+8,450	-3,629
Census Monitoring Board					
Salaries and expenses		4,000			-4,000
Commission for the Preservation of America's Heritage Abroad					
Salaries and expenses	265	265	265		
Commission on Civil Rights					
Salaries and expenses	8,900	11,000	8,900		-2,100
Commission on Security and Cooperation in Europe					
Salaries and expenses	1,170	1,250	1,170		-80
Equal Employment Opportunity Commission					
Salaries and expenses	279,000	312,000	279,000		-33,000
Federal Communications Commission					
Salaries and expenses	192,000	230,887	192,000		-38,887
Offsetting fee collections - current year	-172,523	-185,754	-185,754	-13,231	
Direct appropriation	19,477	45,133	6,246	-13,231	-38,887
Federal Maritime Commission					
Salaries and expenses	14,150	15,300	14,150		-1,150
Federal Trade Commission					
Salaries and expenses	116,679	133,368	116,679		-16,689
Offsetting fee collections - carryover	-30,000	-39,472	-39,472	-9,472	
Offsetting fee collections - current year	-76,500	-93,896	-77,207	-707	+16,689
Direct appropriation	10,179			-10,179	
Legal Services Corporation					
Payment to the Legal Services Corporation	300,000	340,000	141,000	-159,000	-199,000
Marine Mammal Commission					
Salaries and expenses	1,240	1,300	1,240		-60
Ocean Policy Commission					
Salaries and expenses	3,500			-3,500	
Securities and Exchange Commission					
Salaries and expenses	23,000			-23,000	
Current year fees	214,000	230,000	193,200	-20,800	-36,800
1998 fees	87,000	130,800	130,800	+43,800	
Direct appropriation	324,000	360,800	324,000		-36,800

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Small Business Administration					
Salaries and expenses	288,300	263,000	245,500	-42,800	-17,500
Office of Inspector General	10,800	11,000	10,800		-200
Business Loans Program Account:					
Direct loans subsidy	2,200	4,000	762	-1,438	-3,238
Guaranteed loans subsidy	128,030	144,368	128,030		-16,338
Administrative expenses	94,000	131,000	94,000		-37,000
Total, Business loans program account	224,230	279,368	222,792	-1,438	-56,576
Disaster Loans Program Account:					
Direct loans subsidy	76,329	39,400	139,400	+63,071	+100,000
Contingent emergency appropriations		158,000			-158,000
Administrative expenses	116,000	86,000	116,000		+30,000
Contingent emergency appropriations		75,000			-75,000
Total, Disaster loans program account	192,329	358,400	255,400	+63,071	-103,000
Surety bond guarantees revolving fund	3,300			-3,300	
Total, Small Business Administration	718,959	911,768	734,492	+15,533	-177,276
State Justice Institute					
Salaries and expenses 5/	6,850	15,000		-6,850	-15,000
Total, title V, Related agencies	1,856,368	2,198,573	1,687,591	-168,777	-510,982
Appropriations	(1,856,368)	(1,965,573)	(1,687,591)	(-168,777)	(-277,982)
Contingent emergency appropriations		(233,000)			(-233,000)
TITLE VII - RESCISSIONS					
DEPARTMENT OF JUSTICE					
General Administration					
Working capital fund (rescission)	-99,000			+99,000	
Legal Activities					
Assets forfeiture fund (rescission)	-2,000			+2,000	
Federal Bureau of Investigation					
FY 1998 FBI construction (rescission)	-4,000			+4,000	
No Year FBI salaries and expenses (rescission)	-6,400			+6,400	
FY 1996 VCRP (rescission)	-2,000			+2,000	
FY 1997 VCRP (rescission)	-300			+300	
Total, Federal Bureau of Investigation	-12,700			+12,700	
Immigration and Naturalization Service					
Immigration emergency fund (rescission)	-5,000		-1,137	+3,863	-1,137
DEPARTMENT OF COMMERCE					
FY 1998 Commerce (rescission)	-2,090			+2,090	
National Institute of Standards and Technology					
Industrial technology services (rescission)	-6,000			+6,000	
National Oceanic and Atmospheric Administration					
Operations, research and facilities (rescission of emergency appropriations)		-3,400			+3,400
DEPARTMENT OF STATE AND RELATED AGENCIES					
DEPARTMENT OF STATE					
United States Information Agency					
Buying power maintenance (rescission)	-20,000			+20,000	
Broadcasting Board of Governors					
International broadcasting operations (rescission)			-14,829	-14,829	-14,829
RELATED AGENCY					
DEPARTMENT OF TRANSPORTATION					
Maritime Administration					
Ship construction fund (rescission)	-17,000			+17,000	
Small Business Administration					
Business Loans Program Account:					
Guaranteed loans subsidy (rescission)			-12,400	-12,400	-12,400
Total, title VII, Rescissions	-163,790	-3,400	-28,366	+135,424	-24,966
Rescissions	(-163,790)		(-28,366)	(+135,424)	(-28,366)
Rescission of emergency appropriations		(-3,400)			(+3,400)

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 2000 (H.R. 2670)—Continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE VIII - OTHER APPROPRIATIONS					
DEPARTMENT OF JUSTICE					
Federal Bureau of Investigation					
Salaries and expenses	21,680	....	....	-21,680	....
Drug Enforcement Administration					
Salaries and expenses	10,200	....	....	-10,200	....
Immigration and Naturalization Service					
Salaries and expenses	10,000	....	....	-10,000	....
Border affairs	80,000	....	....	-80,000	....
Department of Justice (Y2K conversion)	84,396	....	....	-84,396	....
Total, Department of Justice	206,276	....	....	-206,276	....
DEPARTMENT OF COMMERCE AND RELATED AGENCIES					
National Oceanic and Atmospheric Administration					
Operations, research, and facilities	5,000	....	....	-5,000	....
Department of Commerce (Y2K conversion)	57,920	....	....	-57,920	....
Total, Department of Commerce	62,920	....	....	-62,920	....
THE JUDICIARY					
Judicial information technology fund (Y2K conversion)	13,044	....	....	-13,044	....
DEPARTMENT OF STATE					
Administration of Foreign Affairs					
Diplomatic and consular programs	790,771	....	....	-790,771	....
Salaries and expenses	12,000	....	....	-12,000	....
Office of Inspector General	1,000	....	....	-1,000	....
Security and maintenance of United States missions	677,500	....	....	-677,500	....
Emergencies in the diplomatic and consular service	12,929	....	....	-12,929	....
Department of State (Y2K conversion)	64,918	....	....	-64,918	....
Total, Department of State	1,559,118	....	....	-1,559,118	....
RELATED AGENCIES					
Small Business Administration					
Disaster Loans Program Account:					
Direct loans subsidy	71,000	....	....	-71,000	....
Administrative expenses	30,000	....	....	-30,000	....
Total, Disaster loans program account	101,000	....	....	-101,000	....
Small Business Administration (Y2K conversion)	4,840	....	....	-4,840	....
Total, Small Business Administration	105,840	....	....	-105,840	....
DEPARTMENT OF TRANSPORTATION					
Maritime Administration (Y2K conversion)	530	....	....	-530	....
Federal Communications Commission (Y2K conversion)	8,516	....	....	-8,516	....
Federal Trade Commission (Y2K conversion)	550	....	....	-550	....
Marine Mammal Commission (Y2K conversion)	38	....	....	-38	....
Office of the US Trade Representative (Y2K conversion)	498	....	....	-498	....
Securities and Exchange Commission (Y2K conversion)	8,175	....	....	-8,175	....
United States Information Agency (Y2K conversion)	9,582	....	....	-9,582	....
Total, title VIII, emergency appropriations	1,975,067	....	....	-1,975,067	....
Grand total:					
New budget (obligational) authority	36,197,272	49,562,980	37,678,283	+1,481,011	-11,884,697
Appropriations	(28,944,995)	(35,856,206)	(29,015,583)	(+70,588)	(-6,840,623)
Emergency appropriations	(1,975,067)	....	(4,476,253)	(+2,501,186)	(+4,476,253)
Contingent emergency appropriations	....	(233,000)	....	....	(-233,000)
Advance appropriations	....	(9,262,345)	....	....	(-9,262,345)
Rescissions	(-234,790)	(-1,187)	(-29,553)	(+205,237)	(-28,366)
Rescission of emergency appropriations	....	(-3,400)	....	....	(+3,400)
Crime trust fund	(5,512,000)	(4,216,016)	(4,216,000)	(-1,296,000)	(-16)
(By transfer)	(88,604)	(78,088)	(181,822)	(+93,218)	(+103,734)

1/ The Administration's request proposes to eliminate this account and distribute the funding to GLA, US Attorneys, US Marshals, FBI, DEA and INS.

2/ The Administration's June 8, 1999 budget amendment proposes to reinstate the 245(i) adjustment of status fee, which would increase receipts in the Breached Bond Fund by $110 million.

3/ The President's request includes $30 million for the Police Corps within the hiring program.

4/ As a result of the Foreign Affairs Reform and Restructuring Act of 1998 and other changes, the amounts requested and recommended in FY 2000 include amounts appropriated separately in previous fiscal years for State Department, USIA and ACDA salaries and expenses.

5/ The President's budget proposed $5 million for State Justice Institute.

Mr. Speaker, I reserve the balance of my time.

Mr. SERRANO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we take up H.R. 2670, the bill making appropriations for the Departments of Commerce, Justice and State, the Judiciary, and several related agencies. It has been a great personal pleasure for me to work with our chairman, the gentleman from Kentucky (Mr. ROGERS) and with the other members of the subcommittee. Special thanks also to my ranking member, the gentleman from Wisconsin (Mr. OBEY).

The gentleman from Kentucky's (Mr. ROGERS) many years on this subcommittee have given him tremendous knowledge, both broad and deep, of the wide variety of topics under the subcommittee's jurisdiction. His stewardship of the subcommittee is marked by his fairness and attentiveness to the interests and concerns of Members. I have also benefited greatly from the guidance of the former chairman and ranking Democrat of the subcommittee, the gentleman from West Virginia (Mr. MOLLOHAN), who has spent so many years on this bill. I know all my colleagues join me and the gentleman from Kentucky (Mr. ROGERS) in sending their condolences to Alan and his family on the loss of his father, Robert Mollohan, who served with such distinction in this body.

I must also say a word about our very professional and able staff who have worked long and hard, including nights and weekends, to get us to the floor so quickly after the decision on offsets. More on that later. They enabled us to begin putting a bill together. Since we are on first-name basis, I will do it this way. On the majority side they are Jim and Jennifer, Mike and Cordia and Christine, with Kevin and Jason from the office of the gentleman from Kentucky (Mr. ROGERS). On our side we have Sally and Pat, who have done just tremendous work on my behalf, and of course all of my personal staff under the leadership of Lucy Hand.

As my colleagues know, Mr. Chairman, this year I was catapulted from not on the subcommittee at all to ranking Democrat. Learning this large and challenging bill practically from scratch has made this an interesting and educational year for me.

As the chairman has explained, the bill includes budget authority of about $35.7 billion. This is certainly much better than our initial 302(b) allocation, but it is still about $3 billion short, below the budget request. The manner in which the chairman allocated funds among the major accounts was for the most part fair and even-handed, and I applaud his efforts to minimize staff cuts and facility closings.

But the bill still has problems. The biggest problem is simply the inadequacy of the subcommittee's allocation. This bill underfunds important programs. It does not fund important Member and administration initiatives, and still has to use gimmicks to stay under the allocation. It is ironic that House and Senate Republicans pointed to forecasts of huge on-budget surpluses to justify passing their bills to make massive backloaded tax cuts; but forecasts of future economic activities are unreliable at best, and, more important, the surpluses mostly depend on Congress sticking with the deepening appropriations cuts enacted in the Balanced Budget Act, which, incidentally, I did not support. The gimmicks used to make this bill look as if it is under the FY2000 cap show how unlikely it is that these spending cuts will materialize over the next decade.

The main gimmick, of course, is the emergency designation for the census. This provision, imposed on the committee by the Republican leadership, is a misuse of the emergency designation; we have known that a census would be required in 2000 for about 200 years. It also means spending the Social Security surplus.

On more specific provisions, the bill provides the Census Bureau with the resources it needs to do the 2000 census and the necessary quality checks on it. This is a tremendous accomplishment, and I am very proud of the work that both sides of the aisle did on this.

While I am pleased that the bill includes funding for the U.N. arrears, I am very concerned that the bill underfunds our U.N. accounts. This may cost us our vote in the General Assembly and, with it, any leverage we might hope to exercise over management and budget reforms at the U.N. The bill is $95 million short of the request for arrears, creates new arrears by cutting funding for peacekeeping, and conditions $100 million of our payments on a time-consuming certification process. But if we do not pay the U.N. $352 million by December 31, our General Assembly vote will automatically, and we mean automatically, be lost.

The most troubling shortfall and the major exception to the relatively even-handed treatment of other agencies is the real cut to SBA salaries and expenses, which would have a drastic impact on the agency. If enacted, the SBA estimates it would require a reduction in force of 2,400 employees or 75 percent of SBA's work force. Apart from effectively closing down activities vital to our Nation's small businesses, it would also hamper SBA's ability to monitor a loan portfolio totaling $45 billion. By the end of this process, this devastating cut must be restored.

The Legal Services Corporation, too, was grossly underfunded in what has become an annual ritual. The bill provides only $141 million, less than half of last year's level, and 200 million below the President's request. Each year for the last 3 or 4 years this level has been proposed, and each year there has been an amendment raising the level to $250 million or so. And so it will be again this year.

Other important examples of underfunding includes the COPS program, over $1 billion under the request; the Equal Employment Opportunity Commission, frozen at $33 million below the request; the Civil Rights Commission, also frozen at $2 million below the request; the National Oceanic and Atmospheric Administration, half a billion under the request; and the State Department, half a billion under the request.

Unfunded initiatives include the 21st century policing initiative or COPS II, the anti-drug initiative on the State or local law enforcement, efforts to combat terrorism and cybercrime, the advanced technology program, the new markets initiative, the Lands Legacy initiative, the tobacco lawsuit, and the Pacific Salmon Recovery initiative.

Mr. Chairman, in closing I think the gentleman from Kentucky (Mr. ROGERS) has generally done a good job distributing funds within a much too small allocation. The meager size of the bill and the programs and initiatives that cannot be fully funded within the total remain problems, and the administration has raised serious concerns with the bill, many of which I have mentioned, and has suggested that it would be vetoed in its present form.

However, Mr. Chairman, I look forward to working with my chairman to address these problems. I am hopeful that by the time we bring a conference report to the floor we will have more money to work with so that we can restore much-needed resources to the important programs in this bill and to accommodate requests for important initiatives.

Let me say, so that I am clear, that this is so important to me that I am giving my vote to this bill in support of the chairman's desire to make this a better bill. I cannot account for the rest of my Members who may feel that this bill, as it stands, will not get any better, and we will see quite a large number of Members voting against it. I personally will vote for it in the hope that we can achieve our objectives. If we cannot achieve the improvements that I hope for, I will oppose the conference report. If the President vetoes the bill, I will vote to sustain his veto. But for now I choose to move the process along, and I will support H.R. 2670.

Mr. Chairman, I reserve the balance of my time.

Mr. ROGERS. Mr. Chairman I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG), the very effective chairman of the full committee who has done a wonderful job this year bringing these bills to the floor.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of the bill and to pay a special tribute to the gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO), the ranking member, because as we get to the end of the appropriations process for the 13 regular bills, the job gets a little more difficult, and they have done a really outstanding job in bringing us a bill that we should pass here.

The gentleman from New York (Mr. SERRANO) mentioned he wants to make it a better bill. He will be an important member of the conference committee as will the gentleman from Kentucky (Mr. ROGERS) who will chair the conference committee.

But they have got a good bill now. Could they use more money? Why sure. Back in our homes we could all use more money, at least most of us could. And in our businesses, we all could use more money. The government loves to have more money.

But we took on the responsibility of trying to stay within the budget cap, at least balance the budget and stay at or below last year's level, and that is what the gentleman from Kentucky (Mr. ROGERS) has been able to accomplish. I know there are some disagreements and some differences in how we got where we are, but let me tell my colleagues where we are.

First off, Mr. Chairman, members of the Committee on Appropriations really have a special responsibility to this House and to the Nation. Of all the legislation that we consider in this House, the only bills that really have to pass, that must pass, are the appropriation bills, and the appropriators have recognized that responsibility, and I am happy to report that as we pass this bill today, we will have passed through the House 11 of the 13 regular appropriations bills.

The 13th bill we had put off by agreement until we resume our sitting in September, and the VA-HUD bill that we were scheduled to consider on tomorrow, we have delayed consideration out of respect for our colleague, the gentleman from West Virginia (Mr. MOLLOHAN) due to the loss of his father yesterday. So we will put off that bill until we reconvene in September.

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We will have done 11 regular bills before we break for the recess. We have done two supplementals. We will have done two conference reports by the time we pass this bill today. So 11 plus 2 is 13, plus 2 more is 15 important measures that the appropriators have brought to this House and passed through this House.

We also expect, Mr. Chairman, to have 3 more conference reports ready on regular bills before this week is over.

We have done a good job. There have been some disagreements, some in subcommittee, some in full committee, some on the floor. But, Mr. Chairman, this committee has had to consider, and I want all Members to pay attention to this, this committee has had to consider requests from Members, and Members have every right to come to this body to represent their districts and to represent what they believe is right for America, for some $80 billion in requests to add money over the budget. In most of those cases, while most of them were good projects that should have been considered, we did not have the money to fund them.

Despite the fact we had to say no to an awful lot of Members because we did not have the money to fund the program that they wanted to fund exactly the way they wanted it, and again I want all Members to listen to this, Mr. Chairman, the Transportation appropriations bill passed with a vote of 429 to 3; the Energy and Water appropriations bill passed with a vote of 420 to 8; the Military Construction appropriations bill passed with a vote of 418 to 4; the Defense appropriations bill passed with a vote of 379 to 45; the Interior appropriations bill passed with a vote of 377 to 47; the District of Columbia appropriations bill passed with a vote of 333 to 92; and the list goes on. The bills have been receiving great bipartisan support.

The appropriators have done a good job, have brought good appropriations bills at or below last year's level, which is the first time that has happened, except for national defense, where we did have increases that were necessary because of the many, many deployments that our troops have been required to conduct in the last 6 or 7 years.

So I support this bill. It is a good bill. I understand that in conference the gentleman from New York (Mr. SERRANO) will have an opportunity to work further on the bill, but with the leadership of the gentleman from Kentucky (Chairman ROGERS) and the tremendous staff that we have on this subcommittee, I am satisfied that the end result will be a product that most of us can support.

Mr. SERRANO. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the committee.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, let me say the remarks that I will make are in no way intended to criticize either the distinguished chairman of the subcommittee or the distinguished ranking member. They have both done the best job they can under the circumstances. The problem is that the circumstances are ridiculous.

Let me cite first my concerns with the specifics of this bill. This bill, despite evidence that community policing has been of great assistance in lowering the crime rate, this bill effectively ends the Cops on the Beat program. It provides the last remaining money that is needed to fund that program, but it does not fund the follow-on program that is meant to put additional police on the streets in our communities, because it is not authorized. If this Congress does not provide that money, it is a serious mistake.

This bill would take a number of actions which I think are extremely mean-minded in terms of the way it deals with the poor and with minority groups in our society. The bill effectively terminates the Legal Services Corporation. The funding provided would effectively result in a 3-year phaseout of that corporation.

The Equal Employment Opportunity Commission, it cuts $33 million or 11 percent below the request. We ought to be doing more to enforce the law against discrimination, not less in real terms.

The bill eliminates the entire $20 million requested for the Justice Department to initiate litigation against the tobacco industry to recover Federal costs for smoking-related illnesses under Medicare.

The bill effectively will provide for the loss of the U.S. voting rights in the General Assembly in the United Nations. That is definitely not in our national interest.

It provides very deep cuts in environmental programs, such as our National Oceanic and Atmospheric Administration programs and the National Weather Service, and it has an outrageous provision which, in a gross abuse of the Budget Act, pretends that somehow the Congress did not know we were going to have to appropriate over $4 billion to run the decennial census. That abuse of the budget process by declaring those funds to be emergency funds outside the normal limits of the budget process, discredits the committee.

I believe in the committee having the right when we have a legitimate emergency to declare one and to move forward to meet that emergency, but if we pretend that amounts that we know we are going to spend on a regular basis are actually emergency appropriations, we lose the right to have people view our request with credibility when we make requests for a legitimate emergency designation.

The problem with this bill is simply that it is not real. It is yet another bill that allows the majority in this House to maintain the fiction that we can afford to pass out $1 trillion in tax cuts, two-thirds of the benefits of which are going to the highest income 10 percent of the people in this country. It pretends that we can do all of that, but there is a hidden assumption. That hidden assumption is that the government is going to take everything that we do in the appropriations process, the education programs, the health programs, the anti-crime programs, and that we are essentially going to carve those up by at least 20 percent.

Right now we spend about $1,100 per person to provide those kinds of services to the American people. If we can hold the defense budget to the level that the President has asked, we will only see under this and other bills provided by the majority, we will only see that cut to $780 per person. That is a huge per-person reduction in services for education and health and environmental cleanup and the rest.

If the Clinton budget numbers for the military budget are not held and if in fact we spend more on defense, as this committee has already done, then what we are providing by way of those investments per person in this country will drop from over $1,100 per person to just over $600 per person.

Does anybody really believe that this Congress is going to make those kinds of cuts? That is a false promise, that is a phony promise, and I do not think we ought to be making promises this institution does not have any intention of keeping.

That is why this bill is going to be vetoed by the President. This is another one of the appropriations bills which is on a short route to nowhere.

I would remind you, we have only 18 legislative days left before the beginning of the next fiscal year. We need to have our work done. This is going to delay our ability to get our work done. That is why I think we ought to vote against the bill on final passage.

Mr. ROGERS. Mr. Chairman, I yield 3½ minutes to a very hard working Member of this subcommittee, the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Chairman, I thank the gentleman very much for yielding me time.

Mr. Chairman, I rise today in strong support of the Commerce, Justice, State, Judiciary appropriations bill for this next fiscal year.

The gentleman from Kentucky (Mr. ROGERS), the chairman of our subcommittee, has worked with Members on both sides of the aisle to craft a bill that I think properly reflects this Congress' priorities, particularly in the area of law enforcement.

Each year there are new and greater challenges confronting law enforcement officials throughout this Nation. In order to be successful, Federal, State and local law enforcement need to work together in a coordinated effort to combat criminals that are increasingly better organized, more lethal and more technologically advanced.

To assist local law enforcement in every Members' districts, this bill once again provides $523 million in local law enforcement block grants that the administration, again this year, tried to eliminate in its budget submissions.

In my home State of Iowa, like many States throughout the Midwest and the West, it has become inundated with the methamphetamine production and trafficking. In fact, the tri-state Siouxland region of Iowa, Nebraska, and South Dakota has become the meth distribution center of the country, where the drug costs up to $30,000 a kilo.

According to DEA officials, more than 20 Mexican organizations run operations in this region and supply 90 percent of Iowa's meth. This is no happenstance. These people actually sat down, set up a marketing plan in the U.S., targeted the upper Midwest, and are executing this marketing plan with this poison to our families and our children.

Mr. Chairman, even though we have the cartels active in the area, domestic producers are also a very significant problem. In 1994, Iowa law enforcement officials seized one clandestine meth lab. In 1996, it had risen to 10. Despite the increased awareness of the problem, this year in Iowa we will have over 300 meth labs seized in the State.

The bill before us today provides greater resources for the DEA to focus on the meth epidemic in America's heartland. The DEA is funded at more than $1.2 billion, which includes funds targeted at meth production and trafficking, and funding is provided to assist small communities in my district and throughout rural America with the expensive and technologically challenging removal of hazardous waste generated from clandestine meth lab sites.

The bill directs $35 million in resources to local law enforcement in the war on meth, to the COPS Meth Drug Hot Spots Program. Included in this funding is the innovative tri-state meth training center in Sioux City, Iowa, which provides police officers in rural areas with training and comprehensive counter-drug operations that their communities would not be able to afford or have access to.

Continuing our efforts to stem the flow of illegal aliens, this bill once again provides funding for 1,000 new Border Patrol agents.

I would like to take the remainder of my time to thank the chairman, who has done a fantastic job and been so responsive to the needs of rural America, and I think for this entire country in his outstanding efforts as far as law enforcement, and also thank the ranking member, the gentleman from New York (Mr. SERRANO). It has been a pleasure to work with you in your first year on the committee. I look forward to working together very, very closely in conference and to get a bill that passes with an overwhelming vote.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. SAWYER).

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from Ohio.

The CHAIRMAN. The gentleman from Ohio (Mr. SAWYER) is recognized for 3 minutes.

Mr. SAWYER. Mr. Chairman, timeliness is critical to the census. The Census Bureau needs full funding on October 1st. Delay will irrevocably degrade the accuracy of the count. A lot of work has been done to make the census better than previous ones. I know the problems of 1990, I went through the process with a number of us here, and I do not want to see them repeated again.

Without timely funding, the advertisements for the awareness campaign will not be aired when people will hear them; they will be aired at 3 in the morning when nobody is listening. That is what happened during 1990 when we missed 8.4 million people and double-counted another 4.4 million. The Bureau needs to screen and hire and train hundreds of thousands of workers for its 520 offices and 12 regional centers. Without timely funding, staffing and operations of those offices will be delayed, and that will compromise the quality and the accuracy of the census.

Without timely funding, the work of local governments in developing the critical address lists will be crippled. If those address lists are not complete, we will miss large numbers of people and vital information that is needed for addressing national and local policies. We simply cannot afford to do that again.

There is an enormous part of this census that depends on the accurate and timely execution of the work. That is why timely funding is so important.

Let me just add one final note. There appears to be a misunderstanding about the 2000 census plan. There will not be two censuses, there will be one, starting with the direct count using the mail and the follow-up visits, two operations for which the Bureau has prepared since its first unveiling of its 2000 plan in 1996.

Next there will be a large 300,000 household quality check survey to account for people missed and to eliminate double counting. The need to visit all unresponsive households and the addition of several field canvassing activities, unfortunately, are the most costly, labor intensive, and time-consuming aspects of the census. That is why it is important that it be done on time.

It is one census with one count using both direct and statistical methods. The census planning a sample quality check operation like the survey first proposed, but at a lower cost.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Kentucky.

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Mr. ROGERS. Mr. Chairman, is the gentleman satisfied that in this bill we adequately fund the census in order for the census to be maintained and conducted appropriately?

Mr. SAWYER. Mr. Chairman, the critical question is whether or not what we have done in the House will meet timely resolution with what is being done in the Senate, and whether or not the rest of the bill can withstand administration scrutiny. That is what is at stake. It is not the quality of the work that has been done by the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, the question is, is there enough money in the bill to do the census?

Mr. SAWYER. I believe there is, Mr. Chairman.

Mr. ROGERS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. REGULA), a very hard working member of our subcommittee.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to say that the chairman of the subcommittee and the ranking member and the staff have done an excellent job under the constraints that were put on the subcommittee in terms of the amount available.

Mr. Chairman, this funds a very diverse range of projects. I would just like to address a couple of them that I think are very important. But first, I would mention embassy security and additional Border Patrol agents. Those are certainly two items that needed additional funding and received it.

The two I want to mention, one is the JASON program and the other is our trade functions. The bill provides an additional $1 million in funding over last year's base for the U.S. Trade Representative's office, because this is a very important function in terms of opening up markets for U.S. goods. I think Ambassador Barshefsky has done an outstanding job as the USTR and has been very aggressive in getting markets open to U.S. products, and I am pleased that we can not only support them with last year's numbers, but add $1 million to their budget.

The second item under the trade issue is the ITA, the International Trade Administration. They too, as part of the Commerce Department, have continued with the important programs, including the Import Administration, which enforces our U.S. trade laws. We have had a number of cases in which they have ruled in favor of American goods to prevent unfair trade practices and dumping into our market and taking jobs away from American workers. Those two things, opening foreing markets and protecting U.S. jobs against unfair trading practices, are critical to the expansion of our economy and the job base and maintaining well-paying jobs.

The other item is the JASON project. This is an exciting program. JASON is pioneering in terms of interactive TV. This is the way in which a classroom in Ohio or Kentucky or New York can take the electronic school bus to sites all over the world. Thus far, JASON has taken students to the Yellowstone National Park and compared the thermals there, with thermals in Iceland. They have taken students to the bottom of Monterey Bay. They have taken students to the rain forest in Brazil. So students in a classroom, in our case in Ohio, could interact through the medium of TV to talk to these people in Monterrey Bay or in the rain forest.

This is an exciting program, and I think it is going to be the future. I can see when the agencies around this city, the National Gallery, the Smithsonian, the Kennedy Center, the Holocaust Museum will be doing a lot of this type of work with classrooms throughout the Nation. We provide $2 million for the JASON program. Next year they hope to take students into outer space and deep sea laboratories and juxtaposite the outer space with the deep sea laboratories in one program, so students can compare what is not only happening up in space, but what is happening on inner space, namely the bottoms of the oceans or in the deep sea areas.

So it is a great project. I am pleased that we have the funding for this in the bill. This is the third year, and I believe it is a pioneering effort that will bring great benefits to the education programs of this Nation.

I would like to commend the Chairman for putting together a bill under very difficult circumstances this year.

The Commerce, Justice, State Appropriations bill contains many diverse functions from Federal law enforcement programs, to trade negotiation and enforcement programs, to diplomatic functions, to the funding of our Federal Judiciary.

Under the tight funding caps, an effort was made to keep most programs and agencies at last year's levels so that no program or personnel reductions would be necessary. There are program enhancements to ensure embassy security and to provide additional border patrol agents, in addition to the funding needed to do the enhanced Census work required by the recent Supreme Court decision.

I would like to discuss two issues of particular interest to me—funding for our national trade functions and funding for an innovative educational partnership with the JASON program.

The bill provides an additional $1 million in funding over last year's base for the U.S. Trade Representative's office so that the important work of opening foreign markets for U.S. goods is continued. The U.S. market remains the most open market in the world and it is critical that we ensure that other nations reciprocate by opening their markets to U.S. goods.

The Commerce Department also contains important trade functions within the International Trade Administration (ITA). The bill provides funding sufficient to continue the important program within ITA including the Import Administration which enforces our U.S. trade laws against unfair foreign imports. Also with ITA is the U.S. Foreign Commercial Service which provides technical and practical assistance to help U.S. companies enter foreign markets.

Expanding markets for U.S. goods and protecting domestic industries against unfair foreign imports are two important functions of our Federal Government. These functions are critical to ensure a level playing field in the global marketplace and to maintain well-paying jobs for American workers.

The bill also provides $2 million to continue the exciting educational partnership that has developed between the JASON program and the National Oceanic and Atmospheric Administration (NOAA). The partnership allows Federal research on oceans to be used in the interactive educational JASON program. This program seeks to excite our elementary, junior high and high school students into pursuing careers in the sciences.

Next year the students will be studying "extreme environments" focusing on outer space and deep sea laboratories and comparing the science related to both of these environments.

Every year after studying the course materials, the students take the electronic school bus on a virtual scientific expedition using interactive communications technology. This innovative program represents the future of our education system.

I urge members to support the Fiscal Year 2000 Commerce, Justice, State Appropriations bill.

Mr. SERRANO. Mr. Chairman, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the Chair, and I thank my ranking member for allowing me this time.

I rise today in opposition to this bill. I do not think this bill reflects our national priorities. I am concerned about this bill's commitment to reducing crime. This bill virtually eliminates the COPS program, which is the community policing program, despite the fact that law enforcement groups all over the country strongly support it. It is no accident that the national crime rate is at its lowest that it has been for 25 years. We can credit the drop in crime to strong local efforts, in partnership with the Federal Government. The COPS program has been a critical part of that partnership. Yet, this bill decimates COPS.

The COPS program has funded positions for 100,000 officers across the Nation, 50,000 of which are out on the beat right now, and the rest are being trained and certified. But what I do not understand is when we are enjoying unmitigated success in reducing the crime rate, why would we now choose this time to change our tactics? My local police officers support the COPS program, my county officials support this program, my neighbors support this program, and so do I.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today with very serious concerns about this legislation. Despite all of the rhetoric about being tough on crime, this bill cuts the program to put 100,000 police officers on the street by $1 billion. Despite all of the rhetoric by my colleagues on the other side of the aisle just last night about needing stronger science before instituting new regulations, this bill would make extensive cuts in science and technology programs.

Despite our nearly unanimous claims that we support small business, this bill cuts SBA funding to a level that could lead to the elimination of up to 75 percent of current staff.

And, here is the topper. Despite 200 years of advance warning on the need for conducting a census next year, this bill designates the decennial census as "emergency spending." It does all of this at a time when Members of this body are finalizing a package of tax cuts totaling $792 billion that the people do not think is needed, when they think we really ought to be working on balancing the budget and reducing the debt.

Mr. Chairman, this is a cynical, desperate approach to continue this appearance of this Congress is balancing its budget by staying in the caps while in reality, spending the surplus on tax breaks.

Now, that being said, I do want to point out one area where we do agree, and that has to do with funding for methamphetamine programs. The other body provided less money, and I am grateful that this committee has chosen to include the full thirty-five million dollars requested by the President for the state and local methamphetamine grant program at the Department of Justice. But here is the problem. We need more.

In my home State of Washington, the number of methamphetamine labs has increased by 400 percent in the first 6 months of 1999, a 400 percent increase. Methamphetamine is produced oftentimes in clandestine labs and oftentimes in our rural communities. This leads to huge problems in cleaning up the hazardous sites and, of course, in the use of the material itself. So far this year, the Washington State Department of Ecology has already identified 322 labs and dump sites, nearly passing the 349 that were identified in all of 1998.

Law enforcement officials know of this problem. We need to fully support funding to solve this problem, and I will work with this committee to make sure we increase funding for methamphetamine treatment and prevention.

Mr. ROGERS. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. MILLER), who is a member of our subcommittee, but incidentally and coincidentally is chairman of the Subcommittee on the Census of the Committee on Government Reform.

Mr. MILLER of Florida. Mr. Chairman, it has been a pleasure to serve with the gentleman this year on the Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies and to bring this appropriations bill to the floor today, which I very strongly support.

The Republican leadership of this House has always made a commitment to the American people that we will provide the resources needed by the Census Bureau to conduct a full enumeration in accordance with the Constitution and the law, and we have provided that in a timely manner.

Today, this Congress will fulfill that commitment, and we provide every dollar requested by the Census Bureau for the decennial census.

I would for a minute like to explain how we got to this point today. While my colleagues on the other side of the aisle have said that the cost of the census has increased by $1.7 billion because of the Republican court challenge, nothing could be further from the truth. We took the administration to court because we believe that the plan they were putting forward violated the law and the Constitution. To be intellectually honest, any additional costs associated with the census are because of the original plan put forth by the administration was in violation of the law, and that is the truth, plain and simple.

It is also important that we take into account what the cost would have been had the administration's illegal plan not been challenged in a timely manner. There was a real chance that the entire 2000 Census could have been voided by the Supreme Court. This could have forced us to hold up reapportionment and redistricting to allow the Census Bureau time to conduct an emergency census at a cost of billions and billions of dollars.

Mr. Chairman, I am sure every Member of this body, regardless of how they feel about sampling, is at least gratified that we found out now and not later that the Clinton-Gore plan was illegal. There is no doubt that it will always cost more to be thorough and accurate than it does to cut corners and take a risky short cut.

While some are critical of the mechanism being used to fund the census, it seems to me that the most important thing is that we are paying for the census to be done correctly. Republicans have always given the Census Bureau the money it needs. In fact, in each of the appropriation bills for the past several years, we have given the Census Bureau more money than the administration has requested. In fact, this fiscal year 1999, we gave the Bureau almost $180 million more than requested by the administration. The Republicans made a promise to pay a full count census, and today, we are fulfilling that promise. Promise made, promise kept.

Mr. Chairman, I urge my colleagues to support final passage of the Commerce, Justice, State, the Judiciary and Related Agencies appropriations bill.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, no matter what we do, we must fund the decennial census, and we have to stop putting the census in jeopardy. The Census Bureau needs full funding by October 1. The administration has requested $4.5 billion in order to count everyone in America. The bill before us contains all but about $11 million of that request, and I commend the gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO) and the gentleman from Florida (Mr. MILLER), the chairman of the Subcommittee on the Census of the Committee on Government Reform for providing that money.

Almost as important, this bill contains none of the onerous language prohibiting the use of modern scientific methods which has been in previous Commerce-Justice-State funding bills that have held up two budgets and led to one presidential veto of a disaster relief bill because of the antisampling language attached to it.

The Census Bureau plans to use such methods to conduct a quality check on the raw census field counts. These more accurate numbers can and will be used for nonapportionment purposes like redistricting and the distribution of hundreds of millions of dollars in Federal funds.

Mr. Chairman, we have been debating the census for an entire decade. No one should be surprised. But Congress failed to allow for the census in the Balanced Budget Act of 1997, and now, we find ourselves in the embarrassing situation of declaring the census unanticipated. This is not an emergency. We have done the census every 10 years since 1790. The majority is about to put together and pass a huge tax cut. They should pay for the census out of that, rather than resorting to an accounting trick and declaring it an emergency.

Mr. MILLER of Florida. Mr. Chairman, will the gentlewoman yield?

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. ROGERS. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York (Mrs. MALONEY).

Mr. MILLER of Florida. Mr. Chairman, if the gentlewoman will yield, the question was raised by the gentleman from Ohio (Mr. SAWYER) and the gentlewoman from New York (Mrs. MALONEY) about timing on October 1. As I have said in the past, I will work with the chairman and the leadership to make sure the funding is going to be there on October 1 if a CR, which happens historically, on this bill is necessary. Because I agree and I understand the problem, and as we have in the past, we have always worked to make sure that money flows.

Mrs. MALONEY of New York. Mr. Chairman, reclaiming my time, as the gentleman knows better than most people, the tight time frame that the Census Bureau is on, all that needs to be done, and it is very strictly marked down on a tight time frame.

The CHAIRMAN. The time of the gentlewoman from New York (Mrs. MALONEY) has again expired.

Mr. SERRANO. Mr. Chairman, I yield 10 additional seconds to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, what bothers me is if the bill is vetoed, as the President has said he will do, then that will put in jeopardy the time frame of getting the money to the Census Bureau on time.

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Mr. SERRANO. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I would like to engage the distinguished chairman of the subcommittee in a colloquy.

Mr. Chairman, I want to commend the Committee on crafting a bill which I feel is extremely fair under the circumstances. Given this, I know that funding any new initiatives or requested increases was all but impossible. However, there are three key programs which are vitally important that I would like to continue to work together on as the bill moves through conference.

The administration requested funding for a Pacific Salmon Recovery Fund which would assist the four West Coast States of Alaska, Washington, Oregon, and California, and help them respond to the recent Endangered Species Act listings of 13 salmon and steelhead populations.

Our region has been extremely hard hit by these listings, and is responding with both local and State money, but the Federal money requested by the administration is imperative, given the complexity of this species and the densely populated areas they impact.

Related to the coastal initiative, the National Marine Fisheries Service has requested an increase for expanded workload on the West Coast for Endangered Species Act requirements. Without the necessary consultation and permitting, routine growth in our region will come to a standstill.

Lastly, the United States and Canada recently reached agreement on the Pacific Salmon Treaty, which sets harvest restrictions and conservation measures between the two countries. To implement this agreement, the administration has requested appropriations for two endowment funds to assist with resource conservation and targeted buybacks.

Given the importance of this treaty in addressing over-harvest, I remain optimistic that this, too, may be revisited.

It is my strong hope that the gentleman can agree to continue to work with me on these issues as the bill proceeds in conference. I would be happy to work with the gentleman.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Kentucky.

Mr. ROGERS. I would be happy to work with the gentleman, Mr. Chairman. I know how important the gentleman feels this is to his State and region. We will be happy to continue to work with him.

Mr. DICKS. I thank the gentleman. I commend him for his work on the bill.

I want to compliment the ranking member, who has also promised he would work with us on this important issue.

Mr. SERRANO. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Chairman, I want to thank the gentleman from Washington for bringing such an important issue to the forefront of the debate.

Mr. Chairman, I rise in support of efforts to provide much-needed resources to the Pacific Coast Salmon Recovery Fund. This fund will help local efforts in Oregon, and across the Pacific Northwest, to restore native salmon runs.

I also want to commend Oregon Governor John Kitzhaber and Washington Governor Gary Locke for their hard work and interstate cooperation on this issue.

Salmon are a cultural icon in the Pacific Northwest; indeed, they are part of our identify. But salmon are also a national treasure, and more importantly, they are an indicator species. Like the canary in the coal mine, the health of salmon tell us volumes about how clean and safe our rivers and streams are.

Steep declines in Northwest salmon have led to several species listings under the Endangered Species Act. The four H's which have contributed to the consistent decline of salmon are habitat, hatcheries, hydro and harvest: Only by making sound investments in the programs that address these four H's, will we be able to bring salmon back.

The Pacific Coast Salmon Recovery Fund, which was included in the President's Budget at a level of $100 million, will support local initiatives to save salmon. It will help give states the ability to improve habitat, and bring salmon back. The Pacific Coast Salmon Recovery Fund will help local communities continue efforts such as mass marking, which help commercial and sport fisherman determine the difference between habitat fish and wild fish. Mass marking can reduce the amount of wild fish that are mistakenly taken and thus continue economic stability by harvesting hatchery fish. Finally, the Pacific Salmon Recovery fund could help local communities build Fish ladders, purchase fish friendly turbines and continue with mitigation around dams.

These are just a few examples of important initiatives that people in Oregon and the Northwest have taken upon themselves to restore salmon. All of these local initiatives are in desperate need of federal help.

Several species of salmon are on the verge of extinction, and we now find ourselves with a choice to make. Are we going to honor the commitments we have made to our children? Will they have the chance to enjoy clean water and healthy streams in the future? Will they inherit a healthy ecosystem that includes indigenous salmon? Or are we going to stand idly by and let salmon vanish?

By funding the Pacific Coast Salmon Recovery Fund, we can continue the process of helping coastal states recovery salmon. I want to work with my friend from Washington, Mr. DICKS, and the entire subcommittee to help ensure that the Pacific Coast Salmon Recovery Fund is funded at the maximum possible level, and that Oregon gets its fair share.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I also want to praise the gentleman for the excellent work that he has done on this bill.

With that, and saying that I am opposed to the bill, I will lay out the reasons why I am opposed to the Commerce-State-Justice appropriation bill.

It is my view in this effort that in order for the Republican leadership to fund a massive tax cut, that this bill will ultimately do harm to the most vulnerable people in our society, to minorities and to communities attempting to make their streets safe. This bill cuts in half the funding for the Legal Services Corporation, which is the Republican leadership's attempt to phase out this program.

It zeros out the hiring portion of the COPS program, meaning 50,000 fewer police officers will be on our streets. This bill freezes the Equal Employment Opportunity Commission, which will hinder the agency's efforts to reduce the backlog of discrimination complaints.

Funding for the Civil Rights Division under Justice is so low that it will tie the hands of investigators looking into prosecuting criminal civil rights cases, including hate crimes. The list goes on. The bill eliminates the Advanced Technology Program in order to pick a fight with the administration. It decimates funding for the Small Business Administration's work force, causing a reduction in force of more than 2,400 Federal employees, or 74 percent of the SBA's work force.

It eliminates the entire $20 million to help the Justice Department initiate litigation against the big tobacco companies in order to recover Federal costs for smoking-related illnesses. It freezes State Department funds.

It pretends to deal with U.N. arrearages, but makes them subject to authorization, so if the authorizing bill gets held up, the U.S. could lose its voting rights in the General Assembly. It guts the NOAA and the National Weather Service.

Mr. Chairman, I believe that we ought not to vote to gut legal services, to gut civil rights, our police forces, or the Small Business Administration, or research on advanced technology. Vote no on the Commerce-State-Justice appropriation bill because I believe that it has America's priorities upside down.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. MEEKS), my friend, colleague, and neighbor.

Mr. MEEKS of New York. Mr. Chairman, I would like to engage in a colloquy with the ranking member, the gentleman from New York (Mr. SERRANO).

Mr. Chairman, I want to commend the committee for including report language recognizing the tragic killing of Amadou Diallo in the Bronx, New York, in the gentleman's district. However, I still feel the need for additional report language regarding police brutality.

In the committee report's section dealing with the Bureau of Justice Statistics, the committee directs BGS to implement a voluntary annual reporting system of all deaths in law enforcement custody, and to provide a report to the committee on its progress no later than July 1, 2000.

Although this is a start in addressing this problem, I ask for report language that instructs the Attorney General to do three things: Evaluate and collect data in regard to police brutality; not later than September 15, 2000, to report the findings; and third and most importantly, make recommendations to Congress regarding effective strategies to combat such brutal acts.

It is not enough for a statistical report to be issued like the one I have in my hand. We need recommendations to solve this problem, and we need to work hand in hand with the Attorney General.

I just ask the gentleman, will he help to work on that to make sure it is in the reporting language?

Mr. SERRANO. Mr. Chairman, will the gentleman yield?

Mr. MEEKS of New York. I yield to the gentleman from New York.

Mr. SERRANO. I thank the gentleman for his concern. Mr. Chairman, we have worked together on this issue. This is a very serious issue, to the point where the gentleman and I gave ourselves up for arrest during demonstrations that took place in New York. We did not do that lightly. We took that very seriously at this stage in our development as human beings, and at this stage in our careers.

I give the gentleman my word that on the way to passage and signature of this bill, to approval by the President, I will do whatever I have to do to see that we make changes in the language that will fit the gentleman's request and our desire.

Mr. MEEKS of New York. I thank the gentleman from New York, and I appreciate his hard work.

Mr. SERRANO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just wanted once again to thank the gentleman, my chairman, for his work, and for the way he has treated me in these dealings. I have made it clear to the chairman that this is a very difficult bill; one, however, that I personally support, and I will try in my support of this bill to send the chairman and the majority a message that I stand ready, willing, and able to work with them to make this bill a better bill.

However, I have to state that with the problems that this bill has, it still does have a very positive statement about the Census, one that I support, one that I know is necessary, and one that I thank the chairman for.

Mr. Chairman, I yield back the balance of my time.

Mr. ROGERS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, let me close with thanking the gentleman from New York (Mr. SERRANO). As I said, he is a new member of the subcommittee, as well as being the new ranking member of the subcommittee, and that is a heavy chore dumped in his lap overnight. But he has carried it out admirably and with good humor. He makes the heaviest of tasks a lot lighter because of his sense of humor and his joy, and he is a joy to work with.

I appreciate very much the work that he has done on this bill with us all year long. He has attended every hearing, and I think we had 23 or so hearings covering a broad expanse of the government. But the gentleman from New York (Mr. SERRANO) educated himself on those matters as the hearings came up, and participated brilliantly, and he has been a real asset. I mean that sincerely, and I appreciate his work.

I appreciate his support for the bill. That takes a good deal of courage, and I really appreciate that kind of commitment.

Mr. SALMON. Mr. Chairman, Webster's dictionary defines the word emergency as, "an unforseen combination of circumstances or the resulting state that calls for immediate action." In the past, Congress has passed emergency spending legislation to address pressing needs resulting from natural disasters, wars or other unforseen crisis. But today, the House will consider legislation to expand the definition of "emergency" to fund, of all things, the census.

Now, maybe I'm just naive. Or maybe I just don't get it. But from what I understand, the federal government has been conducting the census every ten years since 1790. In fact, the authority of Congress to do so is explicitly enumerated in the Constitution. Over 200 years later, how can anyone with a straight face really say that census funding is something unforseen—an emergency?

If funding for the census is truly an emergency, what is not? What about the Departments of Treasury, Justice or State? Like the census, these are a core responsibility of the federal government. Should we use emergency spending to fund these departments? Where does it end?

Unfortunately, this isn't the first time Congress has used emergency spending to bypass spending limits. The Omnibus spending bill passed last year contained about $20 billion in speciously classified emergency spending. I voted against that bill for the same reason that I will oppose this legislation today—because it is fiscally irresponsible.

It's time to end this charade. We impose budget caps for a very simple reason—to control spending. If we are not willing to respect those caps, let's not use a bunch of fancy budget gimmickry and smoke and mirrors to fool the American people into believing that we are. Let's have an honest vote—up or down—on whether or not we are willing to abide by the agreement we passed in 1997. At least that way, the American people will know who is serious about controlling spending and who is not.

I urge my colleagues to support the Coburn Amendment.

Mr. BARRETT of Nebraska. Mr. Chairman, I rise to thank the distinguished Chairman of the Commerce, Justice, State, and Judiciary Subcommittee, the Ranking Member, and all members of the Subcommittee for the inclusion of a $500,000 appropriation for planning and site money for a Immigration and Naturalization Service's (INS) detention center in Grand Island, Nebraska.

Unfortunately, the national INS office has been slow to respond to the urgent need for enhanced enforcement, including additional detention facilities, in the interior. Various economic and geographic circumstances are attracting large numbers of illegal aliens to Nebraska and other interior states. In response, INS launched enforcement initiatives in Nebraska and along the Interstate 80 corridor. However, INS does not currently have detention facilities in our state to house illegal aliens. That's why I am pleased the Chairman recognizes the importance of locating a detention facility in my district, Nebraska.

In closing, I want to once again express my appreciation to the Chairman for his attention to Nebraska's concerns and his efforts toward improving INS administration, enforcement, and service.

Mr. PACKARD. Mr. Chairman, I would like to express my strong support of the FY2000 Commerce, Justice, State and Judiciary appropriations bill for FY2000. Approving this legislation would provide $585 million in funds for State Criminal Alien Assistance Program (SCAAP).

SCAAP was established as a way to reimburse state and local governments for the costs of incarcerating illegal criminal aliens. These funds are distributed at the discretion of the Department of Justice to those states most afflicted by this problem.

Mr. Chairman, California shoulders approximately half the costs associated with criminal aliens in the entire nation. It is clear to me that at both the State and Federal level for the containment of those criminals are staggering and should not be made the responsibility of the California taxpayer alone.

Mr. Chairman, illegal immigration is a problem the Federal government should be addressing. Neither California nor any other state should be made liable for the federal government's failure to restrict the entry of illegal immigrants. I encourage my colleagues to support H.R. 2670, the Commerce, Justice, State, Judiciary Appropriations Bill.

Mr. DAVIS of Virginia. Mr. Chairman, the Commerce, Justice, State Appropriations bill contains a number of provisions of importance to the people of my district. Two National Weather Service (NWS) programs in particular are of critical importance: the funding level for the Advanced Weather Interactive Processing System (AWIPS) Build 5, and the reductions in base operations dollars. I would ask that the Members of the conference committee support these critical programs during conference.

AWIPS is a key component of the National Weather Service multiyear, multi-billion dollar modernization effort. AWIPS capabilities have enabled NWS forecasters throughout the country to provide more timely, accurate forecasts and warnings to the American people. The capability of this new technology was most recently demonstrated during the May tornado outbreak in Oklahoma and Kansas. The investment of new technology, as represented by AWIPS, has saved lives.

Funding AWIPS Build 5 is crucial to the continuing success of NWS modernization. Longer lead times for severe weather warnings is but one example of the many benefits of the Build 5 program. An increase of as little as 4 minutes of lead time can mean the difference between life and death for people in the path of a tornado. I hope the Conference committee Members will also support this initiative.

NWS base operations funds provide the wherewithal to staff the offices, analyze the data, gather the time critical information needed to produce the warnings and forecasts on which all Americans rely. The NWS is committed to becoming a "No Surprise" weather service, and the key to accomplishing that goal is a combination of the latest technology coupled with sufficient personnel to operate and understand it. Cuts to base funds cut bone, not fat, Mr. Chairman, and I would ask the members to the conference committee to remember that as this legislation proceeds to conference.

Mr. Chairman, the NWS is a critical federal agency. The work of the men and women at offices across the country affects each and every one of use every single day, twenty-four hours a day. Let's give them the resources needed—both in terms of personnel and technology—to continue to do the tremendous job, which we have become accustomed.

Mr. HALL of Ohio. Mr. Chairman, I rise in support of the effort this bill represents to increase security at America's embassies around the world. I have seen my share of our embassies, and know the Americans and national employees who work there to be courageous people who are committed to their work, and who deserve the support of this Congress and our State Department.

I comment Chairman ROGERS and Mr. SERRANO for their work on this bill, and for their commitment to see that we do everything in our power to deter attacks like those on two of our embassies last year—and that no future attack, if one occurs, produces such carnage.

I particularly appreciate their efforts to see that the situation at our embassy in Cambodia is addressed. As I have told the Committee, the State Department, and others, I recently visited Cambodia and was shocked to see how exposed it is to almost any threat. The building is virtually on top of a busy street, with no setback, and is shared with non-embassy organizations. It would not take a bomb to do severe damage; even a hand grenade tossed from the street would certainly kill Americans and Cambodians who work there.

Mr. Chairman, after 30 years of civil war Cambodia is now achieving peace. But while there is no longer the threat of war, the country is far from stable; street violence and public unrest had been common until recent months and the U.S. embassy was one site of Chinese demonstrations after the United States mistakenly bombed Beijing's embassy in Belgrade.

I appreciate that the Committee does not want to list which embassies are vulnerable in report language that it traditionally uses to give direction to government officials. But I want to thank the Committee's members for whatever they can do to get the State Department to do something to make Embassy Phnom Penh safer.

In my view, too much attention is being focused on a few Cadillac solutions that turn a handful of embassies into impenetrable fortresses—but leave all the rest not a whit safer. I think money invested in relocating our embassy in Cambodia, as our outgoing ambassador has suggested, would be money well spent, and I hope the Committee and its staff will keep pressing until we get a solution that is more responsible than the State Department's suggestion to our ambassador that he move the embassy to another country.

I am hopeful about the United States' relations with Cambodia, and believe we now have an unusual opportunity to help close the door on the wars and genocide that have devastated it for 30 years. Many hurdles remain to helping its suffering people, but few of them could set back U.S. policy as an attack on our embassy could—even if, by some miracle given the building's situation, no one was hurt.

Mr. Chairman, I will continue to urge this Administration to look for an immediate remedy to this disaster-waiting-to-happen. Not only is that essential to the safety of some of the hardest-working foreign service officers I have met during my many years of focusing on humanitarian issues; it is also important for our efforts to aid some of the poorest people in the world.

Mr. Chairman, my thanks again to the Committee for its achievement in providing money needed to secure America's embassies.

Mr. SENSENBRENNER. Mr. Chairman, I rise today to comment on H.R. 2670, the Commerce, Justice, State, and the Judiciary Appropriations Act of 1999. This bill contains funding for the Department of Commerce's (DOC) Science and Technology programs as well as legislative guidance on some key project management issues at the Department of Commerce.

In May of this year, the Committee on Science passed H.R. 1552, the Marine Research and Related Environmental Research and Development Programs Authorization Act of 1999, and H.R. 1553, the National Weather Service and Related Agencies Authorization Act of 1999. H.R. 1553 has since passed the House on May 19th and awaits Senate action.

In H.R. 2670, NOAA is funded at $1,959,838,000 and contains transfers of $67,226,000. Within this amount, the National Weather Service (NWS) is funded at $599,196,000, which is a 7% increase over the FY 1999 enacted. Chairman Rogers noted that the NWS is the highest priority within NOAA and I concur with his comments. The protection of our citizens' life and property from severe weather must be NOAA's highest priority.

This bill funds the Office of Oceanic and Atmospheric Research at NOAA at a level of $260,560,000. I concur with Chairman ROGERS' assessment that this office should not be funding duplicative social-science and human dimensions research, and should fund hard computational science that has real benefit to the American taxpayer. The National Science Foundation (NSF) has a social science program area that is capable of making these assessments and I consider social science research at NOAA to be a low research priority.

I am pleased that the National Sea Grant College Program is funded at $58,500,000, which is $7,000,000 above the President's request. Sea Grant's cost-sharing approach with states provides greater bang for the research buck and in tight fiscal times it is the best way to stretch research dollars.

Finally, I am extremely gratified that Chairman ROGERS decided not to fund the Fisheries Research Vessels that were in the NOAA request. The Commerce Inspector General and the Government Accounting Office have pointed out time and time again the need for outsourcing NOAA fleet operations. While NOAA is making some progress in the oceanographic and hydrographic outsourcing areas, there is little to no progress in the fisheries research area. I urge NOAA to examine the use of UNOLS vessels to support fisheries research. NOAA should closely examine the Dorman report which pointed out that the need for these ships is questionable.

H.R. 2670 funds the National Institute of Standards and Technology (NIST) at $436,686,000 for FY 2000. This amount is $300,270,000 below the President's request and $210,464,000 below the FY 1999 enacted amount.

The Advanced Technology Program (ATP) at NIST is terminated in H.R. 2670. As I have stated in the past, until fundamental reforms are made to ATP that will ensure that federal grant funding is not simply displacing private capital investment, I do not think the program should be funded. The Science Committee and the full House passed just such structural changes to the program last year, but unfortunately the Senate did not act on them. The changes would not only prevent the displacement of private capital, but would increase private sector matching requirements for the program. Congresswoman MORELLA has once again introduced legislation, H.R. 1744, the National Institute of Standards and Technology Authorization Act of 1999, to fix the problem and authorize ATP. I am hopeful that this time the bill will be enacted.

The Manufacturing Extension Partnership (MEP) at NIST is funded at a level of $99,836,000 in H.R. 2670. I am pleased that the bill fully funds MEP at the President's.

Finally, the construction account at NIST is funded at $56,714,000 for FY 2000. This will provide $44,916,000 of the required funds for the Advanced Measurements Laboratory. Unfortunately, funding AML at this level will not allow NIST to begin construction of the project during FY 2000. The AML is necessary due to the precise measurements required for establishing standards associated with today's increasingly complex technologies. It is my hope that additional funding may become available during the Conference to allow construction of AML to begin during Fiscal Year 2000.

Mr. ROGERS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

The amendments printed in House Report 106–284 may be offered only by a Member designated in the report, and only at the appropriate point in the reading of the bill, shall be considered read, debatable for the time specified in the report, equally divided and controlled by a proponent and an opponent, and shall not be subject to amendment.

During consideration of the bill for amendment, the chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered as read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment, and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 5 minutes.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, and for other purposes, namely:

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, $79,328,000, of which not to exceed $3,317,000 is for the Facilities Program 2000, to remain available until expended: *Provided*, That not to exceed 43 permanent positions and 44 full-time equivalent workyears and $8,136,000 shall be expended for the Department Leadership Program exclusive of augmentation that occurred in these offices in fiscal year 1999: *Provided further*, That not to exceed 41 permanent positions and 48 full-time equivalent workyears and $4,811,000 shall be expended for the Offices of Legislative Affairs and Public Affairs: *Provided further*, That the latter two aforementioned offices shall not be augmented by personnel details, temporary transfers of personnel on either a reimbursable or non-reimbursable basis or any other type of formal or informal transfer or reimbursement of personnel or funds on either a temporary or long-term basis: *Provided further*, That the Attorney General is authorized to transfer, under such terms and conditions as the Attorney General shall specify, forfeited real or personal property of limited or marginal value, as such value is determined by guidelines established by the Attorney General, to a State or local government agency, or its designated contractor or transferee, for use to support drug abuse treatment, drug and crime prevention and education, housing, job skills, and other community-based public health and safety programs: *Provided further*, That any transfer under the preceding proviso shall not create or confer any private right of action in any person against the United States, and shall be treated as a reprogramming under section 605 of this Act.

Mr. HASTINGS of Washington. Mr. Chairman, I move to strike the last word for the purposes of entering into a colloquy with the subcommittee chairman.

Mr. Chairman, let me first say that I appreciate all the hard work that the gentleman and his committee have done on this measure.

As the chairman knows, the recent listings of the nine salmon and steelhead runs in the Pacific Northwest as endangered has resulted in substantial delays in the processing of jeopardy reviews under the Endangered Species Act by the National Marine Fisheries Service.

This backlog has already caused important local transportation projects to be delayed, and has even put Federal highway funding for some of these projects at risk of expiring.

In some cases, such as the replacement of traffic lights in Richland, Washington, these projects have no discernible impact on endangered species. I know the gentleman shares my support for the measures, which will reduce this backlog within existing resources. The NMFS has previously entered into cooperative agreements with State agencies to use State employees to process these reviews more quickly.

Will the chairman work with me to encourage NMFS to continue these efforts to reduce delays without increasing the number of NMFS employees?

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Washington. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for bringing this to our attention. I certainly share the gentleman's concern about these delays. As the gentleman knows, the committee was forced to make some very difficult decisions in this bill. Where steps can be taken to address these problems without additional Federal funding, I am eager to see them taken, and will assist the gentleman in that.

I will be very pleased to work with the gentleman to encourage NMFS to modify this matter in that direction.

Mr. HASTINGS of Washington. I thank the chairman, and I look forward to working with the chairman on this issue.

The CHAIRMAN pro tempore (Mr. WHITFIELD). The Clerk will read.

The Clerk read as follows:

COUNTERTERRORISM FUND

For necessary expenses, as determined by the Attorney General, $10,000,000, to remain available until expended, to reimburse any Department of Justice organization for (1) the costs incurred in reestablishing the operational capability of an office or facility which has been damaged or destroyed as a result of any domestic or international terrorist incident; and (2) the costs of providing support to counter, investigate or prosecute domestic or international terrorism, including payment of rewards in connection with these activities: *Provided*, That any Federal agency may be reimbursed for the costs of detaining in foreign countries individuals accused of acts of terrorism that violate the laws of the United States: *Provided further*, That funds provided under this paragraph shall be available only after the Attorney General notifies the Committees on Appropriations of the House of Representatives and the Senate in accordance with section 605 of this Act.

TELECOMMUNICATIONS CARRIER COMPLIANCE FUND

For payments authorized by section 109 of the Communications Assistance for Law Enforcement Act (47 U.S.C. 1008), $15,000,000, to remain available until expended.

ADMINISTRATIVE REVIEW AND APPEALS

For expenses necessary for the administration of pardon and clemency petitions and immigration related activities, $84,200,000.

Mrs. MORELLA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wanted to ask permission of the Chair and of my esteemed colleague and chairman of the Subcommittee on Commerce, Justice, State, and Judiciary if he would engage in a brief colloquy with me.

Mr. Chairman, I appreciate the gentleman's longstanding support of the laboratory programs and the research facilities at the National Institute of Standards and Technology, known as NIST. As the gentleman knows, NIST's unique mission of promoting our Nation's competitiveness requires world-class state-of-the-art facilities to provide precise measurements for today's increasingly complex technologies.

As a result, an expedited NIST construction of the Advanced Measurement Laboratory has been an important goal for both my Subcommittee on Technology and, indeed, the gentleman's subcommittee. Over the past 2 years the Committee on Appropriations has supported the AML, appropriating well-over half the total needed to complete the project.

But while H.R. 2670 includes $44 million for the AML, that is not enough to begin construction in fiscal year 2000.

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So while I appreciate the budget constraints imposed upon the Subcommittee, it is my understanding that the Committee is still fully committed to the AML construction. I would like to hear from the gentleman from Kentucky (Mr. ROGERS) if that is correct, Mr. Chairman.

Mr. ROGERS. Mr. Chairman, will the gentlewoman from Maryland yield?

Mrs. MORELLA. Indeed, I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, the gentlewoman is correct. The Committee has continued to support the construction of the laboratory within the availability of existing resources.

Mrs. MORELLA. Mr. Chairman, I appreciate the clarification of the gentleman from Kentucky and ongoing support for this. This is really important.

Should additional funds become available in conference with the Senate, it is my hope that a portion of those funds can be used to begin AML construction in fiscal year 2000.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

In addition, $50,363,000, for such purposes, to remain available until expended, to be derived from the Violent Crime Reduction Trust Fund.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $42,475,000; including not to exceed $10,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and for the acquisition, lease, maintenance, and operation of motor vehicles, without regard to the general purchase price limitation for the current fiscal year: *Provided*, That up to two-tenths of one percent of the Department of Justice's allocation from the Violent Crime Reduction Trust Fund grant programs may be transferred at the discretion of the Attorney General to this account for the audit or other review of such grant programs, as authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322).

United States Parole Commission

SALARIES AND EXPENSES

For necessary expenses of the United States Parole Commission as authorized by law, $7,380,000.

Legal Activities

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and rent of private or Government-owned space in the District of Columbia, $355,691,000; of which not to exceed $10,000,000 for litigation support contracts shall remain available until expended: *Provided*, That of the funds available in this appropriation, not to exceed $18,166,000 shall remain available until expended for office automation systems for the legal divisions covered by this appropriation, and for the United States Attorneys, the Antitrust Division, and offices funded through "Salaries and Expenses", General Administration: *Provided further*, That of the total amount appropriated, not to exceed $1,000 shall be available to the United States National Central Bureau, INTERPOL, for official reception and representation expenses.

In addition, $147,929,000, to be derived from the Violent Crime Reduction Trust Fund, to remain available until expended for such purposes.

In addition, for reimbursement of expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986, as amended, not to exceed $3,424,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, $57,368,000: *Provided*, That, notwithstanding any other provision of law, not to exceed $57,368,000 of offsetting collections derived from fees collected in fiscal year 2000 for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18(a) note) shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 2000, so as to result in a final fiscal year 2000 appropriation from the General Fund estimated at not more than $0.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For necessary expenses of the Offices of the United States Attorneys, including intergovernmental and cooperative agreements, $1,161,957,000; of which not to exceed $2,500,000 shall be available until September 30, 2001, for (1) training personnel in debt collection, (2) locating debtors and their property, (3) paying the net costs of selling property, and (4) tracking debts owed to the United States Government: *Provided*, That of the total amount appropriated, not to exceed $8,000 shall be available for official reception and representation expenses: *Provided further*, That not to exceed $10,000,000 of those funds available for automated litigation support contracts shall remain available until expended: *Provided further*, That, in addition to reimbursable full-time equivalent workyears available to the Offices of the United States Attorneys, not to exceed 9,044 positions and 9,360 full-time equivalent workyears shall be supported from the funds appropriated in this Act for the United States Attorneys.

UNITED STATES TRUSTEE SYSTEM FUND

For necessary expenses of the United States Trustee Program, as authorized by 28 U.S.C. 589a(a), $114,248,000, to remain available until expended and to be derived from the United States Trustee System Fund: *Provided*, That, notwithstanding any other provision of law, deposits to the Fund shall be available in such amounts as may be necessary to pay refunds due depositors: *Provided further*, That, notwithstanding any other provision of law, $114,248,000 of offsetting collections derived from fees collected pursuant to 28 U.S.C. 589a(b) shall be retained and used for necessary expenses in this appropriation and remain available until expended: *Provided further*, That the sum herein appropriated from the Fund shall be reduced as such offsetting collections are received during fiscal year 2000, so as to result in a final fiscal year 2000 appropriation from the Fund estimated at $0: *Provided further*, That 28 U.S.C. 589a is amended by striking "and" in subsection (b)(7); by striking the period in subsection (b)(8) and inserting in lieu thereof "; and"; and by adding a new paragraph as follows: "(9) interest earned on Fund investment.".

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109, $1,175,000.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill through page 12 line 16 be considered as read, printed in the RECORD, and open to amendment at any time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The text of the bill from page 9, line 1 through page 12, line 16 is as follows:

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For necessary expenses of the United States Marshals Service; including the acquisition, lease, maintenance, and operation of vehicles, and the purchase of passenger motor vehicles for police-type use, without regard to the general purchase price limitation for the current fiscal year, $329,289,000, as authorized by 28 U.S.C. 561(i); of which not to exceed $6,000 shall be available for official reception and representation expenses; of which not to exceed $4,000,000 for development, implementation, maintenance and support, and training for an automated prisoner information system shall remain available until expended; and of which not less than $2,762,000 shall be for the costs of conversion to narrowband communications and for the operations and maintenance of legacy Land Mobile Radio systems: *Provided*, That such amount shall be transferred to and administered by the Department of Justice Wireless Management Office.

In addition, $209,620,000, for such purposes, to remain available until expended, to be derived from the Violent Crime Reduction Trust Fund.

CONSTRUCTION

For planning, constructing, renovating, equipping, and maintaining United States Marshals Service prisoner-holding space in United States courthouses and federal buildings, including the renovation and expansion of prisoner movement areas, elevators, and sallyports, $4,600,000, to remain available until expended.

JUSTICE PRISONER AND ALIEN TRANSPORTATION SYSTEM FUND, UNITED STATES MARSHALS SERVICE

Beginning in fiscal year 2000 and thereafter, payment shall be made from the Justice Prisoner and Alien Transportation System Fund for necessary expenses related to the scheduling and transportation of United

States prisoners and illegal and criminal aliens in the custody of the United States Marshals Service, as authorized in 18 U.S.C. 4013, including, without limitation, salaries and expenses, operations, and the acquisition, lease, and maintenance of aircraft and support facilities: *Provided*, That the Fund shall be reimbursed or credited with advance payments from amounts available to the Department of Justice, other Federal agencies, and other sources at rates that will recover the expenses of Fund operations, including, without limitation, accrual of annual leave and depreciation of plant and equipment of the Fund: *Provided further*, That proceeds from the disposal of Fund aircraft shall be credited to the Fund: *Provided further*, That amounts in the Fund shall be available without fiscal year limitation, and may be used for operating equipment lease agreements that do not exceed 5 years.

FEDERAL PRISONER DETENTION

For expenses, related to United States prisoners in the custody of the United States Marshals Service as authorized in 18 U.S.C. 4013, but not including expenses otherwise provided for in appropriations available to the Attorney General, $525,000,000, as authorized by 28 U.S.C. 561(i), to remain available until expended.

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses, for expenses of contracts for the procurement and supervision of expert witnesses, for private counsel expenses, and for per diems in lieu of subsistence, as authorized by law, including advances, $95,000,000, to remain available until expended; of which not to exceed $6,000,000 may be made available for planning, construction, renovations, maintenance, remodeling, and repair of buildings, and the purchase of equipment incident thereto, for protected witness safesites; and of which not to exceed $1,000,000 may be made available for the purchase and maintenance of armored vehicles for transportation of protected witnesses.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service, established by title X of the Civil Rights Act of 1964, $7,199,000 and, in addition, up to $1,000,000 of funds made available to the Department of Justice in this Act may be transferred by the Attorney General to this account: *Provided*, That notwithstanding any other provision of law, upon a determination by the Attorney General that emergent circumstances require additional funding for conflict prevention and resolution activities of the Community Relations Service, the Attorney General may transfer such amounts to the Community Relations Service, from available appropriations for the current fiscal year for the Department of Justice, as may be necessary to respond to such circumstances: *Provided further*, That any transfer pursuant to the previous proviso shall be treated as a reprogramming under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ASSETS FORFEITURE FUND

For expenses authorized by 28 U.S.C. 524(c)(1) (A)(ii), (B), (F), and (G), as amended, $23,000,000, to be derived from the Department of Justice Assets Forfeiture Fund.

The CHAIRMAN. Are there amendments to that portion of the bill?

AMENDMENT OFFERED BY MR. SERRANO

Mr. SERRANO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SERRANO:

Page 12, line 19, after the dollar amount, insert the following: "(reduced by $23,000,000)".

Page 14, line 7, after the dollar amount, insert the following: "(reduced by $20,000,000)".

Page 18, line 18, after the dollar amount, insert the following: "(reduced by $44,000,000)".

Page 21, line 21, after the dollar amount, insert the following: "(increased by $44,000,000)".

Page 22, line 21, after the dollar amount, insert the following: "(reduced by $32,000,000)".

Page 65, line 17, after the dollar amount, insert the following: "(reduced by $24,000,000)".

Page 72, line 5, after the dollar amount, insert the following: "(reduced by $10,000,000)".

Page 93, line 25, after the dollar amount, insert the following: "(increased by $109,000,000)".

Page 94, line 1, after the dollar amount, insert the following: "(increased by $108,110,000)".

Page 94, line 2, after the dollar amount, insert the following: "(increased by $890,000)".

Mr. SERRANO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SERRANO. Mr. Chairman, my amendment would increase the appropriation for the Legal Services Corporation to $250 million. Of this increase, $108 million would be for the LSC's basic field programs and required independent audits and $900,000 would bring the Office of Inspector General up to the fiscal year 1999 level to assist in improving case reporting.

To offset the increase and assure that the amendment is outlay-neutral, it would cut $23 million from administration of the Justice Department's Asset Forfeiture Fund, $20 million from the FBI's National Instant Check System, $32 million from the salaries and expenses of the Bureau of Prisons, $24 million from the salaries and expenses of the Federal Judiciary, and $10 million from the salaries and expenses of the Department of State, and transfers $44 million within the Immigration and Naturalization Service.

These are not easy cuts to make. But each can be justified. The cut of 53 percent contained in the bill would virtually abandon our long-standing Federal commitment to the legal protection of low-income Americans, including children, the elderly, and the victims of spousal and child abuse, arbitrary government action, and consumer fraud.

A reduction of the fiscal year 2000 funding level to $141 million would result in severe reductions in services to most clients. The number of cases closed would fall, and families would actually be turned away and denied access to the court. There would be a decrease in the number of neighborhood offices resulting in no offices providing legal assistance to clients in thousands of counties throughout the United States.

Especially hard hit would be the millions of poor people living in rural areas in the South, Southwest, and large parts of the Midwest. The number of Legal Services Corporation attorneys serving the poor would be drastically reduced with just one LSC lawyer for every 23,600 poor Americans in the year 2000.

The Legal Services Corporation, Mr. Chairman, was created in 1974 with bipartisan sponsorship and signed into law by President Nixon. The Legal Services Delivery System is based on several principles: local priorities, national accountability, competition for grants, and a strong public-private partnership.

This corporation has been a success with real programs to help low-income women who are the victims of domestic violence. LSC-funded programs have helped millions of children living in poverty by providing lawyers who represent children and their parents in civil cases, helping them to avoid homelessness, to obtain child support or supplemental security income, and to find a safe haven against violence in the home.

Significant services are provided to the elderly who, because of their special health, income, and social needs, often require legal assistance.

Mr. Chairman, the Legal Services Corporation provides a valuable, even essential, service to the Nation's low-income families that would be reduced by the funding level in this bill.

I urge my colleagues to support this amendment to give LSC more resources to meet the legal needs of the poor. This is without a doubt the most important amendment of the day and one that I know can have bipartisan support on behalf of people who need it and on behalf of those principles we stand for in this country.

Mr. WELDON of Florida. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, we are all familiar with the purported purpose of the Legal Services Corporation, which is to help the needy when they have problems with an eviction or some other legal action and they do not have the financial resources to turn to an attorney and get the legal assistance that they need.

Indeed, that is a purpose for the Legal Services Corporation that I believe I support and the vast majority of the Members of this House would support. Certainly the people who will rise in opposition to this amendment would agree to that, that if that were the purpose, the sole purpose of the Legal

Services Corporation, then there would be unanimous support for the Legal Services Corporation, and there would be no call for reducing their funding.

But the fact of the matter is that the Legal Services Corporation has engaged in a lot of other legal activity other than what they purport to do. Indeed, I believe they file legal briefs challenging our welfare reform legislation that this body passed and the President ultimately signed, which I believe most Americans today would now say has been a fabulous success.

I could go on and on and list all of the various left-wing causes that the Legal Services Corporation has decided to sign up to over the years.

Now, I have had their members come into my office and say we are getting away from that, we are going to just strictly apply ourselves to the bread and butter issues of helping those poor people with the legal representation that they needed.

Frankly, I had seen a trend in that direction in my State. But now we have reported to us by their own IG and the GAO that they have been falsifying their records of caseloads for the last I do not know how many years, and that they are not actually representing the number of people that they are supposed to be representing.

Indeed, we have been informed that they are actually doing about half the amount of work that they have been claiming to the Congress that they have been doing.

I have been here for 5 years now, and this to me has been one of the most outrageous misrepresentations of any agency in the 5 years that I have been here. I must say it is probably one of the worst in this century.

I applaud my colleagues on the Committee on Appropriations. They did the appropriate thing. The data comes in and says, no, the Legal Services Corporation is doing half the amount of work that it is supposed to be doing. Therefore, we will cut their appropriation in half. We will fund them at the level that they are actually doing.

Therefore, I strongly encourage my colleagues to vote "no" on this amendment. Support the committee mark in this area. It is the right thing to do, and it is the right thing to do for all of the working people in this country who get up every morning and work very, very hard and typically do not have enough money at the end of the week to pay all of the bills that they need to pay.

We are entrusted with the sacred responsibility to be able to take the hard-earned dollars of the American taxpayers and spend it appropriately; and to give an agency that has been falsifying their records an amount of money consistent with their falsified volume to me is absolutely unconscionable.

I urge my colleagues in the strongest way to vote against this amendment and support the original committee mark in this area.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have just come to the floor from a hearing in the Committee on Judiciary dealing with the Hate Crimes Prevention Act. As I listened to the gentleman from Florida (Mr. WELDON), although his arguments are pertaining to the amendment of the gentleman from New York (Mr. SERRANO) of which I rise to support, and I appreciate his distinguished leadership on this issue, the sound is similar.

For the opponents of the hate crimes legislation were making a number of legal arguments, a number of arguments that would question Congress' rightness in doing this for fear that it would be difficult to prosecute or that the courts would argue or the courts would find this law unconstitutional.

Those of us who profess to support it recognize that the courts may have their chance at the legislation. But we also recognize that people were dead. James Barrett is dead. Matthew Shepherd is dead. A gay man is dead. We realize that the Congress had to act.

In this instance, I support the Legal Services Corporation because poor people should have equal access to legal services. Whether they are Indians on America's reservations; whether they are citizens on the border in Texas; whether they are African-American single mothers in the inner cities of Houston or all over this Nation, we must provide in a manner that is responsible and efficient the kinds of services that are the privileges of the rich.

If any of us have ever entered into the halls of a courtroom, and I practiced law for a number of years and presided as an associate judge for the Municipal Court of the City of Houston, I know the pain of those who do not have adequate representation, the pain of those who come into a system that is confusing and intimidating. Our legal services are officers and attorneys who work in the shadow of poor working conditions, poor money as compared to their counterparts in the private sector, but they work with compassion and dedication.

I cannot imagine this Congress opposing the opportunity to say to America that, because one is not born with all of the attachments of privilege and wealth that one does not have the opportunity to receive justice, as I would not want to tell the Jewish person or the black person or the Hispanic or the gay or lesbian person that they cannot be protected by the laws of this land in a hate crimes act, as we tried to tell African Americans in not being for the Civil Rights Act of 1964 and the Voter Rights Act of 1965.

We have a better and a higher calling, and I believe that this amendment of the ranking member is a good amendment, a fair amendment, and I would ask my colleagues to support it.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I practiced law for 27 years. I was a city attorney of Pinebluff, Arkansas, for 2 of those years. I saw how the Legal Services Corporation was doing a good job in rural America.

I stayed with this program up until right now. I stayed with it because of what the lawyers, my fellow lawyers, were telling me were the circumstances. It reminded me of what the circumstances were at home.

□ 1415

But now I can see that people who had other ideas were just using the poor people. I would like to see how they, if they were given the case, would handle the misrepresentation. In other words, if we went to these political activists, if that is what we want to call them, or the people that use the poor people to try to get other things done, I would like to see what case they would make as to whether or not the money we have appropriated over the years, based on their figures, should be returned; how they would handle that and what they would call it. I think it would be very clear that they would have an excellent case.

We have seen the Legal Services Corporation used for exotic theories and almost for law school type circumstances where they say, let us try this, let us try this, let us see if we can do this and that, and that all comes from idleness. I think the only way to bring the Legal Services Corporation back to focusing on poor people and trying to help them in their only touch, sometimes, with justice, in the municipal courts and smaller claims courts all across the country, is just to reduce the size of the appropriations; make them, Mr. Chairman, understand what their purpose is and get back to the principles. Otherwise, we are going to just promote misrepresentation and government bureaucracy, and I think that is a disservice to the poor people.

Mr. DELAHUNT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am pleased to cosponsor this amendment with the ranking member, the gentleman from New York, and the gentleman from Minnesota (Mr. RAMSTAD). Our preceding speaker referred to or used the metaphor about cooking the books. Well, if somebody is cooking the books, we should get new cooks, not go and blow up the kitchen.

Last year, Legal Services Corporation provided support to 258 local agencies in every county and Congressional District in America. That support is a lifeline for hundreds of thousands of people with no other means of access to the legal system.

Who are these people that rely on Legal Services? Over two-thirds are women, and most are mothers with children. They are women, women seeking protection against abusive spouses, who oftentimes have their personal safety at risk along with the personal safety of their children. They are children living in poverty and neglect. They are elderly people threatened by eviction or victimized by consumer fraud. They are veterans denied benefits, and small farmers facing eviction. Everywhere in rural America this is occurring.

These are the people who will be hurt if this amendment is not adopted today. If Legal Services is forced to absorb the huge cuts made in committee, nearly a third of the 890 neighborhood Legal Services offices will have to close. This will leave one lawyer to serve every 23,600 poor Americans. Over 250,000 people in need of legal services will have to be turned away.

Nevertheless, we have already heard from some critics that we should cut the funding for the program. Why? Because some local grant recipients overstated the number of cases they handled back in 1997, chiefly by reporting telephone referrals to be cases. Never mind the fact that the agency itself uncovered the problem, brought it to congressional attention and moved speedily to correct it. Never mind the fact that despite the cries of fraud and abuse, neither LSC nor its affiliates derived any financial gain from the erroneous reports, because case numbers have no bearing on the program's funding levels. Allocations are based on eligible population living in each service area, not on the number of cases handled or referred. This has been pointed out repeatedly. However, the allegations continue.

There is a real irony here. Those who criticize LSC for counting referrals as cases fail to appreciate that referrals are what an agency does for the thousands of needy people when it is unable to provide services. And even without the proposed cuts, referrals must be made in many thousands of cases because current funding meets only 20 percent of the need. So if my colleagues want to eliminate referrals, I can tell them how to do it. Give the Legal Services Corporation the resources it needs to do the job more fully.

Instead of doing this, the committee voted to make further cuts that will devastate the program. Our amendment does not fully restore funding to last year's level because we could not find sufficient offsets in the bill. Moreover, some of the offsets we are using come at the expense of other legitimate and worthwhile programs. I am troubled by this, as is the gentleman from New York (Mr. SERRANO) and the gentleman from Minnesota (Mr. RAMSTAD).

I hope that after we pass the amendment, and I hope we will, that we can work with the White House and our Senate colleagues to fully restore the funding for Legal Services and restore some of those offsets as well. Meanwhile, I urge my colleagues to support the amendment. It is a critically important vote, and it is the right thing to do.

Mr. RAMSTAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I join in sponsoring this amendment to prevent the draconian 53 percent cut in Legal Services' funding. If the committee's attempt to wipe out Legal Services prevails, our poorest most vulnerable citizens will have no civil justice, and those sacred words "equal justice under law" etched across the street on the Supreme Court building will be meaningless.

Congress has already cut Legal Services 30 percent since 1995. If we enact this 53 percent cut on top of that 30 percent cut, we would devastate thousands of domestic violence victims, children, seniors, and people with disabilities who depend on Legal Services for their mere survival.

Although as sponsors of this amendment, Mr. Chairman, we would prefer to restore funding to last year's level, a problem with finding sufficient offsets means this amendment, which I am sponsoring, still represents a $50 million cut from last year's funding level of $300 million.

Now, some have argued that funding for the Legal Services Corporation should be drastically cut because five legal aid programs, of the 258 programs total, allegedly overstated the number of low-income clients they serve. Mr. Chairman, it is time to look at the facts.

GAO found absolutely no evidence of fraud or intentional misreporting. Let me repeat that. GAO found absolutely no evidence of fraud or intentional misreporting. The Legal Services Corporation has already taken action to eliminate the confusion about what constitutes a case for reporting purposes and it is aggressively enforcing the reporting guideline.

The truth is, as the previous speaker and cosponsor of this amendment pointed out, no financial incentive exists to overstate the number of cases they handle because funding is not based on the number of cases but on the number of people in the area living at or below the poverty level. So there is absolutely no incentive for Legal Services to overstate the number of cases.

Mr. Chairman, it is also time to set the record straight about the misleading outdated charges by people on this floor who ignore the fact that the Legal Services Corporation was reformed by Congress in 1996. In 1996, we enacted tight restrictions on the Legal Services Corporation, so there are no class action lawsuits, no lobbying, no legal assistance to illegal aliens, no political activities, no prisoner litigation, no redistricting representation, no collection of attorneys' fees, and no representation of people evicted from public housing because of drug charges. These restrictions are in permanent law, as we all should know, and are restated in this bill.

These tight restrictions are not limited just to Legal Services Corporation funds. Legal aid programs cannot even use State or private funding on these purposes if they receive just one penny from the Legal Services Corporation. They cannot use State or private funding on these purposes that have been banned by the Congress by law. If they violate these restrictions, attorneys can be disbarred, programs lose their funding and their ability to apply for funding in the future. So we have appropriate sanctions to deal with any abuses.

Now, some critics here have already pointed to a few isolated cases that appear to be abusive. In these cases that have actually been documented, not the rumors and the innuendoes, but the cases that have actually been documented, either no Legal Services Corporation funding program was involved or the Legal Services Corporation is enforcing sanctions against the abuses, as they should.

But even with all the alleged abuses that have been talked about by critics of Legal Services, these represent a mere handful of aberrations in a program with countless success stories, Mr. Chairman, of service to domestic violence victims, to children in need of support, to seniors and people with disabilities in danger of losing the services that they need for their survival.

Mr. Chairman, let us not shut the courthouse door to poor people in America. Let us not give our most vulnerable Americans the heave-ho. Let us give poor people and vulnerable Americans their day in court just like every other American. If our justice system is only accessible to people with means, it cannot truly be just. I urge my colleagues to support fairness, to support equality under the law by restoring Legal Services funding.

Mr. MINGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to begin by associating myself with the remarks of my colleague, the gentleman from Minnesota (Mr. RAMSTAD). He has eloquently spoken of the importance of the Legal Services program and of the phony nature of the attacks against the Legal Services program.

I would like to focus my comments on a couple of other dimensions of the Legal Services program. First, I think it is worth noting that the Legal Services Corporation is 25 years old this year. Twenty-five years represents the commitment that we have made at the Federal level to equal access to the law.

I have personally participated in various aspects of the Legal Services program for 32 years, going back to the mid-1960s, actually, 34 years. I first became acquainted with it as a student in law school. Upon finishing law school, I joined with other attorneys in Minneapolis in forming a volunteer attorney program. I worked with the Legal Services Corporation as a law school faculty member, and then as a country lawyer I was on the Legal Services board in our rural area of Minnesota and also again worked with the volunteer attorney program.

My service is not unique, Mr. Chairman. There are thousands and thousands of lawyers around the country who have volunteered millions of hours of time to provide volunteer legal services to those in our country who cannot afford access to the legal system.

Now, some may say if there are all of these volunteer attorneys, why do we need this Federal money? Well, I can assure my colleagues that the ability of volunteers to handle the caseload is not adequate to the demands that are made upon the programs. It simply is not there. And the established program is important in coordinating the work of the volunteers, in making sure that they have some of the basic resources that are necessary for adequate representation. The Legal Services Corporation and the individual programs around the country are serving a vital need in even this coordination function.

Going beyond that, I think that it is critical that we understand the importance of equal access to the law in this country. It is one of the fundamental concepts in our Democratic form of government that everybody has access to the political and the legal processes of our Nation. If we lose this quality of equal access to the law in America, we compromise our commitments to our Democratic form of government. Once people feel that they are consigned to the trash heap of being unable to obtain redress for their legal grievances, they lose faith in our Democratic form of government.

And we may say, well, it is the ballot box that they have access to. But I would like to emphasize that the arena in which we are working, the legislative branch, the elected officials, is only part of our form of government.

□ 1430

The rest of it is the judicial system. And redress of grievances is as important a function of the judicial system and our ensuring people that they have access to the judicial system is as important as ensuring them that they have access to the ballot box. We cannot compromise this feature of our democratic form of government without in my opinion undermining our democratic form of government. For this reason, I urge that all of us maintain a commitment to this very important program.

I would also like to point out that in funding this program, we are not funding some lavish program that has highly compensated employees. We are funding a program that is employing people at very modest levels of compensation. Often what we find is that the attorneys in the Legal Services program serve a few years and go on into private practice because they say they cannot afford to continue to work in a program that provides modest compensation. If you compare this to the Medicaid and the Medicare programs in our country, you will find that the professional, the university, the postgraduate educated folks are not highly compensated members of their profession. They are very humbly compensated. So we, I think, have a very economical program. We are getting a very good return on our dollar.

I again urge support of the amendment.

Mr. LATHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this debate really, let me assure my colleagues, is not about the attributes of the volunteers at home who do good work, I believe, for their clients who need their assistance. This debate is all about integrity. This debate is all about honesty.

Let me give my colleagues a little bit of background of what happened this year. I had an individual come to my office who worked for Legal Services to explain to me, because of my position on this subcommittee on appropriations that funds Legal Services, exactly what had happened in 1997 and 1998 and exactly what had happened when we were going through the process last year of appropriating additional dollars for Legal Services.

This individual, who happened to be in part working with the Inspector General at Legal Services and with the Inspector General at Legal Services, had audited five different agencies, local agencies, and found that they had overreported their cases in those five by 90,000 cases. If anyone will remember the debate last year on Legal Services about how many times people would stand up here and say that Legal Services did 1.9 million cases last year and this justifies our appropriation.

So after this individual, who was with the Inspector General, came to my office to tell me what had happened, we ordered a GAO report to look at just six more local agencies. When they looked at those six agencies, they found that another 75,000 cases were falsely reported. So in total now, Mr. Chairman, we are up about 165,000, 170,000 cases, or 50 percent of the total cases reported by these 11 agencies.

Now, the question is, should they have told us last year before we made the appropriation for Legal Services that their numbers were totally bogus? They say, "No, we don't have any cause to report to you on a timely basis." I would respectfully submit the fact that under the Inspector General statute, they in fact were required to report to Congress and the Legal Services board was required to report to us exactly the phony numbers that they had derived and that they put to Congress. And when they were questioned during the appropriations process, they continually denied that they had held back this information until in fact I was able to lay the facts out.

We wonder why this would happen. The reason is, Mr. Chairman, the Inspector General at Legal Services, which the board admitted to the committee, said that his job was in jeopardy, and in fact what happened, he did not report to Congress as it is stated in statute that he has to if there are dramatic changes, he did not, because he was afraid of losing his job at Legal Services.

Again, Mr. Chairman, this is not about what Legal Services does. This is about integrity and honesty to Congress. Every Member here should show the disdain toward Legal Services which they showed toward you as a Member of Congress, to flat out come to us with false numbers and then say once again, "No, these are true" until they were presented with the facts and then they say, "Well, wait a minute, it doesn't matter what we said, because our appropriation isn't based on that, anyway."

This is a personal affront to every Member of Congress. If you believe that Congress can now go forward and talk to any other Federal agency and say that they have to be accountable but say to Legal Services, "It doesn't matter what you tell us because it's okay because you have a role that people like, that you're helping poor people, so it's okay no matter what you tell Congress to justify the money."

Mr. Chairman, that is what it is about. It is about honesty and integrity. I personally have supported Legal Services in the past. You can check my record. I have voted to increase funding. But I will not do so this year. The reason is, because I will not be insulted once again.

Mr. NADLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this amendment to eliminate the proposed draconian 53 percent cut in the appropriations for Legal Services.

Legal Services Corporation makes a real difference in the lives of those low-income Americans who need legal representation. Without the Legal Services Corporation, we would truly have the best legal rights that money can buy. It is bad enough that we have failed to enact campaign finance reform, so that Will Rogers' quip that we have the best government money can buy has more than a slight ring of truth. Without Legal Services, only those with money would have any real chance of finding justice in our courts.

There may be Members of this House who do not worry about the ability of low-income people to receive basic Legal Services. The annual assault on Legal Services Corporation would suggest that this is the case. In fact, the Legal Services Corporation does the opposite of what the money-driven politics which too often tends to rule this House these days would command. The Legal Services Corporation helps the poor and powerless assert their rights against the wealthy and powerful. It represents tenants against landlords, it represents victims of toxic pollution against corporate polluters, it represents those who have suffered discrimination against those who discriminate, it represents victims of domestic violence against those who perpetrate domestic violence. No wonder it is so unpopular.

But, Mr. Chairman, the poor, just like the wealthy, should be entitled to fair legal representation. A right without a ability to enforce it legally is not meaningful. If any Member of this House had a dispute or a legal problem, he or she would seek out the best legal services he or she could afford or could raise the money to afford. So there is a general recognition that to have meaningful rights, you need competent legal representation in this society.

In criminal proceedings, that need is so obvious that the Constitution requires publicly funded counsel. But that requirement has not been deemed to extend to protection of rights outside the criminal court, to family court, housing court or civil court. That is the job of Legal Services. We are not forced by the Constitution to do this, but simple decency and a commitment to equal justice under law should be enough. It was enough for President Nixon and for the bipartisan coalition that brought Legal Services into being and it should be enough now.

Some have argued that Legal Services Corporation has failed to live up to Congress' expectations for record keeping and accounting. Some have argued there is some waste and fraud and even abuse in Legal Services. I believe the wild claims that LSC is wasting or misusing large sums of taxpayers' money bear little relation to reality. But imagine if we applied the sort of rigorous accounting rules and this reasoning, the kind of reasoning we heard from the last speaker, to some other programs, like, for instance, the Defense Department. No one has ever suggested that because there is obviously waste, fraud and abuse in the Pentagon, we should abolish the defense budget, zero out the defense budget. That would be absurd.

Mr. Chairman, there is incredible cynicism in this country. The newspapers, the press have pointed out that the polls show that people feel that government responds to the rich and the powerful, that we do not particularly care about what ordinary people think. There is substantial truth to this. Who gets their phone calls returned from Congress or the executive branch more quickly, the ordinary voter or the $100,000 contributor? The answer is obvious. That is bad enough in the legislative and executive branches. Only the Legal Services Corporation prevents this from also being true in our courts of law, in the judicial branch, too.

We must adopt this amendment to protect the honesty and the integrity of the judicial branch and to protect the faith of our citizens and the fact that if they are hauled before the judicial branch, if they need the services of the judicial branch and if they cannot afford legal representation on their own, they will have the ability to have fair representation.

This amendment must be passed to protect the integrity and the honesty and the due regard of our people for the judicial branch of government and for what we claim to be our regard for equal justice under law.

I urge my colleagues to adopt this amendment.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, equal access under the law. Equal justice for all. The compassionate Nation providing legal resources to obtain these things for the poor and the itinerate in this population. These are great principles. They are honorable principles. They are principles we all embrace and principles we are willing to support. These are principles, Mr. Chairman, that we have entrusted to the Legal Services Corporation. We have said, "This is an important job. It is a job where you are trusted to reflect the heart, the compassion, the commitment of the American people. Do it right. Be of service. Make us proud."

Mr. Chairman, the Legal Services Corporation has failed in this duty. They have failed in such a way as to inflate the statistical data for the purpose of getting more of that money that might be otherwise used.

Mr. Chairman, in February of 1999, John McKay, the President of Legal Services Corporation said, and I quote, "Case statistics play an essential role in budget requests and the performance plan submitted by the Legal Services Corporation to Congress each year."

He went on to say, "Therefore, the reliability of case statistics"—therefore, the reliability of case statistics—reliability, that it be true and accurate. That is what "reliability" means here. True and accurate reporting of real cases really handled that reflect our compassion and our commitment to equal justice under the law for all Americans. "The reliability of case statistics submitted by programs to LSC is vital to obtaining continued Federal funding for Legal Services." This type of information holds great promise for securing increased Federal funding.

I could not agree more. Give us great reliability, and we will fulfill great promise for increased funding. But what did we find out? The Inspector General of Legal Services Corporation and the General Accounting Office audited 11 grantees. What did they find out? These 11 grantees reported 370,000 cases handled. The IG and the GAO invalidated, either because the case was not handled, it was merely a phone call and a referral or that the case was in fact a case taken on by Legal Services for somebody with means not intended to be covered by this service under the law or that the case was counted more than one time, 175,000 invalid cases.

□ 1445

That is not the judgment of the gentleman from Texas (Mr. ARMEY). That is the General Accounting Office, the accountability test.

The committee, quite rightly, saw this, took Mr. John McKay at his word and engaged in a further endorsement not only of what this agency is supposed to do but the standard by which they should demonstrate their achievement as reported by the agency themselves and cut their budget back to their actual caseload. A fair thing to do. A necessary thing to do.

Accountability is not a passing fancy, my colleagues, in the Government of the United States. We are given a trust to create agencies of compassion and service and then to hold them accountable to the fulfillment of that promise and the law by which we created.

Agencies that fail in their duty should not be rewarded. Yes, indeed, if our favorite charity was not in fact doing the things for which we voluntarily give our money, we would cut back. And we, as Members of Congress, given the trust to represent the compassion of the American people, must do the same for a Federal Government agency that does not fulfill its promise.

That is what is going on here. Do not reward them for giving us data that is not reliable for inflating the caseloads.

Now, Mr. Chairman, one final observation. If we are going to in fact restore money to Legal Services Corporation by this amendment in order to let them continue to operate in such a fashion as to report so many more cases than they actually do, where does this amendment suggest we take the money? From all funds to run the seized asset program vital to the battle against drug traffickers. Twenty million from the FBI's investigative expenses, 44 million from INS border enforcement, 44 million from violent crime initiative, 32 million from Federal prisons, and 10 million from operations of the Federal Court.

This is a serious moment in oversight accountability and service, Mr. Chairman. Are we in Congress going to take money from these agencies with these precious necessary duties so important to the safety and security of our citizens and say, no, we will take that fund away from them and give it to an agency that has been proven to squander their money and report falsely?

Mr. Chairman, for me to falsely represent my misdeeds is unacceptable. But, Mr. Chairman, for me to exaggerate and falsely report my virtue in the quest for the taxpayers' dollar is wholly unacceptable and frankly undignified.

Let us vote for the dignity, the service, and the compassion of the American people through its government and vote down this amendment.

Mrs. MEEK of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment of the gentleman from New York (Mr. SERRANO).

I can understand why the gentleman from New York (Mr. SERRANO) entered that amendment, because he has had first-rate experience with some of the pious platitudes I hear on this floor. He has seen some of the things that are happening. He is not basing all of his opinion merely on statistical data.

My mother used to have an old saying, "Figures do not lie but liars figure." We find that out a lot of times when we look at things in the Congress.

I just heard a litany of abuses of the Legal Services system, one of which said 11 particular programs in Legal Services abuse the statistical count.

What about the 258 others? Are they to go down because 11 of them went out of the way? 250,000 cases we are looking at. So what are the opponents of the Legal Services program voting against? They are voting against the rights and interest of one in every five Americans who are potentially eligible for legal services.

My colleagues are against their right to contest evictions when the slum lords put them out. They are willing to protect them so that they can contest foreclosures on these poor people, to obtain access to health care. They are willing to protect them because of these 11 people who abuse the law. They are trying to keep them from seeking redress, which anyone in this country should have, for child support and custody matters, to pursue unemployment or disability claims, or to protect their family members from domestic violence, one of the biggest problems we have in this country.

The Legal Services opponents are voting against some four million Legal Services clients. I see them every day in my community. Most of my colleagues see them in their community. I am not the only one.

So remember, we are representing people here. We are not representing some numbers that someone has put together to make us believe that there is this widespread abuse. I say to my colleagues, there is not.

My colleagues are overlooking the family members which they talk so much about, family values. If we believe in family values, let us then protect some of these poor and middle-class people who cannot afford to protect their families. They are voting against the elderly people of this country who comprise 10 percent of Legal Services clients. They do not know which way to go. They cannot go to another attorney.

Simply put, they are voting against equal justice under the law. I could give my colleagues all kinds of cases which would refute what we have heard on the floor today regarding the liability and validity of numbers.

I am saying to my colleagues to look at the 11 cases. Yes, they should be punished. But do not cut their budget down to $150 million. Look at all the money we spend here in the Congress. We spend it on widgets and gidgets and everything else. Yet we cannot look at these poor families that need legal services.

They have met some success over the years, Legal Services has. In 1995, we gave them $415 million for legal services. That was not a whole heck of a lot, but at least we gave it to them.

In 1996 we cut them to $278 million, slowly deescalating this wonderful agency. At the end of 1994, Legal Services programs funded by the LSC operated more than 1,200 neighborhood offices and they employed 4,500 attorneys.

These attorneys are not making a big amount of money either. They are working for the good of the people. By the end of 1996, we closed down 300 offices and the number of attorneys was cut by 900.

Where are we going to send these people? We cannot send them to a big, highly-paid lawyer. Where are we going to send these senior citizens who have no redress?

So in Florida there are about 106 million people living at or below the poverty level. They qualify for LSC-funded programs. In the Miami area alone, there are 350,000 poor citizens who are eligible and depend upon Legal Services programs.

Walk the streets of Miami with me and my colleagues will see those who came there, some by boat, some by ship, some forced there; and they cannot get any help because here in the Congress we quibble over $250 million.

I say to my colleagues it is a travesty of justice. I hope that we will vote for the Serrano amendment and forget about this litany of statistical misinformation.

Mr. GEKAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendment that has been offered to reinstate some of the funds for Legal Services. I do so with great pain and reluctance. Because many times in the past, even though I have always supported the right of the poor to have and to gain access to the court systems of our country, I have felt that there were certain abuses, alleged or actual or real, within the Legal Services Corporation and its grantees that cried out for reform.

We have succeeded many times to bring about such reforms. Those reforms are still in the play book. We must bring more accountability to Legal Services. But until we do, we cannot immediately put a finishing touch on the Legal Services' attempt to serve those people who are already on the books and who are yet to come.

I looked very carefully at the report of the committee, which I think is one of the finest analyses accompanying a decision by an appropriations committee that I have ever seen, and it seems to me that the language of the report serves as our next set of duties in the questions of the Legal Services Corporation.

The committee report talks about the serious concerns about the case service reporting and associated data reports, all those things that have been repeated by both the proponents and the opponents of Legal Services.

There is no question about it, we need accountability. There are abuses rampant in what we have seen already on the record in this proceeding.

It is my reasoning that we ought to consider all of this as allegations for the time being that the report by the committee, as excellent as it is, should constitute an indictment against the Legal Services Corporation and that we should, as fact-finders, proceed down the line with hearings and other oversight capacity to make sure that this never occurs again.

Now, if we consider this an indictment, that means that we should not consider the Legal Services Corporation at this moment or the grantees guilty. We give them the benefit of the doubt, assume their innocence until they are proven guilty, and then move to the rest of the calendar in this remaining first year of this session and in the next session to determine the truth of the allegations, and then in next year's allocation and appropriation, in that time, to make the corrections that are absolutely necessary.

This is an indictment that the Legal Services Corporation shall not avoid, and we have the duty to pursue this indictment. We have already determined in the Subcommittee on Commercial and Administrative Law that we will have an oversight hearing on the Legal Services Corporation on Wednesday, September 22, 1999, at 2 p.m. We are doing so in following the lead of the gentleman from Kentucky (Mr. ROGERS) and the Subcommittee on Commerce, Justice, State, and Judiciary because of the findings of that committee; and that committee set of findings will also be part of the hearing that we intend to conduct.

At all times, we will keep in constant touch with the gentleman from Kentucky (Mr. ROGERS) to make sure that this indictment against the Legal Services Corporation be fully fleshed out in a full trial before the American people to guarantee that the money will go to serve the poor, to guarantee access of the court system to the poor, and to make sure that accountability for it and accountability by the professionals shall be a part of the next era of Legal Services.

Mr. ROGERS. Mr. Chairman, I know there are a number of speakers on either side waiting to be heard. But I wonder, in the interest of time, if it might be possible to set some sort of time limit on the time devoted to this amendment. We have a number of other amendments waiting.

I ask unanimous consent that we have a time limit of 30 minutes for all debate on this amendment and amendments thereto divided equally between both sides.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. CARDIN. Mr. Chairman, reserving the right to object, I appreciate the desire of the chairman to set a reasonable time limit. But I think there are probably more Members here wishing to speak. So if he would amend his unanimous consent request to, I think, an hour, that may be satisfactory.

Mr. ROGERS. Mr. Chairman, I think if we did 40 minutes it would be a reasonable time.

Mr. CARDIN. Mr. Chairman, continuing to reserve my right to object, I believe we have too many Members on the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. CARDIN. Mr. Chairman, I object.

Mr. ROGERS. Mr. Chairman, I withdraw my unanimous consent request.

The CHAIRMAN. Objection is heard.

□ 1500

Mr. CARDIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first let me compliment the ranking member on this amendment which I support which would restore the moneys that have been cut or recommended to be cut from the Legal Services Corporation.

It is interesting. I listened to some of the opponents, and the Legal Services Corporation has enjoyed bipartisan support throughout its history and for good reason. There are many Republicans and Democrats who are coming to the well today to speak in favor of this amendment because we understand the importance of equal access to our legal system in our rule of law.

We are looked upon around the world as the beacon of hope for democracy and freedom, in part because of our rule of law. Our rule of law does not mean anything unless we have equal access to justice, and the Legal Services Corporation helps provide that equal access to justice.

The Legal Service Corporation is a conduit of funds that go into our local communities. They are used for basic services in our legal system, to get child support payments, or to get protective orders against abuse, or to help get benefits that people are entitled to, low-income Americans; they are entitled to that rule of law, to the access to our legal system.

Now the bill before us, Mr. Chairman, would cut the funding to the Legal Service Corporation by 53 percent, to $141 million.

Mr. Chairman, for a period of time I chaired the Maryland Legal Services Corporation, and as a private attorney I handled pro bono cases; and, yes, there is a responsibility on the private sector to help make access to justice a reality for all people in our community, but government must play a principal role.

The last time that we had a major cut in 1995, I can tell my colleagues what happened in my own State of Maryland. The Maryland Legal Services had to close two offices, and there was drastic cuts which necessitated further closings, eliminating about 20 attorney positions, forcing Legal Aid to handle about 6,000 fewer cases. I can tell my colleagues today that we can handle about 30 percent of the need in our community of people who come forward for help, and in many of those cases we have to conclude those issues through legal advice only because we do not have the support necessary to pursue a court remedy.

That is not equal access to our justice system. That is wrong. We should do better, and we can do better.

We have looked at the Maryland statistics, and this is true around the Nation. We know that we are not meeting the need that is there. We know in every State in the country there are people being turned away today, and let me remind my colleagues the Legal Service Corporation provides some of the funds for the local programs, and we want to penalize the local programs and our constituents and penalize our system of justice because of an audit report that quite frankly I do not think is the real reason why this cut is being brought forward. Many of the people that are supporting it have never supported the Legal Services Corporation. They will look for any reason to reduce that budget.

Mr. Chairman, access to our legal system by every American, no matter how poor, is vital to the liberties that this Congress is supposed to protect and promote. If my colleagues will vote against this amendment, they are voting against fairness and access to our justice for people in this country who are most in need. It would be a shameful stance for this body to provide such a drastic cut.

Mr. Chairman, I urge my colleagues to support the amendment offered by the gentleman from New York (Mr. SERRANO).

Mr. MILLER of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment for several reasons. First of all, I have a philosophical difference with my colleagues on whether this is a Federal responsibility. I do not disagree with the previous speaker about the need for access to legal services, but we are talking about State court issues and not the Federal court issues. So the question is: Why is the Federal Government taking this responsibility?

So I just have a question, why we need to do it. At the Federal court level I definitely could support it or this type of program, but the State court level, this should be a State and local responsibility.

The second reason I have a problem with this particular amendment is the way we are trying to fund it. The gentleman from Kentucky (Mr. ROGERS) had a very tight number to work with, and we all recognize that; and he had to make some tough choices, and what this amendment does is it cuts programs from essential Federal programs.

For example, it is going to cut $44 million from the Border Patrol. We have all agreed we need to tighten our border, and now we are going to cut 44 million?

The National Instant Check System. We have all been fighting over the gun issue. We all agree, I think, that we should have an instant check. And now our colleagues want to take $20 million away from that? How do we even do it if we want to check for guns if they are going to take the money away when we start going after the issue of gun shows unless it is a funded program?

We are going to take $44 million from the violent crime reduction program and the Federal prisons, $32 million. Well, let us see. Let us just turn some more prisoners loose and cut the Federal prison system.

So it is wrong to make these cuts.

And, finally, the third reason I am opposed to this is what the gentleman from Iowa (Mr. LATHAM) and the gentleman from Texas (Mr. ARMEY) talked about, and that is this issue of credibility of the Legal Services Corporation. GAO and the Inspector General both issued reports that really question the credibility there as an oversight responsibility. We need to make sure that the money is being spent in the right manner and wisely, and the Legal Services Corporation has not been straight with the subcommittee.

So Mr. Chairman, I have serious concerns about whether this program should even exist, and I very much disagree with the gentleman, the ranking member, for taking cuts from programs that are already cut too much already, and I urge opposition to this amendment.

Mr. ROGERS. Mr. Chairman, let me renew my unanimous consent request.

I think the number of speakers has diminished somewhat. If each of them would restrict their comments maybe to 3 minutes apiece, I think we can be through in a reasonably short period of time.

Could we agree to a 30-minute limit of time divided equally?

The CHAIRMAN. Is that a unanimous consent request?

Mr. ROGERS. That is a unanimous consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. BERMAN. Reserving the right to object, Mr. Chairman, under my reservation I yield to the ranking member of the subcommittee, the gentleman from New York (Mr. SERRANO), for any thoughts he has.

Mr. SERRANO. Mr. Chairman, I understand the gentleman's request, and we all want to finish as quickly as we can, but there are just on this side too many speakers.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Kentucky.

Mr. ROGERS. If I can inquire, how many speakers does my colleague have?

Mr. SERRANO. Mr. Chairman, if the gentleman would continue to yield, we know of at least about a dozen who want to speak now, and all the courtesy should be given to them. So it is a problem at this point.

Mr. ROGERS. Mr. Chairman, I only see three on the gentleman's side. There is maybe four on my side.

Mr. SERRANO. Mr. Chairman, the gentleman can take my word for it. They are here if their time comes to speak.

Mr. ROGERS. Well, can we agree on any time limit, Mr. Chairman?

Mr. BERMAN. Under my reservation of objection, Mr. Chairman, I would ask the gentleman, for the life of me I never understand why when we go to the Committee on Rules we do not come out with a set time limit so that time can be allocated at the beginning based on the demand for people to speak, but at this particular point I just think we are not quite ready to entertain this. I suggest submitting it in a little while, but we are not quite ready, and so I object.

The CHAIRMAN. Objection is heard.

Mr. BERMAN. I move to strike the requisite number of words, Mr. Chairman.

Mr. Chairman, I would like to take a moment just to review the bidding on the Legal Services Corporation.

In 1981 this program took an unbelievably deep cut which it took 11 years, until Fiscal Year 1993, to get back to where it was in 1981. In Fiscal Year 1995, we finally reached the $400 million level on Legal Services Corporation appropriations, a level which served nowhere near 50 percent of the population then living in poverty in terms of legal services programs.

Since that time the program has been reduced to the present level of 300 millions, so the bill in front of us which the gentleman from New York (Mr. SERRANO), the gentleman from Minnesota (Mr. RAMSTAD), the gentleman from Massachusetts (Mr. DELAHUNT) seek to amend is a 53 percent cut for a program that is already $100 million less than it was in Fiscal Year 1995. This is a massive cutback in an essential program.

All the laws we have to protect consumers and tenants and employees, our whole quality of life, these are rendered virtually meaningless for low-income people if they cannot get a lawyer to advocate on their behalf.

When I hear the leader talk about the different sins of the Legal Services Corporation, and on each one there is an answer, there is a different interpretation; I believe there is a fairer interpretation. What I do know is that the distinguished majority leader has opposed the Legal Services Corporation every year with the GAO report, without a GAO report, with an Inspector General comment, without an Inspector General comment. The majority leader does not like the program.

Now there is an alternative to Legal Services Corporation. It is creating the most massive bureaucracy of enforcers of these laws one could imagine at a time when we surely do not want to do that to regulate and control every aspect of commercial and landlord-tenant and other kinds of private relationships to make sure that low-income people are getting a fair shake.

I suggest this program is the most efficient and most effective way. It utilizes the skills of tremendously talented people who get very low wages. No one in this Chamber would work for the salaries that these people are working for. These people could make factors of two and three times as much money going off in the private sector, but their commitment to serve low-income people allows them and motivates them to serve in these kinds of jobs.

The American people and the low-income people in this country are getting tremendous service from this. We talk about case numbers. One can have a case that involves a phone call for 20 minutes and an interview for 15 minutes and a letter that takes another 10 minutes, or one can have a case that takes hundreds of hours of research and judicial time and court time and deposition time and discovery time. To get into a clinical analysis of numbers of cases and then make automatic assumptions about budget makes no sense whatsoever in terms of the real world of the legal practice of these people who again, I repeat, are working at far below the incomes that their talents would justify.

I myself think the amendment in front of us is much too low; $250 million is not an acceptable figure. That would leave a cut of $50 million from the already too low level we are at this year. I myself do not like the offsets, but I know that in a conference committee we can change the offsets, we can continue this effort; and if my colleagues believe in what the Legal Services programs represent in this country, they have to vote aye on this amendment, and I urge an aye vote.

Mr. SERRANO. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from New York.

Mr. SERRANO. I would just take time from the gentleman to clarify a point.

This amendment does not cut any funding from the Border Patrol. My amendment merely shifts funding from one INS account to another, a shift of $44 million that is budget-authority neutral. This shift is necessary to keep this amendment outlay-neutral in total.

Mr. BERMAN. Reclaiming my time, Mr. Chairman, just to add one thing. There are other offsets, some of them I have to admit I do not like, I would not have chosen. But I have to sympathize with the subcommittee, too. I could not come up. The cap for this subcommittee is woefully inadequate to meet the needs of the Commerce Department, the Justice Department, the State Department and Legal Services Corporation. It is woefully inadequate to do that. Any offset is going to pay a price, but the principle here is the principle, do we continue our commitment to legal services for the poor? I urge an aye vote on the amendment.

Mr. DOOLITTLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hold my colleague from California in high regard, but I just have a different opinion about this. I agree with the majority leader. It is just unbelievable to me that we are talking about cutting FBI funds, the funds for the INS, which we believe goes to the Border Patrol, for the violent crime reduction programs, for the Federal prison system, even cutting judges' salaries in order to fund this Federal legal services program. Whatever happened to the States? Whatever happened to volunteerism? Why do we have to have the Federal Government step in and fill every little nook and cranny?

□ 1515

We are in the era of downsizing and of moving power back from the Federal Government to the States. It is not as though there are not well-established programs and many, many attorneys across the country already donating their time. So, please, I support helping poor people as well as anyone else. It does not require increasing the budget of the Legal Services Corporation.

I heard my friend who spoke earlier from Florida talk about giving them the benefit of the doubt. They do not deserve the benefit of the doubt. This is an entity that has repeatedly abused its authority, and now we find evidence that they have intentionally and wrongfully inflated their statistics with the intent to secure more funding. So we are going to turn around and give them more funding, when we have caught them red-handed deceiving the Congress about how much work they actually do?

This is just outrageous. I commend the gentleman from Texas (Mr. ARMEY) for his speech against this amendment, and I hope we will all join with him.

We are about setting priorities. This is not a high priority. In fact, this agency deserves to be punished for the clear abuses it has committed. We should not reward them. What are we going to say to these arrogant Federal bureaucrats if we allow them to lie and then to be blessed with a huge increase in funding as a result of that lie? I think it is very, very bad policy.

I think I should remind Members that this agency, we as a Congress actually had to get involved and tell the Legal Services Corporation through legislation that they could not get involved in redistricting, that they could not get involved in abortion litigation or prison litigation on behalf of prisoners' rights or welfare litigation or pro-union advocacy or union organizing; they could not get involved in fee-generating cases or representation of public housing tenants charged with possession of illegal drugs or against whom eviction proceedings had begun as a result of illegal drug activity; we had to tell them they could not get involved in representing illegal aliens.

It is outrageous. So we told them. Hopefully they are complying, although we will see. But now they are inflating their own statistics.

I think it is interesting that the President of Legal Services, Mr. McKay, earlier this year no less had this to say: "Case statistics play an essential role in the budget request and performance plans submitted by the Legal Services Corporation to Congress each year. Therefore, the reliability of case statistics submitted by programs to Legal Services Corporation is vital to obtaining continued Federal funding for Legal Services. This type of information holds great promise for securing increased Federal funding." Then we find out that they have just about 50 percent less clients than was represented.

It is outrageous, Mr. Chairman. We should oppose this amendment.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. To the Members of the House, I have just listened to the very scathing critique of another colleague who supports the majority leader's position, but I rise to point out that this request is still $50 million short of last year's funding level. What we have here is still a reduction, even with the amendment skillfully put together by the gentleman from New York in a bipartisan way.

Let me tell you that in Michigan, these Legal Service corporations do wonderful work. Wayne County Legal Service, headed by attorney Linda Bernard, has been working for years and years on a very important mission and does great work. They get rave reviews constantly.

This request, even though short $50 million of last year's funding level, is still $90 million short of the administration's request, so I do not think we are doing anything as dramatic as one of the speakers indicated.

Are we trying to punish the poor or deprive them from legal access? This amendment says restore funding.

As it is written, we cannot help but notice that the bankruptcy reform that the majority supported, that the majority leader supported, gives big companies and powerful creditors even more power, and at the same time they impose dramatic cuts on Legal Services representation for the poor. What are we revealing about this Congress? Fortunately, I am told that most of the Members of the House and the other body support some modest improvements.

So we have to remember that during last year's impeachment proceedings, it was the majority that clamored about ensuring equal access to justice and equal access to the courts. The cuts in this bill, however, only ensure unequal access to the court.

Remember, the Legal Services Corporation is only representing some of the people that are eligible. It is not that everybody eligible for Legal Services that is getting them. We are still very much short of providing all of the work and representation they need.

Now, these are not bureaucrats. Somebody referred to them as bureaucrats. These are members of the bar who have sacrificed in many ways, not just financially, but to work the long hard hours. I have visited some of these people. They work long hard hours on cases that will not bring them fame, certainly not fortune. So to merely pass them off as some kind of a government apparatus is really not doing fairness and demeans the whole concept of this organization.

Happy birthday, Legal Services Corporation. You are 25 years old, and there are still people trying to beat your brains out. Perhaps you are doing too good a job to those who do not want the poor to be represented. But I am sure that there is a spirit larger than some of the language and debate that I am hearing here.

So, despite repeated attempts to reduce Legal Services, and, from some people's point of view, let us face it, to kill Legal Services, to get rid of it entirely, we feel that there is strong support in both bodies for this Legal Services mission.

Join us in this bipartisan effort to show that democracy can work in the Legal Services area.

I commend all of the Members who have created this amendment, the gentleman from New York (Mr. SERRANO), the gentleman from Minnesota (Mr. RAMSTAD), and the gentleman from Massachusetts (Mr. DELAHUNT), and I think that they will be rewarded in the end.

I urge the Members to support the Serrano-Ramstad-Delahunt amendment seeking funding for the Legal Services Corporation at the level of $250 million. This is a modest request that is still $90 million short of the Administration's request and $50 million short of last year's funding level.

As it is written, this bill demonstrates the hypocrisy of the Majority's position. They use bankruptcy reform to give big companies and powerful creditors even more power, and, at the same time, they impose dramatic cuts on the Legal Services Corporation to take power away from those who have none. Moreover, during last Congress's impeachment proceedings, the Majority clamored about ensuring equal access to justice and equal access to the courts. The cuts in this bill, however, only ensure unequal access to justice. If the Majority truly is interested in empowering those who most need legal assistance, the powerless, it will support this modest increase in funding for the LSC.

Only in March, Majority Members of the Judiciary Committee promised to hold a hearing on what level of funding the LSC should receive. Yet, here we are, 5 months later, and no such hearings have been held. Now, we are left debating the future of the LSC, at the last possible minute, on the House floor. We cannot allow the Majority to constrict the LSC until it can no longer function.

Despite repeated attempts to reduce or kill legal services funding, we have learned that the full House and Senate are strongly supportive of the Legal Services mission, which is to assist non-profit organizations that provide legal services to individuals living in poverty.

And the need for Legal Services continues to be overwhelming even though we live in a time of great economic prosperity. There are still 35 million Americans living below the poverty line and 10 million additional individuals with income below 125% of the poverty level. This means almost 1 in 5 Americans is eligible for LSC-funded services.

If we increase funding for the Legal Services Corporation, we will enable it to address over 1.6 million issues annually involving critical legal problems for clients and their families, including employment disputes, individual rights, consumer fraud, and assistance to veterans suffering from post-traumatic stress disorder.

Nearly 30% of the requested increase is needed to provide a small cost of living adjustment, while the remaining 70% would fund initiatives to help victims of domestic violence and children, and to expand the use of technology to promote client self-help.

I urge all of my colleagues to vote in favor of this common sense amendment.

Mr. UPTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to make a couple of points. Legal Services was in need of reform, desperate reform, and I have got to tell you that in 1996 that happened. There are strong penalties for those that abuse the system. In fact, you can lose your license. You can be disbarred.

In 1995, Legal Services was cut by one-third, and that cut is in essence still in place. In fact, if the Serrano amendment does pass today, there will still be a $50 million cut in 2000 versus 1999. It does not go quite far enough.

Some here today have talked about some abuses. As far as I know, they are pretty old abuses. They were corrected, rightly so. The gentleman from Pennsylvania (Mr. GEKAS) who spoke a little bit before me talked about some of the abuses, and he was quite proud, rightly so, of the efforts that were made.

Some here today may have heard from some of their farmers, and goodness knows I have a lot of folks in agriculture in southwest Michigan. Last year, I wrote more than 4,000 of my farmers asking them for specific cases of abuse that they could tell me about involving Legal Services. Do you know how many responses I got back? None. Not a single farmer responded back with a single case of abuse, period.

Lawyers are expensive. They are costly to any family, whether you be rich or poor.

Let me tell you about a couple of the cases I found out, my local Legal Services, what they have done back in Michigan this year. The Berrien County Legal Services, my home county, intervened to assist a home-bound elderly woman who was ready to sign an unfair contract for home improvement. Not only did this widow avoid, thank goodness, because of the efforts of Legal Services, but she avoided entering into that agreement, and had she done so, the contractor would have ended up owning all of the equity in her home. Wrong. She got help, and she deserved it.

Another case, Legal Services helped a 76-year-old woman adopting her 8-year-old great granddaughter that she had raised from birth, even though the adoption was contested by the girl's father, her real father, who is serving time in prison and, in fact, had never seen his daughter. Legal Services succeeded in keeping this young girl in a stable home environment that she had known from birth. Those are the cases that Legal Services does every day of the week.

We have heard a little bit about padding some of the cases here, and, rightly so, perhaps. It is troublesome. But I have to tell you, the funding for all of these counties comes based on the poverty level in your counties. It is not by level of cases. It is based on need.

This is a program that works. If it does not work, Members of this House should go to the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on the Judiciary, who has proven his moxie, has proven he has the votes to get things done, bring those abuses to the Committee on the Judiciary, and, if they are true, he will fix them. I have confidence in the gentleman from Illinois (Mr. HYDE).

There are lots of statements around here that are chiseled into buildings. "Equal justice under law." Let us not ask that brick layer to take that statement off the wall and instead put in "no justice for some."

Without this amendment, the brick layers may as well go back to work. Let us not close the courthouse doors. Let us not take away rights that the middle class and the rich are able to be able to pay for, whether it be adoption or custody or even doing a will. That is not right.

This amendment, even if it passes, still reduces Legal Services by almost 20 percent. A $50 million cut in a $300,000 program is still going to throw a lot of people out of work.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today I want to speak in support of the Serrano-Ramstad-Delahunt amendment to restore funding to Legal Services Corporation. If this amendment is not accepted, the Legal Services Corporation will suffer yet another devastating blow.

As currently written, this bill provides only $141 million for Legal Services Corporation. This proposal is $159 million less than the current appropriation and $199 million less than the administration's request. Such a reduction would crush an already vulnerable Legal Services, thereby rendering it even more difficult to provide Legal Services for those who most need it.

Let us be clear: Legal Services has already been cut to the bone. This worthy program cannot survive another massive reduction in funds. We have cut Legal Services from a budget of $415 million in fiscal year 1995 to $283 million in fiscal year 1998. I know that there are people who just do not like legal aid, so they have decided to devastate it by attacking it every year with cuts, cutting it to the bone so it cannot operate. It is not fair.

The effects of these cuts are already being felt by those low-income clients that depend on Legal Services organizations. In California, the Legal Services Corporation provided Legal Services to 217,015 clients in 1997. Those represented included our most vulnerable citizens, including the elderly, battered women, and families who are barely surviving poverty.

□ 1530

However, if the Serrano-Ramstad-Delahunt amendment is not accepted, we, as legislators, would effectively be abandoning the longstanding commitment to legal services for the poor.

Let us put a face on it. Who are we talking about? We are talking about renters. Do my colleagues know that still in America there are unscrupulous landlords who turn off the water, who put padlocks on the doors, who set people out on the sidewalk. They would rather do this than go through the expense of going through the courts, and if they went to the courts, many times, the renters would be found to be within their rights to refuse payment. In California, we have Deduct and Repair. If one is living in run-down rental units, if the water is not working, the electricity is not working, one can repair it and deduct it from the rent. Some landlords do not like that. So we have people who depend on Legal Services. We have the elderly, as just described, who are oftentimes tricked into signing contracts, and they cannot get out of them alone. They cannot get to the courts. They do not have any money.

We have people who are tricked into signing contracts that my colleagues and I, if we saw them, would be outraged by them, but it is legal services who is there to help. The more we cut them, the more exposed these very vulnerable populations are.

To make matters worse, in my own State, the State of California, many of the poor are already without service because of Governor Pete Wilson's veto of the State Bar Fee Authorization in 1997. The poor in California have been failed by their governor, and this amendment is their last hope. Moreover, the deep cuts in Legal Services will mean that whole sectors of our society will be left without access to Legal Services Corporations. In many poor and rural regions of the country, there will be no publicly-funded legal assistance available to the poor. We must not forget that 40 percent of the 23 million people over 18 who live in poverty in this country are the working poor, and they also depend on Legal Services, organizations for legal assistance.

Now, I know there are some who do not know a lot about this, and they may think that the poor are just in these inner cities depending on these services. I am amazed at how many legislators are representing poor districts that are not cities, that are in suburban communities, in rural communities, and they act as if they do not have the poor. They are simply not getting their representation.

There are many poor farmers who need legal services, who have lost everything, who have nowhere to turn. And the legal services are there for them in some areas, but with these kinds of cuts, we are not going to have them in those poor, rural communities.

The American public supports a federally funded Legal Services Corporation for those individuals who would not otherwise be able to afford an attorney's services in certain civil matters. The provision of adequate Federal funding for legal services cannot be provided elsewhere.

Mr. Chairman, I would ask for support for this very important amendment.

Mr. WHITFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to give my thanks to the gentleman from Arizona, who is a member of the committee.

I rise to oppose this amendment on behalf of farmers of all income levels in Kentucky, Tennessee, North Carolina and throughout the southeastern United States. This agency, under the leadership of President John McKay, has abused its legislative mandate and has misled the U.S. Congress, as many people have talked about, on its caseload. We could spend a lot of time talking about the caseload, but I want to talk about an aspect of the Legal Services Corporation that continues to create problems, particularly in the Southeast, as well as other parts of the country.

Section 504 of the law states that none of the funds appropriated in this act to Legal Services may be used to provide legal services for or on behalf of any alien, unless the alien is present in the United States.

Now, that should be clear to anyone, and we want aliens who are working in the U.S. under some agricultural program to have access to the courts. And they do have access to the courts. But when they leave and they go back to Mexico or wherever they may go, the law states that they cannot be bringing lawsuits while they are not present in the U.S.

But, despite that, the President of the Legal Services Corporation, John McKay, has said that he will not penalize any Legal Services Corporation if they misinterpret the phrase, "is present in the United States." He wants it to say, "was present in the United States." Mr. McKay goes on to say that he has absolute discretion to determine what laws to enforce and how.

Now, the Legal Services Corporation, as a result of that, has ignored the statutory authority that is even in the bill this year. It was there last year and he ignored it, and it was there the year before and he ignored it, and the legal services lawyers from North Carolina were videotaped on an illegal trip to Mexico to recruit clients to sue farmers in North Carolina, in Kentucky, and other States. Paralegals were sent passing out brochures saying that you have these rights that need to be pursued in court. And not only that, but when they find these clients, they send threatening letters to farmers throughout my district in which they are saying, if you will pay $4,763 to one farmer, $14,289 that another farmer receives, $26,000, $65,000, $73,000, if you will pay this money, then we will not proceed in court.

Now, a lot of these farmers do not believe that there is any legal basis to file the suit, so they defend themselves in suits filed in Kentucky, in Tennessee, in North Carolina, and in many cases, the local judges grant a summary judgment for the farmer. And then what happens? Well, then the legal aid lawyers go to Texas Federal court and they file lawsuits there.

So when the farmers try to get it transferred to a Federal court in Kentucky or North Carolina, then the judges say, no, I am not going to transfer it. So then the farmers have to hire lawyers in Texas, they have to go to Texas for depositions, they have to go to Texas for lawsuits for the case to be tried, and it costs large sums of money, and many of them end up settling and some of them have even gone into bankruptcy because of this abuse.

The sad thing about this is, many of the plaintiffs are not present in the U.S., even though the law specifically says, you must be present when the lawsuit is filed. And John McKay has repeatedly ignored that, has repeatedly disavowed that and has said, I will interpret the law the way I want to interpret it.

Mr. Chairman, there is something wrong when we have a system that is taking tax dollars from hard-working, law-abiding taxpayers to have suits filed against them in violation of the law that is there. I realize we live in a particularly permissive society, but I hope we have not reached the point where we not only condone a Federal agency misleading Congress about its caseload, but we reward them when we discovered that they provided false testimony, and then we turn our head when we know that the agency is violating Federal law.

Now, the President says he is going to veto this, and I would urge him if he does, I want to take him to Kentucky, Tennessee, North Carolina, and he can talk to the farmers about why he is vetoing it.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the Legal Services Corporation celebrates its 25th anniversary this year. For 25 years, legal services has provided critical legal aid to low-income people, including children, the elderly, and victims of domestic abuse. In those years, legal services has helped low-income Americans fight unjust eviction from their apartments, arbitrary government actions, and consumer fraud. And reflecting their level of concern for low-income Americans, the Republican leadership has slashed funding for the Legal Services Corporation.

The Republican leadership is prepared to give a $792 billion tax break to the rich. It is also trying to cut $159 million in legal aid to the poor. The other side of the aisle argues that those who pay little in taxes should get no tax relief, and some of them argue that those with little recourse to our legal system should get no legal aid, but not all of them. The gentleman from Minnesota (Mr. RAMSTAD) and others who have spoken today have stood up for legal services and have stood up for the principle of equal justice under law.

The bill before us cuts funding for the Legal Services Corporation in half. Mr. Chairman, with this cut, more than 250,000 families will be denied access to legal counsel in the courts, and there will be only one Legal Services Corporation for every 24,000 low-income Americans. This drastic cut to Legal Services funding will hurt hundreds of thousands of Americans, particularly those who live in rural areas, because legal services programs will have to close neighborhood offices and limit their services.

I believe that claims that Legal Services is misrepresenting the number of people it has helped are vastly overstated and have been properly addressed, but it is the latest excuse for those who year after year after year after year come to this floor to do just what they are trying to do today and cut out legal aid for the poor.

We should listen to the scores of businesses, religious organizations, seniors' groups and victims' advocacy groups that support the Legal Services Corporation.

Mr. Chairman, I would have thought that legal services for the poor to help ensure equal justice under law was a conservative ideal, an ideal rooted in our Constitution. I believe it is simply wrong to slam the courthouse doors shut on the poor simply because they do not have the money to obtain legal counsel.

In Maine, one of the great advocates for legal services for the poor is a man named Howard Dana. He was appointed to the Legal Services Board, I believe, by President Reagan, and year after year after year in the 1980s he fought to make sure that the Legal Services Corporation remained in existence and was adequately funded. He was and remains a conservative Republican. As I said, this is a conservative ideal: equal justice under law. He is now a distinguished judge on the Maine Supreme Court, and I know he stands by the beliefs that he held as a member of the board.

Mr. Chairman, I urge my colleagues to remember that although Legal Services attorneys may not be convenient, they may be inconvenient, for landlords, for corporations, and even for this government, inconvenience is no argument for subverting a fundamental principle of our Constitution. I urge my colleagues to support the bipartisan Serrano-Ramstad-Delahunt amendment which would restore funding for the Legal Services Corporation. All Americans deserve equal justice under law, not just those who cannot afford it. Keep the courthouse door open for all Americans.

Mr. ROGERS. Mr. Chairman, in the interest of time, I ask unanimous consent that all debate on this amendment and all amendments thereto be concluded in 30 minutes, and that the time be equally divided on either side of the aisle.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. SERRANO. Mr. Chairman, I have spoken to the chairman, and we do not object.

There was no objection.

The CHAIRMAN. The gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO) each will control 15 minutes.

Mr. ROGERS. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding me this time. I rise in opposition to this amendment.

Mr. Chairman, others have spoken here today about the improprieties or, some would say at the very least, the inconsistencies that we have seen in the caseload figures that have been provided by the Legal Services Corporation. Others have said, well, that is not really how they get their funding, they get it from the level of poverty that is found in each of the areas where legal services are provided.

But the fact is, we have seen some wild variations in the caseloads, and we do know that the Inspector General and even the Chairman of the Legal Services Corporation, has himself acknowledged that there are tremendous discrepancies in the way caseloads these are reported.

Now, some say it is because there are no real guidelines. Well, I believe the Board has a responsibility to promulgate those guidelines to make sure that it is clear so that we know what cases are being accepted or how they are being disposes of so that we can have consistent statistical data on which to make the judgment in the subcommittee that I serve on level of funding for the Legal Services Corporation.

□ 1545

We also heard the gentleman from California talk about how over the years Congress has had to take action against the Legal Services Corporation for meddling in areas where Congress has demonstrated clear legislative direction. Instead, too often the Legal Services Corporation has attempted not to implement legislative intent, but to block the actions of Congress. We heard about that most dramatically, in the memory of most of the Members of Congress, in the area of redistricting.

I want to talk about another area where this is going on, legislation that we passed a few years ago dealing with migrant farm worker programs, and the very limited guest worker programs with foreign countries.

These are very heavily constricted programs with a lot of regulations, a lot of rules which must be implemented in order to comply with them. They have to advertise; they have to show that there is no work force available.

Even with all these hurdles to clear, what we have found is that Legal Services Corporation in almost every area and every State, has filed all kinds of actions to block any approval of these worker programs. The result is none, virtually none, have been approved. Less than 1 percent of the potential need for migrant workers, giving people jobs here in the United States to work, have actually been approved by the Labor Department. What we hear time and again from farm organizations is they just do not initiate the process because they know they are going to be blocked by the Legal Services Corporation.

I want to finally discuss where the author proposes to find offsets for restoring this money to the Legal Services Corporation. The gentleman from New York (Mr. SERRANO) has told us the money does not really come out of the Border Patrol, that this is really a shift from one account to the other.

I will acknowledge that this is true. But there is a definite cut in the National Instant Crime Check system for the FBI, there is a definite cut in the Federal prison system, and there is a definite cut in the judicial services.

Mr. Chairman, these funds are absolutely vital in order to carry out the legal system for those who need it most. Who needs it most except those who are the most impoverished? If we do not have a judicial system that works to put criminals behind bars, who is going to suffer? Those who are the most poor. If we do not have a judicial system that has the staff to process cases, who is going to suffer? Those who are the most poor. If we do not have a system to do crime checks, who will be the victims of crime? Those who are the most poor.

Mr. Chairman, I urge that we defeat this amendment. I urge that we keep the cuts that the committee has judiciously imposed on the Legal Services Corporation.

Mr. SERRANO. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Chairman, I thank the distinguished ranking member of the subcommittee for yielding time to me, and for bringing this excellent amendment to the House, which I strongly support.

The Serrano-Ramstad-Delahunt amendment would avoid a devastating 53 percent cut in Federal support for the Legal Services Corporation. This money is desperately needed in our communities, and we must support the Serrano amendment.

I heard the majority leader speak, questioning the reliability of case statistics offered by the Legal Services Corporation. I would like to share with him and the House some case statistics from the Legal Aid Society of Montgomery County, Pennsylvania, where I come from.

In 1995, they received about $300,000 in Federal money for their legal aid program. This year they are receiving under $200,000, a one-third cut. If this bill goes through unamended, they will realize another $100,000 reduction in funding, so a two-thirds reduction from 1995 in Federal support.

This has a very real impact on the quality of legal services offered in Montgomery County, Pennsylvania, as it obviously does in every county throughout this country. They have had to reduce their caseload in my county by over 250 cases out of a couple of thousand, and if these funds are further reduced, as the bill proposes, another 200 or 300 cases will be reduced from their annual caseload.

I heard the gentleman from California (Mr. DOOLITTLE) talk about where are the States in volunteerism? In my county, the county commissioners have offered up more money as the Federal Government has reduced funding. The Bar Association has offered up money and pro bono time to make up for Federal cuts. But they cannot take the place of the Federal money, and the caseloads are going down.

The gentleman from California (Mr. DOOLITTLE) said we should punish the bureaucrats. This is not about punishing bureaucrats. The bureaucrats will not be punished, it is the people that receive and need the legal services that will be punished. Who are these people? They are about two-thirds women: poor women; women that need help with protection from abuse cases; women that need help with consumer protection cases; women that need help with employment problems, financial problems, foreclosures. These are the people that the majority would punish if this bill is unamended and if the cuts are passed as the bill proposes.

We have a principle in this country of equal justice for all. To achieve that, we need equal access for all to the courts. We must pass this amendment.

Mr. ROGERS. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, I rise in strong support of this amendment. The Legal Services Corporation is important to assisting vulnerable people in our society. This is a little bit of what I will address.

Women and children are among the vulnerable who, without assistance, often find themselves in abusive situations that they cannot control. The impact of these situations is significant, and it could well result in homelessness and the loss of necessary financial resources for food, maintenance, and health care.

To give one example from my own district, which is Montgomery County, Maryland, as a result of domestic violence and in fear for her safety and that of her five children, a woman left her husband of 15 years. He had been the primary support for the family.

She was able on her own to obtain housing, although it was neither decent nor safe. Still, because of her financial situation, she was threatened with eviction. Local legal services helped her to get Section 8 housing, and the family was able to relocate to decent housing with adequate space. This stabilized the family during a very disruptive and unsettling time.

Millions of children are the victims of abuse from their parents and others who are responsible for their care. This abuse goes on somewhere in the country every minute of the day, and Legal Services in Maryland represents children who are neglected or abused, such as neglect or abuse which ranges from a child being left alone by a parent, not being provided a nutritional meal, to physical or sexual abuse that results in severe injury and, all too often, death.

Legal Services has helped the infant that has been abandoned at birth, the child who is left unattended, the child who is beaten, burned by cigarette butts because he would not stop crying, or scalded by hot water to teach him a lesson. These children are vulnerable, and without the protection of the law they would be endangered and lost.

Legal Services advocacy on behalf of children assures that they will not be the subject of abuse, and it helps to secure services for children, such as housing support, health care, food, educational programs, and necessary counseling.

The work of Legal Services on behalf of families and children touches at the heart of what we value most in this country: decent housing, adequate health care, food, a safe environment. Because of the importance of safety in our society, Legal Services programs have supported legislation to prevent abuse and protect the abused.

In general, the States are not allocating funds for civil legal services for poor citizens. Without this federally funded program, the most vulnerable members of our society will not have the ability to get inside the courtroom door to seek judicial protections of their rights. We must assure that sufficient funds are available. This amendment restores some of the amount that Legal Services needs, not even the total amount that could be used.

I certainly urge support for this modest amendment.

Mr. SERRANO. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. KUCINICH), who has been patiently waiting for over 2 hours to speak.

Mr. KUCINICH. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to say at the outset that I, too, am offended by the false reports which are alluded to by my colleagues. It is repugnant that any agency should submit information to the government which is anything less than accurate.

I can understand why some would be so offended about the abuses cited. However, I am even more offended by poverty, poverty which locks people out of opportunities for justice, poverty which humiliates people when they cannot be represented, poverty which makes people invisible when courts would take action in their absence; poverty which would deny the poor legal representation.

How many of those who have been in this Chamber can imagine what it is like to need an attorney but have no access to help because one cannot afford it? Indeed, if a Member of Congress is subject to legal process in the performance of his or her duties, he or she will receive legal assistance from the Office of General Counsel at no cost. How could we deny those who we represent, who have much less recourse, how could we deny them access or claim to the resources of the country?

Mr. Chairman, there is a level of condescension and condemnation of the poor and judgment which is inappropriate here, because this is not only about whether we will see full legal services for the poor and whether Legal Services for the poor will survive. Moments like this instruct us as to the health of our democracy and its ability to survive.

At a time when Members of Congress are prepared to give 70 percent of a multi-billion dollar tax cut to the top 5 percent of the people who make over $200,000, this Congress should be more gentle with the have-nots on such basic issues as legal representation.

Somewhere in America there are poor and working poor who are concerned about whether they will have representation on issues of consumer debt, defective products, insurance coverage denial, assistance on family violence, eviction defense, illegal lockout defense, utility cutoff defense, housing discrimination defense, disability benefits defense.

Legal Services is there for them, and this Congress ought to be here for Legal Services. The poor have a right to a decent legal representation. The poor already are at a disadvantage in all legal situations. They tend to lack education; they tend to lack knowledge of the system; they tend to be, because of the sting of poverty, a bit disorganized.

We will be challenged by a higher test here, and which resonates with a very old question that was put forth about 2000 years ago: When I was hungry, did you feed me? When I was naked, did you clothe me? When I was thirsty, did you give me water?

Let me add in that spirit, as we move towards the 21st century, when I was poor and I needed help, did you give me access to legal assistance? Let this Congress meet that test. Vote for the amendment.

Mr. SERRANO. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I want to thank the gentleman for yielding time to me.

It seems to me that here we are once again, the same old wine with a new bottle; the same lemon, just a new twist; the same target, the poor, a new weapon: Take away not just legal representation, but take away hope, take away faith, take away belief in a system. Take away the idea that you, too, can receive justice, notwithstanding the size of your wallet or your pocketbook or your purse.

There is a legal assistance office down the hall from my district office, and I see people go in with their heads down, wondering what is going to happen. But then I see them turn around and leave, and they are walking differently. They now have hope. They have spoken with an attorney. They have spoken to someone who seemed to understand their plight, to know what they are going through, to know what it is all about.

□ 1600

I have seen people in Housing Court, no lawyer, no attorney, wondering what is going to happen. I have seen them in Juvenile Court. No attorney, no lawyer, not knowing.

I say to my colleagues today that we have an opportunity to reverse a trend. Rather than attack the poor, let us give aid and comfort to the development of our judicial system by helping everybody in this country know that they, too, can receive justice. Let us vote in favor of the amendment and extend justice to all.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. Mr. Chairman, I thank the gentleman from Kentucky (Chairman ROGERS) for yielding me the time.

I rise in support of the amendment which freezes Legal Services funding essentially from last year. But I rise more importantly in support of John McKay whose name has been taken in vain here today.

John McKay is from my State, an excellent lawyer with a great background in history in our State. He decided to come out of private practice and come to Legal Services to head it up, to bring it back to its core mission. So I have taken a bit of concern and offense at people who have discredited John McKay.

John McKay is a decent, honorable, certainly not a deceitful man. He is a good lawyer and good person trying to do a tough job.

Now, Legal Services Corporation has its problems. It has had its problems in the past. It has allegations of problems today. John McKay is trying to fix those problems. He is not the cause of the problem. He is trying to fix them.

So he is a good person with a tough mission, and we ought to help him accomplish that mission to bring this Legal Services Corporation nationally back to its core mission of helping people who are poor.

In my State of Washington, the Legal Services Corporation is doing a fine job. I have had Justice Richard Guy of the Supreme Court come to my office. Attorney Bill Hislop, who is head of our Bar Association in Spokane, Washington; Jim Bamberger who has worked very hard for Legal Services; Nancy Islip, these are good people trying to make the core mission of Legal Services effective.

I have had my problems with Legal Services. I have had good conversations with these people who are in charge in my State. I think they have been very responsive.

The farm community is less burdened by the Legal Services Corporation practices of the past than they are today. That is progress. That is progress at the hands of John McKay.

If one is poor in this country and one is hungry, our government provides one with food. One can get it immediately. If one does not have housing, the government helps one. But if one has legal problems, one cannot go to law school and get help.

The Legal Services Corporation provides the poor with this kind of help, and we ought to insist on accommodation by this corporation, but we ought to support them.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I rise in favor of this amendment to restore funding for the Legal Services Corporation. I represent a district in the San Joaquin Valley of California that, despite the good economic times in our State and our Nation, is plagued by 14 percent unemployment.

I represent many people who are poor and, therefore, do not have the ability to access our judicial system. Their only option, oftentimes, is legal assistance through the Legal Services Corporation.

Mr. Chairman, if a low-income elderly person is unfairly evicted from their home, if a young mother is unable to collect child support or is a victim of abuse and must go to the courts to intervene, they have no opportunity if they cannot afford legal representation.

I find it somewhat ironic that the same week that this Congress will be considering a huge tax cut bill of almost $800 billion, that Republicans think is important to cut funding, or some Republicans think it is important for cut funding for one of the most important programs that assist the poorest of our citizens.

The Legal Services Corporation fills our constitutional obligation to provide the poor with competent legal representation. Our country was founded on the principles of equal opportunity. If we turn our back on the poorest families and deny them access to due process, we are trampling on the principle of equal justice under the law.

I urge my colleagues to support this amendment.

Mr. SERRANO. Mr. Chairman, who has the right to close?

The CHAIRMAN. The gentleman from Kentucky (Mr. ROGERS) has the right to close.

Mr. SERRANO. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, let me first say that I understand that there have been some concerns about the offsets to pay for this change. Whenever we have a bill that is as difficult as this one, it is very difficult to come up with offsets. I certainly understand the concern about those offsets.

However, those offsets, as we know, are not cast in stone right now. I commit myself to all of those Members, especially my ranking member, the gentleman from Wisconsin (Mr. OBEY), that I will continue to work with the chairman to make sure that the offsets later on and in conference are acceptable to as many people as possible.

But I repeat, it is very difficult to come up with this kind of a change, this kind of an amendment and, at the same time, be able to come up with offsets that will make people happy.

Having said that, let me just say that so many of the speakers today have spoken the truth: that, if there is a program, if there is an agency, if there is a concept that speaks to the core of who we are as a Nation, it is the Legal Services Corporation.

To suggest that someone under our system of law and our system of government cannot get the proper help, the proper representation simply because they are poor, that is outrageous, should not be tolerated, and should never be brought up at all.

Sure, there have been problems with that agency at times. There have been problems with every single agency. But we have not decided to get rid of all agencies we have problems with. My God, there have been problems with Congress, and no one would suggest getting rid of Congress. Although there are some people who suggest getting rid of Congress, but we are not going to pay attention to them.

My point is that what we do best in our society, in my opinion, is to help those who find it difficult to help themselves. All of us want to take care of the middle class. All of us want to keep our economy growing so that people at the top can hopefully generate some wealth for the rest of the Nation.

But if one cannot walk into court with proper representation because one is too poor to do so, and this Congress is somehow responsible for that happening to that person, then we have a lot to be ashamed of.

This is an issue that comes up every year; and every year, people on that side of the aisle try to destroy this program. This program should not have been funded at this level. I should have been able to find $50 million more, maybe $100 million more to cover the people that are needed.

But story after story after story indicates that this is a program that serves the have-nots in our society. They are the people that we have to protect.

As I look at the Chairman of the Committee of the Whole, and I see behind him our flag, I realize how many times we get up on this floor on amendments to protect the physical well-being of the flag. Well, I suspect that the flag stands for more than itself. It stands for taking care of all Americans.

I think if that flag could speak to us today, it would tell us that we need to take care of the poor. In this case, that is what we are doing. That is why I think my colleagues should support this amendment, and this amendment should not be about a partisan fight. It should be a bipartisan effort.

Let us do what is right. Let us support the amendment and give us a very strong vote.

Mrs. LOWEY. Mr. Chairman, I strongly support this amendment. Cutting the funding of the Legal Services Corporation to $141 million would be a disaster for families living in poverty across this nation.

Legal Services attorneys deserve our thanks. They help our poorest and most vulnerable citizens navigate the complicated bureaucracy of our court system in search of justice and fairness.

Many of my colleagues may not think of Legal Services as a women's issue, but it is. More than two-thirds of the clients served by Legal Services are women. The funding cuts in this bill will force Legal Services to abandon many of the critical legal services that it provides to poor women, particularly victims of domestic violence.

Mr. Chairman, for the past 25 years, Legal Services have held the courthouse doors open to clients seeking legal protection from abusive spouses. In fact, family law—which includes domestic violence cases—makes up over one-third of the cases handled by legal services programs each year.

In addition to helping domestic violence victims, the lawyers at the Legal Services Corporation help poor women to enforce child support orders against dead-beat dads. They also help women with employment discrimination cases.

Slashing funding for Legal Services means barring the door of the courthouse for tens of thousands of women who have nowhere else to turn for help.

As the Legal Services Corporation celebrates its 25th Anniversary, we must not abandon these women to violence and abuse and greater poverty. Please support Legal Services, protect poor families and vote for the amendment.

Mr. CHAMBLISS. Mr. Chairman, it is with very strong reservations that I support Mr. Ramstad's amendment to the Fiscal Year 2000 Commerce, Justice, State, and the Judiciary Appropriations Act that restores $109 million in funding to the Legal Services Corporation.

As a practicing attorney in Georgia for over two decades, I had the opportunity to view firsthand the multitude of services provided by public legal services personnel throughout my state. While I have been critical at times of the Georgia Legal Services Program, they do provide indigent citizens of my state needed legal services.

While I support the legal services provided to the indigent by the hard working men and women of programs like the Georgia Legal Services Program, I rise today to register my deep dissatisfaction on the actions of individuals within the Legal Services Corporation.

Last year on October 21, Congress approved $300 million for the Legal Services Corporation, a $17 million increase that I supported. At the time of this vote, Congress was relying on the accuracy of legal services case statistics provided by the Corporation. As a result of subsequent audits and investigations, it is evident that for months prior to this vote Corporation officials knew that the case numbers given to Congress were both false and inflated, deliberately withholding that information from Congress. This is absolutely inexcusable and those providing false information to Congress should be fired immediately.

With regard to the serious mismanagement at the Legal Services Corporation, I would like to associate myself with the report of the Appropriations Committee. In their report to accompany H.R. 2670, the Committee raised serious concerns about the case service reporting and associated data reports submitted annually by the Corporation to the Congress. Additionally, the Committee found that substantial inaccuracies in these submissions, as documented by the Corporation's Office of Inspector General and the General Accounting Office, and directed the Corporation to make improvement of the accuracy of these submissions a top priority.

To continue receiving my support and provide assurances that the Corporation is proactively addressing its problems, I support the Committee's directive that the Corporation submit its 1999 annual case service reports and associated data reports to Congress no later than April 30, 2000 in order to provide my colleagues with the information necessary to consider the Corporation's budget for fiscal year 2001.

Mr. RODRIGUEZ. Mr. Chairman, I rise in strong support of the amendment to restore $109 million in funding for the Legal Services Corporation. But even with this increase, there would only be $250 million available for LSC programs across the country. This would still be insufficient to meet our needs across the country, but it is a step in the right direction.

Even with this year's funding level of $283 million, Legal Services' resources are over-extended. We must send a more positive signal to the dedicated staff who stretch every dollar to provide basic legal services for the poor.

Many of our legal protections today came from the cases made possible by Legal Services. Protections such as due process, voting rights, property rights, women's rights, and many other areas came from Legal Services Corporation litigation. On a day to day basis, Legal Aid bureaus across the country help ensure that individuals have access to the most basic legal services.

In today's society, whenever a single person's rights are violated, everyone is in danger. To guard against such infringement, people need competent and timely legal advice. For the less fortunate, this is no different. LSC affords them the ability to protect their rights just as anyone else.

What are we construing here? Voting rights, employment right, access to education, freedom from discrimination, due process . . . the list goes on. What price tag can we put on these most precious commodities of our democracy?

I urge my colleagues to raise the level of LSC funding. I ask my colleagues to vote their CJS pocketbook for freedom.

Mr. SERRANO. Mr. Chairman, I yield back the balance of my time.

Mr. ROGERS. Mr. Chairman, there are no further speakers on this side of the aisle, and I yield back the balance of the time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SERRANO).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROGERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 242, noes 178, not voting 13, as follows:

[Roll No. 370]

AYES—242

Abercrombie
Ackerman
Allen
Andrews
Bachus
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Camp
Canady
Capps
Capuano
Cardin
Carson
Castle
Chambliss
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Ehlers
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Ganske
Gejdenson
Gekas
Gephardt
Gilman
Gonzalez
Gordon
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
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Hutchinson
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Larson
LaTourette
Leach
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Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
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Markey
Martinez
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Matsui
McCarthy (MO)
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McKinney
McNulty
Meehan
Meek (FL)
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Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
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Nadler
Napolitano
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Olver
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Pallone
Pascrell
Pastor
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Pelosi
Peterson (MN)
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Portman
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Rahall
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Sabo
Salmon
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Sawyer
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Scott

Serrano
Shays
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Sisisky
Skelton
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tauscher

Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
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Upton
Velazquez
Vento
Visclosky
Walsh

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Bass
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Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Cannon
Chabot
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Crane
Cubin
Cunningham
Deal
DeLay
DeMint
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehrlich
Emerson
English
Everett
Ewing
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Foley
Fossella
Gallegly
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte

Goodling
Goss
Graham
Granger
Green (WI)
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Stump
Sununu
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Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
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Toomey
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NOT VOTING—13

Bilbray
Cox
Cramer
Jefferson
John

Lantos
Largent
McDermott
Peterson (PA)
Shaw

Slaughter
Stenholm
Tanner

☐ 1627

Mr. DICKEY changed his vote from "aye" to "no."

Messrs. STARK, HOUGHTON, and BACHUS changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Ms. SLAUGHTER. Mr. Chairman, on rollcall No. 370, I was unavoidable detained. Had I been present, I would have voted "aye."

Stated against:

Mr. SALMON. Mr. Chairman, on Roll No. 370, the Serrano amendment to the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000 (H.R. 2670), I intended to vote "no."

☐ 1630

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from New York Mr. ENGEL for a colloquy.

Mr. ENGEL. Mr. Chairman, I rise today to engage in a colloquy with my colleague from New York (Mr. SERRANO), ranking member of the subcommittee, along with the gentleman from Kentucky (Chairman ROGERS).

Mr. Chairman, today I wish to express my support for the New York Botanical Garden. The district of the gentleman from New York (Mr. SERRANO) and mine encompass a large portion of the Bronx in New York. The New York Botanical Garden has been located in my district. It is currently located in the district of the gentleman from New York (Mr. SERRANO) which borders mine.

Mr. Chairman, those who have been to New York know that the Botanical Garden is considered by many to be the jewel of the Bronx as well as an institution renowned for its support and development of advanced research and graduate studies in plant biology.

I, along with 17 of my colleagues from New York, have urgently requested that $5 million be appropriated for construction of a new plant studies research laboratory at the New York Botanical Garden. The Botanical Garden is currently recognized as a premier institution in botanical research in the United States.

The facility which houses advanced botanical studies laboratories, however, has become obsolete. A new facility is desperately needed to continue to attract top scientists and researchers from around the world.

As I am sure the chairman and ranking member are aware, $1 million has been included in the Commerce-Justice-State appropriations bill of the Senate. I urge them to maintain or increase this level of funding during the conference committee.

Mr. SERRANO. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from New York.

Mr. SERRANO. Mr. Chairman, I thank my colleague from New York for expressing his support for the Botanical Garden and want to assure him that funding for the new facility is of high importance to me.

The Botanical Garden has been instrumental in maintaining our place as a world leader in plant research. Without this new plant research facility, the Botanical Garden may lose its preeminent status in botanical studies, forcing many of its scientists and scholars to conduct that research in countries with adequate facilities.

I want to reassure my colleague from New York that maintaining or increasing the $1 million in the Senate appropriations bill for the new plant studies research laboratory is of the highest priority with this Member.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I understand the interest of the two gentlemen, including the ranking minority member. I will be pleased to work with them as we go through this.

Mr. ENGEL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RADIATION EXPOSURE COMPENSATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses in accordance with the Radiation Exposure Compensation Act, $2,000,000.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service, established by title X of the Civil Rights Act of 1964, $7,199,000 and, in addition, up to $1,000,000 of

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

For necessary expenses for the detection, investigation, and prosecution of individuals involved in organized crime drug trafficking not otherwise provided for, to include intergovernmental agreements with State and local law enforcement agencies engaged in the investigation and prosecution of individuals involved in organized crime drug trafficking, $316,792,000, of which $50,000,000 shall remain available until expended: *Provided*, That any amounts obligated from appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation: *Provided further*, That any unobligated balances remaining available at the end of the fiscal year shall revert to the Attorney General for reallocation among participating organizations in succeeding fiscal years, subject to the reprogramming procedures described in section 605 of this Act.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For necessary expenses of the Federal Bureau of Investigation for detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use of not to exceed 1,648 passenger motor vehicles, of which 1,523 will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance, and operation of aircraft; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General, $2,357,015,000; of which not to exceed

$50,000,000 for automated data processing and telecommunications and technical investigative equipment and not to exceed $1,000,000 for undercover operations shall remain available until September 30, 2001; of which not less than $292,473,000 shall be for counterterrorism investigations, foreign counterintelligence, and other activities related to our national security; of which not to exceed $14,000,000 shall remain available until expended; of which not to exceed $10,000,000 is authorized to be made available for making advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to violent crime, terrorism, organized crime, and drug investigations; and of which not less than $59,429,000 shall be for the costs of conversion to narrowband communications, and for the operations and maintenance of legacy Land Mobile Radio systems: *Provided*, That such amount shall be transferred to and administered by the Department of Justice Wireless Management Office: *Provided further*, That not to exceed $45,000 shall be available for official reception and representation expenses: *Provided further*, That no funds in this Act may be used to provide ballistics imaging equipment to any State or local authority which has obtained similar equipment through a Federal grant or subsidy unless the State or local authority agrees to return that equipment or to repay that grant or subsidy to the Federal Government.

In addition, $752,853,000 for such purposes, to remain available until expended, to be derived from the Violent Crime Reduction Trust Fund, as authorized by the Violent Crime Control and Law Enforcement Act of 1994, as amended, and the Antiterrorism and Effective Death Penalty Act of 1996.

CONSTRUCTION

For necessary expenses to construct or acquire buildings and sites by purchase, or as otherwise authorized by law (including equipment for such buildings); conversion and extension of federally-owned buildings; and preliminary planning and design of projects; $1,287,000, to remain available until expended.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; expenses for conducting drug education and training programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs; purchase of not to exceed 1,358 passenger motor vehicles, of which 1,079 will be for replacement only, for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft; $932,000,000, of which not to exceed $1,800,000 for research shall remain available until expended, and of which not to exceed $4,000,000 for purchase of evidence and payments for information, not to exceed $10,000,000 for contracting for automated data processing and telecommunications equipment, and not to exceed $2,000,000 for laboratory equipment, $4,000,000 for technical equipment, and $2,000,000 for aircraft replacement retrofit and parts, shall remain available until September 30, 2001; of which not to exceed $50,000 shall be available for official reception and representation expenses; and of which not less than $20,733,000 shall be for the costs of conversion to narrowband communications and for the operations and maintenance of legacy Land Mobile Radio systems: *Provided*, That such amount shall be transferred to and administered by the Department of Justice Wireless Management Office.

In addition, $344,250,000, for such purposes, to remain available until expended, to be derived from the Violent Crime Reduction Trust Fund.

CONSTRUCTION

For necessary expenses to construct or acquire buildings and sites by purchase, or as otherwise authorized by law (including equipment for such buildings); conversion and extension of federally-owned buildings; and preliminary planning and design of projects; $8,000,000, to remain available until expended.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, as follows:

ENFORCEMENT AND BORDER AFFAIRS

For salaries and expenses for the Border Patrol program, the detention and deportation program, the intelligence program, the investigations program, and the inspections program, including not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; purchase for police-type use (not to exceed 3,075 passenger motor vehicles, of which 2,266 are for replacement only), without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; research related to immigration enforcement; for protecting and maintaining the integrity of the borders of the United States including, without limitation, equipping, maintaining, and making improvements to the infrastructure; and for the care and housing of Federal detainees held in the joint Immigration and Naturalization Service and United States Marshals Service's Buffalo Detention Facility, $1,130,030,000; of which not to exceed $10,000,000 shall be available for costs associated with the training program for basic officer training, and $5,000,000 is for payments or advances arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to immigration; of which not to exceed $5,000,000 is to fund or reimburse other Federal agencies for the costs associated with the care, maintenance, and repatriation of smuggled illegal aliens; and of which not less than $18,510,000 shall be for the costs of conversion to narrowband communications and for the operations and maintenance of legacy Land Mobile Radio systems: *Provided*, That such amount shall be transferred to and administered by the Department of Justice Wireless Management Office: *Provided further*, That none of the funds available to the Immigration and Naturalization Service shall be available to pay any employee overtime pay in an amount in excess of $30,000 during the calendar year beginning January 1, 2000: *Provided further*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further*, That none of the funds provided in this or any other Act shall be used for the continued operation of the San Clemente and Temecula checkpoints unless the checkpoints are open and traffic is being checked on a continuous 24-hour basis.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas:

Page 18, line 18, after the dollar amount, insert the following: "increased by $3,700,000)".

Page 24, line 14, after the dollar amount, insert the following: "(reduced by $3,700,000)".

Mr. ROGERS. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. A point of order is reserved.

The gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank both the gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO), the ranking member, for I know what is their continuing interest in the immigration and naturalization services.

I indicated that I had two amendments. I would like to speak to the amendment dealing with the border patrol.

All of us suffered through the tragedy of the Resendez-Ramirez case in which it was tragically found that he had the opportunity to pass through the border patrol a number of times and was not detected at that time.

The amendment that I am offering will add $3.7 million to the Enforcement and Border Affairs Account, monies coming out of the Federal Bureaus of Prisons Building and Construction Fund, which had $558 million, $147 million above fiscal year 1999.

This amendment would increase the starting salary level of border patrol agents from GS–5 to GS–7 level. I have just learned that the U.S. Border Patrol agents are also not up to staff.

As this subcommittee well knows, as this body well knows, the 1996 immigration law authorized a total of 5,000 additional border patrol agents to be added at a rate of 1,000 per fiscal year from 1997 to 2001.

INS did not request any additional agents in its proposed budget for FY 2000. This is greatly due to the lucrative job market that finds great difficulty in the recruitment and the ability to employ these individuals.

The concern is, of course, that in not being able to compete in this market, Mr. Chairman, the fact that the DEA, the FBI, and other law enforcement agencies, even local law enforcement agencies, have a higher salary than the starting GS–5 border patrol agent, which starts in at a level of $22,000 a year.

Therefore, after speaking with budget analysis, we have offered an additional $3.7 million to increase the starting salary from GS–5 level to GS–7, which will be slightly over $30,000.

We keep hearing about not being able to hire. We know the frustration of so many of our Members. We heard the pain of the tragedy of Resendez-Ramirez. Now we are facing an opportunity to do something, along with the Senate, which is also looking to do the same thing, to give the INS the opportunity to reach in a larger pool by increasing the salary to help these individuals be more competitive in being able to support their families.

I ask my colleagues to support this. I believe we have from the CBO a statement regarding the compliance with the CBO.

Mr. Chairman, let me say that this has little impact on the outlay and, as well, has little impact on the budget authorizations. So I would ask that we recognize the difficulty that the INS has had.

I am not here as an apologizer for the INS. I am simply here to say that we have heard so much about not being able to recruit INS officers, border patrol officers, and there is a great need on the northern border and on the southern border.

We heard testimony in our committee there is a great need for increasing these numbers. We must get the ability to the INS to provide higher salaries to be able to compete in today's market.

Mr. Chairman, I yield back the balance of my time.

POINT OF ORDER

Mr. ROGERS. Mr. Chairman, I make a point of order against the amendment because it would increase the level of budget outlays in the bill in violation of clause 2(f) of rule XXI. That rule states that it shall be in order to consider en bloc amendments proposing only to transfer appropriations among objects in the bill without increasing the levels of budget authority or outlays in the bill.

This amendment would increase the level of outlays in the bill because it comes from the INS Salaries and Expenses Account. The BA is $3.7 million. It is an 80 percent outlay, which means the first year outlay is $3 million.

The object being decreased is the Prisons Buildings and Facilities Fund, which outlays at the same figure, 10 percent; and there are no outlays in the first year.

So the net increase in outlays by this amendment is $3 million, in violation I think of the rule.

Mr. Chairman, I would ask for a ruling.

□ 1645

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

Ms. JACKSON-LEE of Texas. Mr. Chairman, I would simply say to the gentleman from Kentucky, I appreciate the response of the gentleman, I appreciate his interest in the INS, that I noted that there had been several amendments made in order by the majority that had points of order and were waived.

Mr. Chairman, in this instance, I am speaking particularly to the gentleman from Kentucky, he may not have heard testimony, but he knows that I did come to his committee. We had testimony in the Subcommittee on Immigration and Claims on which I serve as the ranking member begging us for the ability to provide more border patrol agents. The gentleman from Kentucky in his good graces with the gentleman from New York (Mr. SERRANO) and others have provided resources, but they have not been able to be utilized by the INS because those salaries are keeping them from competing with other law enforcement agencies, even local law enforcement agencies at higher salaries. I would just offer for the good of our borders to provide for well-trained border patrol agents, this movement would give us the ability to have those with college degrees, associate degrees and above, and give us the ability to provide the numbers of people we need at the northern border.

I would ask, Mr. Chairman, in this instance that we have, because of the crucial nature, because of the tragedy of the Resendez-Ramirez case, that in looking at the outlays that we have the ability to waive the point of order, and I would ask that that occur.

Mr. ROGERS. Mr. Chairman, in response let me say the problem is that this puts us over our allocation. It is not a question of whether I want to do it or not, it is a question of whether or not it is legal. The gentlewoman's amendment simply puts us over our allocation. Under the rules, we simply cannot do that.

The CHAIRMAN. Do any further Members wish to be heard on the point? If not, the Chair is prepared to rule.

To be considered en bloc pursuant to clause 2(f) of rule XXI, an amendment must not propose to increase the levels of budget authority or outlays in the bill. Because the amendment offered by the gentlewoman from Texas proposes a net increase in the level of outlays in the bill, as argued by the chairman of the Subcommittee on Appropriations, it may not avail itself of clause 2(f) to address portions of the bill not yet read. The amendment is therefore not in order at this point in the reading. The point of order is sustained.

The Clerk will read.

The Clerk read as follows:

CITIZENSHIP AND BENEFITS, IMMIGRATION SUPPORT AND PROGRAM DIRECTION

For all programs of the Immigration and Naturalization Service not included under the heading "Enforcement and Border Affairs", $535,011,000, of which not to exceed $400,000 for research shall remain available until expended: *Provided*, That not to exceed $5,000 shall be available for official reception and representation expenses: *Provided further*, That the Attorney General may transfer any funds appropriated under this heading and the heading "Enforcement and Border Affairs" between said appropriations notwithstanding any percentage transfer limitations imposed under this appropriation Act and may direct such fees as are collected by the Immigration and Naturalization Service to the activities funded under this heading and the heading "Enforcement and Border Affairs" for performance of the functions for which the fees legally may be expended: *Provided further*, That not to exceed 38 permanent positions and 38 full-time equivalent workyears and $3,909,000 shall be expended for the Offices of Legislative Affairs and Public Affairs: *Provided further*, That the latter two aforementioned offices shall not be augmented by personnel details, temporary transfers of personnel on either a reimbursable or non-reimbursable basis, or any other type of formal or informal transfer or reimbursement of personnel or funds on either a temporary or long-term basis: *Provided further*, That the number of positions filled through non-career appointment at the Immigration and Naturalization Service, for which funding is provided in this Act or is otherwise made available to the Immigration and Naturalization Service, shall not exceed 4 permanent positions and 4 full-time equivalent workyears: *Provided further*, That none of the funds available to the Immigration and Naturalization Service shall be used to pay an employee overtime pay in an amount in excess of $30,000 during the calendar year beginning January 1, 2000: *Provided further*, That funds may be used, without limitation, for equipping, maintaining, and making improvements to the infrastructure and the purchase of vehicles for police type use within the limits of the Enforcement and Border Affairs appropriation: *Provided further*, That, notwithstanding any other provision of law, during fiscal year 2000, the Attorney General is authorized and directed to impose disciplinary action, including termination of employment, pursuant to policies and procedures applicable to employees of the Federal Bureau of Investigation, for any employee of the Immigration and Naturalization Service who violates policies and procedures set forth by the Department of Justice relative to the granting of citizenship or who willfully deceives the Congress or department leadership on any matter.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas:

Page 19, line 24, after the dollar amount, insert the following: "(increased by $15,600,000)".

Page 24, line 14, after the dollar amount, insert the following: "(reduced by $15,600,000)".

Mr. ROGERS. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Kentucky reserves a point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, this amendment deals specifically with all of the angst and anger that I have heard from my colleagues in terms of their complaints with respect to the INS. It has to do with adding some 200 adjudicators to assist the INS in processing the many applications that come in, legitimate applications that come in, with respect to individuals seeking to secure visas and other forms of naturalization applications.

This amendment will add 200 adjudicators and additional clerical support staff to be brought on board to augment the completion of naturalization applications. This is additional money on top of the 200 adjudicators that the INS has already requested.

Inasmuch as the gentleman from Kentucky has reserved a point of order, let me offer to give an illustration of the various tragedies that come about because of the overload in the INS offices and the tragedies that our Members face in trying to help resolve these. I say they are tragedies because they wind up ending in nonresolution. Take the case of Azmi Attia from Israel. He has been living in the United States, in Houston, for several years, he is a legal permanent resident, a college graduate, is employed with the Exxon Corporation, and applied for U.S. citizenship in early 1997. He desperately wanted to become a citizen so that he could receive a passport to travel back home to Israel to visit his dying mother. Due to the backlog, he was not granted citizenship in time before his mother died. Since then, he has suffered from severe depression and is coping every day with not becoming a citizen in time to go to be with his dying mother. This problem must be corrected and we must do it in Congress. The additional $15.6 million will do just that.

I had asked earlier for the gentleman from Kentucky to waive the point of order. I would imagine the arguments are the same. And so I would offer this, Mr. Chairman. This is an important issue. I would hope the gentleman from Kentucky would view this as an important issue and on his time I would like to enter into a colloquy because I would like to withdraw this amendment because this is important to me. It is important to the colleagues who have called my office begging for relief. It is important for those people who have seen their mother die or not been able to be with their sister who was dying of cancer, that we be able to utilize the system in a way that will move these cases forward. I would like to see some effort in conference to provide some additional adjudicators because we have looked everywhere to offset and there is always something because the authorizers and the appropriators obviously look at issues in a way that sometimes matches and sometimes does not.

This is an important issue. I would certainly appreciate the opportunity to work with the ranking member and, of course, the chairman on trying to relieve this heavy burden that so many of our colleagues are facing.

POINT OF ORDER

The CHAIRMAN. Does the gentleman have a point of order?

Mr. ROGERS. I do, Mr. Chairman.

The amendment touches text not yet read for amendment and it results in an increase in outlays and does not warrant protection under clause 2(f) of rule XXI.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I would be happy to, but I do not think the Chair will let me.

The CHAIRMAN. The Chair will once again recognize the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Let me just say, Mr. Chairman, I have withdrawn the amendment. What I was saying is that this is a crucial issue, that so many of our colleagues have indicated——

The CHAIRMAN. The gentlewoman will suspend.

The Chair understood that the gentlewoman wanted to be recognized to withdraw her amendment.

Ms. JACKSON-LEE of Texas. Yes, I would like to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the last word.

As I indicated, this past amendment is an amendment that so many of my colleagues have indicated they have a problem with the backlog and that this amendment was requiring 200 adjudicators. I had asked for a waiver of the point of order, which we did not get, and so I was interested in inquiring of the chairman and I would like to inquire of the ranking member, in helping to work with us on the question of possible review of additional adjudicators to assist in this backlog. This is something that we have heard from the Members, this is something we have heard from from the INS, and it is a difficult problem.

Mr. ROGERS. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Kentucky.

Mr. ROGERS. I appreciate the gentlewoman's bringing this matter to the body's attention. The fact is that last year, the current year, we provided $172 million for the purposes of trying to reduce that backlog of naturalization, which in most cases is now 2 years. The wait for an individual to be naturalized is 2 years. That is incredibly long. But we provided the big money this current year and we provided $124 million in this bill, which was the amount the administration requested for this purpose, and they assured us they would be able to reduce the backlog with this sum of money.

Now, the gentlewoman knows that I am not happy with the Immigration and Naturalization Service. This is another reason why I think we need to think anew about how we handle all of the matters now dealt with by the INS. But for the moment in this bill, we have provided every penny that was requested of us for the purposes of reducing the backlog.

Ms. JACKSON-LEE of Texas. Reclaiming my time, let me just simply say that I hope that we can work through this issue. The INS has indicated that the backlog is because they do not have the number of adjudicators that they need.

Mr. ROGERS. If the gentlewoman will yield on that, that is not their story to me. If they are requesting more money or if they say this is not enough money, that is news to me because this is the amount they asked of us.

Ms. JACKSON-LEE of Texas. The gentleman has already said that the INS has difficulty knowing with one hand what the other hand is doing. What I do know is that we who are in the districts working with these individuals, seeing people not be able to visit their dying relatives are suffering.

Mr. Chairman, I yield to the gentleman from New York (Mr. SERRANO) on the importance of at least getting our caseloads out of our office to help these people who are suffering and cannot get to visit their dying relatives.

Mr. SERRANO. Mr. Chairman, I thank the gentlewoman very much, first of all. This is not the first time the gentlewoman has brought this subject up. This is one subject that the gentlewoman discusses with me often. As I was just saying to a staff member, if we can do something about this, then maybe on Monday, Tuesday, Wednesday, Thursday and Friday mornings, there will not be that line of 200 people around the block at my district office, people that we welcome but people that certainly are coming there to find out why the backlog exists somewhere else and not in my office.

I join the gentlewoman and I surely would join anyone else in trying to solve this problem and deal with it the proper way.

Ms. JACKSON-LEE of Texas. I thank the ranking member.

Mr. Chairman, I know the gentleman from Kentucky's angst, if you will, with the INS. I know all the work the gentleman from New York has done. If we can work together as we move this bill toward conference, I would greatly appreciate it. I think it would release a lot of us from the horrible pressures of the caseload that we have of such tragedies, of people not being able to have their cases adjudicated who are doing it legally. That is what we want to support, legal immigration.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

VIOLENT CRIME REDUCTION PROGRAMS

In addition, $1,267,225,000, for such purposes, to remain available until expended, to be derived from the Violent Crime Reduction Trust Fund: *Provided*, That the Attorney General may use the transfer authority provided under the heading "Citizenship and Benefits, Immigration Support and Program Direction" to provide funds to any program of the Immigration and Naturalization Service that heretofore has been funded by the Violent Crime Reduction Trust Fund.

CONSTRUCTION

For planning, construction, renovation, equipping, and maintenance of buildings and facilities necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, not otherwise provided for, $90,000,000, to remain available until expended: *Provided*, That no funds shall be available for the site acquisition, design, or construction of any Border Patrol checkpoint in the Tucson sector.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed 708, of which 602 are for replacement only) and hire of law enforcement and passenger motor vehicles, and for the provision of technical assistance and advice on corrections related issues to foreign governments, $3,082,004,000: *Provided*, That the Attorney General may transfer to the Health Resources and Services Administration such amounts as may be necessary for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions: *Provided further*, That the Director of the Federal Prison System (FPS), where necessary, may enter into contracts with a fiscal agent/fiscal intermediary claims processor to determine the amounts payable to persons who, on behalf of the FPS, furnish health services to individuals committed to the custody of the FPS: *Provided further*, That not to exceed $6,000 shall be available for official reception and representation expenses: *Provided further*, That not to exceed $90,000,000 shall remain available for necessary operations until September 30, 2001: *Provided further*, That, of the amounts provided for Contract Confinement, not to exceed $20,000,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements, and other expenses authorized by section 501(c) of the Refugee Education Assistance Act of 1980, as amended, for the care and security in the United States of Cuban and Haitian entrants: *Provided further*, That, notwithstanding section 4(d) of the Service Contract Act of 1965 (41 U.S.C. 353(d)), FPS may enter into contracts and other agreements with private entities for periods of not to exceed 3 years and 7 additional option years for the confinement of Federal prisoners.

In addition, $22,524,000, for such purposes, to remain available until expended, to be derived from the Violent Crime Reduction Trust Fund.

BUILDINGS AND FACILITIES

For planning, acquisition of sites and construction of new facilities; leasing the Oklahoma City Airport Trust Facility; purchase and acquisition of facilities and remodeling, and equipping of such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $558,791,000, to remain available until expended, of which not to exceed $14,074,000 shall be available to construct areas for inmate work programs: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation: *Provided further*, That not to exceed 10 percent of the funds appropriated to "Buildings and Facilities" in this Act or any other Act may be transferred to "Salaries and Expenses", Federal Prison System, upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate in compliance with provisions set forth in section 605 of this Act.

FEDERAL PRISON INDUSTRIES, INCORPORATED

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of (not to exceed five for replacement only) and hire of passenger motor vehicles.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed $2,490,000 of the funds of the corporation shall be available for its administrative expenses, and for services as authorized by 5 U.S.C. 3109, to be computed on an accrual basis to be determined in accordance with the corporation's current prescribed accounting system, and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and the Missing Children's Assistance Act, as amended, including salaries and expenses in connection therewith, and with the Victims of Crime Act of 1984, as amended, $143,436,000, to remain available until expended, as authorized by section 1001 of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

In addition, for grants, cooperative agreements, and other assistance authorized by sections 819, 821, and 822 of the Antiterrorism and Effective Death Penalty Act of 1996, $74,000,000, to remain available until expended.

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For assistance authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended ("the 1994 Act"), $1,629,500,000 to remain available until expended; of which $523,000,000 shall be for Local Law Enforcement Block Grants, pursuant to H.R. 728 as passed by the House of Representatives on February 14, 1995, except that for purposes of this Act, the Commonwealth of Puerto Rico shall be considered a "unit of local government" as well as a "State", for the purposes set forth in paragraphs (A), (B), (D), (F), and (I) of section 101(a)(2) of H.R. 728 and for establishing crime prevention programs involving cooperation between community residents and law enforcement personnel in order to control, detect, or investigate crime or the prosecution of criminals: *Provided*, That no funds provided under this heading may be used as matching funds for any other Federal grant program: *Provided further*, That $40,000,000 of this amount shall be for Boys and Girls Clubs in public housing facilities and other areas in cooperation with State and local law enforcement: *Provided further*, That funds may also be used to defray the costs of indemnification insurance for law enforcement officers: *Provided further*, That $20,000,000 shall be available to carry out section 102(2) of H.R. 728; of which $420,000,000 shall be for the State Criminal Alien Assistance Program, as authorized by section 242(j) of the Immigration and Nationality Act, as amended; and of which $686,500,000 shall be for Violent Offender Incarceration and Truth in Sentencing Incentive Grants pursuant to subtitle A of title II of the 1994 Act, of which $165,000,000 shall be available for payments to States for incarceration of criminal aliens, and of which $25,000,000 shall be available for the Cooperative Agreement Program.

AMENDMENT OFFERED BY MR. SCOTT

Mr. SCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCOTT:

In title I, in the item relating to "OFFICE OF JUSTICE PROGRAMS—STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after the first dollar amount (relating to the aggregate amount), insert the following: "(reduced by $87,300;000)".

In title I, in the item relating to "OFFICE OF JUSTICE PROGRAMS—STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after the third dollar amount (relating to Boys and Girls Clubs), insert the following: "(increased by $50,000,000)".

In title I, in the item relating to "OFFICE OF JUSTICE PROGRAMS—STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after the sixth dollar amount (relating to violent offender incarceration and trust in sentencing incentive grants), insert the following: "(reduced by $137,300,000)".

In title I, in the item relating to "OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after the first dollar amount (relating to the aggregate amount), insert the following: "(increased by $87,300,000)".

In title I, in the item relating to "OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after the fifteenth dollar amount (relating to grants for residential substance abuse treatment for State prisoners), insert the following: "(increased by $37,300,000)".

In title I, in the item relating to "OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after the eighteenth dollar amount (relating to drug courts), insert the following: "(increased by $50,000,000)".

Mr. SCOTT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SCOTT. Mr. Chairman, this amendment would transfer approximately one-half, that is $137 million, of the truth-in-sentencing prison grant funds to crime prevention and drug treatment programs.

☐ 1700

Mr. Chairman, the fact is that the truth in sentencing funds, which only about half of the States even qualify for, can only be spent for prison construction. At this point some States have already overbuilt their prison space, and my own State of Virginia is trying to lease out space to other States in the Federal Government of about 3,200 excess prison beds. There is no reason for us to provide funds to build prison beds that States do not need.

Furthermore, Mr. Chairman, States are already spending tens of billions of dollars on prison construction, so the entire fund of $300 million spread out among the few States that actually qualify cannot possibly make any measurable difference in the number of prison beds built, much less have an overall effect on the crime rate. But if that money is targeted to crime prevention and treatment programs, we can make a significant difference on crime.

Mr. Chairman, this truth-in-sentencing policy is a poor policy to begin with. The so-called truth is actually only half truth in sentencing because the half truth is that those who are subjected to the truth in sentencing cannot get out early. The whole truth is that others cannot be held longer either. Virginia changed to 1½ to 10 year sentence where the average served was 2½ years to a sentence where everyone served 5 years. They doubled the average time served. The low-risk prisoners cannot get out early, but the high-risk prisoners that could not make parole and could have been held for 10 years cannot be held longer either.

Mr. Chairman, another problem with the truth in sentencing is the absence of parole eligibility, eliminates a major incentive the prisoners have to qualify for education and job training programs. They lose their incentive, they do not have to tell the parole board anything, and so they are more likely to come out as dumb, as untrained, as they went in. Education and job training are two of the major components in crime reduction, of recidivism. It is such poor policy, Mr. Chairman, that 23 States did not even ask for money in last year's budget, and so we have a situation where the money could be spent much better.

The Conference on Juvenile Justice has just begun, and we can make a commitment to reduce crime by passing this amendment. This amendment would increase funding for building and running boys and girls clubs, in public housing and in sites for at-risk youth by $50 million. Boys and girls clubs have been shown through study and research to be cost-effective ways of reducing crime for at-risk youth.

The amendment also provides for an additional $37 million for residential drug treatment for prisoners before they are released and approximately $90 million for drug courts. Both prison drug treatment and drug courts have been shown to significantly reduce crime at a lower cost than just simply jailing drug addicts.

So this amendment would not only reduce crime, it will reduce the amount of money that we spend. So let us show our commitment to reducing crime in this country by passing this amendment.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia (Mr. SCOTT).

Either the gentleman's amendment is not drafted properly or he intends to cut the local law enforcement block grant by 50 million, and that is a program that is critical to our State and local law enforcements' fight to reduce crime. The amendment cuts the funds available for the Local Law Enforcement Block Grant, State prison grants, and the State Criminal Alien Assistance Program (SCAAP), by 20 percent; and the Committee has received numerous letters by our colleagues' governors, their State prosecutors, their State prison officials, supporting the Local Law Enforcement Block Grant that it refers to be cut here, and the Truth-in-Sentencing grants and SCAAP, which this amendment cuts.

Convicted felons, Mr. Chairman, serve only 38 percent of their sentences on average. Truth-in-Sentencing grants, which this would cut, which require violent offenders to serve 85 percent of their sentences, are a vital and sensible response to the problem that we face.

While there may be several reasons for the recent drop in violent crime, the fact remains, prison works. The simple fact is that prisons incapacitate offenders. Incarceration, unlike probation or parole, makes it impossible for offenders to victimize the public as long as they are locked up. Historic figures show that after incarceration rates have increased crime rates have moderated, and I would submit to my colleagues that is exactly the case we face today as America right now is enjoying the lowest violent crime rate in recordkeeping history.

On the other hand, imprisonment is actually used less frequently than are alternative sanctions. On any given day, seven offenders are on the street for every three who are behind bars. In 1991, 45 percent of State prisoners were on probation or parole at the time they committed their last crime. Together these parole and probation violators committed 90,639 violent crimes while under supervision in the community. That is 13,100 murders, 12,900 rapes, 19,300 assaults, and 39,500 committed by people on parole or probation. In 1992, over 40 percent of persons on death row were on probation, parole, or pretrial release at the time they committed the murder for which they are now on death row.

The lack of prison space is a national problem. When we passed the legislation in 1995, only 12 States were Truth-in-Sentencing States. By the end of 1998, 27 States and the District of Columbia required violent offenders to serve at least 85 percent of their prison sentences. Another 13 States have adopted Truth-in-Sentencing laws requiring violent offenders to serve a substantial portion of their sentence before being eligible for release.

The need for additional prison capacity remains. While some States may have excess prison capacity, other States are a long way from reducing their overcrowding problem, and I suspect the gentleman from Florida (Mr. MCCOLLUM), the chairman of the Subcommittee on Crime who I am sure will speak momentarily, will elucidate on these points.

I would urge my colleagues to oppose this amendment. This amendment, although it has a worthy goal of increasing funding for certain programs, unfortunately would cut the programs that are working in bringing down violent and other crimes in the country, and I would urge the rejection of this amendment.

Mr. MCCOLLUM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to oppose this amendment, and I do so with all due respect to the gentleman who offered it who is a good friend and has served on this committee with me and the Subcommittee on Crime for quite some time and is the ranking member. I know he has offered this same proposal now, I think, 4 years in a row; and he genuinely does not believe in the purpose or the usefulness of these grants that are going out under the truth in sentencing, but I must say that it has been remarkable in my judgment, and I think the judgment of most who have looked at this, how successful these truth-in-sentencing grants have been.

As the gentleman from Kentucky (Mr. Rogers) has indicated, we now have seen a dramatic increase in the number of States that have adopted the 85 percent rule over where they were just a few years ago when we started this incentive grant program to help States build the prison spaces they need in order to be able to house violent repeat offenders. At one time I think there were only 6 or 7 states when we started this program that had the 85 percent rule requiring one to serve at least that percentage of their sentence then.

In just about every State they are going through the revolving doors. We now have about 40 States that are engaged in activities to increase the sentencing at least towards the goal of 85 percent of receiving some money under this program. I believe I am correct in saying that 31 or 32 States that have actually achieved the objective and are now requiring their violent repeat felons to serve at least 85 percent of their sentences, and this is a major factor in the reduction in the rate of violent crime in this country the last couple of years. Very clearly that is the case.

We certainly do not want to jeopardize that; we do not want to reverse that.

Now we have far too many crimes every year being committed in this country. I think we used to have about 165 back in 1960, 165 violent crimes for every 100,000 people in our population. That went up to 680 or so a few years ago, and now it is down to the lowly amount of 611 violent crimes for every 100,000 people in our population, way too high; but this is the right direction it is trending, and the truth-in-sentencing grant program to the States to help them build prison beds in return for requiring this longer sentence to be served is an integral and important reason why that is so.

Now I am all for boys and girls clubs, and I am all for drug treatment and for drug courts. This legislation provides $40 million up from $20 million in fiscal year 1998 for boys and girls clubs. It provides $63 million for the drug treatment programs, the same level as last year. It provides $40 million for drug courts, up from $30 million in the last fiscal year. And so while the causes that the gentleman from Virginia (Mr. SCOTT) advocates that the money be placed towards in lieu of the truth-in-sentencing grants are all causes which everyone in this Congress supports, they are not underfunded.

We need to find balance in this program, and we need to have a common sense approach to this, and no one is arguing that incarceration alone is the answer. Community-based prevention programs such as prison drug testing and meaningful work opportunities for inmates are just a few of the additional efforts that need to be done.

But this amendment, as I said earlier, has been offered four times in a row, four different occasions for an appropriations bill. Fortunately, it has been defeated each time, and I would urge my colleagues to defeat it again this time. We need to continue this successful truth-in-sentencing program, not interrupt it; and I urge a no vote on this amendment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I hold here in my hand a copy of a letter from 34 of our Nation's Governors who are urging us not to cut this program, and I would submit that for the RECORD, if the gentleman would like.

JULY 20, 1999.

Hon. C.W. BILL YOUNG, CHAIRMAN,
Committee on Appropriations, U.S. House of Representatives, Washington, DC.

Hon. HAROLD ROGERS, CHAIRMAN,
Appropriations Subcommittee on Commerce, Justice, State and the Judiciary, U.S. House of Representatives, Washington, DC.

Hon. DAVID R. OBEY,
Committee on Appropriations, U.S. House of Representatives, Washington, DC.

Hon. JOSÉ SERRANO,
Appropriations Subcommittee on Commerce, Justice, State and the Judiciary, U.S. House of Representatives, Washington, DC.

DEAR GENTLEMEN: We are writing to ask you to restore funding for FY 2000 for the Violent Offender Incarceration/Truth-in-Sentencing (VOI/TIS) Prison Construction Grant Program at the FY 1999 level without offsets, set-asides or earmarks.

Relying on the incentives in VOI/TIS, most of our states have adopted longer sentences for violent crimes and instituted other changes to ensure that the actual time served by violent offenders is consistent with their sentences. We all have projects in various stages of planning and implementation, which depend upon VOI/TIS being funded through FY 2000.

These funds are vital to states' efforts to get violent offenders off our nation's streets and to keep them off longer. We believe the reduction in violent crime rates that has occurred in the last few years is partly because repeat violent offenders are being taken off and kept off the streets in record numbers—due in no small part to the impact of the VOI/TIS State Prison Construction Grant Program.

However, the number of violent offenders coming into our prisons, combined with those being held for longer period of time, continue to make our violent offender prison populations rise. These offenders are also more costly to house and manage securely. Reliable statistical projections by prudent state planners—as well as the U.S. Department of Justice—indicate it will be well into the next decade before population figures for violent offenders level out. The job of getting the maximum feasible number of violent offenders off the streets for longer periods of time has not been finished.

We appreciate the leadership you have demonstrated in establishing and funding the VOI/TIS program and for the many other ways in which your committees have supported state and local efforts to fight crime. However, we are deeply concerned about the elimination of VOI/TIS funding and urge you to restore VOI/TIS funds at the FY 1999 level for FY 2000.

Your consideration is deeply appreciated.

Sincrely,

(Signed by 34 State Governors.)

Mr. McCOLLUM. Mr. Chairman, I would like for the gentleman to do that.

I think that speaks worlds of testimony. The governors like it, it is a great program, and we should continue doing it. We must continue doing it for the safety of our kids on the street.

So I urge a "no" vote on the Scott amendment.

Mr. SERRANO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment. The chairman of our subcommittee has very strongly told us over and over again, and I believe him, that our subcommittee has played a major role through some of its actions in reducing crime; and I, as a new member to the committee and as ranking member, I continue to work with him to make sure that that happens, and I have no doubt that his statements are correct, that this subcommittee has played a role.

But I think what we have to look at here is that the amendment offered by the gentleman from Virginia (Mr. SCOTT), one glance at it, it supports that whole notion that some of us share that the best way to fight crime is to prevent it and that the best way to prevent crime is to supply dollars and create programs that in fact benefit people, especially young people, so that they will not be in a life of crime, and any time, and my colleagues have to understand this, at any time to some of us colleagues speak about spending dollars on building prisons, which is in many cases or in most instances what this ends up being.

Well, we feel that too much money in this country is already being spent on building prisons. We spend more money on building prisons than we spend in many instances on education. So I think that the amendment offered by the gentleman from Virginia (Mr. SCOTT) is one that we should pay special attention to, especially when he divvies up the money in what I think is a wonderful and a direct way, prison drug treatment, the drug court program, boys and girls clubs. When we do this together, we are in fact being very supportive of the work that governors and other people are doing throughout the States. But the fact of life is, as he points out, that in so many cases there are problems. Twenty-three States did not receive any funds in FY 1999. There is no excuse for that, and something is wrong. He does not want that money to go to waste, and he knows how best to use it.

And so I would hope that people would look at this amendment for what it is. It is an amendment that in fact fights crime. It is an amendment that in fact speaks to exactly what some of my colleagues have been speaking about and that we are all so proud of that is happening in this country, and

I think that rather than just react to it automatically, the way we always do, we should look at it for what it is worth, and it is worth a lot and we should be supportive of it.

☐ 1715

Mr. WATT of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Scott amendment and want to applaud my colleague for bringing this amendment forward again this year.

Mr. Chairman, for those who have voted against the amendment in the past, they may have done it because they thought they needed more prisons. But understand that the crime rate in most States is down and the need for more prison space is down, so that even for those people who supported this program from which the funds would be transferred in the past, who thought they had a rational basis for it, in many communities jail construction and prison construction has just become an employment program now.

Mr. Chairman, let me assure Members that the places to which the money is being transferred under this amendment would employ people also. So we are down to a choice between whether we build some more prisons, which are not needed, even if you think being harder on crime is important and has played an effective role in reducing crime. Once that effective role is played, then you eliminate the need for the money to have additional prison space, because during the time when the crime rate was on the incline, going up, we built a lot of prison beds and prison space in this country, and now that the crime rate is going down, we have got more than we really need. So we cannot even justify it, even if you claim to prefer to be hard on crime.

In fact, it would be better if you did not support these prevention programs to which the gentleman from Virginia (Mr. SCOTT) is proposing to transfer the money. It would actually be better to just void the program out and put the money in debt reduction than it would be to continue to spend the money on a program serving no useful purpose.

But that is not what I am advocating. I am advocating transferring the funds, as the gentleman from Virginia (Mr. SCOTT) has proposed in his amendment.

Now, why am I doing that? First of all, the gentleman is transferring $50 million of the funds to the Boys and Girls Programs. Why do we want to do that? Because what we understand is that the period of time from the time that kids get out of school to the time that these working parents who have to work to sustain this economic boom that we are having, unemployment is down and jobs are up so more people are working, the time that most of the crime occurs among young people in this country is the period between the end of school and the time that their parents come home.

When is the most effective time and the most need for the Boys and Girls Club? What purpose do they serve? They fill this time void between the end of school and the time that their parents come home with constructive, important activities that are very positive, and that is why this program is so successful and so much needed.

It transfers $37.3 million to the prison drug treatment program. Now, why does the gentleman do that? Because, again, this is an effective program. What we have been doing is putting people in jail because of drug use or drug sales. They go in the jail with a drug habit, and they serve their time and they come right back out, still addicted to drugs, with no drug treatment while they were in prison. We had a captive audience of people who were addicted, and we did nothing about it during that period of time.

One of the most cost effective things we could do is to treat people while we have them as a captive audience.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. WATT) has expired.

(By unanimous consent, Mr. WATT of North Carolina was allowed to proceed for 1 additional minute.)

Mr. WATT of North Carolina. Mr. Chairman, I will wrap-up. I just want to address this third thing that we are doing with the money under the Scott amendment. The gentleman is transferring $50 million to the Drug Court Program.

Now, I can tell you, because I have a Drug Court in my Congressional District, I have several Drug Courts in my Congressional District, and what they are doing is they are intervening with people who come in to the court system for drug offenses and they are being proactive with them. They are identifying the problems they have of addiction. They are getting them into treatment programs. They are making sure that when somebody comes into that drug program, the Drug Court, they are not processed through the system without having their problem dealt with. So what you see is this reduced recidivism, which, again, has contributed to the reduction in crime and the reduced need for prison space.

This is just a wonderful, good amendment, and we all ought to be supportive of it. I urge my colleagues to support this wonderful amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. SCOTT).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. ROGERS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentleman from Virginia (Mr. SCOTT) will be postponed.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent to consider an amendment at the desk.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas:

Page 24, line 14, after the dollar figure insert "(reduced by $2,000,000)".

Page 34, line 8, after the dollar figure insert "(increased by $2,000,000)".

Ms. JACKSON-LEE of Texas. Mr. Chairman, I will not take the 5 minutes. I simply want to acknowledge the importance of programs that will help our youth. They are important in my district, they are important across the Nation. This $2 million will help enhance substance abuse programs for our young people, which we know is devastating. Our young people are out abusing alcohol, they are abusing drugs.

If we are going to invest in the future of our young people, this $2 million will help spread an additional opportunity for inner cities, rural communities and all throughout the Nation to provide programs for our young people.

Mr. Chairman, I rise to offer an amendment to this Appropriation bill that will increase some of the funding for juvenile justice programs within the Department of Justice. Specifically, my amendment adds $2 million to the Demonstration Project grants that are designed to reduce drug use among our youth. Currently, these project grants are funded at $10 million.

Although $10 million is a considerable amount for these programs, I feel that this issue is so important that we should add an additional $2 million. The offset for this funding increase would come from the Federal Prison funding for Buildings and Facilities.

The Administration requested additional funds for the juvenile justice programs administered by the Justice Department, but the funding remained the same from FY 1999. This amendment increases the funding to the level that was requested by the Administration.

We must increase the amount of funding for programs that reduce drug use among our young people because drug use has increased dramatically in this decade. Since 1992, marijuana use has doubled, going from 3.4 percent to 7.1 percent in 1996.

The use of other drugs has also increased. There has been a rise in heroine use among young people who are smoking and sniffing that substance. This rise has occurred specifically in small metropolitan areas. In 1995 21.6 percent of heroine users were 12 to 17 years old and 40.2 percent were 18 to 25 years old.

Clearly, this increase in drug use needs to be addressed in any method that has proven to work. The Demonstration Projects provide local communities the opportunity to apply for funding for local programs that have been proven to work.

The correlation of drug use and the increase in juvenile crime cannot be overstated. programs that work to reduce drug use among juveniles will also work indirectly to reduce youth crime.

As we have witnessed in the past several months, juvenile crime is an important issue for many of us. All of us are eager to find solutions that work to stem the tide of youth violence. Many of us are equally concerned about the increase of youth drug use, and these concerns are interrelated.

The $2 million offset for this funding is coming from the Building and facilities funding for the Federal Prison system. This small amount for building more jails to house young people and others who are convicted of drug offenses should be put to use preventing these crimes.

This offset has been scored by the Congressional Budget Office and will have no impact on the funding on this bill. I ask My Colleagues to support this amendment. The money we spend on improving prison facilities can be put to use to prevent the need for more federal prisons.

None of us wants to see another generation of young people damaged by drug abuse. Many of us remember how devastating drugs were in previous generations and this is something we can do to prevent a similar tragedy.

The young people in this country deserve to have hope for their future and this amendment restores some of that hope. Programs that are proven to work on the local level to combat drug use should receive as much support as possible by the federal government. I urge your support.

Mr. ROGERS. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, we have no objection to this amendment. In fact, this program was one that was begun by this subcommittee some time back, and this would augment that program. I want to thank the gentlewoman for offering the amendment.

Mr. SERRANO. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from New York.

Mr. SERRANO. Mr. Chairman, any time you have the chairman agreeing, and mathematically he has the votes, you are in good shape, so I will just sit down.

Ms. JACKSON-LEE of Texas. Mr. Chairman, reclaiming my time, I thank the chairman and the ranking member.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For assistance (including amounts for administrative costs for management and administration, which amounts shall be transferred to and merged with the "Justice Assistance" account) authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended ("the 1994 Act"); the Omnibus Crime Control and Safe Streets Act of 1968, as amended ("the 1968 Act"); and the Victims of Child Abuse Act of 1990, as amended ("the 1990 Act"), $1,193,450,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund; of which $552,000,000 shall be for grants, contracts, cooperative agreements, and other assistance authorized by part E of title I of the 1968 Act, for State and Local Narcotics Control and Justice Assistance Improvements, notwithstanding the provisions of section 511 of said Act, as authorized by section 1001 of title I of said Act, as amended by Public Law 102–534 (106 Stat. 3524), of which $47,000,000 shall be available to carry out the provisions of chapter A of subpart 2 of part E of title I of said Act, for discretionary grants under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs; of which $9,000,000 shall be for the Court Appointed Special Advocate Program, as authorized by section 218 of the 1990 Act; of which $2,000,000 shall be for Child Abuse Training Programs for Judicial Personnel and Practitioners, as authorized by section 224 of the 1990 Act; of which $206,750,000 shall be for Grants to Combat Violence Against Women, to States, units of local government, and Indian tribal governments, as authorized by section 1001(a)(18) of the 1968 Act, including $28,000,000 which shall be used exclusively for the purpose of strengthening civil legal assistance programs for victims of domestic violence: *Provided*, That, of these funds, $5,200,000 shall be provided to the National Institute of Justice for research and evaluation of violence against women, $1,196,000 shall be provided to the Office of the United States Attorney for the District of Columbia for domestic violence programs in D.C. Superior Court, and $10,000,000 shall be available to the Office of Juvenile Justice and Delinquency Prevention for the Safe Start Program, to be administered as authorized by part C of the Juvenile Justice and Delinquency Act of 1974, as amended; of which $34,000,000 shall be for Grants to Encourage Arrest Policies to States, units of local government, and Indian tribal governments, as authorized by section 1001(a)(19) of the 1968 Act; of which $25,000,000 shall be for Rural Domestic Violence and Child Abuse Enforcement Assistance Grants, as authorized by section 40295 of the 1994 Act; of which $5,000,000 shall be for training programs to assist probation and parole officers who work with released sex offenders, as authorized by section 40152(c) of the 1994 Act, and for local demonstration projects; of which $1,000,000 shall be for grants for televised testimony, as authorized by section 1001(a)(7) of the 1968 Act; of which $63,000,000 shall be for grants for residential substance abuse treatment for State prisoners, as authorized by section 1001(a)(17) of the 1968 Act; of which $900,000 shall be for the Missing Alzheimer's Disease Patient Alert Program, as authorized by section 240001(c) of the 1994 Act; of which $1,300,000 shall be for Motor Vehicle Theft Prevention Programs, as authorized by section 220002(h) of the 1994 Act; of which $40,000,000 shall be for Drug Courts, as authorized by title V of the 1994 Act; of which $1,500,000 shall be for Law Enforcement Family Support Programs, as authorized by section 1001(a)(21) of the 1968 Act; of which $2,000,000 shall be for public awareness programs addressing marketing scams aimed at senior citizens, as authorized by section 250005(3) of the 1994 Act; and of which $250,000,000 shall be for Juvenile Accountability Incentive Block Grants, except that such funds shall be subject to the same terms and conditions as set forth in the provisions under this heading for this program in Public Law 105–119, but all references in such provisions to 1998 shall be deemed to refer instead to 2000: *Provided further*, That funds made available in fiscal year 2000 under subpart 1 of part E of title I of the 1968 Act may be obligated for programs to assist States in the litigation processing of death penalty Federal habeas corpus petitions and for drug testing initiatives: *Provided further*, That, if a unit of local government uses any of the funds made available under this title to increase the number of law enforcement officers, the unit of local government will achieve a net gain in the number of law enforcement officers who perform nonadministrative public safety service.

AMENDMENT NO. 6 OFFERED BY MR. COOK

Mr. COOK. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. COOK:

Page 28, line 11, after the dollar amount, insert the following: "(increased by $2,500,000)".

Page 29, line 5, after the dollar amount, insert the following: "(increased by $2,500,000)".

Page 32, line 18, after the dollar amount, insert the following: "(increased by $2,500,000)".

Page 32, line 23, after the dollar amount, insert the following: "(increased by $2,500,000)".

Page 32, line 25, after the dollar amount, insert the following: "(increased by $2,500,000)".

Page 43, line 1, after the dollar amount, insert the following: "(reduced by $11,972,000)".

Page 43, line 5, after the dollar amount, insert the following: "(reduced by $11,972,000)".

Page 43, line 6, after the dollar amount, insert the following: "(reduced by $11,972,000)".

Page 43, line 12, after the dollar amount, insert the following: "(reduced by $11,972,000)".

Mr. ROGERS. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Kentucky reserves a point of order.

Mr. COOK. Mr. Chairman, I would first like to commend the gentleman from Kentucky (Chairman ROGERS), the entire committee and their staff for the good bill that they have brought before us, but I believe my amendment will make this an even better bill by cutting nearly $12 million in unnecessary administrative costs from the International Trade Administration.

To give Americans the tax cuts they deserve and protect Social Security and Medicare, we have to continue to cut spending when appropriate. When taxpayers are forced to live within their budgets, bureaucrats must do the same. Groups such as Citizens Against Government Waste and the National

Taxpayers Union both have listed the International Trade Administration program as one that needs to be reformed, and both groups are endorsing this amendment.

The American taxpayers should not be called on to pay more for corporate welfare programs such as this. In a capitalist country, taxpayers should not be forced to fund trade shows and advertising for corporations like Daimler-Chrysler and Archer-Daniels-Midland, who can afford to do it themselves. That is the role for the private sector.

Although I would have liked to have made deeper cuts in the ITA funding, this amendment only forces it to live within its 1999 budget, as there are many other programs forced to do in this bill.

The amendment increases funds for two critical programs, a $2.5 million increase for the Violence Against Women programs and $2.5 million for the Bulletproof Vest Grant Program for local police officers. Both are deserving. The Violence Against Women program provides resources for law enforcement issues specifically targeted at protecting women and children. The increase in the Bulletproof Vest Grants Program, combined with the existing matching requirements, will mean approximately 18,000 additional vests to protect officers on the street.

A vote for this amendment will cut nearly $12 million from what I think is corporate welfare and protect the American taxpayer from over bureaucratization at the Commerce Department. A vote for this amendment will reduce the deficit by $6 million. A vote for this amendment will protect America's police officers and ensure that Violence Against Women programs are adequately funded. I urge my colleagues to support this amendment.

The CHAIRMAN. Does the gentleman from Kentucky insist on his point of order?

Mr. ROGERS. Mr. Chairman, I reserve my point of order.

Mr. MICA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know that the gentleman from Utah is well intended, but the gentleman knows not what he does here with his amendment.

I probably have one of the highest conservative cut-and-slash ratings in Congress and try to look at every program as any taxpayer would who is out there working hard to pay the bill for government, but taking $12 million from the United States Foreign Commercial Service Office could be a disaster.

Right now, in fact if you pick up the newspapers of the past few weeks, you will look at a staggering trade deficit in this country. It should be of concern to everyone who is worred about job growth and economic opportunity for the future. That Trade Deficit means that we are importing many goods and selling less goods in the international market.

Now, who helps our small business people compete in this international arena? It is the Foreign Commercial Service. In fact, Mr. Chairman, we should be increasing the expenditure in this program more than probably any other program in this budget because it helps medium and small businesses compete in the international arena.

If we ever needed to create good paying jobs, particularly in the manufacturing sector, which is going down and down being replaced with more service and low-paying and part-time jobs. We should be supporting increases, rather than decreases, in this area.

This is not any type of corporate wefare. The big corporations do well on their own. I have been involved in international trade. The IBMs and the big corporations around the world, they do fairly well. This program is not for them. This service is for the medium and small businesses across our country that have a tough time getting in to the international markets.

This proposed cut would force us to close offices, and in emerging markets where there is great economic opportunity. In the former Eastern Block, we do not even have full-time people. In Slovakia, one area of particular interest to me, we have one part-time person to help our U.S. business interests in the entire country of Slovakia coming from Vienna on a part-time basis in a new potential great market. Here we can create jobs and economic opportunity, not only for our citizens, but for the people who want the same things for the people in their country.

□ 1730

My colleagues, I have been there, I have talked to these folks, I have seen what we are doing. It is not enough. These countries do not want our foreign aid, they do not want our assistance in doing business—not a handout. They would like to conduct honest, open business. And when we provide this little bit of assistance with our foreign commercial officers who have meager resources, probably with the personal a third of even our AID and giveaway programs, something is indeed wrong. We have a chance to correct it.

So we would be making a terrible mistake to accept this particular amendment. I could bore the House detailing the many hardships that this cut would force. Most distructively we would have to close 31 posts overseas. We should be providing more assistance to small U.S. business in these emerging markets and giving our small and medium businesses an opportunity to compete in these potential markets.

While I know this amendment sounds well-intended, but it would be the worst disaster that we could impose upon the small- and medium-sized business people in this country that are struggling to enter into these markets and who are the greatest creators of jobs and opportunity for this Nation.

POINT OF ORDER

Mr. ROGERS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROGERS. Mr. Chairman, I make a point of order against the amendment because it provides an appropriation for an unauthorized program and, therefore, violates clause 2 of rule XXI, which states, in pertinent part: "An appropriation may not be in order as an amendment for an expenditure not previously authorized by law."

Mr. Chairman, the authorization for the COPS program on page 32 of the bill provides $268 million, which is the amount in the bill. This amendment would add $2.5 million over and above the authorized level and exceeds the authorization, so it does violate clause 2 of rule XXI.

The CHAIRMAN. Does the gentleman from Utah wish to be heard on the point of order?

Mr. COOK. I would, Mr. Chairman.

The parliamentarian has ruled that within the 1997 budget agreement, this does fit within it. I would point out that the Congressional Budget Office has scored this as reducing the budget authority to the 2000 bill by $6 million and reducing outlays by $7 million. I think it all fits within, and we have had the indication from the parliamentarian that there is not a problem with it in that regard.

The CHAIRMAN. Does any other Member wish to be heard on the point of order? If not, the Chair is prepared to rule.

The question is not budget levels, but rather, authorization levels. A proponent of an item of appropriation carries the burden of persuasion on the question of whether it is supported by an authorization in law.

Having reviewed the amendment and entertained the argument on the point of order, the Chair is unable to conclude that the item of appropriation in question is authorized in law. Instead, it is apparent that the amendment causes the pending appropriation to exceed the level authorized in law.

The Chair is, therefore, constrained to sustain the point of order under clause 2(a) of rule XXI.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the last word.

I would like to engage the gentleman from Kentucky (Mr. ROGERS), the chairman of the subcommittee, in a colloquy, if I might.

The United Nations has a very valued State Department employee that has worked over there for a long time named Linda Shenwick, and Ms. Shenwick has brought to the attention of a number of Members of Congress waste, fraud, and abuse at the United Nations. As a result of her giving this information to Congress, she has not only been chastised, she has been removed from her position by the State Department and Madeleine Albright. We have written to Madeleine Albright about this and have not received a response. We have also written to the Inspector General of the State Department, and they have said that they do not feel that they are inclined to want to investigate this.

I would just like to say that we have had a number of whistleblowers before my committee, Mr. Chairman, and we have found that there are real repressive actions being taken against these whistleblowers to try to keep them from talking to the Congress of the United States about waste, fraud, and abuse in various agencies of government.

So I would like to just ask if there is anything that could be done in the Shenwick case to let the State Department know that this kind of action is not going to be tolerated by moving people out of their positions, by threatening them with their jobs so that they will not talk to Congress. I think it turns the entire situation on its head. We ought to be encouraging people to tell us where there is waste, fraud, and abuse; and they should not have to worry about losing their jobs if they do.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, the gentleman has made a point of this, and we have read only the press accounts, some of the press accounts of this matter. It is certainly not a very good way to lobby for funds for an agency to treat the Congress in that fashion, if, in fact, that occurred. Certainly, we will keep all of these facts in mind as we finally come to a conclusion later this year on the adequate funding level for the State Department.

Mr. BURTON of Indiana. Mr. Chairman, reclaiming my time, if I might just ask the gentleman, if we find, and I think that the gentleman will find after his investigation into this and his staff, that she is being chastised because she gave Congress this information, will the gentleman try to let the State Department know in some way, maybe through the appropriations process, that this is something that is not going to be tolerated by the Congress?

Mr. ROGERS. Mr. Chairman, if the gentleman will yield again, we do not have the investigative forces that would allow us the luxury of being able to delve into this matter in the way it should be. Perhaps another committee of the Congress would have more resources with which to deal with that, and I would like to know the conclusions of that committee that does it.

Mr. BURTON of Indiana. Mr. Chairman, reclaiming my time, my committee will be looking into it, and I will give the gentleman that information. But we are convinced that this kind of repressive action is being taken by State, and I hope that when the gentleman does the final appropriation in conference that the gentleman will let the State Department know that this kind of action will not be tolerated.

Mr. ROGERS. Mr. Chairman, we will be very interested to know the conclusions of the investigation.

Mr. BURTON of Indiana. I thank the gentleman.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

On this item that the gentleman from Indiana (Mr. BURTON) was just discussing, we have serious concerns about having congressional input or involvement at this point. As we understand it, this item is in the Office of the Special Counsel which was established by Congress. This issue is being looked at by that office, and without speaking much on this, it just seems to us totally improper at this point to commit in any way to any kind of congressional involvement when the fact is that this is being looked at legally, and testimony has been taken, it is my understanding, from both sides. I think that the proper way and the prudent way to go—I am not a lawyer, but I would assume that the prudent way to go is to wait for the special counsel to come back with a proper ruling that speaks to this issue.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, this is not an isolated case. We had four whistleblowers before my committee just recently, all of whom have either been threatened or chastised for talking to Congress about problems that have occurred in their agencies.

Ms. Shenwick's case is the latest in a series of those, and we want to be able to encourage people to tell where there is waste, fraud, and abuse in government. If whistleblowers are not protected, if they are not allowed to tell us if they know they are going to be threatened with their jobs, then they will not come forward.

I would like to be able to assure anybody in this government who believes that there is wrongdoing occurring or waste in their department occurring, that they will be able to come to us, whether they are Democrat, Republican, or Independent, and know that they will not be impugned.

Mr. SERRANO. Mr. Chairman, reclaiming my time, I understand that and I respect the gentleman's comments, but that is precisely the reason why Congress established an independent, nonpartisan Office of Special Counsel. I think that one of the things we have to decide around here is if we are going to take their work seriously. I would hope that, while the gentleman and his committee, sir, have the right to look at this, that we allow for this Special Counsel to first tell us not only about this case, but in general what is going on so that we can all take action together. I am sure that the gentleman will not be alone if this is not as it should be.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will yield further, the case that we are talking about, I have no problem with the special counsel looking at this and making a judgment. But during that period of time, the lady in question is out of her job without any income, and she has a family. So the case could drag on for a long period of time, and she is suffering severe penalties because of that.

So it seems to me that there ought to be some way to protect these people while an investigation is taking place so that they do not feel their job is in peril because they are telling Congress where there is waste, fraud, and abuse.

Mr. SERRANO. Mr. Chairman, again reclaiming my time, I appreciate the gentleman's comments, but I still feel that the gentleman perhaps may be questioning the kind of job that the Special Counsel's office is doing, and that is a totally different item. But I think if we are going to have any kind of order in these issues, we should just wait for them to come back and give us the information necessary, and I hope that the gentleman takes that into consideration when he takes further steps.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

WEED AND SEED PROGRAM FUND

For necessary expenses, including salaries and related expenses of the Executive Office for Weed and Seed, to implement "Weed and Seed" program activities, $33,500,000, to remain available until expended, for intergovernmental agreements, including grants, cooperative agreements, and contracts, with State and local law enforcement agencies engaged in the investigation and prosecution of violent crimes and drug offenses in "Weed and Seed" designated communities, and for either reimbursements or transfers to appropriation accounts of the Department of Justice and other Federal agencies which shall be specified by the Attorney General to execute the "Weed and Seed" program strategy: *Provided*, That funds designated by Congress through language for other Department of Justice appropriation accounts for "Weed and Seed" program activities shall be managed and executed by the Attorney General through the Executive Office for Weed and Seed: *Provided further*, That the Attorney General may direct the use of other Department of Justice funds and personnel in support of "Weed and Seed" program activities only after the Attorney General notifies the Committees on Appropriations of the House of Representatives and the Senate in accordance with section 605 of this Act.

COMMUNITY ORIENTED POLICING SERVICES

For activities authorized by Title I of the Violent Crime Control and Law Enforcement

Act of 1994, Public Law 103-322 ("the 1994 Act") (including administrative costs), $268,000,000, to remain available until expended, including $45,000,000 which shall be derived from the Violent Crime Reduction Trust Fund, of which $150,000,000 is for Public Safety and Community Policing Grants pursuant to title I of the 1994 Act to be used to combat violence in schools; and of which $118,000,000 is for innovative community policing programs, of which $25,000,000 shall be used for the Matching Grant Program for Law Enforcement Armor Vests pursuant to section 2501 of part Y of the Omnibus Crime Control and Safe Streets Act of 1968 ("the 1968 Act"), as amended, $17,500,000 shall be used to combat violence in schools, $60,000,000 shall be used for grants, as authorized by section 102(e) of the Crime Identification Technology Act of 1998, and section 4(b) of the National Child Protection Act of 1993, as amended and $15,500,000 shall be used for a law enforcement technology program: *Provided*, That of the unobligated balances available in this program, $140,000,000 shall be used for innovative policing programs, of which $35,000,000 shall be used for policing initiatives to combat methamphetamine production and trafficking and to enhance policing initiatives in drug "hot spots", $54,500,000 shall be used for a law enforcement technology program, $25,000,000 shall be used for Police Corps education, training, and service as set forth in sections 200101–200113 of the 1994 Act, and $25,500,000 shall be expended for program management and administration.

AMENDMENT NO. 11 OFFERED BY MR. MALONEY OF CONNECTICUT

Mr. MALONEY of Connecticut. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. MALONEY of Connecticut:

In title I, in the item relating to "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—COMMUNITY ORIENTED POLICING SERVICES"—

(1) after the third dollar amount, insert "(increased by $500,000)"; and

(2) after the fourth and eighth dollar amounts, insert "(reduced by $500,000)".

Mr. MALONEY of Connecticut. Mr. Chairman, I would like to start by thanking the gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO) for this opportunity to offer this amendment.

In a year when we have seen very tragic events in a number of schools in our Nation, we have today the opportunity to build on the success of the relatively new Cops in Schools Program by approving an amendment to fund a clearinghouse administered by the Office of Community-Oriented Policing Services, COPS, to facilitate information-sharing between communities nationwide on existing school resource officer training programs and models of how to establish such a program locally.

As many of my colleagues know, school resource officers are especially designated and trained law enforcement officers who are placed in schools to act as mediators, educators, and violence prevention and role models for students. Last year, we passed legislation to enable localities to hire school resource officers and form partnerships between law enforcement and education officials. This initiative was later expanded to become the Cops in Schools Grant Program under the COPS program of the Department of Justice. SROs represent a proactive approach to youth violence focusing on the prevention of juvenile crime rather than a reactive approach.

Localities interested in establishing their own programs, however, may not know how to get started, and even more importantly, may not know how to thoroughly train SROs. My amendment would provide these communities with the information they need to bridge that information gap. The success of SRO programs depends most critically upon proper training of SROs and a community's access to information about training programs. A clearinghouse would provide an efficient, centralized way of offering communities this important information. A clearing house on SRO programs and training models will provide communities looking to address juvenile violence through community placing techniques a critically useful tool for establishing their own partnerships between law enforcement officials and educators.

One final word. There has been some discussion, and I believe some misinformation about the funding in regard to this amendment. The amendment would transfer funds between the COPS general technologies initiative and the COPS hiring program. The amendment does not affect the funding for the law enforcement armored vest program of which I was a cosponsor of that legislation last year, or the innovative policing program. On page 33, we will note that there is $15,500,000 reserved for the enforcement technology program, and further on that page at line 15, there is a note that there is an unobligated balance of an additional $54,500,000 for the law enforcement technology program.

In working this amendment with the Department of Justice, they assure me that number one, they support the amendment; and number two, that the $500,000 requested would not have an impact on the technology program.

Finally, I understand that the gentleman from Kentucky (Mr. ROGERS) is supportive of helping me in this endeavor, and I am certainly willing to withdraw my amendment if the Chairman is willing to engage in a colloquy on the SRO clearinghouse.

Mr. Chairman, if I could inquire of the gentleman from Kentucky, would the gentleman agree that the national clearinghouse would provide an efficient centralized way of offering communities this very important information?

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. MALONEY of Connecticut. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I want to thank the gentleman for his efforts on this issue. I will work with the gentleman and the ranking member of the subcommittee to maintain this $500,000 for the School Resource Officers Clearinghouse in conference.

Mr. SERRANO. Mr. Chairman, will the gentleman yield?

Mr. MALONEY of Connecticut. I yield to the gentleman from New York.

Mr. SERRANO. Mr. Chairman, I want to agree with the gentleman from Kentucky (Chairman ROGERS). I want to do everything in my power to ensure that the funding for the clearinghouse is in the final bill. We will work with the gentleman to make that happen.

Mr. MALONEY of Connecticut. Reclaiming my time, Mr. Chairman, I thank the gentlemen very much, the chairman and the ranking member.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT OFFERED BY MR. BLAGOJEVICH

Mr. BLAGOJEVICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAGOJEVICH:

Page 33, line 11, after the dollar amount, insert the following: "(increased by $7,500,000)".

Mr. BLAGOJEVICH. Mr. Chairman, this amendment earmarks an additional $7.5 million in unobligated balances available in the Community Oriented Policing Services, known as the COPS program. This money goes into the COPS account to expand community prosecution programs across our Nation.

As these dollars are unobligated, this amendment does not take away funding from other law enforcement priorities within the bill, and there are no budget cap implications.

As many of my colleagues know, community prosecution programs provide a holistic approach to fighting crime neighborhood by neighborhood, community by community. They represent the next step in community-based crime prevention programs.

Just as police officers are assigned to a beat under community policing programs, community prosecutors work with neighborhood residents and police on the beat to identify and preempt crime. Community prosecutors are assigned full-time to locations such as police stations, and work together with police on the beat and community leaders to develop innovative approaches to crime.

By being involved in the community and utilizing their legal skills, community prosecutors are playing a role in reducing crime rates. Under community prosecution, crime victims, especially vulnerable populations such as the elderly and children, have a locally-based prosecutor who they know. They establish bonds of trust, and as a result, both victims and witnesses of crimes are more likely to come forward in the effort to interdict crime and prosecute crime, and they do so by working in conjunction with law enforcement.

Not surprisingly, and as a consequence of programs like this, community prosecution programs have been successful in over 40 communities across our Nation in towns as small as Rosebud, Montana, and in cities as large as Los Angeles, California, and Chicago, Illinois.

They are strongly supported by groups like the National District Attorneys Association, and I have a letter here from the president of that association, Steward van Mevern. Mr. Chairman, this letter urges us to increase funding for community prosecution programs. The problem, however, is despite the success of programs like this, they continue to struggle for resources.

Last year, with the chairman's help, we were able to establish a $5 million community prosecution grant program. Unfortunately, no funding is provided in this bill for the program, even though funding was requested.

Hundreds of communities across our Nation have applied for the grant funding provided in fiscal year 1999, but there was not nearly enough funding to meet their needs. This situation will not improve without adoption of this amendment today. This amendment will provide a sheltered funding source to continue community prosecution programs and sustain and develop existing ones.

This year I hope we can work together to build upon the success of community prosecution programs and meet the needs of our communities.

With that, I thank the chairman for his tireless efforts on behalf of fighting crime in general, and this effort in particular. Let me also thank our ranking member, the gentleman from New York (Mr. SERRANO) for his wonderful efforts and his world vision on these issues.

Let me also thank staff members Sally Chadbourne and Jennifer Miller for their assistance. Let me also thank Pat Schlueter in general for the efforts she has done on behalf of these issues. In closing, I thank my own staff, Deanne Benos and Michael Axelrod, who also worked on this.

Mr. ROGERS. Will the gentleman yield?

Mr. BLAGOJEVICH. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I appreciate the gentleman's comments. His amendment would maintain the program in fiscal year 2000, and I certainly have no objection to the amendment.

Mr. BLAGOJEVICH. Mr. Chairman, God bless the gentleman, and I thank him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. BLAGOJEVICH).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

JUVENILE JUSTICE PROGRAMS

For grants, contracts, cooperative agreements, and other assistance authorized by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and expenses in connection therewith to be transferred and merged with the appropriations for Justice Assistance, $267,597,000, to remain available until expended: Provided, That these funds shall be available for obligation and expenditure upon enactment of reauthorization legislation for the Juvenile Justice and Delinquency Prevention Act of 1974 (title XIII of H.R. 1501 or comparable legislation).

In addition, for grants, contracts, cooperative agreements, and other assistance, $10,000,000 to remain available until expended, for developing, testing, and demonstrating programs designed to reduce drug use among juveniles.

In addition, for grants, contracts, cooperative agreements, and other assistance authorized by the Victims of Child Abuse Act of 1990, as amended, $7,000,000, to remain available until expended, as authorized by section 214B of the Act.

PUBLIC SAFETY OFFICERS BENEFITS

To remain available until expended, for payments authorized by part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796), as amended, such sums as are necessary, as authorized by section 6093 of Public Law 100–690 (102 Stat. 4339–4340).

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 101. In addition to amounts otherwise made available in this title for official reception and representation expenses, a total of not to exceed $45,000 from funds appropriated to the Department of Justice in this title shall be available to the Attorney General for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

SEC. 102. Authorities contained in the Department of Justice Appropriation Authorization Act, Fiscal Year 1980 (Public Law 96–132; 93 Stat. 1040 (1979)), as amended, shall remain in effect until the termination date of this Act or until the effective date of a Department of Justice Appropriation Authorization Act, whichever is earlier.

SEC. 103. None of the funds appropriated by this title shall be available to pay for an abortion, except where the life of the mother would be endangered if the fetus were carried to term, or in the case of rape: *Provided*, That should this prohibition be declared unconstitutional by a court of competent jurisdiction, this section shall be null and void.

AMENDMENT OFFERED BY MS. DEGETTE

Ms. DEGETTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. DEGETTE:

In title I, in the item relating to "GENERAL PROVISIONS—DEPARTMENT OF JUSTICE", strike section 103.

Ms. DEGETTE. Mr. Chairman, the amendment I am offering today is very straightforward. It simply strikes section 103 from Title I, General Provisions, Department of Justice.

In effect, what this amendment does is strike the language in the bill which prohibits the use of Federal funds for abortion services for women in Federal prison.

Unlike most other American women who are denied Federal coverage for abortion services, women in prison have no money, nor do they have access to outside financial help, and they earn extremely low wages in prison jobs. In fact, inmates in Federal prisons are completely dependent upon the Bureau of Prisons for all of their needs, including food, shelter, clothing, and all aspects of their medical care.

These women are not able to work at remunerative jobs that would enable them to pay for medical services, including abortion services. In fact, last year inmates working on the general pay scale earned from 12 cents to 40 cents per hour, or roughly $5 to $16 per week.

The average cost of an early outpatient abortion ranges from $200 to $400. Abortions after the 13th week cost $400 to $700, and abortions after the 16th week go up $100 more per week, ending at about $1,200 to $1,500 in the 24th week.

Even if a woman in the Federal prison system earned the maximum wage on the general pay scale and worked for 40 hours a week, she would not have enough money to pay for an abortion in the first trimester if she so chose. After that, the cost of an abortion rises dramatically, and even if she saved her entire salary, she could not afford such an abortion.

If Congress denies women in Federal prison coverage of abortion services, it is effectively shutting down the only avenue these women have to pursue their constitutional rights. Let me remind my colleagues that for the last 25 years in this country, women in America do have a constitutional right to abortion.

In 1976, the U.S. Supreme Court confirmed that deliberate indifference to the serious medical needs of prisoners constitutes an unnecessary and wanton infliction of pain proscribed by the eighth amendment of the Constitution.

With the absence of funding by the very institution prisoners depend on for health services, women prisoners are in fact coerced to carry unwanted pregnancies to term. The anti-choice movement in Congress denies coverage for abortion services to women in the military, women who work for the government, poor women, and women insured by the Federal Employees Health Benefit Plans.

I disagree with all of these restrictions. I think they are wrong. But when Congress denies coverage for women who are incarcerated, then Congress is, in effect, denying these women their constitutional right to choose. That is barbaric and that is coercive.

Let me just talk a minute about the kind of women who are entering prison. Most are victims of physical and sexual abuse. Two-thirds are incarcerated for non-violent drug offenses. Many of them are HIV-infected or have full-blown AIDS. Congress thinks that it is in the Nation's best interests to force motherhood on them?

I, of course, support the right of women in prison to bring their pregnancies to term, but that is not what this is about. It is about forcing women who do not want to bring their pregnancies to term to have a child. It is downright cruel and foolish to force women in Federal prisons to bear a child in prison when that child is going to be taken from them at birth or shortly thereafter. It is cruel to force a woman who does not have the emotional will to go through her pregnancy with limited prenatal care, isolated from her family and friends, and knowing that the child will be taken from her at birth.

What will happen to these children, these unwanted children who are born to prisoners? Will they be raised by relatives who do not care about them? Will they be sent to an agency? What will happen to them? This is one of the most cruel things I think that Congress can do to women who are incarcerated.

In 1993, Congress did the right thing when it overturned this barbaric policy. I urge my colleagues to do the same today, and support the DeGette amendment. Let us stop these rollbacks on women's reproductive freedom.

Mr. ROGERS. Mr. Chairman, I rise in opposition.

Mr. Chairman, the provision in the bill that this amendment seeks to strike, Mr. Chairman, does one thing only. It prohibits Federal tax dollars from paying for abortions for Federal prison inmates, except in the case of rape or the life of the mother.

This is a longstanding provision, one that has been carried in 10 of the last 11 Commerce-Justice-State and Judiciary appropriation bills. The House has consistently rejected this amendment, this very amendment to last year's appropriations bill by a vote of 148 to 271; in fiscal year 1998, by 155 to 264; 2 years ago by a voice vote; and 3 years ago, by a vote of 146 to 281. It has been consistent, the House has, in rejecting this amendment.

Time and again Congress has debated this issue of whether Federal tax dollars should pay for an abortion. The answer has been no. I urge a no vote again.

Ms. LEE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the DeGette amendment, which would strike language banning the use of Federal funds for abortion services for women in Federal prisons.

Women in prison have engaged in criminal activity. That is a fact. But through our judicial system we certainly need to seek appropriate responses to illegal actions, and that is what we do. Women in prison are being punished for the crimes that they committed. They are doing their time.

However, this is a separate issue which we are addressing today. Today we discuss civil liberties and rights which are protected for all in America, and remain so, even when an individual is incarcerated. Abortion is a legal option for women in America. Since women in prison are completely dependent on the Federal Bureau of Prisons for all of their health care services, the ban on the use of Federal funds is a cruel policy that traps women by denying them all reproductive decision-making.

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The ban is unconstitutional because freedom of choice is a right that has been protected under our Constitution for 25 years. Furthermore, the great majority of women who enter our Federal prison system are impoverished and often isolated from family, friends, and resources.

We are dealing with very complex histories that often tragically include drug abuse, homelessness, physical and sexual abuse. To deny basic reproductive choice would only make worse the crisis faced by the women and the Federal prison system.

The ban on the use of Federal funds is a deliberate attack by the antichoice movement to ultimately derail all reproductive options. As we begin chipping away basic reproductive services for women, I ask my colleagues, what is next? Dental of OB/GYN examinations and mammograms for women inmates? Who is next? Women in the military, women who work for the government or all women who are ensured by the Federal Employees Health Benefits Plan. Limiting choice for incarcerated women puts other populations at great risk. This dangerous slippery slope erodes the right to choose little by little.

It is my undying belief that freedom of access must be unconditionally kept intact. Therefore, I strongly urge my colleagues to protect this constitutional right for women in America and vote "yes" on the DeGette amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the innate value of a baby is not diminished in any way simply because the child's mother happens to be an inmate. Children I believe are precious beyond words. The lives of their mothers, likewise, are of infinite value.

Forcing taxpayers to subsidize the killing of an incarcerated woman's child makes pro-life Americans accomplices—complicit with violence against children. I do urge a strong "no" on the DeGette amendment.

Mr. Chairman, I think we have got to face the truth. Abortion methods are violence against children, the death penalty for an innocent little child. Abortion methods dismember children. It is commonplace for the abortionist to literally cut a baby to pieces.

The previous speaker suggested that proscribing abortion funding might lead to the slippery slope of a denial of OB/GYN services or perhaps mammograms. That, frankly, is absurd. We are talking about something—abortion—that masquerades as somehow being health care when it actually is destructive. It kills babies.

I do think the suggestion of a slippery slope in this case is an insult to those of us who fight for and believe very strongly in the importance of mammograms and expanding OB/GYN services. Again, the DeGette amendment sanctions subside for killing. Nothing healing or curative about that.

Earlier in the debate I pointed out that abortion methods often dismember children. So let us focus on a moment on what abortion does. A high-powered suction machine, attached to a tube with a razor blade at the end is inserted into the womb, and the baby is literally hacked to pieces. That is the reality of a suction abortion. The suction device is some 20 to 30 times more powerful than a household vacuum cleaner. As the baby is cut up, the so-called "contents of the uterus," the baby, are sucked into a bottle. That is outrageous and cruel. That is the killing of a baby. That is abortion.

Another method of abortion is saline abortions. Babies slaughtered in this way have saltwater injected into their amniotic sac. The baby swallows the caustic salt. An unborn baby swallows the amniotic fluid daily to develop the organs of respiration. In abortion, saltwater goes into the infant's lungs, and the baby is poisoned. This is a death penalty, and it takes about 2 hours for the child to die—a very slow and agonizing death for the child to die from this type of abortion.

Of course the abortionist has all kinds of poisons at his or her disposal to destroy a baby. This is cruel and unusual punishment for a child who has committed no crime.

It is especially ironic, Mr. Chairman, at a time when ultrasound is like a window to the womb, and we know so much about a developing unborn child. We can watch a child suck his or her thumb. We can diagnose conditions and take corrective action. But, no, the DeGette amendment would say we have got to pay for a baby's destruction for a child who has done no wrong.

Mother Theresa at the National Prayer Breakfast a few years ago, with the President, the First Lady, the Vice President and his wife in attendance and many, diplomats and members of Congress told the gathering "the greatest destroyer of peace today is abortion because it is a war against the child, a direct killing of an innocent child. Any country that accepts abortion is not teaching its people to love but to use violence. That is why it is the greatest destroyer of love and peace."

Then she said and admonished the President and all the diplomats and the Members of Congress assembled, "Please do not kill the baby."

Mr. Chairman, the baby of an inmate is just as important as any other child on earth. Please don't kill the baby. Reject government funding of violence against children. I urge my colleagues to vote "no" on the DeGette amendment.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment that was offered by the gentlewoman from Colorado (Ms. DEGETTE). Actually what the amendment does, it would reinstate the right to choose for women who are in prison.

In 1976, the United States Supreme Court found that deliberate indifference to the serious medical needs of prisoners constitutes an unnecessary infliction of pain, a violation of the Eighth Amendment to the Constitution.

Most women are poor at their time of incarceration, and they do not earn any meaningful compensation from prison jobs. This ban closes off their access to receive such services and, therefore, denies them theirs rights under the Constitution.

There has been a 75 percent increase in the amount of women incarcerated in the Federal Bureau of Prison facilities over the last decade, twice the increase of men. I am disappointed to note that, but that is the case.

Most women in prison are young, have frequently been unemployed, and may have been victims of physical or sexual abuse. Additionally, the rate of AIDS or HIV infection is higher for women in prison than the rate of men. These women have the greatest need for full access to all health care options.

Abortion is a legal health care option for women, and it has been for 5 years. Because Federal prisoners are totally dependent on health care services provided by the Bureau of Prisons, the ban, in effect, prevents these women from seeking needed reproductive health care.

This ban on Federal funds for women in prison is a direct assault to the right to choose.

I urge my colleagues to join me in supporting the DeGette amendment.

Mrs. LOWEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the DeGette amendment. My colleagues are not surprised to hear me say this, because it is well known that I am pro-choice. But it might surprise some of my colleagues that I think there are too many abortions in this country. I work hard to support policies that prevent unintended pregnancies and reduce the number of abortions in America.

I believe that our approach should not be to make abortion less accessible or more difficult, but less necessary. If we agree, pro-choice and pro-life, that our goals should be less abortion, then our focus must be on what we can do to further that goal.

Together, we should increase access to contraception, work harder to educate people about responsibility if we want to make abortion less necessary.

I will tell my colleagues what I do not believe. I do not believe that making abortion inaccessible is the answer. I do not believe that the way to end abortion is to make it so difficult or so dangerous that we endanger women.

The right to access an abortion is the law of the land. I oppose banning access to abortion in Federal prison facilities for incarcerated women who need them. The prohibition in the bill does not make it impossible for women in prison to obtain an abortion, it just makes it more expensive, more difficult, less private, more dangerous.

Imprisoned women with the money to pay for abortion can get transport to a facility outside the prison. So we are comfortable making it more difficult. We are comfortable making it more expensive. Mr. Chairman, that is wrong.

I will continue to work with my colleagues towards a day when abortion is truly rare. Let us work together to do that. But as we work together, I will vote to make abortion truly accessible.

I ask my colleagues to join me in supporting the motion to strike.

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the DeGette amendment.

Here we go again.

Today marks the 127th vote on choice since the beginning of the 104th Congress.

Each of these votes is documented in my choice report which can be found on my website.

Access to abortion has been restricted bill by bill, vote by vote, and procedure by procedure.

The DeGette amendment seeks to correct one of these attacks on American women.

Federal prisoners must rely on the Bureau of Prisons for all of their health care, so, if this ban passes, it would prevent these women from seeking needed reproductive health care.

Most women prisoners are victims of physical or sexual abuse.

Most women, if pregnant in prison, became pregnant from rape or abuse before they entered prison.

Most women prisoners are poor when they enter prison, and cannot rely on anyone for financial assistance.

These women already face limited prenatal care, isolation from family and friends, a bleak future, and the certain loss of custody of the infant.

The ban on abortion assistance for women in prison closes off their only opportunity to receive such care, it denies them their constitutional rights, but most importantly, it denies them their dignity.

Current law tragically ignores these women.

Perhaps more disturbing is that it also tragically ignores children born to women in prison. These children are taken from their mothers who cannot raise them in a stable family environment. What kind of life are we providing for them?

Six percent of incarcerated women are pregnant when they enter prison. Recent news accounts have described cases of pregnant inmates being shackled during long hours of labor and delivery.

It is unfair to rob women in prison of their basic fundamental right to choose abortion and also provide for unsafe deliveries and treatment while pregnant.

Mr. Chairman, let's not intensify an already difficult situation, I urge a "yes" vote on the DeGette amendment.

Mr. NADLER. Mr. Chairman, I rise to support the DeGette amendment to strike the ban on abortion funding for women in Federal prison. This ban is cruel, unnecessary, and unwarranted.

Mr. Chairman, a woman's sentence should not include forcing her to carry a pregnancy to term. Most women in prison are poor, have little or no access to outside financial help, and earn extremely low wages from prison jobs. Inmates in general work 40 hours a week and earn between 12 to 40 cents per hour. They totally depend on the health services they receive from their institutions. Most female prisoners are unable to finance their own abortions, and, therefore, are in effect denied their constitutional right to an abortion.

Many women prisoners are victims of physical or sexual abuse and are pregnant before entering prison. In addition, they will almost certainly be forced to give up their children at birth. Why should we add to their anguish by denying them access to reproductive services?

We ought to keep this debate in perspective. We are not talking about many women. Statistics show that in fiscal year 1997, of the approximately 8,000 women in Federal prison, only 16 had abortions, and there were only 75 births. So this is a small group of people, and we should understand that as we continue this debate. The ban on abortions does not stop thousands of abortions from taking place; rather, it places an unconstitutional burden on a few women facing a difficult situation.

Mr. Chairman, a prison sentence must not include forcing a women to carry a child to term.

I know full well that the authors of this ban would take away the right to choose from all American women if they could, but since they are prevented from doing so by the Supreme Court (and the popular will of the American people who overwhelmingly support choice) they have instead targeted their restriction on women in prison—women in prison, who are perhaps the least likely to be able to object.

Well watch out America. After they have denied reproductive health services to all women in prison, all Federal employees, all women in the armed forces, and all women on public assistance, then will once again try to ban all abortions in the United States. And they won't stop there. We know that many anti-choice forces want to eliminate contraceptives as well. It is a slippery slope that denies the realities of today, punishes women, and threatens their health and safety. This radical agenda must be stopped now.

I urge my colleagues to support the DeGette amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Ms. DEGETTE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Ms. DEGETTE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentlewoman from Colorado (Ms. DEGETTE) will be postponed.

The Clerk will read.

The Clerk read as follows:

SEC. 104. None of the funds appropriated under this title shall be used to require any person to perform, or facilitate in any way the performance of, any abortion.

SEC. 105. Nothing in the preceding section shall remove the obligation of the Director of the Bureau of Prisons to provide escort services necessary for a female inmate to receive such service outside the Federal facility: *Provided*, That nothing in this section in any way diminishes the effect of section 104 intended to address the philosophical beliefs of individual employees of the Bureau of Prisons.

SEC. 106. Notwithstanding any other provision of law, not to exceed $10,000,000 of the funds made available in this Act may be used to establish and publicize a program under which publicly advertised, extraordinary rewards may be paid, which shall not be subject to spending limitations contained in sections 3059 and 3072 of title 18, United States Code: *Provided*, That any reward of $100,000 or more, up to a maximum of $2,000,000, may not be made without the personal approval of the President or the Attorney General and such approval may not be delegated.

SEC. 107. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Justice in this Act, including those derived from the Violent Crime Reduction Trust Fund, may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation except in compliance with the procedures set forth in that section.

SEC. 108. Notwithstanding any other provision of law, for fiscal year 2000, the Assistant Attorney General for the Office of Justice Programs of the Department of Justice—

(1) may make grants, or enter into cooperative agreements and contracts, for the Office of Justice Programs and the component organizations of that Office; and

(2) shall have final authority over all grants, cooperative agreements, and contracts made, or entered into, for the Office of Justice Programs and the component organizations of that Office.

SEC. 109. Sections 115 and 127 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999 (as contained in section 101(b) of division A of Public Law 105–277) shall apply to fiscal year 2000 and thereafter.

SEC. 110. Hereafter, for payments of judgments against the United States and compromise settlements of claims in suits against the United States arising from the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) and its implementation, such sums as may be necessary, to remain available until expended: *Provided*, That the foregoing authority is available solely for payment of judgments and compromise settlements: *Provided further*, That payment of litigation expenses is available under existing authority and will continue to be made available as set forth in the Memorandum of Understanding between the Federal Deposit Insurance Corporation and the Department of Justice, dated October 2, 1998.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the remainder of title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The text of the bill from page 38, line 10 to page 40, line 24 is as follows:

SEC. 111. (a) For fiscal year 2000, whenever the Federal Bureau of Investigation (FBI) participates in a cooperative project with a foreign country on a cost-sharing basis, any funds received by the FBI from that foreign country to meet that country's share of the project may be credited to any appropriation or appropriations available to the FBI for the purposes served by the project and shall remain available for expenditure until the close of the fiscal year next following the date of such receipt, as determined by the Director of the FBI.

(b) Funds credited pursuant to subsection (a) shall be available for the following:

(1) payments to contractors and other suppliers (including the FBI and other participants acting as suppliers) for necessary articles and services;

(2) payments for—

(A) one or more participants (other than the FBI) to share with the FBI the cost of research and development, testing, and evaluation, or joint production (including follow-on support) of articles or services;

(B) the FBI and another participant concurrently to produce in the United States and the country of such other participant an article or service jointly developed in a cooperative project; or

(C) the FBI to procure articles or services from another participant in the cooperative project.

(c) The Director of the Federal Bureau of Investigation shall notify the Committees on Appropriations of the House of Representatives and the Senate of any such amounts collected and expended pursuant to this section.

SEC. 112. Section 507 of title 28, United States Code, is amended by adding a new subsection (c) as follows:

"(c) Notwithstanding the provisions of title 31, section 901, the Assistant Attorney General for Administration shall be the Chief Financial Officer of the Department of Justice.".

SEC. 113. Funds made available in this or any other Act hereafter, for the United States Marshals Service may be used to acquire subsistence and medical care for persons in the custody of the United States Marshals Service at fair and reasonable prices. Without specific authorization from the Attorney General, the expenses incurred in the provision of such care shall not exceed the costs and expenses charged in the provision of similar health-care services paid pursuant to Medicare and Medicaid.

SEC. 114. Section 3024 of the Emergency Supplemental Appropriations Act, 1999 (Public Law 106–31) shall apply for fiscal year 2000.

SEC. 115. Effective 30 days after enactment of this Act, section 1930(a)(1) of title 28, United States Code, is amended in paragraph (1) by striking "$130" and inserting in lieu thereof "$155"; section 589a of title 28, United States Code, is amended in subsection (b)(1) by striking "23.08 percent" and inserting in lieu thereof "27.42 percent"; and section 406(b) of Public Law 101–162 (103 Stat. 1016), as amended (28 U.S.C. 1931 note), is further amended by striking "30.76 percent" and inserting in lieu thereof "33.87 percent".

This title may be cited as the "Department of Justice Appropriations Act, 2000".

The CHAIRMAN. Are there amendments to that portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II—DEPARTMENT OF COMMERCE AND RELATED AGENCIES

Trade and Infrastructure Development

RELATED AGENCIES

Office of the United States Trade Representative

SALARIES AND EXPENSES

For necessary expenses of the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, $25,205,000, of which $1,000,000 shall remain available until expended: *Provided*, That not to exceed $98,000 shall be available for official reception and representation expenses.

International Trade Commission

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, and not to exceed $2,500 for official reception and representation expenses, $44,495,000, to remain available until expended.

DEPARTMENT OF COMMERCE

International Trade Administration

OPERATIONS AND ADMINISTRATION

For necessary expenses for international trade activities of the Department of Commerce provided for by law, and engaging in trade promotional activities abroad, including expenses of grants and cooperative agreements for the purpose of promoting exports of United States firms, without regard to 44 U.S.C. 3702 and 3703; full medical coverage for dependent members of immediate families of employees stationed overseas and employees temporarily posted overseas; travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to

49 U.S.C. 1517; employment of Americans and aliens by contract for services; rental of space abroad for periods not exceeding ten years, and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed $327,000 for official representation expenses abroad; purchase of passenger motor vehicles for official use abroad, not to exceed $30,000 per vehicle; obtain insurance on official motor vehicles; and rent tie lines and teletype equipment, $298,236,000, to remain available until expended, of which $3,000,000 is to be derived from fees to be retained and used by the International Trade Administration, notwithstanding 31 U.S.C. 3302: *Provided*, That of the $300,236,000 provided for in direct obligations (of which $295,236,000 is appropriated from the General Fund, $3,000,000 is derived from fee collections, and $2,000,000 is derived from unobligated balances and deobligations from prior years), $49,609,000 shall be for Trade Development, $18,755,000 shall be for Market Access and Compliance, $32,473,000 shall be for the Import Administration, $186,693,000 shall be for the United States and Foreign Commercial Service, and $12,706,000 shall be for Executive Direction and Administration: *Provided further*, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities without regard to section 5412 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4912); and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities.

EXPORT ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For necessary expenses for export administration and national security activities of the Department of Commerce, including costs associated with the performance of export administration field activities both domestically and abroad; full medical coverage for dependent members of immediate families of employees stationed overseas; employment of Americans and aliens by contract for services abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed $15,000 for official representation expenses abroad; awards of compensation to informers under the Export Administration Act of 1979, and as authorized by 22 U.S.C. 401(b); purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law, $49,527,000, to remain available until expended, of which $1,877,000 shall be for inspections and other activities related to national security: *Provided*, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities: *Provided further*, That payments and contributions collected and accepted for materials or services provided as part of such activities may be retained for use in covering the cost of such activities, and for providing information to the public with respect to the export administration and national security activities of the Department of Commerce and other export control programs of the United States and other governments: *Provided further*, That no funds may be obligated or expended for processing licenses for the export of satellites of United States origin (including commercial satellites and satellite components) to the People's Republic of China, unless, at least 15 days in advance, the Committees on Appropriations of the House of Representatives and the Senate and other appropriate Committees of the Congress are notified of such proposed action.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, Public Law 89–136, as amended, and for trade adjustment assistance, $364,379,000: *Provided*, That none of the funds appropriated or otherwise made available under this heading may be used directly or indirectly for attorneys' or consultants' fees in connection with securing grants and contracts made by the Economic Development Administration.

SALARIES AND EXPENSES

For necessary expenses of administering the economic development assistance programs as provided for by law, $24,000,000: *Provided*, That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended, title II of the Trade Act of 1974, as amended, and the Community Emergency Drought Relief Act of 1977.

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

For necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise, including expenses of grants, contracts, and other agreements with public or private organizations, $27,000,000.

ECONOMIC AND INFORMATION INFRASTRUCTURE

ECONOMIC AND STATISTICAL ANALYSIS

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of economic and statistical analysis programs of the Department of Commerce, $48,490,000, to remain available until September 30, 2001.

BUREAU OF THE CENSUS

SALARIES AND EXPENSES

For expenses necessary for collecting, compiling, analyzing, preparing, and publishing statistics, provided for by law, $136,147,000.

PERIODIC CENSUSES AND PROGRAMS

For necessary expenses to conduct the decennial census, $4,476,253,000 to remain available until expended: of which $20,240,000 is for Program Development and Management; of which $194,623,000 is for Data Content and Products; of which $3,449,952,000 is for Field Data Collection and Support Systems; of which $43,663,000 is for Address List Development; of which $477,379,000 is for Automated Data Processing and Telecommunications Support; of which $15,988,000 is for Testing and Evaluation; of which $71,416,000 is for activities related to Puerto Rico, the Virgin Islands and Pacific Areas; of which $199,492,000 is for Marketing, Communications and Partnerships activities; and of which $3,500,000 is for the Census Monitoring Board, as authorized by section 210 of Public Law 105–119: *Provided*, That the entire amount shall be available only to the extent that an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

In addition, for expenses to collect and publish statistics for other periodic censuses and programs provided for by law, $142,320,000, to remain available until expended.

AMENDMENT OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Coburn:

Page 47, line 8, after the dollar amount insert "(reduced by $2,753,253,000)".

Mr. COBURN. Mr. Chairman, what this amendment does is very straightforward. It eliminates that portion of the census which is not truly an emergency from this bill.

Our Founding Fathers wrote in that we would have a numerical count of the population of this country every 10 years. We have, in fact, known that we were going to be required to have a census count in the year 2000 in 1990. We knew it in 1980. We have known it since the country was founded.

The application of an emergency designation for something that is well-known to need to occur is inappropriate in this case.

Because I could not strike it purely as an emergency, my only option was to strike the amount. I want to give my colleagues the criteria for funding something as an emergency, and this is under the rules of the House.

□ 1815

"It is necessary, essential or vital." Well, it meets that. "It is sudden, quickly coming into being and not building up over time." It definitely does not meet that. "It is an urgent, pressing and compelling need requiring emergency action." It does not meet that. We have known that. "It is unforeseen, unpredictable, and unanticipated." It does not meet that because we have known about this for a considerable amount of time. "It is not permanent." Well, it meets that. This is a 1-year expenditure. But it does not qualify under these guidelines.

Describing the census as unforeseen, unpredictable and unanticipated is difficult given the fact we have a 10-year census every 10 years. If the census was not an emergency last year, how can it be an emergency this year? Last year, Congress provided $1.8 billion to begin preparing for the year 2000 census.

Now, we are going to hear, and the supporters of emergency spending will argue that we could not have anticipated the Supreme Court ruling requiring actual enumeration for the apportionment of seats in Congress but permitting the use of sampling for the distribution of Federal grants. With the ruling, they argue that additional funds are needed to perform both sampling and enumeration. However, according to the Bureau of the Census permitting both enumeration and sampling will cost only $1.7 billion more than their original request. That is nowhere near the $4.5 billion in emergency funds provided by the House appropriation.

Mr. Chairman, the gentleman from Kentucky (Mr. ROGERS), has done a great job on this bill. With the exception of this designation, this is the best bill from this appropriations subcommittee that has come out since I have been a Member of Congress, and I want to say now that I appreciate very greatly the hard work the gentleman and his staff have done. But I cannot go home to Oklahoma and ask the people of my State to justify spending emergency funds off budget and potentially funds to come from the Social Security surplus for this count. We can and we must find the available funds within the existing government expenditures. That does not mean that efforts have not been made.

What are the short-term effects of calling this an emergency designation? Right now, if we say we have a true surplus that is going to occur in the year 2000 of $14 billion, $9.25 billion of that are available for the Congress to spend. If we allocate some of that back to the people who paid it in, a mere $4.5 billion out of a $1.8 trillion budget, what happens is we will have no money with which to fund the most important appropriation bills to come, that for our veterans and that for those that are most dependent upon us in our society.

If Congress hopes to address the shortfalls in Labor, Health and Human Services, and Education funding, or assist American farmers, which is a very real likelihood that is coming to us in the near future, we will either have to eliminate giving back some of the people some of their money, which I believe is entirely possible given where we are, or steal money from Social Security.

So that I would ask the Members of this body to support this amendment on two basic reasons: Number one, this is not an emergency. It does not meet the rules of the House under emergency. And, number two, it is more than likely going to come out of the Social Security fund, which every Member of this House has pledged and obligated themselves not to touch except for Social Security.

Mr. Chairman, with that I would make one final note that the other body did not declare funding for the census an emergency.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment, let us be plain about this now, if this amendment passes, there will be no census. Pure and simple. If that is what the body wants, vote for this amendment. I cannot put it any plainer than that; the amendment would strike $2,753,253,000, which would strike at the heart of conducting the decennial census, which we are obligated by the Constitution to do.

Now, why is this declared an emergency? Let us just lay it on the table. It is simple. The 1997 bipartisan budget agreement that the White House and the Congress, the House and Senate, agreed to, and most of us voted for, never anticipated a penny for the 2000 census. They should have. It was a bad mistake. Whoever was in the negotiations at that time should have known that in the year 2000 we would have this enormous expense, 1-year principally, of conducting the decennial census. This final figure, which is $6.5 billion, is two-and-a-half times the cost of the 1990 census. But the budget agreement anticipated not a penny, and no plans were made for it.

Now, what are we to do? The budget resolution we passed earlier this year for the fiscal year 2000 again ignored the needs for the decennial census money in the year 2000. While the caps imposed in 1997 for this year and for 5 years made adjustment for other extraordinary items, such as U.N. arrears, they either exempted some of these items or accommodated them. That was not the case for the census. They simply ignored it. Nothing was done.

Of course, everyone knows the census happens every 10 years. It is in the Constitution. Someone forgot to tell the White House and the Congress in 1997 that we would face this very moment, this year, in anticipating and finding the money to do the decennial census. It simply is not in the budget resolution. There is no way we could plan for it.

And in just 2 short years, Mr. Chairman, the cost of the census has exploded by over 60 percent and likely will grow even more. Just last year the administration said the cost would be $3.9 billion. When they sent their original budget this year, that had grown to $4.9 billion. And then the Supreme Court came along and said their plan was illegal.

And just 7 weeks ago, 7 weeks ago, after I had pleaded with them for 2 years to give us the estimated cost for us to anticipate, which they refused and refused and refused, hearing after hearing; then finally 7 weeks ago, they came in and said, okay, it is going to cost you $6.5 billion; 60 percent more than they told us 2 years before, two-and-a-half times the cost of the 1990 census. And 70 percent of that cost has to be funded this year in this bill.

So here we are on the eve of the 2000 census, spending caps that did not allow for a census at all, skyrocketing costs that this committee and the Congress could not have expected, and only 7 weeks ago they give us the total figure. That is why it is an emergency. We have no choice. This is a temporary expense, a one-time cost, but it is vital, it is required, it is mandatory, and it is necessary that we do it. And that is what we do in this bill.

This bill is a very restrained bill, as we have all agreed. We cut spending by $833 million below current spending. We have managed to keep critical functions in the bill, law enforcement, the INS, the weather service, our embassies overseas, at close to their operating levels. It has been a tough job. There were tough choices, but we have made them.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. ROGERS) has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, if we really want to create a crisis, an emergency in everyone's definition, then we will support this amendment and force us to go back and cut the FBI, the DEA, the weather service, foreign embassies and the like 15 percent, which will practically shut down the courts.

We have to find the money somewhere if we take this money out of the bill. I do not want to be responsible for that, and I would hope that the Members would not agree to take that money out.

If we want to ensure that we meet our constitutional duty to provide for the census and maintain funding for these other critical agencies in this bill, I trust and hope that we will support the bill that is before us today and reject the amendment that would prohibit and preclude the conduct of the decennial census in the year 2000.

Now, it has been said this is some sort of a gimmick. People on that side of the aisle have said this is some sort of a gimmick. Well, when the President set up his budget request earlier, Mr. Chairman, his budget request included $42 billion worth of budget gimmicks, user fees, and emergencies all through that budget request. We have rejected those.

But many in this body, most in this body who voted for those budget caps in 1997, now are saying, ah, this is a gimmick to get around the budget caps, but you have to do the census and you have to maintain funding for the law enforcement agencies. My colleagues, we cannot have it all ways. We have to make a choice here. We have to choose. Do we want the census or not? That is the question.

I urge my colleagues to reject this amendment.

Mrs. MALONEY of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong opposition to this amendment. I find myself in the very odd position of supporting very strongly the Republican leadership's position on the census. This amendment would cut $2.8 billion from census funding for fiscal year 2000. This amendment would make it impossible to conduct the census in 2000.

Mr. Chairman, the census is mandated by the Constitution. It will be the largest peacetime mobilization in the United States history. The Bureau has to open up 520 local census offices and hire 860,000 employees in little more than 8 months. They cannot do it without funding, without the money. A cut in census funding will result in a census meltdown. The majority has repeatedly said that it would pay the full cost of the census, no matter what. It is time that they make good on this promise.

This morning, Mr. Chairman, the gentleman from Kentucky (Mr. ROGERS) pressed several Members to assure him that funding in the bill was sufficient to conduct the census. The gentleman from Florida (Mr. MILLER) referred to a promise made and a promise kept. Now the supporters of this amendment are talking about failing to keep the promise.

What will be the effect? Without full funding, the quality of the census will suffer. With a cut of $2.8 billion, more than half of the year 2000 census cost, that means that shortly after the census gets started in April 2000 we will be back on the floor again pressing an emergency spending bill to keep the census going. Only then it will be an emergency and all of the destruction we normally associate with emergency spending bills will have happened.

If the census shuts down in the middle of things, we will have the worst census in the 20th Century, and this Congress will bear the responsibility for that. If the census shuts down, 800,000 census takers will be laid off. If the census shuts down, the apportionment numbers will be damaged beyond repair and the census will be in the courts for the rest of the decade.

Mr. Chairman, only once in the history of the census have we failed to reapportion the House. That was after the 1920 census, when Congress failed to carry out its duty not because the numbers were flawed but because they did not like what it showed. If this amendment passes, we will not have a census that can be used for apportionment or anything else.

Mr. Chairman, we must defeat this amendment and prevent a large embarrassment of this institution. I strongly support the leadership on the Republican side and oppose the Coburn amendment.

Mr. RYAN of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. RYAN of Wisconsin. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, a couple of things, I think. If we are talking about keeping commitments, everybody in this body committed not to spend Social Security money on anything but Social Security. That is what we are putting at risk.

□ 1830

Number two, where is the question about why it should cost $24 per person in this country to take the census when it cost $11 in 1990, which I find ridiculously high. There is no accountability for the numbers that have been put forward in the budget. There is no efficiency for it. Even if we pass this amendment, there will be money for the census. We will bring money back for the census.

Our job as Members of this body is to pay for the things that the American public want and need. I agree we need to fund the census. I agree that we need to be honest with the American public about this not being an emergency and us not having to account for it.

The real issue is do we have the courage to reduce the spending somewhere else to make the appropriate dollars for the census?

Mr. RYAN of Wisconsin. Mr. Chairman, reclaiming my time, I too am a member of the Subcommittee on the Census. I serve with the gentleman from Florida and with the gentlewoman from New York. I believe that this census is a very important census. This committee has done very good work to put this census together.

However, this is not an emergency. There are portions of this census, the $1.7 billion part of this census, that is arguably an emergency because of the court rules.

However, I think that we could also make the argument that the Census Bureau dragged their feet and could have prepared for that. But we are not even going to argue the point.

This amendment sets aside the $1.7 billion in unforeseen census expenditures. However, the other part to the census is $2.9 billion. We knew this was coming. We have known about this since 1790. When the Budget Act was passed in 1997, Members of Congress who were negotiating that deal knew it was on the horizon and intentionally did not include this in the budget because they thought they would kick it out to today, to this year.

Well, my colleagues, we knew that this was coming. We knew that the census would have to be paid for. I agree with the gentleman from Oklahoma (Mr. COBURN). We need to pay for this honestly.

Just remember, if we do more emergency spending designations than the new on-budget surplus allows for, we are going into the Social Security surplus; we are going into the Social Security Trust Fund. My colleagues, we are getting very close to that moment.

All of us voted for one budget resolution or another which stopped the raid on Social Security. We have to stay out of the Social Security Trust Fund in an honest way.

We can make the argument that $1.7 billion was unforeseen emergency census spending, but not all of this money. $2.9 billion of this census is stuff that we knew was coming. We should have prepared for this. It is not a new emergency. We should pay for this.

I like to commend the gentleman from Kentucky (Mr. ROGERS) for a wonderful bill. All things considered, there are things in this bill that I think are far better than previous bills that were brought to this Congress under appropriations bills. But this is not an emergency. This is something that we should be honest with the American people about. We should cut other spending to pay for this census.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I certainly understand the motivation that leads the gentleman from Oklahoma (Mr. COBURN) to offer this amendment.

It is ridiculous that this bill carries the $4.5 billion required to conduct the census as an emergency expenditure when the Constitution has told us since 1789 that we are going to have to be doing this every 10 years. I mean, I have heard of advance notice in my time, but I think that is about the longest. So I understand how ridiculous it is.

That is why I asked the Committee on Rules to allow me to offer an amendment which would strike the emergency designation.

We just heard a speech in the well saying that this is not an emergency and so this amendment should pass. The problem with this amendment is that it does not do what the debate would seem to indicate it does, because the amendment does not strike the emergency designation. It strikes the money to run the census. And that is an irresponsible thing to do.

I do not, for the life of me, understand why we should take seriously the claim that this is an emergency. But the way to deal with that if Members truly objected to the fact that it was an emergency was for Members to oppose the rule so that we could have gone back to the Committee on Rules and have gotten a rule that allowed us to strike the emergency designation.

Having failed to do so, the House is now stuck with the choice of funding the census or not, and I believe it has no choice but to fund it.

But I have to say that I, again, understand the frustration on the part of the gentleman from Oklahoma (Mr. COBURN), which I share. Because, unfortunately, we have no more rules around here when it comes to dealing with budget issues.

Four years ago, the government was shut down by the majority party because they insisted that we follow only the spending rules of the Congressional Budget Office.

Now, this year, because a different process suits their political convenience, they will pick and choose. One day we have to abide by the CBO rules; and the next day, when it comes to directed scoring upon the Pentagon, we have to apply the OMB rules. And then when neither one of those agency's scorekeeping fits, then we consult the Wizard of Oz. Lord knows who we will consult next.

It just seems to me that we have destroyed all semblance of order. And so, when we play those kinds of budget games and when we declare something like the census to be an emergency, then it is no wonder that this institution has no credibility.

Now, the argument the majority party makes is, well, we could not anticipate that we were going to have to run two different kinds of census because of the court decision. I understand that. That is why in committee we offered the amendment and why I tried to get the Committee on Rules to make in order on the floor an amendment which simply limited the emergency designation to the $1.7 billion that truly represented spending over and above the normal census.

Yet, the Committee on Rules refused to allow that; and the House supinely went along with the decision of the Committee on Rules.

So I am of a split mind on this amendment. I recognize the motivation. If this amendment eliminated the emergency designation, I would vote for it. But I do not think we can in good conscience eliminate funding that we know we have to provide. That is every bit as much a sham as the bill now before us.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, I think the gentleman knows through our conversations that what my preference to do would be just to eliminate the emergency designation. However, the parliamentary rules prohibited both he or I from doing that very thing. I wanted to make that clear.

My choice is not to eliminate the money but also to pay it.

Mr. OBEY. Mr. Chairman, reclaiming my time, the gentleman is consistent because the gentleman voted against the rule. Some of the other persons who spoke on this issue have not.

I would simply say that, again, while I agree with the motivation of the gentleman, I believe the result would be every bit as phoney as the bill before us because it would be pretending that we could save $4.5 billion which the Constitution requires us to spend.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, did the gentleman from Wisconsin (Mr. OBEY) support the 1997 Balanced Budget Agreement?

Mr. OBEY. Mr Chairman, reclaiming my time, no, I did not.

Mr. ROGERS. Mr. Chairman, if the gentleman would yield further, I ask the him, did he vote for it?

Mr. OBEY. Mr. Chairman, no, I did not. I led the opposition to it. I called it a public lie.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(On request of Mr. COBURN, and by unanimous consent, Mr. OBEY was allowed to proceed for 2 additional minutes.)

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Chairman, I want to make a couple more points.

One of the questions that we have not spent time with is holding the administration accountable for why it should cost $24 to count for every man, woman, and child in this country.

Now, think about that. The State of Oklahoma has 3 million people. What is 24 times three? It is $72 million to count the people in Oklahoma. Give me a break. Or give me that contract. I will leave Congress right now. Give me the contract. I will become a multimillionaire just from counting the people.

The cost to count is abhorrent to anybody that is out there who knows anything about putting forth the process. We use this process not just to count but to employ a lot of people who otherwise would not have jobs. That is a social good. I do not disagree with that.

But to have a $24-per-person cost in this country to count says we are much more inefficient. And that is an indication of the rest of our government which says we could surely find this $4.5 billion somewhere else.

Mr. SERRANO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a very interesting amendment, interesting in the sense that if there was one thing that both sides agreed on in this bill, it was the inclusion of the year 2000 census, fully funded.

Now, let me explain that once again. There are people on this side who have very serious problems with this bill. There are also people on this side who are voting for this bill, like yours truly, specifically because the census was well taken care of.

So if there is a unifying force at all within this bill and on this bill in this House, it is the census. Now, to single out the census as the one that is going to take this kind of a hit is first of all undoing any possibility of working at all towards a resolution of this bill in the future, a bill that has a veto threat hanging over it.

Secondly, I have to join and echo the comments of the chairman. If they do not want a census, if they do not want to conduct a census, and if they think the Y2K issue is a problem, just wait to see what will happen if we do not have a census. If they do not want a census, then vote for this amendment. If they do not want a census, vote for this amendment.

Now, I take it a step further. I continue to see this as part of a plan by some people to go after those items in the budget that are supposed to take care of some problems within certain communities.

I know the census is for the whole Nation. But the fact is, if the prior decennial census had a problem, it was that it undercounted some people. We tried to address that by providing the proper dollars to make sure it works. So in my way of thinking, whether it is correct or not, this is as direct an attack on certain communities as not funding Legal Services Corporation was that we had to deal with before.

But the bigger issue here, and it has to be repeated over and over again, is that the census was the one issue where we worked jointly, where we made agreements where we reached some conclusions. Now we stand forward here ready to deal with all of the other issues that have not been resolved in the hope that we can reach agreement, but going straight ahead with this proper census as should be taken, and now we have this amendment cutting this kind of money from it.

Not to mention the fact, and I hate to deal with technicalities, but it has been called to my attention that if we look at the way these items are funded, this amendment talks about cutting the top amount, the overall amount; but it does not talk about where that is going to come from in the different frameworks. So if we leave the amendment this way, and I am sure the gentleman will correct that, and I should not be helping them on this, the breakouts will sum up to more than the amount that will be left to run the total census. And that is a problem.

But, please, I would hope that on this one we could join together in a bipartisan fashion to defeat this amendment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, it has been said that if we spend this money on an emergency basis that it will come out of Social Security funds.

Let me remind the body that just today the majority whip said on the floor, and he is correct, this comes out of the on-budget surplus; it does not come out of Social Security.

The emergency declaration that we have, the $4.5 billion that we are talking about on the census, comes out of the on-budget surplus, not out of Social Security.

□ 1845

Mr. SERRANO. Reclaiming my time, as the gentleman from Kentucky knows, we may disagree on the emergency issue, but we certainly agree that the one place to come and attack with no reason other than just to attack would be the census. On that, we agree.

Mr. COBURN. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Oklahoma.

Mr. COBURN. I would make two points with the gentleman. Number one is if we really were wanting to attack those communities that were underfunded, I would have included the $1.7 billion that is there designed to do the statistical sampling. We did not do that. So I do not think it is fair to say that that is what we are targeting. It is also not fair to say that we do not want a census. What we are saying is we think it is not honest to the American public to declare something an emergency that is not and, number two, I would make the point that the $14.5 billion that is recommended to be on-budget surplus is made by cooking the books.

Mr. SERRANO. Reclaiming my time, I think we have to be careful about the issue of cooking the books because we might have to throw the whole bill out the window. With that we have to be careful.

Mrs. MALONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentlewoman from New York.

Mrs. MALONEY of New York. I would like to raise a point of clarification.

The CHAIRMAN. The time of the gentleman from New York (Mr. SERRANO) has expired.

(By unanimous consent, Mr. SERRANO was allowed to proceed for 1 additional minute.)

Mrs. MALONEY of New York. The $1.7 billion that was added was to do door-to-door enumeration, door-to-door count because of the lawsuit that was brought by this body. That is what the $1.7 billion is. Actually to use modern scientific methods would be less costly and would actually save money. But because of this requirement from the lawsuit brought by the Republican majority on the apportionment between the States, there must be a door-to-door count on redistricting and the distribution of Federal funds. The use of modern scientific methods can take place which is a more accurate count and one that is less costly. It is unfortunate that we had to add $1.7 billion in addition for a count door to door which all the scientific data tells us will be less accurate.

Mr. MILLER of Florida. Mr. Chairman, I move to strike the requisite number of words.

I rise today as a member of the subcommittee and also as chairman of the Subcommittee on Census here in Congress. I find myself very strongly disagreeing with the gentleman from Oklahoma (Mr. COBURN) who on fiscal issues we usually agree on so many issues. But the amendment by the gentleman from Oklahoma basically destroys the census and to me is an irresponsible amendment. It is irresponsible because it takes the money away without replacing it.

As he says, we have to do a census. We have known since 1789 as the gentleman from Wisconsin (Mr. OBEY) was saying, we are going to do a census. So we have got to provide the money.

I was on the Committee on the Budget back in 1997. I remember the subject of the census being discussed on the Committee on the Budget and we unfortunately left the census out. That was a mistake. Really the mistake I think goes back to what was happening during the 1997 budget deal because at that time we did not know what kind of a census was going to be conducted. So we do have a problem on the budget caps because it was not provided for, such a large amount.

Now, the ranking member of the Subcommittee on Census says that the $1.7 billion was because we are not using sampling. The problem was the Census Bureau tried to develop an illegal plan. It is against the law, I think it is also unconstitutional, but it is against the law. We wasted several years and I think tens and hundreds of millions of dollars preparing for an illegal plan and now we have to hustle to develop this plan. That is part of the problem of our cost factor.

I think the chairman of our Subcommittee on Commerce Justice, State, and Judiciary did a very fine job. It was tough working with these numbers. As a fiscal conservative, everybody should be pleased that the amount of money, not counting census, for year 2000 is less than year 1999. That is a huge accomplishment. What we are having to do with this census, $4.5 billion, is use off-budget surplus.

The gentleman from Oklahoma says that we are going to have this Medicare problem and the farm problems and all. That is going to happen. That is a legitimate debate. But as of now we do have some surplus and we are going to use that surplus for this particular matter.

This is a constitutional issue. We should not destroy the census. We have to go forward with the census. We are at a very critical point in the census right now. We are in the process of hiring hundreds of thousands of enumerators, and literally it does take hundreds of thousands of enumerators. This is the largest peacetime mobilization in American history that we are going to be conducting. We are going to have a $166 million advertising campaign and it is critical that the money is available on October 1 because that is the date that ad space is available. We need to make sure we make that available and we do not threaten the possibility of buying those types of ads. We need the Census Bureau to have their money.

We have said for the past several years, money is not the issue, this is an issue of trust in our system of government. This is the DNA of our democracy, to say that we have to have a census the American people trust. We need to provide full support.

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from Ohio.

Mr. SAWYER. Mr. Chairman, I thank my friend from Florida for yielding. As he and many know, he and I have disagreed on matters of detail and substance with regard to the conduct of the census, and I think they have been legitimate disagreements, but what he says today goes to the core of what this democracy is all about. The importance of making sure that all of us get counted by the way that each of us believes is best to get that accomplished is what is at stake in this. If we pass this amendment, we will have no census and that would be a disaster of the largest proportions for this country. Its consequences would last for years. No amount of money would be able to make up for the policy blindness that it would produce. I associate myself with the gentleman's comments.

Mr. MILLER of Florida. Mr. Chairman, one of the reasons it is more expensive this time around is we have a problem with something called a differential undercount. That is wrong. The differential undercount is that certain segments of our population are undercounted in a larger proportion than other segments of our population. We need to do everything we can to address that undercount problem. Homeless people are hard to count. American Indians are hard to count. We have a higher percentage of undercount with American Indians than anyone. We need to put additional resources in to get the best count we can, whether it is the homeless population or certain inner city populations or some rural populations. That is the reason we are putting the additional cost in there, because it is the right thing to do, to address that differential undercount. I think in a bipartisan fashion we are supporting this in providing the full resources to the Census Bureau at this time. I ask for the defeat of the amendment.

Mr. OLVER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. OBEY) the distinguished ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I rise simply to respond to something the distinguished gentleman from Kentucky just said. He claimed that this funding is occurring out of the surplus and that it is not coming out of Social Security. I want to correct that statement.

Legislation brought to the House by the majority so far this summer would more than exhaust the $14 billion on-budget surplus projected by CBO for fiscal year 2000. First, the tax bill passed by the House cost $4.5 billion in fiscal year 2000. Second, the emergency designation for the entire cost of the 2000 census allows more than $4 billion of fiscal year 2000 outlays to occur without being counted against the committee's allocation or the budget caps that we are talking about. Even though those outlays, Mr. Chairman, will not count under the budget rules, they still will occur and they will eat into the surplus.

Third, the majority has been instructing CBO to lower its outlay estimates for most of the appropriations bills that have been reported by the committee. Those scorekeeping plugs reduce outlays counted for the defense bill by $9.7 billion and for various domestic bills by at least $2 billion. Doing so allows the bills to spend more than the allocations and caps would normally allow by an amount equal to the downward adjustment in the outlay estimates.

That means that the three items that I have just listed more than consume the $14 billion in on-budget surplus projected by CBO for the year 2000. In fact, they would turn that $14 billion on-budget surplus into a deficit of at least $6 billion. Other past and future gimmicks raise that deficit even further.

To make a long story short, under either the CBO or OMB forecasts if consistently applied, any projected on-budget surplus for fiscal year 2000 is already gone due to actions taken by the Majority in their appropriations bills.

Mr. OLVER. Mr. Chairman, I yield to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of this amendment. I do not generally agree with the gentleman from Oklahoma, but I think in this process he has shown a commitment to some of the integrity of what should be a process that is on the level with respect to the numbers.

As pointed out by the gentleman from Wisconsin, clearly this money comes out of Social Security because the surplus the next fiscal year simply is not big enough to withstand the actions that have already been taken. It just stretches the credibility of every Member of Congress to go home to their district and to tell them that we believe that the census is an emergency and therefore it will not count against the caps that were set in 1997. Everybody in the country, I think, knows that those caps were unrealistic. But this is nothing more than a gimmick to get underneath those caps.

Now, speaker after speaker has gotten up and told the gentleman that if he does this, there will be no census. Does anybody really believe that? That is not the case. It does not work that way around here. There will be a census and it will be funded. They have told him that it would destroy the census if we did this. Well, one easy way to fix this would be to give the gentleman from Oklahoma and the gentleman from Wisconsin unanimous consent to let them remove the emergency designation and then they can go on about their merry way and fund this out of the deficit like they plan to do. But they left the gentleman from Oklahoma no choice but to come here and strike the money. That was not his first choice, it was not the first choice of the gentleman from Wisconsin, but that is where we are because of the Committee on Rules.

So unless you want to go home and look like a fool and tell your constituents that you voted to believe that the census is an emergency, you are going to have to support the Coburn amendment. And then this Committee on Appropriations will have to respond to that. They will either remove the designation, at which point I think the gentleman from Oklahoma may be satisfied because we are back on kind of what looks like reality with the American people, or they will have to go back and remove the $1.7 billion or the $2.4 billion, whatever the figure is, that you can say is really an emergency. There are all kinds of options.

This is not about doomsday, this is not about killing the census, this is not about destroying the census. It is about the credibility of the budget process, the credibility of the appropriations process, the credibility of the surplus, the credibility of Social Security, and also the credibility of each and every Member of this House when you go home for the August break and tell them you discovered an emergency called the census.

Mr. CASTLE. Mr. Chairman, I move to strike the requisite number of words.

Let me just start by saying that I think the chairman of the subcommittee does a wonderful job with a very difficult task. I believe that the gentleman and the gentlewoman who have been handling the census issues have done well, also. I am not an expert on that. I really do not even want to discuss or debate that. I agree that it has to be done. I do agree with the gentleman from California who just spoke. My view is that if this amendment passes, within 3 hours the subcommittee will have met again and probably straightened out this problem in some way or another. I think it is fallacious to stand here and say that the census is not going to be done because this particular amendment does pass.

But we are not here really to discuss that. In my judgment we are here to discuss the budgetary aspects of this and why are we declaring a census which has been called for since 1789 in this country to be an emergency. The bottom line answer is, it is not an emergency, it is not unforeseen, it is not unanticipated, it fails every definition of "emergency" we have ever had here in the Congress of the United States.

My judgment is that we just have to stop the rampant abuse that has been going on in recent years of calling everything an emergency to avoid the problems of the budget and to avoid the problems of the caps that we are all so familiar with here on the floor of the House of Representatives. It is just not honest budgeting. It is just something which makes no sense back home.

The argument was already made about some of the emergency spending, but just look at this. In 1999, we designated $34 billion as emergency spending here in the House of Representatives and in the Congress of the United States. If we look at the CBO numbers, and this argument has already been made, but CBO reported $14 billion in on-budget surplus for the year 2000. CBO says we might actually have a $3 billion deficit now.

How did they get there? They count $3 billion of spending for administrative expenses for Social Security Administration, other spending on defense, nondefense and transportation discretionary spending which will be $14 billion higher than CBO assumed for 2000 in its current baseline.

There is not, as has been suggested here, an on-budget surplus. What does that mean? That means again we are going to have to borrow from Social Security in order to fund this particular census situation, and indeed I think that is something that we simply do not want to do.

What are we coming on to? I believe over in the Senate they are putting together about a $7 billion package for more emergency spending. Indeed, if this bill passes, we are going to have that much more emergency spending, all of which comes out of the overall money which is there.

We have just done a tax cut here. We have had a lot of references to $996 billion over the next 10 years. Every time we spend one of these emergency spending bills, we take it away from that $996 billion in terms of determining where we are going to go. This is just not realistic budgeting. It is just not something that we should be doing in the Congress of the United States.

We should face up to the people of the United States and say that we are spending the money properly and in order and in a way one can understand, or that we are breaking the caps, or we should reduce it as some would want to do.

□ 1900

That, in my judgment, is what we should do.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. I will yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, the gentleman, I believe, was on the Committee on the Budget, maybe still is.

Mr. CASTLE. No, it is not true. Sorry.

Mr. ROGERS. Do not be sorry for that.

Does the gentleman agree, though, that the 1997 budget deal that was voted by this body ignored any expenditures for the 2000 census?

Mr. CASTLE. I do not know the answer to that.

Mr. ROGERS. Well, I can assure the gentleman that it did.

Mr. CASTLE. I assume it did, or the gentleman from Kentucky would not be asking that question.

Mr. ROGERS. And does the gentleman also admit that the current-year budget resolution that was passed by this body also did not anticipate a single penny being spent for the decennial census in 2000?

Mr. CASTLE. Reclaiming my time, I assume that is also true. However I will say that clearly both of those should have assumed this. These are matters which we knew were coming, and they should have been assumed in both of those particular projections. I do not know why they were not. To me that is an error.

Mr. ROGERS. If the gentleman would continue to yield very briefly, when that happened, and the budget numbers were given to the full Committee on Appropriations, there was no money in that allocation for a budget, and so when my allocation was given to me on the Subcommittee from the full Committee, likewise there was no money allocated for the decennial census.

Mr. CASTLE. Reclaiming my time.

Mr. ROGERS. And so that is why I had no choice, and leadership in consultation agreed there was no choice here.

Mr. CASTLE. Reclaiming my time, I do not agree at all with what the gentleman has just stated, and I do not think he is at fault in this at all. But I believe those who did those allocations, I believe the leadership in looking at this in overlooking this problem of dealing with this 3.5 billion to $4.5 billion made a serious error. I think that is where the problem is. We should correct it now. We should start by passing this amendment.

Mr. BECERRA. Mr. Chairman, I move to strike the requisite number of words.

Not a lot more that can be said other than perhaps to follow up on some of the comments, but what concerns me is that while it is absolutely correct, as has been pointed out by my colleague from California (Mr. MILLER) that this is not an emergency, we get ourselves into a very perilous trap if we are not careful.

Let us admit the census is not an emergency. For the last 230 some odd years we have not been conducting the census because it is an emergency. It is a constitutional requirement, and we must do it, and under the Constitution we are not told that we can do something halfway, part way, or by counting some but not all. We are supposed to try to do the best job we can with the resources we have and the technology to count everyone.

The Census Bureau has told us it will cost a tremendous amount of money to count all of those people. Part of the reason it will cost so much is because we are doing both as best a job we can to actually count people, and we are using also the best techniques, the best systems available, the scientific methods available to us, to do the count.

Hopefully then we will not have the 8 million or so people missed as we have had in the past. We will not have so many children in this country who do not count at all because they have been missed in our previous censuses; we will not have all the folks who happen to be a little more transient than others missed because they happen to have not been home or not had a home when the census was conducted, and we will not have this situation as in my State of California where about a billion dollars did not come back to the residents of that State because so many people were not counted in the 1990 census.

But let us admit this is not an emergency. The census should not be designated as an emergency. This is creative accounting, what we see in this bill when we call the census an emergency.

But to not fund the census adequately, fully, as necessary, as the Census Bureau has indicated, would lead us down that beaten path of any inaccurate census count which will cost us in money because there are many areas in this country that will lose out on funds that they deserve because the population is there to return the funds that those people paid through income taxes.

We will lose out in political representation because by not counting all our people we will not designate for them their representatives in this same body that they are entitled to under the Constitution, and we will shame ourselves in the Constitution by not doing what we are supposed to as indicated by our Founding Fathers.

So while this is not an emergency under the census to fund it, we will cause an emergency if we pass this amendment and not fund the census appropriately because we will cause ourselves a situation where we will find ourselves facing all sorts of lawsuits; we will find ourselves facing a situation where States will come crying because they deserve dollars that they did not get over the next 10 years; and we will find ourselves in the situation where again children, poor people, people who are migratory will say again they did not count because this Congress will not have included them in the census.

That is not something we should do. We need to fund the census fully. Go ahead and call it whatever, we need to get the money there. We should not call it an emergency. It is a game. It is a deception to call this an emergency, but at the end of the day let us not shirk our responsibility. Let us fund the census.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with regard to our proposed census, I have introduced H. Con. Res. 129, a sense of the Congress resolution calling on the Census Bureau to include all Americans residing overseas in the Census 2000, and the gentlewoman from New York (Mrs. MALONEY) has introduced a similar measure.

Our Census Bureau currently provides an accounting of American military and government employees overseas, but fails to count private sector Americans residing outside the Continental United States. There are approximately 3 million Americans living abroad. They play a key role in promoting our U.S. exports and creating U.S.-based jobs, yet the Census Bureau chooses to ignore them.

Moreover, as America increases its leadership role around the world, it is imperative that our census policy reflect the growing segment of our population, a segment that pays its taxes and votes in our Nation.

The U.S. Census Bureau says it wants Census 2000 to be the most accurate census ever. I strongly support that commitment, and for that reason I believe the Census Bureau has a responsibility to count all Americans residing overseas, not just employees of our government.

This problem was raised at the time of the last census, back in 1990, yet has still not been resolved. Accordingly, Mr. Chairman, I request my colleagues' support in calling upon the Census Bureau to properly count our Americans abroad.

Mr. Chairman, I yield to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in support of the sense of Congress of the gentleman from New York (Mr. GILMAN) and in support of the leadership and hard effort of the gentleman from Kentucky (Mr. ROGERS) and his ranking member, the gentleman from New York (Mr. SERRANO) and the gentleman from Florida (Mr. MILLER) on the subcommittee who included in the census language in the bill support for counting Americans abroad. All the major organizations that represent companies and individuals abroad, including Republicans abroad and Democrats abroad, all support counting our citizens abroad.

The subcommittee held a hearing on this issue, and I was very impressed by the patriotic desire and efforts that Americans abroad have made to be counted. Dr. Prewitt, the head of the Census Bureau, testified that at this late time it was too late to accurately count them, but we should get ready for the next census.

I have introduced legislation, the Census of Americans Abroad Act, and this calls upon the Census Bureau to conduct a count of Americans abroad as soon as it is practicable, as soon as it is possible.

We all support the gentleman's sense of Congress, the language that was put in the bill and the efforts on both sides of the aisle to count Americans abroad.

Mr. GILMAN. Mr. Chairman, I thank the gentlewoman from New York for her supporting comments.

Mr. Chairman, I yield to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. There is very strong bipartisan support that overseas Americans should be counted. I mean overseas Americans, they vote, they pay taxes, but the Census Bureau refuses to count them, and that is just plain wrong. We count overseas military, we count overseas Federal employees, and there is no reason why we cannot count this estimated 3 million people.

Unfortunately, it is too late to really get it done in the next few months. It should have been planned years ago so they are geared up and ready for this. We need to do everything we can to be committed to get ready for the 2010 census. I know the people overseas would rather be counted next year, but it is wrong that they are not counted, and we need to do everything in a bipartisan fashion. We agree on this.

So I commend the gentleman for introducing this.

Mr. GILMAN. Mr. Chairman, I thank the distinguished chairman of the Subcommittee on the Census.

Mr. SERRANO. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from New York.

Mr. SERRANO. Mr. Chairman, I support the gentleman in his request. I just want to remind my colleagues that I have been trying to accomplish something which is easier to accomplish, and that is I have a concern that the 4 million American citizens who live in the Commonwealth of Puerto Rico are never included in any of the data that the census puts forth. This year Puerto Rico will be counted with the same form that is being used throughout the 50 States.

What I am hopeful will come out of some conversations I am having with the chairman and with the chairman of the census subcommittee, is that when we look at figures concerning the 50 States that we take one step further and say this census is not only to count the people within the States, it is to count all American citizens. Because how ironic it is, Mr. Chairman, that there will be people in New York State, in my district, counted in this census who are not American citizens. Some will be counted, and it is fine with me, who are not legally in the country, and yet Puerto Ricans who live on the island, American citizens, will not be included in the census data products.

Mr. Chairman, that is what I am trying to accomplish, and I hope that is part of this overall conversation.

Mr. SANFORD. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the Coburn amendment, and I would say first off that I admire the job that the gentleman from Kentucky (Mr. ROGERS) and others on the committee have done, and I think they literally have been between a rock and a hard place because a lot of the people making, frankly, the most noise today about the sanctity of the budget caps are the very people that have been crowding them on spending, and so I struggle with that.

I would say as well, I mean it is just bizarre that in Washington, D.C. we can create a budget that does not include in it something that has been mandated for over 200 years, and yet he did find himself in that spot.

I would say that most of all, though, I rise in support of this amendment because what this amendment is about is calling an ace an ace in Washington, and I think we have gone a long way from there. I mean this notion of emergency spending, as the gentleman from Delaware (Mr. CASTLE) very correctly pointed out just a moment ago, needs to truly be an emergency, because if not, we go down a really slippery slope adding all kinds of things in that may or may not be an emergency.

I remember with the emergency spending bill of last year we had, for instance, a Capitol Hill Visitor Center. As my colleagues know, the Capitol Hill Visitor Center has been the subject of debate for over 10 years, and yet we called it an emergency.

We had funding upgrades for embassies around the globe, and admittedly what happened in Africa was horrible. But to say that we suddenly found out about that at the last minute is not true. The Inman Commission had been out for over 10 years talking about the need for embassy upgrades in terms of security.

So we have gone down a very slippery slope in calling nonemergencies emergencies, and the reason it is so timely that he offered this amendment now, because if we do not, then we get to VA-UD, and frankly we are going to have a lot of other things added as, quote, "emergencies."

And if my colleagues look at the numbers, we have gone $62 billion over the caps since the budget deal was signed in 1997. We simply leave more room for that if we go down this emergency route.

Second, I would point out I think that this amendment is fairly modest. I was going to offer an amendment. As my colleagues know, this amendment goes after the 2.8. I was going to offer one that as well went after the 1.7 and had an across-the-board cut in the rest of the 1.7. So from my perspective, this is modest because he leaves it in place; and as the gentleman from California earlier pointed out, this is not about ending the census, because as we all know, Washington is a place from which we would find a way to find the money for the census.

Finally, I would say what this is about is about basically the three monkeys:

Hear no evil, see no evil, speak no evil.

□ 1915

We cannot pretend to look very narrowly on the budget that is before us and pretend that things are not happening in the Senate, because, as we know, they have marked up a bill that has billions of dollars of farm emergency spending in it that is going to put us over the caps, and, in fact, when you look at the assumptions behind the budget, what you would say is it is going to be very, very difficult for us to really stay within our promise of not reaching into Social Security, because what the assumptions suggest is, one, we will stay at a peacetime high in terms of what the government takes from economy, and, two, we will have a frontal lobotomy in Washington and drastically reduce spending from 19 percent of GDP to 16 percent of GDP.

Mr. Chairman, I would add only that this amendment is supported by Citizens Against Government Waste.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take to the floor in support of the Coburn amendment and commend the gentleman for his fiscal honesty, and I appreciate the support that others have shown for it. The census obviously is important, but it is also important that we bring some honesty to the budget process.

This morning I spoke against the rule and made the statement that we are already spending Social Security trust funds, and asked if anyone disagreed with me, to please confront me. There were Members here who could have, but chose not to. But the gentleman from Texas (Mr. DELAY), the majority whip, was on the floor and chose to confront me after I left the floor. In doing so, he made some allegations that I want to set the record straight on.

He said the Blue Dog budget had a tax increase, not a tax decrease. That is simply false, and he knows it.

He said it is okay to declare census spending an emergency, because the 1997 budget agreement did not provide money for the census. I find it hard to believe that my colleague from Texas was actually suggesting that because Congress made a mistake and forgot about the census when we passed the 1997 budget agreement, we have to declare an emergency and leave the taxpayers to pick up the tab.

I would also point out that the Blue Dog budgets that we offered in 1995, 1996 and 1997 all budgeted money for the census, supported by a majority of Democrats on each instance. If the Republican leadership had paid more attention to the Blue Dog budgets back then, perhaps we would not have this problem today.

Another statement the majority whip made this morning is that the spending in all of the appropriation bills for next year is being cut. Saying that the appropriation bills are cutting spending below last year's level relies on an awful lot of creative accounting, directed scorekeeping, where we tell the Congressional Budget Office how to score bills to make it look like we are spending less. Oh, how my colleague from Texas used to lambast us Democrats when he accused us of doing what they are now doing.

If we let CBO score all the appropriation bills honestly, they would tell us that the appropriation bills we have passed already spend $15 billion to $18 billion more than the leadership would like us to believe. That is in this book right here for anyone that wants to read it, phony offsets, emergency spending, taking spending off budget, all of these things we should not be doing.

On page 6 of the Congressional Budget Office July budget outlook that is being cited as projecting surpluses outside of Social Security, they wrote,

> That was before the Republican leadership decided to abuse the emergency designation to increase spending above the caps even further. When we take into account these additional gimmicks, total discretionary spending will be at least $25 billion higher than the Republican leadership is claiming.

Now, my opposition for the rule this morning was let us be honest. Let us be honest. Spending is spending, no matter what we call it, where we put it on the ledger or how we try to hide it. Let us be honest with the American people about how much we are spending, and not rely on accounting gimmicks and stand on the floor and accuse our colleagues of not telling the truth.

Again, to the gentleman from Texas (Mr. DELAY), I would challenge the gentleman to come back to the floor and make the same statements and read this in this report, because what I am saying is coming from CBO, not CHARLIE STENHOLM.

The gentleman from Texas (Mr. DELAY) says the tax cut has nothing to do with Social Security surpluses. The claim that we have a surplus outside of Social Security to use for tax cuts depends on all these budget gimmicks. There is no surplus outside of Social Security next year to be used for tax cuts or any other purpose when we add up the numbers honestly. In fact, we will have a deficit of at least $3 billion next year when Social Security is excluded.

In other words, we have already spent $3 billion of the Social Security surplus, and all of the tax cut next year will come out of Social Security surpluses.

One does not have to take my word for it. Again, just ask the Congressional Budget Office. Any spending above the caps, whether it is emergency or non-emergency, and I am prepared to make legitimate emergency decisions based on spending needs that handle emergencies. I am prepared to do that.

But, now, let us start shooting straight with the American people. If we are going to break the caps, let us tell them. If we are going to increase spending, let us tell them. If we are going to spend Social Security dollars, let us tell them. If we are going to give a tax cut from fictitious surpluses, let us tell them.

Let us support the Coburn amendment. Let us go back to the drawing board, and let us deal honestly with our budget while we still have a chance to work bipartisanly on some very difficult matters.

PREFERENTIAL MOTION OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 249, not voting 18, as follows:

[Roll No. 371]

AYES—166

Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blumenauer
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Coyne
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E.B.
Jones (OH)
Kanjorski
Kennedy
Kildee
Kilpatrick
Klink
Kucinich
LaFalce
Lampson
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Price (NC)
Rangel
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Schakowsky
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

NOES—249

Abercrombie
Aderholt
Archer
Armey
Bachus
Baker
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Cox
Cramer
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Dickey
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Foley
Ford
Fossella
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht

Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kaptur
Kasich
Kelly
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Luther
Manzullo
Martinez
McCollum
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Packard
Paul
Pease
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Toomey
Traficant
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NOT VOTING—18

Ballenger
Barton
Bilbray
Blagojevich
Boehner
Burr
Diaz-Balart
Fletcher
Fowler
Lantos
McCrery
McDermott
Oxley
Peterson (PA)
Reyes
Sawyer
Shuster
Watts (OK)

□ 1945

Mr. SHOWS and Mr. PHELPS changed their vote from "aye" to "nay."

Messrs. SMITH of Washington, ROTHMAN, DICKS, and Ms. WOOLSEY changed their vote from "no" to "aye."

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to address the body about the schedule for the balance of the evening.

Mr. Chairman, so that Members will have some general guidance about the balance of the evening, let me attempt to generalize about the schedule. And if any of the leadership finds me speaking the wrong way, they can interrupt me.

But as I understand it, this is the way we intend to proceed: I would hope, as soon as we get back to the Coburn amendment, that we could get a unanimous consent to limit the debate to 30 minute, 15 per side. We will do that appropriately at the right time. At which point, if that is agreed, we would then proceed to the three votes that are stacked up, including Coburn; in which case, at the conclusion of those three votes, my understanding is the Committee would rise and take up the Emergency Steel, Oil, and Gas Loan Guarantee Act conference report. Following that, I do not know.

But at least I think we can have some period of time after these three votes that Members would have, while the conference report is being debated, for perhaps some private time.

Mr. Chairman, I ask unanimous consent that all debate on the Coburn amendment and all amendments thereto close in 30 minutes, and that the time be equally divided between the gentleman from New York (Mr. SERRANO) and the gentleman from Oklahoma (Mr. COBURN).

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, we have only one remaining speaker. I reserve the balance of the time.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. BARRETT).

Mr. BARRETT of Wisconsin. Mr. Chairman, I first want to commend the gentleman from Oklahoma (Mr. COBURN). I do not agree with his amendment, but I think he is doing something that is very important.

I would like to talk about the emperor. The emperor, of course, are the spending caps. This emperor is so sacrosanct and is wearing this beautiful gown. We will never, ever take the gown off the emperor.

Of course, we may do a little bit in defense spending where we have an emergency bill that doubles the amount that the President asks for. We may do a little bit in highway spending. Now we are doing a little bit in census spending. Mr. Chairman, the emperor has no clothes.

We are sitting here with a budget and spending caps that we are busting over and over and over again, and nobody wants to say it on the Republican side except for the gentleman from Oklahoma (Mr. COBURN). But the emperor has no clothes. We are letting him walk down the street bare naked because no one is willing to say we have to make some adjustments.

The reason I do not agree with this amendment is because we have to have the census. The Constitution says we have to have the census. It is not a surprise. It is not something that was snuck into the Constitution in the middle of the night where, all of a sudden, we go, oh, my God, we have got to do a census this year. We know it has got to be there. But what has happened is this process has been so distorted by the majority side that this is the only mechanism left.

If they want to continue this charade, the charade of saying that this is an emergency, then that is what it is going to have to be. But the American people should know that this is a charade.

We have to have the census, but the only opportunity we have been given tonight to have the constitutionally mandated census is to do it through emergency spending. If that is what we are going to do, then we have to get it done.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman from New York for the generous grant of time to discuss this important amendment.

I come to the debate equipped with two reference sources, the first being Webster's Collegiate Dictionary. "Emergency: an unforeseen combination of circumstances or the resulting state that calls for immediate action."

Now, it is plausible to believe that we cannot anticipate everything in the budget and that emergencies do happen beyond our control, and we should figure out a way of dealing with them.

The question is, is the census, is the dicentennial enumeration of the people of the United States an unanticipated emergency that could not be foreseen? Well, Thomas Jefferson 210 years ago could have told Congress that in the year 2000 they were going to need money for the census because it was required that it be done every 10 years as long as the Nation should stand, and the Nation still stands.

So this is by no means an emergency in terms of unanticipated budget needs. Budget gimmicks were not quite enough. The rosy scenario, assuming that things would continue as well as they had for the last 10 years, for the next 10, that was not quite enough.

The quiet proposal and winking and nodding about real cuts of 30 percent in all domestic spending, even that was not quite enough to get to the point where we could have tax cuts and not declare emergencies to make room for the tax cuts. That is what this is all about.

Social Security is going to be hit and hit and hit and hit again with so-called emergency spending which does not count. We are taking the money. We are spending it. We are replacing it with IOUs in the Social Security Trust Fund. We are ripping the lock off the lockbox, but it does not count.

Do not pay any attention. Look the other way. It is not an emergency. This is not an emergency. This is spending the Social Security trust funds for the census, something that could have been anticipated.

We should support the gentleman's amendment. Get honest about this budget.

Mr. SERRANO. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, there has been a lot of discussion obviously on this issue. But the reality is that I agree with those who say the budgeting process has become convoluted. It has even gotten a little bit dirty.

But this amendment reminds me of the instance where one throws the baby out with the bath water. The baby is the census in this case. While we need to clean up the process, we do not need to do it at the expense of the census. We need the census money. I oppose the amendment.

Mr. COBURN. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, the analogy of the gentleman from Illinois (Mr. DAVIS) is very apropos. Being somebody who delivered two babies this weekend, both of them over 9 pounds, sometimes when one has got a baby and one is going to give it a bath, the first thing one has got to do is get the baby out of the mama's tummy to give the bath to it. Sometimes they do not always come out right. Sometimes one takes a pair of forceps, salad tongs, and gets that baby out of there.

I am trying to get the emergency baby out of this bill. I would appreciate anybody's vote.

Mr. Chairman, I yield 5 minutes to the gentleman from Montana (Mr. HILL).

Mr. HILL of Montana. Mr. Chairman, I thank the gentleman from Oklahoma for yielding me this time, and I want to rise in support of his amendment.

There is no doubt that the census is not an emergency. If my colleagues believe in the integrity of the budget process and if my colleagues believe in the integrity of the lockbox, if my colleagues believe that we should spend Social Security taxes only on Social Security, then my colleagues, too, have to support this amendment.

Procedurally, this is the only way for us to deal with this issue. If we pass the Coburn amendment, we can send this bill to the Senate without a provision for the census. We can then pass the motion to instruct the conferees to accede to the Senate position, which would be to not declare the census an emergency.

□ 2000

There will be a census. Everybody in this chamber knows this. Everybody in America knows there will be a census when we get done. The reason that this has been declared an emergency is so that we can exceed the spending caps in the balanced budget agreement of 1997.

I think the gentleman from Texas, when he attacked the whip, was talking about truth and honesty in budgeting. I would agree that it is not honest budgeting to declare this census an emergency, but I can tell my colleagues this, too, it is hard to find a lot of honesty in the budget process on this floor tonight.

It reminds me that politics in Washington is often referred to like the politics in the Middle East where there are three positions on every issue; there is an official position, a public position, and then there is the real position. Folks are coming down to this floor every day on the appropriations process arguing they want to save Social Security first, first things first, they will say, and then they will argue that every single appropriation bill is underfunded.

Now, many of those same people voted for the balanced budget agreement with the President in 1997. They congratulated themselves, they congratulated the President, and they said they were finally exercising fiscal discipline. Well let me tell my colleagues what the fiscal discipline of that was. First of all, it increased spending by almost $60 billion in the first 2 fiscal years, and since then we have spent almost $62 billion in emergency spending, $122 billion over the baseline amount in 2 years.

What it said is we would put off the tough choices to the year 2000. Well, guess what, here we are at the year 2000 budget and nobody here seems to have the ability to stand up for their principles. No one on this floor tonight has questioned the most important element here, and that is why is this census costing so much? Congress and the President cannot agree on how to do the census, so what have we done? We have said we will fund two censuses. We will do not one, we will do two, the President's way and the Congress' way.

If my colleagues believed that they were exercising fiscal discipline and voted for the balanced budget agreement in 1997, then they have to vote for this Coburn amendment. If my colleagues voted for the lockbox and they meant it when they said that they wanted to set Social Security aside for Social Security, then they have to vote for this Coburn amendment. If my colleagues voted for tax relief and they believed and they meant that they could fund that tax relief by not tapping into the Social Security account, then they have to vote for the Coburn amendment, too.

We need to vote for this Coburn amendment. It is the only way to restore integrity.

Mr. SERRANO. Mr. Chairman, what time is remaining on each side and who has the right to close?

The CHAIRMAN. The gentleman from New York (Mr. SERRANO) has 10 minutes remaining and has the right to close, and the gentleman from Oklahoma (Mr. COBURN) has 11 minutes remaining.

Mr. SERRANO. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, we are 250 days away from the census and, as my good friend on the other side of the aisle, the gentleman from Florida (Mr. MILLER) has pointed out, this is constitutionally mandated. We have to have a census. Whether we call it an offset or an emergency, every person in America needs to be counted.

Mr. Chairman, I support the efforts of the gentleman from Kentucky (Mr. ROGERS) to fund the census at $4.5 billion, the requested amount from the administration, and I urge a very strong no vote on the Coburn amendment. The Coburn amendment would make it impossible to get a count in the census; it would create the worst census since we began counting over 200 years ago. I urge a very strong no vote.

Mr. MILLER of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. MALONEY of New York. I yield to the gentleman from Florida, the chairman of the Subcommittee on Census, in the spirit of bipartisanship and in friendship on this.

Mr. MILLER of Florida. Mr. Chairman, I urge my colleagues, especially those on my side of the aisle, to oppose this amendment.

As I said earlier, this is an irresponsible amendment because it takes $2.8 billion out of the census and does not replace it. We have to pay for the census. We do not have a choice. It is a constitutional requirement, and we have said all along we were going to do the best census possible and address the problems that have existed in the past censuses.

I served on the Committee on the Budget back in 1997, and that is where the problem started, with the budget agreement, which I supported. Reflecting back on it, we never provided any money as part of that. We forgot. We did not intentionally exclude the census funding. But that is $4.5 billion. And in this year's budget it was not included.

Now, I will admit my mistake. There were mistakes made in putting that budget together, but we have to provide it. That is the reason it is going to become an emergency. I wish it was not an emergency. Ideally it would not be.

I urge my colleagues to vote "no" on this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlewoman yield?

Mrs. MALONEY of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentlewoman for yielding to me.

I am enlightened here. Apparently I now understand the nature of the emergency. We forgot. This is a very handy thing. From now on whenever we are supposed to have done something and we do not do it, we do not say I forgot, we say, I am sorry, it is an emergency.

Because the gentleman said the problem is that in 1997, when some of my colleagues voted for what I think was a pretty stupid agreement, they forgot there was going to be a census. Now, I do not know who withheld this information from those individuals, but now we have an explanation of an emergency. They forgot.

I plan to use this. When they say to me, where is that thing the gentleman is supposed to have, I will say, I am sorry, it is an emergency. If they ask somebody on their staff if they wrote the memo that they wanted them to write, they can say, no, it is an emergency. So we now have invented the handiest excuse in human history.

Mr. SERRANO. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Chairman, tonight I am arguing against the amendment of the gentleman from Oklahoma (Mr. COBURN). I think it is wrong. We are arguing again about how to fund the census, debating a constitutionally-based census that we carry out every 10 years.

The consequences of failing to do this are real frightening. What does this do to Mississippi? Ten years ago we undercounted 55,000 people. This year we have a real likelihood of losing a seat in Congress because we did not adequately fund it 10 years ago. We do not need to underfund the census today. It is a crime; it is a shame. My people in Mississippi need as much representation as anybody else in this country.

Mr. Chairman, the census affects us in our highway planning, construction, public transportation, educational block grants, and everything else. Our credibility is at stake. The credibility of this chamber and the integrity of a census that sets the agenda for this Nation for the next 10 years.

Let us do the right thing, let us make sure all Americans are counted and that our democracy is operating on the foundation where all Americans are counted for and representation is shared equally and our dollars are spent wisely.

Mr. COBURN. Mr. Chairman, I yield myself the balance of my time.

There is an issue that is before us that really does not have anything to do with the census. There is an issue before us that does not have anything to do with the budget. The issue that is before us is dare we pull the wool over the American people's eyes about calling something an emergency when it is not.

We have heard several people say we are not going to have a census if this amendment comes through. Everybody knows we are going to have a census. What they are really saying, when they are saying that, is they do not want to do the hard work to find the real money to pay for this and not take it from the Social Security fund. That is what the real answer is. That is not what is said, but that is what is intended. We all know that because we all know if this amendment passes the Committee on Appropriations is going to have to find the money for the census.

I know that we can explain a lot of things back home, but I think it is a real stretch for us to be so arrogant to say we can go home, as the gentleman from Massachusetts (Mr. FRANK) said, and say we just forgot, therefore, it is an emergency. This is not an emergency. What will be an emergency is if we spend and break our word with regard to the Social Security surplus.

There were two people in this body who voted for the President's budget to raise taxes and raise spending. Two people. Everybody else in this body voted against that budget. Everybody else voted for one of two budgets that said we will not, under any circumstances, touch Social Security money. So it is really an issue about whether or not we are going to be truthful with the American public.

It is not truthful to say there will not be a census if this amendment passes because we all know there will be. It is not truthful to tell the American public that it is an emergency to fund a census because somebody forgot. They did not forget. They did not put it in, including from the Committee on the Budget. I know this from having a conversation with the chairman, because they were hoping to force a decrease in spending so they did not elicit it. So nobody really forgot.

We can do what we need to do. We can take care of every American that is dependent on us; we can have an accurate census; we just need to do it more efficiently. We need to remeasure the programs that we are passing money for. Are they effective, are they doing it the most efficient way? Our problem this year is we are refusing to do the steps that will help us become efficient in our government as we are in every other aspect of our society.

The Senate is talking about, and we will be discussing as well, emergency spending for the farmers, the most efficient farmers in the world. We cannot ask them to cut their costs any more. They are already the cheapest in the world by far. Let them be an example to us. Let us make every program that the Federal Government runs as efficient as the farmers are in this country. If we do that, we will have $100 billion with which to fund the census and everything else we need.

I want my colleagues to check their hearts and ask themselves if they can go home and tell the people in their districts that this census is an emergency; that they had to spend their constituents' Social Security money and their grandchildren are just going to have to pay a little bit more to fund the Social Security system.

Mr. Chairman, I yield back the balance of my time.

Mr. SERRANO. Mr. Chairman, I yield myself the balance of my time.

One of the comments that we keep hearing from everyone on that side who gets up to put forth a deep cut is, do not worry about this cut, what it is that I am cutting will get done. So we will cut one bill, then people will say, do not worry about it, Defense will be taken care of. Then they will cut another bill and say, do not worry about it, everything in Energy and Water will be taken care of. Now today they are saying, we will cut the census but, do not worry, the census will be taken care of. And I suspect some time in the fall they will cut education and health care and health services to shreds and they will say, do not worry about it, people will be taken care of.

This may come as a shock, but sooner or later, if we keep on cutting, something is really not going to happen. Something is not going to go well. And the reason that we are opposing this amendment today is because we know for a fact that the census can run into serious problems if we approve this amendment.

Now, I also personally would like to help the gentleman from Oklahoma (Mr. COBURN). He told us with such pride and joy, and he should tell us with pride and joy, that just this weekend he delivered two babies. Well, his amendment runs the risk of not counting those babies in the census. I do not want him to go through life delivering babies that will not be counted in the census.

Let me just end with this thought, which is the same one I brought up before. I think it is important for everyone to understand that the census was the only issue in this bill on which there was full agreement. Let me repeat that again. The census item was the only part of this bill on which there was full agreement. People like myself, who are voting for final passage of this bill, are doing it not because I support the cuts we made, they are doing it mainly because it funded fully the census.

☐ 2015

So now to break the only agreement we had by destroying the census means that whatever support there is for this bill we lose, whatever hope there is that we could move ahead to come up with a better bill in general terms we lose, that any possibility we have to get this project on the way we lose.

There are things that have to be dealt with right away. When the gentleman from Florida (Mr. MILLER) and when the gentlewoman from New York

(Mrs. MALONEY) get up and tell us the importance of this item and when the gentleman from Kentucky (Chairman ROGERS) tells us the importance of this item, they are not saying that just to hear themselves speak or to appear on TV. They know how difficult it was to reach this point.

How many of my colleagues have forgotten that we held up budgets in the past because of the census issue? So if we are here, we are with an agreement at least on this item, why even consider voting for the Coburn amendment?

So, Mr. Chairman, I would hope that everyone in this House joins in a bipartisan basis to defeat this amendment. This is the worst amendment from a gentleman who is famous for his amendments, but this is without a doubt the worst amendment he has brought to the floor. If this should pass, even he would regret it.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COBURN. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) will be postponed.

The point of no quorum is considered withdrawn.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 273, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: The amendment offered by the gentleman from Virginia (Mr. SCOTT); the amendment offered by the gentlewoman from Colorado (Ms. DEGETTE); and the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. SCOTT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. SCOTT) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 164, noes 263, not voting 6, as follows:

[Roll No. 372]

AYES—164

Abercrombie
Ackerman
Allen
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Bishop
Blumenauer
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Coburn
Conyers
Coyne
Cummings
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Dixon
Doggett
Duncan
Edwards
Engel
Eshoo
Farr
Fattah
Filner
Foley
Ford
Frank (MA)
Frost
Gejdenson
Gilchrest
Gillmor
Gonzalez
Goode
Goodling
Gordon
Green (TX)
Gutierrez
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hooley
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E.B.
Jones (OH)
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
LaHood
Lampson
Larson
Leach
Lee
Lewis (GA)
Lofgren
Luther
Maloney (NY)
Manzullo
Markey
Martinez
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Price (NC)
Rahall
Rangel
Rodriguez
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shays
Shimkus
Sisisky
Skelton
Slaughter
Snyder
Stabenow
Stark
Stenholm
Strickland
Stupak
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wilson
Wise
Woolsey
Wynn

NOES—263

Aderholt
Andrews
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berry
Biggert
Bilirakis
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crowley
Cubin
Cunningham
Danner
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Doyle
Dreier
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Evans
Everett
Ewing
Fletcher
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilman
Goodlatte
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Holt
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Istook
Jenkins
John
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Kasich
Kelly
King (NY)
Kingston
Klink
Knollenberg
Kolbe
Kuykendall
Largent
Latham
LaTourette
Lazio
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pallone
Pascrell
Pease
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherman
Sherwood
Shows
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Toomey
Traficant
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—6

Bilbray
Brady (TX)
Lantos
McDermott
Peterson (PA)
Reyes

☐ 2038

Messrs. DEUTSCH, DOOLEY of California, PALLONE, CONDIT, HULSHOF, SPRATT, and MATSUI, Mrs. McCARTHY of New York, and Messrs. DICKS, LUCAS of Kentucky, CRAMER and Ms. McCARTHY of Missouri changed their vote from "aye" to "no."

Mr. HINCHEY and Mr. GILCHREST changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to House Resolution 273, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

AMENDMENT OFFERED BY MS. DEGETTE

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from Colorado (Ms. DEGETTE) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 160, noes 268, not voting 5, as follows:

[Roll No. 373]

AYES—160

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Biggert
Bishop
Blagojevich
Blumenauer
Boehlert
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dixon
Doggett
Dooley
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frelinghuysen
Gejdenson
Gephardt
Gilchrest
Gilman
Gonzalez
Green (TX)
Greenwood
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Hooley
Horn
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Johnson (CT)
Johnson, E.B.
Jones (OH)
Kelly
Kennedy
Kilpatrick
Kind (WI)
Kuykendall
Larson
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moran (VA)
Morella
Nadler
Napolitano
Olver
Owens
Pallone
Pastor
Payne
Pelosi
Pickett
Porter
Price (NC)
Rangel
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shays
Sherman
Sisisky
Slaughter
Smith (WA)
Spratt
Stabenow
Stark
Strickland
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Velazquez
Vento
Waters
Watt (NC)
Waxman
Weiner
Wexler
Wise
Woolsey
Wu
Wynn

NOES—268

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berry
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bonior
Bono
Borski
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crowley
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Dingell
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frost
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Holden
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jefferson
Jenkins
John
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Kasich
Kildee
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Metcalf
Mica
Miller (FL)
Miller, Gary
Moakley
Mollohan
Moore
Moran (KS)
Murtha
Myrick
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Ose
Oxley
Packard
Pascrell
Paul
Pease
Peterson (MN)
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stenholm
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Toomey
Traficant
Turner
Udall (NM)
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—5

Bilbray
Lantos
McDermott
Peterson (PA)
Reyes

☐ 2046

Mr. FORD changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COBURN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5 -minute vote.

The vote was taken by electronic device, and there were—ayes 171, noes 257, not voting 5, as follows:

[Roll No. 374]

AYES—171

Aderholt
Allen
Baird
Baldwin
Barr
Bartlett
Berman
Berry
Bilirakis
Bliley
Blumenauer
Borski
Boswell
Boyd
Brady (TX)
Bryant
Burr
Burton
Camp
Campbell
Canady
Capps
Castle
Chabot
Chenoweth
Clement
Coble
Coburn
Collins
Condit
Costello
Cox
Cramer
Crane
Cubin
Cunningham
Davis (FL)
DeFazio
DeGette
DeMint
Deutsch
Doggett
Dooley
Doyle
Duncan
Dunn
Edwards
Ehrlich
Eshoo
Etheridge
Everett
Ewing
Filner
Ford
Fossella
Frank (MA)
Ganske
Gejdenson
Gibbons
Goode
Goodlatte
Goodling
Gordon
Graham
Green (WI)
Gutknecht
Hall (TX)
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hoekstra
Holden
Hooley
Hostettler
Hulshof
Hutchinson
Hyde
Inslee
Istook
Jenkins
Jones (NC)
Kanjorski
Kind (WI)
Kleczka
Klink
LaHood
Lampson
Largent
Larson
LaTourette
Lazio
Linder
Lofgren
Luther
Manzullo
McIntosh
McIntyre
Meehan
Mica
Miller, Gary
Miller, George
Minge
Mink
Moore
Moran (KS)
Myrick
Nussle
Olver
Paul
Pease
Peterson (MN)
Petri
Phelps
Pickering
Pitts
Pomeroy
Price (NC)
Ramstad
Riley
Rivers
Roemer
Rogan
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sandlin
Sanford
Scarborough
Schaffer
Scott
Sensenbrenner
Sessions
Shays
Sherman
Shimkus
Sisisky
Skelton
Smith (WA)
Spratt
Stabenow
Stark
Stearns
Stenholm
Stupak
Sununu
Tancredo
Tanner
Tauscher
Taylor (MS)
Terry
Thompson (CA)
Thornberry
Thune
Tiahrt
Tierney
Toomey
Turner
Udall (NM)
Upton
Vitter
Walden
Weldon (FL)
Weldon (PA)
Weller
Weygand
Wu

NOES—257

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter

Berkley
Biggert
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Buyer
Callahan
Calvert
Cannon
Capuano
Cardin
Carson
Chambliss
Clay
Clayton
Clyburn
Combest
Conyers
Cook
Cooksey
Coyne
Crowley
Cummings
Danner
Davis (IL)
Davis (VA)
Deal
Delahunt
DeLauro
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dreier
Ehlers
Emerson
Engel
English
Evans
Farr
Fattah
Fletcher
Foley
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goss
Granger
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holt
Horn
Houghton
Hoyer
Hunter
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (OH)
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
Latham
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (FL)
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Oberstar
Obey
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Rangel
Regula
Reynolds
Rodriguez
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Saxton
Schakowsky
Serrano
Shadegg
Shaw
Sherwood
Shows
Shuster
Simpson
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Strickland
Stump
Sweeney
Talent
Tauzin
Taylor (NC)
Thomas
Thompson (MS)
Thurman
Towns
Traficant
Udall (CO)
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Wexler
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—5

Bilbray
Lantos
McDermott
Peterson (PA)
Reyes

☐ 2055

Mr. VISCLOSKY changed his vote from "aye" to "no."

Mr. FORD, Mrs. CAPPS and Mr. TIERNEY changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. ROGERS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. HASTINGS of Washington, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes, had come to no resolution thereon.

☐ 2100

EXPRESSING APPRECIATION TO MEMBERS FOR CONDOLENCES RECEIVED ON THE PASSING OF THE HONORABLE ROBERT H. MOLLOHAN

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute.)

Mr. MOLLOHAN. Mr. Speaker, I simply want to express my appreciation for the many kind comments that I have heard on the floor today from my colleagues on the passing of my father. I certainly appreciate those sentiments, both those that have been expressed publicly and those that have been expressed privately. They are consoling and important, and I very much appreciate those comments.

In addition, I would like to express appreciation to the majority leadership and to my minority leadership for accommodating my schedule and bringing up this very important legislation, the steel, oil and gas loan guarantee program. I know they have accommodated my personal situation, and for that I am deeply grateful to both the majority leadership and to the minority leadership.

KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

Mr. REGULA. Mr. Speaker, pursuant to the previous order of the House of August 3, 1999, I call up from the Speaker's table the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, with Senate amendments thereto, and ask for its immediate consideration.

The Clerk read the title of the bill.

MOTION OFFERED BY MR. REGULA

Mr. REGULA. Mr. Speaker, pursuant to the previous order of the House of August 3, 1999, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion and the Senate amendments is as follows:

Mr. REGULA moves that the House concur in the Senate amendments.

Senate amendments:

Page 2, strike out all after line 7 over to and including line 21 on page 3 and insert:

SEC. 101. EMERGENCY STEEL LOAN GUARANTEE PROGRAM. (a) SHORT TITLE.—This chapter may be cited as the "Emergency Steel Loan Guarantee Act of 1999".

(b) CONGRESSIONAL FINDINGS.—Congress finds that—

(1) the United States steel industry has been severely harmed by a record surge of more than 40,000,000 tons of steel imports into the United States in 1998, caused by the world financial crisis;

(2) this surge in imports resulted in the loss of more than 10,000 steel worker jobs in 1998, and was the imminent cause of 3 bankruptcies by medium-sized steel companies, Acme Steel, Laclede Steel, and Geneva Steel;

(3) the crisis also forced almost all United States steel companies into—

(A) reduced volume, lower prices, and financial losses; and

(B) an inability to obtain credit for continued operations and reinvestment in facilities;

(4) the crisis also has affected the willingness of private banks and investment institutions to make loans to the United States steel industry for continued operation and reinvestment in facilities;

(5) these steel bankruptcies, job losses, and financial losses are also having serious negative effects on the tax base of cities, counties, and States, and on the essential health, education, and municipal services that these government entities provide to their citizens; and

(6) a strong steel industry is necessary to the adequate defense preparedness of the United States in order to have sufficient steel available to build the ships, tanks, planes, and armaments necessary for the national defense.

(c) DEFINITIONS.—For purposes of this section:

(1) BOARD.—The term "Board" means the Loan Guarantee Board established under subsection (e).

(2) PROGRAM.—The term "Program" means the Emergency Steel Guarantee Loan Program established under subsection (d).

(3) QUALIFIED STEEL COMPANY.—The term "qualified steel company" means any company that—

(A) is incorporated under the laws of any State;

(B) is engaged in the production and manufacture of a product defined by the American Iron and Steel Institute as a basic steel mill product, including ingots, slab and billets, plates, flat-rolled steel, sections and structural products, bars, rail type products, pipe and tube, and wire rod; and

(C) has experienced layoffs, production losses, or financial losses since the beginning of the steel import crisis, in January 1998 or that operates substantial assets of a company that meets these qualifications.

(d) ESTABLISHMENT OF EMERGENCY STEEL GUARANTEE LOAN PROGRAM.—There is established the Emergency Steel Guarantee Loan Program, to be administered by the Board, the purpose of which is to provide loan guarantees to qualified steel companies in accordance with this section.

(e) LOAN GUARANTEE BOARD MEMBERSHIP.—There is established a Loan Guarantee Board, which shall be composed of—

(1) the Secretary of Commerce;

(2) the Chairman of the Board of Governors of the Federal Reserve System, who shall serve as Chairman of the Board; and

(3) the Chairman of the Securities and Exchange Commission.

(f) Loan Guarantee Program.—

(1) Authority.—The Program may guarantee loans provided to qualified steel companies by private banking and investment institutions in accordance with the procedures, rules, and regulations established by the Board.

(2) Total guarantee limit.—The aggregate amount of loans guaranteed and outstanding at any one time under this section may not exceed $1,000,000,000.

(3) Individual guarantee limit.—The aggregate amount of loans guaranteed under this section with respect to a single qualified steel company may not exceed $250,000,000.

(4) Timelines.—The Board shall approve or deny each application for a guarantee under this section as soon as possible after receipt of such application.

(5) Additional costs.—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated $140,000,000 to remain available until expended.

(g) Requirements for Loan Guarantees.—A loan guarantee may be issued under this section upon application to the Board by a qualified steel company pursuant to an agreement to provide a loan to that qualified steel company by a private bank or investment company, if the Board determines that—

(1) credit is not otherwise available to that company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of that company;

(2) the prospective earning power of that company, together with the character and value of the security pledged, furnish reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of such loan;

(4) the company has agreed to an audit by the General Accounting Office prior to the issuance of the loan guarantee and annually thereafter while any such guaranteed loan is outstanding; and

(5) In the case of a purchaser of substantial assets of a qualified steel company, the qualified steel company establishes that it is unable to reorganize itself.

(h) Terms and Conditions of Loan Guarantees.—

(1) Loan duration.—All loans guaranteed under this section shall be payable in full not later than December 31, 2005, and the terms and conditions of each such loan shall provide that the loan may not be amended, or any provision thereof waived, without the consent of the Board.

(2) Loan security.—Any commitment to issue a loan guarantee under this section shall contain such affirmative and negative covenants and other protective provisions that the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

(3) Fees.—A qualified steel company receiving a guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the outstanding principal balance of the guaranteed loan.

(4) Guarantee level.—No loan guarantee may be provided under this section if the guarantee exceeds 85 percent of the amount of principal of the loan.

(i) Reports to Congress.—The Secretary of Commerce shall submit to Congress a full report of the activities of the Board under this section during each of fiscal years 1999 and 2000, and annually thereafter, during such period as any loan guaranteed under this section is outstanding.

(j) Salaries and Administrative Expenses.—For necessary expenses to administer the Program, $5,000,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

(k) Termination of Guarantee Authority.—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2001.

(l) Regulatory Action.—The Board shall issue such final procedures, rules, and regulations as may be necessary to carry out this section not later than 60 days after the date of enactment of this Act.

(m) Iron Ore Companies.—

(1) In general.—Subject to the requirements of this subsection, an iron ore company incorporated under the laws of any State shall be treated as a qualified steel company for purposes of the Program.

(2) Total guarantee limit for iron ore company.—Of the aggregate amount of loans authorized to be guaranteed and outstanding at any one time under subsection (f)(2), an amount not to exceed $30,000,000 shall be loans with respect to iron ore companies.

FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES

(RESCISSIONS)

Sec. 102. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, $145,000,000 are hereby rescinded: Provided, That rescissions pursuant to this subsection shall be taken only from administrative and travel accounts: Provided further, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the Executive Branch, including the Office of the President.

(b) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

Page 4, strike out all after line 1 over to and including line 14 on page 22 and insert:

Sec. 201. Petroleum Development Management. (a) Short Title.—This chapter may be cited as the "Emergency Oil and Gas Guaranteed Loan Program Act".

(b) Findings.—Congress finds that—

(1) consumption of foreign oil in the United States is estimated to equal 56 percent of all oil consumed, and that percentage could reach 68 percent by 2010 if current prices prevail;

(2) the number of oil and gas rigs operating in the United States is at its lowest since 1944, when records of this tally began;

(3) if prices do not increase soon, the United States could lose at least half its marginal wells, which in aggregate produce as much oil as the United States imports from Saudi Arabia;

(4) oil and gas prices are unlikely to increase for at least several years;

(5) declining production, well abandonment, and greatly reduced exploration and development are shrinking the domestic oil and gas industry;

(6) the world's richest oil producing regions in the Middle East are experiencing increasingly greater political instability;

(7) United Nations policy may make Iraq the swing oil producing nation, thereby granting Saddam Hussein tremendous power;

(8) reliance on foreign oil for more than 60 percent of our daily oil and gas consumption is a national security threat;

(9) the level of United States oil security is directly related to the level of domestic production of oil, natural gas liquids, and natural gas; and

(10) a national security policy should be developed that ensures that adequate supplies of oil are available at all times free of the threat of embargo or other foreign hostile acts.

(c) Definitions.—In this section:

(1) Board.—The term "Board" means the Loan Guarantee Board established by subsection (e).

(2) Program.—The term "Program" means the Emergency Oil and Gas Guaranteed Loan Program established by subsection (d).

(3) Qualified oil and gas company.—The term "qualified oil and gas company" means a company that—

(A) is—

(i) an independent oil and gas company (within the meaning of section 57(a)(2)(B)(i) of the Internal Revenue Code of 1986); or

(ii) a small business concern under section 3 of the Small Business Act (15 U.S.C. 632) (or a company based in Alaska, including an Alaska Native Corporation created pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)) that is an oil field service company whose main business is providing tools, products, personnel, and technical solutions on a contractual basis to exploration and production operators that drill, complete wells, and produce, transport, refine, and sell hydrocarbons and their byproducts as the main commercial business of the concern or company; and

(B) has experienced layoffs, production losses, or financial losses since the beginning of the oil import crisis, after January 1, 1997.

(d) Emergency Oil and Gas Guaranteed Loan Program.—

(1) In general.—There is established the Emergency Oil and Gas Guaranteed Loan Program, the purpose of which shall be to provide loan guarantees to qualified oil and gas companies in accordance with this section.

(2) Loan guarantee board.—There is established to administer the Program a Loan Guarantee Board, to be composed of—

(A) the Secretary of Commerce;

(B) the Chairman of the Board of Governors of the Federal Reserve System, who shall serve as Chairman of the Board; and

(C) the Chairman of the Securities and Exchange Commission.

(e) Authority.—

(1) In general.—The Program may guarantee loans provided to qualified oil and gas companies by private banking and investment institutions in accordance with procedures, rules, and regulations established by the Board.

(2) Total guarantee limit.—The aggregate amount of loans guaranteed and outstanding at any 1 time under this section shall not exceed $500,000,000.

(3) Individual guarantee limit.—The aggregate amount of loans guaranteed under this section with respect to a single qualified oil and gas company shall not exceed $10,000,000.

(4) Expeditious action on applications.—The Board shall approve or deny an application for a guarantee under this section as soon as practicable after receipt of an application.

(5) Additional costs.—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated $122,500,000 to remain available until expended.

(f) REQUIREMENTS FOR LOAN GUARANTEES.—The Board may issue a loan guarantee on application by a qualified oil and gas company under an agreement by a private bank or investment company to provide a loan to the qualified oil and gas company, if the Board determines that—

(1) credit is not otherwise available to the company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of the company;

(2) the prospective earning power of the company, together with the character and value of the security pledged, provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of the loan; and

(4) the company has agreed to an audit by the General Accounting Office before issuance of the loan guarantee and annually while the guaranteed loan is outstanding.

(g) TERMS AND CONDITIONS OF LOAN GUARANTEES.—

(1) LOAN DURATION.—All loans guaranteed under this section shall be repayable in full not later than December 31, 2010, and the terms and conditions of each such loan shall provide that the loan agreement may not be amended, or any provision of the loan agreement waived, without the consent of the Board.

(2) LOAN SECURITY.—A commitment to issue a loan guarantee under this section shall contain such affirmative and negative covenants and other protective provisions as the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

(3) FEES.—A qualified oil and gas company receiving a loan guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the outstanding principal balance of the guaranteed loan.

(4) GUARANTEE LEVEL.—No loan guarantee may be provided under this section if the guarantee exceeds 85 percent of the amount of principal of the loan.

(h) REPORTS.—During fiscal year 1999 and each fiscal year thereafter until each guaranteed loan has been repaid in full, the Secretary of Commerce shall submit to Congress a report on the activities of the Board.

(i) SALARIES AND ADMINISTRATIVE EXPENSES.—For necessary expenses to administer the Program, $2,500,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

(j) TERMINATION OF GUARANTEE AUTHORITY.—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2001.

(k) REGULATORY ACTION.—Not later than 60 days after the date of enactment of this Act, the Board shall issue such final procedures, rules, and regulations as are necessary to carry out this section.

FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES

(RESCISSIONS)

SEC. 202. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, $125,000,000 are hereby rescinded: Provided, That rescissions pursuant to this subsection shall be taken only from administrative and travel accounts: Provided further, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the Executive Branch, including the Office of the President.

(b) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

Page 22, strike out all after line 15 over to and including line 4 on page 32 and insert:

GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the "Emergency Steel Loan Guarantee and Emergency Oil and Gas Guaranteed Loan Act of 1999".

Amend the title so as to read: "An Act providing emergency authority for guarantees of loans to qualified steel and iron ore companies and to qualified oil and gas companies, and for other purposes.".

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, August 3, 1999, the gentleman from Ohio (Mr. REGULA), the gentleman from West Virginia (Mr. MOLLOHAN), the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFALCE) each will control 15 minutes.

The Chair recognizes the gentleman from Ohio (Mr. REGULA).

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1664, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REGULA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is an issue of agreeing to a Senate amendment to the bill, H.R. 1664. It provides for steel, oil, and gas loan guarantee programs. These two sectors of the economy need a helping hand because they have not enjoyed the benefits of our robust economy recently because of unfair foreign trading practices and depressed prices.

Independent oil and natural gas producers have lost about 56,000 jobs over the past 18 months because of depressed oil and gas prices. The U.S. steel industry has lost over 10,000 jobs due to the record level of low priced steel imports that came into the United States in 1998. Steel imports continue at above average rates in 1999. In addition to the jobs lost in the steel industry and the surrounding communities, these unfair imports have driven companies into bankruptcy.

Both of these industries have and are seeking relief through our anti-dumping and countervailing duty laws. The Commerce Department has found dumping in numerous steel cases and the International Trade Commission has found injury, so that dumping duties are now being collected on many steel imports. But this process has been a long and costly process for the companies and their workers. The results of slightly lower imports are just now beginning to show.

But many of the affected companies and their workers need the self-help, and I emphasize "self-help," loan guarantee that is provided in this legislation. They are having trouble gaining access to private capital in order to deal with the cash flow problems and to restructure in order to weather the steel import crisis. The loan program is not, and I emphasize again, is not a Federal giveaway. It is a tough, self-help program which does have protections for the U.S. taxpayer. Let me list those:

The Chairman of the Federal Reserve, Alan Greenspan, will serve as the chairman of the board that will review all loan guarantee applications. The Secretary of Commerce and the Chairman of the Securities and Exchange Commission are also members of the board. So obviously this is a tough board that these companies would have to go to for a guarantee.

The loan guarantee amount for each company is limited to $250 million and must be paid back by December 31, 2005. Companies must provide security for all loan guarantees and shall pay a fee to cover the cost of the program. Only 85 percent of the principal loan amount can be guaranteed by this program.

Furthermore, any company that receives a loan guarantee is subject to a GAO audit. So there are tough conditions in this, I want to emphasize.

The board's authority, the board headed by Chairman Greenspan, to make loan guarantees terminates on December 31, 2001. In other words, it is essentially a 17-month program. So this is not an open-ended new program.

I should also add that the credit subsidy cost of this bill, $267 million, and that is the charge we would have to appropriate just to cover it, not that there would be any Federal money involved, this is a guarantee, all the loans would come from the private sector, with the government guaranteeing 85 percent of the loan. But it is completely offset by a rescission of Federal administrative and travel expenses.

As we prepare to give a helping hand to our farmers, and most of those are grants, in some cases loans, but we are saying billions we are talking about to help our farm economy, agriculture, as we should, but as we prepare to give them a helping hand, and they are affected by the current drought, I ask that we also give the steel and oil and gas industries a helping hand to overcome the import crisis that they have had no control over.

We cannot allow foreign nations to export their unemployment to the United States. I urge support of this legislation and, in effect, the support of American jobs.

Mr. Speaker, I reserve the balance of my time.

Mr. MOLLOHAN. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, first I want to express appreciation to our senior Senator from West Virginia for his interest and efforts in regard to the steel industry, which have been tremendous and consistent and effective, as this legislation which he is responsible for getting through the Senate evidences.

Mr. Speaker, our steel industry and steelworkers are in trouble. Foreign steel imports are up dramatically across the board, from 30 to 41 million tons in 1998. Hot rolled steel imports, for example, are up a staggering 66 percent. Three countries, Korea, Russia and Japan, account for 78 percent of this increase, and much of it is illegal dumping, selling in this country at a price less than the cost of actually producing it. That is a violation of international trade law.

Dumping has resulted in five of our steel companies in this country going bankrupt and 10,000 of our steelworkers losing their job, 800 of these jobs at Weirton Steel in my district. Five companies, Mr. Speaker, 10,000 steel jobs, all lost because of illegal dumping.

The legislation before us today addresses the short- to medium-term financial problems created for steel companies by this illegal dumping. It establishes a program whereby the government will guarantee up to $1.5 billion in conventional loans, $1 billion for the steel industry and $500 million for the ailing oil and gas industry.

The amount actually appropriated in the bill is $270 million, which represents the subsidy rate, and that is the amount of money actually estimated to be at risk should there be defaults.

Loan guarantees are a tried and true approach to helping backbone industries get through troubled financial times. Remember when the Congress passed the Chrysler Loan Guarantee Act of 1980 which supported a loan guarantee program of up to $1.5 billion? Chrysler borrowed $1.3 billion, and successfully completed the program in 1983.

Likewise, in 1981 Lockheed was the object of a federally backed $250 million guarantee program. Also New York City benefitted from a successful $1 billion loan guarantee program. Some refer to these programs as the Lockheed or the New York or Chrysler bailout. In fact, none of these programs were bailouts. All were guarantee programs, which allowed Lockheed, Chrysler, and New York to work through their financial crisis and, at the conclusion, pay off their debts. The government did not have to pay off one penny of those guaranteed loans.

Steel manufacturing and oil and gas production industries are vital interests to our broad economic well-being, not to mention to our national security interests. It is perfectly appropriate for us to act reasonably to assist these industries using the loan guarantee model.

I urge adoption of the legislation, Mr. Speaker.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first begin by saying I regret I am rising in strong opposition to this bill because I have such enormous respect for the two gentlemen that have just spoken, the gentleman from Ohio (Mr. REGULA) and the gentleman from West Virginia (Mr. MOLLOHAN). But I rise in opposition on the grounds of process, the grounds of substance, and the grounds of precedent.

In terms of process, Members will be asked to vote on the creation of a massive new $1.5 billion Federal credit program designed to benefit certain steel as well as oil and gas companies that has never been considered by the House or any of its committees.

I have grave doubts about the appropriateness of a new contingent liability of this nature in the Federal Government for a number of reasons, including the fact that the proposal coming from the other body lacks adequate taxpayer safeguards. Not only are there no warrants to reward taxpayers for risks undertaken, as was in the case of the Chrysler program, this legislation does not even comply with OMB guidelines establishing core policies for Federal credit programs.

To cite just one, financial standards for risk taking require that private lenders who extend government guaranteed credit must bear at least 20 percent of the loss from any default. This standard OMB policy is not included in this loan guarantee program, thus making the program a bailout for poor lending policies of banks, as well as poor management practices of steel and oil and gas companies.

For a country with the most sophisticated market economy in the world, the approach advocated today represents an astonishingly slippery slope. Loan guarantee proposals and circumstances of this nature have a tendency to create stilted markets and unfair competition. They implicitly disadvantage competitors and may not be as protective of ordinary workers as they may be for investors and a few companies and lending institutions that may have troubled loans in place.

Let me be clear: Nothing in this bill expands demand for steel or creates a single job. It may protect a particular worker's job in a particular company, but it is not a jobs protection bill. At the very most, it allocates jobs by protecting the least efficient producers and jeopardizing more efficient ones.

For example, I represent an industrial river district with four steel plants. None can be expected to receive any of the resources made available under this act. But this bill authorizes assistance to steel producers in competition with these efficient plants.

For every job that may be protected in West Virginia, one will be lost in Iowa, and for every dollar diverted in this market intervention program, one will be deprived from HUD, the USDA and an assortment of other government agencies. There is no free lunch for loan guarantees of this nature.

To be sure, last year steel import crisis was real and caused harm to our industry and its workers. In reaction, the United States Government responded aggressively to anti-dumping and countervailing duty cases against a variety of countries. At the same time, the executive branch exerted bilateral pressure on key trading partners, including Japan and Korea, to reduce their steel imports to the United States.

According to Commerce Secretary Daley, these efforts are beginning to have an effect. While our steel industry still faces a number of economic difficulties, we have reversed last year's historic import surge. Total steel imports have returned to pre-crisis levels. April 1999 imports of all steel products were 22 percent below April 1998 levels and 6 percent below April 1997.

□ 2115

Indeed, this April's import levels were more than 42 percent below last August's peak. Ironically, just today it was reported the domestic steel companies are raising spot market prices of large volume flat rolled products by as much as 9 percent.

According to the Chicago Tribune, these price increases have been made possible by sharp economic rebounds in key parts of Asia's Pacific Rim which is soaking up steel that otherwise might have been shipped to the United States.

As for the oil and gas dimension of this bill, it should be understood that this provision was added in the other body when crude oil prices were at an inflation-adjusted post World War II low. But from a bottom of $10.27 cents per barrel in February of this year, oil prices have rallied over 100 percent, to $20.62 today. The recovery of crude oil prices makes this bill not only philosophically dubious, but untimely.

Let me turn now to precedent. Here two issues stand out. First, the fact that this legislation is being considered on the House floor in this way is a testament to the disproportionate power individual Members of the other body have attained through precedents and rules not shared by this body.

The principal reason this bill is before us is that one powerful member of the other body refused to allow a national defense and humanitarian spending measure to go forward until he received a pledge from House leaders that this legislation would receive expedited consideration in this body, in disregard of regular House processes.

To allow this kind of process to be subjected in the House is precedential folly. The procedures of the other body demand reform for a number of reasons, not the least of which is that they disadvantage the people's body. But under no circumstances should House Members be a party to power plays in the other House that dictate how this House should proceed, especially if such commitments have the effect of bypassing the committee system, which is designed to protect the House and the public interest.

Further complicating this bill are constitutional and administrative law questions. In an effort to make the loan guaranty program less expensive, the bill was amended to require the chairman of the Federal Reserve to serve as the chairman of a three-member board to administer the program.

But it should be remembered, the Federal Reserve is an independent agency, not part of the executive branch. It is responsible for conducting the Nation's monetary policy, as well as supervising and regulating banking institutions. This bill would entangle the Federal Reserve in inappropriate executive branch functions and compromising political judgments.

The program the bill establishes is more political than economic in character. It is designed by politicians to benefit certain companies in selected industries. In its present form, it entwines the Federal Reserve Board, which both parties on a bipartisan basis have a vested interest in keeping above politics, into the hurly-burly of congressional politics.

Extraordinarily, the bill causes the chairman of the Fed to become, in effect, a loan officer who also may be regulating financial institutions with which the Federal Reserve may, under this bill, become a party in lending judgments.

The only thing more foolish than the economic and political judgments in play are the process considerations for Congress, the executive branch, and the Fed.

In conclusion, Mr. Speaker, let me reiterate that the interventionist policy under consideration represents a procedural, substantive, and precedent-setting umbrage. Loan guaranty approaches should only be considered after extensive review and only under the most exigent of circumstances. This particular congressional intrusion into the American free market should be viewed with the utmost skepticism.

Mr. Speaker, I urge its defeat, and I reserve the balance of my time.

Mr. LaFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I want to say how much respect I have for the authors of this bill, both the gentleman from Ohio (Mr. REGULA) and the gentleman from West Virginia (Mr. MOLLOHAN).

With respect to the gentleman from West Virginia (Mr. MOLLOHAN), I want to express my deepest condolences upon the death of his father, with whom I had the tremendous pleasure of serving for 8 years, from 1975, his retirement, to 1982. He was a great person. He was a great Congressman.

But I think, in all candor, his greatest achievement was his son. I do not think any father could have been more proud of his son than Bob Mollohan was, and rightly should have been, of the gentleman from West Virginia (Mr. MOLLOHAN). I am proud to serve with him. That makes opposing the bill even more difficult.

Mr. MOLLOHAN. Mr. Speaker, will the gentleman yield?

Mr. LaFALCE. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Speaker, I thank my friend, the distinguished gentleman from New York, for those very kind remarks. They are certainly appreciated. God bless.

Mr. LaFALCE. Mr. Speaker, I regret that I must oppose this bill, in large part for the reasons articulated by the chairman of the Committee on Banking and Financial Services, the gentleman from Iowa (Mr. LEACH). I find myself in 100 percent agreement with each and every remark of his.

First of all, with respect to process, there was not one minute worth of hearing on this bill in the House of Representatives; not a day, not an hour, not a minute. I believe that is true in the Senate, too, but I cannot swear to that.

As a matter of fact, the oil and gas provisions of this bill were never even introduced in the House. The bill number is the Kosovo appropriations that was substituted. I do not believe there ever was a bill creating a loan guaranty program for the oil and gas industry.

Now, I think it is a terrible precedent. I really think this is a terrible precedent, because what we are doing is we are saying to the authorizing committees, whatever they are, the Committee on Transportation, the Committee on Ways and Means, the Committee on Armed Services, we are going to eliminate the necessity for them, on minor matters. What is a minor matter? For $1.5 billion, we will just eliminate the need for their consideration of any legislation dealing with approximately $1.5 billion. That is a terrible precedent.

Secondly, some individuals say, well, speaking of precedents, we have some precedents when we have given guaranties in the past. To be sure, Chrysler has been mentioned as one example; Lockheed.

A few things. First of all, those were company-specific, not industry-wide; not oil and gas industry, iron ore industry, but company-specific. There were days and weeks of hearings and markup and conferences, et cetera.

Most importantly, I remember when I wrote a dissenting opinion against the Chrysler loan guaranty bill because we did not attach adequate conditionality to the loan, because we did not attach the necessity for shared sacrifices on the part of all the stakeholders.

The Senate did a better job on that bill, thanks to a good Republican and a good Democrat, Senator RICHARD LUGAR and Senator Paul Tsongas. They attached those conditions. They attached, for example, the ability of the United States to have warrants. They attached the necessity for shared sacrifices, et cetera.

There is nothing in this bill remotely close to that at all, nothing whatsoever. There certainly has not been the months and months of hearing and public dialogue and discussion; not even a minute, not even a minute.

There are other reasons, too. The steel industry is very important and the iron ore industry is very important and the oil and gas industry is very important. But there are countless other important industries in the United States of America, too. Why just steel, why not the materials industry? Why not the textile industry? Why not the computer industry, the machine tool industry? We could go on endlessly.

If we are going to intervene and allocate credit, ought we not at least to have some hearings to discuss where we would best allocate credit? The House tonight is saying no.

But let us think of something else, now. We are coming in with a $1.5 billion program. The program had just run for a couple of years, but the loan guaranties will go for decades, or I have forgotten the exact date, but considerably beyond that. But we cannot do it for nothing. We can only do it if we rescind monies in fiscal year 1999. That is what we are going to be voting on. We are going to be voting to rescind monies for fiscal year 1999.

How much will we have to rescind? Two hundred seventy million dollars, or $267 million, to be exact, according to the gentleman from Ohio (Mr. REGULA). We have to rescind that much. Where do we take it from? The bill says, not from defense but from the non-defense programs.

So what do we do if we vote for this bill? If Members are interested in agriculture, we rescind $45 million from agriculture. If Members are interested in commerce, we rescind $12 million from commerce. If Members are interested in health and human services, we rescind $20 million from health and human services. If Members are interested in housing for the poor and the elderly, we rescind $17 million from HUD. If we are interested in the Department of the interior, we rescind $9 million; from Justice, $23 million; the Department of State, $11 million; Transportation, almost $14 million; Treasury, over $20 million; and Veterans Affairs, approximately $36 million. The list goes on and on.

The total is, according to OMB, a rescission of approximately $270 million. I ask Members to ask themselves if this bill, that has not had a day's worth of hearing, in order to help the oil and gas industry, et cetera, is worth rescinding $270 million.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, would the gentleman agree that those are travel budgets for those various agencies, just travel for members of the executive branch?

Mr. LAFALCE. No, those are administrative and travel. Administrative includes salaries for people.

So what we are doing is for veterans affairs, we would be eliminating doctors, these are administrative; nurses, these are administrative. But can our hospitals in Buffalo and Batavia, wherever they are, afford their pro rata share of a budget cut in veterans affairs of $36 million, et cetera, et cetera? Is it that important?

Of course, the gentleman from Iowa (Mr. LEACH) pointed out, it is so wrong to have the chairman of the Federal Reserve Board, and unconstitutional, he argued, and I would agree with him fully, in there. I hate saying vote no on this bill, but logic and the order of the House and the integrity of the House, the integrity of the legislative process, demands it.

Mr. Speaker, I reserve the balance of my time.

Mr. REGULA. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Speaker, a number of Members have asked the question, what does this have to do with national defense and Kosovo? Because when the Clerk read out the title of the bill, it did refer to national defense, to the Kosovo supplemental.

I wanted to advise the Members that there is nothing left in this bill that has anything to do with Kosovo and national defense or anything of that nature. That was all stripped out. This vehicle was an empty vehicle, and the other body used it as a vehicle then for this loan guaranty program. I just wanted Members to know that, especially because several have asked that question.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in strong support of this legislation, which will establish an emergency loan guaranty program for the independent oil and gas industry and the steel industry.

Much like America's agriculture, the oil and gas industry and steel industries have recently experienced a price crisis which has caused hundreds of thousands of job losses and severe economic hardships for the communities in which they serve.

In November of 1997, the oil and gas exploration and production industry began experiencing critically low prices, which included the lowest inflation-adjusted oil price in history. These low prices were well below the cost of finding and producing crude, and they threatened the ability of many independent producers to continue operation. The effects of hard times on producers have a significant impact in all areas of our economy, as many of our Texas schools and hospitals receive significant tax revenues from oil and gas properties.

□ 2130

While prices have improved in the past few months, the industry continues to face economic hardship and infrastructure loss. The Independent Petroleum Association of America estimates that 56,400 jobs of oil and gas have been lost since October of 1997. Twenty-five percent of the United States' total oil wells and 57,000 natural gas wells shut down. Many of these wells will never operate again.

With oil imports currently accounting for 56 percent of America's supply, it is of vital importance to our national security that we provide assistance to oil and gas producers so that we can preserve what is left of our domestic oil and gas industry. Since 1986, the United States has lost 2 million barrels per day of oil production.

With programs such as these loan guarantees in place, we might not have lost the domestic production. But we now have the opportunity to do something to maintain what is left. These loan guarantees will provide struggling independent producers with the capital necessary to save jobs, businesses, and the viability of the domestic industry. If the relevant committees of jurisdiction had taken action since 1997, we would not be in this position now.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, I thank the gentleman from Iowa for yielding me this time.

Coming from Houston, Texas, the energy capital of the world, I certainly have sympathy for the plight of the oil and gas industry, and I am concerned about the plight of the steel industry also.

But I was taught early in life that the end never justifies the means, and this means is one of the most inappropriate efforts that I have seen in the 28½ years that I have been in the House of Representatives.

It opens its way to boondoggles, because there is no restriction for a steel company with a loan to a bank. The bank is concerned about the steel company's capabilities to shift that off to the responsibility of the taxpayers. There is no protection against the president of one of these industries making a personal loan to that industry and then applying for the government to take that president personally off the hook. No protection at all against that in this bill.

I associate myself with the eloquent remarks of the gentleman from New York. I could not say them better than he did. But I would add that it also sends the worst of signals to our trading partners.

We complain over and over again about their government subsidies to their basic industries, like their steel industry; and here we are in the back doorway having a government subsidy for a basic industry that we decry over and over again.

Importantly, it is so precedential, as the gentleman from New York said. Where do we draw the line when the government begins to embark on this course? There are better ways. We should find a better way.

Mr. LAFALCE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I do not like this bill, but I am going to vote for it. I want to thank the gentleman from New York (Chairman LAFALCE) for being a gentleman and allowing me the time.

Pretty tough for me to vote against the bill that has come to the floor offered by the gentleman from Ohio (Mr. REGULA) and the gentleman from West Virginia (Mr. MOLLOHAN), two great Members.

I also offer my sympathies to the gentleman from West Virginia (Mr. MOLLOHAN).

But I want to pick up on something that the gentleman from Texas (Chairman ARCHER) said. No matter how one cuts this bill, the reason for it being on the floor is illegal trade. The steel industry is in desperate straits because of illegal trade.

What Congress has chosen to do is, no matter how we cut it, we subsidize and accommodate illegal trade tonight in the House of Representatives, with the only vehicle to help our industries.

This is unbelievable to me. We act like a bank and guarantee with taxpayers dollars industries that are impacted upon by illegal trade, but Congress does not have the courage to take a stand and reconcile these great negative balance of payments in a trade deficit approaching a quarter of a trillion dollars.

Good God almighty. Now we are going to accommodate illegal trade. We are telling our trading partners, go ahead. The doors are open. If worst comes to worst, we will take care of our industry for you.

A Nation that allows predators to violate their marketplace is a Nation that will bankrupt and collapse. We have no sound trade policy in America. I do not see any difference now between either party. I do not see any resolution. I do not see any progress being made. I see a sigh of surrender.

Let us use our largess. Let us put a Band-Aid on it and hope they treat us better. I think it is time for a reciprocal trade agreement. It is time to tell our trading partners, "If you want access, give us yours, or we will close the door on you, just like you have done to us."

If they are beating us because they are better, I can accept it. But I cannot give them an advantage and go home and tell my people we are going to use their tax dollars now to guarantee our failing policies. This is bad policy, Congress.

Now I want my colleagues to take a look at some of the suggestions, Mr. Speaker, that are coming from both sides of the aisle now on the illegal trade. I am not talking about free trade tonight. I am not talking about trade. I am talking about illegal trade, and we sponsored it.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair announces that the gentleman from Ohio (Mr. REGULA) has 10 minutes remaining, the gentleman from West Virginia (Mr. MOLLOHAN) has 10½ minutes remaining, the gentleman from Iowa (Mr. LEACH) has 5 minutes remaining, and the gentleman from New York (Mr. LAFALCE) has 3½ minutes remaining.

Mr. REGULA. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. ADERHOLT).

Mr. ADERHOLT. Mr. Speaker, I rise in strong support of H.R. 1664, a bill to provide loan guarantees to help U.S. steel companies and oil and gas companies. I would like to comment for just a minute on the steel portion of the bill.

American workers are the most productive in the world. As my colleagues and I are pointing out here on the House floor and have been for about a year, American steelworkers and steel company managers have worked together to achieve remarkably efficient steel production here in the U.S.

U.S. steel is the highest quality in the world, and producers adhere to the highest safety and environmental standards. The bottom line is we can compete with any steel producers in the world as long as we are not flooded with artificially low-priced steel.

Due to the illegal dumping by foreign countries, scheduled maintenance and modernization improvements at U.S. steel companies have been impossible for much of the past 2 years. So these loan guarantees will allow our companies to remain competitive.

As has already been pointed out here tonight, the terms of the plan are tough. The Federal Reserve Chairman, Alan Greenspan, chairs the board that oversees the plan. All loans must be paid back by December 1, 2005. The plan is fully paid for with offsets.

I represent one of the mid-sized U.S. steel companies that has suffered because of this illegal steel dumping. Gulf States Steel, in Gadsden, Alabama, which is in the Fourth Congressional District, employs about 1,800 people. Without a program like this one, the future of these workers is not optimistic.

This bill has been scrutinized, it has been amended, and it reflects the hard work of Members both here in the House and of the Senate, Republicans and Democrats.

I ask for my colleagues to support H.R. 1664 and support our steel and oil and gas industries.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Texas (Mr. HALL).

Mr. HALL of Texas. Mr. Speaker, I rise in support of the Emergency Steel, Oil, and Gas Guarantee Act of 1999.

Mr. Speaker, I'm here tonight to offer my support for the men and women in Texas, as well as throughout all of what we know as the "Oil Patch." These people have built an industry that has brought us a way of life. Inherent in this industry has been the willingness to take risks by the investors, and an abundance of hard work. The oil and gas industry in this country owes it's past successes to the classic hard work, family business, the American way.

Without the risks and hard work we would not currently enjoy so many of the conveniences that make our way of life the envy of the world. Yet, these family businesses, otherwise known as Independent Producers, have hit upon very serious hard times, and while the rest of our economy appears to be booming, these hard working people have been forced to cap wells, lay off their employees, and compete with very strong foreign markets. The stacked oil riggs give mute testimony to their plight.

We must vote YES, and pass this bill, for at least two important reasons. (1) Our National Security rests upon our ability to rely on domestic energy resources in case of emergency, * * *. We cannot afford to sit back and watch this industry fail. (2) It is the right thing to do, * * *. These men and women, have been there for us in tough times, all they are asking of us, is that we be there for them in what most of the rest of us are experiencing as good times. This industry is deserving of these loan guarantees, and as a matter of national security, we must respond to their call for assistance.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Indiana (Mr. VISCLOSKY).

Mr. VISCLOSKY. Mr. Speaker, I would add my comments and wishes to the gentleman from West Virginia (Mr. MOLLOHAN) as everyone else has. I think it is a mark of the gentleman that, this evening, he is here protecting the interest of, not only the people of his congressional district, his State, but all of those in the United States of America who want a good paying decent job for themselves and their families. I think we all owe the gentleman from West Virginia (Mr. MOLLOHAN) a debt of gratitude on that.

One of the earlier speakers, in his comments said this is not going to create one new job. I would remind all of our colleagues that we are here tonight because we have lost 11,000 jobs since July 1, 1997. There is no end in sight. Those jobs were lost, not because of inefficiency, but because of illegally traded steel that we as a government, the executive branch and legislative branch, did not stop.

Those 11,000 individuals with spouses and children do not have a job tonight. We owe them this loan guarantee.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Speaker, I thank the gentleman from Iowa for yielding me this time. I, too, would like to join my colleagues in paying tribute to the gentleman from West Virginia (Mr. MOLLOHAN) for the work that he has done and for being here this evening.

But I do also rise in very strong opposition to this bill. It is a target-rich environment of arguments against it. I do not know which one to start with.

Let me start with this one. This bill is being brought to this floor for the first time without the benefits of any hearings in the House or any kind of public input.

This bill provides an almost open-ended $1 billion in loan guarantees for the steel industry and as much as $500 million in guarantees for the oil and gas industry. To cover potential defaults of administrative cost, $270 million are appropriated.

Now, we have an offset for that, we have been told, an offset of an unspecified pro rata recessions from the nondefense travel and administrative accounts in all Federal agencies' fiscal 1999 budgets which have 2 months to run.

Now, there are many of these budgets which do not have anything in those accounts, and OMB has acknowledged they have not the slightest idea of how they are going to handle it in those particular budgets. So, in short, it puts millions of dollars of taxpayers' funds at risk, rescinds millions of dollars in Federal administrative accounts, in the Veterans Administration, in the Energy Department, in the Agriculture Department where we have a real problem with agriculture in this country. It takes the money out of those accounts and sets up an elaborate loan guarantee board to administer the program.

Yet no one, not a single Member of the House, has had an opportunity to review this proposal in committee nor hear from those who are affected. This is not the way this institution is supposed to function.

Now, I also object to this on a substantive ground. The loan guarantees being considered would not go to the benefit of any workers. Instead they go to investors of a few companies, many of whom may have had troubled loans in the first place.

The effect of these loan guarantees would be to reward inefficient producers and skew market capital away from efficient industries toward inefficient companies and inefficient industries.

Rather than save jobs, this bill would simply reallocate jobs in our country. This is nothing but a special interest bailout for specific industries, and I urge the defeat of this particular bill.

Mr. LAFALCE. Mr. Speaker, since I only have about 3 minutes remaining, I reserve the balance of my time for closing.

Mr. REGULA. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. NEY).

Mr. NEY. Mr. Speaker, also, as neighbors of the gentleman from West Virginia (Mr. MOLLOHAN), I know my constituency sends their deepest sympathies.

Tonight a lot of right things I guess have been said, no matter which side one is at on this issue. Politics. There are some politics involved. I think it is politics to help good people that deserve help from their government.

As far as breaking precedent procedure, I think that has been done here over the course of a couple hundred years. I really do not think it is being done tonight, though, in a way of breaking precedent procedure, because there has been a type of hearing. There has been a one-year nonhearing on this issue for the steelworkers and their families.

Oil and gas is included obviously in this, too. They are having some troubled times.

I would also like to point out that the monitoring bill of Visclosky, Regula, et al. of this body, the White House put its hand into the Senate and killed it. That chance seems to be gone, so something has to be done. Tonight is the urgent need to do it.

This is not about free trade. It is not about fair trade. It is about illegal dumping. Give the steelworkers a chance.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

□ 2145

Ms. KAPTUR. Mr. Speaker, I thank the distinguished and able gentleman from West Virginia (Mr. MOLLOHAN), who is really fully admired by Members of this House for being here this evening, and our dear colleague, the gentleman from Ohio (Mr. REGULA) as well.

Mr. Speaker, I rise in support of this measure to put some steel back into the spine of America and to help our beleaguered independent energy sector. Earlier this year, the House passed this legislation. It has been stalled over in the other body all this time. Unforgivable.

Now six more steel companies in our country, American jobs, have filed for bankruptcy. Over 6,000 jobs at stake in Alabama, Ohio, Illinois, Pennsylvania, Utah, coast to coast, and more on the chopping block.

I think we are obligated to do what we can to provide help to this beleaguered set of industries in the United States of America, especially when they are so adversely impacted by imports from Japan, which has never opened its markets to us; Indonesia, not exactly the most Democratic place on the face of the earth.

So I rise in support of this bill, as I would have on the Chrysler loan bailout, in which every penny was paid back with interest.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DELAY), the distinguished majority whip.

Mr. DELAY. Mr. Speaker, I too want to offer my sympathies to the gentleman from West Virginia (Mr. MOLLOHAN) and the Mollohan family. I know the loss of a father leaves a very deep hole, and we all feel very sympathetic to the gentleman and his family.

Mr. Speaker, I must oppose this bill. I understand why this bill comes, but my colleagues, I was raised in the oil fields. My daddy was a drilling contractor. We went through many ups and downs in the economy in the oil and gas industry. I come from Houston, Texas, the capital of the oil and gas industry in the world, and I am telling my colleagues this is a horrible policy. This is a horrible policy.

We just went through a depression in the oil and gas industry in the late 1970s and early 1980s, and we got through it. Sure, there were a lot of people that lost their jobs, but I have to tell my colleagues that the oil and gas industry got through that deep depression and they are stronger for it today. They are stronger for it today.

When this bill was first conceived, oil was at $8, $10 a barrel, West Texas crude is up to $20 to $21 a barrel. The oil and gas industry does not need the government fooling around with their market by suggesting that loan guarantees will somehow save all the jobs and save the oil and gas industry. They do not need this.

My daddy would be turning over in his grave today, because I can remember my entire life, every night at 6 o'clock around the dinner table how much he would gripe about how the government was constantly interfering in the oil and gas industry and stopping us from developing the kind of industry that we needed for our national security.

They do not want this, they do not need this, and I hope that my colleagues will defeat it.

Mr. REGULA. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, first of all, I want to commend my colleague, the gentleman from Alabama (Mr. ADERHOLT), for his fine work on this bill, and I want to introduce for the RECORD a letter that he wrote to the Members of this Congress on June 16 where he talked about the cost of not acting on this legislation. It is 108,000 jobs.

Mr. Speaker, I read an interesting article in a paper. I pulled it off the internet, and it is called the Hindustan Times. It is one of the leading papers in India. They said that imports from Japan, Korea, Brazil, and the Communist block were ruining the Indian steel industry. They said they were importing steel into India at less than what India could produce it.

The average steelworker in India makes 20 cents an hour. India said they are moving to block this. In that article, it said there are only two countries in the world that are allowing its steel industries to be destroyed, us and the United States, and they are acting to stop this. The European nations and Japan have a reciprocal agreement which says they will not dump on each other. We will not do that. These things are not coming into Europe. Europe will not stand for it. We will.

I heard the gentleman from Iowa say the crisis is almost over. Let me state the latest statistics from the Census Bureau. Shipments of U.S. steel down 10 percent; utilization down 10 percent from a month before. Total imports up 30 percent in May over April. That does not sound like it is almost over. U.S. steel prices down 27 percent.

Mr. Speaker, I submit for the RECORD the letter I referred to earlier.

WASHINGTON, DC, *June 16, 1999.*

Re loan guarantees.

DEAR COLLEAGUE: During conference consideration of H.R. 1141, the Supplemental Appropriations Act, loan guarantee provisions for steel, oil, and gas companies were removed in order to facilitate consideration of the Supplemental bill. Recognizing the strong support for assisting steel, oil, and gas companies, leadership offered to let the Senate Appropriations Committee amend H.R. 1664 to make it a loan bill (H.R. 1664 was the original House funding bill for Kosovo operations; the final version of H.R. 1141 essentially combined the Senate Kosovo funding bill and the House Emergency bill, thus making H.R. 1664 no longer necessary to the funding of Kosovo operations). We are hopeful that the full Senate will soon pass this amended version and refer it to the House, at which point conferees will be appointed.

There has been some debate about the possible costs of providing these loan guarantees. Not as often considered as the costs of doing nothing to help these companies. With regard to steel, if the ten companies most likely to apply for loan guarantee were to close, here is what we would lose:

Number of jobs: 107,167

Dollar amount of income: $4,879,443,110

Dollar amount of production: $9,227,000,000

These companies affect many others within their states. For one company alone, the impact on that would be a loss of $206,348,230 in statewide projected earnings.

Independent oil and natural gas producers around the country have also been hit hard by the extended depressed oil and gas prices. Beginning in November 1997, the oil exploration and production industry began experiencing a price crisis that included the lowest inflation-adjusted oil prices in history. These prices have had far-reaching effects on the lives of thousands in the industry. In the past 18 months, the industry has lost 56,400 jobs, and an additional 20,000 jobs are at risk. This is a natural result of the shut down of 136,000 oil wells (25 percent of total U.S.) and 57,000 natural gas wells during the same period—a substantial number which will never operate again. As a result, the U.S. oil and natural gas production is nearly at its fifty year low. As devastating as this crisis has been on individuals in the industry, the impact on our Nation has been equally severe—estimated at $25 billion in lost economic impact.

When the House votes again on this bill, I hope you will support it. These U.S. industries are competitive and the loan guarantees will help them remain competitive. If you have any questions, please contact Mark Dawson (Rep. Aderholt, 225–4876) or Dawson Oslund (Rep. Watts, 225–6165).

Sincerely,

J.C. WATTS,
ROBERT B. ADERHOLD,
Members of Congress.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, we hear a lot today about the new economy, but there are some of us still trying to get by on the old economy, and the old economy is not doing too well.

In my district and across this Nation, tens of thousands of steel and oil and gas workers have lost their jobs, and many more fear that they may lose theirs. Since October of 1997, oil prices have dropped dramatically due to increases in imports. More than 50,000 workers have lost their jobs, hundreds of production and service companies have closed, and over 136,000 oil wells have shut down. That is 25 percent of all the wells in the United States.

Providing Federal loan guarantees to significant strategic U.S. businesses at risk is not without precedent. The SBA guarantees loans every day in this country for small business. We do it for agriculture. Congress has done it for New York City, for Lockheed Aircraft, for Penn Central, for Conrail. It is a common practice.

Mr. Speaker, these industries need our help. They are critical to the economic security and the national security of our country.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, this bill is just as deadly serious for the steel and iron ore mining industry as were loan guarantees Congress approved for New York City in 1977 and Chrysler in 1980.

The steel import crisis is not over. American steel makers are still cutting production and jobs because of unfairly traded steel dumped in our markets at subsidized prices. Iron ore producers in Minnesota and Michigan, whose only market is the domestic integrated steel industry, are especially devastated by imports of semi-finished steel slab subsidized in Russia and other countries and dumped on our shores displacing our high quality taconite. Layoffs totaling 2,500 jobs were announced just this week by mines in Minnesota and Michigan, on top of hundreds of previous layoffs.

I would rather the unfair trade laws worked. I would rather we had duties and countervailing duties and quotas. But they are not being imposed, they are not working, and the loan guarantee initiative will help taconite plants upgrade operations, reduce costs, improve efficiency, and the loans will be repaid with interest.

Mr. REGULA. Mr. Speaker, I yield 1¼ minutes to the gentleman from Oklahoma (Mr. WATKINS).

Mr. WATKINS. Mr. Speaker, I have only 1 minute to make a point. We have lost over 100,000 jobs to oil patch in this country. We have lost equity. And I say to the gentleman from Ohio (Mr. LEACH) and the gentleman from New York (Mr. LAFALCE), that is the difference. We have lost more equity ever in the history of the energy industry. I am not talking about the majors, the multinationals, I am talking about the mom and pops in the small oil service jobs.

We subsidized ethanol and we bailed out New York City. The Department of Energy is doing nothing. In fact, the Department of Energy is harming the oil and domestic energy industry. Why? Because they are supporting a lot of foreign oil production, especially in Iraq. What kind of policy do we have? We have sanctions. We are proposing to lift the caps in Iraq. They are selling oil illegally to Jordan and we are loaning money to Jordan. What kind of policy is that? It is crazy.

My colleagues, our people do not understand it. During the July 4 break I marveled at our senior citizens. A grandmother approached me and said, “Congressman, I know you are going to take care of my Social Security, and I know that you are going to take care of my Medicare, but, Congressman, when can my grandson go back to work in the oil patch?”

It is serious out there in America, and I ask my colleagues for their help.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. KLINK), who has worked so long and hard on steel issues.

Mr. KLINK. Mr. Speaker, first of all, I want my friend and colleague, the gentleman from West Virginia (Mr. MOLLOHAN), to know that his courage and dedication tonight are the greatest tribute he could pay to his father, and I am honored to be on the floor with him.

My colleagues, this Congress had an idea that we would pass a steel quota bill and that would be our response, and we passed it with a veto-proof measure. But the same people on both sides of the aisle who had sold GATT to us back in 1994 in a lame duck session said it is not GATT compliant, that we could not do it, and they killed it. Now some of the same forces are coming out and saying we cannot do this either. Well, Mr. Speaker, our steel companies are having to compete with companies that are subsidized by foreign governments. So we want to tie both hands behind the backs of our steel industry, and we say go out and compete in the world.

This is not the first time, my colleagues, that we have done subsidies. We have heard about it before. But the reality is that our basic industry needs our help. And if we let the steel industry go down, next it will be aerospace, then auto manufacturing, bridge building, construction, and on and on. We have to stand up for these workers and the 11,000 who have already lost their jobs.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, I want the gentleman from West Virginia (Mr. MOLLOHAN) to know that parents live through their children, and the fact that the gentleman is standing here tonight speaks volumes about him and his father, and we thank him for being here.

For over a year, Mr. Speaker, thousands of hard working steelworkers have faced economic devastation due to illegal steel dumping. Ten thousand have lost their jobs. Weirton Steel, an employee-owned company which fought its way back from bankruptcy, suddenly had 800 workers unemployed. They played by the rules when other nations broke them with their illegal dumping.

Mr. Speaker, this is only a loan guarantee program for the steel industry and some in the oil and gas industry to get back on their feet. No handouts here, just loan guarantees with tight controls and costs offset.

Mr. Speaker, for the first time in a year, this bill provides the first little bit of hope to the thousands of proud, hard-working families in our area along the Ohio River, for instance in communities named Weirton and Wheeling and Follansbee. Vote for them tonight.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the gentleman from Western Pennsylvania (Mr. MASCARA), my neighbor.

Mr. MASCARA. Mr. Speaker, I thank the gentleman for yielding me this time, and I extend my condolences to him and his family on the passing of his father.

To both sides, those who oppose this bill, I would like to invite them to come to southwestern Pennsylvania and see the economic carnage that took place from the depression of the 1980s and the demise of the steel and coal industry. We lost an entire generation of young people.

They told us to get our act together and be more productive. We capitalized and we were more productive. Now our steel companies are suffering from foreign imports that are illegally subsidized. We have the hardest working and most efficient steel industry in the world. All that we are asking for is a level playing field.

We neither break the trade laws nor subsidize our steel companies, that is why it is imperative to provide loan guarantees and access to capital, because it is crucial in upgrading our steel making facilities. We cannot stand by and watch these illegal imports flood our markets, which have cost steelworkers jobs all over this country.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. CALLAHAN).

□ 2200

Mr. CALLAHAN. Mr. Speaker, let me just clarify something about the procedure.

There are some who have indicated that this measure has not received the proper attention of the Congress because it did not go through the regular hearing process. But this is nothing different than any other procedure that we have had. We pass a bill here, the Senate disagrees or adds to it, and then the conferees correct it, and then they bring it back to both Houses for the vote up or down.

Out of deference to Senator BYRD, he had this added on in the Senate because it was a true emergency and the conference voted to include it in the report back to the House. So it went through the proper procedure. But out of deference to this House and out of deference to the emergency needs of Kosovo and in Latin America, Senator BYRD, at my insistence and at the insistence of the Speaker of the House, voluntarily withdrew from that emergency appropriation bill provided we would use the other vehicle that was already sitting there to allow this to come before this body in a divided stance.

Had we not done this, we would have been forced to vote with the emergency appropriation that we had for Central America and for Kosovo; and this too, we would have had one vote.

Under the procedure that we finally arrived at, we get the opportunity to vote on a divided question. I think that is a fair way to do it. I applaud Senator BYRD for agreeing to do it because he did not have to do it. We could have resolved this in that emergency appropriation bill if indeed the senator had insisted.

So I appreciate the senator giving us the opportunity to bring this to the floor as a single issue and vote it up or down, because it truly is an emergency appropriation for the steel industry.

I will assure my colleagues that it is impacting my State of Alabama very adversely at this point. If they do not get some relief immediately, then there is going to be a true emergency in Alabama because we are going to have about 1,500 people walking the streets.

I urge my colleagues to vote for the amendment.

Mr. LaFALCE. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, we are here because one senator for whom I have the greatest respect said, I have got to have this money for the industry, especially in my State, and another senator said, I do not like this idea that if we are going to have money for your industry for his State, we are going to have to have money for my industry for my State; and all of a sudden we have $1½ billion, without any consideration being given to it by this House of Representatives whatsoever. Again, not one minute.

Now, $1½ billion. I was chairman of the Committee on Small Business for 8 years. Every single year we had to limit the loan guarantees we gave to the small businesses of America because we ran up against the limit.

The greatest job creator in America is the small business community. So when we vote for $1.5 billion, we are really depriving the Small Business Administration of the ability to give loan guarantees to small businesses.

The Rural Development Administration, the Economic Development Administration, just think of the countless communities in our districts where small businesses if they got a loan with a Government guarantee could revitalize that neighborhood business district, could revitalize that community, could revitalize the housing stock. But they will not get it because we are giving it to the oil and gas industry.

My Democratic colleagues, I remember when we first came here and we argued so strongly against the oil depletion allowance. This is terrible. And now we want to give the oil and gas industry this enormous, over $1½ billion, loan guarantee program without a minute's worth of hearings.

If we have a specific business in our district, we do not know that they will ever get one penny of a loan guarantee. There is that remote possibility. We do know with absolute certainty, however, that in fiscal year 1999 we are voting for cuts in Government services that help our people. We are voting again to cut agriculture in fiscal 1999.

This is for certain, $45 million. Veterans' Affairs. If we have veterans and they have difficulty getting assistance from their veterans' hospital or the clinics, we are making it worse for them, we are cutting the Veterans' Administration's budget by $36 million.

If they need housing assistance, if they need more section 8 vouchers, if they need more 202 programs, we are cutting the Housing and Urban Development Program by $17 million in fiscal year 1999.

I could go on and on and on. But do not vote to rescind $270 million in fiscal year 1999 for this program that has not even had one minute's worth of hearings in the House of Representatives to help out the oil and gas industry, chaired by the chairman of the Federal Reserve Board, who does not want this job, who would probably urge us to vote against this program, who does not believe in the concept of credit allocation whatsoever.

Mr. MOLLOHAN. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I just want to clarify for the gentleman from New York (Mr. LAFALCE) who just spoke. He has alluded a couple times to this money coming out of salary accounts and programmatic accounts.

I can understand his mistake. This money comes out of the expense side and it comes out of items like travel and on the administrative side pencils, paper, office supplies. It does not come out of salaries, any salaries, and will not result in any programmatic diminution.

Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. DOYLE) who represents steel industries.

Mr. DOYLE. Mr. Speaker, first let me say to my good friend the gentleman from West Virginia (Mr. MOLLOHAN) that he is in our thoughts and prayers, he and his family.

Mr. Speaker, I stand today to urge my colleagues to vote for H.R. 1664, the Byrd-Mollohan steel and oil loan guarantee bill.

My colleagues, the crisis in steel is not over. Jobs are still being lost. Steel mills are still closing. And this problem will not go away without some real solutions.

The Byrd-Mollohan loan guarantee proposal we are debating today will take real action to save American jobs and two vital American industries.

I heard the distinguished minority whip here say that in the oil and gas industry they have gone through some hard times and they have rebounded and come back stronger and they do not need any help.

Well, I do not know about the oil and gas industry, but I know about the steel industry; and I want to make something perfectly clear. We have not fallen on hard times. We have lost jobs because our foreign competitors are cheating, they are breaking the rules, and this country is doing nothing about it. That is why American steelworkers are on hard times. That is why we need some help.

Let us vote for Byrd-Mollohan and save some American jobs.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Mr. Speaker, I urge my colleagues to support passage of the Senate amendments to this legislation, which offer assistance to the steel and iron ore industries; most importantly, the workers, the families, and communities who depend on these industries.

I do not have any steel manufacturers in my district. I have iron ore mines. In 1920, we had over 4,500 people employed in the iron mines in northern Michigan. Then came the illegal dumping in the 1980s.

Today we have less than 2,200. Just this week it was announced that the last two mines will close, the two in northern Michigan and one in Minnesota, and they will be closed for at least 10 weeks because of depressed market conditions for iron ore pellets because of illegal steel imports.

For at least 10 weeks, the United States will not produce one iron ore pellet to make domestic steel. If we do not take action to prevent steel dumping, encourage the use of our domestic steel products, while offering some relief to our industries, there will be no more iron ore mines, there will be no more domestic steel industry here in the United States.

Mr. MOLLOHAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Pennsylvania (Mr. MURTHA) to close the debate for our side, who has worked long and hard for the steel industry and so effectively.

Mr. MURTHA. Mr. Speaker, 20 years ago the gentleman from Ohio (Mr. REGULA) and I went down to meet with President Reagan and we convinced him that the steel industry was absolutely essential to our national security.

We had a hard time convincing the Committee on Ways and Means. But we fashioned a program that did not go through the normal process that was finally accepted and refined and restored the steel industry in this country.

We have had hearings for the last 15 years on these steel problems. We need help. Because when they start importing steel, subsidized steel, it takes 6, 7, 8 months before we can get it before the court, before the ITC, before we can get the results.

We need to be able to lend them money so they can get through this period of time. It is absolutely essential. Oil and gas and steel are essential to our national security. I would hope the Members would help us in a time when we really need this help.

Mr. REGULA. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is not for big companies. This is for people. This is for that steelworker or that oil worker that is unemployed, 60,000. This is to help them pay the mortgage, to pay the tuition for their son or daughter that wants to go on to college, to perhaps help a child that is ill. This is to give them back self-respect and self-confidence by giving them their jobs back.

Remember, this is a vote for people, not for companies. This is not one taxpayer's dollar being given to these companies. We are simply saying as we have done for agriculture as we have done for housing, as we have done for small business, as we did for Chrysler, as we did for Lockheed, as we did for New York City. We said we will help them by guaranteeing their loan.

That is what we are talking about tonight. We are guaranteeing the loan. Not all of it, 85 percent. And that loan has to be approved by the chairman of the Federal Reserve, by the Secretary of Commerce, by the Chairman of the Securities Exchange commission, three highly respected individuals.

I think what it does is simply say that this Government, which historically has provided a helping hand to the people of this Nation, once again says we want to help, we want to help by ensuring that those individuals can go back to work, that we can compete in the world marketplace.

As the gentleman from Ohio said, we need revision of our State laws to stop the dumping, to stop the unfair practices. But in the meantime, that steelworker, that oil worker is out of a job.

A vote "yes" is a vote to give them a helping hand from their Government so they can have their job back, so their family can enjoy this great Nation and the opportunities it provides.

I urge all of my colleagues to support this.

It has been said that it is going to take it out of all these other programs. Not so. It is travel, travel for the bureaucracy. It is administrative. It is the bureaucracy. It is not programs. As the gentleman from West Virginia (Mr. MOLLOHAN) pointed out, it does not affect any veterans, does not affect any individual, just Government travel. And there is too much of that now.

So, in summation, this is a helping hand to the people of this Nation. I urge support of the bill.

Mr. RAHALL. Mr. Speaker, I rise in strong support for H.R. 1664, the Steel, Oil and Gas Loan Guarantee bill now before us.

The bill guarantees $1 billion in loans to companies already in, or close to filing, for bankruptcy because of the surge of cheap steel imports that have flooded our country.

This loan program has historical precedent, which began with government assistance to the Chrysler Corporation in 1980, and similar assistance since then that was provided to the City of New York, Lockheed Aircraft, Penn Central Railroad and Conrail.

The steel industry has lost over 10,000 jobs in the past year, and the oil and gas industry over 400,000 jobs over a four year period.

It is time for Congress to do for steel, oil and gas what it has done for others in the past—and that is to lend a helping hand.

This plan is not a bailout.

It is not a direct loan program.

It is a tough, guaranteed loan program requiring companies to apply to a board which includes the Secretary of the Treasury. It's costs are fully offset and will be repaid.

Please consider the alternative costs of doing nothing. If just one major company goes into bankruptcy, the government will likely spend tens of millions on unemployment benefits alone.

Multiply that by several companies, and then add in the lost jobs at suppliers, the lost tax revenue to local, state and federal government coffers, and even possible environmental costs—and you will have sealed the economic fates of States in which entire communities rely upon these industries for jobs and their livelihoods.

To be candid, Congress and the Administration dragged its feet far too long by refusing to acknowledge the damage that our trade policies were inflicting upon companies and workers in the steel, oil and gas industries.

Our hesitation to act has caused job loss and company bankruptcies across this country.

Today, we must do the right thing—to quickly approve and send to the President this loan guarantee for steel, oil and gas companies and their employees.

I urge my colleagues to vote yes on H.R. 1664. It is the right thing to do.

Mr. COSTELLO. Mr. Speaker, I want to thank my colleague for yielding me time on this important legislation. H.R. 1664 will help combat a crisis that is confronting American steelworkers and steel companies. A flood of cheap imports abroad have left our nation's steel factories facing stiff competition from illegally-subsidized products.

This legislation grants relief to the American oil and gas industry, providing federal loan guarantees to companies that are at risk to these imports. If we do not move quickly to support the backbone of our country's commercial sector, we could see other parts of our economy—including the construction, automobile and shipping industries—affected as well. The steel industry in my district has also seen losses as a result of these imports, and this legislation—which I have cosponsored—will address their needs as well.

H.R. 1664 is modeled on the successful $1.5 billion Chrysler loan guarantee program, enacted in 1980. Three years later, Chrysler repaid the government seven years before their loans were due. Federal loan guarantees are nothing new; they have been extended to Lockheed Aircraft, Conrail and City of New York.

This legislation allows banks and financial institutions to provide federally guaranteed loans to U.S. steel mills and small oil and gas producers. OMB and CBO have indicted it is fully offset, and the bill's $270 million price tag is modest when compared with the potential losses in the nation's steel mills and factory lines.

I urge my colleagues to stand up for steel in America and support H.R. 1664.

Mr. COYNE. Mr. Speaker, I rise today in support of this emergency loan legislation.

Mr. Speaker, the U.S. steel industry has been devastated by the dumping of foreign steel in this country over the last year. Many U.S. steel companies were hurt, three steel companies filed for bankruptcy, and thousands of American steel workers lost their jobs.

The Commerce Department determined earlier this year that dumping had, in fact, taken place, and the Department subsequently imposed duties on steel imports from a number of countries.

Unfortunately, the procedures that were in place to address dumping took a long time to respond to the surge of foreign steel imports. As a result, this illegal dumping took a terrible toll on our domestic steel industry. Congress needs to act to address the damage that has been done.

Consequently, I support the legislation that the House is considering today. H.R. 1664 would establish a $1 billion loan program for the steel industry and a $500 million loan program for oil and gas producers. These programs would allow loans to be made over the next 2½ years to qualified companies that have strong long term economic prospects but which face short term financial difficulties. This program would provide much-needed assistance to the steel companies that have been imperiled by foreign dumping.

While this legislation is not perfect, I believe that it would provide important relief for our domestic steel industry—an industry whose health is essential for our national security. I urge my colleagues to support this important anti-dumping legislation.

Mr. LEVIN. Mr. Speaker, I rise in support of H.R. 1664, the Emergency Steel, Oil and Gas Guarantee Loan Act of 1999. I want to address my remarks in particular to the part of this bill that concerns the steel industry.

The steel industry took a drubbing in 1998. Global overcapacity, combined with a dramatic drop in world demand for steel due to the Asian financial crisis, led to a surge of steel imports into the United States. Prices dropped dramatically, 10,000 workers were laid off, and three steel companies were forced into bankruptcy.

Earlier this year, we searched for a legislative solution to this crisis. A majority of this body voted for the imposition of quotas on steel imports into the United States. That solution would have violated our WTO obligations and allowed retaliation by our trading partners. For that reason, I opposed the quota bill. It has since been defeated in the Senate.

I have urged a different solution, a more long-term solution that would help not only the steel industry, but also other industries that may be vulnerable to the shifts that are bound to occur in our increasingly globalized economy. The proposal that I favor is reform of the anti-surge provision of our trade laws that will make that provision meaningful as a remedy to the harm or threat that may be caused by suddenly increasing imports.

I will continue to work for reform of the anti-surge law. In the short-to-medium term, I believe that the loan guarantees proposed by this bill will help the U.S. steel industry to recover from the harm it suffered over the past year.

By making guarantees available, this bill will enable companies to obtain financing that might otherwise be out of reach. Obtaining financing on reasonable terms will not fully compensate for the damage done by the surges of 1998. But it will help these companies and their workers a little bit towards getting back on their feet.

Further, this bill contains mechanisms to ensure that the cost to the government will be minimal:

The guarantee program will be administered by a Board consisting of the Secretary of Commerce, the Chairman of the Federal Reserve, and the Chairman of the SEC;

The total amount of outstanding guarantees is limited to $1 billion, the guarantees to any single company are limited to $250 million, and the amount of any guarantee is limited to 85 percent of the loan principal;

The loans guaranteed by this program will have to be secured by property providing reasonable assurance of repayment;

Participants in the program will have to agree to audit by the GAO;

All loans will have to be payable no later than December 31, 2005; and

No guarantees may be extended after December 31, 2001.

As I said before, the long-term response to the steel surge of 1998 must be reform of our anti-surge law. There will be other surges in our future, and we must be prepared. In the short term, loan guarantees are a sound means of lending a hand to an industry that is at the foundation of our economy and that has suffered from a massive surge of low-priced imports.

Accordingly, I will vote "yes" on final passage of H.R. 1664, and I urge my colleagues to do the same.

Mr. SKEEN. Mr. Speaker, I rise to lend my support to H.R. 1664, as amended by the United States Senate. I know this legislation as the Emergency Oil and Gas/Steel Loan guarantee program of 1999. This legislation is supported by the 7,000 domestic crude oil and natural gas producers represented by some 32 national, regional and state associations. Hundreds of New Mexico businesses support this legislation. They are small producers, they are oil industry service companies and they are the countless businesses that provide goods and services to the people who work in this important industry.

The oil and gas producers that would benefit from this program are small independents. They are not the big companies. They are the small producers who have seen the loss of over $25 billion and over 50,000 jobs since 1997. Today, when adversity hits our citizens and our small businesses, there are numerous "disaster" programs to help them through the tough times. When a flood strikes, a hurricane hits or a drought settles across a region the federal government moves quickly. However, when an economic disaster hits "Oil Patch," the nation turns its back.

In many of the communities in my Congressional District, citizens would have been better off if their businesses would have been hit by a tornado. Then they would have been eligible for assistance. Some businesses in foreign countries have better access to economic assistance than our small independent oil industry. This legislation starts correcting this deficiency. Our domestic industry has suffered through a 19 month price crash. This legislation will provide them with the cash flow that they need to get back on their feet.

The fact that oil prices are up today does not negate the losses that our small producers have suffered nor does it delay the payments that are past due at the financial institutions. This will lead to putting Oil Patch back to work and let Carlsbad, Hobbs, Lovington, Roswell, and several other communities in New Mexico join the prosperity that most of the rest of America has enjoyed during this decade. Our country needs a strong domestic oil industry to maintain our national security. Congress has a long record of creating working loan guaranteed programs which provided needed support to key U.S. industries. I would remind people that this legislation, as constructed, is fully offset.

The oil loan program would provide a two-year, $500 million guaranteed loan program to back loans provided by financial institutions to qualified oil and gas producers and service companies. The maximum loan would be $10 million and the government would guarantee no more than 85 percent of each loan. This is a good bill; it is a fair bill; it is a bill that follows the rules; and it is a bill that will ensure American energy continues to be provided at a fair price.

Mr. KUCINICH. Mr. Speaker, more than ten thousand American steel workers have lost their jobs.

Steel workers are not losing their jobs because the American steel industry is inefficient. In fact, the American steel industry is the world's most efficient. The reason American steel workers are losing their jobs is that the price of foreign steel, though more inefficient, is so much cheaper due to the devaluation of the currencies of those countries. Steel workers are not the only workers losing their jobs to cheap imports.

This loan guarantee will help steel companies bridge the difficult market conditions caused by the devaluation of foreign currencies.

I urge my colleagues to vote "yes" on H.R. 1664.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to the order of the House of Tuesday, August 3, 1999, the previous question is ordered.

The question is on the motion offered by the gentleman from Ohio (Mr. REGULA).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LEACH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 246, noes 176, answered "present" 1, not voting 11, as follows:

[Roll No. 375]

AYES—246

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Bachus
Baird
Baldacci
Baldwin
Barcia
Barton
Becerra
Berkley
Berry
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Bonilla
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Burton
Buyer
Callahan
Cannon
Capuano
Cardin
Carson
Clay
Clement
Clyburn
Combest
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crowley
Cubin
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doyle
Edwards
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Fattah
Filner
Forbes
Ford
Frost
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hayworth
Hefley
Hill (IN)
Hill (MT)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Horn
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
King (NY)
Kleczka
Klink
Kucinich
Kuykendall
LaHood
Lampson
Larson
LaTourette
Levin
Lewis (GA)
Lewis (KY)
Lipinski
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKinney
McNulty
Menendez
Millender-McDonald
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Murtha
Napolitano
Neal
Ney
Oberstar
Olver
Ortiz
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Phelps
Pickering
Pickett
Pomeroy
Price (NC)
Quinn
Rahall
Rangel
Regula
Riley
Rivers
Rodriguez
Roemer
Rogers
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shimkus
Shows
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Thomas
Thompson (MS)
Thornberry
Thurman
Tiahrt
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Vitter
Walsh
Watkins
Watts (OK)
Waxman
Weiner
Weller
Wexler
Weygand
Wilson
Wise
Woolsey
Wu
Wynn
Young (AK)

NOES—176

Archer
Armey
Baker
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Biggert
Bliley
Boehner
Bono
Brady (TX)
Bryant
Burr
Calvert
Camp
Campbell
Canady
Capps
Castle
Chabot
Chambliss
Chenoweth
Clayton
Coble
Coburn
Collins
Condit
Cox
Crane
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Eshoo
Ewing
Farr
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gilchrest
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hastert
Hastings (WA)
Hayes
Herger
Hilleary
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kind (WI)
Kingston
Knollenberg
Kolbe
LaFalce
Largent
Latham
Lazio
Leach
Lee
Lewis (CA)
Linder
LoBiondo
Lofgren
Luther
Maloney (NY)
Manzullo
Markey
McCollum
McKeon
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Mica
Miller (FL)
Miller, Gary
Miller, George
Moran (VA)
Morella
Myrick
Nadler
Nethercutt
Northup
Norwood
Nussle
Obey
Packard
Paul
Petri
Pitts
Pombo
Porter
Portman
Pryce (OH)
Radanovich
Ramstad
Reynolds
Rogan
Rohrabacher
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Simpson
Smith (MI)
Spence
Stearns
Stump
Sununu
Tancredo
Taylor (NC)
Terry
Thompson (CA)
Thune
Tierney
Toomey
Upton
Vento
Walden
Wamp
Waters
Watt (NC)
Weldon (FL)
Whitfield
Wicker
Wolf
Young (FL)

ANSWERED "PRESENT"—1

Souder

NOT VOTING—11

Berman
Bilbray
Frank (MA)
Houghton
Lantos
McDermott
Oxley
Peterson (PA)
Reyes
Shuster
Weldon (PA)

☐ 2234

Messrs. METCALF, LUTHER, DOGGETT, NADLER, HILLEARY and MARKEY and Mrs. MEEK of Florida and Ms. WATERS changed their vote from "yea" to "nay."

Mr. ROTHMAN and Mr. BURTON of Indiana changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1905, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2000

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, Wednesday, August 4, 1999, to file a conference report on the bill (H.R. 1905) making appropriations for the legislative branch for the fiscal year ending September 30, 2000, and for other purposes.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Florida?

There was no objection.

MOTION TO INSTRUCT CONFEREES ON H.R. 1905, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2000

Mr. TOOMEY. Mr. Speaker, pursuant to section 7(c) of House rule XXII, I offer a motion to instruct House conferees on the bill (H.R. 1905), making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. TOOMEY moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendments to the bill H.R. 1905 be instructed to insist upon—

(1) the House provisions for the funding of the House of Representatives under title I of the bill;

(2) the Senate amendment for the funding of the Senate under title I of the bill, including funding provided under the heading "JOINT ITEMS—ARCHITECT OF THE CAPITOL—Capitol Buildings and Grounds—senate office buildings";

(3) the House provisions for the funding of Joint Items under title I of the bill, other than the funding provided under the heading "JOINT ITEMS—ARCHITECT OF THE CAPITOL—Capitol Buildings and Grounds—senate office buildings"; and

(4) the House version of title II of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. TOOMEY) and the gentleman from Arizona (Mr. PASTOR) each will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, all year long as we have been wading through the budget and the appropriations process, we here in this House have been debating the proper level of the Federal Government spending. Despite a clear institutional bias I would argue on the part of the Federal Government in general to spend ever more dollars, by and large the Republican majority in this House and many of our colleagues on the other side of the aisle have exhibited a great deal of restraint in the growth of government in general, and, frankly, we have been very responsible with our budgeting thus far. I would like to reflect for a moment just on what we have done.

First of all, we have set aside the Social Security surplus for the next 10 years in our budget. We have provided priority funding for key government functions, such as defense and education. I think we have recognized by and large the importance of maintaining the projected surpluses so that we can pay down some debt and reduce taxes.

My point is, Mr. Speaker, that, by and large, this body has been doing a great job demonstrating some fiscal discipline. We think our leadership deserves a lot of credit and think the appropriators deserve a lot of credit, as do my colleagues on both sides of the aisle.

Just as a reminder, we are at the point of passing ten appropriations bills, and it is a remarkable accomplishment what we have done with these thus far. We have essentially freezed spending on Agriculture, Treasury and the Interior Departments, we have got a small reduction in military construction, a 4 percent reduction for the Energy Department, an over 4 percent reduction for the Transportation Department, an over 5 percent reduction in foreign aid, and about a 25 percent reduction for the District of Columbia.

Now, there are two exceptions to this trend that we have established. The first is defense. I think it is clear that it is high time that we started to rebuild our military forces and provide our men and women in uniform the resources they need to carry out their job, and we begin that with the defense appropriation bill.

Unfortunately, Mr. Speaker, the other exception to this trend of holding the line on spending now appears to be the bill that funds Congress itself. Just last Friday the House Committee on Appropriations significantly increased the 302(b) allocation for the legislative branch appropriations bill. This new 302(b) allocation will increase the overall non-emergency spending in this bill by 5.4 percent over last year's number.

Now, in order to spend that much money, to reach that level, the conferees would have to substantially increase the funding levels within this bill well beyond the levels that were approved by this body on June 10, just two months ago.

Mr. Speaker, I just do not think that is right, and I am therefore offering a motion to instruct conferees that is really very simple. My instructions would say, stick with the numbers we gave you. Hold the line on spending. Let the legislative branch of this government lead in the fight for fiscal discipline by example. Finally, let us reflect the will of the House.

I would like to go to my chart to explain exactly what my motion would do.

□ 2245

Mr. ABERCROMBIE. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Speaker, I have a point of inquiry.

With this motion to instruct, can the gentleman tell me whether or not the cost of living allowance for our staffs will be in any way adversely affected?

Mr. TOOMEY. There is no cost of living adjustment for the staff that I am aware of in the current bill.

Mr. ABERCROMBIE. So if this bill is passed, regardless of the gentleman's instruction, the gentleman does not intend to include a cost of living allowance for our staffs?

Mr. TOOMEY. It is up to the individual Members to decide how they spend their Members' account.

Mr. COBURN. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Oklahoma.

Mr. COBURN. Mr. Speaker, the average Member in the House of Representatives turns back almost $45,000 a year, of which, if we gave our staff an 8 percent increase, we would have more than enough money, based on that average turnback.

So the fact is, there is plenty of money turned back in now to have every Member and all their employees a cost of living increase.

Mr. TOOMEY. Mr. Speaker, this chart depicts the spending of the legislative branch appropriations bill in fiscal year 1999, and it reveals the instructions that I would intend in my motion for fiscal year 2000.

As Members can see, the Senate vote for 1999, the Senate appropriation was $524 million. The House was $776. The joint other category, which as we know covers such things as buildings and grounds and the Library of Congress, comes to $1 billion and 50 million. The grand total is $2,350.

On June 10 this body adopted a bill that allocates basically the exact same level for the House, $777 million. It voted for a slight increase in the joint other category of $1,085,000,000. The Senate in its bill voted for a $554 million, which is about a 5.7 increase, and 11.24 for the joint other category.

What my motion simply does is it asks our conferees to reflect the will of the House. That means that the House number would be reflected, or the House number for both the House itself and for the funding of the joint and other categories would be the House numbers, and the Senate would stick with its own number.

That would leave the total funding for the bill at $2,416 million. That would be a 2.8 percent increase over fiscal year 1999, and would be approximately $62 million lower than the new 302(b) appropriation allocation, if it were fully funded.

Mr. Speaker, I think that it is very important, as I said earlier, that our conferees reflect the will of this body, which has already voted on this matter, which has voted for these numbers.

I am not suggesting that we change the number that the Senate has voted for itself. I think it is important that we do this to simply lead in the process of demonstrating our fiscal discipline.

Mr. Speaker, I reserve the balance of my time.

Mr. PASTOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman for bringing the motion to instruct, but I have to inform the House and the Speaker that approximately 2 hours ago the conference on this particular bill concluded, and but for a technicality that it may not have been filed, the discussion and the instructions are moot, I would tell the Members.

Mr. Speaker, I reserve the balance of my time.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would ask my colleague, has the conference report been filed?

Mr. PASTOR. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Arizona.

Mr. PASTOR. Mr. Speaker, I know that the staff was about to file it, and I do not know whether or not it has been filed, but everyone was trying to get this thing filed. There was a unanimous consent to file it by midnight. Maybe the chairman of the committee could add to that.

Mr. TOOMEY. Reclaiming my time, it is my understanding that it has not yet been filed, so it is not a moot point until it is actually filed. It is my hope that when it does get filed, it would reflect the levels that the House voted for.

Mr. PASTOR. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I would simply make two observations.

A short while ago I was asked by the majority leadership whether, as the ranking minority member on the Committee on Appropriations, I would agree to unanimous consent to bring up the legislative appropriation bill and the District of Columbia appropriation bill and one other appropriation bill so that we could finish our work tomorrow, instead of spilling over into Friday. I told them I would try to get that done, at least on two of the three.

Now we are being told that we perhaps should not consider that on this side of the aisle because the gentleman is going to offer a motion to instruct on a package which the leadership has already asked me to cooperate with in getting to the floor as soon as possible. We cannot cooperate in both efforts at the same time, because they go in different directions.

Second, I would simply say that the cut that was made in the House bill originally averaged about $65,000 for each and every Member's office account. I would simply point out that the result that the gentleman says he is trying to seek, where the House would stick with its numbers and the Senate would stick with its numbers, would continue a practice which has led to a situation in which the average staffer for a Senator, for the same work done by the staffers for people in this House, gets $16,400 more.

That is just not justified, but the reason it happens is because the Senate continually assures that there is enough room in office accounts to fully provide for COLAs, and the House often does not. On a number of occasions, we have denied them to our staffs.

I would point out that given the House action earlier this year on Members' pay, where this House voted by a very large margin to assure that Members would receive a COLA, it would be the height of outrageous behavior if, having received that COLA for ourselves, we then take actions which would make it very difficult for a good many Members in this institution to provide that same cost of living increase for the people who work for us.

Mr. Speaker, there are some Members, no doubt, who have enough room in their office accounts, but there are many more who do not. The fact is that there are a lot of Members of this House who represent almost 100,000 more people than some of the rotten borough districts that we have in the country.

So I would suggest that the average amount left in each Member's office account is misleading. In fact, it is meaningless. What we have to do is to determine on a case-by-case basis the situation for every office.

I would simply say I would find it, indeed, ironic and cynical if this House allows Members of Congress to receive a cost of living increase while it takes action on this bill that denies people who get paid a whole lot less than we do.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume to make a brief response. Then I am going to yield to my colleague, the gentleman from Oklahoma.

I would point out that there is nothing in these instructions which set levels of staff salaries and nothing in the instructions which would forbid Members from changing the level of staff salaries.

Mr. Speaker, I yield to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, there is no question I want our staff to be adequately paid. I do not think that is what this is about. It sounds good, but it is not.

We have so liberalized the rules on Membership's accounts that we can move money from office overhead, we can take our mail money, which averages well over $100,000 per Member, the frank, and use that money for staff salaries. The fact is, there is nothing in this motion to instruct that limits Members' abilities to pay their staff competitive salaries with the Senate.

The other thing that I would say is that we are seeing reflected in the House through the appropriation process how good of a job we do in our own offices. What we are saying is, we cannot control the costs in our own offices, we cannot run them efficiently. Therefore, we need to have more money.

People on social security this year are going to get less than 2 percent, and what the conference is about to do is to increase the MRAs for every Member 5 percent.

If Members want to tell their seniors that they deserve 2½ times the increase that they have to buy the food and buy the drugs that are out there for their living, that is fine, vote against this motion to instruct. But if Members think we ought to lead by example, that we ought to do the hard work, maybe we will send less mail in terms of mass mailings, maybe we will just answer the letters that come to us and not use it as a political wedge, then we can accomplish what we need for our staffs and we can live within a budget, as we are asking the American people to do as we try to live within the caps and not spend social security money.

Mr. PASTOR. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I would just like to say that the remark that there is nothing in this motion that affects pay is, in my view, at least indirectly ingenuous. The fact is that Members provide for the cost of living increase for their staff from the office accounts that are funded in this bill. We do not have to directly go after those COLAS. If we simply shrink the total amount available, we effectively shut off the Members' ability to provide that cost of living for their staffers.

I think every worker in America ought to judge Members of Congress at least in part on whether or not they treat their staffs at least as well as they treat themselves. A Congress that provides itself a pay raise and makes it more difficult at the same time for their employees to get a COLA is hypocritical.

Mr. TOOMEY. Mr. Speaker, I yield such time as he may consume to my colleague, the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, I would like to just talk about some of the issues. We can budget in our offices our COLA increases for our employees. It is up to us as managers of our office accounts to budget appropriately and to budget COLA increases, cost of living increases, for our employees.

But I would like to go back and talk about what the gentleman from Oklahoma said. The seniors in my district are not getting 5 percent increases in social security payments this year. The seniors in my district are getting less than 2 percent increases in social security, COLA increases.

I think it is time for Congress to lead by example. I think it is important that when we have made such a historic move this year to wall off social security, and let me just rephrase this, this year for the first time in a generation, for over 30 years, Congress passed a budget that stopped raiding social security.

This is the first Congress that has done this in so long, we should lead by example. Because we chose to stop the raid on the social security trust fund, that drives many other budget decisions around here. It makes spending less in other areas, because for once in a generation, we are not going to raid the social security trust fund.

That is why all we are saying, take the House number, which is lower than the Senate number in a legislative branch appropriations bill, a 2.4 percent increase, not a 5 percent increase. It is very important that we lead by example and we free up the fiscal space to pass our appropriation bills on budget and away from the raiding of social security, as we are doing.

Mr. PASTOR. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. TAYLOR), the distinguished chair of the Subcommittee on Legislative.

Mr. TAYLOR of North Carolina. Mr. Speaker, I appreciate the gentleman yielding time to me.

Mr. Speaker, I commend all these young Members and all the people who have been working for a balanced budget, as well as reserve funds for social security and the efforts we have made.

In fact, if the legislative branch, and I owe this to my predecessors, because the last two chairmen have reduced the legislative branch substantially. We are not even back up to where we were in 1993 and 1994, even with inflation. I hope we can stay below that.

I also point out that we are substantially below the caps that were given to us. We are going to report a bill that is substantially below the caps. I am not sure any other committee will be doing that.

Mr. Speaker, I would say to all of us in the body that if they have a $1.8 trillion corporation, they are not going to talk about not having adequate staff and qualified staff to carry out the funding and the appropriations of that $1.8 trillion appropriations.

□ 2300

If one does, then one is pennywise and pound foolish because one has to have adequate people and pay them adequately, especially in today's market, to carry out that task.

We have in our report returned a portion of the MRAs to the Members, and I certainly support that. I agree with the gentleman, what he said about a lot of Members will return portions of the budget. I commend them for doing that. If they have the ability to do that, they certainly should.

But we all know that every district is different in this country. If I were in, for instance, a district where I had one television station and I could report to the people what was happening in the Congress without mail or without any communication other than that television station, and there are Members of the Congress that do that, then I would be able to return more of my money.

But I have 15 rural counties, and the only way I can report is to give them a report by mail. In my district, over 90 percent of the people regard that as favorable, and they respond so. They point out that they want more information, not less, about what is going on in Congress. As I say, if the people in my district support that, then I am certainly going to continue to put my efforts in that area to tell them what is going on in this body.

I think that, as I say, we have done a good job. The word "conference" means that we go across the body and we have to confer with the Senate. They asked for a lot more money. They did not get it all. They got some. Because, in a conference, one has to give and take. We would have liked to have spent less money, but we held the line very diligently. I think we will be proud of this report.

I would also point out that I do not think any Member who has spoken tonight has consulted with either the committee chairman or the ranking member or the staff to see what actually we have done. They may be surprised that we have held the line much better than previously than what they think may have been happening.

So I would commend this report to my colleagues. It will be coming before we leave in August. I think that my colleagues may be more proud of it in this body than they might think.

Mr. PASTOR. Mr. Speaker, I yield back the balance of my time.

Mr. TOOMEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again, I want to remind my colleagues, Mr. Speaker, of what I said at the beginning, which is I think our appropriators have done an excellent job thus far this year, and I think we are going to finish up the process with an excellent track record.

My colleague indicated that there are, in all likelihood going to be pleasant features to this bill when we see it. I hope, in fact, that the conferees did hold the line and that the funding levels will, in fact, reflect the will of the House as it was voted on back in June.

Again, we have done a great job thus far ensuring that we are going to see the surpluses that we believe we will see, and that means we are going to be able to do the right thing with respect to Social Security, with respect to lowering the tax burden on the American people.

I just hope that we finish the job and we show that we can lead by example that a 2.8 percent increase in our own budgets is sufficient for us. We do not need to go higher than that.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Pennsylvania (Mr. TOOMEY).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. TOOMEY. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. HASTINGS) is recognized for 5 minutes.

Mr. HASTINGS of Florida. Mr. Speaker, I rise today to share with my colleagues the results of the highly productive and informative experience that the U.S. delegation had at the Annual Session of the Organization for Security and Cooperation in Europe Parliamentary Assembly—or the OSCE PA. As many of you know, this year seventeen members of Congress formed the U.S. delegation, and as the U.S. delegation does every year, we attended the Parliamentary Assembly's Annual Session in a member country of the OSCE. This year's Annual Session was in St. Petersburg, Russia and met from July 6–10. I am pleased to inform my colleagues that our week in St. Petersburg was a successful one, both for the entire Assembly and especially for the U.S. delegation.

The purpose of the Annual Session is to bring parliamentarians together in order to discuss and assess developments in conflict resolution within Europe, as well as to form proactive means of approaching a wide range of security issues, including arms control, preventive diplomacy, human rights and economic security. These thoughts, recommendations, and goals are then compiled into a declaration, which is ultimately adopted by the entire Parliamentary Assembly.

I draw inspiration from this document for many reasons. On its surface, this document is a comprehensive and vital educational tool. It brings to our attention gross violations of human rights, such as the international trafficking of women and children; it offers us effective methods to continuing the peace process in Yugoslavia and Kosovo; and it describes initiatives of securing peace and democracy throughout Europe. In effect, the St. Petersburg Declaration serves as an important reference on a wide scope of events and issues, which better aids us all in understanding the current global order.

On a secondary level however, the St. Petersburg Declaration, and the OSCE PA declarations that preceded it, demonstrate the value of inter-cooperation and dialogue between countries. The OSCE parliamentarians form a body of representatives from fifty-five governments throughout Europe, Central Asia, and North America; and it has adopted an all-embracing approach in its membership and approach to security, conflict resolution, and economic cooperation in the OSCE region. Consequently the Parliamentarians bring to the OSCE PA a vast range of knowledge and experiences that complements and supplements one another. In a time of fungible borders and instantaneous communication between continents and cultures, it behooves us all to understand these varying perspectives and opinions.

More important, however, is the OSCE's ability to use this collection of experience and thought for the greater good of security in Europe and justice throughout the world. The sum of the parliamentarians' collective expertises and experiences is so much greater than the individual parts. Indeed, when brought together and shared in such a forum, there is an exchange of ideas that better enables us to understand the root of global concerns, and ultimately how the international community can best take action to remove these problems. In effect, we are able to combine the best ideas and developments of our various countries in order to work toward peace and cooperation throughout the world.

Such innovation and progress would simply not be possible if we acted as isolated agents, and I firmly believe that the effectiveness of the OSCE PA lies in its ability to draw on both our shared and unique experiences. The St. Petersburg Declaration reflects the value of this interrelationship, and I am grateful for the opportunity to both learn from and contribute toward it.

While I am certainly proud to be a member of a distinguished body like the OSCE PA, it gave me particular pleasure to attend the Assembly as part of the U.S. delegation. This group of seventeen members enjoyed many successes in St. Petersburg. The St. Petersburg Declaration contains several U.S. authored initiatives, including Representative Chris Smith's resolution on "The Trafficking of Women and Children," Senator George Voinovich's "Regional Infrastructure in South-Eastern Europe," section and Representative Louise Slaughter's section on "The Assassination of Galina Starovoitova." Moreover, I, along with several other members of the U.S. delegation, contributed significantly to the chapter on "Common Security and Democracy in the Twenty-First Century."

The accomplishments of the U.S. delegation were certainly appreciated by the entire Parliamentary Assembly, and we were each encouraged to share the principles and goals of the OSCE with our colleagues in Congress. I would therefore like to take this opportunity to also encourage other members of Congress to familiarize themselves with the OSCE, and ultimately to take steps to continue our participation with this organization.

We are faced with a time of significant regional conflict. Eastern Europe is still in the recovery process of Slobodan Milosevic's brutal ethnic cleansing of Kosovar Albanians, and it will take many months, if not years, before the hundreds of thousands of refugees are able to return to their homes and resume their familiar lifestyles. Indeed, it will take considerable time for all of the residents of this region to recover from the rampage and injustices that were committed in this area.

These conflicts may sometimes seem isolated and removed from our own challenges and goals as a nation, but we have, in fact, entered a time where our setbacks and successes should be shared. We have a responsibility to use our successes as a means of alleviating other countries' setbacks. As I have said, the OSCE presents us with a viable and effective forum to share our resources, and the United States needs to remain engaged and build upon its place within their collective dialogue, rapporteur missions, peacekeeping operations, and peaceful dispute resolutions.

Last month I introduced a bipartisan resolution expressing this sentiment. H. Con. Res. 161 extends the support of Congress to the OSCE and the goals of the St. Petersburg Declaration, as well as urges the United States to continue its role with this important international organization. Please show your support of the OSCE by cosponsoring this resolution.

As key players in the international community, the United States has historically and continues to take an active part in international organizations and institutions, such as the United Nations, the North Atlantic Treaty Organization, and the OSCE. I am confident that our commitment to these institutions will remain strong. Ultimately, it is my hope and belief that together we can secure peace, democracy, and justice throughout the world.

IMPORTANT PROVISIONS FOR PATIENT PROTECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. VITTER) is recognized for 5 minutes.

Mr. VITTER. Mr. Speaker, after careful thought and consideration, I rise this evening in support of patient protection. I do this for a very simple reason in the final analysis. I believe that doctors, not insurance companies or HMOs, must have the final say on patient care. That is why I have many strong concerns with the Senate bill and would oppose that legislation in its present form.

Here are the provisions I believe are important to Americans, including those in my district: Legislative protections against abuse should be extended to the more than 100 million not covered in the Senate bill. There must be independent external medical review. Patients need maximum flexibility to select doctors and should be able to see pediatricians and OB/GYNs without referrals from other doctors. ER visits should be governed by a prudent lay person standard. Doctors should define medical necessity. There must be meaningful economic sanctions against companies that refuse to provide care approved by the external review process.

I know the importance of controlling health care costs, but a business bottom line, Mr. Speaker, should never be allowed to take precedence over medical necessity. We can allow insurers to continue to control costs and provide necessary patient protections. Many States have done that, including my own, Louisiana, including our neighbor, Texas. We can do it as a Nation.

TRIBUTE IN HONOR OF OFFICIAL DESIGNATION OF GRAND HAVEN, MICHIGAN, AS COAST GUARD CITY, U.S.A., AND CELEBRATING 75 YEARS OF COAST GUARD TRADITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 5 minutes.

Mr. HOEKSTRA. Mr. Speaker, this weekend marks a very special time in the history of one of the communities in the Second Congressional District of Michigan.

For the past 75 years, Grand Haven, Michigan has celebrated its relationship with the U.S. Coast Guard and the contributions of the Coast Guard to our country as a whole.

Since 1934, the city has hosted the Coast Guard Festival, which has included a major parade, displays of various Coast Guard vessels, and a variety of ceremonies that focus on the special relationship, the special partnership between the Coast Guard and the community of Grand Haven.

Since 1963, when then-U.S. Coast Guard Admiral Richard Schmidtman attended one of these celebrations to dedicate the city's famous Musical Fountain, Grand Haven has proudly displayed the unofficial title of "Coast Guard City, U.S.A.". This designation was taken directly from Admiral Schmidtman's remarks. Ever since, signs near the entrances of the city have informed visitors that they were entering Coast Guard City, U.S.A.

As I said, that designation has been unofficial. That is until this year. As part of the Coast Guard reauthorization act of 1999, this Congress made it possible for the Commandant of the U.S. Coast Guard to officially declare an American town as "Coast Guard City, U.S.A.".

I am happy to report to this House that, on this coming Saturday, August 7, 1999, U.S. Coast Guard Commandant Admiral James Loy will be in Grand Haven to make it official. Grand Haven will be Coast Guard City, U.S.A.

□ 2310

He will do that this week at the 1999 Coast Guard festival.

I have worked with several Members of the House and the other body for several years to make this designation a reality. I would like to thank all the people who worked with me to get this legislation approved, including Senators ABRAHAM and LEVIN, the gentleman from Michigan (Mr. EHLERS), the gentleman from Maryland (Mr. GILCHREST), and the gentleman from Pennsylvania (Mr. SHUSTER), who were especially helpful.

I also want to thank the local officials in Michigan, especially Coast Guard festival executive director Jerry Smith. Also various people at the U.S. Coast Guard, including former Commandant Admiral Robert Kramek. And Members of my staff, especially Todd Sutton and Chris LaGrand. I would like to thank all of these people for their patience and for their hard work.

Most of all, I congratulate the people of Grand Haven and their dedication and respect for the men and women of the U.S. Coast Guard. For more than 75 years, this community on the shores of Lake Michigan at the mouth of the Grand River has welcomed the Coast Guard personnel with open arms. They have celebrated their relationship with the Coast Guard since the first community Coast Guard picnic way back in 1924.

In 1943, the city's residents also shared the Coast Guard's pain. They shared the Coast Guard's pain with a memorial service honoring the crew and the crew members of the Coast Guard cutter Escanaba, which had been based in Grand Haven from 1932 to 1940. One hundred and one men were lost when the ship was sunk by a German U-boat in the North Atlantic during World War II on June 13, 1943.

The city shared its pain, but also its resources. The city showed its commitment to the U.S. Coast Guard by raising funds to build a replacement, which was named the Escanaba II. The mast of the original Escanaba was saved and erected as a monument to those fallen heroes in Grand Haven's Escanaba Park, where it still remains today.

Mr. Speaker, it is with great pleasure that I congratulate Grand Haven, which from Saturday and henceforth will be known officially as Coast Guard City, U.S.A.

A TRIBUTE TO MARY CRITCHLOW KASTEN, "GRANDMOTHER" OF THE MISSOURI HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Missouri (Mrs. EMERSON) is recognized for 5 minutes.

Mrs. EMERSON. Mr. Speaker, I rise today to express my admiration and respect for one of the most caring and effective public servants I have ever had the privilege to know, Representative Mary Kasten is lovingly known as the "grandmother" of the Missouri House of Representatives, and she has served the folks of Cape Girardeau for the last 16 years. She has decided to step down from this calling in January 2001 after serving the "people's body" in Missouri for 18 years.

If Mary's only contribution to her fellow man was this representation, she would be deserving of this special tribute. However, Mary Kasten, the farm girl from Matthews and New Madrid County, is and has been much more. In fact, Mary's service in the legislature is only a small snapshot of a life that is truly a panorama of helping others. As a mother to her children, Mark, Mike and Meg, a wife to Mel Kasten, her husband of 50 years, and a teacher reaching out to kids and parents alike, Mary always sought to help brighten the lives of others.

In every endeavor Mary honored her personal commitment to God, family, country and her fellow man. Miss Mary, as we know her, honored her Lord by serving as a Sunday school teacher and choir member in the St. Andrews Lutheran Church. As a mom, she was and is the best example I have known of a mom who cares. She volunteered at every level to help her children and be involved in their lives. Later, she served on the Cape Girardeau school board and held various offices for 20 years. She also continued her service to education by serving on the board of regents at Southeast Missouri State University her alma mater. As a wife, Mary and Mel have been inseparable, and except for her times in Jefferson City, Mary and Mel go everywhere together. Their marriage is an inspiration to all of us.

For almost everyone who knows Mary, the first thought that comes to mind is her selflessness and her sensitivity and caring for her fellow man. It is that caring that truly makes Mary worthy of tribute. She is indeed the human manifestation of the golden rule of doing unto others as you would have them do unto you.

But in Mary's case it is no quid pro quo but a genuine love of all humankind. I personally have seen this caring when Mary and Mel took care of mine and Bill's daughter Tori when Katharine was being born. Bill was on the campaign trail 3 or 4 hours from home and Mary and Mel became Tori's surrogate parents, and even put her to bed with them. At every turn, the Kasten's have been a part of the Emerson family, from the birth of Katharine and even in Bill Emerson's death, Mary and Mel opened their home to our entire family and became the nurturing core for the grieving family and our friends.

In fact, it is probably this empathy with others that inspired Mary to her greatest public service, and that was the beginning of the Cape Girardeau Community Caring Council. Mary's brainchild of making programs really work for people began in southern Missouri and is now being replicated in the rest of the State and nationwide. In fact, Mary Kasten and caring are indeed words that are synonymous with me and the hundreds who have known and worked with Miss Mary.

It is indeed an honor to offer this tribute on the floor of the House of Representatives, because I can think of no one more deserving than Maighten the lives of others.

In every endeavor Mary honored her personal commitment to God, family, country and her fellow man. Miss Mary, as we know her, honored her Lord by serving as a Sunday school teacher and choir member in the St. Andrews Lutheran Church. As a mom, she was and is the best example I have known of a mom who cares. She volunteered at every level to help her children and be involved in their lives. Later, she served on the Cape Girardeau school board and held various offices for 20 years. She also continued her service to education by serving on the board of regents at Southeast Missouri State University her alma mater. As a wife, Mary and Mel have been inseparable, and except for her times in Jefferson City, Mary and Mel go everywhere together. Their marriage is an inspiration to all of us.

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It is indeed an honor to offer this tribute on the floor of the House of Representatives, because I can think of no one more deserving than Mary Kasten to be recognized in the people's House. If Bill Emerson were alive today, I know he would gladly give Mary this very same tribute to her service to the people. The girl from New Madrid County who served and broke new ground in politics and public service deserves, in my opinion, the same tribute made to bill.

Mary Kasten is truly deserving of the favorite Teddy Roosevelt quote "In the Arena," and I quote:

> It is not the critic who counts, not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, and comes short again and again, because there is not effort without error and shortcoming; but who does actually strive to do the deeds; who knows the great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly so that his place shall never be with those cold and timid souls who know neither victory nor defeat.

Mary Kasten, our world is a better place because you have served all of us in the arenas of our lives, and for that we truly thank you.

THE TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, there has been a lot of partisan talk about the tax bill, and I can understand it. A bill of $800 billion, exploding to $3 trillion in the second 10 years, does indeed put our economy at risk. A bill that says lock up the Social Security money for Social Security but then take every bit of the regular general surplus, or virtually all of it, and pay that out as tax cuts. Regardless of whether that surplus actually arises, pay it out, lock it into the law. That could be regarded as fiscally irresponsible by many of us on the Democratic side of the aisle.

□ 2320

And of course, there are many partisans who would recognize that if we do not use the opportunity to pay off the debt now while the baby-boomers are in their peak earning years, that when the baby-boomers retire, there will not be any capacity to use general fund revenues to help make Social Security last through its most challenging demographic era and that as a result we will hear the cries at the first economic hiccup for cuts in Social Security or increases to FICA taxes.

Yes, indeed, with all that fiscal irresponsibility and all that risk to the Social Security system, some Democrats decry the bill in the most partisan terms. But do my colleagues know, we should not just decry the bill. Because as a tax lawyer, I was just amazed by it as I read each provision.

How is it that they could write a tax bill giving 45 percent of the benefit to only one percent of the people in the country? We should not decry the bill. We should be impressed by its draftsmanship.

Let us talk about some of the amazing provisions of this bill. This is a bill that turns to 50 million Americans at the base of our economic pyramid and says they get a tax cut of 8 cents per day per family. Split it up at the breakfast table, all 8 cents a day. Of course, a tax cut of over $54,000 a year to each family in the top one percent.

So how are they able to achieve such a dramatic result? One example, they take and give to American companies that shift jobs overseas 60 times the benefits that they provide to 50 million Americans. They do this by changing the interest allocation rules so that those companies that make equity investments abroad, that is to say build factories in other countries and while perhaps closing them down in the United States, benefit. They get huge tax breaks.

Whereas, it is 8 cents a day for the working poor and for the lower middle class in the United States.

But when we get to the details, there are some other provisions that are almost as striking. For example, there is a list of special deals for the oil companies, such as allowing a 5-year carryback of NOLs while the rest of the business world only gets a 3-year carryback, suspending the 65 percent taxable income limitation on the use of percentage depletion, allowing geological and geophysical cost to be deducted current, while good accounting practice calls for those costs to be capitalized; allowing delay rentals to be deducted currently, when the proper accounting for them is to be capitalized; and modifying the refining threshold in section 613(d)(4) so that integrated oil companies can get the benefits previously reserved for independent oil companies and wildcatters.

And here is a special deal for oil where they get twice the benefit of all of the benefits that we give to 50 million Americans goes to just a few American oil companies and that they get a tax credit for the money they pay to Saudi Arabia and Kuwait for taking the oil out of those desert sands. They get reimbursed for what they spend for the oil that they then sell to us.

Mr. Speaker, as 20 years as a CPA and 2 years as a tax judge, I know tax fraud when I see it; and this Republican tax bill indeed is tax fraud. It is a giant shift of wealth to the wealthiest one percent of Americans. We should reject it.

SCHOOL CONSTRUCTION IN AMERICA

The SPEAKER pro tempore (Mr. SWEENEY). Under the Speaker's announced policy of January 6, 1999, the gentleman from North Carolina (Mr. ETHERIDGE) is recognized for half the time until midnight as the designee of the minority leader.

Mr. ETHERIDGE. Mr. Speaker, I want to thank my Democratic colleagues for joining me this evening as we take some time in this very late hour to talk about a very important issue, school construction and the companies that we are sending our children back to across this country.

Because across America this week and next week and in the next several weeks to come, depending on where one might live, summer vacations are coming to a close, parents are shopping back-to-school sales, and teachers and students are gearing up for the coming year.

In my home county and State, a lot of the schools have already opened and they are going to school. Unfortunately, in many of those schools, it is very hot, they are not air-conditioned the way they should be. But children are in school.

In some communities, we find that children are not going to school in schools. They are in trailers. They are in closets. They are in basements. They are in hallways. And they are in anyplace that we can get children into because the crowding is so bad.

Unfortunately, this Congress has failed to act to provide our local communities with any assistance with quality facilities for our children.

I could not help but think earlier today we have passed foreign aid bills, we have passed emergency aid bills that we send overseas for foreign children to have decent places to go to school in in some communities; and yet, for our own children here in America, Members of the majority say it is not Congress's responsibility to get involved.

It seems like I remember reading in my history books that that was not the responsibility of Congress when we needed water, sewer, rural electric power, and a whole host of long lists. And ultimately we got involved and provided electricity for rural America, the one thing that changed it. And the list goes on.

Mr. Speaker, our schools are bursting at the seams. The communities throughout my district and throughout this country, the flood of student enrollments are swamping our ability and the ability of local communities and local taxpayers to meet the needs.

It is time for this Congress to stop arguing and start acting. I have written legislation, H.R. 996, that will provide $7.2 billion in school construction bonds. On the Democratic side today we lined up to sign a discharge petition to bring the school construction bills to the floor so that we could take action and help children.

I will talk more about that in a minute, but at this point let me yield to one of my colleagues from California, who is a real leader in this Congress on educational issues. Before she came to Congress, she was a school nurse. She knows about the issues teachers face every day, the issues children face.

Mr. Speaker, I yield to the gentlewoman from California (Mrs. CAPPS) for comments on this issue as it relates to California and her district.

Mrs. CAPPS. Mr. Speaker, I am honored to have my colleague yield time to me, particularly with his strong background in education. Being a former State superintendent, it is a pleasure to work with a professional in support of our Nation's schools.

I believe so strongly that we must come together in the House of Representatives in a bipartisan way to support legislation that will truly improve the quality of education for our children, improve the schools in our local communities and across this country. The future of our children depend on this.

I am so aware that we are the beneficiaries of a generation that instituted the GI Bill of Rights. Many of our parents and our community members and our relatives got the benefit of a country that came together around public schools like nothing before its time. Many of us attended wonderful school buildings.

Unfortunately, these same school buildings have not been improved much since that time, and that is what we are here to discuss this evening.

□ 2330

Mr. Speaker, I will discuss our school system as I experienced it firsthand on the central coast of California where, as my colleague has mentioned, I was privileged, really honored, to be a school nurse in Santa Barbara School System for over 20 years, and I have seen firsthand the damage that deteriorating schools can do. I have been with students as they have attended classes held in hallways, in teachers' lounges, in utility rooms and in auditoriums. I know that students, we all know that students, cannot thrive academically if they are learning in overcrowded and crumbling classrooms.

I want to pay particular attention to a phenomenon that occurs in many of our growing communities where school buildings are exploding, literally exploding, and when this has happened, it did in the 1950s and 1960s and 1970s in California and across much of the population in the West and throughout the country really, and so portable classrooms were brought in. These portable classrooms were designed for temporary housing of students. Thirty years ago these same buildings with very little improvement are still in use today. It is incredible that we expect our children to learn, hot in the summer, cold and musty and mildewy throughout the year. These classrooms are what our young people are having to attend.

I want to just, and then I will yield back because we have other colleagues here as well, but I want to highlight one particular school district in my central coast district. The Santa Maria Bonita School District which lies at the heart of my district is in such desperate need of funds for school construction. This district was built to house 6,700 students, and currently enrollments are at 10,500. To accommodate the growth 12 of the district's 14 schools have converted to a four-track, year-round school schedule, and 175 portables have been added. To add these buildings means cutting down on valuable playground space. They are stretched to the limit and need funding to build better facilities. This Santa Maria School District has tried twice in the past year to pass bond measures to receive State money to help build new schools. In our State a two-thirds majority is required. By a very small number these measures have failed both times.

To me this is a failure to our children, and we have the opportunity here in Congress to make it easier for our local school districts to obtain the funding that they need to pass their local bond issues. We want the bond issues to be local, we want the support for schools to be local, and yet we have a role we can play here in the Federal Government.

That is why I am so pleased that it is the bill of the gentleman from North Carolina (Mr. ETHERIDGE), his school construction bill, that I have cosponsored and also the gentleman from New York (Mr. RANGEL'S) school modernization bill. Both of these bills offer viable solutions to this serious problem, yet we had to march down and make sure and try to sign to get a discussion of this legislation on the floor.

Today we are preparing students for jobs in the new economy. This is not a laughing matter, this is not a simple or a slight thing. This is a huge challenge that we have before us, to find that the framework and the setting for which this technology can be transferred to the next generation. It is about our economy, it is about the future of our country, and it is about our democracy surviving. To do this students have to have facilities that are big enough, well equipped enough and up to date in every way.

Districts like the one I described, Santa Maria Bonita School District, cannot keep up with these demands, and we have to step up to the plate. We cannot turn the other way any longer.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentlewoman for her remarks, and let me just say to her that one of the things, without dwelling on it as we talk about school construction and the overcrowding and the problems, if we see it in the workplace for businesses, then we know what happens there. Defects of the product goes up. We have problems and a whole host of things happen; as my colleagues know, problems with the employees; and yet we hear people on this very floor clamor about why schools do not do better, why we cannot get better. They want to blame the teachers, they want to blame the system, and yet they turn their backs when it comes time when we can help.

We just had pre-filed a tax bill for just a trillion dollars over the next 10 years, exploding to $3 trillion over 20 years when we could use some money, when a time we have resources to take care of Social Security and Medicare, and pay down the debt and make sure our children have a safe, secure and good environment in which to learn, and you talk about those trailers that are true all across this country, and one thing we need to remember, that when it rains those children get wet going to and from. They go to too small a cafeteria, too small a library, and then we wonder why they do not learn and education is not important to them. We sent a pretty powerful signal that it is not important to us when they do not spend the resources.

Now let me yield to my colleague from California also (Mr. SHERMAN) who certainly has been a leader on this floor in working for education. He understands the tax consequences of when you do not spend your money wisely how you are going to pay a real price in the future.

Mr. SHERMAN. I thank the gentleman from North Carolina. It is an honor to be with him and with the gentlewoman from California (Mrs. CAPPS) because you understand what is most important to the people in my district, which is education, but you understand how we can make it work.

One thing that is obvious to me is that we are going to have smaller classes. At least in California the people have taxed themselves to provide for smaller classes, smaller class sizes. But that means you need more classrooms, and as you have explained and as the gentlewoman from California (Mrs. CAPPS) explained quite eloquently, we need to build new school facilities.

In fact, and this is odd, both parties have agreed in concept that the Federal Government needs to help out, and while I do not match the gentleman's expertise or the gentlewoman's expertise in education, it is perhaps surprising to some people back home that the way that Congress has agreed to try to help schools is through the tax law, and here is where there is a tremendous divergence.

You see, the Democrats had a relatively small tax bill, and yet we found room in that bill to provide real help to school districts. Santa Maria was not able to pass its school bonds, and I can understand that, because people would have to not only pay back the bonds, they have to pay the interest on the bonds, and what the Democratic tax bill did is it funded interest on school bonds across this country. It provided $9 billion of Federal revenue to pay the interest on $22 billion of school bonds. So when Santa Maria dealt with those school bonds, people can say: We will go that far for our kids, we will tax ourselves to pay the principle, and thank God Congress has done something to pay the interest.

But then the Republican bill comes to the floor, and I know the conference report was just introduced. We do not know what is in it. We will read it late tonight, tomorrow morning, but I think what is in it is what was in the House bill that passed a couple weeks ago. And there lurking was a provision supposedly there to help schools issue school bonds under the title of arbitrage.

What is arbitrage? Gambling.

What the Republican bill does, instead of providing real money to pay the interest on the bonds, is it turns to every school district and says: Go ahead and issue the bonds, and you will have to pay the interest on the bonds.

But in the past you had to use the school bonds to build schools pretty quickly. Do not do that.

□ 2340

Issue the bonds, do not build schools, delay the schools. Kids do not need schools, according to the Republican bill. Take the money to Las Vegas or Wall Street and take that school bond money and invest in debentures, invest in interest futures. Invest, if you want, in pork bellies. Then you get to keep the profits.

The Republican bill, desperate to spend no money helping schools but to fool the American public into thinking it helps schools, does nothing more than provide a free airplane ticket to Las Vegas for every school board member in the country so that they can take the school bond money to Vegas and see whether they can beat the odds. If they beat the odds, they can keep the profits for the kids.

Oh, if they lose the money, well, that is what Orange County, California, did, the county to the south of Lois and myself. They tried to play this arbitrage game, and they went bankrupt.

Mr. ETHERIDGE. I thank the gentleman. On that note, let me remind him and those who happen to be watching this evening that as school opens this fall, we will have showing up at the schoolhouse doors across America in the public schools more children than have ever been to public schools in America's history. Last year, as you remember, the secretary released his report on the baby-boom echo, which means all those baby-boomers after World War II now are having children and they are showing up.

Tonight I can report to Members we have talked with the Department today, we do not have the report on the numbers, but there is one thing we can say from what we have heard, that what we saw last year was a ripple compared to what we are going to see when the report comes out very shortly, because those numbers are just absolutely exploding all across America.

In my district, as an example, the baby-boom echoes, we have counties that are in double digits. You say well, there has to be a lot of economic growth there. Unfortunately, they happen to be counties adjacent to an urban center where they are getting a lot of residential growth, not a lot of economic-commercial growth.

For instance, one county, Franklin, had 19.6 percent growth over the last 8 years. My home county, 18.9; Lee County, 17.1, Nash, 17.3. They are all rural counties in transition and property taxes are under a burden. Wade County, the capital county, right at 30 percent. They are welcoming anywhere from 4,000 to 6,000 students this fall, and they have done it for the last several years. That is true across America. The pressure is getting so great out there, and this is a way we can be a help.

Mr. Speaker, the Republican leadership is putting the final touch, and as we heard already, has already put their touches on the final tax bill. We will find out tomorrow morning if they really care about making sure the children in this country have an opportunity for a decent place to go to school. Because if you are in a cold environment in the winter and a hot environment in the summer, and the building roofs leak and the wind blows through the walls, you can talk all you want to about quality education, and then we wonder why we cannot recruit teachers and retain teachers. You do not have to be very bright to figure that out. Business figured that out a long time ago. They provide a good environment for their employees and quality training.

We can do something about it. It is within our goal. We stood in line today to sign the Rangel bill to make sure we got a discharge petition. Today my colleagues are working on it.

Mr. Speaker, I know our time is about to expire. Let me thank my two colleagues from California for joining me this evening. On behalf of the children of America, who only have us to speak for them, because they do not vote, and some of their parents do not take the opportunity to vote, I thank you for coming this evening and sharing and getting into the record the importance of school construction and opportunities for our children.

RECESS

The SPEAKER pro tempore (Mr. SWEENEY). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 44 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 0038

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 12 o'clock and 38 minutes a.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2488, THE TAXPAYER REFUND AND RELIEF ACT OF 1999

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 106–291) on the resolution (H. Res. 274) waiving points of order against the conference report to accompany the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2684, DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2000

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 106–292) on the resolution (H. Res. 275) providing for consideration of the bill (H.R. 2684) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2000, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 1467, EXTENDING THE FUNDING LEVELS FOR AVIATION PROGRAMS FOR 60 DAYS

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 106–293) on the resolution (H. Res. 276) providing for consideration of the Senate bill (S. 1467) to extend the funding levels for aviation programs for 60 days, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON H.R. 1905

Mr. TAYLOR of North Carolina submitted the following conference report and statement on the bill (H.R. 1905) making appropriations for the legislative branch for the fiscal year ending September 30, 2000, and for other purposes:

CONFERENCE REPORT (H. REPT. 106–290)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1905) "making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the matter proposed, insert:

SENATE

EXPENSE ALLOWANCES

For expense allowances of the Vice President, $10,000; the President Pro Tempore of the Senate, $10,000; Majority Leader of the Senate, $10,000; Minority Leader of the Senate, $10,000; Majority Whip of the Senate, $5,000; Minority Whip of the Senate, $5,000; and Chairmen of the Majority and Minority Conference Committees, $3,000 for each Chairman; in all, $56,000.

REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY LEADERS

For representation allowances of the Majority and Minority Leaders of the Senate, $15,000 for each such Leader; in all, $30,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, and others as authorized by law, including agency contributions, $89,968,000, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For the Office of the Vice President, $1,721,000.

OFFICE OF THE PRESIDENT PRO TEMPORE

For the Office of the President Pro Tempore, $437,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For Offices of the Majority and Minority Leaders, $2,644,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For Offices of the Majority and Minority Whips, $1,634,000.

COMMITTEE ON APPROPRIATIONS

For salaries of the Committee on Appropriations, $6,525,000.

CONFERENCE COMMITTEES

For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $1,132,000 for each such committee; in all, $2,264,000.

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, $590,000.

POLICY COMMITTEES

For salaries of the Majority Policy Committee and the Minority Policy Committee, $1,151,000 for each such committee; in all, $2,302,000.

OFFICE OF THE CHAPLAIN

For Office of the Chaplain, $277,000.

OFFICE OF THE SECRETARY

For Office of the Secretary, $14,202,000.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For Office of the Sergeant at Arms and Doorkeeper, $34,794,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For Offices of the Secretary for the Majority and the Secretary for the Minority, $1,246,000.

AGENCY CONTRIBUTIONS AND RELATED EXPENSES

For agency contributions for employee benefits, as authorized by law, and related expenses, $21,332,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, $3,901,000.

OFFICE OF SENATE LEGAL COUNSEL

For salaries and expenses of the Office of Senate Legal Counsel, $1,035,000.

EXPENSE ALLOWANCES OF THE SECRETARY OF THE SENATE, SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE, AND SECRETARIES FOR THE MAJORITY AND MINORITY OF THE SENATE

For expense allowances of the Secretary of the Senate, $3,000; Sergeant at Arms and Doorkeeper of the Senate, $3,000; Secretary for the Majority of the Senate, $3,000; Secretary for the Minority of the Senate, $3,000; in all, $12,000.

CONTINGENT EXPENSES OF THE SENATE

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, section 112 of Public Law 96–304 and Senate Resolution 281, agreed to March 11, 1980, $71,604,000.

EXPENSES OF THE UNITED STATES SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

For expenses of the United States Senate Caucus on International Narcotics Control, $370,000.

SECRETARY OF THE SENATE

For expenses of the Office of the Secretary of the Senate, $1,511,000.

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

For expenses of the Office of the Sergeant at Arms and Doorkeeper of the Senate, $66,261,000.

MISCELLANEOUS ITEMS

For miscellaneous items, $8,655,000.

SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT

For Senators' Official Personnel and Office Expense Account, $245,703,000.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs of the Senate, $300,000.

ADMINISTRATIVE PROVISIONS

SECTION 1. Effective in the case of any fiscal year which begins on or after October 1, 1999, clause (iii) of paragraph (3)(A) of section 506(b) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(b)) is amended to read as follows:

"(iii) subject to subparagraph (B)—

"(I) in case the Senator represents Alabama, $116,300, Alaska, $221,600, Arizona, $128,975, Arkansas, $118,250, California, $168,950, Colorado, $124,100, Connecticut, $105,575, Delaware, $95,825, Florida, $120,200, Georgia, $116,300, Hawaii, $245,000, Idaho, $128,000, Illinois, $138,725, Indiana, $116,300, Iowa, $119,225, Kansas, $119,225, Kentucky, $115,325, Louisiana, $120,200, Maine, $110,450, Maryland, $100,700, Massachusetts, $114,350, Michigan, $124,100, Minnesota, $120,200, Mississippi, $118,250, Missouri, $121,175, Montana, $128,000, Nebraska, $120,200, Nevada, $129,950, New Hampshire, $106,550, New Jersey, $110,450, New Mexico, $125,075, New York, $145,550, North Carolina, $112,400, North Dakota, $119,225, Ohio, $129,950, Oklahoma, $123,125, Oregon, $132,875, Pennsylvania, $128,975, Rhode Island, $104,600, South Carolina, $110,450, South Dakota, $120,200, Tennessee, $116,300, Texas, $149,450, Utah, $128,000, Vermont, $105,575, Virginia, $106,550, Washington, $135,800, West Virginia, $105,575, Wisconsin, $119,225, Wyoming, $123,125, plus

"(II) the amount that is equal to the Senator's share for the fiscal year, as determined in accordance with regulations of the Committee on Rules and Administration, of the amount made available within the Senators' Official Personnel and Office Expense Account in the contingent fund of the Senate for official mail expenses of Senators, plus".

(b) Subparagraph (B) of section 506(b)(3) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(b)(3)) is amended—

(1) by striking "that part of the amount referred to in subparagraph (A)(iii) that is not specifically allocated for official mail expenses" and inserting "the amount referred to in subparagraph (A)(iii)(I)"; and

(2) by striking: "the part of the amount referred to in subparagraph (A)(iii) that is allocated for official mail expenses" and inserting "the amount referred to in subparagraph (A)(iii)(II)".

(c) The amendments made by this section shall apply to any fiscal year which begins on or after October 1, 1999.

SEC. 2. Effective on and after October 1, 1999, each of the dollar amounts contained in the table under section 105(d)(1)(A) of the Legislative Branch Appropriations Act, 1968 (2 U.S.C. 61–1(d)(1)(A)) shall be deemed to be the dollar amounts in that table, as increased by section 8 of Public Law 105–275, increased by an additional $50,000 each.

SEC. 3. SENATE OFFICE SPACE ALLOCATIONS. Section 3 under the heading "ADMINISTRATIVE PROVISIONS" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975 (2 U.S.C. 59; 88 Stat. 428) is amended—

(1) in subsection (b)—

(A) by striking paragraphs (1) and (2) and inserting the following:

"(1) 5,000 square feet if the population of the State of the Senator is less than 3,000,000;";

(B) by striking "8,000" in paragraph (13) and inserting "8,200"; and

(C) by redesignating paragraphs (3) through (13) as paragraphs (2) through (12), respectively; and

(2) in subsection (c)(2)—

(A) by striking "$30,000" and inserting "$40,000";

(B) by striking "4,800" and inserting "5,000";

(C) by striking "$734" and inserting "$1,000"; and

(D) by adding at the end the following: "Effective beginning with the 106th Congress, the aggregate amount in effect under this paragraph for any Congress shall be increased by the inflation adjustment factor for the calendar year in which the Congress begins. For purposes of the preceding sentence, the inflation adjustment factor for any calendar year is a fraction the numerator of which is the implicit price deflator for the gross domestic product as computed and published by the Department of Commerce for the preceding calendar year and the denominator of which is such deflator for the calendar year 1998.".

SEC. 4. Section 6(c) of the Legislative Branch Appropriations Act, 1999 (Public Law 105–275; 2 U.S.C. 121b–1(c)) is amended by adding at the end the following:

"(3) The provisions of section 4 of the Act of July 31, 1946 (40 U.S.C. 193d), except for the provisions relating to solicitation, shall not apply to any activity carried out pursuant to this section, subject to approval of such activities by the Committee on Rules and Administration.".

SEC. 5. The first section of Public Law 87–82 (40 U.S.C. 174j–1) is amended by adding at the end the following: "The provisions of section 4 of the Act of July 31, 1946 (40 U.S.C. 193d), except for the provisions relating to solicitation, shall not apply to any activity carried out pursuant to this section, subject to the approval of such activities by the Committee on Rules and Administration.".

SEC. 6. The Legislative Counsel may, subject to the approval of the President pro tempore of the Senate, designate one of the Senior Counsels appointed under section 102 of the Legislative Branch Appropriation Act, 1979 (2 U.S.C. 274 note; Public Law 95–391; 92 Stat. 771) as Deputy Legislative Counsel. The Deputy Legislative Counsel shall perform the functions of the Legislative Counsel during the absence or disability of the Legislative Counsel, or when the office is vacant.

SEC. 7. Section 814(i) of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 2291 note) is amended by striking "September 30, 1999" and inserting "September 30, 2002".

and strike all beginning on page 2, line 5, of the House engrossed bill, H.R. 1905, down through page 11, line 12, and insert the following:

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

For salaries and expenses of the House of Representatives, $760,884,000, as follows:

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, $14,202,000, including: Office of the Speaker, $1,740,000, including $25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, $1,705,000, including $10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, $2,071,000, including $10,000 for official expenses of the Minority Leader; Office of the Majority Whip, including the Chief Deputy Majority Whip, $1,423,000, including $5,000 for official expenses of the Majority Whip; Office of the Minority Whip, including the Chief Deputy Minority Whip, $1,057,000, including $5,000 for official expenses of the Minority Whip; Speaker's Office for Legislative Floor Activities, $406,000; Republican Steering Committee, $757,000; Republican Conference, $1,244,000; Democratic Steering and Policy Committee, $1,337,000; Democratic Caucus, $664,000; nine minority employees, $1,218,000; training and program development—majority, $290,000; and training and program development—minority, $290,000: Provided, That the amounts otherwise provided under this heading for the various leadership offices shall be reduced in a manner approved by the Committee on Appropriations such that the aggregate amount appropriated under this heading is $142,000 less than the aggregate amount otherwise provided.

MEMBERS' REPRESENTATIONAL ALLOWANCES INCLUDING MEMBERS' CLERK HIRE, OFFICIAL EXPENSES OF MEMBERS, AND OFFICIAL MAIL

For Members' representational allowances, including Members' clerk hire, official expenses, and official mail, $406,279,000.

COMMITTEE EMPLOYEES

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by House resolutions, $93,878,000: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2000.

COMMITTEE ON APPROPRIATIONS

For salaries and expenses of the Committee on Appropriations, $21,095,000, including studies and examinations of executive agencies and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act of 1946 and to be available for reimbursement to agencies for services performed: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, $90,150,000, including: for salaries and expenses of the Office of the Clerk, including not more than $3,500, of which not more than $2,500 is for the Family Room, for official representation and reception expenses, $14,881,000; for salaries and expenses of the Office of the Sergeant at Arms, including the position of Superintendent of Garages, and including not more than $750 for official representation and reception expenses, $3,746,000; for salaries and expenses of the Office of the Chief Administrative Officer, $57,289,000, of which $2,500,000 shall remain available until expended, including $25,519,000 for salaries, expenses and temporary personal services of House Information Resources, of which $24,641,000 is provided herein: Provided, That of the amount provided for House Information Resources, $6,260,000 shall be for net expenses of telecommunications: Provided further, That House Information Resources is authorized to receive reimbursement from Members of the House of Representatives and other governmental entities for services provided and such reimbursement shall be deposited in the Treasury for credit to this account; for salaries and expenses of the Office of the Inspector General, $3,926,000; for salaries and expenses of the Office of General Counsel, $840,000; for the Office of the Chaplain, $136,000; for salaries and expenses of the Office of the Parliamentarian, including the Parliamentarian and $2,000 for preparing the Digest of Rules, $1,172,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, $2,045,000; for salaries and expenses of the Office of the Legislative Counsel of the House, $5,085,000; for salaries and expenses of the Corrections Calendar Office, $825,000; and for other authorized employees, $205,000.

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $135,422,000, including: supplies, materials, administrative costs and Federal tort claims, $2,741,000; official mail for committees, leadership offices, and administrative offices of the House, $410,000; Government contributions for health, retirement, Social Security, and other applicable employee benefits, $131,595,000; and miscellaneous items including purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, $676,000.

CHILD CARE CENTER

For salaries and expenses of the House of Representatives Child Care Center, such amounts as are deposited in the account established by section 312(d)(1) of the Legislative Branch Appropriations Act, 1992 (40 U.S.C. 184g(d)(1)), subject to the level specified in the budget of the Center, as submitted to the Committee on Appropriations of the House of Representatives.

ADMINISTRATIVE PROVISIONS

SEC. 101. (a) COMPLIANCE WITH ADMISSION REQUIREMENTS.—The General Counsel of the House of Representatives and any other counsel in the Office of the General Counsel of the House of Representatives, including any counsel specially retained by the Office of General Counsel, shall be entitled, for the purpose of performing the counsel's functions, to enter an appearance in any proceeding before any court of the United States or of any State or political subdivision thereof without compliance with any requirements for admission to practice before such court, except that the authorization conferred by this subsection shall not apply with respect to the admission of any such person to practice before the United States Supreme Court.

(b) NOTIFICATION BY ATTORNEY GENERAL.—The Attorney General shall notify the General Counsel of the House of Representatives with respect to any proceeding in which the United States is a party of any determination by the Attorney General or Solicitor General not to appeal any court decision affecting the constitutionality of an Act or joint resolution of Congress within such time as will enable the House to direct the General Counsel to intervene as a party in such proceeding pursuant to applicable rules of the House of Representatives.

(c) GENERAL COUNSEL DEFINITION.—In this section, the term "General Counsel of the House of Representatives" means—

(1) the head of the Office of General Counsel established and operating under clause 8 of rule II of the Rules of the House of Representatives;

(2) the head of any successor office to the Office of General Counsel which is established after the date of the enactment of this Act; and

(3) any other person authorized and directed in accordance with the Rules of the House of Representatives to provide legal assistance and representation to the House in connection with the matters described in this section.

(d) EFFECTIVE DATE.—The provisions of this section shall become effective beginning with the date of the enactment of this Act.

SEC. 102. section 104(a) of the Legislative Branch Appropriations Act, 1999 (Public Law 105–275; 112 Stat. 2439) is amended by striking "(2 U.S.C. 59(e)(2))" and inserting "(2 U.S.C. 59e(e)(2))".

SEC. 103. (a) CLARIFICATION OF RULES REGARDING USE OF FUNDS FOR OFFICIAL MAIL.—

(1) IN GENERAL.—Section 311(e)(1) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 59e(e)(1)) is amended—

(A) in the matter preceding subparagraph (A), by striking "There is established" and all that follows through "shall be prescribed—" and inserting the following: "The use of funds of the House of Representatives which are made available for official mail of Members, officers, and employees of the House of Representatives who are persons entitled to use the congressional frank shall be governed by regulations promulgated—"; and

(B) in subparagraph (A), by striking "the Allowance" and inserting "official mail (except as provided in subparagraph (B))".

(2) LIMITATIONS ON AVAILABILITY OF FUNDS.—Section 311(e)(2) of such Act (2 U.S.C. 59e(e)(2)), as amended by section 104(a) of the Legislative Branch Appropriations Act, 1999, is amended—

(A) in the matter preceding subparagraph (A), by striking "The Official Mail Allowance" and inserting "Funds used for official mail";

(B) by striking subparagraph (A); and

(C) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B).

(3) REPEAL OF OBSOLETE TRANSFER AUTHORITY.—Section 311(e) of such Act (2 U.S.C. 59e(e)) is amended by striking paragraph (3).

(4) CONFORMING AMENDMENTS.—(A) section 1(a) of House Resolution 457, Ninety-second Congress, agreed to July 21, 1971, as enacted into permanent law by chapter IV of the Supplemental Appropriations Act, 1972 (2 U.S.C. 57(a)), is amended by striking "the Official Mail Allowance" each place it appears and inserting "official mail".

(B) section 311(a)(3) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 59e(a)(3)) is amended by striking "costs charged against the Official Mail Allowance for" and inserting "costs incurred for official mail by".

(b) REPEAL OF OBSOLETE REFERENCES TO CLERK HIRE ALLOWANCE.—

(1) IN GENERAL.—Section 104(a) of the House of Representatives Administrative Reform Technical Corrections Act (2 U.S.C. 92(a)) is amended by striking "clerk hire" each place it appears.

(2) CONFORMING AMENDMENT.—The heading of section 104 of such Act (2 U.S.C. 92(a)) is amended by striking "clerk hire".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the first session of the One Hundred Sixth Congress and each succeeding session of Congress.

SEC. 104. REQUIRING AMOUNTS REMAINING IN MEMBERS' REPRESENTATIONAL ALLOWANCES TO BE USED FOR DEFICIT REDUCTION OR TO REDUCE THE FEDERAL DEBT.—Notwithstanding any other provision of law, any amounts appropriated under this Act for "HOUSE OF REPRESENTATIVES—SALARIES AND EXPENSES—MEMBERS' REPRESENTATIONAL ALLOWANCES" shall be available only for fiscal year 2000. Any amount remaining after all payments are made under such allowances for fiscal year 2000 shall be deposited in the Treasury and used for deficit reduction (or, if there is no Federal budget deficit after all such payments have been made, for reducing the Federal debt, in such manner as the Secretary of the Treasury considers appropriate).

; and the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the matter striken and inserted, insert:

JOINT ITEMS

For Joint Committees, as follows:

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, $3,200,000, to be disbursed by the Secretary of the Senate.

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, $6,456,000, to be disbursed by the Chief Administrative Officer of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including: (1) an allowance of $1,500 per month to the Attending Physician; (2) an allowance of $500 per month each to three medical officers while on duty in the Office of the Attending Physician; (3) an allowance of $500 per month to one assistant and $400 per month each not to exceed eleven assistants on the basis heretofore provided for such assistants; and (4) $1,002,600 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, which shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, $1,898,000, to be disbursed by the Chief Administrative Officer of the House.

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

For the Capitol Police Board for salaries of officers, members, and employees of the Capitol Police, including overtime, hazardous duty pay differential, clothing allowance of not more than $600 each for members required to wear civilian attire, and Government contributions for health, retirement, Social Security, and other applicable employee benefits, $78,501,000, of which $37,725,000 is provided to the Sergeant at Arms of the House of Representatives, to be disbursed by the Chief Administrative Officer of the House, and $40,776,000 is provided to the Sergeant at Arms and Doorkeeper of the Senate, to be disbursed by the Secretary of the Senate: Provided, That, of the amounts appropriated under this heading, such amounts as may be necessary may be transferred between the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate, upon approval of the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

GENERAL EXPENSES

For the Capitol Police Board for necessary expenses of the Capitol Police, including motor vehicles, communications and other equipment, security equipment and installation, uniforms, weapons, supplies, materials, training, medical services, forensic services, stenographic services, personal and professional services, the employee assistance program, not more than $2,000 for the awards program, postage, telephone service, travel advances, relocation of instructor and liaison personnel for the Federal Law Enforcement Training Center, and $85 per month for extra services performed for the Capitol Police Board by an employee of the Sergeant at Arms of the Senate or the House of Representatives designated by the Chairman of the Board, $6,574,000, to be disbursed by the Capitol Police Board or their delegee: Provided, That, notwithstanding any other provision of law, the cost of basic training for the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 2000 shall be paid by the Secretary of the Treasury from funds available to the Department of the Treasury.

ADMINISTRATIVE PROVISION

SEC. 105. Amounts appropriated for fiscal year 2000 for the Capitol Police Board for the Capitol Police may be transferred between the headings "SALARIES" and "GENERAL EXPENSES" upon the approval of—

(1) the Committee on Appropriations of the House of Representatives, in the case of amounts transferred from the appropriation provided to the Sergeant at Arms of the House of Representatives under the heading "SALARIES";

(2) the Committee on Appropriations of the Senate, in the case of amounts transferred from the appropriation provided to the Sergeant at Arms and Doorkeeper of the Senate under the heading "SALARIES"; and

(3) the Committees on Appropriations of the Senate and the House of Representatives, in the case of other transfers.

CAPITOL GUIDE SERVICE AND SPECIAL SERVICES OFFICE

For salaries and expenses of the Capitol Guide Service and Special Services Office, $2,293,000, to be disbursed by the Secretary of the Senate: Provided, That no part of such amount may be used to employ more than forty-three individuals: Provided further, That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than 120 days each, and not more than ten additional individuals for not more than six months each, for the Capitol Guide Service.

STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and the House of Representatives, of the statements for the first session of the One Hundred Sixth Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriations bills as required by law, $30,000, to be paid to the persons designated by the chairmen of such committees to supervise the work.

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

For salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 (2 U.S.C. 1385), $2,000,000.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Congressional Budget Act of 1974 (Public Law 93–344), including not more than $2,500 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, $26,221,000: Provided, That no part of such amount may be used for the purchase or hire of a passenger motor vehicle.

ADMINISTRATIVE PROVISION

SEC. 106. (a) The Director of the Congressional Budget Office shall have the authority to make lump-sum payments to enhance staff recruitment and to reward exceptional performance by an employee or a group of employees.

(b) Subsection (a) shall apply with respect to fiscal years beginning after September 30, 1999.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

SALARIES AND EXPENSES

For salaries for the Architect of the Capitol, the Assistant Architect of the Capitol, and other personal services, at rates of pay provided by law; for surveys and studies in connection with activities under the care of the Architect of the Capitol; for all necessary expenses for the maintenance, care and operation of the Capitol and electrical substations of the Senate and House office buildings under the jurisdiction of the Architect of the Capitol, including furnishings and office equipment, including not more than $1,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; for purchase or exchange, maintenance and operation of a passenger motor vehicle; and not to exceed $20,000 for attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol, $46,836,000, of which $4,390,000 shall remain available until expended.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, $5,427,000, of which $155,000 shall remain available until expended.

SENATE OFFICE BUILDINGS

For all necessary expenses for maintenance, care and operation of Senate office buildings; and furniture and furnishings to be expended under the control and supervision of the Architect of the Capitol, $64,038,000, of which $22,305,000 shall remain available until expended.

and strike all beginning on page 18, line 19, of the House engrossed bill, H.R. 1905, down through page 18, line 22, and insert the following:

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House office buildings, $37,279,000, of which $4,442,000 shall remain available until expended.

; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted, insert:

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and air conditioning refrigeration not supplied from plants in any of such buildings; heating the Government Printing Office and Washington City Post Office, and heating and chilled water for air conditioning for the Supreme Court Building, the Union Station complex, the Thurgood Marshall Federal Judiciary Building and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, $38,054,000, of which $3,000,000 shall remain available until expended: Provided, That not more than $4,000,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 2000.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946 (2 U.S.C. 166) and to revise *and extend the Annotated Constitution of the United States of America, $71,244,000: Provided, That no part of such amount may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate.*

GOVERNMENT PRINTING OFFICE

Congressional Printing and Binding

For authorized printing and binding for the Congress and the distribution of Congressional information in any format; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $73,577,000: Provided, That this appropriation shall not be available for paper copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under 44 U.S.C. 906: Provided further, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years: Provided further, That notwithstanding the 2-year limitation under section 718 of title 44, United States Code, none of the funds appropriated or made available under this Act or any other Act for printing and binding and related services provided to Congress under chapter 7 of title 44, United States Code, may be expended to print a document, report, or publication after the 27-month period beginning on the date that such document, report, or publication is authorized by Congress to be printed, unless Congress reauthorizes such printing in accordance with section 718 of title 44, United States Code.

This title may be cited as the "Congressional Operations Appropriations Act, 2000".

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

Salaries and Expenses

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; and purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, $3,425,000.

LIBRARY OF CONGRESS

Salaries and Expenses

For necessary expenses of the Library of Congress not otherwise provided for, including development and maintenance of the Union Catalogs; custody and custodial care of the Library buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog records and other publications of the Library; hire or purchase of one passenger motor vehicle; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, $256,779,000, of which not more than $6,500,000 shall be derived from collections credited to this appropriation during fiscal year 2000, and shall remain available until expended, under the Act of June 28, 1902 (chapter 1301; 32 Stat. 480; 2 U.S.C. 150) and not more than $350,000 shall be derived from collections during fiscal year 2000 and shall remain available until expended for the development and maintenance of an international legal information database and activities related thereto: Provided, That the Library of Congress may not obligate or expend any funds derived from collections under the Act of June 28, 1902, in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $6,850,000: Provided further, That of the total amount appropriated, $10,321,380 is to remain available until expended for acquisition of books, periodicals, newspapers, and all other materials including subscriptions for bibliographic services for the Library, including $40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections: Provided further, That of the total amount appropriated, $2,347,000 is to remain available until expended for the acquisition and partial support for implementation of an Integrated Library System (ILS): Provided further, That of the total amount appropriated, $5,579,000 is to remain available until expended for the purpose of teaching educators how to incorporate the Library's digital collections into school curricula, which amount shall be transferred to the educational consortium formed to conduct the "Joining Hands Across America: Local Community Initiative" project as approved by the Library: Provided further, That of the total amount appropriated, $600,000 is to remain available until expended for the purpose of digitizing archival materials relating to ethnic groups of California, including Japanese Americans, which amount shall be transferred to an educational archive able to conduct such a project as approved by the Library.

Copyright Office

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, $37,628,000, of which not more than $20,800,000, to remain available until expended, shall be derived from collections credited to this appropriation during fiscal year 2000 under 17 U.S.C. 708(d): Provided, That the Copyright Office may not obligate or expend any funds derived from collections under 17 U.S.C. 708(d), in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That not more than $5,454,000 shall be derived from collections during fiscal year 2000 under 17 U.S.C. 111(d)(2), 119(b)(2), 802(h), and 1005: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than $26,254,000: Provided further, That not more than $100,000 of the amount appropriated is available for the maintenance of an "International Copyright Institute" in the Copyright Office of the Library of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies: Provided further, That not more than $4,250 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for activities of the International Copyright Institute and for copyright delegations, visitors, and seminars.

Books for the Blind and Physically Handicapped

SALARIES AND EXPENSES

For salaries and expenses to carry out the Act of March 3, 1931 (chapter 400; 46 Stat. 1487; 2 U.S.C. 135a), $47,984,000, of which $14,019,000 shall remain available until expended.

Furniture and Furnishings

For necessary expenses for the purchase, installation, maintenance, and repair of furniture, furnishings, office and library equipment, $5,415,000.

Administrative Provisions

SEC. 201. Appropriations in this Act available to the Library of Congress shall be available, in an amount of not more than $198,390, of which $59,300 is for the Congressional Research Service, when specifically authorized by the Librarian of Congress, for attendance at meetings concerned with the function or activity for which the appropriation is made.

SEC. 202. (a) No part of the funds appropriated in this Act shall be used by the Library of Congress to administer any flexible or compressed work schedule which—

(1) applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS–15; and

(2) grants such manager or supervisor the right to not be at work for all or a portion of a workday because of time worked by the manager or supervisor on another workday.

(b) For purposes of this section, the term "manager or supervisor" means any management official or supervisor, as such terms are defined in section 7103(a)(10) and (11) of title 5, United States Code.

SEC. 203. Appropriated funds received by the Library of Congress from other Federal agencies to cover general and administrative overhead costs generated by performing reimbursable work for other agencies under the authority of 31 U.S.C. 1535 and 1536 shall not be used to employ more than 65 employees and may be expended or obligated—

(1) in the case of a reimbursement, only to such extent or in such amounts as are provided in appropriations Acts; or

(2) in the case of an advance payment, only—

(A) to pay for such general or administrative overhead costs as are attributable to the work performed for such agency; or

(B) to such extent or in such amounts as are provided in appropriations Acts, with respect to any purpose not allowable under subparagraph (A).

SEC. 204. Of the amounts appropriated to the Library of Congress in this Act, not more than $5,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the incentive awards program.

SEC. 205. Of the amount appropriated to the Library of Congress in this Act, not more than $12,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Overseas Field Offices.

SEC. 206. (a) For fiscal year 2000, the obligational authority of the Library of Congress for the activities described in subsection (b) may not exceed $98,788,000.

(b) The activities referred to in subsection (a) are reimbursable and revolving fund activities that are funded from sources other than appropriations to the Library in appropriations Acts for the legislative branch.

SEC. 207. The Library of Congress may use available funds, now and hereafter, to enter into contracts for the lease or acquisition of severable services for a period that begins in one fiscal year and ends in the next fiscal year and to enter into multi-year contracts for the acquisition of property and services pursuant to sections 303L and 304B, respectively, of the Federal Property and Administrative Services Act (41 U.S.C. 253l and 254c).

SEC. 208. (a) Notwithstanding any other provision of law regarding the qualifications and method of appointment of employees of the Library of Congress, the Librarian of Congress, using such method of appointment as the Librarian may select, may appoint not more than three individuals who meet such qualifications *as the Librarian may impose to serve as management specialists for a term not to exceed three years.*

(b) No individual appointed as a management specialist under subsection (a) may serve in such position after December 31, 2004.

SEC. 209. (a) section 904 of the Supplemental Appropriations Act, 1983 (2 U.S.C. 136a–2) is amended to read as follows:

"SEC. 904. Notwithstanding any other provision of law—

"(1) the Librarian of Congress shall be compensated at an annual rate of pay which is equal to the annual rate of basic pay payable for positions at level II of the Executive Schedule under section 5313 of title 5, United States Code; and

"(2) the Deputy Librarian of Congress shall be compensated at an annual rate of pay which is equal to the annual rate of basic pay payable for positions at level III of the Executive Schedule under section 5314 of title 5, United States Code.".

(b) section 203(c)(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 166(c)(1)) is amended by striking the second sentence and inserting the following: "The basic pay of the Director shall be at a per annum rate equal to the rate of basic pay provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.".

(c) The amendments made by this section shall apply with respect to the first pay period which begins on or after the date of the enactment of this Act and each subsequent pay period.

ARCHITECT OF THE CAPITOL

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, $16,033,000, of which $3,650,000 shall remain available until expended.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For expenses of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, $29,986,000: Provided, That travel expenses, including travel expenses of the Depository Library Council to the Public Printer, shall not exceed $175,000: Provided further, That amounts of not more than $2,000,000 from current year appropriations are authorized for producing and disseminating Congressional serial sets and other related publications for 1998 and 1999 to depository and other designated libraries.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the Government Printing Office revolving fund: Provided, That not more than $2,500 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: Provided further, That the revolving fund shall be available for the hire or purchase of not more than twelve passenger motor vehicles: Provided further, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: Provided further, That the revolving fund shall be available for temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level V of the Executive Schedule under section 5316 of such title: Provided further, That the revolving fund and the funds provided under the headings "OFFICE OF SUPERINTENDENT OF DOCUMENTS" and "SALARIES AND EXPENSES" together may not be available for the full-time equivalent employment of more than 3,313 workyears (or such other number of workyears as the Public Printer may request, subject to the approval of the Committees on Appropriations of the Senate and the House of Representatives): Provided further, That activities financed through the revolving fund may provide information in any format: Provided further, That the revolving fund shall not be used to administer any flexible or compressed work schedule which applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS–15: Provided further, That expenses for attendance at meetings shall not exceed $75,000.

ADMINISTRATIVE PROVISION

SEC. 210. (a) section 311 of title 44, United States Code, is amended by adding at the end the following new subsection:

"(c) Notwithstanding any other provision of law, section 3709 of the Revised Statutes (41 U.S.C. 5) shall apply with respect to purchases and contracts for the Government Printing Office as if the reference to '$25,000' in clause (1) of such section were a reference to '$100,000'.".

*(b) The heading of section 311 of title 44, United States Code, is amended by striking "**authority**" and inserting "**authority; small purchase threshold**".*

(c) The table of sections for chapter 3 of title 44, United States Code, is amended by striking the item relating to section 311 and inserting the following:

"311. Purchases exempt from the Federal Property and Administrative Services Act; contract negotiation authority; small purchase threshold.".

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not more than $7,000 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of such title; hire of one passenger motor vehicle; advance payments in foreign countries in accordance with 31 U.S.C. 3324; benefits comparable to those payable under sections 901(5), 901(6), and 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), 4081(6), and 4081(8)); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries, $379,000,000: Provided, That notwithstanding 31 U.S.C. 9105 hereafter amounts reimbursed to the Comptroller General pursuant to that section shall be deposited to the appropriation of the General Accounting Office then available and remain available until expended, and not more than $1,400,000 of such funds shall be available for use in fiscal year 2000: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of either Forum's costs as determined by the respective Forum, including necessary travel expenses of non-Federal participants. Payments hereunder to the Forum may be credited as reimbursements to any appropriation from which costs involved are initially financed: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration and for the Senate issued by the Committee on Rules and Administration.

SEC. 302. No part of the funds appropriated in this Act shall remain available for obligation beyond fiscal year 2000 unless expressly so provided in this Act.

SEC. 303. Whenever in this Act any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for or the rate of compensation or designation of any office or position appropriated for is different from that specifically established by such Act, the rate of compensation and the designation in this Act shall be the permanent law with respect thereto: Provided, That the provisions in this Act for the various items of official expenses of Members, officers, and committees of the Senate and House of Representatives, and clerk hire for Senators and Members of the House of Representatives shall be the permanent law with respect thereto.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 306. Such sums as may be necessary are appropriated to the account described in subsection (a) of section 415 of Public Law 104–1 to pay awards and settlements as authorized under such subsection.

SEC. 307. Amounts available for administrative expenses of any legislative branch entity which participates in the Legislative Branch Financial Managers Council (LBFMC) established by charter on March 26, 1996, shall be available to finance an appropriate share of LBFMC costs as determined by the LBFMC, except that the total LBFMC costs to be shared among all participating legislative branch entities (in such allocations among the entities as the entities may determine) may not exceed $1,500.

SEC. 308. Section 308 of the Legislative Branch Appropriations Act, 1999 (Public Law 105–275; 112 Stat. 2452) is amended—

(1) in subsection (b), by striking "(40 U.S.C. 174j–1(b)(1))" and inserting "(40 U.S.C. 174j–1 note)";

(2) in subsection (c), by striking "(40 U.S.C. 174j–1(c))" and inserting "(40 U.S.C. 174j–1 note)"; and

(3) in subsection (d), by striking "(40 U.S.C. 174j–1(e))" and inserting "(40 U.S.C. 174j–1 note)".

SEC. 309. Section 316 of Public Law 101–302 is amended in the first sentence of subsection (a) by striking "1999" and inserting "2000".

SEC. 310. Chapter 5 of title II of division B of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–569) is amended in the matter under the subheading "Capitol Visitor Center" under the heading "ARCHITECT OF THE CAPITOL" by striking "the Committee on Rules and Administration of the Senate, the Committee on House Oversight of the House of Representatives, the Committees on Appropriations of the House of Representatives and of the Senate, and other appropriate committees of the House of Representatives and of the Senate" and inserting "the United States Capitol Preservation Commission established under section 801 of the Arizona-Idaho Conservation Act of 1988 (40 U.S.C. 188a)".

SEC. 311. Trade Deficit Review Commission. (a) Appropriations.—Section 127(i) of the Trade Deficit Review Commission Act (19 U.S.C. 2213 note) is amended by adding at the end the following new sentence:

"Amounts appropriated pursuant to this subsection shall remain available until the date which is 90 days after the date on which the Commission submits the final report described in subsection (e).".

(b) Applicability of Certain Pay Authorities to Members of the Commission.—Section 127(g) of the Trade Deficit Review Commission Act is amended by adding at the end the following new paragraph:

"(6) Applicability of Certain Pay Authorities.—

"(A) In General.—An individual who is a member of the Commission and is an annuitant or otherwise covered by section 8344 or 8468 of title 5, United States Code, by reason of membership on the Commission is not subject to the provisions of section 8344 or 8468 (whichever is applicable) with respect to such membership.

"(B) Uniformed Service.—An individual who is a member of the Commission and is a member or former member of a uniformed service is not subject to the provisions of subsections (b) and (c) of section 5532, United States Code, with respect to membership on the Commission.".

(c) Termination of Commission and Other Matters.—Section 127 of the Trade Deficit Review Commission Act is amended by adding at the end the following new subsections:

"(j) Federal Advisory Committee Act.—The provisions of the Federal Advisory Committee Act (Public Law 92–463; 5 U.S.C. App.) shall not apply to the Commission.

"(k) Termination.—The Commission shall terminate 90 days after the date on which the Commission submits the final report under subsection (e).".

SEC. 312. Creditable Service With Congressional Campaign Committees. Section 8332(m)(1)(A) of title 5, United States Code, is amended to read as follows:

"(A) such employee has at least 4 years and 6 months of service on such committees as of December 12, 1980; and".

SEC. 313. Section 507 of Public Law 104–1 (109 Stat. 43; 2 U.S.C. 1436) is repealed.

TITLE IV—FISCAL YEAR 1999 SUPPLEMENTAL LEGISLATIVE BRANCH FUNDS

HOUSE OF REPRESENTATIVES

Payments to Widows and Heirs of Deceased Members of Congress

For payment to Marta Macias Brown, widow of George E. Brown, Jr., late a Representative from the State of California, $136,700: Provided, That this provision shall take effect on the date of the enactment of this Act.

Administrative Provision

SEC. 401. (a) The Legislative Branch Appropriations Act, 1999 (Public Law 105–275; 112 Stat. 2437) is amended in the item relating to "HOUSE OF REPRESENTATIVES—Salaries and Expenses—salaries, officers and employees" by striking "$24,282,000" and inserting "$24,982,000".

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 1999.

This title may be cited as the "Legislative Branch Supplemental Appropriations Act, 1999".

This Act may be cited as the "Legislative Branch Appropriations Act, 2000".

And the Senate agree to the same.

Charles H. Taylor,
Zach Wamp,
Jerry Lewis,
Kay Granger,
Bill Young,
Ed Pastor,
John P. Murtha,
Steny H. Hoyer,
David Obey
(except for the Russian exchange program),
Managers on the Part of the House.

Robert F. Bennett,
Ted Stevens,
Larry Craig,
Thad Cochran,
Dianne Feinstein,
Richard J. Durbin,
Robert C. Byrd,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1905) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Amendment No. 1: Inserts appropriations for operations of the Senate. With respect to those items in the conference agreement that differ between House and Senate bills, the conferees have agreed to the following:

TITLE I—CONGRESSIONAL OPERATIONS

SENATE

Appropriates $489,406,000 for Senate operations and contains several administrative provisions. The managers on the part of the Senate have requested an amendment to Section 1, an administrative provision dealing with Senators' allowances. Inasmuch as this item relates solely to the Senate, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House, at the request of the managers on the part of the Senate, have receded to the Senate.

HOUSE OF REPRESENTATIVES

At the request of the managers on the part of the House, the conferees agree to amend several provisions relating to the House of Representatives. The conference agreement appropriates $760,884,000, and adjusts a receipt ceiling applicable to House Information Resources, for salaries and expenses, House of Representatives. It also amends two House administrative provisions included in the House bill. One amendment removes an inconsistent reporting requirement and the other clarifies a provision regarding the House General Counsel regarding its status as permanent law. Inasmuch as this item relates solely to the House, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the Senate, at the request of the managers on the part of the House, have receded to the House.

Amendment No. 2: Deletes several provisions of the House bill and inserts substitute provisions. Many items in both House and Senate bills are identical and are included in the conference agreement without change. The conferees agree with the report language accompanying the regular House and Senate fiscal year 2000 appropriations bills unless otherwise stated herein. With respect to those items in the conference agreement that differ between House and Senate bills, the conferees have agreed to the following:

JOINT ITEMS

Joint Committee on Taxation

Appropriates $6,456,400 for the Joint Committee on Taxation as proposed by the Senate instead of $6,188,000 as proposed by the House. The funds will support 66.5 FTE's.

Joint Committee on the Library

The conference agreement deletes funds for the Joint Committee on the Library instead of $500,000 as proposed by the Senate.

Capitol Police Board

Capitol Police

SALARIES

Appropriates $78,501,000 for salaries of officers, members, and employees of the Capitol Police as proposed by the House instead of $80,783,000 as proposed by the Senate, of which $37,725,000 is provided to the Sergeant at Arms of the House of Representatives and $40,776,000 is provided to the Sergeant at Arms and Doorkeeper of the Senate. In addition, the Capitol Police have $2,282,000 in savings available from the fiscal year 99 Security Enhancements supplemental.

GENERAL EXPENSES

Appropriates $6,574,000 for general expenses of the Capitol Police instead of $6,711,000 as proposed by House and $7,913,000 as proposed by the Senate. The funds provided include $650,000 for travel, $5,000 for transportation of things, $138,000 for rent, communications and utilities, $635,000 for additional computer and telecommunications needs, $2,374,000 for all other services, $1,299,000 for supplies, and $1,473,000 for equipment. With respect to vehicles, the conferees recognize the need of the Capitol Police to upgrade and possibly expand their existing fleet of motorcycles to help fulfill their security mission, and provide $103,000 for that purpose from existing funds. The conferees direct the Capitol Police to study options that will enable the purchase of American-made motorcycles that meet the Department's security mission and report their findings to the House and Senate Committees on Appropriations.

With respect to the computer and telecommunications project, $635,000 are provided to begin taking over communications activities and relieving the Senate Sergeant at Arms from the need to support those activities. Of the $635,000, $400,000 is not available until released by the Committees on Appropriations. The balance is available for telecommunications needs. The $635,000 is provided to begin a transition from Sergeant at Arms support of police information technology and the necessary infrastructure. During the transition the Senate Sergeant at Arms will continue to provide necessary assistance required by the Capitol Police. The draft Information Technology (IT) plan recently submitted is an excellent start in the planning needed to undertake this activity. The draft is a well developed professional IT plan and gives the Committees assurances that the Capitol Police are reaching the point of having the ability to take on these tasks. However, more planning is needed in the area of relating specific IT needs and systems to the mission of the Capitol Police. The plan should include identification of infrastructure specifics (hardware and systems) as they relate to the police mission. Further development of the plan should be submitted to the Committees on Appropriations and the authorizing Committees. The police are urged to continue their consultation with the General Accounting Office.

The conferees agree with the language in the House bill transferring the disbursement authority from the Chief Administrative Officer of the House of Representatives to the Capitol Police Board or its delegatee. This transfer of authority is for the General Expenses fund only, and will not change or impact the current appointing authorities or disbursement entities for salary funds in the House or Senate.

CAPITOL GUIDE SERVICE AND SPECIAL SERVICES OFFICE

Appropriates $2,293,000 for the Capitol Guide Service and Special Services Office as proposed by the House instead of $2,336,000 as proposed by the Senate.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

The conferees have included an administrative provision authorizing the Congressional Budget Office to make lump sum payments for staff recruitment and bonuses as proposed by the House. The payments will not exceed one percent of CBO's annual pay roll. The conferees deleted a provision proposed by the House authorizing a change in the pay level for the Director and the Deputy Director of CBO.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

SALARIES AND EXPENSES

Appropriates $46,836,000 for salaries and expenses, Capitol buildings, Architect of the Capitol, instead of $46,104,000 as proposed by the House and $48,195,000 as proposed by the Senate. Of this amount, $4,390,000 shall remain available until expended instead of $3,055,000 as proposed by the House and $7,620,000 as proposed by the Senate. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following:

Operating Budget:	
1. Personal services	$25,964,000
2. Rent, communications, utilities & travel	894,000
3. Other services	9,812,000
4. Supplies	600,000
5. Equipment	225,000
Capitol Projects:	
6. ADA requirements	0
7. Replace sound systems, cmte & hearing rooms	120,000
8. Elevator/escalator modernization program	0
9. Provide steam humidification	210,000
10. Implementation of AOCNET	250,000
11. Financial Management System (FMS)	500,000
12. Computer-Aided Facility Management (CAFM)	0
13. Computer, telecommunications & electrical support	600,000
14. Upgrade unsafe mechanical equip. walkways and ladders	200,000
15. Replace exit doors for emergency egress & security	0
16. Security project support for AOC	200,000
17. Design: Upgrade air conditioning—east front, Capitol	140,000
18. Design: Replace high voltage SWGR, Capitol complex	175,000
19. Painting of exterior woodwork and west front of Capitol	300,000
20. Master plan development	0
21. Study House chamber improvements	300,000
22. Inaugural support services	50,000
23. Design: Replace exit doors for emergency egress	160,000
24. Design: Restore shutters & upgrade window lighting	53,000
25. Design: Restore cast iron lamp posts & railings	18,000
26. Design: Exterior stone preservation	115,000
27. Design: Replace windows, Capitol	240,000
28. Design: Refuge areas & emergency lighting	300,000
29. Design: Sprinkler system	1,800,000

The conferees have provided $500,000 for the Architect of the Capitol's (AOC) implementation of an interim financial management system (FMS), making $1.2 million available for the system including amounts already appropriated. The Architect has developed system requirements and has explored several alternatives with an FMS steering committee comprised of AOC staff and members of the Legislative Branch Financial Manager's Council (LBFMC). AOC believes that cross-servicing for a client server based system will maximize functionality while minimizing implementation risks. While all members of the steering committee agree that a client server based system will provide maximum flexibility and functionality, there are some members of the committee who believe that the cost is high for an interim system and could exceed the AOC's estimate of $2.8 million. While the conferees have not taken a formal position, it is agreed that the Architect should proceed with an interim system. Funding is provided to permit a phased implementation where the initial steps would include the Government Wide Standard General Ledger and would allow additional capabilities to be added in an orderly, phased process. This will allow the AOC to begin implementing a system that will permit the integration of existing management systems into its FMS while making progress toward meeting its long-term financial management system goals. The conferees direct that the Architect ensure that the system selected is clearly interim in nature and compatible with the overall Legislative Branch goal of a common financial management system in the future. The conferees also expect that the existing steering committee will remain actively involved in the implementation of the AOC system and that the LBFMC will play a role in the process of moving to a new FMS. The Architect is directed to prepare a system implementation plan that reflects phasing in additional system modules and submit that plan to House and Senate Appropriations Committees as part of the fiscal year 2001 budget submission.

The conferees also agree with language in the House report reminding the Architect of the Capitol that construction funds shall only be requested for projects that have been 100% designed. Further, the Senate report directs the Architect of the Capitol to coordinate with the Senate Sergeant at Arms on any improvements or changes in information technology regarding the Senate.

CAPITOL GROUNDS

Appropriates $5,427,000 to the Architect of the Capitol for care and improvement of grounds surrounding the Capitol, House and Senate office buildings, and the Capitol power plant instead of $5,579,000 as proposed by the House and $5,627,000 as proposed by the Senate. Of this amount, $155,000 as proposed by the House shall remain available until expended instead of $330,000 as proposed by the Senate. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following:

Operating Budget:	
1. Other services	$852,000
2. Supplies	167,000
Capitol Projects:	
3. ADA requirements	155,000
4. Replace dump truck	0
5. Design: Reconstruct Delaware Avenue SW	50,000
6. Design: Renovation to former DC street lights	100,000

SENATE OFFICE BUILDINGS

Appropriates $64,038,000 to the Architect of the Capitol as proposed by the Senate, of which $22,305,000 shall remain available until expended, for the operations of the Senate office buildings. Inasmuch as this item relates solely to the Senate, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House, at the request of the managers on the part of the Senate, have receded to the Senate.

HOUSE OFFICE BUILDINGS

At the request of the managers on the part of the House, the conference agreement appropriates $37,279,000 as proposed by the House instead of $40,679,000 as proposed by the Senate to the Architect of the Capitol for House office buildings, of which $4,442,000 shall remain available until expended as proposed by the House instead of $7,842,000 as proposed by the Senate. Inasmuch as this item relates solely to the House, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the Senate, at the request of the managers on the part of the House, have receded to the House.

Amendment No. 3: Deletes several provisions of the House bill and inserts substitute provisions. Many items in both House and Senate bills are identical and are included in the conference agreement without change. The conferees agree with the report language accompanying the regular House and Senate fiscal year 2000 appropriations bills unless otherwise stated herein. With respect to those items in the conference agreement that differ between House and Senate bills, the conferees have agreed to the following:

CAPITOL POWER PLANT

Appropriates $38,054,000 to the Architect of the Capitol for Capitol power plant operations instead of $34,780,000 as proposed by the House and $45,006,000 as proposed by the Senate. Of this amount, $3,000,000 shall remain available until expended instead of $6,000,000 as proposed by the Senate. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following:

Operating Budget:	
1. Rent, communications, & utilities (includes water and sewer payments)	$32,786,000
2. Other services	1,050,000
3. Supplies	1,575,000
Capital Projects:	
4. East Plant chiller replacement	0
5. Optimization of operations, CPP	0
6. Replacement filter bags	0
7. Design: Thermal storage facility	0
8. Design: Repair South Capitol Street tunnel	153,000
9. Design: Repair Constitution Ave tunnel	375,000

These funds include $3,000,000 which, together with $3,000,000 provided under Library buildings and grounds, make $6 million available for the 42% retroactive water and sewer bill rate increase and for improvements to the Culpeper audio-visual facility. These funds are not available until released by the Committees on Appropriations.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

Appropriates $71,244,000 for salaries and expenses, Congressional Research Service, Library of Congress as proposed by the Senate instead of $70,940,000 as proposed by the House.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

Appropriates $73,577,000 for Congressional printing and binding as proposed by the House instead of $77,704,000 as proposed by the Senate.

The conferees agree to omit the report language proposed by the Senate regarding GPO billing procedures.

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

Appropriates $3,425,000 for salaries and expenses, Botanic Garden instead of $3,538,000 as proposed by the House and $3,428,000 as proposed by the Senate. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following:

Operating Budget:	
1. Rent, communications, utilities & travel	$6,000
2. Other services	95,000
3. Supplies	137,000
Capitol Projects:	
4. Design: Administrative building renovations & ADA	0
5. Design: Bartholdi Park renovations & improvements	100,000

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

Provides $256,779,000 for salaries and expenses, Library of Congress instead of $256,285,000 as proposed by the House and $250,491,000 as proposed by the Senate. Of this amount, $6,850,000 is made available from receipts collected by the Library of Congress, and $10,321,000 is to remain available until expended for acquisition of library materials as proposed by the Senate instead of $10,438,000 as proposed by the House. With respect to differences between the House and Senate bills, the conferees have agreed to the following budget changes from fiscal year 1999:

1. Price level increases	+$1,307,490
2. Electronic resources implementation project	+160,828
3. Succession plan	+505,000
4. Reader registration program	+233,396
5. Hands Across America	+5,829,000
6. NDL—Ethnic groups of California	+600,000
7. Essential staff—law library	0
8. Arrearage processing	+188,250
9. Three management specialists	+262,290
10. Space design contract (from savings)	+308,000
11. Automation (computer security telecommunications)	+50,000
12. Automation (financial system replacement)	+250,000
13. Automation (disaster recovery)	+450,000
14. Automation (enhanced Unix server)	+600,000
15. Natl. Film Preservation Foundation grant (from savings)	+250,000
16. Rounding	−441

The conferees have included a provision in the House bill providing $5,579,000, to remain available until expended, for teaching educators how to incorporate the Library's digital collection into school curricula, and a Senate provision providing $600,000, to remain available until expended, for a project to digitize archival materials relating to ethnic groups of California, including Japanese Americans.

The conference agreement includes $505,000 to address succession planning in the most vulnerable areas in the Library's collections. The conferees are sensitive to the Library's needs for succession planning in areas that support the Library's unique collections. In order to address those concerns, before expending any of these funds the Library is directed to submit to the House and Senate Committees on Appropriations a plan which identifies the high risk areas.

The conferees agree with language in the House report authorizing the Library to expend funds out of current resources to conduct a transit-fare program, as authorized by the federal Employees Clean Air Incentive Act of 1993, comparable (including the same level of transit-fare) to the program implemented for employees of the House of Representatives.

The conferees agree with Senate report language directing the Library of Congress to consult with the Architect of the Capitol and the Capitol Police prior to implementing any collection security project as proposed by the Senate.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

Provides $37,628,000 for salaries and expenses, Copyright Office as proposed by the Senate instead of $37,639,000 as proposed by the House. The conferees have agreed to remove the authorization for the use of this appropriation for publications of the decisions of the United States courts involving copyrights as proposed by the House. The conferees have included a provision authorizing $4,250 for official reception expenses of the International Copyright Institute as proposed by the House instead of $7,250 as proposed by the Senate.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

Appropriates $47,984,000 for salaries and expenses, books for the blind and physically handicapped as proposed by the Senate instead of $48,033,000 as proposed by the House. Of this amount, $14,019,000 shall remain available until expended as proposed by the Senate instead of $14,032,600 as proposed by the House.

FURNITURE AND FURNISHINGS

Appropriates $5,415,000 for furniture and furnishings at the Library of Congress as proposed by the Senate.

ADMINISTRATIVE PROVISIONS

The conferees have authorized the Librarian to appoint not more than three management specialists for a term not to exceed three years as proposed by the House. The conference agreement authorizes a statutory salary increase for the Librarian, the Deputy Librarian and the Director of the Congressional Research Service.

ARCHITECT OF THE CAPITOL

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

Appropriates $16,033,000 for structural and mechanical care, Library buildings and grounds, Architect of the Capitol instead of $13,410,000 as proposed by the House and $17,327,000 as proposed by the Senate. Of this amount, $3,650,000 shall remain available until expended instead of $1,150,000 as proposed by the House and $5,740,000 as proposed by the Senate. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following:

Operating Budget:	
1. Other services	$1,492,000

2. Equipment & land and structures	116,000
Capitol Projects:	
3. ADA requirements, LB&G's	0
4. Elevator/escalator modernization, LOC buildings	0
5. Replace Halon fire system, LOC computer room	0
6. Design: Install additional sprinklers, JMMB	100,000
7. Lightning protection, JMMB	0
8. Design: Upgrade book conveyor systems, JTB & JAB	0
9. HVAC improvements NW curtain, TJB	0
10. Audio Visual Conservation Center, Culpeper	([1])
11. Design: ADA requirements, LB&G	60,000
12. Design: Book conveyor system security	60,000
13. Design: Replace lighting dimmer system, JMMB	45,000
14. Design: Refuge areas & emergency lighting	145,000
15. High voltage switch gear, JMMB	442,000

[1] See below.

These funds include $3,000,000 which, together with $3,000,000 provided under the Capitol power plant, Architect of the Capitol, make $6 million available for improvements to the Culpeper audio-visual facility and the 42% retroactive water and sewer bill rate increase. These funds are not available until released by the Committees on Appropriations.

The conferees applaud the Architect of the Capitol for creating a Life Safety Program Division within his organization to address workplace safety, fire-protection and environmental concerns. The conferees believe that the Architect must consider the physical safety of the thousands who visit and work in the Capitol complex as one of his highest priorities.

The conferees note the five citations issued to the Architect on July 9, 1999, by the Office of Compliance for serious life-safety violations discovered during inspection of the James Madison Building in the aftermath of the April 30, 1999, fire. The Architect is directed to provide within 30 days to the Committees on Appropriations, the Committee on House Administration and the Senate Committee on Rules and Administration, both minority and majority, a report on all activities undertaken to abate the violations and prevent their recurrence in the Madison Building or elsewhere in the complex. The Architect is further directed to provide within 30 days to the Librarian and these committees, majority and minority, a reasonable, effective and efficient plan of action, including milestones/completion dates, to correct the hazards and deficiencies which the Librarian has identified.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

The conferees agree to a limitation of $175,000 for travel expenses within salaries and expenses, Superintendent of Documents, as proposed by the House instead of $150,000 as proposed by the Senate.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The conferees have deleted $5,000,000 as proposed by the Senate for air conditioning and elevator upgrades at the Government Printing Office. The GPO is reminded that building repair and renovation plans have not been presented to the authorizing committees.

The conferees agree to a 3,313 workyears limitation at the Government Printing Office as proposed by the House instead of 3,383 as proposed by the Senate. The conferees agree with the provision in the House bill regarding requests by the Public Printer for a different number of FTE's, subject to the approval of the Committees on Appropriations of the Senate and the House of Representatives.

ADMINISTRATIVE PROVISION

The conferees have authorized an increase in the threshold for advertised bids by the Government Printing Office from $25,000 to $100,000 as proposed by the House, thereby matching a threshold that is standard throughout the executive branch.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

Appropriates $379,000,000 for salaries and expenses, General Accounting Office instead of $371,181,000 as proposed by the House and $382,298,000 as proposed by the Senate. This level of funding will provide for 3275 FTE's. The conferees understand that the responsibilities for the Joint Financial Management Improvement Program (JFMIP) will be transferred from the General Accounting Office to the General Services Administration and have altered the routine provisions of the GAO appropriating language accordingly.

TITLE III—GENERAL PROVISIONS

In Title III, General Provisions, section numbers have been changed to conform to the conference agreement. The conferees have agreed to include section 305, a sense of Congress provision relating to purchase of American-made products and the technical corrections to the authority provided to the Architect of the Capitol to conduct a buyout program as proposed by the House.

The conferees have included a provision that amends section 316 of Public Law 101-302 as proposed by the Senate. The conferees have included language amending the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277) to substitute the Capitol Preservation Commission for several committees as the approval authority for the Capitol Visitor Center. The conferees have included language extending the availability of funds for the Trade Deficit Review Commission and have included a provision of the Senate bill regarding creditable service with congressional campaign committees. The provisions regarding West Front concerts and section 207(e) of Title 18 have been dropped. At the request of the managers on the part of the Senate, the conferees have added a provision regarding the use of frequent flyer miles earned through Senate travel.

TITLE IV—FISCAL YEAR 1999 SUPPLEMENTAL, LEGISLATIVE BRANCH, HOUSE OF REPRESENTATIVES

In addition, the conferees have included fiscal year 1999 matters as follows:

A death gratuity has been provided to the widow of George E. Brown, Jr., late a Representative from the State of California and a change has been made to a House Information Resources reimbursement ceiling.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2000 recommended by the Committee of Conference, with comparisons to the fiscal year 1999 amount, the 2000 budget estimates, and the House and Senate bills for 2000 follow:

[In thousands of dollars]

New budget (obligational) authority, fiscal year 1999	$2,581,152
Budget estimates of new (obligational) authority, fiscal year 2000	2,622,101
House bill, fiscal year 2000	1,862,153
Senate bill, fiscal year 2000	2,488,708
Conference agreement, fiscal year 2000	2,457,064
Conference agreement, compared with:	
New budget (obligational) authority, fiscal year 1999	−124,088
Budget estimates of new (obligational) authority, fiscal year 2000	−165,037
House bill, fiscal year 2000	+594,911
Senate bill, fiscal year 2000	−31,644

CHARLES H. TAYLOR,
ZACH WAMP,
JERRY LEWIS,
KAY GRANGER,
BILL YOUNG,
ED PASTOR,
JOHN P. MURTHA,
STENY H. HOYER,
DAVID OBEY
(except for the Russian exchange program),
Managers on the Part of the House.

ROBERT F. BENNETT,
TED STEVENS,
LARRY CRAIG,
THAD COCHRAN,
DIANNE FEINSTEIN,
RICHARD J. DURBIN,
ROBERT C. BYRD,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. REYES (at the request of Mr. GEPHARDT) for after 7 p.m. today and august 5 on account of attending a family funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE for 5 minutes, today.

Mr. HASTINGS of Florida for 5 minutes, today.

Mr. SPRATT for 5 minutes, today.

Mr. SHERMAN for 5 minutes, today.

Mr. SMITH of Washington for 5 minutes, today.

(The following Members (at the request of Mr. VITTER) to revise and extend their remarks and include extraneous material:)

Mrs. EMERSON for 5 minutes, today.

Mr. HOEKSTRA for 5 minutes, today.

Mr. VITTER for 5 minutes, today.

Mr. METCALF for 5 minutes, today.

Mr. SIMPSON for 5 minutes, August 5.

ADJOURNMENT

Mr. LINDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 40 minutes a.m.), the House adjourned until today.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3481. A letter from the Acting Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Performance of Certain Functions by the National Futures Association with Respect to Regulation 9.11—received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3482. A letter from the Deputy Under Secretary, National Resources and Environment, Department of Agriculture, transmitting the Department's final rule—Land Uses; Appeal of Decisions Relating to Occupancy and Use of National Forest System Lands; Mediation of Grazing Disputes (RIN: 0596–AB59) received July 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3483. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Gypsy Moth Generally Infested Areas [Docket No. 99–042–1] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3484. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hydrogen Peroxide; Exemption from the Requirement of a Tolerance [OPP–300872; FRL–6083–9] (RIN: 2070–AB78) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3485. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Propargite; Revocation of Certain Tolerances [OPP–300891; FRL–6089–7] (RIN: 2070–AB78) received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3486. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Dalapon, Fluchloralin, et al.; Various Tolerance Revocations [OPP–300841A; FRL–6093–6] (RIN: 2070–AB78) received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3487. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Biphenyl, Calcium cyanide, and Captafol, et al.; Final Tolerance Actions [OPP–300898; FRL–6092–7] (RIN: 2070–AB78) received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3488. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Bentazon, Cyanazine, Dicrotophos, Diquat, Ethephon, Oryzalin, Oxadiazon, Picloram, Prometryn, and Trifluralin; Tolerance Actions [Opp–300847A; FRL–6093–9] (RIN: 2070–AB78) received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3489. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Zinc Phosphide; Extension of Tolerance for Emergency Exemptions [OPP–300893; FRL–6090–9] (RIN: 2070–AB78) received July 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3490. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Formaldehyde; Revocation of Exemptions from the Requirement of Tolerances [OPP–300868A; FRL–6097–1] (RIN: 2070–AB78) received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3491. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fenbutatin oxide, Glyphosate, Linuron, and Mevinphos; Tolerance Actions [OPP–300906; FRL–6096–2] (RIN: 2070–AB78) received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3492. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Azoxystrobin; Pesticide Tolerances for Emergency Exemptions [OPP–300880; FRL–6086–9] (RIN: 2070–AB78) received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3493. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Spinosad; Pesticide Tolerances For Emergency Exemptions [OPP–300882; FRL–6086–7] (RIN: 2070–AB78) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3494. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pyriproxyfen; Extension of Tolerance for Emergency Exemptions [OPP–300901; FRL–6092–9] (RIN: 2070–AB78) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3495. A communication from the President of the United States, transmitting a request for appropriations in budget authority for the Department of Health and Human Services' Low Income Home Energy Assistance Program; (H. Doc. No. 106–111); to the Committee on Appropriations and ordered to be printed.

3496. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Electronic Publication of DFARS [DFARS Case 98–D024] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3497. A letter from the Director, Defense Porcurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Improved Accounting for Defense Contract Services [DFARS Case 98–D312] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3498. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Short Form Research Contract Clauses [DFARS Case 99–D014] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3499. A letter from the President and Chairman, Export-Import Bank, transmitting a report involving U.S. exports to South Africa, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

3500. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Asset and Liability Backup Program (RIN: 3064–AC23) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3501. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's final rule—Procedures (RIN: 3069–AA86) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3502. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Organization and Operations of Federal Credit Unions; Fidelity BOND and Insurance Coverage for Federal Credit Unions; Requirements for Insurance—received June 18, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3503. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Change in Official or Senior Executive officer in Credit Unions that are Newly Chartered or are in a Troubled Condition (RIN: 3133–AC03) received June 18, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3504. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Organization and Operation of Federal Credit Unions; Member Business Loans [12 C.F.R. Part 723] received June 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3505. A letter from the General Counsel, Corporation for National and Community Service, transmitting the Corporation's final rule—AmeriCorps Education Awards (RIN: 3045–AA09) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

3506. A letter from the Executive Director, Federal Labor Relations Authority, transmitting the Authority's final rule—Amendment of Equal Access to Justice Act Attorney Fees Regulations [5 CFR part 2430] received June 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

3507. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of

Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits; Correction—received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

3508. A letter from the Secretary of Energy, transmitting the fifteenth Annual Report on the activities and expenditures of the Office of Civilian Radioactive Waste Management, pursuant to 42 U.S.C. 10224(c); to the Committee on Commerce.

3509. A letter from the Director, Acquisition Policy and Programs, Office of the Secretary, Department of Commerce, transmitting the Department's final rule—Solicitation Provisions and Contract Clauses; Women-Owned Small Business Sources [Docket No. 981202294–8294–01] (RIN: 0605–AA13) received July 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3510. A letter from the Assistant General Counsel for Regulatory Law, Office of Hearings and Appeals, Department of Energy, transmitting the Department's final rule—Criteria and Procedure for DOE Contractor Employee Protection Program (RIN: 1901–AA78) received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3511. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Resources, transmitting the Department's final rule—Over-the-Counter Human Drugs; Labeling Requirements [Docket Nos. 98N–0337, 96N–0420, 95N–0259, and 90P–0201] (RIN: 0910–AA79) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3512. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—National Vaccine Injury Compensation Program: Addition of Vaccines Against Rotavirus to the Program (RIN: 0906–AA50) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3513. A letter from the Attorney, NHTSA, Department of Transportation, transmitting the Department's final rule—Motor Vehicle Content Labeling [Docket No. NHTSA–98–5064, Notice 2] (RIN: 2127–AH33) received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3514. A letter from the Trial Attorney, National Highway Traffic Safety Administration, Department of Transportation, transmitting the Department's final rule—Vehicle Certification; Contents of Certification Labels for Altered Vehicles [Docket No. NHTSA–99–5937] (RIN: 2127–AH49) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3515. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Maintenance Plan Revisions; Ohio [OH 125–1a; FRL 6375–6] received July 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3516. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Regulation of Fuels and Fuel Additives: Corrections to Standards and Requirements for Reformulated and Conventional Gasoline [FRL–6375–1] (RIN: 2060–AG76) received July 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3517. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Consumer and Commercial Products: Wood Furniture, Aerospace, and Shipbuilding and Ship Repair Coatings: Control Techniques Guidelines in Lieu of Regulations [AD–FRL–6375–2] (RIN: 2060–AG59) received July 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3518. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Classification of the San Francisco Bay Area Ozone Nonattainment Area for Congestion Mitigation and Air Quality (CMAQ) [CA–010–0001, FRL–6401–6] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3519. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; California—South Coast [CA—227–151; FRL–6378–2] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3520. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Indiana [IN96–1a; FRL 6401–9] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3521. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Maryland; Reasonably Available Control Technology Requirements for Major Sources of Nitrogen Oxides [MD 027–3038; FRL–6362–2] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3522. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Interim Final Stay of Action on Section 126 Petitions for Purposes of Reducing Interstate Ozone Transport [FRL 6364–4] (RIN: 2060–AH88) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3523. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Revised Format for Materials Being Incorporated by Reference for Missouri [MO 065–1065; FRL–6364–3] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3524. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Technical and Procedural Amendments to TSCA Regulations-Disposal of Polychlorinated Biphenyls (PCBs) [OPPTS–66009E; FRL–6072–4] (RIN: 2070–AC01) received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3525. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Approval and Promulgation of California State Implementation Plan for the San Joaquin Valley Unified Air Pollution Control District [CA 71–154a; FRL–6400–1] received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3526. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Priorities for Uncontrolled Hazardous Waste Sites [FRL–6401–5] received July 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3527. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; District of Columbia; 15 Percent Plan for the Metropolitan Washington, D.C. Ozone Nonattainment Area [DC25–2018a; FRL–6412–5] received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3528. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, South Coast Air Quality Management District and Yolo-Solano Air Quality Management District [CA 226–0159a FRL–6376–3] received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3529. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; Michigan [MI69–01–7277a; FRL–6357–3] received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3530. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Technical Correction to Partial Withdrawl of Direct Final Rule, "Protection of Stratospheric Ozone: Reconsideration of Petition Criteria and Incorporation of Montreal Protocol Decisions" [AD–FRL–6400–9] received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3531. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Air Quality Index Reporting [FRL–6409–7] (RIN: 2060–AH92) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3532. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Findings of Failure to Submit a Revised State Implementation Plan (SIP) for Lead; Missouri; Doe Run-Herculaneum Lead Nonattainment Area [Region VII Tracking No. MO–076–1076; FRL–6408–3] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3533. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hazardous Air Pollutants: Regulations Governing Constructed or Reconstructed Major Sources [AD–FRL–6369–6] (RIN: 2060–AD06) received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3534. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants:

Group I Polymers and Resins and Group IV Polymers and Resins [AD-FRL-6369-9] (RIN: 2060-AH47) received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3535. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan for Texas: Transportation Conformity Rule [TX-56-1-7391a; FRL-6372-6] received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3536. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Acquisition Regulation: Contractor Performance Evaluations [FRL-6409-6] received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3537. A letter from the Special Assistant Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Saltillo, Mississippi) [MM Docket No. 99-2 RM-9347] (Rozel, Kansas) [MM Docket No. 99-3 RM-9427] (New Castle, Colorado) [MM Docket No. 99-27 RM-9437] (Walden, Colorado) [MM Docket No. 99-29 RM-9439] (Aberdeen, Idaho) [MM Docket No. 99-30 RM-9443] (Palisade, Colorado) [MM Docket No. 99-31 RM-9444] (Rye, Colorado) [MM Docket No. 99-32 RM-9445] (Burdett, Kansas) [MM Docket No. 99-33 RM-9453] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3538. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Tecopa, California) [MM Docket No. 99-46 RM-9470] (Council Grove, Kansas) [MM Docket No. 99-47 RM-9471] (Carbondale, Colorado) [MM Docket No. 99-48 RM-9472] (El Jebel, Colorado) [MM Docket No. 99-49 RM-9473] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3539. A letter from the Secretary, Federal Trade Commission, transmitting the Report to Congress for 1997 Pursuant to the Federal Cigarette Labeling and Advertising Act, pursuant to 15 U.S.C. 1337(b); to the Committee on Commerce.

3540. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Secondary Direct Food Additives Permitted in Food for Human Consumption [Docket No. 98F-0894] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3541. A letter from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, Nuclear Regulatory Commission, transmitting the Commission's final rule—Monitoring the Effectiveness of Maintenance at Nuclear Power Plants (RIN: 3150-AF95) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3542. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Domestic Licensing of Special Nuclear Material; Possession of a Critical Mass of Special Nuclear Material (RIN: 3150-AF22) received July 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3543. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting a report entitled, "Consolidated Guidance About Materials Licenses"; to the Committee on Commerce.

3544. A letter from the Director, Office of Congressional Affairs, Office of Nuclear Material Safety and Safeguards, Nuclear Regulatory Commission, transmitting the Commission's final rule—Licensing Requirements for the Independent Storage of Spent Nuclear Fuel and High-Level Radioactive Waste (RIN: 3150-AF80) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3545. A letter from the Deputy Secretary, Securities and Exchange Commission, transmitting the Commission's final rule—Year 2000 Operational Capability Requirements for Registered Broker-Dealers and Transfer Agents [Release No. 34-41661; File No. S7-8-99] (RIN: 3235-AH61) received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3546. A letter from the Assistant Secretary for Export Administration, Department of Commerce, transmitting the Department's final rule—Revisions to the Export Administration Regulations; Commerce Control List: Revision to Categories 1,2,3,4,5,6,7,and 9 Based on Wassenaar Arrangement Review [Docket No. 990625176-9176-01] (RIN: 0694-AB86) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3547. A letter from the Assistant Secretary for Export Administration, Department of Commerce, transmitting the Department's final rule—Expansion of License Exception CIV Eligibility for "Microprocessors" Controlled by ECCN 3A001 [Docket No. 990701179-9179-01] (RIN: 0694-AB90) received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3548. A letter from the Bureau of Export Administration, Department of Commerce, transmitting the Department's final rule—Revision of High Performance Computer Licensing Policy [Docket No. 990709187-9187-01] (RIN: 0694-AB96) received July 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3549. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the text of ILO Recommendation No. 189 concerning General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises; to the Committee on International Relations.

3550. A letter from the Sr. Investment Specialist, Treasury Division, Army and Air Force Exchange Service, transmitting a report on the Annual Federal Pension Plans, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform.

3551. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions and Deletion—received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3552. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions and Deletion—received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3553. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions to and Deletions from the Procurement List—received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3554. A letter from the Alternate OSD Federal Register Liaison Officer, Department of Defense, transmitting the Department's final rule—Implementation of Wildfire Suppression Aircraft Transfer Act of 1996 (Pub. L. 104-307) (RIN: 0790-AG68) received May 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3555. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—General Services Administration Acquisition Regulation; Reissuance of 48 CFR Chapter 5 (RIN: 3090-AE90) received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3556. A letter from the General Counsel, Office of Management and Budget, transmitting notification of two recent actions relating to vacancies in OMB; to the Committee on Government Reform.

3557. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Career Transition Assistance for Surplus and Displaced Federal Employees (RIN: 3206-AI39) received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3558. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Positions Restricted to Preference Eligibles (RIN: 3206-AI69) received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3559. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—North Dakota Regulatory Program [SPATS No. ND-039-FOR, Amendment No. XXVIII] received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3560. A letter from the Acting Chair, Federal Subsistence Board, Fish and Wildlife Service, transmitting the Service's final rule—Subsistence Management Regulations for Public Lands in Alaska, Subparts A, B, C, And D, Redefinition to Include Waters Subject to Subsistence Priority; Correction (RIN: 1018-AD68) received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3561. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Eastern Aleutian District of the Bering Sea and Aleutian Islands [Docket No. 990304063-9063-01; I.D. 070999A] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3562. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Central Regulatory Area of the Gulf of Alaska [Docket No. 990304062-9062-01; I.D. 070999B] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3563. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Highly Migratory Species Fisheries; Atlantic Bluefin Tuna [I.D. 060399A] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3564. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Tuna Fisheries; Atlantic Bluefin Tuna [I.D. 062599B] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3565. A letter from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; Western Pacific Crustacean Fisheries; Bank-Specific Harvest Guidelines [Docket No. 990630177–9177–01; I.D. 51099A] (RIN: 0648–AK61) received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3566. A letter from the Deputy Assistant Administrator For Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; Western Pacific Crustacean Fisheries; 1999 Bank-Specific Harvest Guidelines [Docket No. 990630178–9178–01; I.D. 062499A] (RIN: 0648–XA31) received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3567. A letter from the Fisheries Biologist, Office of Protected Resources, PR3, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Endangered and Threatened Wildlife and Plants; 90-Day Finding for a Petition to List Barndoor Skate ("Rajalaevis") as Threatened or Endangered [Docket No. 990614160–9160–01; I.D. 061199C] received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3568. A letter from the General Counsel, Presidio Trust, transmitting the Trust's final rule—Management of the Presidio: Environmental Quality (RIN: 3212–AA02) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3569. A letter from the Chief Justice, Supreme Court of the United States, transmitting a copy of the Report of the Proceedings of the Judicial Conference of the United States, held in Washington D.C., on March 16, 1999, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

3570. A letter from the Treasurer, Congressional Medal of Honor Society, transmitting the annual financial report of the Society for calendar year 1998, pursuant to 36 U.S.C. 1101(19) and 1103; to the Committee on the Judiciary.

3571. A letter from the Accounting Admin. Supervisor, Daughters of the American Revolution, transmitting the report of the audit of the Society for the fiscal year ended February 28, 1999, pursuant to 36 U.S.C. 1101(20) and 1103; to the Committee on the Judiciary.

3572. A letter from the Assistant Secretary, Legislative Affairs, Department of the State, transmitting the Department's final rule—VISAS: Documentation of Nonimmigrants Under the Immigration and Nationality Act, as Amended—Border Crossing Cards [Public Notice 2976] received July 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3573. A letter from the Assistant Attorney General, Office of Justice Programs, Department of Justice, transmitting the Department's final rule—Timing of Police Corps Reimbursements of Educational Expenses [OJP(OJP)–1205] (RIN: 1121–AA50) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3574. A letter from the Director, Policy Directives and Instructions Branch, Department of Justice, transmitting the Department's final rule—Extending the Period of Duration of Status for Certain F and J Nonimmigrant Aliens [INS 1992–99] (RIN: 1115–AF47) received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3575. A letter from the Principal Deputy Director, Office of Community Oriented Policing Services, Department of Justice, transmitting the Department's final rule—FY 1998 Police Recruitment Program (RIN: 1105–AA58) received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3576. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Sanford, NC [Airspace Docket No. 99–ASO–7] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3577. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class D and Class E Airspace; San Juan, PR. [Airspace Docket No. 9–ASO–6] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3578. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737–700 and -800 Series Airplanes [Docket No. 99–NM–133–AD; Amendment 39–11213; AD 99–13–51] (RIN: 2120–AA64) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3579. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule— Airworthiness Directives; SAAB Model SAAB 2000 Series Airplanes [Docket No. 98–NM–350–AD; Amendment 39–11232; AD 99–15–12] (RIN: 2120–AA64) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3580. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Sikorsky Aircraft-Manufactured Model CH–54B Helicopters [Docket No. 97–SW–59–AD; Amendment 39–11235; AD 99–15–14] (RIN: 2120–AA64) received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3581. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Alexander Schleicher Segelflugzeugbau Model ASH 26E Sailplanes [Docket No. 99–CE–06–AD; Amendment 39–11234; AD 99–15–13] (RIN: 2120–AA64) received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3582. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal Inc. (formerly Textron Lycoming) Model ALF502R–5 and ALF502R–3A Turbofan Engines [Docket No. 98–ANE–42–AD; Amendment 39–11225; AD 99–15–06] (RIN: 2120–AA64) received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3583. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of VOR Federal Airways; WA [Airspace Docket No. 97–ANM–23] (RIN: 2120–AA66) received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3584. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Parsons, KS [Airspace Docket No. 99–ACE–36] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3585. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Lawrence, KS [Airspace Docket No. 99–ACE–35] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3586. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Grain Valley, MO [Airspace Docket No. 99–ACE–28] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3587. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Perry, OK [Airspace Docket No. 99–ASW–15] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3588. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Center, TX. [Airspace Docket No. 99–ASW–14] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3589. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Galveston, TX [Airspace Docket No. 99–ASW–09] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3590. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Shreveport, LA. [Airspace Docket No. 99–ASW–10] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3591. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Decorah, IA [Airspace Docket No. 99–ACE–19] received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3592. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the

Department's final rule—Change Name of Using Agency for Restricted Areas R-2102A, R-2102B, and R2102C; AL [Airspace Docket No. 98-ASO-11] (RIN: 2120-AA66) received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3593. A letter from the Deputy Assistant General Counsel, Department of Transportation, transmitting the Department's final rule—Nondiscrimination on the Basis of Disability in Air Travel; Compensation for Damage to Wheelchairs and Other Assistance Devices (RIN: 2105-AC77) received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3594. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29666; Amdt. No. 1942] received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3595. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29665; Amdt. No. 1941] received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3596. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29667; Amdt. No. 1943] received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3597. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Technical Amendments; Organizational Changes; Miscellaneous Editorial Changes and Conforming Amendments [USCG-1999-5832] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3598. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Proposed Establishment of Class E Airspace; Imperial County, CA [Airspace Docket No. 98-AWP-33] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3599. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Legal Description of the Class D Airspace; Cincinnati, OH [Airspace Docket No. 99-AGL-25] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3600. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Indianapolis, IN; and Revocation of Class E Airspace; Greenwood, IN [Airspace Docket No. 99-AGL-26] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3601. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Barnesville, OH [Airspace Docket No. 99-AGL-24] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3602. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt & Whitney JT9D Series Turbofan Engines [Docket No. 98-ANE-31-AD; Amendment 39-11221; AD 99-15-02] (RIN: 2120-AA64) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3603. A letter from the Attorney, Research and Special Programs Administration, Department of Transportation, transmitting the Department's final rule—Pipeline Safety: Adoption of Consensus for Breakout Tanks [Docket No. RSPA-97-2095; Amendment 195-66] (RIN: 2137-AC11) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3604. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Minden, NV [Airspace Docket No. 97-AWP-16] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3605. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment of VOR Federal Airways; Kahului, HI [Airspace Docket No. 97-AWP-35] (RIN: 2120-AA66) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3606. A letter from the Senior Analyst, Office of the Secretary, Department of Transportation, transmitting the Department's final rule—Exemptions Form Passenger Tariff-Filing Requirements in Certain Instances [Docket No. OST-97-2050; Notice No. 97-1] (RIN: 2105-AC61) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3607. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fireworks, Parade of Lights, Boston, MA [CGD01-99-110] (RIN: 2115-AA97) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3608. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; North Platte, NE [Airspace Docket No. 99-ACE-33] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3609. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Hampton Offshore Challenge, Chesapeake Bay, Hampton, Virgina [CGD 05-99-038] (RIN: 2115-AE46) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3610. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Independence Day Celebration, Cumberland River mile 190.0-191.0, Nashville, TN [CGD08-99-036](RIN: 2115-AE46) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3611. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Safety Zone: 4th of July Fireworks, Charles River Esplanade, Boston, MA [CGD01-99-057] (RIN: 2115-AA97) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3612. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Safety Zone: New York Super Boat Race, Hudson River, New York [CGD01-98-175] (RIN: 2115-AA97) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3613. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Fort Point Channel, MA [CGD01-98-173] (RIN: 2115-AE47) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3614. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Riverfest '99, Tennessee River, Mile Marker 140.0-141.0, Parsons, TN [CGD08-99-038] (RIN: 2115-AE46) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3615. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Riverbend Festival, Tennessee River mile 463.5 to 464.5, Chattanooga, TN [CGD08-99-037] (RIN: 2115-AE46) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3616. A letter from the Chief, Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting the Department's final rule—Special local Regulations for Marine Events; Sharptown Outboard Regatta, Nanticoke River, Sharptown, Maryland [CGD 05-99-037] (RIN: 2115-AE46) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3617. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Escobas, TX [Airspace Docket No. 99-ASW-05] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3618. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives;

Bell Helicopter Textron Canada (BHTC) Model 206L–4 Helicopters [Docket No. 98–SW–66–AD; Amendment 39–11196; AD 99–13–03] (RIN: 2120–AA64) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3619. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model AS 332C, L, L1, and L2 Helicopters [Docket No. 99–SW–17–AD; Amendment 39–11195; AD 99–13–02] (RIN: 2120–AA64) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3620. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Guthrie, OK; [Airspace Docket No. 99–ASW–06] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3621. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Shawnee, OK [Airspace Docket No. 99–ASW–07] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3622. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Procedures for Protests and Contract Disputes; Amendment of Equal Access to Justice Act Regulations [Docket No. FAA–1998–4379; Amendment No. 14–03 17–01] (RIN: 2120–AG19) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3623. A letter from the Senior Attorney, Office of the Secretary, Department of Transportation, transmitting the Department's final rule—Petitions Involving the Effective Dates of the Disclosure Code-Sharing Arrangements and Long-Term Wet Leases Final Rule CFR Part 257, and the Disclosure of Change-of-Guage Services Final Rule, 14 CFR Part 258 [Docket Nos. OST–95–179, OST–95–623, and OST–95–177] (RIN: 2105–AC10, 2105–AC17) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3624. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Pollutant Discharge Elimination System Permit Application Requirements for Publicly Owned Treatment Works and Other Treatment Works Treating Domestic Sewage [FRL–6401–2] (RIN: 2040–AB39) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3625. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Ocean Dumping; Amendment of Site Designation [FRL–6377–3] received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3626. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Standards for the Use or Disposal of Sewage Sludge [FRL–6401–3] (RIN: 2040–AC25) received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3627. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Conduct at the Mt. Weather Emergency Assistance Center and at the National Emergency Training Center [64 FR 31136] (RIN: 3067–AC83) received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3628. A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Effective Date for Reducing Educational Assistance (RIN: 2900–AJ39) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3629. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—VA Acquisition Regulation: Taxes (RIN: 2900–AJ32) received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3630. A letter from the Chief, Regulations Branch, Customs Service, transmitting the Service's final rule—Exemption of Originating Mexican Goods From Certain Customs User Fees [TD 99–61] (RIN: 1515–AC47) received July 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3631. A letter from the Chief, Regulations Unit, Department of the Treasury, transmitting the Department's final rule—Employment Tax Deposits—De Minimis Rule (RIN: 1545–AW28) received June 21, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A); to the Committee on Ways and Means.

3632. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Implementation of Section 403(a)(2) of Social Security Act Bonus to Reward Decrease in Illegitimacy Ratio (RIN: 0970–AB79) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3633. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Child Support Enforcement Program; Standards for Program Operations (RIN: 0970–AB82) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3634. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Child Support Enforcement Program; State Plan Requirements, Standards for Program Operations, and Federal Financial Participation (RIN: 0970–AB69) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3635. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Early Referal Of Issues To Appeals—received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3636. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Returns Relating to Payments of Qualified Tuition and Related Expenses; and Returns Relating to Payments of Interest on Education Loans [Notice 99–37] received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3637. A letter from the Acting Associate Chief, Forest Service, Department of Agriculture, transmitting an annual report of Forest Service accomplishments; jointly to the Committees on Agriculture and Resources.

3638. A letter from the Director, Defense Security Cooperation Agency, transmitting the transfer of up to $100M in defense articles and services to the Government of Bosnia-Herzegovina; jointly to the Committees on International Relations and Appropriations.

3639. A letter from the Secretary of Defense, transmitting a report on the objectives and endpoints of contingency operations involving over 500 US military personnel for which supplemental appropriations are requested; jointly to the Committees on International Relations and Armed Services.

3640. A letter from the Deputy Secretary, Department of Housing and Urban Development, transmitting a report entitled, "HUD Procurement Reform: Substantial Progress Underway"; jointly to the Committees on Government Reform and Banking and Financial Services.

3641. A letter from the Secretary of the Treasury, transmitting the first Semiannual Report to Congress prepared by the Office of the Treasury Inspector General for Tax Administration (TIGTA) for the period ending March 31, 1999; jointly to the Committees on Government Reform and Ways and Means.

3642. A letter from the Secretary of Transportation, transmitting the First Edition of the U.S. Department of Transportation's Transportation Research and Development Plan; jointly to the Committees on Transportation and Infrastructure and Science.

3643. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Hospice Wage Index [HCFA–1054–N] (RIN: 0938–AJ62) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

3644. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2000 Rates [HCFA–1053–F] (RIN: 0938–AJ50) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

3645. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Health Care Programs: Fraud and Abuse; Revised OIG Sanction Authorities Resulting From Public Law 105–33 (RIN: 0991–AA95) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

3646. A letter from the Chairman, Board of Governors of the Federal Reserve, Chairperson, Commodity Futures Trading Commission, Secretary of the Treasury, Chairman, Securities transmitting the report of the President's Working Group on Financial Markets on Hedge Funds, Leverage, and the Lessons of Long-Term Capital Management (LTCM); jointly to the Committees on Banking and Financial Services, Commerce, and Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calender, as follows:

Mr. YOUNG of Florida: Committee on Appropriations. Report on the Revised Suballocation of Budget Allocations for Fiscal Year 2000 (Rept. 106–288). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee of Conference. Conference report on H.R. 2488. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes (Rept. 106–289) Ordered to be printed.

Mr. TAYLOR of North Carolina: Committee of Conference. Conference report on H.R. 1905. A bill making appropriations for the Legislative Branch of the fiscal year ending September 30, 2000, and for other purposes (Rept. 106–290). Ordered to be printed.

Mr. LINDER: Committee on Rules. House Resolution 274. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes (Rept. 106–291). Referred to the House Calendar.

Mr. PRYCE of Ohio: Committee on Rules. House Resolution 275. Resolution providing for consideration of the bill (H.R. 2684) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106–292). Referred to the House Calendar.

Mr. REYNOLDS: Committee on Rules. House Resolution 276. Resolution providing for consideration of the bill (S. 1467) to extend the funding levels for aviation programs for 60 days (Rept. 106–293). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. DAVIS of Virginia:

H.R. 2696. A bill to amend title 5, United States Code, to provide for more equitable policies relating to overtime pay for Federal employees and the accumulation and use of credit hours; to the Committee on Government Reform.

By Mr. MANZULLO:

H.R. 2697. A bill to amend title 38, United States Code, to establish a presumption of service connection for purposes of veterans benefits for certain chronic symptoms occurring in veterans who served in the Persian Gulf War; to the Committee on Veterans' Affairs.

By Mr. DREIER (for himself, Mr. Davis of Virginia, Ms. Dunn, and Mr. Rogan):

H.R. 2698. A bill to promote economic growth and opportunity by increasing the level of visas available for highly specialized scientists and engineers and by eliminating the earnings penalty on senior citizens who continue to work after reaching retirement age; to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BISHOP (for himself, Mr. Lewis of Georgia, and Mr. Chambliss):

H.R. 2699. A bill to designate the United States courthouse located at 223 Broad Street in Albany, Georgia, as the "C.B. King United States Courthouse"; to the Committee on Transportation and Infrastructure.

By Mr. JACKSON of Illinois:

H.R. 2700. A bill to require that United States supported clinical research that is conducted in sub-Saharan African countries be conducted in accordance with the most protective ethical standards regarding the use of human research subjects, and to prohibit the revocation or revision of intellectual property or competition laws or policies of sub-Saharan African countries that are designed to promote access to pharmaceuticals or other medical technologies; to the Committee on International Relations.

By Mr. HYDE:

H.R. 2701. A bill to amend title 28, United States Code, to provide remedies for losses occasioned by unreasonable delay in the processing of certain Federal Communications Commission licenses; to the Committee on the Judiciary.

By Mrs. LOWEY (for herself, Mrs. Morella, Mrs. Roukema, Ms. Norton, Mr. Serrano, Mr. Shays, Mr. Cummings, Mr. Hinchey, Ms. Kilpatrick, Mr. Rothman, Ms. Kaptur, Mr. Crowley, Mr. Nadler, Mr. Martinez, Ms. Rivers, Mr. Weiner, Ms. Lofgren, Mr. Lewis of Georgia, Ms. Lee, Mr. Lantos, Mr. Menendez, Mr. Vento, and Mr. Kucinich):

H.R. 2702. A bill to reestablish the Office of Noise Abatement and Control in the Environmental Protection Agency, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MINGE:

H.R. 2703. A bill to ensure that land enrolled in the land conservation program of the State of Minnesota known as Reinvest in Minnesota remains eligible for enrollment in the conservation reserve upon the expiration of the Reinvest in Minnesota contract; to the Committee on Agriculture.

H.R. 2704. A bill to amend the Agricultural Act of 1949 to restore and improve the farmer owned reserve program, to extend the term of marketing assistance loans made under the Agricultural Market Transition Act, and for other purposes; to the Committee on Agriculture.

By Mr. NEAL of Massachusetts:

H.R. 2705. A bill to amend the Internal Revenue Code of 1986 to prevent the avoidance of gain recognition through swap funds; to the Committee on Ways and Means.

By Mr. WEINER:

H.R. 2706. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and chapter 5, United States Code, to require coverage for the treatment of infertility; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WU:

H.R. 2707. A bill to amend the Older Americans Act of 1965 to establish pension counseling programs, and for other purposes; to the Committee on Education and the Workforce.

By Mrs. BIGGERT (for herself, Mr. McIntosh, Mr. Foley, Mr. Greenwood, and Mr. Barcia):

H.R. 2708. A bill to amend the Victims of Child Abuse Act of 1990 to require electronic communication service providers to report child pornography violations to the Cyber Tip Line at the National Center for Missing and Exploited Children; to the Committee on Education and the Workforce.

By Mr. GOODLATTE (for himself, Mr. LaHood, Mr. Moran of Kansas, Mr. Calvert, Mr. Bachus, Mr. Simpson, Mr. Martinez, Mr. Goode, and Mrs. Emerson):

H.R. 2709. A bill to amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portablility applicable to electronic food stamp benefit transactions; to the Committee on Agriculture.

By Mr. HEFLEY:

H.R. 2710. A bill to establish the National Law Enforcement Museum on Federal land in the District of Columbia; to the Committee on Resources.

By Mrs. KELLY (for herself, Mr. Gilman, and Mr. Sweeney):

H.R. 2711. A bill to amend section 4531(c) of the Balanced Budget Act of 1997 to permit payment for ALS intercept services furnished in areas other than rural areas, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROMERO-BARCELO (for himself, Mr. Rangel, Mr. McDermott, Mr. Young of Alaska, Mr. Towns, and Mr. McCrery):

H.R. 2712. A bill to amend title XVIII of the Social Security Act to increase the percentage of the national rate payable for inpatient hospitals services applicable to hospitals located in Puerto Rico to 100 percent; to the Committee on Ways and Means.

By Mr. CHABOT (for himself, Ms. Ros-Lehtinen, Mr. Salmon, Mr. Barcia, Mr. Sessions, Mr. Brady of Texas, Ms. Pryce of Ohio, Mr. LoBiondo, Mrs. Bono, Mr. Shadegg, Mr. Smith of New Jersey, Mr. Horn, Mr. Cunningham, Mr. Green of Wisconsin, Mr. LaTourette, Mr. LaHood, Ms. Granger, Mr. Gallegly, Mr. Gekas, Mr. DeLay, Mr. Young of Alaska, Mr. Moran of Virginia, Mr. Foley, and Mrs. Myrick):

H.J. Res. 64. A joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims; to the Committee on the Judiciary.

By Mr. SESSIONS (for himself, Mr. Doolittle, Mr. Armey, Mr. Barton of Texas, Mr. Boehner, Mr. Bonilla, Mr. Brady of Texas, Mr. Burr of North Carolina, Mr. Burton of Indiana, Mr. Chambliss, Mrs. Chenoweth, Ms. Dunn, Mr. Goode, Mr. Hall of Texas, Mr. Hansen, Mr. Hastings of Washington, Mr.

Hayworth, Mr. Hostettler, Mr. Istook, Mr. Sam Johnson of Texas, Mr. Lewis of California, Mr. Linder, Mr. Lucas of Oklahoma, Mr. McInnis, Mr. McIntosh, Mr. Mica, Mr. Gary Miller of California, Mr. Ney, Mr. Ose, Mr. Paul, Mr. Pease, Mr. Peterson of Minnesota, Mr. Pombo, Mr. Rogan, Mr. Schaffer, Mr. Shadegg, Mr. Shimkus, Mr. Sweeney, Mr. Tancredo, Mr. Terry, Mr. Tiahrt, Mr. Watts of Oklahoma, Mr. Wicker, Mr. Reynolds, Mr. Cook, and Mrs. Myrick):

H. Con. Res. 172. Concurrent resolution expressing the sense of Congress in opposition to a "bit tax" on Internet data proposed in the Human Development Report 1999 published by the United Nations Development Programme; to the Committee on International Relations.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

205. The SPEAKER presented a memorial of the Senate of the State of Louisiana, relative to Senate Concurrent Resolution No. 60 memorializing Congress to restore National Resource Conservation Service's budget in order that it can continue to serve the conservation and environmental needs of Louisiana; to the Committee on Agriculture.

206. Also, a memorial of the Senate of the State of Louisiana, relative to Senate Concurrent Resolution No. 42 memorializing Congress to proclaim the first week in August of each year as "National Week of Prayer for Schools"; to the Committee on Government Reform.

207. Also, a memorial of the Senate of the State of Louisiana, relative to Senate Concurrent Resolution No. 12 memorializing Congress to pursue viable alternatives to the current Turtle Excluder Device regulations; to the Committee on Resources.

208. Also, a memorial of the Senate of the State of Louisiana, relative to Senate Concurrent Resolution No. 136 memorializing Congress to pass the Flag Protection Amendment, an amendment to the Constitution of the United States giving Congress the authority to pass laws protecting the United States flag from desecration; to the Committee on the Judiciary.

209. Also, a memorial of the Senate of the State of Louisiana, relative to Senate Concurrent Resolution No. 30 memorializing Congress to authorize and to urge the governor of the state of Louisiana to support the development of the "Comprehensive Hurricane Protection Plan for Coastal Louisiana" by the U.S. Army Corps of Engineers to provide continuous hurricane protection from Morgan City to the Mississippi border; to the Committee on Transportation and Infrastructure.

210. Also, a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 55 memorializing Congress on voluntary, individual, unorganized, and nonmandatory prayer in public schools; jointly to the Committees on Education and the Workforce and the Judiciary.

211. Also, a memorial of the Senate of the State of Louisiana, relative to Senate Concurrent Resolution No. 59 memorializing Congress to take certain actions to guarantee all monies due to states from any tobacco industry settlement, agreement, or judgment be paid in full to such states and to prohibit any activities that would result in reducing the amount of funds available to the states from any tobacco industry settlement, agreement, or judgment; jointly to the Committees on Commerce and Ways and Means.

212. Also, a memorial of the Senate of the State of Louisiana, relative to Senate Resolution No. 51 memorializing Congress to adopt legislation which would allow the sale of food and other humanitarian aid to the people of Cuba; jointly to the Committees on International Relations and Agriculture.

213. Also, a memorial of the Senate of the State of Louisiana, relative to Senate Concurrent Resolution No. 124 memorializing Congress to provide funding for the construction of the Big Creek Recreation Access Project; jointly to the Committees on Resources and Agriculture.

214. Also, a memorial of the House of Representatives of the State of Michigan, relative to House Concurrent Resolution No. 27 and House Resolution No. 51 memorializing Congress to investigate the issue of apple juice concentrate from other countries being sold in the American Market at prices below cost; jointly to the Committees on Ways and Means and Agriculture.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 9: Mr. McHugh.

H.R. 44: Mr. Walsh.

H.R. 61: Mr. Lampson.

H.R. 86: Mr. Diaz-Balart.

H.R. 123: Mr. Bartlett of Maryland.

H.R. 170: Mr. Royce

H.R. 191: Ms. Pryce of Ohio.

H.R. 303: Ms. McKinney.

H.R. 316: Mr. Delahunt.

H.R. 353: Mr. DeFazio, Mr. Pomeroy, Mr. Salmon, Mr. Wise, Ms. Baldwin, Mr. Smith of Washington, and Mr. Gordon.

H.R. 355: Mr. Smith of New Jersey.

H.R. 405: Mr. Neal of Massachusetts, Mr. Gekas, Mr. Pickett, and Mr. Holt.

H.R. 415: Mr. McGovern.

H.R. 453: Mr. Clement, Ms. Kilpatrick, Mr. George Miller of California, Mrs. Emerson, Mr. Allen, and Mr. Smith of Washington.

H.R. 488: Mr. Sherman.

H.R. 501: Mrs. Northup.

H.R. 516: Mrs. Cubin.

H.R. 531: Mr. Vitter.

H.R. 648: Mr. McHugh.

H.R. 714: Mr. Baird, Mr. Davis of Illinois, Mr. Kind, and Mr. Serrano.

H.R. 731: Mr. Kucinich.

H.R. 750: Mr. Wu, Ms. Eshoo, Mr. Waxman, and Mr. Pickett.

H.R. 783: Mr. Ney and Mr. Jones of North Carolina.

H.R. 802: Mr. Minge, Mr. Crowley, Mr. Larson, Mr. Wu, and Mr. Capuano.

H.R. 845: Mr. Dingell.

H.R. 915: Mr. Wise and Mr. Shays.

H.R. 919: Mr. Gutierrez.

H.R. 976: Mr. Smith of Washington and Ms. Stabenow.

H.R. 997: Mr. Hilliard.

H.R. 1032: Mr. Shows.

H.R. 1063: Mr. Andrews.

H.R. 1070: Mr. Kolbe and Mr. Vitter.

H.R. 1111: Mrs. Napolitano and Mr. Phelps.

H.R. 1149: Mr. Waxman.

H.R. 1180: Mr. Blagojevich and Mr. Lipinski.

H.R. 1221: Mr. Bereuter and Mr. Gekas.

H.R. 1222: Mr. Tierney.

H.R. 1288: Mr. McNulty.

H.R. 1298: Mr. Bonior.

H.R. 1325: Mr. Lucas of Kentucky.

H.R. 1337: Mr. Wexler and Mr. Rogers.

H.R. 1344: Mr. Hastings of Florida.

H.R. 1354: Mr. Kelly, Mr. Terry, and Ms. Dunn.

H.R. 1356: Mr. Sherman and Mr. Salmon.

H.R. 1358: Mr. Gordon.

H.R. 1445: Mr. Olver and Mrs. Mink of Hawaii.

H.R. 1482: Mr. Waxman.

H.R. 1491: Mr. Smith of Washington and Mr. Olver.

H.R. 1504: Mr. LaTourette.

H.R. 1507: Mr. Simpson.

H.R. 1577: Mr. Hunter and Mr. Riley.

H.R. 1581: Mr. Coyne, Mr. Davis of Illinois, Mr. Gallegly, Mr. Goss, and Mr. Hastings of Florida.

H.R. 1622: Mr. Smith of Washington.

H.R. 1629: Mr. Deal of Georgia and Mr. Phelps.

H.R. 1644: Mrs. Christensen and Mr. Sandlin.

H.R. 1650: Mr. Gary Miller of California, Mr. Blagojevich, Mr. Ackerman, Mr. Hobson, and Mr. Young of Alaska.

H.R. 1685: Mr. Gary Miller of California.

H.R. 1731: Mr. Hutchinson and Mr. Pickering.

H.R. 1747: Mr. Hostettler, Mr. Vitter, and Mr. Terry.

H.R. 1788: Mr. Menendez and Mr. Smith of Washington.

H.R. 1812: Mr. Kucinich.

H.R. 1838: Mr. Berman and Mr. Kleczka.

H.R. 1849: Mr. Owens.

H.R. 1857: Mr. Pickering.

H.R. 1862: Mr. Brown of Ohio and Mr. Boswell.

H.R. 1863: Mr. Baird.

H.R. 1883: Mr. Leach, Mr. Souder, Mr. Iasakson, Mr. Tanner, Mr. Kolbe, Mr. Calvert, Mr. Cramer, Mr. Coyne, Mr. Pickering, Mr. Barcia, Mr. Sisisky, Mrs. Meek of Florida, Mr. Franks of New Jersey, Mrs. Jones of Ohio, Mr. Smith of Michigan, Mr. Allen, Ms. Brown of Florida, Mr. Inslee, Mr. Moore, Mr. Larson, Mr. Luther, Mr. Sanford, Mr. Kuykendall, Mr. Ryun of Kansas, Mr. Chabot, and Mr. Oberstar.

H.R. 1887: Mr. Burton of Indiana, Mr. Horn, Mr. Smith of Texas, and Mr. Cunningham.

H.R. 1926: Mrs. Morella, Mr. Linder, Mr. Cook, Mr. Manzullo, Mr. Green of Wisconsin, and Mr. Sisisky.

H.R. 1933: Mr. Gary Miller of California, Mr. Goode, Mr. Hutchinson, Mr. Hansen, and Mr. LaHood.

H.R. 1983: Mrs. Christensen.

H.R. 2056: Mr. Andrews.

H.R. 2120: Ms. Jackson-Lee of Texas, Mr. Ackerman, Mr. Jackson of Illinois, Mr. Meehan, Ms. Waters, Ms. Kaptur, Ms. Stabenow, Mr. Davis of Florida, Mr. Lewis of Georgia, Mr. Wu, Mr. Wexler, and Mr. Gejdenson.

H.R. 2130: Mr. Waxman, Mr. Horn, Mr. Hobson, Mr. Nethercutt, Mr. Bass, and Mr. Kingston.

H.R. 2283: Mr. Kucinich.

H.R. 2286: Ms. Lofgren.

H.R. 2289: Mr. English, Mr. Skeen, Mrs. Capps, Mr. Souder, Mr. Hastings of Washington, and Mr. Goss.

H.R. 2303: Mr. Gillmor, Mr. Burton of Indiana, Mr. Gekas, Mr. Ortiz, Mr. Bartlett of Maryland, Mr. Smith of Texas, and Mr. Fletcher.

H.R. 2305: Mr. Fattah.

H.R. 2340: Mr. Deal of Georgia and Mr. Norwood.

H.R. 2344: Ms. LEE and Mr. GREEN of Texas.

H.R. 2356: Mrs. FOWLER.

H.R. 2357: Mr. KASICH and Mr. REGULA.

H.R. 2386: Mr. FILNER and Mr. GEORGE MILLER of California.

H.R. 2409: Mr. HINOJOSA.

H.R. 2420: Mr. BARTLETT of Maryland and Mr. CALLAHAN.

H.R. 2434: Mr. HEFLEY and Ms. PRYCE of Ohio.

H.R. 2446: Mr. GONZALEZ and Mr. KENNEDY of Rhode Island.

H.R. 2491: Mrs. CLAYTON, Mr. BARTLETT of Maryland, and Mr. GREENWOOD.

H.R. 2498: Mr. PICKERING and Mr. PRICE of North Carolina.

H.R. 2527: Mr. GREEN of Wisconsin.

H.R. 2532: Mr. MCKEON.

H.R. 2539: Ms. ESHOO.

H.R. 2548: Mrs. JOHNSON of Connecticut, Mr. BALDACCI, Mr. HINCHEY, and Mrs. MCCARTHY of New York.

H.R. 2573: Mr. WEXLER.

H.R. 2586: Mr. RAHALL and Mr. STUPAK.

H.R. 2687: Mr. FROST.

H. Con. Res. 34: Mr. PRICE of North Carolina.

H.Con. Res. 60: Mr. CALVERT, Mr. TOOMEY, Mr. KIND, Mr. KENNEDY of Rhode Island, and Mr. GUTIERREZ.

H. Con. Res. 80: Mr. SNYDER, Mr. MCINTYRE, and Ms. DEGETTE.

H. Con. Res. 120: Mr. LIPINSKI, Mr. DEFAZIO, Mrs. MYRICK, Mr. KUYKENDALL, Mr. MOORE, Mr. HYDE, and Mr. CAMP.

H. Con. Res. 124: Ms. NORTON and Mr. WATT of North Carolina.

H. Con. Res. 128: Ms. STABENOW, Mr. FOSSELLA, Mr. OBERSTAR, and Ms. PRYCE of Ohio.

H. Res. 134: Mr. BURTON of Indiana, Mr. CAMPBELL, Mr. JACKSON of Illinois, Mrs. MCCARTHY of New York, Mrs. MORELLA, Mr. PACKARD, Mr. SCARBOROUGH, Mr. SCHAFFER, Mr. TOWNS, Mr. UDALL of Colorado, and Mr. WAXMAN.

H. Res. 187: Mr. COSTELLO.

H. Res. 203: Mrs. KELLY, Mr. HILLEARY, and Mr. GARY MILLER of California.

H. Res. 238: Mr. KOLBE and Mr. SMITH of New Jersey.

H. Res. 268: Mr. ENGLISH and Ms. DUNN.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2670

OFFERED BY: MR. EHLERS

AMENDMENT NO. 22: Page 53, line 26, after the dollar amount insert "(increased by $390,000)".

Page 54, line 12, after the dollar amount insert "(increased by $390,000)".

Page 54, line 13, after the dollar amount insert "(increased by $390,000)".

Page 54, line 18, after the dollar amount insert "(increased by $390,000)".

Page 56, line 9, after the dollar amount insert "(reduced by $390,000)".

H.R. 2670

OFFERED BY: MR. STEARNS

AMENDMENT NO. 23. On page 72, 5 strike "$2,482,825,000" and insert "2,482,325,000"

H.R. 2670

OFFERED BY: MR. TANCREDO

AMENDMENT NO. 24: Page 80, strike line 7 and all that follows through page 81, line 14 (relating to arrearage payments).

CONFERENCE REPORT ON H.R. 2488, FINANCIAL FREEDOM ACT OF 1999

Mr. ARCHER (during the Special Order of Mr. ETHERIDGE) submitted the following conference report and statement on the bill (H.R. 2488) to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000:

CONFERENCE REPORT (H. Rept. 106–289)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2488), to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Taxpayer Refund and Relief Act of 1999".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—BROAD-BASED AND FAMILY TAX RELIEF

Subtitle A—Reduction in Individual Income Taxes

Sec. 101. Reduction in individual income taxes.

Subtitle B—Family Tax Relief

Sec. 111. Elimination of marriage penalty in standard deduction.

Sec. 112. Exclusion for foster care payments to apply to payments by qualified placement agencies.

Sec. 113. Expansion of adoption credit.

Sec. 114. Modification of dependent care credit.

Sec. 115. Marriage penalty relief for earned income credit.

Subtitle C—Repeal of Alternative Minimum Tax on Individuals

Sec. 121. Repeal of alternative minimum tax on individuals.

TITLE II—RELIEF FROM TAXATION ON SAVINGS AND INVESTMENTS

Subtitle A—Capital Gains Tax Relief

Sec. 201. Reduction in individual capital gain tax rates.

Sec. 202. Indexing of certain assets acquired after December 31, 1999, for purposes of determining gain.

Sec. 203. Capital gains tax rates applied to capital gains of designated settlement funds.

Sec. 204. Special rule for members of uniformed services and Foreign Service, and other employees, in determining exclusion of gain from sale of principal residence.

Sec. 205. Tax treatment of income and loss on derivatives.

Sec. 206. Worthless securities of financial institutions.

Subtitle B—Individual Retirement Arrangements

Sec. 211. Modification of deduction limits for IRA contributions.

Sec. 212. Modification of income limits on contributions and rollovers to Roth IRAs.

Sec. 213. Deemed IRAs under employer plans.

Sec. 214. Catchup contributions to IRAs by individuals age 50 or over.

TITLE III—ALTERNATIVE MINIMUM TAX REFORM

Sec. 301. Modification of alternative minimum tax on corporations.

Sec. 302. Repeal of 90 percent limitation on foreign tax credit.

TITLE IV—EDUCATION SAVINGS INCENTIVES

Sec. 401. Modifications to education individual retirement accounts.

Sec. 402. Modifications to qualified tuition programs.

Sec. 403. Exclusion of certain amounts received under the National Health Service Corps Scholarship Program, the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program, and certain other programs.

Sec. 404. Extension of exclusion for employer-provided educational assistance.

Sec. 405. Additional increase in arbitrage rebate exception for governmental bonds used to finance educational facilities.

Sec. 406. Modification of arbitrage rebate rules applicable to public school construction bonds.

Sec. 407. Elimination of 60-month limit and increase in income limitation on student loan interest deduction.

Sec. 408. 2-percent floor on miscellaneous itemized deductions not to apply to qualified professional development expenses of elementary and secondary school teachers.

TITLE V—HEALTH CARE PROVISIONS

Sec. 501. Deduction for health and long-term care insurance costs of individuals not participating in employer-subsidized health plans.

Sec. 502. Long-term care insurance permitted to be offered under cafeteria plans and flexible spending arrangements.

Sec. 503. Additional personal exemption for taxpayer caring for elderly family member in taxpayer's home.

Sec. 504. Expanded human clinical trials qualifying for orphan drug credit.

Sec. 505. Inclusion of certain vaccines against streptococcus pneumoniae to list of taxable vaccines; reduction in per dose tax rate.

Sec. 506. Drug benefits for medicare beneficiaries.

TITLE VI—ESTATE TAX RELIEF

Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death

Sec. 601. Repeal of estate, gift, and generation-skipping taxes.

Sec. 602. Termination of step up in basis at death.
Sec. 603. Carryover basis at death.

Subtitle B—Reductions of Estate and Gift Tax Rates Prior to Repeal

Sec. 611. Additional reductions of estate and gift tax rates.

Subtitle C—Unified Credit Replaced With Unified Exemption Amount

Sec. 621. Unified credit against estate and gift taxes replaced with unified exemption amount.

Subtitle D—Modifications of Generation-Skipping Transfer Tax

Sec. 631. Deemed allocation of gst exemption to lifetime transfers to trusts; retroactive allocations.
Sec. 632. Severing of trusts.
Sec. 633. Modification of certain valuation rules.
Sec. 634. Relief provisions.

Subtitle E—Conservation Easements

Sec. 641. Expansion of estate tax rule for conservation easements.

TITLE VII—TAX RELIEF FOR DISTRESSED COMMUNITIES AND INDUSTRIES

Subtitle A—American Community Renewal Act of 1999

Sec. 701. Short title.
Sec. 702. Designation of and tax incentives for renewal communities.
Sec. 703. Extension of expensing of environmental remediation costs to renewal communities.
Sec. 704. Extension of work opportunity tax credit for renewal communities.
Sec. 705. Conforming and clerical amendments.

Subtitle B—Farming Incentive

Sec. 711. Production flexibility contract payments.

Subtitle C—Oil and Gas Incentives

Sec. 721. 5-year net operating loss carryback for losses attributable to operating mineral interests of independent oil and gas producers.
Sec. 722. Deduction for delay rental payments.
Sec. 723. Election to expense geological and geophysical expenditures.
Sec. 724. Temporary suspension of limitation based on 65 percent of taxable income.
Sec. 725. Determination of small refiner exception to oil depletion deduction.

Subtitle D—Timber Incentives

Sec. 731. Temporary suspension of maximum amount of amortizable reforestation expenditures.
Sec. 732. Capital gain treatment under section 631(b) to apply to outright sales by land owner.

TITLE VIII—RELIEF FOR SMALL BUSINESSES

Sec. 801. Deduction for 100 percent of health insurance costs of self-employed individuals.
Sec. 802. Increase in expense treatment for small businesses.
Sec. 803. Repeal of Federal unemployment surtax.
Sec. 804. Increased deduction for meal expenses; increased deductibility of business meal expenses for individuals subject to Federal limitations on hours of service.
Sec. 805. Income averaging for farmers and fishermen not to increase alternative minimum tax liability.
Sec. 806. Farm, fishing, and ranch risk management accounts.
Sec. 807. Exclusion of investment securities income from passive income test for bank S corporations.
Sec. 808. Treatment of qualifying director shares.

TITLE IX—INTERNATIONAL TAX RELIEF

Sec. 901. Interest allocation rules.
Sec. 902. Look-thru rules to apply to dividends from noncontrolled section 902 corporations.
Sec. 903. Clarification of treatment of pipeline transportation income.
Sec. 904. Subpart F treatment of income from transmission of high voltage electricity.
Sec. 905. Recharacterization of overall domestic loss.
Sec. 906. Treatment of military property of foreign sales corporations.
Sec. 907. Treatment of certain dividends of regulated investment companies.
Sec. 908. Repeal of special rules for applying foreign tax credit in case of foreign oil and gas income.
Sec. 909. Advance pricing agreements treated as confidential taxpayer information.
Sec. 910. Increase in dollar limitation on section 911 exclusion.
Sec. 911. Airline mileage awards to certain foreign persons.

TITLE X—PROVISIONS RELATING TO TAX-EXEMPT ORGANIZATIONS

Sec. 1001. Exemption from income tax for State-created organizations providing property and casualty insurance for property for which such coverage is otherwise unavailable.
Sec. 1002. Modification of special arbitrage rule for certain funds.
Sec. 1003. Exemption procedure from taxes on self-dealing.
Sec. 1004. Expansion of declaratory judgment remedy to tax-exempt organizations.
Sec. 1005. Modifications to section 512(b)(13).
Sec. 1006. Mileage reimbursements to charitable volunteers excluded from gross income.
Sec. 1007. Charitable contribution deduction for certain expenses incurred in support of Native Alaskan subsistence whaling.
Sec. 1008. Simplification of lobbying expenditure limitation.
Sec. 1009. Tax-free distributions from individual retirement accounts for charitable purposes.

TITLE XI—REAL ESTATE PROVISIONS

Subtitle A—Improvements in Low-Income Housing Credit

Sec. 1101. Modification of State ceiling on low-income housing credit.
Sec. 1102. Modification of criteria for allocating housing credits among projects.
Sec. 1103. Additional responsibilities of housing credit agencies.
Sec. 1104. Modifications to rules relating to basis of building which is eligible for credit.
Sec. 1105. Other modifications.
Sec. 1106. Carryforward rules.
Sec. 1107. Effective date.

Subtitle B—Provisions Relating to Real Estate Investment Trusts

PART I—TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES

Sec. 1111. Modifications to asset diversification test.
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Subtitle A—Reduction in Individual Income Taxes

SEC. 101. REDUCTION IN INDIVIDUAL INCOME TAXES.

(a) REGULAR INCOME TAX RATES.—

(1) IN GENERAL.—Subsection (f) of section 1 is amended by adding at the end the following new paragraph:

"(8) RATE REDUCTIONS.—The following adjustments shall apply in prescribing the tables under paragraph (1):

"(A) REDUCTION IN LOWEST RATE.—With respect to taxable years beginning after December 31, 2000, the rate applicable to the lowest income bracket shall be—

"(i) 14.5 percent in the case of taxable years beginning during 2001 or 2002, and

"(ii) 14.0 percent in the case of taxable years beginning after 2002.

"(B) REDUCTION IN OTHER RATES.—With respect to taxable years beginning after December 31, 2004, each rate (other than the rate referred to in subparagraph (A)) shall be reduced by 1 percentage point.

"(C) PHASEOUT OF MARRIAGE PENALTY IN LOWEST BRACKET.—

"(i) IN GENERAL.—With respect to taxable years beginning after December 31, 2004—

"(I) the maximum taxable income in the lowest rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the lowest rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

"(II) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under subclause (I).

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2005	173.7
2006	176.1
2007	188.1
2008 and thereafter	200.0.

"(D) INCREASE IN MAXIMUM TAXABLE INCOME IN LOWEST BRACKET FOR OTHER INDIVIDUALS.—

"(i) IN GENERAL.—With respect to taxable years beginning after December 31, 2005, the maximum taxable income in the lowest rate bracket in the tables contained in subsections (b) and (c), after any other adjustment under this subsection (and the minimum taxable income in the next higher taxable income bracket in such tables, as so adjusted) shall be increased by $3,000.

"(ii) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in any calendar year after 2006, the $3,000 amount in clause (i) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of living adjustment determined under paragraph (3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2005' for 'calendar year 1992' in subparagraph (B) thereof.".

"(iii) Any increase under clause (ii) shall be added to the amount it is increasing before such amount is rounded under paragraph (6).

"(9) POST-2001 RATE REDUCTIONS CONTINGENT ON NO INCREASE IN INTEREST ON TOTAL UNITED STATES DEBT.—

"(A) IN GENERAL.—If the calendar year preceding any adjustment year is not a debt reduction calendar year, then—

"(i) such adjustment shall not take effect until the calendar year following the adjustment year, and

"(ii) this subparagraph shall apply to such following calendar year as if it were an adjustment year.

For purposes of this subparagraph, the term 'adjustment year' means, with respect to any adjustment under subparagraph (A), (B), or (D) of paragraph (8), the first calendar year for which such adjustment takes effect without regard to this paragraph.

"(B) DEBT REDUCTION CALENDAR YEAR.—For purposes of this paragraph, the term 'debt reduction calendar year' means any calendar year after 2000 if the Secretary of the Treasury (after consultation with the chairman of the Federal Reserve Board) determines by August 31 of such calendar year that the United States interest expense for the 12-month period ending on July 31 of such calendar year is not more than $1,000,000,000 greater than the United States interest expense for the 12-month period ending on July 31 of the preceding calendar year.

"(C) UNITED STATES INTEREST EXPENSE.—For purposes of this paragraph, the term 'United States interest expense' means interest on obligations which are subject to the public debt limit in section 3101 of title 31, United States Code.".

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (B) of section 1(f)(2) is amended by inserting "except as provided in paragraph (8)," before "by not changing".

(B) Subparagraph (C) of section 1(f)(2) is amended by inserting "and the reductions under paragraph (8) in the rates of tax" before the period.

(C) The heading for subsection (f) of section 1 is amended by inserting "RATE REDUCTIONS;" before "ADJUSTMENTS".

(D) Section 1(g)(7)(B)(ii)(II) is amended by striking "15 percent" and inserting "the percentage applicable to the lowest income bracket in subsection (c)".

(E) Subparagraphs (A)(ii)(I) and (B)(i) of section 1(h)(1) are each amended by striking "28 percent" and inserting "27 percent".

(F) Section 531 is amended by striking "39.6 percent of the accumulated taxable income" and inserting "the product of the accumulated taxable income and the percentage applicable to the highest income bracket in section 1(c)".

(G) Section 541 is amended by striking "39.6 percent of the undistributed personal holding company income" and inserting "the product of the undistributed personal holding company income and the percentage applicable to the highest income bracket in section 1(c)".

(H) Section 3402(p)(1)(B) is amended by striking "specified is 7, 15, 28, or 31 percent" and all that follows and inserting "specified is—

"(i) 7 percent,

"(ii) a percentage applicable to 1 of the 3 lowest income brackets in section 1(c), or

"(iii) such other percentage as is permitted under regulations prescribed by the Secretary.".

(I) Section 3402(p)(2) is amended by striking "15 percent of such payment" and inserting "the product of such payment and the percentage applicable to the lowest income bracket in section 1(c)".

(J) Section 3402(q)(1) is amended by striking "28 percent of such payment" and inserting "the product of such payment and the percentage applicable to the next to the lowest income bracket in section 1(c)".

(K) Section 3402(r)(3) is amended by striking "31 percent" and inserting "the rate applicable to the third income bracket in such section".

(L) Section 3406(a)(1) is amended by striking "31 percent of such payment" and inserting "the product of such payment and the percentage applicable to the third income bracket in section 1(c)".

(b) MINIMUM TAX RATES.—Subparagraph (A) of section 55(b)(1) is amended by adding at the end the following new clause:

"(iv) RATE REDUCTION.—In the case of taxable years beginning after December 31, 2004, each rate in clause (i) shall be reduced by 1 percentage point."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle B—Family Tax Relief

SEC. 111. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "200 percent of the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) PHASE-IN.—Subsection (c) of section 63 is amended by adding at the end the following new paragraph:

"(7) PHASE-IN OF INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning before January 1, 2005—

"(A) paragraph (2)(A) shall be applied by substituting for '200 percent'—

"(i) '172.8 percent' in the case of taxable years beginning during 2001,

"(ii) '180.1 percent' in the case of taxable years beginning during 2002,

"(iii) '187.0 percent' in the case of taxable years beginning during 2003, and

"(iv) '193.5 percent' in the case of taxable years beginning during 2004, and

"(B) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under paragraph (2)(A).

If any amount determined under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 112. EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.

(a) IN GENERAL.—The matter preceding subparagraph (B) of section 131(b)(1) (defining qualified foster care payment) is amended to read as follows:

"(1) IN GENERAL.—The term 'qualified foster care payment' means any payment made pursuant to a foster care program of a State or political subdivision thereof—

"(A) which is paid by—

"(i) the State or political subdivision thereof, or

"(ii) a qualified foster care placement agency, and".

(b) QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.—Subparagraph (B) of section 131(b)(2) (defining qualified foster individual) is amended to read as follows:

"(B) a qualified foster care placement agency.".

(c) QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.—Subsection (b) of section 131 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) QUALIFIED FOSTER CARE PLACEMENT AGENCY.—The term 'qualified foster care placement agency' means any placement agency which is licensed or certified by—

"(A) a State or political subdivision thereof, or

"(B) an entity designated by a State or political subdivision thereof,

for the foster care program of such State or political subdivision to make foster care payments to providers of foster care.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 113. EXPANSION OF ADOPTION CREDIT.

(a) IN GENERAL.—Section 23(a)(1) (relating to allowance of credit) is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

"(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

"(B) in the case of an adoption of a child with special needs, $10,000.".

(b) DOLLAR LIMITATION.—Section 23(b)(1) is amended—

(1) by striking "($6,000, in the case of a child with special needs)", and

(2) by striking "subsection (a)" and inserting "subsection (a)(1)".

(c) YEAR CREDIT ALLOWED.—Section 23(a)(2) is amended by adding at the end the following new flush sentence:

"In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.".

(d) DEFINITION OF ELIGIBLE CHILD.—

(1) IN GENERAL.—Section 23(d)(2) is amended to read as follows:

"(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

"(A) has not attained age 18, or

"(B) is physically or mentally incapable of caring for himself.".

(2) CLARIFICATION OF TERMINATION.—Section 23 is amended by adding at the end the following new subsection:

"(i) TERMINATION FOR CHILDREN WITHOUT SPECIAL NEEDS.—Except in the case of a child with special needs, this section shall not apply to expenses paid or incurred after December 31, 2001."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 114. MODIFICATION OF DEPENDENT CARE CREDIT.

(a) INCREASE IN PERCENTAGE OF EMPLOYMENT-RELATED EXPENSES TAKEN INTO ACCOUNT.—Subsection (a)(2) of section 21 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by striking "30 percent" and inserting "35 percent (40 percent in the case of taxable years beginning after December 31, 2005)",

(2) by striking "$2,000" and inserting "$1,000", and

(3) by striking "$10,000" and inserting "$30,000".

(b) INDEXING OF LIMIT ON EMPLOYMENT-RELATED EXPENSES.—Section 21(c) (relating to dollar limit on amount creditable) is amended to read as follows:

"(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—

"(1) IN GENERAL.—The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(A) an amount equal to 50 percent of the amount determined under subparagraph (B) if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(B) $4,800 if there are 2 or more qualifying individuals with respect to the taxpayer for such taxable year.

The amount determined under subparagraph (A) or (B) (whichever is applicable) shall be reduced by the aggregate amount excludable from gross income under section 129 for the taxable year.

"(2) COST-OF-LIVING ADJUSTMENT.—

"(A) IN GENERAL.—In the case of a taxable year beginning after 2001, the $4,800 amount under paragraph (1)(B) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

"(B) ROUNDING RULES.—If any amount after adjustment under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lower multiple of $50.".

(c) MINIMUM DEPENDENT CARE CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

"(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—

"(A) IN GENERAL.—Notwithstanding subsection (d), in the case of any taxpayer with 1 or more qualifying individuals described in subsection (b)(1)(A) under the age of 1, such taxpayer shall be deemed to have employment-related expenses for the taxable year with respect to each such qualifying individual in an amount equal to the sum of—

"(i) $200 for each month in such taxable year during which such qualifying individual is under the age of 1, and

"(ii) the amount of employment-related expenses otherwise incurred for such qualifying individual for the taxable year (determined under this section without regard to this paragraph).

"(B) ELECTION TO NOT APPLY THIS PARAGRAPH.—This paragraph shall not apply with respect to any qualifying individual for any taxable year if the taxpayer elects to not have this paragraph apply to such qualifying individual for such taxable year.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (C).—The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2005.

SEC. 115. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 32(b) (relating to percentages and amounts) is amended—

(1) by striking "AMOUNTS.—The earned" and inserting "AMOUNTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the earned", and

(2) by adding at the end the following new subparagraph:

"(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,000.".

(b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of section 32(j) (relating to inflation adjustments) is amended to read as follows:

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

"(i) in the case of amounts in subsections (b)(1)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

"(ii) in the case of the $2,000 amount in subsection (b)(1)(B), by substituting 'calendar year 2005' for 'calendar year 1992' in subparagraph (B) of such section 1.".

(c) ROUNDING.—Section 32(j)(2)(A) (relating to rounding) is amended by striking "subsection (b)(2)" and inserting "subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

Subtitle C—Repeal of Alternative Minimum Tax on Individuals

SEC. 121. REPEAL OF ALTERNATIVE MINIMUM TAX ON INDIVIDUALS.

(a) IN GENERAL.—Subsection (a) of section 55 is amended by adding at the end the following new flush sentence:

"For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2007, shall be zero.".

(b) REDUCTION OF TAX ON INDIVIDUALS PRIOR TO REPEAL.—Section 55 is amended by adding at the end the following new subsection:

"(f) PHASEOUT OF TAX ON INDIVIDUALS.—

"(1) IN GENERAL.—The tax imposed by this section on a taxpayer other than a corporation for any taxable year beginning after December 31, 2004, and before January 1, 2008, shall be the applicable percentage of the tax which would be imposed but for this subsection.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2005	80
2006	70
2007	60.".

(c) NONREFUNDABLE PERSONAL CREDITS FULLY ALLOWED AGAINST REGULAR TAX LIABILITY.—

(1) IN GENERAL.—Subsection (a) of section 26 (relating to limitation based on amount of tax) is amended to read as follows:

"(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the taxpayer's regular tax liability for the taxable year.".

(2) CHILD CREDIT.—Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(d) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—Subsection (c) of section 53 is amended to read as follows:

"(c) LIMITATION.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over

"(B) the tentative minimum tax for the taxable year.

"(2) TAXABLE YEARS BEGINNING AFTER 2007.—In the case of any taxable year beginning after 2007, the credit allowable under subsection (a) to a taxpayer other than a corporation for any taxable year shall not exceed 90 percent of the excess (if any) of—

"(A) regular tax liability of the taxpayer for such taxable year, over

"(B) the sum of the credits allowable under subparts A, B, D, E, and F of this part.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

TITLE II—RELIEF FROM TAXATION ON SAVINGS AND INVESTMENTS

Subtitle A—Capital Gains Tax Relief

SEC. 201. REDUCTION IN INDIVIDUAL CAPITAL GAIN TAX RATES.

(a) IN GENERAL.—

(1) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking "10 percent" and inserting "8 percent".

(2) The following sections are each amended by striking "20 percent" and inserting "18 percent":

(A) Section 1(h)(1)(C).

(B) Section 55(b)(3)(C).

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(3) Sections 1(h)(1)(D) and 55(b)(3)(D) are each amended by striking "25 percent" and inserting "23 percent".

(b) CONFORMING AMENDMENTS.—

(1) Section 311 of the Taxpayer Relief Act of 1997 is amended by striking subsection (e).

(2) Section 1(h) is amended—

(A) by striking paragraphs (2), (9), and (13),

(B) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively, and

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (8), (9), and (10), respectively.

(3) Paragraph (3) of section 55(b) is amended by striking "In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).".

(4) Paragraph (7) of section 57(a) is amended—

(A) by striking "42 percent" and inserting "28 percent", and

(B) by striking the last sentence.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) WITHHOLDING.—The amendment made by subsection (a)(2)(C) shall apply to amounts paid after the date of the enactment of this Act.

SEC. 202. INDEXING OF CERTAIN ASSETS ACQUIRED AFTER DECEMBER 31, 1999, FOR PURPOSES OF DETERMINING GAIN.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

"SEC. 1022. INDEXING OF CERTAIN ASSETS ACQUIRED AFTER DECEMBER 31, 1999, FOR PURPOSES OF DETERMINING GAIN.

"(a) GENERAL RULE.—

"(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Solely for purposes of determining gain on the sale or other disposition by a taxpayer (other than a corporation) of an indexed asset which has been held for more than 1 year, the indexed basis of the asset shall be substituted for its adjusted basis.

"(2) EXCEPTION FOR DEPRECIATION, ETC.—The deductions for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

"(3) EXCEPTION FOR PRINCIPAL RESIDENCES.—Paragraph (1) shall not apply to any disposition of the principal residence (within the meaning of section 121) of the taxpayer .

"(b) INDEXED ASSET.—

"(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

"(A) common stock in a C corporation (other than a foreign corporation), and

"(B) tangible property,

which is a capital asset or property used in the trade or business (as defined in section 1231(b)).

"(2) STOCK IN CERTAIN FOREIGN CORPORATIONS INCLUDED.—For purposes of this section—

"(A) IN GENERAL.—The term 'indexed asset' includes common stock in a foreign corporation which is regularly traded on an established securities market.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to—

"(i) stock of a foreign investment company (within the meaning of section 1246(b)),

"(ii) stock in a passive foreign investment company (as defined in section 1296),

"(iii) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2), and

"(iv) stock in a foreign personal holding company (as defined in section 552).

"(C) TREATMENT OF AMERICAN DEPOSITORY RECEIPTS.—An American depository receipt for common stock in a foreign corporation shall be treated as common stock in such corporation.

"(c) INDEXED BASIS.—For purposes of this section—

"(1) GENERAL RULE.—The indexed basis for any asset is—

"(A) the adjusted basis of the asset, increased by

"(B) the applicable inflation adjustment.

"(2) APPLICABLE INFLATION ADJUSTMENT.—The applicable inflation adjustment for any asset is an amount equal to—

"(A) the adjusted basis of the asset, multiplied by

"(B) the percentage (if any) by which—

"(i) the chain-type price index for GDP for the last calendar quarter ending before the asset is disposed of, exceeds

"(ii) the chain-type price index for GDP for the last calendar quarter ending before the asset was acquired by the taxpayer.

The percentage under subparagraph (B) shall be rounded to the nearest 1/10 of 1 percentage point.

"(3) CHAIN-TYPE PRICE INDEX FOR GDP.—The chain-type price index for GDP for any calendar quarter is such index for such quarter (as shown in the last revision thereof released by the Secretary of Commerce before the close of the following calendar quarter).

"(d) SUSPENSION OF HOLDING PERIOD WHERE DIMINISHED RISK OF LOSS; TREATMENT OF SHORT SALES.—

"(1) IN GENERAL.—If the taxpayer (or a related person) enters into any transaction which substantially reduces the risk of loss from holding any asset, such asset shall not be treated as an indexed asset for the period of such reduced risk.

"(2) SHORT SALES.—

"(A) IN GENERAL.—In the case of a short sale of an indexed asset with a short sale period in excess of 1 year, for purposes of this title, the amount realized shall be an amount equal to the amount realized (determined without regard to this paragraph) increased by the applicable inflation adjustment. In applying subsection (c)(2) for purposes of the preceding sentence, the date on which the property is sold short shall be treated as the date of acquisition and the closing date for the sale shall be treated as the date of disposition.

"(B) SHORT SALE PERIOD.—For purposes of subparagraph (A), the short sale period begins on the day that the property is sold and ends on the closing date for the sale.

"(e) TREATMENT OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

"(1) ADJUSTMENTS AT ENTITY LEVEL.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the adjustment under subsection (a) shall be allowed to any qualified investment entity (including for purposes of determining the earnings and profits of such entity).

"(B) EXCEPTION FOR CORPORATE SHAREHOLDERS.—Under regulations—

"(i) in the case of a distribution by a qualified investment entity (directly or indirectly) to a corporation—

"(I) the determination of whether such distribution is a dividend shall be made without regard to this section, and

"(II) the amount treated as gain by reason of the receipt of any capital gain dividend shall be increased by the percentage by which the entity's net capital gain for the taxable year (determined without regard to this section) exceeds the entity's net capital gain for such year determined with regard to this section, and

"(ii) there shall be other appropriate adjustments (including deemed distributions) so as to ensure that the benefits of this section are not allowed (directly or indirectly) to corporate shareholders of qualified investment entities.

For purposes of the preceding sentence, any amount includible in gross income under section 852(b)(3)(D) shall be treated as a capital gain dividend and an S corporation shall not be treated as a corporation.

"(C) EXCEPTION FOR QUALIFICATION PURPOSES.—This section shall not apply for purposes of sections 851(b) and 856(c).

"(D) EXCEPTION FOR CERTAIN TAXES IMPOSED AT ENTITY LEVEL.—

"(i) TAX ON FAILURE TO DISTRIBUTE ENTIRE GAIN.—If any amount is subject to tax under section 852(b)(3)(A) for any taxable year, the amount on which tax is imposed under such section shall be increased by the percentage determined under subparagraph (B)(i)(II). A similar rule shall apply in the case of any amount subject to tax under paragraph (2) or (3) of section 857(b) to the extent attributable to the excess of the net capital gain over the deduction for dividends paid determined with reference to capital gain dividends only. The first sentence of this clause shall not apply to so much of the amount subject to tax under section 852(b)(3)(A) as is designated by the company under section 852(b)(3)(D).

"(ii) OTHER TAXES.—This section shall not apply for purposes of determining the amount of any tax imposed by paragraph (4), (5), or (6) of section 857(b).

"(2) ADJUSTMENTS TO INTERESTS HELD IN ENTITY.—

"(A) REGULATED INVESTMENT COMPANIES.—Stock in a regulated investment company (within the meaning of section 851) shall be an indexed asset for any calendar quarter in the same ratio as—

"(i) the average of the fair market values of the indexed assets held by such company at the close of each month during such quarter, bears to

"(ii) the average of the fair market values of all assets held by such company at the close of each such month.

"(B) REAL ESTATE INVESTMENT TRUSTS.—Stock in a real estate investment trust (within the meaning of section 856) shall be an indexed asset for any calendar quarter in the same ratio as—

"(i) the fair market value of the indexed assets held by such trust at the close of such quarter, bears to

"(ii) the fair market value of all assets held by such trust at the close of such quarter.

"(C) RATIO OF 80 PERCENT OR MORE.—If the ratio for any calendar quarter determined under subparagraph (A) or (B) would (but for this subparagraph) be 80 percent or more, such ratio for such quarter shall be 100 percent.

"(D) RATIO OF 20 PERCENT OR LESS.—If the ratio for any calendar quarter determined under subparagraph (A) or (B) would (but for this subparagraph) be 20 percent or less, such ratio for such quarter shall be zero.

"(E) LOOK-THRU OF PARTNERSHIPS.—For purposes of this paragraph, a qualified investment entity which holds a partnership interest shall be treated (in lieu of holding a partnership interest) as holding its proportionate share of the assets held by the partnership.

"(3) TREATMENT OF RETURN OF CAPITAL DISTRIBUTIONS.—Except as otherwise provided by the Secretary, a distribution with respect to stock in a qualified investment entity which is not a dividend and which results in a reduction in the adjusted basis of such stock shall be treated as allocable to stock acquired by the taxpayer in the order in which such stock was acquired.

"(4) QUALIFIED INVESTMENT ENTITY.—For purposes of this subsection, the term 'qualified investment entity' means—

"(A) a regulated investment company (within the meaning of section 851), and

"(B) a real estate investment trust (within the meaning of section 856).

"(f) OTHER PASS-THRU ENTITIES.—

"(1) PARTNERSHIPS.—

"(A) IN GENERAL.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

"(B) SPECIAL RULE IN THE CASE OF SECTION 754 ELECTIONS.—In the case of a transfer of an interest in a partnership with respect to which the election provided in section 754 is in effect—

"(i) the adjustment under section 743(b)(1) shall, with respect to the transferor partner, be treated as a sale of the partnership assets for purposes of applying this section, and

"(ii) with respect to the transferee partner, the partnership's holding period for purposes of this section in such assets shall be treated as beginning on the date of such adjustment.

"(2) S CORPORATIONS.—In the case of an S corporation, the adjustment made under subsection (a) at the corporate level shall be passed through to the shareholders. This section shall not apply for purposes of determining the amount of any tax imposed by section 1374 or 1375.

"(3) COMMON TRUST FUNDS.—In the case of a common trust fund, the adjustment made under subsection (a) at the trust level shall be passed through to the participants.

"(4) INDEXING ADJUSTMENT DISREGARDED IN DETERMINING LOSS ON SALE OF INTEREST IN ENTITY.—Notwithstanding the preceding provisions of this subsection, for purposes of determining the amount of any loss on a sale or exchange of an interest in a partnership, S corporation, or common trust fund, the adjustment made under subsection (a) shall not be taken into account in determining the adjusted basis of such interest.

"(g) DISPOSITIONS BETWEEN RELATED PERSONS.—

"(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

"(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

"(A) persons bearing a relationship set forth in section 267(b), and

"(B) persons treated as single employer under subsection (b) or (c) of section 414.

"(h) TRANSFERS TO INCREASE INDEXING ADJUSTMENT.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is to secure or increase an adjustment under subsection (a), the Secretary may disallow part or all of such adjustment or increase.

"(i) SPECIAL RULES.—For purposes of this section—

"(1) TREATMENT OF IMPROVEMENTS; ETC.—If there is an addition to the adjusted basis of any tangible property or of any stock in a corporation during the taxable year by reason of an improvement to such property or a contribution to capital of such corporation—

"(A) such addition shall never be taken into account under subsection (c)(1)(A) if the aggregate amount thereof during the taxable year with respect to such property or stock is less than $1,000, and

"(B) such addition shall be treated as a separate asset acquired at the close of such taxable year if the aggregate amount thereof during the taxable year with respect to such property or stock is $1,000 or more.

A rule similar to the rule of the preceding sentence shall apply to any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.

"(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—The applicable inflation adjustment shall be appropriately reduced for periods during which the asset was not an indexed asset.

"(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a corporation which is not a dividend shall be treated as a disposition.

"(4) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

"(5) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

"(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

"Sec. 1022. Indexing of certain assets acquired after December 31, 1999, for purposes of determining gain.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to the disposition of any property the holding period of which begins after December 31, 1999.

(2) CERTAIN TRANSACTIONS BETWEEN RELATED PERSONS.—The amendments made by this section shall not apply to the disposition of any property acquired after December 31, 1999, from a related person (as defined in section 1022(g)(2) of the Internal Revenue Code of 1986, as added by this section) if—

(A) such property was so acquired for a price less than the property's fair market value, and

(B) the amendments made by this section did not apply to such property in the hands of such related person.

(d) ELECTION TO RECOGNIZE GAIN ON ASSETS HELD ON JANUARY 1, 2000.—For purposes of the Internal Revenue Code of 1986—

(1) IN GENERAL.—A taxpayer other than a corporation may elect to treat—

(A) any readily tradable stock (which is an indexed asset) held by such taxpayer on January 1, 2000, and not sold before the next business day after such date, as having been sold on such next business day for an amount equal to its closing market price on such next business day (and as having been reacquired on such next business day for an amount equal to such closing market price), and

(B) any other indexed asset held by the taxpayer on January 1, 2000, as having been sold on such date for an amount equal to its fair market value on such date (and as having been reacquired on such date for an amount equal to such fair market value).

(2) TREATMENT OF GAIN OR LOSS.—

(A) Any gain resulting from an election under paragraph (1) shall be treated as received or accrued on the date the asset is treated as sold under paragraph (1) and shall be recognized notwithstanding any provision of the Internal Revenue Code of 1986.

(B) Any loss resulting from an election under paragraph (1) shall not be allowed for any taxable year.

(3) ELECTION.—An election under paragraph (1) shall be made in such manner as the Secretary of the Treasury or his delegate may prescribe and shall specify the assets for which such election is made. Such an election, once made with respect to any asset, shall be irrevocable.

(4) READILY TRADABLE STOCK.—For purposes of this subsection, the term "readily tradable stock" means any stock which, as of January 1, 2000, is readily tradable on an established securities market or otherwise.

SEC. 203. CAPITAL GAINS TAX RATES APPLIED TO CAPITAL GAINS OF DESIGNATED SETTLEMENT FUNDS.

(a) IN GENERAL.—Paragraph (1) of section 468B(b) (relating to taxation of designated settlement funds) is amended by inserting "(subject to section 1(h))" after "maximum rate".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 204. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE, AND OTHER EMPLOYEES, IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraphs:

"(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

"(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

"(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

"(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Refund and Relief Act of 1999.

"(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Refund and Relief Act of 1999.

"(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

"(10) OTHER EMPLOYEES.—

"(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving as an employee for a period in excess of 90 days in an assignment by such employee's employer outside the United States.

"(B) LIMITATIONS AND SPECIAL RULES.—

"(i) MAXIMUM PERIOD OF SUSPENSION.—The suspension under subparagraph (A) with respect to a principal residence shall not exceed (in the aggregate) 5 years.

"(ii) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—Subparagraph (A) shall not apply to an individual to whom paragraph (9) applies.

"(iii) SELF-EMPLOYED INDIVIDUAL NOT CONSIDERED AN EMPLOYEE.—For purposes of this paragraph, the term 'employee' does not include an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 205. TAX TREATMENT OF INCOME AND LOSS ON DERIVATIVES.

(a) IN GENERAL.—Section 1221 (defining capital assets) is amended—

(1) by striking "For purposes" and inserting the following:

"(a) IN GENERAL.—For purposes",

(2) by striking the period at the end of paragraph (5) and inserting a semicolon, and

(3) by adding at the end the following:

"(6) any commodities derivative financial instrument held by a commodities derivatives dealer, unless—

"(A) it is established to the satisfaction of the Secretary that such instrument has no connection to the activities of such dealer as a dealer, and

"(B) such instrument is clearly identified in such dealer's records as being described in subparagraph (A) before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe);

"(7) any hedging transaction which is clearly identified as such before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe); or

"(8) supplies of a type regularly used or consumed by the taxpayer in the ordinary course of a trade or business of the taxpayer.

"(b) DEFINITIONS AND SPECIAL RULES.—

"(1) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENTS.—For purposes of subsection (a)(6)—

"(A) COMMODITIES DERIVATIVES DEALER.—The term 'commodities derivatives dealer' means a person which regularly offers to enter into, assume, offset, assign, or terminate positions in commodities derivative financial instruments with customers in the ordinary course of a trade or business.

"(B) COMMODITIES DERIVATIVE FINANCIAL INSTRUMENT.—

"(i) IN GENERAL.—The term 'commodities derivative financial instrument' means any contract or financial instrument with respect to commodities (other than a share of stock in a corporation, a beneficial interest in a partnership or trust, a note, bond, debenture, or other evidence of indebtedness, or a section 1256 contract (as defined in section 1256(b)), the value or settlement price of which is calculated by or determined by reference to a specified index.

"(ii) SPECIFIED INDEX.—The term 'specified index' means any one or more or any combination of—

"(I) a fixed rate, price, or amount, or

"(II) a variable rate, price, or amount,

which is based on any current, objectively determinable financial or economic information with respect to commodities which is not within the control of any of the parties to the contract or instrument and is not unique to any of the parties' circumstances.

"(2) HEDGING TRANSACTION.—

"(A) IN GENERAL.—For purposes of this section, the term 'hedging transaction' means any transaction entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily—

"(i) to manage risk of price changes or currency fluctuations with respect to ordinary property which is held or to be held by the taxpayer,

"(ii) to manage risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, by the taxpayer, or

"(iii) to manage such other risks as the Secretary may prescribe in regulations.

"(B) TREATMENT OF NONIDENTIFICATION OR IMPROPER IDENTIFICATION OF HEDGING TRANSACTIONS.—Notwithstanding subsection (a)(7), the Secretary shall prescribe regulations to properly characterize any income, gain, expense, or loss arising from a transaction—

"(i) which is a hedging transaction but which was not identified as such in accordance with subsection (a)(7), or

"(ii) which was so identified but is not a hedging transaction.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as are appropriate to carry out the purposes of paragraph (6) and (7) of subsection (a) in the case of transactions involving related parties.".

(b) MANAGEMENT OF RISK.—

(1) Section 475(c)(3) is amended by striking "reduces" and inserting "manages".

(2) Section 871(h)(4)(C)(iv) is amended by striking "to reduce" and inserting "to manage".

(3) Clauses (i) and (ii) of section 988(d)(2)(A) are each amended by striking "to reduce" and inserting "to manage".

(4) Paragraph (2) of section 1256(e) is amended to read as follows:

"(2) DEFINITION OF HEDGING TRANSACTION.—For purposes of this subsection, the term 'hedging transaction' means any hedging transaction (as defined in section 1221(b)(2)(A)) if, before the close of the day on which such transaction was entered into (or such earlier time as the Secretary may prescribe by regulations), the taxpayer clearly identifies such transaction as being a hedging transaction.".

(c) CONFORMING AMENDMENTS.—

(1) Each of the following sections are amended by striking "section 1221" and inserting "section 1221(a)":

(A) Section 170(e)(3)(A).
(B) Section 170(e)(4)(B).
(C) Section 367(a)(3)(B)(i).
(D) Section 818(c)(3).
(E) Section 865(i)(1).
(F) Section 1092(a)(3)(B)(ii)(II).
(G) Subparagraphs (C) and (D) of section 1231(b)(1).
(H) Section 1234(a)(3)(A).

(2) Each of the following sections are amended by striking "section 1221(1)" and inserting "section 1221(a)(1)":

(A) Section 198(c)(1)(A)(i).
(B) Section 263A(b)(2)(A).
(C) Clauses (i) and (iii) of section 267(f)(3)(B).
(D) Section 341(d)(3).
(E) Section 543(a)(1)(D)(i).
(F) Section 751(d)(1).
(G) Section 775(c).
(H) Section 856(c)(2)(D).
(I) Section 856(c)(3)(C).
(J) Section 856(e)(1).
(K) Section 856(j)(2)(B).
(L) Section 857(b)(4)(B)(i).
(M) Section 857(b)(6)(B)(iii).
(N) Section 864(c)(4)(B)(iii).
(O) Section 864(d)(3)(A).
(P) Section 864(d)(6)(A).
(Q) Section 954(c)(1)(B)(iii).
(R) Section 995(b)(1)(C).
(S) Section 1017(b)(3)(E)(i).
(T) Section 1362(d)(3)(C)(ii).
(U) Section 4662(c)(2)(C).
(V) Section 7704(c)(3).
(W) Section 7704(d)(1)(D).
(X) Section 7704(d)(1)(G).
(Y) Section 7704(d)(5).

(3) Section 818(b)(2) is amended by striking "section 1221(2)" and inserting "section 1221(a)(2)".

(4) Section 1397B(e)(2) is amended by striking "section 1221(4)" and inserting "section 1221(a)(4)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any instrument held, acquired, or entered into, any transaction entered into, and supplies held or acquired on or after the date of enactment of this Act.

SEC. 206. WORTHLESS SECURITIES OF FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—The first sentence following section 165(g)(3)(B) (relating to securities of affiliated corporation) is amended to read as follows: "In computing gross receipts for purposes of the preceding sentence, (i) gross receipts from sales or exchanges of stocks and securities shall be taken into account only to the extent of gains therefrom, and (ii) gross receipts from royalties, rents, dividends, interest, annuities, and gains from sales or exchanges of stocks and securities derived from (or directly related to) the conduct of an active trade or business of an insurance company subject to tax under subchapter L or a qualified financial institution (as defined in subsection (l)(3)) shall be treated as from such sources other than royalties, rents, dividends, interest, annuities, and gains.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to securities which become worthless in taxable years beginning after December 31, 1999.

Subtitle B—Individual Retirement Arrangements

SEC. 211. MODIFICATION OF DEDUCTION LIMITS FOR IRA CONTRIBUTIONS.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking "$2,000" and inserting "the deductible amount".

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

"(5) DEDUCTIBLE AMOUNT.—For purposes of paragraph (1)(A)—

"(A) IN GENERAL.—The deductible amount shall be determined in accordance with the following table:

"For taxable years beginning in:	**The deductible amount is:**
512001, 2002, and 2003	$3,000
2004 and 2005	$4,000
2006 and thereafter	$5,000.

"(B) COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2006, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2005' for 'calendar year 1992' in subparagraph (B) thereof.

"(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $100, such amount shall be rounded to the next lower multiple of $100.".

(b) CONFORMING AMENDMENTS.—

(1) Section 408(a)(1) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)".

(2) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(3) Section 408(b) is amended by striking "$2,000" in the matter following paragraph (4) and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(4) Section 408(j) is amended by striking "$2,000".

(5) Section 408(p)(8) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 212. MODIFICATION OF INCOME LIMITS ON CONTRIBUTIONS AND ROLLOVERS TO ROTH IRAS.

(a) REPEAL OF AGI LIMIT ON CONTRIBUTIONS.—Section 408A(c)(3) (relating to limits based on modified adjusted gross income) is amended—

(1) by striking clause (ii) of subparagraph (A) and inserting:

"(ii) $10.000.", and

(2) by striking clause (ii) of subparagraph (C) and inserting:

"(ii) the applicable dollar amount is—

"(I) $200,000 in the case of a taxpayer filing a joint return, and

"(II) $100,000 in the case of any other taxpayer."

(b) INCREASE IN AGI LIMIT FOR ROLLOVER CONTRIBUTIONS.—Section 408A(c)(3)(B) (relating to rollover from IRA) is amended to read as follows:

"(B) ROLLOVER FROM IRA.—A taxpayer shall not be allowed to make a qualified rollover contribution from an individual retirement plan other than a Roth IRA during any taxable year if, for the taxable year of the distribution to which the contribution relates, the taxpayer's adjusted gross income exceeds $100,000 ($200,000 in the case of a taxpayer filing a joint return)."

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 213. DEEMED IRAS UNDER EMPLOYER PLANS.

(a) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) DEEMED IRAs UNDER QUALIFIED EMPLOYER PLANS.—

"(1) GENERAL RULE.—If—

"(A) a qualified employer plan elects to allow employees to make voluntary employee contributions to a separate account or annuity established under the plan, and

"(B) under the terms of the qualified employer plan, such account or annuity meets the applicable requirements of this section or section 408A for an individual retirement account or annuity,

then such account or annuity shall be treated for purposes of this title in the same manner as an individual retirement plan (and contributions to such account or annuity as contributions to an individual retirement plan). For purposes of subparagraph (B), the requirements of subsection (a)(5) shall not apply.

"(2) SPECIAL RULES FOR QUALIFIED EMPLOYER PLANS.—For purposes of this title—

"(A) a qualified employer plan shall not fail to meet any requirement of this title solely by reason of establishing and maintaining a program described in paragraph (1), and

"(B) any account or annuity described in paragraph (1), and any contribution to the account or annuity, shall not be subject to any requirement of this title applicable to a qualified employer plan or taken into account in applying any such requirement to any other contributions under the plan.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term by section 72(p)(4).

"(B) VOLUNTARY EMPLOYEE CONTRIBUTION.—The term 'voluntary employee contribution' means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

"(i) which is made by an individual as an employee under a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

"(ii) with respect to which the individual has designated the contribution as a contribution to which this subsection applies.".

(b) AMENDMENT OF ERISA.—

(1) IN GENERAL.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) is amended by adding at the end the following new subsection:

"(c) If a pension plan allows an employee to elect to make voluntary employee contributions to accounts and annuities as provided in section 408(q) of the Internal Revenue Code of 1986, such accounts and annuities (and contributions thereto) shall not be treated as part of such plan (or as a separate pension plan) for purposes of any provision of this title other than section 403(c), 404, or 405 (relating to exclusive benefit, and fiduciary and co-fiduciary responsibilities).".

(2) CONFORMING AMENDMENT.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting "or (c)" after "subsection (b)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1999.

SEC. 214. CATCHUP CONTRIBUTIONS TO IRAS BY INDIVIDUALS AGE 50 OR OVER.

(a) IN GENERAL.—Section 219(b), as amended by section 211, is amended by adding at the end the following new paragraph:

"(6) CATCHUP CONTRIBUTIONS.—

"(A) IN GENERAL.—In the case of an individual who has attained the age of 50 before the close of the taxable year, the dollar amount in effect under paragraph (1)(A) for such taxable year shall be equal to the applicable percentage of such amount determined without regard to this paragraph.

"(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	**The applicable percentage is:**
2001	110 percent
2002	120 percent
2003	130 percent
2004	140 percent
2005 and thereafter	150percent.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

TITLE III—ALTERNATIVE MINIMUM TAX REFORM

SEC. 301. MODIFICATION OF ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

(a) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—Subsection (c) of section 53, as amended by section 121, is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) CORPORATIONS FOR TAXABLE YEARS BEGINNING AFTER 2004.—In the case of a corporation for any taxable year beginning after 2004, the limitation under paragraph (1) shall be increased by the lesser of—

"(A) 50 percent of the tentative minimum tax for the taxable year, or

"(B) the excess (if any) of the tentative minimum tax for the taxable year over the regular tax for the taxable year."

(b) REPEAL OF 90 PERCENT LIMITATION ON NOL DEDUCTION.—Section 56(d)(1)(A) is amended by striking "90 percent" and inserting "90 percent (100 percent in the case of a corporation)".

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2004.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2001.

SEC. 302. REPEAL OF 90 PERCENT LIMITATION ON FOREIGN TAX CREDIT.

(a) IN GENERAL.—Section 59(a) (relating to alternative minimum tax foreign tax credit) is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(b) CONFORMING AMENDMENT.—Section 53(d)(1)(B)(i)(II) is amended by striking "and if section 59(a)(2) did not apply".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE IV—EDUCATION SAVINGS INCENTIVES

SEC. 401. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) Maximum Annual Contributions.—

(1) In general.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking "$500" and inserting "$2,000".

(2) Conforming amendment.—Section 4973(e)(1)(A) is amended by striking "$500" and inserting "$2,000".

(b) Tax-Free Expenditures for Elementary and Secondary School Expenses.—

(1) In general.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

"(2) Qualified education expenses.—

"(A) In general.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

"(B) Qualified state tuition programs.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).".

(2) Qualified elementary and secondary education expenses.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(4) Qualified elementary and secondary education expenses.—

"(A) In general.—The term 'qualified elementary and secondary education expenses' means—

"(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, and

"(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

"(B) Special rule for homeschooling.—Such term shall include expenses described in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

"(C) School.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.".

(3) Conforming amendments.—Section 530 is amended—

(A) by striking "higher" each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking "HIGHER" in the heading for subsection (d)(2).

(c) Waiver of Age Limitations for Children With Special Needs.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

"The age limitations in subparagraphs (A)(ii) and (E) and paragraphs (5) and (6) of subsection (d) shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).".

(d) Entities Permitted To Contribute to Accounts.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking "The maximum amount which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(e) Time When Contributions Deemed Made.—

(1) In general.—Section 530(b) (relating to definitions and special rules), as amended by subsection (b)(2), is amended by adding at the end the following new paragraph:

"(5) Time when contributions deemed made.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).".

(2) Extension of time to return excess contributions.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

"(i) such distribution is made before the 1st day of the 6th month of the taxable year following the taxable year, and", and

(B) by striking "DUE DATE OF RETURN" in the heading and inserting "CERTAIN DATE".

(f) Coordination With Hope and Lifetime Learning Credits and Qualified Tuition Programs.—

(1) In general.—Section 530(d)(2)(C) is amended to read as follows:

"(C) Coordination with hope and lifetime learning credits and qualified tuition programs.—For purposes of subparagraph (A)—

"(i) Credit coordination.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(ii) Coordination with qualified tuition programs.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

"(II) the total amount of qualified education expenses (after the application of clause (i)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).".

(2) Conforming amendments.—

(A) Subsection (e) of section 25A is amended to read as follows:

"(e) Election Not To Have Section Apply.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.".

(B) Section 135(d)(2)(A) is amended by striking "allowable" and inserting "allowed".

(C) Section 530(d)(2)(D) is amended—

(i) by striking "or credit", and

(ii) by striking "CREDIT OR" in the heading.

(D) Section 4973(e)(1) is amended by adding "and" at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(g) Renaming Education Individual Retirement Accounts as Education Savings Accounts.—

(1) In general.—

(A) Section 530 (as amended by the preceding provisions of this section) is amended by striking "education individual retirement account" each place it appears and inserting "education savings account".

(B) The heading for paragraph (1) of section 530(b) is amended by striking "Education individual retirement account" and inserting "Education savings account".

(C) The heading for section 530 is amended to read as follows:

"SEC. 530. EDUCATION SAVINGS ACCOUNTS.".

(D) The item in the table of contents for part VII of subchapter F of chapter 1 relating to section 530 is amended to read as follows:

"Sec. 530. Education savings accounts.".

(2) Conforming amendments.—

(A) The following provisions are each amended by striking "education individual retirement" each place it appears and inserting "education savings":

(i) Section 25A(e)(2).

(ii) Section 26(b)(2)(E).

(iii) Section 72(e)(9).

(iv) Section 135(c)(2)(C).

(v) Subsections (a) and (e) of section 4973.

(vi) Subsections (c) and (e) of section 4975.

(vii) Section 6693(a)(2)(D).

(B) The headings for each of the following provisions are amended by striking "EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS" each place it appears and inserting "EDUCATION SAVINGS ACCOUNTS".

(i) Section 72(e)(9).

(ii) Section 135(c)(2)(C).

(iii) Section 4973(e).

(iv) Section 4975(c)(5).

(h) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) Subsection (g).—The amendments made by subsection (g) shall take effect on the date of the enactment of this Act.

SEC. 402. MODIFICATIONS TO QUALIFIED TUITION PROGRAMS.

(a) Short Title.—This section may be cited as the "Collegiate Learning and Student Savings (CLASS) Act".

(b) Eligible Educational Institutions Permitted To Maintain Qualified Tuition Programs.—

(1) In general.—Section 529(b)(1) (defining qualified State tuition program) is amended by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof".

(2) Private qualified tuition programs limited to benefit plans.—Clause (ii) of section 529(b)(1)(A) is amended by inserting "in the case of a program established and maintained by a State or agency or instrumentality thereof," before "may make".

(3) Conforming amendments.—

(A) Sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530(b)(2)(B), 4973(e), and 6693(a)(2)(C) are each amended by striking "qualified State tuition" each place it appears and inserting "qualified tuition".

(B) The headings for sections 72(e)(9) and 135(c)(2)(C) are each amended by striking "QUALIFIED STATE TUITION" and inserting "QUALIFIED TUITION".

(C) The headings for sections 529(b) and 530(b)(2)(B) are each amended by striking "QUALIFIED STATE TUITION" and inserting "QUALIFIED TUITION".

(D) The heading for section 529 is amended by striking "state".

(E) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(c) Exclusion From Gross Income of Education Distributions From Qualified Tuition Programs.—

(1) In general.—Section 529(c)(3)(B) (relating to distributions) is amended to read as follows:

"(B) Distributions for qualified higher education expenses.—For purposes of this paragraph—

"(i) In-kind distributions.—No amount shall be includible in gross income under subparagraph (A) by reason of a distribution which consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense.

"(ii) Cash distributions.—In the case of distributions not described in clause (i), if—

"(I) such distributions do not exceed the qualified higher education expenses (reduced by expenses described in clause (i)), no amount shall be includible in gross income, and

"(II) in any other case, the amount otherwise includible in gross income shall be reduced by an amount which bears the same ratio to such amount as such expenses bear to such distributions.

"(iii) Exception for institutional programs.—In the case of any taxable year beginning before January 1, 2004, clauses (i) and (ii) shall not apply with respect to any distribution during such taxable year under a qualified tuition program established and maintained by 1 or more eligible educational institutions.

"(iv) Treatment as distributions.—Any benefit furnished to a designated beneficiary under a qualified tuition program shall be treated as a distribution to the beneficiary for purposes of this paragraph.

"(v) Coordination with hope and lifetime learning credits.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

"(I) as provided in section 25A(g)(2), and

"(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

"(vi) Coordination with education individual retirement accounts.—If, with respect to an individual for any taxable year—

"(I) the aggregate distributions to which clauses (i) and (ii) and section 530(d)(2)(A) apply, exceed

"(II) the total amount of qualified higher education expenses otherwise taken into account under clauses (i) and (ii) (after the application of clause (v)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under clauses (i) and (ii) and section 530(d)(2)(A).".

(2) Conforming amendments.—

(A) Section 135(d)(2)(B) is amended by striking "the exclusion under section 530(d)(2)" and inserting "the exclusions under sections 529(c)(3)(B)(i) and 530(d)(2)".

(B) Section 221(e)(2)(A) is amended by inserting "529," after "135,".

(d) Rollover to Different Program for Benefit of Same Designated Beneficiary.—Section 529(c)(3)(C) (relating to change in beneficiaries) is amended—

(1) by striking "transferred to the credit" in clause (i) and inserting "transferred—

"(I) to another qualified tuition program for the benefit of the designated beneficiary, or

"(II) to the credit",

(2) by adding at the end the following new clause:

"(iii) Limitation on certain rollovers.—Clause (i)(I) shall not apply to any amount transferred with respect to a designated beneficiary if, at any time during the 1-year period ending on the day of such transfer, any other amount was transferred with respect to such beneficiary which was not includible in gross income by reason of clause (i)(I).", and

(3) by inserting "OR PROGRAMS" after "BENEFICIARIES" in the heading.

(e) Member of Family Includes First Cousin.—Section 529(e)(2) (defining member of family) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and by inserting "; and", and by adding at the end the following new subparagraph:

"(D) any first cousin of such beneficiary.".

(f) Definition of Qualified Higher Education Expenses.—

(1) In general.—Subparagraph (A) of section 529(e)(3) (relating to definition of qualified higher education expenses) is amended to read as follows:

"(A) In general.—The term 'qualified higher education expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a designated beneficiary at an eligible educational institution for courses of instruction of such beneficiary at such institution, and

"(ii) expenses for books, supplies, and equipment which are incurred in connection with such enrollment or attendance, but not to exceed the allowance for books and supplies included in the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll), as in effect on the date of enactment of the Taxpayer Refund and Relief Act of 1999) as determined by the eligible educational institution.".

(2) Exception for education involving sports, etc.—Paragraph (3) of section 529(e) (relating to qualified higher education expenses) is amended by adding at the end the following new subparagraph:

"(C) Exception for education involving sports, etc.—The term 'qualified higher education expenses' shall not include expenses with respect to any course or other education involving sports, games, or hobbies unless such course or other education is part of the beneficiary's degree program or is taken to acquire or improve job skills of the beneficiary.".

(g) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

(2) Qualified higher education expenses.—The amendments made by subsection (f) shall apply to amounts paid for courses beginning after December 31, 1999.

SEC. 403. EXCLUSION OF CERTAIN AMOUNTS RECEIVED UNDER THE NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM, THE F. EDWARD HEBERT ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM, AND CERTAIN OTHER PROGRAMS.

(a) In General.—Section 117(c) (relating to the exclusion from gross income amounts received as a qualified scholarship) is amended—

(1) by striking "Subsections (a)" and inserting the following:

"(1) In general.—Except as provided in paragraph (2), subsections (a)", and

(2) by adding at the end the following new paragraph:

"(2) Exceptions.—Paragraph (1) shall not apply to any amount received by an individual under—

"(A) the National Health Service Corps Scholarship program under section 338A(g)(1)(A) of the Public Health Service Act,

"(B) the Armed Forces Health Professions Scholarship and Financial Assistance program under subchapter I of chapter 105 of title 10, United States Code,

"(C) the National Institutes of Health Undergraduate Scholarship program under section 487D of the Public Health Service Act, or

"(D) any State program determined by the Secretary to have substantially similar objectives as such programs.".

(b) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 1993.

(2) State programs.—Section 117(c)(2)(D) of the Internal Revenue Code of 1986 (as added by the amendments made by subsection (a)) shall apply to amounts received in taxable years beginning after December 31, 1999.

SEC. 404. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

Section 127(d) (relating to termination of exclusion for educational assistance programs) is amended by striking "May 31, 2000" and inserting "December 31, 2003".

SEC. 405. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) In General.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking "$5,000,000" the second place it appears and inserting "$10,000,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 1999.

SEC. 406. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) In General.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-year spending requirement for public school construction issue.—

"(I) In general.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 60 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) Public school construction issue.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

"(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1999.

SEC. 407. ELIMINATION OF 60-MONTH LIMIT AND INCREASE IN INCOME LIMITATION ON STUDENT LOAN INTEREST DEDUCTION.

(a) ELIMINATION OF 60-MONTH LIMIT.—

(1) IN GENERAL.—Section 221 (relating to interest on education loans) is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) CONFORMING AMENDMENT.—Section 6050S(e) is amended by striking "section 221(e)(1)" and inserting "section 221(d)(1)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to any loan interest paid after December 31, 1999, in taxable years ending after such date.

(b) INCREASE IN INCOME LIMITATION.—

(1) IN GENERAL.—Section 221(b)(2)(B) (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $45,000 ($90,000 in the case of a joint return), bears to

"(ii) $15,000.".

(2) CONFORMING AMENDMENT.—Section 221(g)(1) is amended by striking "$40,000 and $60,000 amounts" and inserting "$45,000 and $90,000 amounts".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 1999.

SEC. 408. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT TO APPLY TO QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Section 67(b) (defining miscellaneous itemized deductions) is amended by striking "and" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", and", and by adding at the end the following new paragraph:

"(13) any deduction allowable for the qualified professional development expenses of an eligible teacher.".

(b) DEFINITIONS.—Section 67 (relating to 2-percent floor on miscellaneous itemized deductions) is amended by adding at the end the following new subsection:

"(g) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (b)(13)—

"(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

"(A) IN GENERAL.—The term 'qualified professional development expenses' means expenses in an amount not to exceed $1,000 for any taxable year—

"(i) for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction, and

"(ii) with respect to which a deduction is allowable under section 162 (determined without regard to this section).

"(B) QUALIFIED COURSE OF INSTRUCTION.—The term 'qualified course of instruction' means a course of instruction which—

"(i) is—

"(I) at an institution of higher education (as defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this subsection), or

"(II) a professional conference, and

"(ii) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the individual's teaching skills.

"(C) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as so in effect.

"(2) ELIGIBLE TEACHER.—

"(A) IN GENERAL.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school.

"(B) ELEMENTARY OR SECONDARY SCHOOL.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000, and ending before January 1, 2005.

TITLE V—HEALTH CARE PROVISIONS

SEC. 501. DEDUCTION FOR HEALTH AND LONG-TERM CARE INSURANCE COSTS OF INDIVIDUALS NOT PARTICIPATING IN EMPLOYER-SUBSIDIZED HEALTH PLANS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

"SEC. 222. HEALTH AND LONG-TERM CARE INSURANCE COSTS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002, 2003, and 2004	25
2005	35
2006	65
2007 and thereafter	100.

"(c) LIMITATION BASED ON OTHER COVERAGE.—

"(1) COVERAGE UNDER CERTAIN SUBSIDIZED EMPLOYER PLANS.—

"(A) IN GENERAL.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer if 50 percent or more of the cost of coverage under such plan (determined under section 4980B and without regard to payments made with respect to any coverage described in subsection (e)) is paid or incurred by the employer.

"(B) EMPLOYER CONTRIBUTIONS TO CAFETERIA PLANS, FLEXIBLE SPENDING ARRANGEMENTS, AND MEDICAL SAVINGS ACCOUNTS.—Employer contributions to a cafeteria plan, a flexible spending or similar arrangement, or a medical savings account which are excluded from gross income under section 106 shall be treated for purposes of subparagraph (A) as paid by the employer.

"(C) AGGREGATION OF PLANS OF EMPLOYER.—A health plan which is not otherwise described in subparagraph (A) shall be treated as described in such subparagraph if such plan would be so described if all health plans of persons treated as a single employer under subsections (b), (c), (m), or (o) of section 414 were treated as one health plan.

"(D) SEPARATE APPLICATION TO HEALTH INSURANCE AND LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (C) shall be applied separately with respect to—

"(i) plans which include primarily coverage for qualified long-term care services or are qualified long-term care insurance contracts, and

"(ii) plans which do not include such coverage and are not such contracts.

"(2) COVERAGE UNDER CERTAIN FEDERAL PROGRAMS.—

"(A) IN GENERAL.—Subsection (a) shall not apply to any amount paid for any coverage for an individual for any calendar month if, as of the first day of such month, the individual is covered under any medical care program described in—

"(i) title XVIII, XIX, or XXI of the Social Security Act,

"(ii) chapter 55 of title 10, United States Code,

"(iii) chapter 17 of title 38, United States Code,

"(iv) chapter 89 of title 5, United States Code, or

"(v) the Indian Health Care Improvement Act.

"(B) EXCEPTIONS.—

"(i) QUALIFIED LONG-TERM CARE.—Subparagraph (A) shall not apply to amounts paid for coverage under a qualified long-term care insurance contract.

"(ii) CONTINUATION COVERAGE OF FEHBP.—Subparagraph (A)(iv) shall not apply to coverage which is comparable to continuation coverage under section 4980B.

"(d) LONG-TERM CARE DEDUCTION LIMITED TO QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.—In the case of a qualified long-term care insurance contract, only eligible long-term care premiums (as defined in section 213(d)(10)) may be taken into account under subsection (a).

"(e) DEDUCTION NOT AVAILABLE FOR PAYMENT OF ANCILLARY COVERAGE PREMIUMS.—Any amount paid as a premium for insurance which provides for—

"(1) coverage for accidents, disability, dental care, vision care, or a specified illness, or

"(2) making payments of a fixed amount per day (or other period) by reason of being hospitalized.

shall not be taken into account under subsection (a).

"(f) SPECIAL RULES.—

"(1) COORDINATION WITH DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—The amount taken into account by the taxpayer in computing the deduction under section 162(l) shall not be taken into account under this section.

"(2) COORDINATION WITH MEDICAL EXPENSE DEDUCTION.—The amount taken into account by the taxpayer in computing the deduction under this section shall not be taken into account under section 213.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations requiring employers to report to their employees and the Secretary such information as the Secretary determines to be appropriate.".

(b) Deduction Allowed Whether or Not Taxpayer Itemizes Other Deductions.—Subsection (a) of section 62 is amended by inserting after paragraph (17) the following new item:

"(18) Health and long-term care insurance costs.—The deduction allowed by section 222.".

(c) Clerical Amendment.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

"Sec. 222. Health and long-term care insurance costs.

"Sec. 223. Cross reference.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 502. LONG-TERM CARE INSURANCE PERMITTED TO BE OFFERED UNDER CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.

(a) Cafeteria Plans.—

(1) In general.—Subsection (f) of section 125 (defining qualified benefits) is amended by inserting before the period at the end "; except that such term shall include the payment of premiums for any qualified long-term care insurance contract (as defined in section 7702B) to the extent the amount of such payment does not exceed the eligible long-term care premiums (as defined in section 213(d)(10)) for such contract".

(b) Flexible Spending Arrangements.—Section 106 (relating to contributions by employer to accident and health plans) is amended by striking subsection (c).

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 503. ADDITIONAL PERSONAL EXEMPTION FOR TAXPAYER CARING FOR ELDERLY FAMILY MEMBER IN TAXPAYER'S HOME.

(a) In General.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Additional Exemption for Certain Elderly Family Members Residing With Taxpayer.—

"(1) In general.—An exemption of the exemption amount for each qualified family member of the taxpayer.

"(2) Qualified family member.—For purposes of this subsection, the term 'qualified family member' means, with respect to any taxable year, any individual—

"(A) who is an ancestor of the taxpayer or of the taxpayer's spouse or who is the spouse of any such ancestor,

"(B) who is a member for the entire taxable year of a household maintained by the taxpayer, and

"(C) who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in paragraph (3) for a period—

"(i) which is at least 180 consecutive days, and

"(ii) a portion of which occurs within the taxable year.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the 39½-month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

"(3) Individuals with long-term care needs.—An individual is described in this paragraph if the individual—

"(A) is unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

"(B) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

"(4) Special rules.—Rules similar to the rules of paragraphs (1), (2), (3), (4), and (5) of section 21(e) shall apply for purposes of this subsection.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 504. EXPANDED HUMAN CLINICAL TRIALS QUALIFYING FOR ORPHAN DRUG CREDIT.

(a) In General.—Subclause (I) of section 45C(b)(2)(A)(ii) is amended to read as follows:

"(I) after the date that the application is filed for designation under such section 526, and".

(b) Conforming Amendment.—Clause (i) of section 45C(b)(2)(A) is amended by inserting "which is" before "being" and by inserting before the comma at the end "and which is designated under section 526 of such Act".

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1999.

SEC. 505. INCLUSION OF CERTAIN VACCINES AGAINST STREPTOCOCCUS PNEUMONIAE TO LIST OF TAXABLE VACCINES; REDUCTION IN PER DOSE TAX RATE.

(a) Inclusion of Vaccines.—

(1) In general.—Section 4132(a)(1) (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

"(L) Any conjugate vaccine against streptococcus pneumoniae.".

(2) Effective date.—

(A) Sales.—The amendment made by this subsection shall apply to vaccine sales beginning on the day after the date on which the Centers for Disease Control makes a final recommendation for routine administration to children of any conjugate vaccine against streptococcus pneumoniae, but shall not take effect if subsection (c) does not take effect.

(B) Deliveries.—For purposes of subparagraph (A), in the case of sales on or before the date described in such subparagraph for which delivery is made after such date, the delivery date shall be considered the sale date.

(b) Reduction in Per Dose Tax Rate.—

(1) In general.—Section 4131(b)(1) (relating to amount of tax) is amended by striking "75 cents" and inserting "50 cents".

(2) Effective date.—

(A) Sales.—The amendment made by this subsection shall apply to vaccine sales after December 31, 2004, but shall not take effect if subsection (c) does not take effect.

(B) Deliveries.—For purposes of subparagraph (A), in the case of sales on or before the date described in such subparagraph for which delivery is made after such date, the delivery date shall be considered the sale date.

(3) Limitation on certain credits or refunds.—For purposes of applying section 4132(b) of the Internal Revenue Code of 1986 with respect to any claim for credit or refund filed after August 31, 2004, the amount of tax taken into account shall not exceed the tax computed under the rate in effect on January 1, 2005.

(c) Vaccine Tax and Trust Fund Amendments.—

(1) Sections 1503 and 1504 of the Vaccine Injury Compensation Program Modification Act (and the amendments made by such sections) are hereby repealed.

(2) Subparagraph (A) of section 9510(c)(1) is amended by striking "August 5, 1997" and inserting "October 21, 1998".

(3) The amendments made by this subsection shall take effect as if included in the provisions of the Tax and Trade Relief Extension Act of 1998 to which they relate.

SEC. 506. DRUG BENEFITS FOR MEDICARE BENEFICIARIES.

(a) In General.—Section 213 (relating to medical, dental, etc., expenses) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Drug Benefits for Medicare Beneficiaries.—

"(1) Deduction for certain former prescription drugs.—

"(A) In general.—Subsection (b) shall not apply to amounts paid for eligible former prescription drugs for a medicare beneficiary who is the taxpayer or the taxpayer's spouse or dependent (as defined in section 152).

"(B) Eligible former prescription drug.—For purposes of subparagraph (A), the term 'eligible former prescription drug' means any drug or biological which is not a prescribed drug at the time purchased by the taxpayer but was a prescribed drug at any prior time during the calendar year in which so purchased or during the 2 preceding calendar years.

"(2) Adjusted gross income threshold not to apply to prescription drug insurance coverage for medicare beneficiaries if certain conditions met.—The 7.5 percent adjusted gross income threshold in subsection (a) shall not apply to the expenses paid during the taxable year for prescription drug insurance coverage for a medicare beneficiary who is the taxpayer or the taxpayer's spouse or dependent (as defined in section 152) if—

"(A) the Secretary certifies that, throughout such taxable year, the conditions specified in paragraph (3) are met, and

"(B) the charge for such coverage is either separately stated in the contract or furnished to the policyholder by the insurance company in a separate statement.

"(3) Conditions.—For purposes of paragraph (2), the conditions specified in this paragraph are met if all of the following are in effect:

"(A) Assistance for prescription drugs for low-income medicare beneficiaries.—

"(i) Low-income assistance is available to enable the purchase of coverage of prescription drugs as described in subparagraph (B) or (C) for medicare beneficiaries with incomes under 135 percent of the applicable Federal poverty level, with such assistance phasing out for beneficiaries with incomes between 135 percent and 150 percent of such level.

"(ii) The Federal Government provides funding for the costs of such assistance.

"(B) AUTHORIZING MEDIGAP COVERAGE SOLELY OF PRESCRIPTION DRUGS.—At least 1 of the benefit packages authorized to be offered under a medicare supplemental policy under the Social Security Act is a package which provides solely for the coverage of costs of prescription drugs.

"(C) STRUCTURAL MEDICARE REFORM.—Coverage for outpatient prescription drugs for medicare beneficiaries is provided only through integrated comprehensive health plans which offer current medicare covered services and maximum limitations on out-of-pocket spending and such comprehensive plans sponsored by the Health Care Financing Administration compete on the same basis as private plans.

"(D) DEDUCTION FOR ELIGIBLE FORMER PRESCRIPTION DRUGS.—The treatment under paragraph (1) of expenses paid for eligible former prescription drugs applies for such taxable year.

"(4) DEFINITION AND SPECIAL RULE.—

"(A) MEDICARE BENEFICIARY.—For purposes of this subsection, the term 'medicare beneficiary' means an individual who is entitled to benefits under part A, or enrolled under part B or C, of title XVIII of the Social Security Act.

"(B) COORDINATION WITH OTHER EXPENSES.—Expenses to which the 7.5 percent adjusted gross income threshold in subsection (a) does not apply by reason of paragraph (1) and (2) shall not be taken into account in applying such threshold to other expenses."

(b) DEDUCTION FOR PRESCRIPTION DRUG INSURANCE COVERAGE ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (18) the following new paragraph:

"(19) PRESCRIPTION DRUG INSURANCE COVERAGE FOR MEDICARE BENEFICIARIES.—The deduction allowed by section 213(a) to the extent of the expenses to which the 7.5 percent adjusted gross income threshold in subsection (a) does not apply by reason of paragraph (2) of section 213(e)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

TITLE VI—ESTATE TAX RELIEF

Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death

SEC. 601. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

(a) IN GENERAL.—Subtitle B is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2008.

SEC. 602. TERMINATION OF STEP UP IN BASIS AT DEATH.

(a) TERMINATION OF APPLICATION OF SECTION 1014.—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following:

"(f) TERMINATION.—In the case of a decedent dying after December 31, 2008, this section shall not apply to property for which basis is provided by section 1023.".

(b) CONFORMING AMENDMENT.—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking "and" at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting "; and", and by adding at the end the following:

"(28) to the extent provided in section 1023 (relating to basis for certain property acquired from a decedent dying after December 31, 2008).".

SEC. 603. CARRYOVER BASIS AT DEATH.

(a) GENERAL RULE.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1022, as added by section 202, the following:

"SEC. 1023. CARRYOVER BASIS FOR CERTAIN PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2008.

"(a) CARRYOVER BASIS.—Except as otherwise provided in this section, the basis of carryover basis property in the hands of a person acquiring such property from a decedent shall be determined under section 1015.

"(b) CARRYOVER BASIS PROPERTY DEFINED.—

"(1) IN GENERAL.—For purposes of this section, the term 'carryover basis property' means any property—

"(A) which is acquired from or passed from a decedent who died after December 31, 2008, and

"(B) which is not excluded pursuant to paragraph (2).

The property taken into account under subparagraph (A) shall be determined under section 1014(b) without regard to subparagraph (A) of the last sentence of paragraph (9) thereof.

"(2) CERTAIN PROPERTY NOT CARRYOVER BASIS PROPERTY.—The term 'carryover basis property' does not include—

"(A) any item of gross income in respect of a decedent described in section 691,

"(B) property which was acquired from the decedent by the surviving spouse of the decedent but only if the value of such property would have been deductible from the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of the enactment of the Taxpayer Refund and Relief Act of 1999, and

"(C) any includible property of the decedent if the aggregate adjusted fair market value of such property does not exceed $2,000,000.

For purposes of this subsection, the term 'adjusted fair market value' means, with respect to any property, fair market value reduced by any indebtedness secured by such property.

"(3) LIMITATION ON EXCEPTION FOR PROPERTY ACQUIRED BY SURVIVING SPOUSE.—The adjusted fair market value of property which is not carryover basis property by reason of paragraph (2)(B) shall not exceed $3,000,000. The executor shall allocate the limitation under the preceding sentence among such property.

"(4) PHASEIN OF CARRYOVER BASIS IF PROPERTY EXCEEDS $1,300,000.—

"(A) IN GENERAL.—If the aggregate adjusted fair market value of the includible property of the decedent exceeds $1,300,000, but does not exceed $2,000,000, the amount of the increase in the basis of includible property which would (but for this paragraph) result under section 1014 shall be reduced by the amount which bears the same ratio to such increase as such excess bears to $700,000.

"(B) ALLOCATION OF REDUCTION.—The reduction under subparagraph (A) shall be allocated among only the excepted includible property having net appreciation and shall be allocated in proportion to the respective amounts of such net appreciation. For purposes of the preceding sentence, the term 'net appreciation' means the excess of the adjusted fair market value over the decedent's adjusted basis immediately before such decedent's death.

"(5) INCLUDIBLE PROPERTY.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'includible property' means property which would be included in the gross estate of the decedent under any of the following provisions as in effect on the day before the date of the enactment of the Taxpayer Refund and Relief Act of 1999:

"(i) Section 2033.
"(ii) Section 2038.
"(iii) Section 2040.
"(iv) Section 2041.
"(v) Section 2042(1).

"(B) EXCLUSION OF PROPERTY ACQUIRED BY SPOUSE.—Such term shall not include property which is not carryover basis property by reason of paragraph (2)(B).

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

(1) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) IN GENERAL.—Subparagraph (C) of section 1221(3) (defining capital asset) is amended by inserting "(other than by reason of section 1023)" after "is determined".

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: "For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(3)(C) for basis determined under section 1023.".

(2) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

"(47) EXECUTOR.—The term 'executor' means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.".

(3) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by adding at the end the following new item:

"Sec. 1023. Carryover basis for certain property acquired from a decedent dying after December 31, 2008.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2008.

Subtitle B—Reductions of Estate and Gift Tax Rates Prior to Repeal

SEC. 611. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—

(1) IN GENERAL.—The table contained in section 2001(c)(1) is amended by striking the 2 highest brackets and inserting the following:

"Over $2,500,000	$1,025,800, plus 50% of the excess over $2,500,000.".

(2) PHASE-IN OF REDUCED RATE.—Subsection (c) of section 2001 is amended by adding at the end the following new paragraph:

"(3) PHASE-IN OF REDUCED RATE.—In the case of decedents dying, and gifts made, during 2001, the last item in the table contained in paragraph (1) shall be applied by substituting '53%' for '50%'.".

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2) and redesignating paragraph (3), as added by subsection (a), as paragraph (2).

(c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—Subsection (c) of section 2001, as so amended, is amended by adding at the end the following new paragraph:

"(3) PHASEDOWN OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2004 and before 2009—

"(A) IN GENERAL.—Except as provided in subparagraph (C), the tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

"(i) each of the rates of tax shall be reduced by the number of percentage points determined under subparagraph (B), and

"(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

"(B) PERCENTAGE POINTS OF REDUCTION.—

"For calendar year:	The number of percentage points is:
2003	1.0
2004	2.0
2005	3.0
2006	4.0
2007	5.5
2008	7.5.

"(C) COORDINATION WITH INCOME TAX RATES.—The reductions under subparagraph (A)—

"(i) shall not reduce any rate under paragraph (1) below the lowest rate in section 1(c), and

"(ii) shall not reduce the highest rate under paragraph (1) below the highest rate in section 1(c).

"(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the Secretary shall prescribe percentage point reductions which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under subsection (c).".

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2004.

Subtitle C—Unified Credit Replaced With Unified Exemption Amount

SEC. 621. UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES REPLACED WITH UNIFIED EXEMPTION AMOUNT.

(a) IN GENERAL.—

(1) ESTATE TAX.—Part IV of subchapter A of chapter 11 is amended by inserting after section 2051 the following new section:

"SEC. 2052. EXEMPTION.

"(a) IN GENERAL.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the excess (if any) of—

"(1) the exemption amount for the calendar year in which the decedent died, over

"(2) the sum of—

"(A) the aggregate amount allowed as an exemption under section 2521 with respect to gifts made by the decedent after December 31, 2000, and

"(B) the aggregate amount of gifts made by the decedent for which credit was allowed by section 2505 (as in effect on the day before the date of the enactment of the Taxpayer Refund and Relief Act of 1999).

Gifts which are includible in the gross estate of the decedent shall not be taken into account in determining the amounts under paragraph (2).

"(b) EXEMPTION AMOUNT.—For purposes of subsection (a), the term 'exemption amount' means the amount determined in accordance with the following table:

"In the case of calendar year:	The exemption amount is:
2001	$675,000
2002 and 2003	$700,000
2004	$850,000
2005	$950,000
2006 or thereafter	$1,000,000."

(2) GIFT TAX.—Subchapter C of chapter 12 (relating to deductions) is amended by inserting before section 2522 the following new section:

"SEC. 2521. EXEMPTION.

"In computing taxable gifts for any calendar year, there shall be allowed as a deduction in the case of a citizen or resident of the United States an amount equal to the excess of—

"(1) the exemption amount determined under section 2052 for such calendar year, over

"(2) the sum of—

"(A) the aggregate amount allowed as an exemption under this section for all preceding calendar years after 2000, and

"(B) the aggregate amount of gifts for which credit was allowed by section 2505 (as in effect on the day before the date of the enactment of the Taxpayer Refund and Relief Act of 1999)."

(b) REPEAL OF UNIFIED CREDITS.—

(1) Section 2010 (relating to unified credit against estate tax) is hereby repealed.

(2) Section 2505 (relating to unified credit against gift tax) is hereby repealed.

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 2001(b)(1) is amended by inserting before the comma "reduced by the amount described in section 2052(a)(2)(B)".

(2)(A) Subsection (b) of section 2011 is amended—

(i) by striking "adjusted" in the table, and

(ii) by striking the last sentence.

(B) Subsection (f) of section 2011 is amended by striking ", reduced by the amount of the unified credit provided by section 2010".

(3) Subsection (a) of section 2012 is amended by striking "and the unified credit provided by section 2010".

(4)(A) Subsection (b) of section 2013 is amended by inserting before the period at the end of the first sentence "and increased by the exemption allowed under section 2052 or 2106(a)(4) (or the corresponding provisions of prior law) in determining the taxable estate of the transferor for purposes of the estate tax".

(B) Subparagraph (A) of section 2013(c)(1) is amended by striking "2010,".

(5) Paragraph (2) of section 2014(b) is amended by striking "2010,".

(6) Clause (ii) of section 2056A(b)(12)(C) is amended to read as follows:

"(ii) to treat any reduction in the tax imposed by paragraph (1)(A) by reason of the credit allowable under section 2010 (as in effect on the day before the date of the enactment of the Taxpayer Refund and Relief Act of 1999) or the exemption allowable under section 2052 with respect to the decedent as a credit under section 2505 (as so in effect) or exemption under section 2521 (as the case may be) allowable to such surviving spouse for purposes of determining the amount of the exemption allowable under section 2521 with respect to taxable gifts made by the surviving spouse during the year in which the spouse becomes a citizen or any subsequent year,".

(7) Paragraph (3) of section 2057(a) is amended to read as follows:

"(3) COORDINATION WITH EXEMPTION AMOUNT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if this section applies to an estate, the exemption amount under section 2052 shall be $625,000.

"(B) INCREASE IN EXEMPTION AMOUNT IF DEDUCTION IS LESS THAN $675,000.—If the deduction allowed by this section is less than $675,000, the amount of the exemption amount under section 2052 shall be increased (but not above the amount which would apply to the estate without regard to this section) by the excess of $675,000 over the amount of the deduction allowed."

(8)(A) Subparagraph (B) of section 2101(b)(1) is amended by inserting before the comma "reduced by the aggregate amount of gifts for which credit was allowed by section 2505 (as in effect on the day before the date of the enactment of the Taxpayer Refund and Relief Act of 1999)"

(B) Subsection (b) of section 2101 is amended by striking the last sentence.

(9) Section 2102 is amended by striking subsection (c).

(10) Subsection (a) of section 2106 is amended by adding at the end the following new paragraph:

"(4) EXEMPTION.—

"(A) IN GENERAL.—An exemption of $60,000.

"(B) RESIDENTS OF POSSESSIONS OF THE UNITED STATES.—In the case of a decedent who is considered to be a nonresident not a citizen of the United States under section 2209, the exemption under this paragraph shall be the greater of—

"(i) $60,000, or

"(ii) that proportion of $175,000 which the value of that part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated.

"(C) SPECIAL RULES.—

"(i) COORDINATION WITH TREATIES.—To the extent required under any treaty obligation of the United States, the exemption allowed under this paragraph shall be equal to the amount which bears the same ratio to the exemption amount under section 2052 (for the calendar year in which the decedent died) as the value of the part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated. For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.

"(ii) COORDINATION WITH GIFT TAX EXEMPTION AND UNIFIED CREDIT.—If an exemption has been allowed under section 2521 (or a credit has been allowed under section 2505 as in effect on the day before the date of the enactment of the Taxpayer Refund and Relief Act of 1999) with respect to any gift made by the decedent, each dollar amount contained in subparagraph (A) or (B) or the exemption amount applicable under clause (i) of this subparagraph (whichever applies) shall be reduced by the exemption so allowed under 2521 (or, in the case of such a credit, by the amount of the gift for which the credit was so allowed)."

(11)(A) Subsection (a) of section 2107 is amended by adding at the end the following new paragraph:

"(3) LIMITATION ON EXEMPTION AMOUNT.—Subparagraphs (B) and (C) of section 2106(a)(4) shall not apply in applying section 2106 for purposes of this section."

(B) Subsection (c) of section 2107 is amended—

(i) by striking paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively, and

(ii) by striking the second sentence of paragraph (2) (as so redesignated).

(12) Section 2206 is amended by striking "the taxable estate" in the first sentence and inserting "the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate".

(13) Section 2207 is amended by striking "the taxable estate" in the first sentence and inserting "the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate".

(14) Subparagraph (B) of section 2207B(a)(1) is amended to read as follows:

"(B) the sum of the taxable estate and the amount of the exemption allowed under section 2052 or 2106(a)(4) in computing the taxable estate."

(15) Subsection (a) of section 2503 is amended by striking "section 2522" and inserting "section 2521".

(16) Paragraph (1) of section 6018(a) is amended by striking "the applicable exclusion amount in effect under section 2010(c)" and inserting "the exemption amount under section 2052".

(17) Subparagraph (A) of section 6601(j)(2) is amended to read as follows:

"(A) the amount of the tax which would be imposed by chapter 11 on an amount of taxable estate equal to $1,000,000, or".

(18) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2010.

(19) The table of sections for part IV of subchapter A of chapter 11 is amended by inserting after the item relating to section 2051 the following new item:

"Sec. 2052. Exemption."

(20) The table of sections for subchapter A of chapter 12 is amended by striking the item relating to section 2505.

(21) The table of sections for subchapter C of chapter 12 is amended by inserting before the item relating to section 2522 the following new item:

"Sec. 2521. Exemption."

(d) Effective Date.—The amendments made by this section—

(1) insofar as they relate to the tax imposed by chapter 11 of the Internal Revenue Code of 1986, shall apply to estates of decedents dying after December 31, 2000, and

(2) insofar as they relate to the tax imposed by chapter 12 of such Code, shall apply to gifts made after December 31, 2000.

Subtitle D—Modifications of Generation-Skipping Transfer Tax

SEC. 631. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.

(a) In General.—Section 2632 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

"(c) Deemed Allocation to Certain Lifetime Transfers to GST Trusts.—

"(1) In general.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

"(2) Unused portion.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

"(A) allocated by such individual,

"(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

"(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

"(3) Definitions.—

"(A) Indirect skip.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

"(B) GST trust.—The term 'GST trust' means a trust that could have a generation-skipping transfer with respect to the transferor unless—

"(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons—

"(I) before the date that the individual attains age 46,

"(II) on or before 1 or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

"(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

"(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals;

"(iii) the trust instrument provides that, if 1 or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of 1 or more of such individuals or is subject to a general power of appointment exercisable by 1 or more of such individuals;

"(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer;

"(v) the trust is a charitable lead annuity trust (within the meaning of section 2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

"(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

"(4) Automatic allocations to certain GST trusts.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

"(5) Applicability and effect.—

"(A) In general.—An individual—

"(i) may elect to have this subsection not apply to—

"(I) an indirect skip, or

"(II) any or all transfers made by such individual to a particular trust, and

"(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

"(B) Elections.—

"(i) Elections with respect to indirect skips.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

"(ii) Other elections.—An election under clause (i)(II) or (ii) of subparagraph (A) may be made on a timely filed gift tax return for the calendar year for which the election is to become effective.

"(d) Retroactive Allocations.—

"(1) In general.—If—

"(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

"(B) such person—

"(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

"(ii) is assigned to a generation below the generation assignment of the transferor, and

"(C) such person predeceases the transferor,

then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

"(2) Special rules.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

"(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on a timely filed gift tax return for each calendar year within which each transfer was made,

"(B) such allocation shall be effective immediately before such death, and

"(C) the amount of the transferor's unused GST exemption available to be allocated shall be determined immediately before such death.

"(3) Future interest.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.".

(b) Conforming Amendment.—Paragraph (2) of section 2632(b) is amended by striking "with respect to a direct skip" and inserting "or subsection (c)(1)".

(c) Effective Dates.—

(1) DEEMED ALLOCATION.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 1999, and to estate tax inclusion periods ending after December 31, 1999.

(2) RETROACTIVE ALLOCATIONS.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after the date of the enactment of this Act.

SEC. 632. SEVERING OF TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 2642 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

"(3) SEVERING OF TRUSTS.—

"(A) IN GENERAL.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

"(B) QUALIFIED SEVERANCE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified severance' means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of 2 or more trusts if—

"(I) the single trust was divided on a fractional basis, and

"(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

"(ii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into 2 trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

"(iii) REGULATIONS.—The term 'qualified severance' includes any other severance permitted under regulations prescribed by the Secretary.

"(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after the date of the enactment of this Act.

SEC. 633. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Paragraph (1) of section 2642(b) (relating to valuation rules, etc.) is amended to read as follows:

"(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

"(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value at the time of the close of the estate tax inclusion period, and

"(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.".

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) is amended to read as follows:

"(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 1431 of the Tax Reform Act of 1986.

SEC. 634. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 is amended by adding at the end the following new subsection:

"(g) RELIEF PROVISIONS.—

"(1) RELIEF FOR LATE ELECTIONS.—

"(A) IN GENERAL.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

"(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

"(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of the enactment of this paragraph.

"(B) BASIS FOR DETERMINATIONS.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

"(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor's unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.".

(b) EFFECTIVE DATES.—

(1) RELIEF FOR LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, the date of the enactment of this Act.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall take effect on the date of the enactment of this Act and shall apply to allocations made prior to such date for purposes of determining the tax consequences of generation-skipping transfers with respect to which the period of time for filing claims for refund has not expired. No implication is intended with respect to the availability of relief for late elections or the application of a rule of substantial compliance prior to the enactment of this amendment.

Subtitle E—Conservation Easements

SEC. 641. EXPANSION OF ESTATE TAX RULE FOR CONSERVATION EASEMENTS.

(a) WHERE LAND IS LOCATED.—

(1) IN GENERAL.—Clause (i) of section 2031(c)(8)(A) (defining land subject to a conservation easement) is amended—

(A) by striking "25 miles" both places it appears and inserting "50 miles", and

(B) striking "10 miles" and inserting "25 miles".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to estates of decedents dying after December 31, 1999.

(b) CLARIFICATION OF DATE FOR DETERMINING VALUE OF LAND AND EASEMENT.—

(1) IN GENERAL.—Section 2031(c)(2) (defining applicable percentage) is amended by adding at the end the following new sentence: "The values taken into account under the preceding sentence shall be such values as of the date of the contribution referred to in paragraph (8)(B).".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to estates of decedents dying after December 31, 1997.

TITLE VII—TAX RELIEF FOR DISTRESSED COMMUNITIES AND INDUSTRIES

Subtitle A—American Community Renewal Act of 1999

SEC. 701. SHORT TITLE.

This subtitle may be cited as the "American Community Renewal Act of 1999".

SEC. 702. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"Part I. Designation.
"Part II. Renewal community capital gain; renewal community business.
"Part III. Family development accounts.
"Part IV. Additional incentives.

"PART I—DESIGNATION

"Sec. 1400E. Designation of renewal communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'); and

"(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration; and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 4 must be areas—

“(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

“(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

“(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

“(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

“(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

“(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

“(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first 10 designations made under this section—

“(i) all shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section); and

“(ii) 2 shall be areas described in paragraph (2)(B).

“(4) LIMITATION ON DESIGNATIONS.—

“(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

“(i) the procedures for nominating an area under paragraph (1)(A);

“(ii) the parameters relating to the size and population characteristics of a renewal community; and

“(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

“(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

“(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

“(i) the local governments and the States in which the nominated area is located have the authority—

“(I) to nominate such area for designation as a renewal community;

“(II) to make the State and local commitments described in subsection (d); and

“(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

“(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe; and

“(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

“(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

“(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

“(1) AL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

“(A) December 31, 2007,

“(B) the termination date designated by the State and local governments in their nomination, or

“(C) the date the Secretary of Housing and Urban Development revokes such designation.

“(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

“(A) has modified the boundaries of the area, or

“(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

“(c) AREA AND ELIGIBILITY REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

“(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

“(A) the area is within the jurisdiction of one or more local governments;

“(B) the boundary of the area is continuous; and

“(C) the area—

“(i) has a population, of at least—

“(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater; or

“(II) 1,000 in any other case; or

“(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

“(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

“(A) the area is one of pervasive poverty, unemployment, and general distress;

“(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate;

“(C) the poverty rate for each population census tract within the nominated area is at least 20 percent; and

“(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

“(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

“(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

“(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

“(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

“(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area; and

“(B) the economic growth promotion requirements of paragraph (3) are met.

“(2) COURSE OF ACTION.—

“(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

“(i) A reduction of tax rates or fees applying within the renewal community.

“(ii) An increase in the level of efficiency of local services within the renewal community.

“(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

“(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

“(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

“(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

“(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

"(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

"(A) licensing requirements for occupations that do not ordinarily require a professional degree;

"(B) zoning restrictions on home-based businesses which do not create a public nuisance;

"(C) permit requirements for street vendors who do not create a public nuisance;

"(D) zoning or other restrictions that impede the formation of schools or child care centers; and

"(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

"(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

"(1) a designation as a renewal community; and

"(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State;

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development; and

"(C) the District of Columbia.

"(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

"PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

"Sec. 1400F. Renewal community capital gain.

"Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

"(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

"(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified community asset' means—

"(A) any qualified community stock;

"(B) any qualified community partnership interest; and

"(C) any qualified community business property.

"(2) QUALIFIED COMMUNITY STOCK.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

"(i) such stock is acquired by the taxpayer after December 31, 2000, and before January 1, 2008, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash;

"(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business); and

"(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

"(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

"(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term 'qualified community partnership interest' means any capital or profits interest in a domestic partnership if—

"(A) such interest is acquired by the taxpayer after December 31, 2000, and before January 1, 2008;

"(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business); and

"(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

"(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

"(A) IN GENERAL.—The term 'qualified community business property' means tangible property if—

"(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2008;

"(ii) the original use of such property in the renewal community commences with the taxpayer; and

"(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

"(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

"(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2008; and

"(ii) any land on which such property is located.

"(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

"SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

"For purposes of this part, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

"(1) references to renewal communities were substituted for references to empowerment zones in such section; and

"(2) '80 percent' were substituted for '50 percent' in subsections (b)(2) and (c)(1) of such section.

"PART III—FAMILY DEVELOPMENT ACCOUNTS

"Sec. 1400H. Family development accounts for renewal community EITC recipients.

"Sec. 1400I. Designation of earned income tax credit payments for deposit to family development account.

"SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—There shall be allowed as a deduction—

"(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit; and

"(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

"(2) LIMITATION.—

"(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

"(i) $2,000, or

"(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

"(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

"(4) COORDINATION WITH IRAS.—No deduction shall be allowed under this section for any taxable year to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid for such taxable year into an individual retirement account (including a Roth IRA) for the benefit of such individual.

"(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

"(b) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

"(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

"(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

"(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term 'qualified family development expenses' means any of the following:

"(A) Qualified higher education expenses.

"(B) Qualified first-time homebuyer costs.

"(C) Qualified business capitalization costs.

"(D) Qualified medical expenses.

"(E) Qualified rollovers.

"(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified higher education expenses' has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

"(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term 'postsecondary vocational educational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

"(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

"(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term 'qualified first-time homebuyer costs' means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in section 72(t)(8)).

"(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

"(A) IN GENERAL.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(B) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(C) QUALIFIED BUSINESS.—The term 'qualified business' means any trade or business other than any trade or business—

"(i) which consists of the operation of any facility described in section 144(c)(6)(B), or

"(ii) which contravenes any law.

"(D) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which meets such requirements as the Secretary may specify.

"(6) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

"(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

"(A) such taxpayer, or

"(B) any qualified individual who is—

"(i) the spouse of such taxpayer, or

"(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

"(d) TAX TREATMENT OF ACCOUNTS.—

"(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

"(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

"(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

"(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

"(A) no contribution will be accepted unless it is in cash; and

"(B) contributions will not be accepted for the taxable year in excess of $3,000.

"(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

"(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

"(1) who is a bona fide resident of a renewal community throughout the taxable year; and

"(2) to whom a credit was allowed under section 32 for the preceding taxable year.

"(g) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

"(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

"(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations; and

"(B) shall be furnished to individuals—

"(i) not later than January 31 of the calendar year following the calendar year to which such reports relate; and

"(ii) in such manner as the Secretary prescribes in such regulations.

"(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

"(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

"(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by 10 percent of the portion of such amount which is includible in gross income.

"(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

"(A) made on or after the date on which the account holder attains age 59½,

"(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

"(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

"(i) APPLICATION OF SECTION.—This section shall apply to amounts paid to a family development account for any taxable year beginning after December 31, 2000, and before January 1, 2008.

"SEC. 1400I. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

"(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

"(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

"(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

"(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

"(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2007.

"PART IV—ADDITIONAL INCENTIVES

"Sec. 1400K. Commercial revitalization deduction.

"Sec. 1400L. Increase in expensing under section 179.

"SEC. 1400K. COMMERCIAL REVITALIZATION DEDUCTION.

"(a) GENERAL RULE.—At the election of the taxpayer, either—

"(1) one-half of any qualified revitalization expenditures chargeable to capital account with respect to any qualified revitalization building shall be allowable as a deduction for the taxable year in which the building is placed in service, or

"(2) a deduction for all such expenditures shall be allowable ratably over the 120-month period beginning with the month in which the building is placed in service.

The deduction provided by this section with respect to such expenditure shall be in lieu of any depreciation deduction otherwise allowable on account of such expenditure.

"(b) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

"(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

"(A) such building is located in a renewal community and is placed in service after December 31, 2000;

"(B) a commercial revitalization deduction amount is allocated to the building under subsection (d); and

"(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building (without regard to this section).

"(2) QUALIFIED REVITALIZATION EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

"(i) for property for which depreciation is allowable under section 168 (without regard to this section) and which is—

"(I) nonresidential real property; or

"(II) an addition or improvement to property described in subclause (I);

"(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation; and

"(iii) for land (including land which is functionally related to such property and subordinate thereto).

"(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

"(i) $10,000,000, reduced by

"(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the deduction under this section for all preceding taxable years.

"(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

"(i) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

"(ii) CREDITS.—Any expenditure which the taxpayer may take into account in computing any credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

"(c) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

"(d) LIMITATION ON AGGREGATE DEDUCTIONS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

"(1) IN GENERAL.—The amount of the deduction determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization deduction amount (in the case of an amount determined under subsection (a)(2), the present value of such amount as determined under the rules of section 42(b)(2)(C) by substituting '100 percent' for '72 percent' in clause (ii) thereof) allocated to such building under this subsection by the commercial revitalization agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

"(2) COMMERCIAL REVITALIZATION DEDUCTION AMOUNT FOR AGENCIES.—

"(A) IN GENERAL.—The aggregate commercial revitalization deduction amount which a commercial revitalization agency may allocate for any calendar year is the amount of the State commercial revitalization deduction ceiling determined under this paragraph for such calendar year for such agency.

"(B) STATE COMMERCIAL REVITALIZATION DEDUCTION CEILING.—The State commercial revitalization deduction ceiling applicable to any State—

"(i) for each calendar year after 2000 and before 2008 is $6,000,000 for each renewal community in the State; and

"(ii) zero for each calendar year thereafter.

"(C) COMMERCIAL REVITALIZATION AGENCY.—For purposes of this section, the term 'commercial revitalization agency' means any agency authorized by a State to carry out this section.

"(e) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION AGENCIES.—

"(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization deduction amount with respect to any building shall be zero unless—

"(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part; and

"(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

"(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

"(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization agency which are appropriate to local conditions;

"(B) which considers—

"(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process;

"(ii) the amount of any increase in permanent, full-time employment by reason of any project; and

"(iii) the active involvement of residents and nonprofit groups within the renewal community; and

"(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

"(f) REGULATIONS.—For purposes of this section, the Secretary shall, by regulations, provide for the application of rules similar to the rules of section 49 and subsections (a) and (b) of section 50.

"(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2007.

"SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

"(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

"(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

"(A) $35,000; or

"(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year; and

"(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

"(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

"(c) QUALIFIED RENEWAL PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

"(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2008; and

"(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

"(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section.".

SEC. 703. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) EXTENSION.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) RENEWAL COMMUNITIES INCLUDED.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E) with respect to expenditures paid or incurred after December 31, 2000.".

(b) EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.—Subsection (h) of section 198 is amended by inserting before the period "(December 31, 2007, in the case of a renewal community, as defined in section 1400E).".

SEC. 704. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES.

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

"(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

"(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

"(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

"(I) 15 percent of the qualified first-year wages for such year; and

"(II) 30 percent of the qualified second-year wages for such year;

"(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000';

"(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect; and

"(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

"(B) QUALIFIED FIRST- AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

"(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period;

"(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period; and

"(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

"(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii).".

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting "OR COMMUNITY" in the heading after "ZONE".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals who begin work for the employer after December 31, 2000.

SEC. 705. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (19) the following new paragraph:

"(20) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1).".

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking "or" at the end of paragraph (3), adding "or" at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

"(5) a family development account (within the meaning of section 1400H(e)),".

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

"(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of family development accounts, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the accounts (other than a qualified rollover, as defined in section 1400H(c)(7)), over

"(B) the amount allowable as a deduction under section 1400H for such contributions; and

"(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(A) the distributions out of the accounts for the taxable year which were included in the gross income of the payee under section 1400H(b)(1);

"(B) the distributions out of the accounts for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3); and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year.

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed.".

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account."; and

(2) in subsection (e)(1), by striking "or" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) a family development account described in section 1400H(e), or".

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting "or section 1400H" after "section 219"; and

(2) by inserting ", of any family development account described in section 1400H(e),", after "section 408(a)".

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting "a family development account described in section 1400H(e)," after "section 408(a),".

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking "and" at the end of subparagraph (C), by striking the period and inserting ", and" at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) section 1400H(g)(6) (relating to family development accounts).".

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION DEDUCTION.—

(1) Section 172 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) NO CARRYBACK OF SECTION 1400K DEDUCTION BEFORE DATE OF THE ENACTMENT.—No portion of the net operating loss for any taxable year which is attributable to any commercial revitalization deduction determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K.".

(2) Subparagraph (B) of section 48(a)(2) is amended by inserting "or commercial revitalization" after "rehabilitation" each place it appears in the text and heading.

(3) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting "or section 1400K" after "section 42"; and

(B) by inserting "AND COMMERCIAL REVITALIZATION DEDUCTION" after "CREDIT" in the heading.

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter X. Renewal Communities.".

Subtitle B—Farming Incentive

SEC. 711. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

Any option to accelerate the receipt of any payment under a production flexibility contract which is payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7200 et seq.), as in effect on the date of the enactment of this Act, shall be disregarded in determining the taxable year for which such payment is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Oil and Gas Incentives

SEC. 721. 5-YEAR NET OPERATING LOSS CARRYBACK FOR LOSSES ATTRIBUTABLE TO OPERATING MINERAL INTERESTS OF INDEPENDENT OIL AND GAS PRODUCERS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

"(H) LOSSES ON OPERATING MINERAL INTERESTS OF INDEPENDENT OIL AND GAS PRODUCERS.—In the case of a taxpayer—

"(i) which has an eligible oil and gas loss (as defined in subsection (j)) for a taxable year, and

"(ii) which is not an integrated oil company (as defined in section 291(b)(4)), such eligible oil and gas loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.".

(b) ELIGIBLE OIL AND GAS LOSS.—Section 172 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) ELIGIBLE OIL AND GAS LOSS.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible oil and gas loss' means the lesser of—

"(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to operating mineral interests (as defined in section 614(d)) in oil and gas wells are taken into account, or

"(B) the amount of the net operating loss for such taxable year.

"(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), an eligible oil and gas loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

"(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1998.

SEC. 722. DEDUCTION FOR DELAY RENTAL PAYMENTS.

(a) IN GENERAL.—Section 263 (relating to capital expenditures) is amended by adding after subsection (i) the following new subsection:

"(j) DELAY RENTAL PAYMENTS FOR DOMESTIC OIL AND GAS WELLS.—

"(1) IN GENERAL.—Notwithstanding subsection (a), a taxpayer may elect to treat delay rental payments incurred in connection with the development of oil or gas within the United States (as defined in section 638) as payments which are not chargeable to capital account. Any payments so treated shall be allowed as a deduction in the taxable year in which paid or incurred.

"(2) DELAY RENTAL PAYMENTS.—For purposes of paragraph (1), the term 'delay rental payment' means an amount paid for the privilege of deferring development of an oil or gas well.".

(b) CONFORMING AMENDMENT.—Section 263A(c)(3) is amended by inserting "263(j)," after "263(i),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 1999.

SEC. 723. ELECTION TO EXPENSE GEOLOGIÇAL AND GEOPHYSICAL EXPENDITURES.

(a) IN GENERAL.—Section 263 (relating to capital expenditures) is amended by adding after subsection (j) the following new subsection:

"(k) GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR DOMESTIC OIL AND GAS WELLS.—Notwithstanding subsection (a), a taxpayer may elect to treat geological and geophysical expenses incurred in connection with the exploration for, or development of, oil or gas within the United States (as defined in section 638) as expenses which are not chargeable to capital account. Any expenses so treated shall be allowed as a deduction in the taxable year in which paid or incurred.".

(b) CONFORMING AMENDMENT.—Section 263A(c)(3) is amended by inserting "263(k)," after "263(j),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 1999.

SEC. 724. TEMPORARY SUSPENSION OF LIMITATION BASED ON 65 PERCENT OF TAXABLE INCOME.

(a) IN GENERAL.—Subsection (d) of section 613A (relating to limitation on percentage depletion in case of oil and gas wells) is amended by adding at the end the following new paragraph:

"(6) TEMPORARY SUSPENSION OF TAXABLE INCOME LIMIT.—Paragraph (1) shall not apply to taxable years beginning after December 31, 1998, and before January 1, 2005, including with respect to amounts carried under the second sentence of paragraph (1) to such taxable years.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 725. DETERMINATION OF SMALL REFINER EXCEPTION TO OIL DEPLETION DEDUCTION.

(a) IN GENERAL.—Paragraph (4) of section 613A(d) (relating to certain refiners excluded) is amended to read as follows:

"(4) CERTAIN REFINERS EXCLUDED.—If the taxpayer or a related person engages in the refining of crude oil, subsection (c) shall not apply to the taxpayer for a taxable year if the average daily refinery runs of the taxpayer and the related person for the taxable year exceed 50,000 barrels. For purposes of this paragraph, the average daily refinery runs for any taxable year shall be determined by dividing the aggregate refinery runs for the taxable year by the number of days in the taxable year.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

Subtitle D—Timber Incentives

SEC. 731. TEMPORARY SUSPENSION OF MAXIMUM AMOUNT OF AMORTIZABLE REFORESTATION EXPENDITURES.

(a) INCREASE IN DOLLAR LIMITATION.—Paragraph (1) of section 194(b) (relating to amortization of reforestation expenditures) is amended by striking "$10,000 ($5,000" and inserting "$25,000 ($12,500".

(b) TEMPORARY SUSPENSION OF INCREASED DOLLAR LIMITATION.—Subsection (b) of section 194(b) (relating to amortization of reforestation expenditures) is amended by adding at the end the following new paragraph:

"(5) SUSPENSION OF DOLLAR LIMITATION.—Paragraph (1) shall not apply to taxable years beginning after December 31, 1999, and before January 1, 2004.

(c) CONFORMING AMENDMENT.—Paragraph (1) of section 48(b) is amended by striking "section 194(b)(1)" and inserting "section 194(b)(1) and without regard to section 194(b)(5)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 732. CAPITAL GAIN TREATMENT UNDER SECTION 631(b) TO APPLY TO OUTRIGHT SALES BY LAND OWNER.

(a) IN GENERAL.—Subsection (b) of section 631 (relating to disposal of timber with a retained economic interest) is amended—

(1) by inserting "AND OUTRIGHT SALES OF TIMBER" after ECONOMIC INTEREST" in the subsection heading, and

(2) by adding before the last sentence the following new sentence: "The requirement in the first sentence of this subsection to retain an economic interest in timber shall not apply to an outright sale of such timber by the owner thereof if such owner owned the land (at the time of such sale) from which the timber is cut.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales after the date of the enactment of this Act.

TITLE VIII—RELIEF FOR SMALL BUSINESSES

SEC. 801. DEDUCTION FOR 100 PERCENT OF HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer and the taxpayer's spouse and dependents.".

(b) CLARIFICATION OF LIMITATIONS ON OTHER COVERAGE.—The first sentence of section 162(l)(2)(B) is amended to read as follows: "Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any subsidized health plan maintained by any employer (other than an employer described in section 401(c)(4)) of the taxpayer or the spouse of the taxpayer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 802. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) IN GENERAL.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

"(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $30,000.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 803. REPEAL OF FEDERAL UNEMPLOYMENT SURTAX.

(a) IN GENERAL.—Section 3301 (relating to rate of Federal unemployment tax) is amended—

(1) by striking "2007" and inserting "2004", and

(2) by striking "2008" and inserting "2005".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years beginning after the date of the enactment of this Act.

SEC. 804. INCREASED DEDUCTION FOR MEAL EXPENSES; INCREASED DEDUCTIBILITY OF BUSINESS MEAL EXPENSES FOR INDIVIDUALS SUBJECT TO FEDERAL LIMITATIONS ON HOURS OF SERVICE.

(a) IN GENERAL.—Paragraph (1) of section 274(n) (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking "50 percent" in the text and inserting "the allowable percentage".

(b) ALLOWABLE PERCENTAGES.—Subsection (n) of section 274 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (2) the following new paragraph:

"(2) ALLOWABLE PERCENTAGE.—For purposes of paragraph (1), the allowable percentage is—

"(A) in the case of amounts for items described in paragraph (1)(B), 50 percent, and

"(B) in the case of expenses for food or beverages, the percentage determined in accordance with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2000 through 2005	50
2006	55
2007 and thereafter	60.”.

(c) INDIVIDUALS SUBJECT TO FEDERAL LIMITATIONS ON HOURS OF SERVICE.—The table in section 274(n)(4)(B) (relating to special rule for individuals subject to Federal hours of service), as redesignated by subsection (b), is amended—

(1) by striking “or 2007”, and

(2) by striking “2008” and inserting “2007”.

(d) CONFORMING AMENDMENTS.—

(1) The heading for subsection (n) of section 274 is amended by striking “50 PERCENT” and inserting “LIMITED PERCENTAGES”.

(2) Subparagraph (A) of section 274(n)(4), as redesignated by subsection (b), is amended by striking “50 percent” and inserting “the allowable percentage”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 805. INCOME AVERAGING FOR FARMERS AND FISHERMEN NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

“(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS AND FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax.”.

(b) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(1) IN GENERAL.—Section 1301(a) is amended by striking “farming business” and inserting “farming business or fishing business,”.

(2) DEFINITION OF ELECTED FARM INCOME.—

(A) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting “or fishing business” before the semicolon.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting “or fishing business” after “farming business” both places it occurs.

(3) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

“(4) FISHING BUSINESS.—The term ‘fishing business’ means the conduct of commercial fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 806. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

“SEC. 468C. FARM AND RANCH RISK MANAGEMENT ACCOUNTS.

“(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm, Fishing, and Ranch Risk Management Account (hereinafter referred to as the ‘FFARRM Account’).

“(b) LIMITATION.—

“(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

“(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

“(c) ELIGIBLE BUSINESSES.—For purposes of this section—

“(1) ELIGIBLE FARMING BUSINESS.—The term ‘eligible farming business’ means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

“(2) COMMERCIAL FISHING.—The term ‘commercial fishing’ has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

“(d) FFARRM ACCOUNT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘FFARRM Account’ means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

“(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

“(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

“(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

“(D) All income of the trust is distributed currently to the grantor.

“(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

“(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

“(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

“(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

“(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

“(B) any deemed distribution under—

“(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

“(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

“(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

“(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

“(A) any distribution to the extent attributable to income of the Account, and

“(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

“(f) SPECIAL RULES.—

“(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

“(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

“(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

“(ii) the taxpayer’s tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

“(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term ‘nonqualified balance’ means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

“(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

“(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term ‘disqualification period’ means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

“(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

“(A) Section 220(f)(8) (relating to treatment on death).

“(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

“(C) Section 408(e)(4) (relating to effect of pledging account as security).

“(D) Section 408(g) (relating to community property laws).

“(E) Section 408(h) (relating to custodial accounts).

“(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

“(5) INDIVIDUAL.—For purposes of this section, the term ‘individual’ shall not include an estate or trust.

“(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

"(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.".

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking "or" at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

"(4) a FFARRM Account (within the meaning of section 468C(d)), or".

(2) Section 4973 is amended by adding at the end the following:

"(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.".

(3) The section heading for section 4973 is amended to read as follows:

"SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.".

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following:

"Sec. 4973. Excess contributions to certain accounts, annuities, etc.".

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

"(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.".

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following:

"(E) a FFARRM Account described in section 468C(d),".

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following:

"(C) section 468C(g) (relating to FFARRM Accounts),".

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

"Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 807. EXCLUSION OF INVESTMENT SECURITIES INCOME FROM PASSIVE INCOME TEST FOR BANK S CORPORATIONS.

(a) IN GENERAL.—Section 1362(d)(3)(C) (defining passive investment income) is amended by adding at the end the following:

"(v) EXCEPTION FOR BANKS; ETC.—In the case of a bank (as defined in section 581), a bank holding company (as defined in section 246A(c)(3)(B)(ii)), or a qualified subchapter S subsidiary bank, the term 'passive investment income' shall not include—

"(I) interest income earned by such bank, bank holding company, or qualified subchapter S subsidiary bank, or

"(II) dividends on assets required to be held by such bank, bank holding company, or qualified subchapter S subsidiary bank to conduct a banking business, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 808. TREATMENT OF QUALIFYING DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 is amended by adding at the end the following:

"(f) TREATMENT OF QUALIFYING DIRECTOR SHARES.—

"(1) IN GENERAL.—For purposes of this subchapter—

"(A) qualifying director shares shall not be treated as a second class of stock, and

"(B) no person shall be treated as a shareholder of the corporation by reason of holding qualifying director shares.

"(2) QUALIFYING DIRECTOR SHARES DEFINED.—For purposes of this subsection, the term 'qualifying director shares' means any shares of stock in a bank (as defined in section 581) or in a bank holding company registered as such with the Federal Reserve System—

"(i) which are held by an individual solely by reason of status as a director of such bank or company or its controlled subsidiary; and

"(ii) which are subject to an agreement pursuant to which the holder is required to dispose of the shares of stock upon termination of the holder's status as a director at the same price as the individual acquired such shares of stock.

"(3) DISTRIBUTIONS.—A distribution (not in part or full payment in exchange for stock) made by the corporation with respect to qualifying director shares shall be includible as ordinary income of the holder and deductible to the corporation as an expense in computing taxable income under section 1363(b) in the year such distribution is received.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1361(b)(1) is amended by inserting ", except as provided in subsection (f)," before "which does not".

(2) Section 1366(a) is amended by adding at the end the following:

"(3) ALLOCATION WITH RESPECT TO QUALIFYING DIRECTOR SHARES.—The holders of qualifying director shares (as defined in section 1361(f)) shall not, with respect to such shares of stock, be allocated any of the items described in paragraph (1).".

(3) Section 1373(a) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and adding at the end the following:

"(3) no amount of an expense deductible under this subchapter by reason of section 1361(f)(3) shall be apportioned or allocated to such income.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

TITLE IX—INTERNATIONAL TAX RELIEF

SEC. 901. INTEREST ALLOCATION RULES.

(a) ELECTION TO ALLOCATE INTEREST ON A WORLDWIDE BASIS.—Subsection (e) of section 864 (relating to rules for allocating interest, etc.) is amended by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) ELECTION TO ALLOCATE INTEREST ON A WORLDWIDE BASIS.—

"(A) IN GENERAL.—Except as provided in this paragraph, this subsection shall be applied by treating a worldwide affiliated group for which an election under this paragraph is in effect as an affiliated group solely for purposes of allocating and apportioning interest expense of each domestic corporation which is a member of such group.

"(B) WORLDWIDE AFFILIATED GROUP.—For purposes of this paragraph, the term 'worldwide affiliated group' means the group of corporations which consists of—

"(i) all corporations in an affiliated group (as defined in section 1504 without regard to paragraphs (2) and (4) of section 1504(b)), and

"(ii) all foreign corporations (other than a FSC, as defined in section 922(a)) with respect to which corporations described in clause (i) own stock meeting the ownership requirements of section 957(a).

For purposes of clause (ii), ownership shall be determined under section 958; except that paragraphs (3) and (4) of section 318(a) shall not apply for purposes of section 958(b).

"(C) TREATMENT OF WORLDWIDE AFFILIATED GROUP.—For purposes of applying paragraph (1), the taxable income of the domestic members of a worldwide affiliated group from sources outside the United States shall be determined by allocating and apportioning the interest expense of such domestic members to such income in an amount equal to the excess (if any) of—

"(i) the total interest expense of the worldwide affiliated group multiplied by the ratio which the foreign assets of the worldwide affiliated group bears to all the assets of the worldwide affiliated group, over

"(ii) the interest expense of all foreign corporations which are members of the worldwide affiliated group to the extent such interest expense of such foreign corporations would have been allocated and apportioned to foreign source income if this subsection were applied to a group consisting of all the foreign corporations in such worldwide affiliated group.

"(D) ASSETS AND INTEREST EXPENSE OF FOREIGN CORPORATIONS.—

"(i) IN GENERAL.—For purposes of subparagraph (C), only the applicable percentage of the interest expense and assets of a foreign corporation described in subparagraph (B)(ii) shall be taken into account.

"(ii) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the term 'applicable percentage' means, with respect to any foreign corporation, the percentage equal to the ratio which the value of the stock in such corporation taken into account under subparagraph (B)(ii) (without regard to stock considered as owned under section 958(b)) bears to the aggregate value of all stock in such corporation.

"(E) ELECTION.—An election under this paragraph with respect to any worldwide affiliated group may be made only by the common parent of the affiliated group referred to in subparagraph (B)(i) and may be made only for the first taxable year beginning after December 31, 2001, in which a worldwide affiliated group exists which includes such affiliated group and at least 1 corporation described in subparagraph (B)(ii). Such an election, once made, shall apply to such common parent and all other corporations which are members of such worldwide affiliated group for such taxable year and all subsequent years unless revoked with the consent of the Secretary.".

(b) ELECTION TO ALLOCATE INTEREST WITHIN FINANCIAL INSTITUTION GROUPS AND SUBSIDIARY GROUPS.—Section 864 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) ELECTION TO APPLY SUBSECTION (e) ON BASIS OF FINANCIAL INSTITUTION GROUP AND SUBSIDIARY GROUPS.—

"(1) IN GENERAL.—In the case of a worldwide affiliated group for which an election under subsection (e)(6) is in effect, subsection (e) shall be applied—

"(A) by treating an electing financial institution group as if it were a separate worldwide affiliated group, and

"(B) by treating each electing subsidiary group as if it were a separate worldwide affiliated group for purposes of allocating interest expense with respect to qualified indebtedness of members of an electing subsidiary group.

Subsection (e) shall apply to any such electing group in the same manner as subsection (e) applies to the pre-election worldwide affiliated group of which such electing group is a part.

"(2) ELECTING FINANCIAL INSTITUTION GROUP.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'electing financial institution group' means any group of corporations if—

"(i) such group consists only of all of the financial corporations in the pre-election worldwide affiliated group, and

"(ii) an election under this paragraph is in effect for such group of corporations.

"(B) FINANCIAL CORPORATION.—

"(i) IN GENERAL.—The term 'financial corporation' means any corporation if at least 80 percent of its gross income is income described in section 904(d)(2)(C)(ii) and the regulations thereunder which is derived from transactions with unrelated persons.

"(ii) INCOME FROM RELATED FINANCIAL CORPORATIONS.—Dividend income, and income described in section 904(d)(2)(C)(ii) and the regulations thereunder, which is derived directly or indirectly from a financial corporation (as defined in clause (i) without regard to this clause) which is not an unrelated person shall be treated as income described in clause (i).

"(iii) BANK HOLDING COMPANIES.—To the extent provided in regulations prescribed by the Secretary, a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956) shall be treated as a corporation meeting the requirements of clause (i).

"(iv) ANTIABUSE RULE.—For purposes of this subparagraph, there shall be disregarded any item of income or gain from a transaction or series of transactions a principal purpose of which is the qualification of any corporation as a financial corporation.

"(C) EFFECT OF CERTAIN TRANSACTIONS.—Rules similar to the rules of paragraph (3)(D) shall apply to transactions between any member of the electing financial institution group and any member of the pre-election worldwide affiliated group (other than a member of the electing financial institution group).

"(D) ELECTION.—An election under this paragraph with respect to any financial institution group may be made only by the common parent of the pre-election worldwide affiliated group and may be made only for the first taxable year beginning after December 31, 2001, in which such affiliated group includes 1 or more financial corporations described in subparagraph (B). Such an election, once made, shall apply to such taxable year and all subsequent years unless revoked with the consent of the Secretary.

"(3) ELECTING SUBSIDIARY GROUPS.—

"(A) IN GENERAL.—The term 'electing subsidiary group' means any group of corporations if—

"(i) such group consists only of corporations in the pre-election worldwide affiliated group,

"(ii) such group includes—

"(I) a domestic corporation (which is not the common parent of the pre-election worldwide affiliated group or a member of an electing financial institution group) which incurs interest expense with respect to qualified indebtedness, and

"(II) every other corporation (other than a member of an electing financial institution group) which is in the pre-election worldwide affiliated group and which would be a member of an affiliated group having such domestic corporation as the common parent, and

"(iii) an election under this paragraph is in effect for such group.

"(B) EQUALIZATION RULE.—All interest expense of a domestic corporation which is a member of a pre-election worldwide affiliated group (other than subsidiary group interest expense) shall be treated as allocated to foreign source income to the extent such expense does not exceed the excess (if any) of—

"(i) the interest expense of the pre-election worldwide affiliated group (including subsidiary group interest expense) which would (but for any election under this paragraph) be allocated to foreign source income, over

"(ii) the subsidiary group interest expense allocated to foreign source income.

For purposes of the preceding sentence, the subsidiary group interest expense is the interest expense to which subsection (e) applies separately by reason of paragraph (1)(B).

"(C) QUALIFIED INDEBTEDNESS.—For purposes of this subsection, the term 'qualified indebtedness' means any indebtedness of a domestic corporation—

"(i) which is held by an unrelated person, and

"(ii) which is not guaranteed (or otherwise supported) by any corporation which is a member of the pre-election worldwide affiliated group other than a corporation which is a member of the electing subsidiary group.

"(D) EFFECT OF CERTAIN TRANSACTIONS ON QUALIFIED INDEBTEDNESS.—In the case of a corporation which is a member of an electing subsidiary group, to the extent that such corporation—

"(i) distributes dividends or makes other distributions with respect to its stock after the date of the enactment of this paragraph to any member of the pre-election worldwide affiliated group (other than to a member of the electing subsidiary group) in excess of the greater of—

"(I) its average annual dividend (expressed as a percentage of current earnings and profits) during the 5-taxable-year period ending with the taxable year preceding the taxable year, or

"(II) 25 percent of its average annual earnings and profits for such 5 taxable year period, or

"(ii) deals with any person in any manner not clearly reflecting the income of the corporation (as determined under principles similar to the principles of section 482),

except as provided by the Secretary, an amount of qualified indebtedness equal to the excess distribution or the understatement or overstatement of income, as the case may be, shall be recharacterized (for the taxable year and subsequent taxable years) for purposes of this subsection as indebtedness which is not qualified indebtedness. If a corporation has not been in existence for 5 taxable years, this subparagraph shall be applied with respect to the period it was in existence.

"(E) ELECTION.—An election under this paragraph with respect to any electing subsidiary group may be made only by the common parent of the pre-election worldwide affiliated group. Such an election, once made, shall apply to the taxable year for which made and the 4 succeeding taxable years unless revoked with the consent of the Secretary. No election may be made under this paragraph if the effect of the election would be to have the same member of the pre-election worldwide affiliated group included in more than 1 electing subsidiary group.

"(4) PRE-ELECTION WORLDWIDE AFFILIATED GROUP.—For purposes of this subsection, the term 'pre-election worldwide affiliated group' means, with respect to a corporation, the worldwide affiliated group of which such corporation would (but for an election under this subsection) be a member for purposes of applying subsection (e).

"(5) UNRELATED PERSON.—For purposes of this subsection, the term 'unrelated person' means any person not bearing a relationship specified in section 267(b) or 707(b)(1) to the corporation.

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this subsection and subsection (e), including regulations—

"(A) providing for the direct allocation of interest expense in other circumstances where such allocation would be appropriate to carry out the purposes of this subsection,

"(B) preventing assets or interest expense from being taken into account more than once, and

"(C) dealing with changes in members of any group (through acquisitions or otherwise) treated under this subsection as an affiliated group for purposes of subsection (e).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 902. LOOK-THRU RULES TO APPLY TO DIVIDENDS FROM NONCONTROLLED SECTION 902 CORPORATIONS.

(a) IN GENERAL.—Section 904(d)(4) (relating to application of look-thru rules to dividends from noncontrolled section 902 corporations) is amended to read as follows:

"(4) LOOK-THRU APPLIES TO DIVIDENDS FROM NONCONTROLLED SECTION 902 CORPORATIONS.—

"(A) In general.—For purposes of this subsection, any dividend from a noncontrolled section 902 corporation with respect to the taxpayer shall be treated as income in a separate category in proportion to the ratio of—

"(i) the portion of earnings and profits attributable to income in such category, to

"(ii) the total amount of earnings and profits.

"(B) Special rules.—For purposes of this paragraph—

"(i) In general.—Rules similar to the rules of paragraph (3)(F) shall apply; except that the term 'separate category' shall include the category of income described in paragraph (1)(I).

"(ii) Earnings and profits.—

"(I) In general.—The rules of section 316 shall apply.

"(II) Regulations.—The Secretary may prescribe regulations regarding the treatment of distributions out of earnings and profits for periods before the taxpayer's acquisition of the stock to which the distributions relate.

"(iii) Dividends not allocable to separate category.—The portion of any dividend from a noncontrolled section 902 corporation which is not treated as income in a separate category under subparagraph (A) shall be treated as a dividend to which subparagraph (A) does not apply.

"(iv) Look-thru with respect to carryforwards of credit.—Rules similar to subparagraph (A) also shall apply to any carryforward under subsection (c) from a taxable year beginning before January 1, 2002, of tax allocable to a dividend from a noncontrolled section 902 corporation with respect to the taxpayer.".

(b) Conforming Amendments.—

(1) Subparagraph (E) of section 904(d)(1), as in effect both before and after the amendments made by section 1105 of the Taxpayer Relief Act of 1997, is hereby repealed.

(2) Section 904(d)(2)(C)(iii), as so in effect, is amended by striking subclause (II) and by redesignating subclause (III) as subclause (II).

(3) The last sentence of section 904(d)(2)(D), as so in effect, is amended to read as follows: "Such term does not include any financial services income.".

(4) Section 904(d)(2)(E) is amended by striking clauses (ii) and (iv) and by redesignating clause (iii) as clause (ii).

(5) Section 904(d)(3)(F) is amended by striking "(D), or (E)" and inserting "or (D)".

(6) Section 864(d)(5)(A)(i) is amended by striking "(C)(iii)(III)" and inserting "(C)(iii)(II)".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 903. CLARIFICATION OF TREATMENT OF PIPELINE TRANSPORTATION INCOME.

(a) In General.—Section 954(g)(1) (defining foreign base company oil related income) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) the pipeline transportation of oil or gas within such foreign country.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after December 31, 2001, and taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

SEC. 904. SUBPART F TREATMENT OF INCOME FROM TRANSMISSION OF HIGH VOLTAGE ELECTRICITY.

(a) In General.—Paragraph (2) of section 954(e) (relating to foreign base company services income) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) the transmission of high voltage electricity.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after December 31, 2001, and taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

SEC. 905. RECHARACTERIZATION OF OVERALL DOMESTIC LOSS.

(a) General Rule.—Section 904 is amended by redesignating subsections (g), (h), (i), (j), and (k) as subsections (h), (i), (j), (k), and (l), respectively, and by inserting after subsection (f) the following new subsection:

"(g) Recharacterization of Overall Domestic Loss.—

"(1) General rule.—For purposes of this subpart and section 936, in the case of any taxpayer who sustains an overall domestic loss for any taxable year beginning after December 31, 2005, that portion of the taxpayer's taxable income from sources within the United States for each succeeding taxable year which is equal to the lesser of—

"(A) the amount of such loss (to the extent not used under this paragraph in prior taxable years), or

"(B) 50 percent of the taxpayer's taxable income from sources within the United States for such succeeding taxable year,

shall be treated as income from sources without the United States (and not as income from sources within the United States).

"(2) Overall domestic loss defined.—For purposes of this subsection—

"(A) In general.—The term 'overall domestic loss' means any domestic loss to the extent such loss offsets taxable income from sources without the United States for the taxable year or for any preceding taxable year by reason of a carryback. For purposes of the preceding sentence, the term 'domestic loss' means the amount by which the gross income for the taxable year from sources within the United States is exceeded by the sum of the deductions properly apportioned or allocated thereto (determined without regard to any carryback from a subsequent taxable year).

"(B) Taxpayer must have elected foreign tax credit for year of loss.—The term 'overall domestic loss' shall not include any loss for any taxable year unless the taxpayer chose the benefits of this subpart for such taxable year.

"(3) Characterization of subsequent income.—

"(A) In general.—Any income from sources within the United States that is treated as income from sources without the United States under paragraph (1) shall be allocated among and increase the income categories in proportion to the loss from sources within the United States previously allocated to those income categories.

"(B) Income category.—For purposes of this paragraph, the term 'income category' has the meaning given such term by subsection (f)(5)(E)(i).

"(4) Coordination with subsection (f).—The Secretary shall prescribe such regulations as may be necessary to coordinate the provisions of this subsection with the provisions of subsection (f).".

(b) Conforming Amendments.—

(1) Section 535(d)(2) is amended by striking "section 904(g)(6)" and inserting "section 904(h)(6)".

(2) Subparagraph (A) of section 936(a)(2) is amended by striking "section 904(f)" and inserting "subsections (f) and (g) of section 904".

(c) Effective Date.—The amendments made by this section shall apply to losses for taxable years beginning after December 31, 2005.

SEC. 906. TREATMENT OF MILITARY PROPERTY OF FOREIGN SALES CORPORATIONS.

(a) In General.—Section 923(a) (defining exempt foreign trade income) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 907. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) Treatment of Certain Dividends.—

(1) Nonresident alien individuals.—Section 871 (relating to tax on nonresident alien individuals) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) Exemption for Certain Dividends of Regulated Investment Companies.—

"(1) Interest-related dividends.—

"(A) In general.—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1)(A) of subsection (a) on any interest-related dividend received from a regulated investment company.

"(B) Exceptions.—Subparagraph (A) shall not apply—

"(i) to any interest-related dividend received from a regulated investment company by a person to the extent such dividend is attributable to interest (other than interest described in clause (i), (iii), or the last sentence of subparagraph (E)) received by such company on indebtedness issued by such person or by any corporation or partnership with respect to which such person is a 10-percent shareholder,

"(ii) to any interest-related dividend with respeot to stock of a regulated investment company unless the person who would otherwise be required to deduct and withhold tax from such dividend under chapter 3 receives a statement (which meets requirements similar to the requirements of subsection (h)(5)) that the beneficial owner of such stock is not a United States person, and

"(iii) to any interest-related dividend paid to any person within a foreign country (or any interest-related dividend payment addressed to, or for the account of, persons within such foreign country) during any period described in subsection (h)(6) with respect to such country.

Clause (iii) shall not apply to any dividend with respect to any stock the holding period of which begins on or before the date of the publication of the Secretary's determination under subsection (h)(6).

"(C) Interest-related dividend.—For purposes of this paragraph, an interest-related dividend is any dividend (or part thereof) which is designated by the regulated investment company as an interest-related dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including amounts so designated with respect to dividends paid after the close of the taxable year described in section 855) is greater than the qualified net interest income of the company for such taxable year, the portion of each distribution which shall be an interest-related dividend shall be only that portion of the amounts so designated which such qualified net interest income bears to the aggregate amount so designated.

"(D) QUALIFIED NET INTEREST INCOME.—For purposes of subparagraph (C), the term 'qualified net interest income' means the qualified interest income of the regulated investment company reduced by the deductions properly allocable to such income.

"(E) QUALIFIED INTEREST INCOME.—For purposes of subparagraph (D), the term 'qualified interest income' means the sum of the following amounts derived by the regulated investment company from sources within the United States:

"(i) Any amount includible in gross income as original issue discount (within the meaning of section 1273) on an obligation payable 183 days or less from the date of original issue (without regard to the period held by the company).

"(ii) Any interest includible in gross income (including amounts recognized as ordinary income in respect of original issue discount or market discount or acquisition discount under part V of subchapter P and such other amounts as regulations may provide) on an obligation which is in registered form; except that this clause shall not apply to—

"(I) any interest on an obligation issued by a corporation or partnership if the regulated investment company is a 10-percent shareholder in such corporation or partnership, and

"(II) any interest which is treated as not being portfolio interest under the rules of subsection (h)(4).

"(iii) Any interest referred to in subsection (i)(2)(A) (without regard to the trade or business of the regulated investment company).

"(iv) Any interest-related dividend includable in gross income with respect to stock of another regulated investment company.

Such term includes any interest derived by the regulated investment company from sources outside the United States other than interest that is subject to a tax imposed by a foreign jurisdiction if the amount of such tax is reduced (or eliminated) by a treaty with the United States.

"(F) 10-PERCENT SHAREHOLDER.—For purposes of this paragraph, the term '10-percent shareholder' has the meaning given such term by subsection (h)(3)(B).

"(2) SHORT-TERM CAPITAL GAIN DIVIDENDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1)(A) of subsection (a) on any short-term capital gain dividend received from a regulated investment company.

"(B) EXCEPTION FOR ALIENS TAXABLE UNDER SUBSECTION (a)(2).—Subparagraph (A) shall not apply in the case of any nonresident alien individual subject to tax under subsection (a)(2).

"(C) SHORT-TERM CAPITAL GAIN DIVIDEND.—For purposes of this paragraph, a short-term capital gain dividend is any dividend (or part thereof) which is designated by the regulated investment company as a short-term capital gain dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including amounts so designated with respect to dividends paid after the close of the taxable year described in section 855) is greater than the qualified short-term gain of the company for such taxable year, the portion of each distribution which shall be a short-term capital gain dividend shall be only that portion of the amounts so designated which such qualified short-term gain bears to the aggregate amount so designated.

"(D) QUALIFIED SHORT-TERM GAIN.—For purposes of subparagraph (C), the term 'qualified short-term gain' means the excess of the net short-term capital gain of the regulated investment company for the taxable year over the net long-term capital loss (if any) of such company for such taxable year. For purposes of this subparagraph—

"(i) the net short-term capital gain of the regulated investment company shall be computed by treating any short-term capital gain dividend includible in gross income with respect to stock of another regulated investment company as a short-term capital gain, and

"(ii) the excess of the net short-term capital gain for a taxable year over the net long-term capital loss for a taxable year (to which an election under section 4982(e)(4) does not apply) shall be determined without regard to any net capital loss or net short-term capital loss attributable to transactions after October 31 of such year, and any such net capital loss or net short-term capital loss shall be treated as arising on the 1st day of the next taxable year.

To the extent provided in regulations, clause (ii) shall apply also for purposes of computing the taxable income of the regulated investment company.".

(2) FOREIGN CORPORATIONS.—Section 881 (relating to tax on income of foreign corporations not connected with United States business) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) TAX NOT TO APPLY TO CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.—

"(1) INTEREST-RELATED DIVIDENDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no tax shall be imposed under paragraph (1) of subsection (a) on any interest-related dividend (as defined in section 871(k)(1)) received from a regulated investment company.

"(B) EXCEPTION.—Subparagraph (A) shall not apply—

"(i) to any dividend referred to in section 871(k)(1)(B), and

"(ii) to any interest-related dividend received by a controlled foreign corporation (within the meaning of section 957(a)) to the extent such dividend is attributable to interest received by the regulated investment company from a person who is a related person (within the meaning of section 864(d)(4)) with respect to such controlled foreign corporation.

"(C) TREATMENT OF DIVIDENDS RECEIVED BY CONTROLLED FOREIGN CORPORATIONS.—The rules of subsection (c)(5)(A) shall apply to any interest-related dividend received by a controlled foreign corporation (within the meaning of section 957(a)) to the extent such dividend is attributable to interest received by the regulated investment company which is described in clause (ii) of section 871(k)(1)(E) (and not described in clause (i), (iii), or the last sentence of such section).

"(2) SHORT-TERM CAPITAL GAIN DIVIDENDS.—No tax shall be imposed under paragraph (1) of subsection (a) on any short-term capital gain dividend (as defined in section 871(k)(2)) received from a regulated investment company.".

(3) WITHHOLDING TAXES.—

(A) Section 1441(c) (relating to exceptions) is amended by adding at the end the following new paragraph:

"(12) CERTAIN DIVIDENDS RECEIVED FROM REGULATED INVESTMENT COMPANIES.—

"(A) IN GENERAL.—No tax shall be required to be deducted and withheld under subsection (a) from any amount exempt from the tax imposed by section 871(a)(1)(A) by reason of section 871(k).

"(B) SPECIAL RULE.—For purposes of subparagraph (A), clause (i) of section 871(k)(1)(B) shall not apply to any dividend unless the regulated investment company knows that such dividend is a dividend referred to in such clause. A similar rule shall apply with respect to the exception contained in section 871(k)(2)(B).".

(B) Section 1442(a) (relating to withholding of tax on foreign corporations) is amended—

(i) by striking "and the reference in section 1441(c)(10)" and inserting "the reference in section 1441(c)(10)", and

(ii) by inserting before the period at the end the following: ", and the references in section 1441(c)(12) to sections 871(a) and 871(k) shall be treated as referring to sections 881(a) and 881(e) (except that for purposes of applying subparagraph (A) of section 1441(c)(12), as so modified, clause (ii) of section 881(e)(1)(B) shall not apply to any dividend unless the regulated investment company knows that such dividend is a dividend referred to in such clause)".

(b) ESTATE TAX TREATMENT OF INTEREST IN CERTAIN REGULATED INVESTMENT COMPANIES.—Section 2105 (relating to property without the United States for estate tax purposes) is amended by adding at the end the following new subsection:

"(d) STOCK IN A RIC.—

"(1) IN GENERAL.—For purposes of this subchapter, stock in a regulated investment company (as defined in section 851) owned by a nonresident not a citizen of the United States shall not be deemed property within the United States in the proportion that, at the end of the quarter of such investment company's taxable year immediately preceding a decedent's date of death (or at such other time as the Secretary may designate in regulations), the assets of the investment company that were qualifying assets with respect to the decedent bore to the total assets of the investment company.

"(2) QUALIFYING ASSETS.—For purposes of this subsection, qualifying assets with respect to a decedent are assets that, if owned directly by the decedent, would have been—

"(A) amounts, deposits, or debt obligations described in subsection (b) of this section,

"(B) debt obligations described in the last sentence of section 2104(c), or

"(C) other property not within the United States.".

(c) TREATMENT OF REGULATED INVESTMENT COMPANIES UNDER SECTION 897.—

(1) Paragraph (1) of section 897(h) is amended by striking "REIT" each place it appears and inserting "qualified investment entity".

(2) Paragraphs (2) and (3) of section 897(h) are amended to read as follows:

"(2) SALE OF STOCK IN DOMESTICALLY CONTROLLED ENTITY NOT TAXED.—The term 'United States real property interest' does not include any interest in a domestically controlled qualified investment entity.

"(3) DISTRIBUTIONS BY DOMESTICALLY CONTROLLED QUALIFIED INVESTMENT ENTITIES.—In the case of a domestically controlled qualified investment entity, rules similar to the rules of subsection (d) shall apply to the foreign ownership percentage of any gain.".

(3) Subparagraphs (A) and (B) of section 897(h)(4) are amended to read as follows:

"(A) QUALIFIED INVESTMENT ENTITY.—The term 'qualified investment entity' means any real estate investment trust and any regulated investment company.

"(B) DOMESTICALLY CONTROLLED.—The term 'domestically controlled qualified investment entity' means any qualified investment entity in which at all times during the testing period less than 50 percent in value of the stock was held directly or indirectly by foreign persons.".

(4) Subparagraphs (C) and (D) of section 897(h)(4) are each amended by striking "REIT" and inserting "qualified investment entity".

(5) The subsection heading for subsection (h) of section 897 is amended by striking "REITS" and inserting "CERTAIN INVESTMENT ENTITIES".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2004.

(2) ESTATE TAX TREATMENT.—The amendment made by subsection (b) shall apply to estates of decedents dying after December 31, 2004.

(3) CERTAIN OTHER PROVISIONS.—The amendments made by subsection (c) (other than paragraph (1) thereof) shall take effect on January 1, 2005.

SEC. 908. REPEAL OF SPECIAL RULES FOR APPLYING FOREIGN TAX CREDIT IN CASE OF FOREIGN OIL AND GAS INCOME.

(a) IN GENERAL.—Section 907 (relating to special rules in case of foreign oil and gas income) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Each of the following provisions are amended by striking "907,":

(A) Section 245(a)(10).

(B) Section 865(h)(1)(B).

(C) Section 904(d)(1).

(D) Section 904(g)(10)(A).

(2) Section 904(f)(5)(E)(iii) is amended by inserting ", as in effect before its repeal by the Taxpayer Refund and Relief Act of 1999" after "section 907(c)(4)(B)".

(3) Section 954(g)(1) is amended by inserting ", as in effect before its repeal by the Taxpayer Refund and Relief Act of 1999" after "907(c)".

(4) Section 6501(i) is amended—

(A) by striking ", or under section 907(f) (relating to carryback and carryover of disallowed oil and gas extraction taxes)", and

(B) by striking "or 907(f)".

(5) The table of sections for subpart A of part III of subchapter N of chapter 1 is amended by striking the item relating to section 907.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 909. ADVANCE PRICING AGREEMENTS TREATED AS CONFIDENTIAL TAXPAYER INFORMATION.

(a) IN GENERAL.—

(1) TREATMENT AS RETURN INFORMATION.—Paragraph (2) of section 6103(b) (defining return information) is amended by striking "and" at the end of subparagraph (A), by inserting "and" at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

"(C) any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement,".

(2) EXCEPTION FROM PUBLIC INSPECTION AS WRITTEN DETERMINATION.—Paragraph (1) of section 6110(b) (defining written determination) is amended by adding at the end the following new sentence: "Such term shall not include any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) ANNUAL REPORT REGARDING ADVANCE PRICING AGREEMENTS.—

(1) IN GENERAL.—Not later than 90 days after the end of each calendar year, the Secretary of the Treasury shall prepare and publish a report regarding advance pricing agreements.

(2) CONTENTS OF REPORT.—The report shall include the following for the calendar year to which such report relates:

(A) Information about the structure, composition, and operation of the advance pricing agreement program office.

(B) A copy of each model advance pricing agreement.

(C) The number of—

(i) applications filed during such calendar year for advanced pricing agreements;

(ii) advance pricing agreements executed cumulatively to date and during such calendar year;

(iii) renewals of advanced pricing agreements issued;

(iv) pending requests for advance pricing agreements;

(v) pending renewals of advance pricing agreements;

(vi) for each of the items in clauses (ii) through (v), the number that are unilateral, bilateral, and multilateral, respectively;

(vii) advance pricing agreements revoked or canceled, and the number of withdrawals from the advance pricing agreement program; and

(viii) advanced pricing agreements finalized or renewed by industry.

(D) General descriptions of—

(i) the nature of the relationships between the related organizations, trades, or businesses covered by advance pricing agreements;

(ii) the covered transactions and the business functions performed and risks assumed by such organizations, trades, or businesses;

(iii) the related organizations, trades, or businesses whose prices or results are tested to determine compliance with transfer pricing methodologies prescribed in advanced pricing agreements;

(iv) methodologies used to evaluate tested parties and transactions and the circumstances leading to the use of those methodologies;

(v) critical assumptions made and sources of comparables used;

(vi) comparable selection criteria and the rationale used in determining such criteria;

(vii) the nature of adjustments to comparables or tested parties;

(viii) the nature of any ranges agreed to, including information regarding when no range was used and why, when interquartile ranges were used, and when there was a statistical narrowing of the comparables;

(ix) adjustment mechanisms provided to rectify results that fall outside of the agreed upon advance pricing agreement range;

(x) the various term lengths for advance pricing agreements, including rollback years, and the number of advance pricing agreements with each such term length;

(xi) the nature of documentation required; and

(xii) approaches for sharing of currency or other risks.

(E) Statistics regarding the amount of time taken to complete new and renewal advance pricing agreements.

(F) A detailed description of the Secretary of the Treasury's efforts to ensure compliance with existing advance pricing agreements.

(3) CONFIDENTIALITY.—The reports required by this subsection shall be treated as authorized by the Internal Revenue Code of 1986 for purposes of section 6103 of such Code, but the reports shall not include information—

(A) which would not be permitted to be disclosed under section 6110(c) of such Code if such report were a written determination as defined in section 6110 of such Code, or

(B) which can be associated with, or otherwise identify, directly or indirectly, a particular taxpayer.

(4) FIRST REPORT.—The report for calendar year 1999 shall include prior calendar years after 1990.

(c) USER FEE.—Section 7527, as added by title XV of this Act, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) ADVANCE PRICING AGREEMENTS.—

"(1) IN GENERAL.—In addition to any fee otherwise imposed under this section, the fee imposed for requests for advance pricing agreements shall be increased by $500.

"(2) REDUCED FEE FOR SMALL BUSINESSES.—The Secretary shall provide an appropriate reduction in the amount imposed by reason of paragraph (1) for requests for advance pricing agreements for small businesses.".

(d) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of section 6103(b)(2)(C), and the last sentence of section 6110(b)(1), of the Internal Revenue Code of 1986, as added by this section.

SEC. 910. INCREASE IN DOLLAR LIMITATION ON SECTION 911 EXCLUSION.

(a) GENERAL RULE.—The table contained in clause (i) of section 911(b)(2)(D) is amended to read as follows:

"For calendar year—	**The exclusion amount is—**
2000	$76,000
2001	78,000
2002	80,000
2003	83,000
2004	86,000
2005	89,000
2006	92,000
2007 and thereafter	95,000.".

(b) CONFORMING AMENDMENT.—Clause (ii) of section 911(b)(2)(D) is amended by striking "$80,000" and inserting "$95,000".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 911. AIRLINE MILEAGE AWARDS TO CERTAIN FOREIGN PERSONS.

(a) IN GENERAL.—Paragraph (3) of section 4261(e) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) MILEAGE AWARDS ISSUED TO INDIVIDUALS RESIDING OUTSIDE THE UNITED STATES.—The tax imposed by subsection (a) shall not apply to amounts attributable to mileage awards credited to individuals whose mailing addresses on record with the person providing the right to air transportation are outside the United States."

(b) Effective Date.—The amendment made by this section shall apply to amounts paid after December 31, 2004.

TITLE X—PROVISIONS RELATING TO TAX-EXEMPT ORGANIZATIONS

SEC. 1001. EXEMPTION FROM INCOME TAX FOR STATE-CREATED ORGANIZATIONS PROVIDING PROPERTY AND CASUALTY INSURANCE FOR PROPERTY FOR WHICH SUCH COVERAGE IS OTHERWISE UNAVAILABLE.

(a) In General.—Subsection (c) of section 501 (relating to exemption from tax on corporations, certain trusts, etc.) is amended by adding at the end the following new paragraph:

"(28)(A) Any association created before January 1, 1999, by State law and organized and operated exclusively to provide property and casualty insurance coverage for property located within the State for which the State has determined that coverage in the authorized insurance market is limited or unavailable at reasonable rates, if—

"(i) no part of the net earnings of which inures to the benefit of any private shareholder or individual,

"(ii) except as provided in clause (v), no part of the assets of which may be used for, or diverted to, any purpose other than—

"(I) to satisfy, in whole or in part, the liability of the association for, or with respect to, claims made on policies written by the association,

"(II) to invest in investments authorized by applicable law,

"(III) to pay reasonable and necessary administration expenses in connection with the establishment and operation of the association and the processing of claims against the association, or

"(IV) to make remittances pursuant to State law to be used by the State to provide for the payment of claims on policies written by the association, purchase reinsurance covering losses under such policies, or to support governmental programs to prepare for or mitigate the effects of natural catastrophic events,

"(iii) the State law governing the association permits the association to levy assessments on insurance companies authorized to sell property and casualty insurance in the State, or on property and casualty insurance policyholders with insurable interests in property located in the State to fund deficits of the association, including the creation of reserves,

"(iv) the plan of operation of the association is subject to approval by the chief executive officer or other official of the State, by the State legislature, or both, and

"(v) the assets of the association revert upon dissolution to the State, the State's designee, or an entity designated by the State law governing the association, or State law does not permit the dissolution of the association.

"(B)(i) An entity described in clause (ii) shall be disregarded as a separate entity and treated as part of the association described in subparagraph (A) from which it receives remittances described in clause (ii) if an election is made within 30 days after the date that such association is determined to be exempt from tax.

"(ii) An entity is described in this clause if it is an entity or fund created before January 1, 1999, pursuant to State law and organized and operated exclusively to receive, hold, and invest remittances from an association described in subparagraph (A) and exempt from tax under subsection (a), to make disbursements to pay claims on insurance contracts issued by such association, and to make disbursements to support governmental programs to prepare for or mitigate the effects of natural catastrophic events.".

(b) Unrelated Business Taxable Income.—Subsection (a) of section 512 (relating to unrelated business taxable income) is amended by adding at the end the following new paragraph:

"(6) Special rule applicable to organizations described in section 501(c)(28).—In the case of an organization described in section 501(c)(28), the term 'unrelated business taxable income' means taxable income for a taxable year computed without the application of section 501(c)(28) if at the end of the immediately preceding taxable year the organization's net equity exceeded 15 percent of the total coverage in force under insurance contracts issued by the organization and outstanding at the end of such preceding year.".

(c) Transitional Rule.—No income or gain shall be recognized by an association as a result of a change in status to that of an association described by section 501(c)(28) of the Internal Revenue Code of 1986, as amended by subsection (a).

(d) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1999.

SEC. 1002. MODIFICATION OF SPECIAL ARBITRAGE RULE FOR CERTAIN FUNDS.

(a) In General.—Paragraph (1) of section 648 of the Tax Reform Act of 1984 is amended to read as follows:

"(1) such securities or obligations are held in a fund—

"(A) which, except to the extent of the investment earnings on such securities or obligations, cannot be used, under State constitutional or statutory restrictions continuously in effect since October 9, 1969, through the date of issue of the bond issue, to pay debt service on the bond issue or to finance the facilities that are to be financed with the proceeds of the bonds, or

"(B) the annual distributions from which cannot exceed 7 percent of the average fair market value of the assets held in such fund except to the extent distributions are necessary to pay debt service on the bond issue.".

(b) Conforming Amendment.—Paragraph (3) of such section is amended by striking "the investment earnings of" and inserting "distributions from".

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 2000.

SEC. 1003. EXEMPTION PROCEDURE FROM TAXES ON SELF-DEALING.

(a) In General.—Subsection (d) of section 4941 (relating to taxes on self-dealing) is amended by adding at the end the following new paragraph:

"(3) Special exemption.—The Secretary shall establish an exemption procedure for purposes of this subsection. Pursuant to such procedure, the Secretary may grant a conditional or unconditional exemption of any disqualified person or transaction or class of disqualified persons or transactions, from all or part of the restrictions imposed by paragraph (1). The Secretary may not grant an exemption under this paragraph unless he finds that such exemption is—

"(A) administratively feasible,

"(B) in the interests of the private foundation, and

"(C) protective of the rights of the private foundation.

Before granting an exemption under this paragraph, the Secretary shall require adequate notice to be given to interested persons and shall publish notice in the Federal Register of the pendency of such exemption and shall afford interested persons an opportunity to present views.".

(b) Effective Date.—The amendment made by this section shall apply to transactions occurring after the date of the enactment of this Act.

SEC. 1004. EXPANSION OF DECLARATORY JUDGMENT REMEDY TO TAX-EXEMPT ORGANIZATIONS.

(a) In General.—Subsection (a) of section 7428 (relating to creation of remedy) is amended—

(1) in subparagraph (B) by inserting after "509(a))" the following: "or as a private operating foundation (as defined in section 4942(j)(3))", and

(2) by amending subparagraph (C) to read as follows:

"(C) with respect to the initial qualification or continuing qualification of an organization as an organization described in section 501(c) (other than paragraph (3)) which is exempt from tax under section 501(a), or".

(b) Court Jurisdiction.—Subsection (a) of section 7428 is amended in the material following paragraph (2) by striking "United States Tax Court, the United States Claims Court, or the district court of the United States for the District of Columbia" and inserting the following: "United States Tax Court (in the case of any such determination or failure) or the United States Claims Court or the district court of the United States for the District of Columbia (in the case of a determination or failure with respect to an issue referred to in subparagraph (A) or (B) of paragraph (1)),".

(c) Effective Date.—The amendments made by this section shall apply to pleadings filed with respect to determinations (or requests for determinations) made after the date of the enactment of this Act.

SEC. 1005. MODIFICATIONS TO SECTION 512(b)(13).

(a) In General.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

"(E) Paragraph to apply only to excess payments.—

"(i) In general.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

"(ii) Addition to tax for valuation misstatements.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.".

(b) Effective Date.—

(1) In general.—The amendment made by this section shall apply to payments received or accrued after December 31, 1999.

(2) Payments subject to binding contract transition rule.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 do not apply to any amount received or accrued after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2000.

SEC. 1006. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.

(a) In General.—Part III of subchapter B of chapter 1 is amended by inserting after section 138 the following new section:

"SEC. 138A. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.

"(a) IN GENERAL.—Gross income of an individual does not include amounts received, from an organization described in section 170(c), as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization for which a deduction would otherwise be allowable under section 170. The preceding sentence shall apply only to the extent that such reimbursement would be deductible under section 274(d) (determined by applying the standard business mileage rate established pursuant to section 274(d)) if the organization were not so described and such individual were an employee of such organization.

"(b) NO DOUBLE BENEFIT.—Subsection (a) shall not apply with respect to any expenses if the individual claims a deduction or credit for such expenses under any other provision of this title.

"(c) EXEMPTION FROM REPORTING REQUIREMENTS.—Section 6041 shall not apply with respect to reimbursements excluded from income under subsection (a).".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 138 the following new items:

"Sec. 138A. Reimbursement for use of passenger automobile for charity.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 1007. CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

"(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $7,500 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

"(2) AMOUNT DESCRIBED.—

"(A) IN GENERAL.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities.

"(B) WHALING EXPENSES.—For purposes of subparagraph (A), the term 'whaling expenses' includes expenses for—

"(i) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

"(ii) the supplying of food for the crew and other provisions for carrying out such activities, and

"(iii) storage and distribution of the catch from such activities.

"(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1999.

SEC. 1008. SIMPLIFICATION OF LOBBYING EXPENDITURE LIMITATION.

(a) REPEAL OF GRASSROOTS EXPENDITURE LIMIT.—Paragraph (1) of section 501(h) (relating to expenditures by public charities to influence legislation) is amended to read as follows:

"(1) GENERAL RULE.—In the case of an organization to which this subsection applies, exemption from taxation under subsection (a) shall be denied because a substantial part of the activities of such organization consists of carrying on propaganda, or otherwise attempting, to influence legislation, but only if such organization normally makes lobbying expenditures in excess of the lobbying ceiling amount for such organization for each taxable year.".

(b) CONFORMING AMENDMENTS.—

(1) Section 501(h)(2) is amended by striking subparagraphs (C) and (D).

(2) Section 4911(b) is amended to read as follows:

"(b) EXCESS LOBBYING EXPENDITURES.—For purposes of this section, the term 'excess lobbying expenditures' means, for a taxable year, the amount by which the lobbying expenditures made by the organization during the taxable year exceed the lobbying nontaxable amount for such organization for such taxable year.".

(3) Section 4911(c) is amended by striking paragraphs (3) and (4).

(4) Paragraph (1)(A) of section 4911(f) is amended by striking "limits of section 501(h)(1) have" and inserting "limit of section 501(h)(1) has".

(5) Paragraph (1)(C) of section 4911(f) is amended by striking "limits of section 501(h)(1) are" and inserting "limit of section 501(h)(1) is".

(6) Paragraphs (4)(A) and (4)(B) of section 4911(f) are each amended by striking "limits of section 501(h)(1)" and inserting "limit of section 501(h)(1)".

(7) Paragraph (8) of section 6033(b) (relating to certain organizations described in section 501(c)(3)) is amended by inserting "and" at the end of subparagraph (A) and by striking subparagraphs (C) and (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 1009. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

"(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

"(A) IN GENERAL.—In the case of a qualified charitable distribution from an individual retirement account to an organization described in section 170(c), no amount shall be includible in the gross income of the distributee.

"(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

"(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

"(ii) which is a charitable contribution (as defined in section 170(c)) made directly from the account to an organization or entity described in section 170(c).

"(C) DENIAL OF DEDUCTION.—The amount allowable as a deduction to the taxpayer for the taxable year under section 170 for qualified charitable distributions shall be reduced (but not below zero) by the sum of the amounts of the qualified charitable distributions during such year which (but for this paragraph) would have been includible in the gross income of the taxpayer for such year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2002.

TITLE XI—REAL ESTATE PROVISIONS

Subtitle A—Improvements in Low-Income Housing Credit

SEC. 1101. MODIFICATION OF STATE CEILING ON LOW-INCOME HOUSING CREDIT.

(a) IN GENERAL.—Clauses (i) and (ii) of section 42(h)(3)(C) (relating to State housing credit ceiling) are amended to read as follows:

"(i) the unused State housing credit ceiling (if any) of such State for the preceding calendar year,

"(ii) the greater of—

"(I) the applicable amount under subparagraph (H) multiplied by the State population, or

"(II) $2,000,000,".

(b) APPLICABLE AMOUNT.—Paragraph (3) of section 42(h) (relating to housing credit dollar amount for agencies) is amended by adding at the end the following new subparagraph:

"(H) APPLICABLE AMOUNT OF STATE CEILING.—For purposes of subparagraph (C)(ii), the applicable amount shall be determined under the following table:

"For calendar year:	**The applicable amount is:**
2000	$1.35
2001	1.45
2002	1.55
2003	1.65
2004 and thereafter	1.75.

(d) ADJUSTMENT OF STATE CEILING FOR INCREASES IN COST-OF-LIVING.—Paragraph (3) of section 42(h) (relating to housing credit dollar amount for agencies), as amended by subsection (c), is amended by adding at the end the following new subparagraph:

"(I) COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—In the case of a calendar year after 2004, the $2,000,000 in subparagraph (C) and the $1.75 amount in subparagraph (H) shall each be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

"(ii) ROUNDING.—

"(I) In the case of the amount in subparagraph (C), any increase under clause (i) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

"(II) In the case of the amount in subparagraph (H), any increase under clause (i) which is not a multiple of 5 cents shall be rounded to the next lowest multiple of 5 cents.".

(e) CONFORMING AMENDMENTS.—

(1) Section 42(h)(3)(C), as amended by subsection (a), is amended—

(A) by striking "clause (ii)" in the matter following clause (iv) and inserting "clause (i)", and

(B) by striking "clauses (i)" in the matter following clause (iv) and inserting "clauses (ii)".

(2) Section 42(h)(3)(D)(ii) is amended—

(A) by striking "subparagraph (C)(ii)" and inserting "subparagraph (C)(i)", and

(B) by striking "clauses (i)" in subclause (II) and inserting "clauses (ii)".

(f) Effective Date.—The amendments made by this section shall apply to calendar years after 2000 but shall not take effect if sections 1102 and 1103 do not take effect.

SEC. 1102. MODIFICATION OF CRITERIA FOR ALLOCATING HOUSING CREDITS AMONG PROJECTS.

(a) Selection Criteria.—Subparagraph (C) of section 42(m)(1) (relating to certain selection criteria must be used) is amended—

(1) by inserting ", including whether the project includes the use of existing housing as part of a community revitalization plan" before the comma at the end of clause (iii), and

(2) by striking clauses (v), (vi), and (vii) and inserting the following new clauses:

"(v) tenant populations with special housing needs,

"(vi) public housing waiting lists,

"(vii) tenant populations of individuals with children, and

"(viii) projects intended for eventual tenant ownership.".

(b) Preference for Community Revitalization Projects Located in Qualified Census Tracts.—Clause (ii) of section 42(m)(1)(B) is amended by striking "and" at the end of subclause (I), by adding "and" at the end of subclause (II), and by inserting after subclause (II) the following new subclause:

"(III) projects which are located in qualified census tracts (as defined in subsection (d)(5)(C)) and the development of which contributes to a concerted community revitalization plan,".

SEC. 1103. ADDITIONAL RESPONSIBILITIES OF HOUSING CREDIT AGENCIES.

(a) Market Study; Public Disclosure of Rationale for Not Following Credit Allocation Priorities.—Subparagraph (A) of section 42(m)(1) (relating to responsibilities of housing credit agencies) is amended by striking "and" at the end of clause (i), by striking the period at the end of clause (ii) and inserting a comma, and by adding at the end the following new clauses:

"(iii) a comprehensive market study of the housing needs of low-income individuals in the area to be served by the project is conducted before the credit allocation is made and at the developer's expense by a disinterested party who is approved by such agency, and

"(iv) a written explanation is available to the general public for any allocation of a housing credit dollar amount which is not made in accordance with established priorities and selection criteria of the housing credit agency.".

(b) Site Visits.—Clause (iii) of section 42(m)(1)(B) (relating to qualified allocation plan) is amended by inserting before the period "and in monitoring for noncompliance with habitability standards through regular site visits".

SEC. 1104. MODIFICATIONS TO RULES RELATING TO BASIS OF BUILDING WHICH IS ELIGIBLE FOR CREDIT.

(a) Adjusted Basis To Include Portion of Certain Buildings Used by Low-Income Individuals Who Are Not Tenants and by Project Employees.—Paragraph (4) of section 42(d) (relating to special rules relating to determination of adjusted basis) is amended—

(1) by striking "subparagraph (B)" in subparagraph (A) and inserting "subparagraphs (B) and (C)",

(2) by redesignating subparagraph (C) as subparagraph (D), and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) Inclusion of basis of property used to provide services for certain nontenants.—

"(i) In general.—The adjusted basis of any building located in a qualified census tract (as defined in paragraph (5)(C)) shall be determined by taking into account the adjusted basis of property (of a character subject to the allowance for depreciation and not otherwise taken into account) used throughout the taxable year in providing any community service facility.

"(ii) Limitation.—The increase in the adjusted basis of any building which is taken into account by reason of clause (i) shall not exceed 10 percent of the eligible basis of the qualified low-income housing project of which it is a part. For purposes of the preceding sentence, all community service facilities which are part of the same qualified low-income housing project shall be treated as 1 facility.

"(iii) Community service facility.—For purposes of this subparagraph, the term 'community service facility' means any facility designed to serve primarily individuals whose income is 60 percent or less of area median income (within the meaning of subsection (g)(1)(B)).".

(b) Certain Native American Housing Assistance Disregarded in Determining Whether Building Is Federally Subsidized for Purposes of the Low-Income Housing Credit.—Subparagraph (E) of section 42(i)(2) (relating to determination of whether building is federally subsidized) is amended—

(1) in clause (i), by inserting "or the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.) (as in effect on October 1, 1997)" after "this subparagraph)", and

(2) in the subparagraph heading, by inserting "OR NATIVE AMERICAN HOUSING ASSISTANCE" after "HOME ASSISTANCE".

SEC. 1105. OTHER MODIFICATIONS.

(a) Allocation of Credit Limit to Certain Buildings.—

(1) The first sentence of section 42(h)(1)(E)(ii) is amended by striking "(as of" the first place it appears and inserting "(as of the later of the date which is 6 months after the date that the allocation was made or".

(2) The last sentence of section 42(h)(3)(C) is amended by striking "project which" and inserting "project which fails to meet the 10 percent test under paragraph (1)(E)(ii) on a date after the close of the calendar year in which the allocation was made or which".

(b) Determination of Whether Buildings Are Located in High Cost Areas.—The first sentence of section 42(d)(5)(C)(ii)(I) is amended—

(1) by inserting "either" before "in which 50 percent", and

(2) by inserting before the period "or which has a poverty rate of at least 25 percent".

SEC. 1106. CARRYFORWARD RULES.

(a) In General.—Clause (ii) of section 42(h)(3)(D) (relating to unused housing credit carryovers allocated among certain States) is amended by striking "the excess" and all that follows and inserting "the excess (if any) of—

"(I) the unused State housing credit ceiling for the year preceding such year, over

"(II) the aggregate housing credit dollar amount allocated for such year.".

(b) Conforming Amendment.—The second sentence of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended by striking "clauses (i) and (iii)" and inserting "clauses (i) through (iv)".

SEC. 1107. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, the amendments made by this subtitle shall apply to—

(1) housing credit dollar amounts allocated after December 31, 1999, and

(2) buildings placed in service after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to any building by reason of paragraph (4) thereof, but only with respect to bonds issued after such date.

Subtitle B—Provisions Relating to Real Estate Investment Trusts

PART I—TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES

SEC. 1111. MODIFICATIONS TO ASSET DIVERSIFICATION TEST.

(a) In General.—Subparagraph (B) of section 856(c)(4) is amended to read as follows:

"(B)(i) not more than 25 percent of the value of its total assets is represented by securities (other than those includible under subparagraph (A)), and

"(ii) except with respect to a taxable REIT subsidiary and securities includible under subparagraph (A)—

"(I) not more than 5 percent of the value of its total assets is represented by securities of any 1 issuer,

"(II) the trust does not hold securities possessing more than 10 percent of the total voting power of the outstanding securities of any 1 issuer, and

"(III) the trust does not hold securities having a value of more than 10 percent of the total value of the outstanding securities of any 1 issuer.".

(b) Exception for Straight Debt Securities.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

"(7) Straight debt safe harbor in applying paragraph (4).—Securities of an issuer which are straight debt (as defined in section 1361(c)(5) without regard to subparagraph (B)(iii) thereof) shall not be taken into account in applying paragraph (4)(B)(ii)(III) if—

"(A) the issuer is an individual, or

"(B) the only securities of such issuer which are held by the trust or a taxable REIT subsidiary of the trust are straight debt (as so defined), or

"(C) the issuer is a partnership and the trust holds at least a 20 percent profits interest in the partnership.".

SEC. 1112. TREATMENT OF INCOME AND SERVICES PROVIDED BY TAXABLE REIT SUBSIDIARIES.

(a) Income From Taxable REIT Subsidiaries Not Treated as Impermissible Tenant Service Income.—Clause (i) of section 856(d)(7)(C) (relating to exceptions to impermissible tenant service income) is amended by inserting "or through a taxable REIT subsidiary of such trust" after "income".

(b) Certain Income From Taxable REIT Subsidiaries Not Excluded From Rents From Real Property.—

(1) In general.—Subsection (d) of section 856 (relating to rents from real property defined) is amended by adding at the end the following new paragraphs:

"(8) Special rule for taxable REIT subsidiaries.—For purposes of this subsection, amounts paid to a real estate investment trust by a taxable REIT subsidiary of such trust shall not be excluded from rents from real property by reason of paragraph (2)(B) if the requirements of either of the following subparagraphs are met:

"(A) Limited rental exception.—The requirements of this subparagraph are met with respect to any property if at least 90 percent of the leased space of the property is rented to persons other than taxable REIT subsidiaries of such trust and other than persons described in section 856(d)(2)(B). The preceding sentence shall apply only to the extent that the amounts paid to the trust as rents from real property (as defined in paragraph (1) without regard to paragraph (2)(B)) from such property are substantially comparable to such rents made by the other tenants of the trust's property for comparable space.

"(B) Exception for certain lodging facilities.—The requirements of this subparagraph are met with respect to an interest in real property which is a qualified lodging facility leased by the trust to a taxable REIT subsidiary of the trust if the property is operated on behalf of such subsidiary by a person who is an eligible independent contractor.

"(9) Eligible independent contractor.—For purposes of paragraph (8)(B)—

"(A) In general.—The term 'eligible independent contractor' means, with respect to any qualified lodging facility, any independent contractor if, at the time such contractor enters into a management agreement or other similar service contract with the taxable REIT subsidiary to operate the facility, such contractor (or any related person) is actively engaged in the trade or business of operating qualified lodging facilities for any person who is not a related person with respect to the real estate investment trust or the taxable REIT subsidiary.

"(B) Special rules.—Solely for purposes of this paragraph and paragraph (8)(B), a person shall not fail to be treated as an independent contractor with respect to any qualified lodging facility by reason of any of the following:

"(i) The taxable REIT subsidiary bears the expenses for the operation of the facility pursuant to the management agreement or other similar service contract.

"(ii) The taxable REIT subsidiary receives the revenues from the operation of such facility, net of expenses for such operation and fees payable to the operator pursuant to such agreement or contract.

"(iii) The real estate investment trust receives income from such person with respect to another property that is attributable to a lease of such other property to such person that was in effect as of the later of—

"(I) January 1, 1999, or

"(II) the earliest date that any taxable REIT subsidiary of such trust entered into a management agreement or other similar service contract with such person with respect to such qualified lodging facility.

"(C) Renewals, etc., of existing leases.—For purposes of subparagraph (B)(iii)—

"(i) a lease shall be treated as in effect on January 1, 1999, without regard to its renewal after such date, so long as such renewal is pursuant to the terms of such lease as in effect on whichever of the dates under subparagraph (B)(iii) is the latest, and

"(ii) a lease of a property entered into after whichever of the dates under subparagraph (B)(iii) is the latest shall be treated as in effect on such date if—

"(I) on such date, a lease of such property from the trust was in effect, and

"(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

"(D) Qualified lodging facility.—For purposes of this paragraph—

"(i) In general.—The term 'qualified lodging facility' means any lodging facility unless wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility.

"(ii) Lodging facility.—The term 'lodging facility' means a hotel, motel, or other establishment more than one-half of the dwelling units in which are used on a transient basis.

"(iii) Customary amenities and facilities.—The term 'lodging facility' includes customary amenities and facilities operated as part of, or associated with, the lodging facility so long as such amenities and facilities are customary for other properties of a comparable size and class owned by other owners unrelated to such real estate investment trust.

"(E) Operate includes manage.—References in this paragraph to operating a property shall be treated as including a reference to managing the property.

"(F) Related person.—Persons shall be treated as related to each other if such persons are treated as a single employer under subsection (a) or (b) of section 52.".

(2) Conforming amendment.—Subparagraph (B) of section 856(d)(2) is amended by inserting "except as provided in paragraph (8)," after "(B)".

(3) Determining rents from real property.—

(A)(i) Paragraph (1) of section 856(d) is amended by striking "adjusted bases" each place it occurs and inserting "fair market values".

(ii) The amendment made by this subparagraph shall apply to taxable years beginning after December 31, 2000.

(B)(i) Clause (i) of section 856(d)(2)(B) is amended by striking "number" and inserting "value".

(ii) The amendment made by this subparagraph shall apply to amounts received or accrued in taxable years beginning after December 31, 2000, except for amounts paid pursuant to leases in effect on July 12, 1999, or pursuant to a binding contract in effect on such date and at all times thereafter.

SEC. 1113. TAXABLE REIT SUBSIDIARY.

(a) In General.—Section 856 is amended by adding at the end the following new subsection:

"(l) Taxable REIT Subsidiary.—For purposes of this part—

"(1) In general.—The term 'taxable REIT subsidiary' means, with respect to a real estate investment trust, a corporation (other than a real estate investment trust) if—

"(A) such trust directly or indirectly owns stock in such corporation, and

"(B) such trust and such corporation jointly elect that such corporation shall be treated as a taxable REIT subsidiary of such trust for purposes of this part.

Such an election, once made, shall be irrevocable unless both such trust and corporation consent to its revocation. Such election, and any revocation thereof, may be made without the consent of the Secretary.

"(2) 35 percent ownership in another taxable REIT subsidiary.—The term 'taxable REIT subsidiary' includes, with respect to any real estate investment trust, any corporation (other than a real estate investment trust) with respect to which a taxable REIT subsidiary of such trust owns directly or indirectly—

"(A) securities possessing more than 35 percent of the total voting power of the outstanding securities of such corporation, or

"(B) securities having a value of more than 35 percent of the total value of the outstanding securities of such corporation.

The preceding sentence shall not apply to a qualified REIT subsidiary (as defined in subsection (i)(2)). The rule of section 856(c)(7) shall apply for purposes of subparagraph (B).

"(3) Exceptions.—The term 'taxable REIT subsidiary' shall not include—

"(A) any corporation which directly or indirectly operates or manages a lodging facility or a health care facility, and

"(B) any corporation which directly or indirectly provides to any other person (under a franchise, license, or otherwise) rights to any brand name under which any lodging facility or health care facility is operated.

Subparagraph (B) shall not apply to rights provided to an eligible independent contractor to operate or manage a lodging facility if such rights are held by such corporation as a franchisee, licensee, or in a similar capacity and such lodging facility is either owned by such corporation or is leased to such corporation from the real estate investment trust.

"(4) Definitions.—For purposes of paragraph (3)—

"(A) Lodging facility.—The term 'lodging facility' has the meaning given to such term by paragraph (9)(D)(ii).

"(B) Health care facility.—The term 'health care facility' has the meaning given to such term by subsection (e)(6)(D)(ii).".

(b) Conforming Amendment.—Paragraph (2) of section 856(i) is amended by adding at the end the following new sentence: "Such term shall not include a taxable REIT subsidiary.".

SEC. 1114. LIMITATION ON EARNINGS STRIPPING.

Paragraph (3) of section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by adding at the end the following new subparagraph:

"(C) any interest paid or accrued (directly or indirectly) by a taxable REIT subsidiary (as defined in section 856(l)) of a real estate investment trust to such trust.".

SEC. 1115. 100 PERCENT TAX ON IMPROPERLY ALLOCATED AMOUNTS.

(a) In General.—Subsection (b) of section 857 (relating to method of taxation of real estate investment trusts and holders of shares or certificates of beneficial interest) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following new paragraph:

"(7) Income from redetermined rents, redetermined deductions, and excess interest.—

"(A) Imposition of tax.—There is hereby imposed for each taxable year of the real estate investment trust a tax equal to 100 percent of redetermined rents, redetermined deductions, and excess interest.

"(B) Redetermined rents.—

"(i) In general.—The term 'redetermined rents' means rents from real property (as defined in subsection 856(d)) the amount of which would (but for subparagraph (E)) be reduced on distribution, apportionment, or allocation under section 482 to clearly reflect income as a result of services furnished or rendered by a taxable REIT subsidiary of the real estate investment trust to a tenant of such trust.

"(ii) Exception for certain services.—Clause (i) shall not apply to amounts received directly or indirectly by a real estate investment trust for services described in paragraph (1)(B) or (7)(C)(i) of section 856(d).

"(iii) EXCEPTION FOR DE MINIMIS AMOUNTS.—Clause (i) shall not apply to amounts described in section 856(d)(7)(A) with respect to a property to the extent such amounts do not exceed the one percent threshold described in section 856(d)(7)(B) with respect to such property.

"(iv) EXCEPTION FOR COMPARABLY PRICED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

"(I) such subsidiary renders a significant amount of similar services to persons other than such trust and tenants of such trust who are unrelated (within the meaning of section 856(d)(8)(F)) to such subsidiary, trust, and tenants, but

"(II) only to the extent the charge for such service so rendered is substantially comparable to the charge for the similar services rendered to persons referred to in subclause (I).

"(v) EXCEPTION FOR CERTAIN SEPARATELY CHARGED SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if—

"(I) the rents paid to the trust by tenants (leasing at least 25 percent of the net leasable space in the trust's property) who are not receiving such service from such subsidiary are substantially comparable to the rents paid by tenants leasing comparable space who are receiving such service from such subsidiary, and

"(II) the charge for such service from such subsidiary is separately stated.

"(vi) EXCEPTION FOR CERTAIN SERVICES BASED ON SUBSIDIARY'S INCOME FROM THE SERVICES.—Clause (i) shall not apply to any service rendered by a taxable REIT subsidiary of a real estate investment trust to a tenant of such trust if the gross income of such subsidiary from such service is not less than 150 percent of such subsidiary's direct cost in furnishing or rendering the service.

"(vii) EXCEPTIONS GRANTED BY SECRETARY.—The Secretary may waive the tax otherwise imposed by subparagraph (A) if the trust establishes to the satisfaction of the Secretary that rents charged to tenants were established on an arms' length basis even though a taxable REIT subsidiary of the trust provided services to such tenants.

"(C) REDETERMINED DEDUCTIONS.—The term 'redetermined deductions' means deductions (other than redetermined rents) of a taxable REIT subsidiary of a real estate investment trust if the amount of such deductions would (but for subparagraph (E)) be decreased on distribution, apportionment, or allocation under section 482 to clearly reflect income as between such subsidiary and such trust.

"(D) EXCESS INTEREST.—The term 'excess interest' means any deductions for interest payments by a taxable REIT subsidiary of a real estate investment trust to such trust to the extent that the interest payments are in excess of a rate that is commercially reasonable.

"(E) COORDINATION WITH SECTION 482.—The imposition of tax under subparagraph (A) shall be in lieu of any distribution, apportionment, or allocation under section 482.

"(F) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph. Until the Secretary prescribes such regulations, real estate investment trusts and their taxable REIT subsidiaries may base their allocations on any reasonable method.".

(b) AMOUNT SUBJECT TO TAX NOT REQUIRED TO BE DISTRIBUTED.—Subparagraph (E) of section 857(b)(2) (relating to real estate investment trust taxable income) is amended by striking "paragraph (5)" and inserting "paragraphs (5) and (7)".

SEC. 1116. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this part shall apply to taxable years beginning after December 31, 2000.

(b) TRANSITIONAL RULES RELATED TO SECTION 1111.—

(1) EXISTING ARRANGEMENTS.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amendment made by section 1111 shall not apply to a real estate investment trust with respect to—

(i) securities of a corporation held directly or indirectly by such trust on July 12, 1999,

(ii) securities of a corporation held by an entity on July 12, 1999, if such trust acquires control of such entity pursuant to a written binding contract in effect on such date and at all times thereafter before such acquisition,

(iii) securities received by such trust (or a successor) in exchange for, or with respect to, securities described in clause (i) or (ii) in a transaction in which gain or loss is not recognized, and

(iv) securities acquired directly or indirectly by such trust as part of a reorganization (as defined in section 368(a)(1) of the Internal Revenue Code of 1986) with respect to such trust if such securities are described in clause (i), (ii), or (iii) with respect to any other real estate investment trust.

(B) NEW TRADE OR BUSINESS OR SUBSTANTIAL NEW ASSETS.—Subparagraph (A) shall cease to apply to securities of a corporation as of the first day after July 12, 1999, on which such corporation engages in a substantial new line of business, or acquires any substantial asset, other than—

(i) pursuant to a binding contract in effect on such date and at all times thereafter before the acquisition of such asset,

(ii) in a transaction in which gain or loss is not recognized by reason of section 1031 or 1033 of the Internal Revenue Code of 1986, or

(iii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(C) LIMITATION ON TRANSITION RULES.—Subparagraph (A) shall cease to apply to securities of a corporation held, acquired, or received, directly or indirectly, by a real estate investment trust as of the first day after July 12, 1999, on which such trust acquires any additional securities of such corporation other than—

(i) pursuant to a binding contract in effect on July 12, 1999, and at all times thereafter, or

(ii) in a reorganization (as so defined) with another corporation the securities of which are described in paragraph (1)(A) of this subsection.

(2) TAX-FREE CONVERSION.—If—

(A) at the time of an election for a corporation to become a taxable REIT subsidiary, the amendment made by section 1021 does not apply to such corporation by reason of paragraph (1), and

(B) such election first takes effect before January 1, 2004,

such election shall be treated as a reorganization qualifying under section 368(a)(1)(A) of such Code.

PART II—HEALTH CARE REITS

SEC. 1121. HEALTH CARE REITS.

(a) SPECIAL FORECLOSURE RULE FOR HEALTH CARE PROPERTIES.—Subsection (e) of section 856 (relating to special rules for foreclosure property) is amended by adding at the end the following new paragraph:

"(6) SPECIAL RULE FOR QUALIFIED HEALTH CARE PROPERTIES.—For purposes of this subsection—

"(A) ACQUISITION AT EXPIRATION OF LEASE.—The term 'foreclosure property' shall include any qualified health care property acquired by a real estate investment trust as the result of the termination of a lease of such property (other than a termination by reason of a default, or the imminence of a default, on the lease).

"(B) GRACE PERIOD.—In the case of a qualified health care property which is foreclosure property solely by reason of subparagraph (A), in lieu of applying paragraphs (2) and (3)—

"(i) the qualified health care property shall cease to be foreclosure property as of the close of the second taxable year after the taxable year in which such trust acquired such property, and

"(ii) if the real estate investment trust establishes to the satisfaction of the Secretary that an extension of the grace period in clause (i) is necessary to the orderly leasing or liquidation of the trust's interest in such qualified health care property, the Secretary may grant 1 or more extensions of the grace period for such qualified health care property.

Any such extension shall not extend the grace period beyond the close of the 6th year after the taxable year in which such trust acquired such qualified health care property.

"(C) INCOME FROM INDEPENDENT CONTRACTORS.—For purposes of applying paragraph (4)(C) with respect to qualified health care property which is foreclosure property by reason of subparagraph (A) or paragraph (1), income derived or received by the trust from an independent contractor shall be disregarded to the extent such income is attributable to—

"(i) any lease of property in effect on the date the real estate investment trust acquired the qualified health care property (without regard to its renewal after such date so long as such renewal is pursuant to the terms of such lease as in effect on such date), or

"(ii) any lease of property entered into after such date if—

"(I) on such date, a lease of such property from the trust was in effect, and

"(II) under the terms of the new lease, such trust receives a substantially similar or lesser benefit in comparison to the lease referred to in subclause (I).

"(D) QUALIFIED HEALTH CARE PROPERTY.—

"(i) IN GENERAL.—The term 'qualified health care property' means any real property (including interests therein), and any personal property incident to such real property, which—

"(I) is a health care facility, or

"(II) is necessary or incidental to the use of a health care facility.

"(ii) HEALTH CARE FACILITY.—For purposes of clause (i), the term 'health care facility' means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility (as defined in section 7872(g)(4)), or other licensed facility which extends medical or nursing or ancillary services to patients and which, immediately before the termination, expiration, default, or breach of the lease of or mortgage secured by such facility, was operated by a provider of such services which was eligible for participation in the medicare program under title XVIII of the Social Security Act with respect to such facility.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

PART III—CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES

SEC. 1131. CONFORMITY WITH REGULATED INVESTMENT COMPANY RULES.

(a) Distribution Requirement.—Clauses (i) and (ii) of section 857(a)(1)(A) (relating to requirements applicable to real estate investment trusts) are each amended by striking "95 percent (90 percent for taxable years beginning before January 1, 1980)" and inserting "90 percent".

(b) Imposition of Tax.—Clause (i) of section 857(b)(5)(A) (relating to imposition of tax in case of failure to meet certain requirements) is amended by striking "95 percent (90 percent in the case of taxable years beginning before January 1, 1980)" and inserting "90 percent".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

PART IV—CLARIFICATION OF EXCEPTION FROM IMPERMISSIBLE TENANT SERVICE INCOME

SEC. 1141. CLARIFICATION OF EXCEPTION FOR INDEPENDENT OPERATORS.

(a) In General.—Paragraph (3) of section 856(d) (relating to independent contractor defined) is amended by adding at the end the following flush sentence:

"In the event that any class of stock of either the real estate investment trust or such person is regularly traded on an established securities market, only persons who own, directly or indirectly, more than 5 percent of such class of stock shall be taken into account as owning any of the stock of such class for purposes of applying the 35 percent limitation set forth in subparagraph (B) (but all of the outstanding stock of such class shall be considered outstanding in order to compute the denominator for purpose of determining the applicable percentage of ownership).".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

PART V—MODIFICATION OF EARNINGS AND PROFITS RULES

SEC. 1151. MODIFICATION OF EARNINGS AND PROFITS RULES.

(a) Rules for Determining Whether Regulated Investment Company Has Earnings and Profits From Non-RIC Year.—Subsection (c) of section 852 is amended by adding at the end the following new paragraph:

"(3) Distributions to meet requirements of subsection (a)(2)(B).—Any distribution which is made in order to comply with the requirements of subsection (a)(2)(B)—

"(A) shall be treated for purposes of this subsection and subsection (a)(2)(B) as made from the earliest earnings and profits accumulated in any taxable year to which the provisions of this part did not apply rather than the most recently accumulated earnings and profits, and

"(B) to the extent treated under subparagraph (A) as made from accumulated earnings and profits, shall not be treated as a distribution for purposes of subsection (b)(2)(D) and section 855.".

(b) Clarification of Application of REIT Spillover Dividend Rules to Distributions To Meet Qualification Requirement.—Subparagraph (B) of section 857(d)(3) is amended by inserting before the period "and section 858".

(c) Application of Deficiency Dividend Procedures.—Paragraph (1) of section 852(e) is amended by adding at the end the following new sentence: "If the determination under subparagraph (A) is solely as a result of the failure to meet the requirements of subsection (a)(2), the preceding sentence shall also apply for purposes of applying subsection (a)(2) to the non-RIC year.".

(d) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2000.

Subtitle C—Modification of At-Risk Rules for Publicly Traded Nonrecourse Debt

SEC. 1161. TREATMENT UNDER AT-RISK RULES OF PUBLICLY TRADED NONRECOURSE DEBT.

(a) In General.—Subparagraph (A) of section 465(b)(6) (relating to qualified nonrecourse financing treated as amount at risk) is amended by striking "share of" and all that follows and inserting "share of—

"(i) any qualified nonrecourse financing which is secured by real property used in such activity, and

"(ii) any other financing which—

"(I) would (but for subparagraph (B)(ii)) be qualified nonrecourse financing,

"(II) is qualified publicly traded debt, and

"(III) is not borrowed by the taxpayer from a person described in subclause (I), (II), or (III) of section 49(a)(1)(D)(iv).".

(b) Qualified Publicly Traded Debt.—Paragraph (6) of section 465(b) is amended by adding at the end the following new subparagraph:

"(F) Qualified publicly traded debt.—For purposes of subparagraph (A), the term 'qualified publicly traded debt' means any debt instrument which is readily tradable on an established securities market. Such term shall not include any debt instrument which has a yield to maturity which equals or exceeds the limitation in section 163(i)(1)(B).".

(c) Effective Date.—The amendments made by this section shall apply to debt instruments issued after December 31, 1999.

Subtitle D—Treatment of Certain Contributions to Capital of Retailers

SEC. 1171. EXCLUSION FROM GROSS INCOME FOR CERTAIN CONTRIBUTIONS TO THE CAPITAL OF CERTAIN RETAILERS.

(a) In General.—Section 118 (relating to contributions to the capital of a corporation) is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

"(d) Safe Harbor for Contributions to Certain Retailers.—

"(1) General rule.—For purposes of this section, the term 'contribution to the capital of the taxpayer' includes any amount of money or other property received by the taxpayer if—

"(A) the taxpayer has entered into an agreement to operate (or cause to be operated) a qualified retail business at a particular location for a period of at least 15 years,

"(B)(i) immediately after the receipt of such money or other property, the taxpayer owns the land and the structure to be used by the taxpayer in carrying on a qualified retail business at such location, or

"(ii) the taxpayer uses such amount to acquire ownership of at least such land and structure,

"(C) such amount meets the requirements of the expenditure rule of paragraph (2), and

"(D) the contributor of such amount does not hold a beneficial interest in any property located on the premises of such qualified retail business other than de minimis amounts of property associated with the operation of property adjacent to such premises.

"(2) Expenditure rule.—An amount meets the requirements of this paragraph if—

"(A) an amount equal to such amount is expended for the acquisition of land or for acquisition or construction of other property described in section 1231(b)—

"(i) which was the purpose motivating the contribution, and

"(ii) which is used predominantly in a qualified retail business at the location referred to in paragraph (1)(A),

"(B) the expenditure referred to in subparagraph (A) occurs before the end of the second taxable year after the year in which such amount was received, and

"(C) accurate records are kept of the amounts contributed and expenditures made on the basis of the project for which the contribution was made and on the basis of the year of the contribution expenditure.

"(3) Definition of qualified retail business.—

"(A) In general.—Except as provided in subparagraph (B), the term 'qualified retail business' means a trade or business of selling tangible personal property to the general public if the premises on which such trade or business is conducted is in close proximity to property that the contributor of the amount referred to in paragraph (1) is developing or operating for profit (or, in the case of a contributor which is a governmental entity, is attempting to revitalize).

"(B) Services.—A trade or business shall not fail to be treated as a qualified retail business by reason of sales of services if such sales are incident to the sale of tangible personal property or if the services are de minimis in amount.

"(4) Special rules.—

"(A) Leases.—For purposes of paragraph (1)(B)(i), property shall be treated as owned by the taxpayer if the taxpayer is the lessee of such property under a lease having a term of at least 30 years and on which only nominal rent is required.

"(B) Controlled groups.—For purposes of this subsection, all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as 1 person.

"(5) Disallowance of deductions and credits; adjusted basis.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed for, or by reason of, any amount received by the taxpayer which constitutes a contribution to capital to which this subsection applies. The adjusted basis of any property acquired with the contributions to which this subsection applies shall be reduced by the amount of the contributions to which this subsection applies.

"(6) Regulations.—The Secretary shall prescribe such regulations are appropriate to prevent the abuse of the purposes of the subsection, including regulations which allocate income and deductions (or adjust the amount excludable under this subsection) in cases in which—

"(A) payments in excess of fair market value are paid to the contributor by the taxpayer, or

"(B) the contributor and the taxpayer are related parties.".

(b) Conforming Amendment.—Subsection (e) of section 118 (as redesignated by subsection (a)) is amended by adding at the end the following flush sentence:

"Rules similar to the rules of the preceding sentence shall apply to any amount treated as a contribution to the capital of the taxpayer under subsection (d).".

(c) Effective Date.—The amendments made by this section shall apply to amounts received after December 31, 1999.

Subtitle E—Private Activity Bond Volume Cap

SEC. 1181. ACCELERATION OF PHASE-IN OF INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) In General.—The table contained in section 146(d)(2) (relating to per capita limit; aggregate limit) is amended to read as follows:

Calendar Year	Per Capita Limit	Aggregate Limit
2000	$55.00	165,000,000
2001	60.00	180,000,000
2002	65.00	195,000,000
2003	70.00	210,000,000
2004 and thereafter.	75.00	225,000,000."

(b) Effective Date.—The amendment made by this section shall apply to calendar years beginning after 1999.

Subtitle F—Deduction for Renovating Historic Homes

SEC. 1191. DEDUCTION FOR RENOVATING HISTORIC HOMES.

(a) In General.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new section:

"SEC. 223. HISTORIC HOMEOWNERSHIP REHABILITATION DEDUCTION.

"(a) General Rule.—In the case of an individual, there shall be allowed as a deduction an amount equal to 50 percent of the qualified rehabilitation expenditures made by the taxpayer with respect to a qualified historic home.

"(b) Dollar Limitation.—The deduction allowed by subsection (a) with respect to any residence of a taxpayer shall not exceed $50,000 ($25,000 in the case of a married individual filing a separate return).

"(c) Qualified Rehabilitation Expenditure.—For purposes of this section—

"(1) In general.—The term 'qualified rehabilitation expenditure' means any amount properly chargeable to capital account—

"(A) in connection with the certified rehabilitation of a qualified historic home, and

"(B) for property for which depreciation would be allowable under section 168 if the qualified historic home were used in a trade or business.

"(2) Certain expenditures not included.—

"(A) Exterior.—Such term shall not include any expenditure in connection with the rehabilitation of a building unless at least 5 percent of the total expenditures made in the rehabilitation process are allocable to the rehabilitation of the exterior of such building.

"(B) Other rules to apply.—Rules similar to the rules of clauses (ii) and (iii) of section 47(c)(2)(B) shall apply.

"(3) Mixed use or multifamily building.—If only a portion of a building is used as the principal residence of the taxpayer, only qualified rehabilitation expenditures which are properly allocable to such portion shall be taken into account under this section.

"(d) Certified Rehabilitation.—For purposes of this section:

"(1) In general.—Except as otherwise provided in this subsection, the term 'certified rehabilitation' has the meaning given such term by section 47(c)(2)(C).

"(2) Factors to be considered in the case of targeted area residences, etc.—

"(A) In general.—For purposes of applying section 47(c)(2)(C) under this section with respect to the rehabilitation of a building to which this paragraph applies, consideration shall be given to—

"(i) the feasibility of preserving existing architectural and design elements of the interior of such building,

"(ii) the risk of further deterioration or demolition of such building in the event that certification is denied because of the failure to preserve such interior elements, and

"(iii) the effects of such deterioration or demolition on neighboring historic properties.

"(B) Buildings to which this paragraph applies.—This paragraph shall apply with respect to any building—

"(i) any part of which is a targeted area residence within the meaning of section 143(j)(1), or

"(ii) which is located within an enterprise community or empowerment zone as designated under section 1391,

but shall not apply with respect to any building which is listed in the National Register.

"(3) Approved state program.—The term 'certified rehabilitation' includes a certification made by—

"(A) a State Historic Preservation Officer who administers a State Historic Preservation Program approved by the Secretary of the Interior pursuant to section 101(b)(1) of the National Historic Preservation Act, as in effect on July 21, 1999, or

"(B) a local government, certified pursuant to section 101(c)(1) of the National Historic Preservation Act, as in effect on July 21, 1999, and authorized by a State Historic Preservation Officer, or the Secretary of the Interior where there is no approved State program),

subject to such terms and conditions as may be specified by the Secretary of the Interior for the rehabilitation of buildings within the jurisdiction of such officer (or local government) for purposes of this section.

"(e) Definitions and Special Rules.—For purposes of this section—

"(1) Qualified historic home.—The term 'qualified historic home' means a certified historic structure—

"(A) which has been substantially rehabilitated, and

"(B) which (or any portion of which)—

"(i) is owned by the taxpayer, and

"(ii) is used (or will, within a reasonable period, be used) by such taxpayer as his principal residence.

"(2) Substantially rehabilitated.—The term 'substantially rehabilitated' has the meaning given such term by section 47(c)(1)(C); except that, in the case of any building described in subsection (d)(2), clause (i)(I) of section 47(c)(1)(C) shall not apply.

"(3) Principal residence.—The term 'principal residence' has the same meaning as when used in section 121.

"(4) Certified historic structure.—

"(A) In general.—The term 'certified historic structure' means any building (and its structural components) which—

"(i) is listed in the National Register, or

"(ii) is located in a registered historic district (as defined in section 47(c)(3)(B)) within which only qualified census tracts (or portions thereof) are located, and is certified by the Secretary of the Interior to the Secretary as being of historic significance to the district.

"(B) Certain structures included.—Such term includes any building (and its structural components) which is designated as being of historic significance under a statute of a State or local government, if such statute is certified by the Secretary of the Interior to the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance.

"(C) Qualified census tracts.—For purposes of subparagraph (A)(ii)—

"(i) In general.—The term 'qualified census tract' means a census tract in which the median family income is less than twice the statewide median family income.

"(ii) Data used.—The determination under clause (i) shall be made on the basis of the most recent decennial census for which data are available.

"(5) Rehabilitation not complete before certification.—A rehabilitation shall not be treated as complete before the date of the certification referred to in subsection (d).

"(6) Lessees.—A taxpayer who leases his principal residence shall, for purposes of this section, be treated as the owner thereof if the remaining term of the lease (as of the date determined under regulations prescribed by the Secretary) is not less than such minimum period as the regulations require.

"(7) Tenant-stockholder in cooperative housing corporation.—If the taxpayer holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such stockholder shall be treated as owning the house or apartment which the taxpayer is entitled to occupy as such stockholder.

"(8) Allocation of expenditures relating to exterior of building containing cooperative or condominium units.—The percentage of the total expenditures made in the rehabilitation of a building containing cooperative or condominium residential units allocated to the rehabilitation of the exterior of the building shall be attributed proportionately to each cooperative or condominium residential unit in such building for which a deduction under this section is claimed.

"(f) When Expenditures Taken Into Account.—Qualified rehabilitation expenditures shall be treated for purposes of this section as made on the date the rehabilitation is completed.

"(g) Recapture.—

"(1) In general.—If, before the end of the 5-year period beginning on the date on which the rehabilitation of the building is completed—

"(A) the taxpayer disposes of such taxpayer's interest in such building, or

"(B) such building ceases to be used as the principal residence of the taxpayer,

the taxpayer's gross income for the taxable year in which such disposition or cessation occurs shall be increased by the recapture percentage of the deduction allowed under this section for all prior taxable years with respect to such rehabilitation.

"(2) Recapture percentage.—For purposes of paragraph (1), the recapture percentage shall be determined in accordance with the following table:

"If the disposition or cessation occurs within—	The recapture percentage is—
(i) One full year after the taxpayer becomes entitled to the deduction	100
(ii) One full year after the close of the period described in clause (i)	805
(iii) One full year after the close of the period described in clause (ii)	60

"If the disposition or cessation occurs within—	The recapture percentage is—
(iv) One full year after the close of the period described in clause (iii)	40
(v) One full year after the close of the period described in clause (iv)	20.".

"(h) Basis Adjustments.—For purposes of this subtitle, if a deduction is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the deduction so allowed.

"(i) Denial of Double Benefit.—No deduction shall be allowed under this section for any amount for which credit is allowed under section 47.

"(j) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations where less than all of a building is used as a principal residence and where more than 1 taxpayer use the same dwelling unit as their principal residence.".

(b) Conforming Amendments.—

(1) Clause (i) of section 56(b)(1)(A) is amended by inserting before the comma "other than the deduction under section 223 (relating to historic homeownership rehabilitation deduction)".

(2) Subsection (a) of section 1016 is amended by striking "and" at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting ", and", and by adding at the end the following new item:

"(29) to the extent provided in section 223(h).".

(c) Clerical Amendment.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the item relating to section 223 and inserting the following new items:

"Sec. 223. Historic homeownership rehabilitation deduction.

"Sec. 224. Cross reference."

(d) Effective Date.—The amendments made by this section shall apply to expenses paid or incurred in taxable years beginning after December 31, 1999.

TITLE XII—PROVISIONS RELATING TO PENSIONS

Subtitle A—Expanding Coverage

SEC. 1201. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) Defined Benefit Plans.—

(1) Dollar limit.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking "$90,000" and inserting "$160,000".

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking "$90,000" each place it appears in the headings and the text and inserting "$160,000".

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking "the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000' " and inserting "one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$160,000' ".

(2) Limit reduced when benefit begins before age 62.—Subparagraph (C) of section 415(b)(2) is amended by striking "the social security retirement age" each place it appears in the heading and text and inserting "age 62".

(3) Limit increased when benefit begins after age 65.—Subparagraph (D) of section 415(b)(2) is amended by striking "the social security retirement age" each place it appears in the heading and text and inserting "age 65".

(4) Cost-of-living adjustments.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking "$90,000" in paragraph (1)(A) and inserting "$160,000", and

(B) in paragraph (3)(A)—

(i) by striking "$90,000" in the heading and inserting "$160,000", and

(ii) by striking "October 1, 1986" and inserting "July 1, 2000".

(5) Conforming amendment.—Section 415(b)(2) is amended by striking subparagraph (F).

(b) Defined Contribution Plans.—

(1) Dollar limit.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking "$30,000" and inserting "$40,000".

(2) Cost-of-living adjustments.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking "$30,000" in paragraph (1)(C) and inserting "$40,000", and

(B) in paragraph (3)(D)—

(i) by striking "$30,000" in the heading and inserting "$40,000", and

(ii) by striking "October 1, 1993" and inserting "July 1, 2000".

(c) Qualified Trusts.—

(1) Compensation limit.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking "$150,000" each place it appears and inserting "$200,000".

(2) Base period and rounding of cost-of-living adjustment.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking "October 1, 1993" and inserting "July 1, 2000", and

(B) by striking "$10,000" both places it appears and inserting "$5,000".

(d) Elective Deferrals.—

(1) In general.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

"(1) In general.—

"(A) Limitation.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

"(B) Applicable dollar amount.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000."

(2) Cost-of-living adjustment.—Paragraph (5) of section 402(g) is amended to read as follows:

"(5) Cost-of-living adjustment.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.".

(3) Conforming amendments.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking "402(g)(8)(A)(iii)" and inserting "402(g)(7)(A)(iii)".

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking "(other than paragraph (4) thereof)".

(e) Deferred Compensation Plans of State and Local Governments and Tax-Exempt Organizations.—

(1) In general.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking "$7,500" each place it appears and inserting "the applicable dollar amount", and

(B) in subsection (b)(3)(A) by striking "$15,000" and inserting "twice the dollar amount in effect under subsection (b)(2)(A)".

(2) Applicable dollar amount; cost-of-living adjustment.—Paragraph (15) of section 457(e) is amended to read as follows:

"(15) Applicable dollar amount.—

"(A) In general.—The applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.

"(B) Cost-of-living adjustments.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.".

(f) Simple Retirement Accounts.—

(1) Limitation.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking "$6,000" and inserting "the applicable dollar amount".

(2) Applicable dollar amount.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

"(E) Applicable dollar amount; cost-of-living adjustment.—

"(i) In general.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$7,000
2002	$8,000
2003	$9,000
2004 or thereafter	$10,000.

"(ii) Cost-of-living adjustment.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.".

(3) CONFORMING AMENDMENTS.—

(A) Clause (I) of section 401(k)(11)(B)(i) is amended by striking "$6,000" and inserting "the amount in effect under section 408(p)(2)(A)(ii)".

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

"(4) ROUNDING.—

"(A) $160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

"(B) $40,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.".

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 1202. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) AMENDMENT TO 1986 CODE.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

"(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).".

(b) AMENDMENT TO ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after December 31, 2000.

SEC. 1203. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking "or any of the 4 preceding plan years" in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

"(i) an officer of the employer having an annual compensation greater than $150,000,",

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking "and subparagraph (A)(ii)".

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: "Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.".

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

"(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—For purposes of determining—

"(i) the present value of the cumulative accrued benefit for any employee, or

"(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

"(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.".

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking "LAST 5 YEARS" in the heading and inserting "LAST YEAR BEFORE DETERMINATION DATE", and

(B) by striking "5-year period" and inserting "1-year period".

(d) DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

"(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—The term 'top-heavy plan' shall not include a plan which consists solely of—

"(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

"(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).".

(e) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking "clause (ii)" in clause (i) and inserting "clause (ii) or (iii)", and

(B) by adding at the end the following:

"(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.".

(f) ELIMINATION OF FAMILY ATTRIBUTION.—Section 416(i)(1)(B) (defining 5-percent owner) is amended by adding at the end the following new clause:

"(iv) FAMILY ATTRIBUTION DISREGARDED.—Solely for purposes of applying this paragraph (and not for purposes of any provision of this title which incorporates by reference the definition of a key employee or 5-percent owner under this paragraph), section 318 shall be applied without regard to subsection (a)(1) thereof in determining whether any person is a 5-percent owner.".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 1204. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

"(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 1205. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 1201, is amended to read as follows:

"(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2000.

SEC. 1206. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for determination letters with respect to the qualified status of a pension benefit plan maintained solely by one or more eligible employers or any trust which is part of the plan. The preceding sentence shall not apply to any request—

(1) made after the 5th plan year the pension benefit plan is in existence, or

(2) made by the sponsor of any prototype or similar plan which the sponsor intends to market to participating employers.

(b) PENSION BENEFIT PLAN.—For purposes of this section, the term "pension benefit plan" means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan.

(c) ELIGIBLE EMPLOYER.—For purposes of this section, the term "eligible employer" has the same meaning given such term in section 408(p)(2)(C)(i)(I) of the Internal Revenue Code of 1986. The determination of whether an employer is an eligible employer under this section shall be made as of the date of the request described in subsection (a).

(d) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2000.

SEC. 1207. DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404(a) (relating to general rule) is amended by adding at the end the following:

"(12) Definition of compensation.—For purposes of paragraphs (3), (7), (8), and (9), the term 'compensation' shall include amounts treated as participant's compensation under subparagraph (C) or (D) of section 415(c)(3).".

(b) Conforming Amendment.—Subparagraph (B) of section 404(a)(3) is amended by striking the last sentence thereof.

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 1208. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.

(a) In General.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

"SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.

"(a) General Rule.—If an applicable retirement plan includes a qualified plus contribution program—

"(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

"(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

"(b) Qualified Plus Contribution Program.—For purposes of this section—

"(1) In general.—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

"(2) Separate accounting required.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

"(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

"(B) maintains separate recordkeeping with respect to each account.

"(c) Definitions and Rules Relating to Designated Plus Contributions.—For purposes of this section—

"(1) Designated plus contribution.—The term 'designated plus contribution' means any elective deferral which—

"(A) is excludable from gross income of an employee without regard to this section, and

"(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

"(2) Designation limits.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

"(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

"(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

"(3) Rollover contributions.—

"(A) In general.—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

"(i) another designated plus account of the individual from whose account the payment or distribution was made, or

"(ii) a Roth IRA of such individual.

"(B) Coordination with limit.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

"(d) Distribution Rules.—For purposes of this title—

"(1) Exclusion.—Any qualified distribution from a designated plus account shall not be includible in gross income.

"(2) Qualified distribution.—For purposes of this subsection—

"(A) In general.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

"(B) Distributions within nonexclusion period.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

"(i) the 1st taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

"(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the 1st taxable year for which the individual made a designated plus contribution to such previously established account.

"(C) Distributions of excess deferrals and earnings.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

"(3) Aggregation rules.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

"(e) Other Definitions.—For purposes of this section—

"(1) Applicable retirement plan.—The term 'applicable retirement plan' means—

"(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

"(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(2) Elective deferral.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).".

(b) Excess Deferrals.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.", and

(2) by inserting "(or would be included but for the last sentence thereof)" after "paragraph (1)" in paragraph (2)(A).

(c) Rollovers.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

"If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.".

(d) Reporting Requirements.—

(1) W–2 information.—Section 6051(a)(8) is amended by inserting ", including the amount of designated plus contributions (as defined in section 402A)" before the comma at the end.

(2) Information.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Designated Plus Contributions.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.".

(e) Conforming Amendments.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: "Such term includes a rollover contribution described in section 402A(c)(3)(A).".

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

"Sec. 402A. Optional treatment of elective deferrals as plus contributions.".

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 1209. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) In General.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting "other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined)," after "single-employer plan,",

(2) in clause (iii), by striking the period at the end and inserting ", and", and

(3) by adding at the end the following new clause:

"(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.".

(b) Definition of New Single-Employer Plan.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

"'(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) had not established or maintained a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

"(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

"(II) In the case of a plan maintained by 2 or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2000.

SEC. 1210. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

"(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

"(I) 0 percent, for the first plan year.

"(II) 20 percent, for the second plan year.

"(III) 40 percent, for the third plan year.

"(IV) 60 percent, for the fourth plan year.

"(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.".

(b) SMALL PLANS.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)) is amended—

(1) by striking "The" in subparagraph (E)(i) and inserting "Except as provided in subparagraph (G), the", and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

"(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by 2 or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether 25-or-fewer-employees limitation has been satisfied.".

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2000.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2000.

Subtitle B—Enhancing Fairness for Women

SEC. 1221. CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) IN GENERAL.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

"(v) CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.—

"(1) IN GENERAL.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

"(2) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—

"(A) IN GENERAL.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

"(i) the applicable percentage of the applicable dollar amount for such elective deferrals for such year, or

"(ii) the excess (if any) of—

"(I) the participant's compensation for the year, over

"(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

"(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	**The applicable percentage is:**
2001	10 percent
2002	20 percent
2003	30 percent
2004	40 percent
2005 and thereafter	50 percent.

"(3) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution to a plan under paragraph (1)—

"(A) such contribution shall not, with respect to the year in which the contribution is made—

"(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408, 415, or 457, or

"(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

"(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416 by reason of the making of (or the right to make) such contribution.

"(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

"(A) who has attained the age of 50 before the close of the plan year, and

"(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or contained in the terms of the plan.

"(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

"(A) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(i), or 457(e)(15)(A), whichever is applicable to an applicable employer plan, for such year.

"(B) APPLICABLE EMPLOYER PLAN.—The term 'applicable employer plan' means—

"(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

"(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

"(iii) an eligible deferred compensation plan under section 457 of an eligible employer as defined in section 457(e)(1)(A), and

"(iv) an arrangement meeting the requirements of section 408 (k) or (p).

"(C) ELECTIVE DEFERRAL.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

"(D) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to an applicable employer plan described in subparagraph (B)(iii) for any year to which section 457(b)(3) applies.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

SEC. 1222. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking "25 percent" and inserting "100 percent".

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking "the exclusion allowance for such taxable year" in paragraph (1) and inserting "the applicable limit under section 415",

(B) by striking paragraph (2), and

(C) by inserting "or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated" before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking "section 403(b)(2)(D)(iii))" and inserting "section 403(b)(2)(D)(iii), as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)".

(B) Section 404(a)(10)(B) is amended by striking ", the exclusion allowance under section 403(b)(2),".

(C) Section 415(a)(2) is amended by striking ", and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)".

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

"(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).".

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

"(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

"(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

"(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).''.

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 1201) is amended by inserting before the period at the end the following: ''(as in effect before the enactment of the Taxpayer Refund and Relief Act of 1999)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendment made by paragraph (1) shall apply to limitation years beginning after December 31, 1999.

(B) EXCLUSION ALLOWANCE.—Effective for limitation years beginning in 2000, in the case of any annuity contract described in section 403(b) of the Internal Revenue Code of 1986, the amount of the contribution disqualified by reason of section 415(g) of such Code shall reduce the exclusion allowance as provided in section 403(b)(2) of such Code.

(3) MODIFICATION OF 403(b) EXCLUSION ALLOWANCE TO CONFORM TO 415 MODIFICATION.—The Secretary of the Treasury shall modify the regulations regarding the exclusion allowance under section 403(b)(2) of the Internal Revenue Code of 1986 to render void the requirement that contributions to a defined benefit pension plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 1999, such regulations shall be applied as if such requirement were void.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking ''33⅓ percent'' and inserting ''100 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. 1223. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan'', and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

“Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

“Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2000.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

SEC. 1224. SIMPLIFY AND UPDATE THE MINIMUM DISTRIBUTION RULES.

(a) SIMPLIFICATION AND FINALIZATION OF MINIMUM DISTRIBUTION REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall—

(A) simplify and finalize the regulations relating to minimum distribution requirements under sections 401(a)(9), 408(a)(6) and (b)(3), 403(b)(10), and 457(d)(2) of the Internal Revenue Code of 1986, and

(B) modify such regulations to—

(i) reflect current life expectancy, and

(ii) revise the required distribution methods so that, under reasonable assumptions, the amount of the required minimum distribution does not decrease over a participant's life expectancy.

(2) FRESH START.—Notwithstanding subparagraph (D) of section 401(a)(9) of such Code, during the first year that regulations are in effect under this subsection, required distributions for future years may be redetermined to reflect changes under such regulations. Such redetermination shall include the opportunity to choose a new designated beneficiary and to elect a new method of calculating life expectancy.

(3) EFFECTIVE DATE FOR REGULATIONS.—Regulations referred to in paragraph (1) shall be effective for years beginning after December 31, 2000, and shall apply in such years without regard to whether an individual had previously begun receiving minimum distributions.

(b) REPEAL OF RULE WHERE DISTRIBUTIONS HAD BEGUN BEFORE DEATH OCCURS.—

(1) IN GENERAL.—Subparagraph (B) of section 401(a)(9) is amended by striking clause (i) and redesignating clauses (ii), (iii), and (iv) as clauses (i), (ii), and (iii), respectively.

(2) CONFORMING CHANGES.—

(A) Clause (i) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''FOR OTHER CASES'' in the heading, and

(ii) by striking ''the distribution of the employee's interest has begun in accordance with subparagraph (A)(ii)'' and inserting ''his entire interest has been distributed to him,''.

(B) Clause (ii) of section 401(a)(9)(B) (as so redesignated) is amended by striking ''clause (ii)'' and inserting ''clause (i)''.

(C) Clause (iii) of section 401(a)(9)(B) (as so redesignated) is amended—

(i) by striking ''clause (iii)(I)'' and inserting ''clause (ii)(I)'',

(ii) by striking ''clause (iii)(III)'' in subclause (I) and inserting ''clause (ii)(III)'',

(iii) by striking ''the date on which the employee would have attained the age 70½,'' in subclause (I) and inserting ''April 1 of the calendar year following the calendar year in which the spouse attains 70½,'', and

(iv) by striking ''the distributions to such spouse begin,'' in subclause (II) and inserting ''his entire interest has been distributed to him,''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(c) REDUCTION IN EXCISE TAX.—

(1) IN GENERAL.—Subsection (a) of section 4974 is amended by striking ''50 percent'' and inserting ''10 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. 1225. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting ''or an eligible deferred compensation plan (within the meaning of section 457(b))'' after ''subsection (e))'', and

(2) in the heading, by striking ''GOVERNMENTAL AND CHURCH PLANS'' and inserting ''CERTAIN OTHER PLANS''.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking ''and section 409(d)'' and inserting ''section 409(d), and section 457(d)''.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

''(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2000.

SEC. 1226. MODIFICATION OF SAFE HARBOR RELIEF FOR HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(b) EFFECTIVE DATE.—The revised regulations under subsection (a) shall apply to years beginning after December 31, 2000.

Subtitle C—Increasing Portability for Participants

SEC. 1231. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

"(16) ROLLOVER AMOUNTS.—

"(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

"(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

"(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

"(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).".

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting "(other than rollover amounts)" after "taxable year".

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by inserting after subparagraph (B) the following:

"(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.".

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

"(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or".

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

"(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).".

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end the following:

"(iv) section 457(b).".

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by inserting after clause (iv) the following new clause:

"(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).".

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

"(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.".

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

"(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).".

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking "such distribution" and all that follows and inserting "such distribution to an eligible retirement plan described in section 402(c)(8)(B), and".

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking "and" at the end of clause (iv), by striking the period at the end of clause (v) and inserting ", and", and by inserting after clause (v) the following new clause:

"(vi) an annuity contract described in section 403(b).".

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ", and", and by adding at the end the following new subparagraph:

"(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.".

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking "; except that" and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(2) Section 219(d)(2) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(3) Section 401(a)(31)(B) is amended by striking "and 403(a)(4)" and inserting ", 403(a)(4), 403(b)(8), and 457(e)(16)".

(4) Subparagraph (A) of section 402(f)(2) is amended by striking "or paragraph (4) of section 403(a)" and inserting ", paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)".

(5) Paragraph (1) of section 402(f) is amended by striking "from an eligible retirement plan".

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking "another eligible retirement plan" and inserting "an eligible retirement plan".

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

"(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.".

(8) Section 408(a)(1) is amended by striking "or 403(b)(8)" and inserting ", 403(b)(8), or 457(e)(16)".

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking "and 408(d)(3)" and inserting "403(b)(8), 408(d)(3), and 457(e)(16)".

(10) Section 415(c)(2) is amended by striking "and 408(d)(3)" and inserting "408(d)(3), and 457(e)(16)".

(11) Section 4973(b)(1)(A) is amended by striking "or 408(d)(3)" and inserting "408(d)(3), or 457(e)(16)".

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 1232. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding "or" at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

"(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).".

(b) Conforming Amendments.—

(1) Paragraph (1) of section 403(b) is amended by striking "section 408(d)(3)(A)(iii)" and inserting "section 408(d)(3)(A)(ii)".

(2) Clause (i) of section 408(d)(3)(D) is amended by striking "(i), (ii), or (iii)" and inserting "(i) or (ii)".

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

"(G) Simple retirement accounts.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.".

(c) Effective Date; Special Rule.—

(1) Effective date.—The amendments made by this section shall apply to distributions after December 31, 2000.

(2) Special rule.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 1233. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) Rollovers From Exempt Trusts.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution to the extent—

"(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).".

(b) Optional Direct Transfer of Eligible Rollover Distributions.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: "The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

"(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

"(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).".

(c) Rules for Applying Section 72 to IRAs.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

"(H) Application of section 72.—

"(i) In general.—If—

"(I) a distribution is made from an individual retirement plan, and

"(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

"(ii) Applicable rules.—In the case of a distribution described in clause (i)—

"(I) section 72 shall be applied separately to such distribution,

"(II) notwithstanding the pro rata allocation of income on, and investment in, the contract to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

"(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.".

(d) Effective Date.—The amendments made by this section shall apply to distributions made after December 31, 2000.

SEC. 1234. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) Exempt Trusts.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

"(3) Transfer must be made within 60 days of receipt.—

"(A) In general.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

"(B) Hardship exception.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.".

(b) IRAs.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 1233, is amended by adding after subparagraph (H) the following new subparagraph:

"(I) Waiver of 60-day requirement.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.".

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 1235. TREATMENT OF FORMS OF DISTRIBUTION.

(a) Plan Transfers.—

(1) Amendment to Internal Revenue Code of 1986.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

"(D) Plan transfers.—

"(i) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

"(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

"(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

"(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

"(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election,

"(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2), and

"(VI) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

"(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

"(E) Elimination of form of distribution.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

"(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated, and

"(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.".

(2) Amendment to ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

"(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

"(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

"(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

"(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

"(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election;

"(v) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 205, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 205(c)(2); and

"(vi) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

"(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

"(5) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This paragraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

"(A) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

"(B) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2000.

(b) REGULATIONS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: "The Secretary shall by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.".

(2) AMENDMENT TO ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: "The Secretary of the Treasury shall by regulations provide that this paragraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.".

(3) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974, including the regulations required by the amendments made by this subsection. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 1236. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking "separation from service" and inserting "severance from employment".

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

"(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).".

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking "An event" in clause (i) and inserting "A termination", and

(II) by striking "the event" in clause (i) and inserting "the termination",

(ii) by striking subparagraph (C), and

(iii) by striking "OR DISPOSITION OF ASSETS OR SUBSIDIARY" in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking "separates from service" and inserting "has a severance from employment".

(B) The heading for paragraph (11) of section 403(b) is amended by striking "SEPARATION FROM SERVICE" and inserting "SEVERANCE FROM EMPLOYMENT".

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking "is separated from service" and inserting "has a severance from employment".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 1237. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

"(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.".

(b) 457 PLANS.—

(1) Subsection (e) of section 457 is amended by adding after paragraph (16) the following new paragraph:

"(17) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

"(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

"(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.".

(2) Section 457(b)(2) is amended by striking "(other than rollover amounts)" and inserting "(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(17))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2000.

SEC. 1238. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

"(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).".

(2) AMENDMENT TO ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

"(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.".

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking "such amount" and inserting "the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

SEC. 1239. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Paragraph (2) of section 457(d) (relating to distribution requirements) is amended to read as follows:

"(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this paragraph if such plan meets the requirements of section 401(a)(9).".

(b) INCLUSION IN GROSS INCOME.—

(1) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

"(a) YEAR OF INCLUSION IN GROSS INCOME.—

"(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

"(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

"(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

"(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.".

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

"(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(B)—".

(B) Section 457(d) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall not be treated as failing to meet the requirements of this subsection solely by reason of making a distribution described in subsection (e)(9)(A)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2000.

Subtitle D—Strengthening Pension Security and Enforcement

SEC. 1241. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2004, the applicable percentage", and

(2) by amending subparagraph (F) to read as follows:

"(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.".

(b) AMENDMENT TO ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking "the applicable percentage" in subparagraph (A)(i)(I) and inserting "in the case of plan years beginning before January 1, 2004, the applicable percentage", and

(2) by amending subparagraph (F) to read as follows:

"(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 1242. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

"(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

"(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

"(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

"(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

"(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.".

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

"(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

"(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

"(B) the sum of—

"(i) the amount of contributions described in section 401(m)(4)(A), plus

"(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 1243. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following:

"(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

"(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

"(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

"(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

"(A) to the corporation, or

"(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

"(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

"(A) in a single sum (plus interest), or

"(B) in such other form as is specified in regulations of the corporation.

"(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

"(A) the plan is a pension plan (within the meaning of section 3(2))—

"(i) to which the provisions of this section do not apply (without regard to this subsection), and

"(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

"(B) at the time the assets are to be distributed upon termination, the plan—

"(i) has missing participants, and

"(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

"(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 1244. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

"(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 1245. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) AMENDMENT TO 1986 CODE.—Chapter 43 of subtitle D (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

"(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

"(b) Amount of Tax.—

"(1) In general.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

"(2) Noncompliance period.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

"(c) Limitations on Amount of Tax.—

"(1) Overall limitation for unintentional failures.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as 1 plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(2) Waiver by secretary.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) Liability for Tax.—The following shall be liable for the tax imposed by subsection (a):

"(1) In the case of a plan other than a multiemployer plan, the employer.

"(2) In the case of a multiemployer plan, the plan.

"(e) Notice Requirements for Plans Significantly Reducing Benefit Accruals.—

"(1) In general.—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

"(2) Notice.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

"(3) Timing of notice.—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

"(4) Designees.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

"(5) Notice before adoption of amendment.—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

"(f) Applicable Individual; Applicable Pension Plan.—For purposes of this section—

"(1) Applicable individual.—The term 'applicable individual' means, with respect to any plan amendment—

"(A) any participant in the plan, and

"(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

who may reasonably be expected to be affected by such plan amendment.

"(2) Applicable pension plan.—The term 'applicable pension plan' means—

"(A) any defined benefit plan, or

"(B) an individual account plan which is subject to the funding standards of section 412,

which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective. Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.".

(b) Amendment to ERISA.—Section 204(h) of the Employee Retirement Income Security Act or 1974 (29 U.S.C. 1054(h)) is amended by adding at the end the following new paragraph:

"(3)(A) A plan to which paragraph (1) applies shall not be treated as meeting the requirements of such paragraph unless, in addition to any notice required to be provided to an individual or organization under such paragraph, the plan administrator provides the notice described in subparagraph (B).

"(B) The notice required by subparagraph (A) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow individuals to understand the effect of the plan amendment.

"(C) Except as provided in regulations prescribed by the Secretary of the Treasury, the notice required by subparagraph (A) shall be provided within a reasonable time before the effective date of the plan amendment.

"(D) A plan shall not be treated as failing to meet the requirements of subparagraph (A) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.".

(c) Clerical Amendment.—The table of sections for chapter 43 of subtitle D is amended by adding at the end the following new item:

"Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements.".

(d) Effective Dates.—

(1) In general.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) Transition.—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 and section 204(h)(3) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) Special rule.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

SEC. 1246. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) In General.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

"(b) Effective Date.—

"(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 1998.

"(2) Nonapplication to previously acquired property.—The amendments made by this section shall not apply to any elective deferral which is invested in assets consisting of qualifying employer securities, qualifying employer real property, or both, if such assets were acquired before January 1, 1999."

(b) Effective Date.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 1247. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) Compensation Limit.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

"(11) Special limitation rule for governmental and multiemployer plans.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.".

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2000.

Subtitle E—Reducing Regulatory Burdens

SEC. 1251. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) In General.—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking "For purposes" and inserting the following:

"(A) In general.—For purposes", and

(2) by adding at the end the following:

"(B) Election to use prior year valuation.—

"(i) In general.—Except as provided in clause (ii), if, for any plan year—

"(I) an election is in effect under this subparagraph with respect to a plan, and

"(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

"(ii) Exceptions.—

"(I) Actual valuation every 3 years.—Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

"(II) Regulations.—Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

"(iii) Adjustments.—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) Election.—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary.".

(b) Amendments to ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting "(A)" after "(9)", and

(2) by adding at the end the following:

"(B)(i) Except as provided in clause (ii), if, for any plan year—

"(I) an election is in effect under this subparagraph with respect to a plan, and

"(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

"(ii)(I) Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

"(II) Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

"(iii) Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

"(iv) An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary of the Treasury.".

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 1252. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) In General.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking "or" at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

"(iii) is, at the election of such participants or their beneficiaries—

"(I) payable as provided in clause (i) or (ii), or

"(II) paid to the plan and reinvested in qualifying employer securities, or".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 1253. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) In General.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) Effective Date.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 1999.

SEC. 1254. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) In General.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401 (k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401 (k) or (m).

(b) Effective Date.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 1255. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) In General.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking "or" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", or", and by adding at the end the following new paragraph:

"(7) qualified retirement planning services.".

(b) Qualified Retirement Planning Services Defined.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

"(m) Qualified Retirement Planning Services.—

"(1) In general.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning service provided to an employee and his spouse by an employer maintaining a qualified employer plan.

"(2) Nondiscrimination rule.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

"(3) Qualified employer plan.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).".

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 1256. REPORTING SIMPLIFICATION.

(a) Simplified Annual Filing Requirement for Owners and Their Spouses.—

(1) In general.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $250,000 or less as of the close of the plan year need not file a return for that year.

(2) One-participant retirement plan defined.—For purposes of this subsection, the term "one-participant retirement plan" means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) Other definitions.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) Simplified Annual Filing Requirement for Plans With Fewer Than 25 Employees.—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) Effective Date.—The provisions of this section shall take effect on January 1, 2001.

SEC. 1257. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to—

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program,

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures,

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures,

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit, and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 1258. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) Modification of Phase-In of Guarantee.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

"(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(i) owns the entire interest in an unincorporated trade or business,

"(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

"(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

"(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

"(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

"(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.".

(b) Modification of Allocation of Assets.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29

U.S.C. 1344(a)(4)(B)) is amended by striking "section 4022(b)(5)" and inserting "section 4022(b)(5)(B)".

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking "(5)" in paragraph (2) and inserting "(4), (5),", and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following:

"(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.".

(c) Conforming Amendments.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking "as defined in section 4022(b)(6)", and

(B) by adding at the end the following:

"(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

"(1) owns the entire interest in an unincorporated trade or business,

"(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

"(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).".

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking "section 4022(b)(6)" and inserting "section 4021(d)".

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2000, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) Conforming amendments.—The amendments made by subsection (c) shall take effect on the date of enactment of this Act.

SEC. 1259. MODIFICATION OF EXCLUSION FOR EMPLOYER PROVIDED TRANSIT PASSES.

(a) In General.—Section 132(f)(3) (relating to cash reimbursements) is amended by striking the last sentence.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 1260. REPEAL OF THE MULTIPLE USE TEST.

(a) In General.—Paragraph (9) of section 401(m) is amended to read as follows:

"(9) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.".

(b) Effective Date.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 1261. FLEXIBILITY IN NONDISCRIMINATION, COVERAGE, AND LINE OF BUSINESS RULES.

(a) Nondiscrimination.—

(1) In general.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test, and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) Effective dates.—

(A) Regulations.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) Conditions of availability.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) Coverage Test.—

(1) In general.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

"(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

"(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

"(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

"(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.".

(2) Effective dates.—

(A) In general.—The amendment made by paragraph (1) shall apply to years beginning after December 31, 2000.

(B) Conditions of availability.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) Line of Business Rules.—The Secretary of the Treasury shall, on or before December 31, 2000, modify the existing regulations issued under section 414(r) of the Internal Revenue Code of 1986 in order to expand (to the extent that the Secretary determines appropriate) the ability of a pension plan to demonstrate compliance with the line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

SEC. 1262. EXTENSION TO INTERNATIONAL ORGANIZATIONS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) In General.—Subparagraph (G) of section 401(a)(5), subparagraph (H) of section 401(a)(26), subparagraph (G) of section 401(k)(3), and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by inserting "or by an international organization which is described in section 414(d)" after "or instrumentality thereof)".

(b) Conforming Amendments.—

(1) The headings for subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by inserting "AND INTERNATIONAL ORGANIZATION" after "GOVERNMENTAL".

(2) Subparagraph (G) of section 401(k)(3) is amended by inserting "State and local governmental and international organization plans.—" after "(G)".

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2000.

Subtitle F—Plan Amendments

SEC. 1271. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) In General.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) Amendments to Which Section Applies.—

(1) In general.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting "2005" for "2003".

(2) Conditions.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

TITLE XIII—MISCELLANEOUS PROVISIONS

Subtitle A—Provisions Primarily Affecting Individuals

SEC. 1301. CONSISTENT TREATMENT OF SURVIVOR BENEFITS FOR PUBLIC SAFETY OFFICERS KILLED IN THE LINE OF DUTY.

Subsection (b) of section 1528 of the Taxpayer Relief Act of 1997 (Public Law 105–34) is amended by striking the period and inserting

'', and to amounts received in taxable years beginning after December 31, 1999, with respect to individuals dying on or before December 31, 1996.''.

SEC. 1302. EXPANSION OF DC HOMEBUYER TAX CREDIT.

(a) Expansion of Income Limitation.—Section 1400C(b)(1) (relating to limitation based on modified adjusted gross income) is amended—

(1) by striking ''$110,000'' in subparagraph (A)(i) and inserting ''$140,000'', and

(2) by inserting ''($40,000 in the case of a joint return)'' after ''$20,000'' in subparagraph (B).

(b) Effective Date.—The amendments made by this section shall apply to purchases on or after the date of the enactment of this Act.

SEC. 1303. NO FEDERAL INCOME TAX ON AMOUNTS AND LANDS RECEIVED BY HOLOCAUST VICTIMS OR THEIR HEIRS.

(a) In General.—For purposes of the Internal Revenue Code of 1986, gross income shall not include—

(1) any amount received by an individual (or any heir of the individual)—

(A) from the Swiss Humanitarian Fund established by the Government of Switzerland or from any similar fund established by any foreign country, or

(B) as a result of the settlement of the action entitled ''In re Holocaust Victims' Asset Litigation'', (E.D. NY), C.A. No. 96-4849, or as a result of any similar action; and

(2) the value of any land (including structures thereon) recovered by an individual (or any heir of the individual) from a government of a foreign country as a result of a settlement of a claim arising out of the confiscation of such land in connection with the Holocaust.

(b) Effective Date.—This section shall apply to any amount received on or after the date of the enactment of this Act.

Subtitle B—Provisions Primarily Affecting Businesses

SEC. 1311. DISTRIBUTIONS FROM PUBLICLY TRADED PARTNERSHIPS TREATED AS QUALIFYING INCOME OF REGULATED INVESTMENT COMPANIES.

(a) In General.—Paragraph (2) of section 851(b) (defining regulated investment company) is amended by inserting ''income derived from an interest in a publicly traded partnership (as defined in section 7704(b)),'' after ''dividends, interest,''.

(b) Source Flow-Through Rule Not To Apply.—The last sentence of section 851(b) is amended by inserting ''(other than a publicly traded partnership (as defined in section 7704(b)))'' after ''derived from a partnership''.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 1312. SPECIAL PASSIVE ACTIVITY RULE FOR PUBLICLY TRADED PARTNERSHIPS TO APPLY TO REGULATED INVESTMENT COMPANIES.

(a) In General.—Subsection (k) of section 469 (relating to separate application of section in case of publicly traded partnerships) is amended by adding at the end the following new paragraph:

''(4) Application to regulated investment companies.—For purposes of this section, a regulated investment company (as defined in section 851) holding an interest in a publicly traded partnership shall be treated as a taxpayer described in subsection (a)(2) with respect to items attributable to such interest.''.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 1313. LARGE ELECTRIC TRUCKS, VANS, AND BUSES ELIGIBLE FOR DEDUCTION FOR CLEAN-FUEL VEHICLES IN LIEU OF CREDIT.

(a) In General.—Paragraph (1) of section 30(c) (relating to credit for qualified electric vehicles) is amended by adding at the end the following new flush sentence:

''Such term shall not include any vehicle described in subclause (I) or (II) of section 179A(b)(1)(A)(iii).''.

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 1999.

SEC. 1314. MODIFICATIONS TO SPECIAL RULES FOR NUCLEAR DECOMMISSIONING COSTS.

(a) Repeal of Limitation on Deposits Into Fund Based on Cost of Service.—Subsection (b) of section 468A is amended to read as follows:

''(b) Limitation on Amounts Paid Into Fund.—The amount which a taxpayer may pay into the Fund for any taxable year shall not exceed the ruling amount applicable to such taxable year.''.

(b) Clarification of Treatment of Fund Transfers.—Subsection (e) of section 468A is amended by adding at the end the following new paragraph:

''(8) Treatment of fund transfers.—If, in connection with the transfer of the taxpayer's interest in a nuclear powerplant, the taxpayer transfers the Fund with respect to such powerplant to the transferee of such interest and the transferee elects to continue the application of this section to such Fund—

''(A) the transfer of such Fund shall not cause such Fund to be disqualified from the application of this section, and

''(B) no amount shall be treated as distributed from such Fund, or be includible in gross income, by reason of such transfer.''.

(c) Transfers of Balances in Nonqualified Funds.—Section 468A is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

''(f) Transfers of Balances in Nonqualified Funds Into Qualified Funds.—

''(1) In general.—Notwithstanding subsection (b), any taxpayer maintaining a Fund to which this section applies with respect to a nuclear powerplant may transfer into such Fund amounts held in any nonqualified fund of such taxpayer with respect to such powerplant.

''(2) Maximum amount permitted to be transferred.—The amount permitted to be transferred under paragraph (1) shall not exceed the balance in the nonqualified fund as of December 31, 1998.

''(3) Deduction for amounts transferred.—

''(A) In general.—The deduction allowed by subsection (a) for any transfer permitted by this subsection shall be allowed ratably over the remaining estimated useful life (within the meaning of subsection (d)(2)(A)) of the nuclear powerplant, beginning with the later of the taxable year during which the transfer is made or the taxpayer's first taxable year beginning after December 31, 2001.

''(B) Denial of deduction for previously deducted amounts.—No deduction shall be allowed for any transfer under this subsection of an amount for which a deduction was allowed when such amount was paid into the nonqualified fund. For purposes of the preceding sentence, a ratable portion of each transfer shall be treated as being from previously deducted amounts to the extent thereof.

''(C) Transfers of qualified funds.—If—

''(i) any transfer permitted by this subsection is made to any Fund to which this section applies, and

''(ii) such Fund is transferred thereafter,

any deduction under this subsection for taxable years ending after the date that such Fund is transferred shall be allowed to the transferee and not to the transferor. The preceding sentence shall not apply if the transferor is an organization exempt from tax imposed by this chapter.

''(4) New ruling amount required.—Paragraph (1) shall not apply to any transfer unless the taxpayer requests from the Secretary a new schedule of ruling amounts in connection with such transfer.

''(5) Nonqualified fund.—For purposes of this subsection, the term 'nonqualified fund' means, with respect to any nuclear powerplant, any fund in which amounts are irrevocably set aside pursuant to the requirements of any State or Federal agency exclusively for the purpose of funding the decommissioning of such powerplant.

''(6) No basis in qualified funds.—Notwithstanding any other provision of law, the basis of any Fund to which this section applies shall not be increased by reason of any transfer permitted by this subsection.''.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 1315. CONSOLIDATION OF LIFE INSURANCE COMPANIES WITH OTHER CORPORATIONS.

(a) In General.—Section 1504(b) (defining includible corporation) is amended by striking paragraph (2).

(b) Conforming Amendments.—

(1) Subsection (c) of section 1503 is amended by striking paragraph (2) (relating to losses of recent nonlife affiliates).

(2) Section 1504 is amended by striking subsection (c) and by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(3) Section 1503(c)(1) (relating to special rule for application of certain losses against income of insurance companies taxed under section 801) is amended by striking ''an election under section 1504(c)(2) is in effect for the taxable year and''.

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) Losses of recent nonlife affiliates.—The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 2005.

(d) No Carryback Before January 1, 2006.—To the extent that a consolidated net operating loss is allowed or increased by reason of the amendments made by this section, such loss may not be carried back to a taxable year beginning before January 1, 2006.

(e) Nontermination of Group.—No affiliated group shall terminate solely as a result of the amendments made by this section.

(f) Waiver of 5-Year Waiting Period.—Under regulations prescribed by the Secretary of the Treasury or his delegate, an automatic waiver from the 5-year waiting period for reconsolidation provided in section 1504(a)(3) of the Internal Revenue Code of 1986 shall be granted to any corporation which was previously an includible corporation but was subsequently deemed a nonincludible corporation as a result of becoming a subsidiary of a corporation which was not an includible corporation solely by operation of section 1504(c)(2) of such Code (as in effect on the day before the date of the enactment of this Act).

SEC. 1316. MODIFICATION OF ACTIVE BUSINESS DEFINITION UNDER SECTION 355.

(a) In General.—Section 355(b) (defining active conduct of a trade or business) is amended by adding at the end the following new paragraph:

"(3) Special rules relating to active business requirement.—

"(A) In general.—For purposes of determining whether a corporation meets the requirement of paragraph (2)(A), all members of such corporation's separate affiliated group shall be treated as 1 corporation. For purposes of the preceding sentence, a corporation's separate affiliated group is the affiliated group which would be determined under section 1504(a) if such corporation were the common parent and section 1504(b) did not apply.

"(B) Control.—For purposes of paragraph (2)(D), all distributee corporations which are members of the same affiliated group (as defined in section 1504(a) without regard to section 1504(b)) shall be treated as 1 distributee corporation.".

(b) Conforming Amendments.—

(1) Subparagraph (A) of section 355(b)(2) is amended to read as follows:

"(A) it is engaged in the active conduct of a trade or business,".

(2) Section 355(b)(2) is amended by striking the last sentence.

(c) Effective Date.—

(1) In general.—The amendments made by this section shall apply to distributions after the date of the enactment of this Act.

(2) Transition rule.—The amendments made by this section shall not apply to any distribution pursuant to a transaction which is—

(A) made pursuant to an agreement which was binding on such date and at all times thereafter,

(B) described in a ruling request submitted to the Internal Revenue Service on or before such date, or

(C) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

(3) Election to have amendments apply.—Paragraph (2) shall not apply if the distributing corporation elects not to have such paragraph apply to distributions of such corporation. Any such election, once made, shall be irrevocable.

SEC. 1317. EXPANSION OF EXEMPTION FROM PERSONAL HOLDING COMPANY TAX FOR LENDING OR FINANCE COMPANIES.

(a) In General.—Paragraph (6) of section 542(c) (defining personal holding company) is amended—

(1) by striking "rents," in subparagraph (B), and

(2) by adding "and" at the end of subparagraph (B),

(3) by striking subparagraph (C), and

(4) by redesignating subparagraph (D) as subparagraph (C).

(b) Exception for Lending or Finance Companies Determined on Affiliated Group Basis.—Subsection (d) of section 542 is amended by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) Lending or finance business defined.— For purposes of subsection (c)(6), the term 'lending or finance business' means a business of—

"(A) making loans,

"(B) purchasing or discounting accounts receivable, notes, or installment obligations,

"(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

"(D) rendering services or making facilities available in the ordinary course of a lending or finance business.

"(E) rendering services or making facilities available in connection with activities described in subparagraphs (A), (B), and (C) carried on by the corporation rendering services or making facilities available, or

"(F) rendering services or making facilities available to another corporation which is engaged in the lending or finance business (within the meaning of this paragraph), if such services or facilities are related to the lending or finance business (within such meaning) of such other corporation and such other corporation and the corporation rendering services or making facilities available are members of the same affiliated group (as defined in section 1504).

"(2) Exception determined on an affiliated group basis.—In the case of a lending or finance company which is a member of an affiliated group (as defined in section 1504), such company shall be treated as meeting the requirements of subsection (c)(6) if such group (determined by taking into account only members of such group which are engaged in a lending or finance business) meets such requirements.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1999.

SEC. 1318. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) Expansion of Qualified Contaminated Site.—Section 198(c) is amended to read as follows:

"(c) Qualified Contaminated Site.—For purposes of this section—

"(1) In general.—The term 'qualified contaminated site' means any area—

"(A) which is held by the taxpayer for use in a trade or business or for the production of income, or which is property described in section 1221(1) in the hands of the taxpayer, and

"(B) at or on which there has been a release (or threat of release) or disposal of any hazardous substance.

"(2) National priorities listed sites not included.—Such term shall not include any site which is on, or proposed for, the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as in effect on the date of the enactment of this section).

"(3) Taxpayer must receive statement from state environmental agency.—An area shall be treated as a qualified contaminated site with respect to expenditures paid or incurred during any taxable year only if the taxpayer receives a statement from the appropriate agency of the State in which such area is located that such area meets the requirement of paragraph (1)(B).

"(4) Appropriate state agency.—For purposes of paragraph (2), the chief executive officer of each State may, in consultation with the Administrator of the Environmental Protection Agency, designate the appropriate State environmental agency within 60 days of the date of the enactment of this section. If the chief executive officer of a State has not designated an appropriate State environmental agency within such 60-day period, the appropriate environmental agency for such State shall be designated by the Administrator of the Environmental Protection Agency.".

(b) Effective Date.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 1999.

Subtitle C—Provisions Relating to Excise Taxes

SEC. 1321. CONSOLIDATION OF HAZARDOUS SUBSTANCE SUPERFUND AND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.

(a) In General.—Subchapter A of chapter 98 (relating to trust fund code) is amended by striking sections 9507 and 9508 and inserting the following new section:

"SEC. 9507. ENVIRONMENTAL REMEDIATION TRUST FUND.

"(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund to be known as the 'Environmental Remediation Trust Fund' consisting of such amounts as may be—

"(1) appropriated to the Environmental Remediation Trust Fund as provided in this section,

"(2) appropriated to the Environmental Remediation Trust Fund pursuant to section 517(b) of the Superfund Revenue Act of 1986, or

"(3) credited to the Environmental Remediation Trust Fund as provided in section 9602(b).

"(b) Transfers to Environmental Remediation Trust Fund.—

"(1) In general.—There are hereby appropriated to the Environmental Remediation Trust Fund amounts equivalent to—

"(A) the taxes received in the Treasury under—

"(i) section 59A, 4611, 4661, or 4671 (relating to environmental taxes),

"(ii) section 4041(d) (relating to additional taxes on motor fuels),

"(iii) section 4081 (relating to tax on gasoline, diesel fuel, and kerosene) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section,

"(iv) section 4091 (relating to tax on aviation fuel) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section, and

"(v) section 4042 (relating to tax on fuel used in commercial transportation on inland waterways) to the extent attributable to the Environmental Remediation Trust Fund financing rate under such section,

"(B) amounts recovered on behalf of the Environmental Remediation Trust Fund under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter in this section referred to as 'CERCLA'),

"(C) all moneys recovered or collected under section 311(b)(6)(B) of the Clean Water Act,

"(D) penalties assessed under title I of CERCLA,

"(E) punitive damages under section 107(c)(3) of CERCLA, and

"(F) amounts received in the Treasury and collected under section 9003(h)(6) of the Solid Waste Disposal Act.

"(2) Limitation on transfers.—

"(A) In general.—Except as provided in subparagraph (B), no amount may be appropriated or credited to the Environmental Remediation Trust Fund on and after the date of any expenditure from any such Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(i) any provision of law which is not contained or referenced in this title or in a revenue Act, and

"(ii) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.

"(B) EXCEPTION FOR PRIOR OBLIGATIONS.—Subparagraph (A) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) in accordance with the provisions of this section.".

"(c) EXPENDITURES FROM ENVIRONMENTAL REMEDIATION TRUST FUND.—

"(1) IN GENERAL.—Amounts in the Environmental Remediation Trust Fund shall be available, as provided in appropriation Acts, only for purposes of making expenditures—

"(A) to carry out the purposes of—

"(i) paragraphs (1), (2), (5), and (6) of section 111(a) of CERCLA as in effect on July 12, 1999,

"(ii) section 111(c) of CERCLA (as so in effect), other than paragraphs (1) and (2) thereof, and

"(iii) section 111(m) of CERCLA (as so in effect), or

"(B) to carry out section 9003(h) of the Solid Waste Disposal Act as in effect on July 12, 1999.

"(2) EXCEPTION FOR CERTAIN TRANSFERS, ETC., OF HAZARDOUS SUBSTANCES.—No amount in the Environmental Remediation Trust Fund or derived from the Environmental Remediation Trust Fund shall be available or used for the transfer or disposal of hazardous waste carried out pursuant to a cooperative agreement between the Administrator of the Environmental Protection Agency and a State if the following conditions apply—

"(A) the transfer or disposal, if made on December 13, 1985, would not comply with a State or local requirement,

"(B) the transfer is to a facility for which a final permit under section 3005(a) of the Solid Waste Disposal Act was issued after January 1, 1983, and before November 1, 1984, and

"(C) the transfer is from a facility identified as the McColl Site in Fullerton, California.

"(3) TRANSFERS FROM TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

"(A) IN GENERAL.—The Secretary shall pay from time to time from the Environmental Remediation Trust Fund into the general fund of the Treasury amounts equivalent to—

"(i) amounts paid under—

"(I) section 6420 (relating to amounts paid in respect of gasoline used on farms),

"(II) section 6421 (relating to amounts paid in respect of gasoline used for certain nonhighway purposes or by local transit systems), and

"(III) section 6427 (relating to fuels not used for taxable purposes), and

"(ii) credits allowed under section 34,

with respect to the taxes imposed by section 4041(d) or by sections 4081 and 4091 (to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rate or the Environmental Remediation Trust Fund financing rate under such sections).

"(B) TRANSFERS BASED ON ESTIMATES.—Transfers under subparagraph (A) shall be made on the basis of estimates by the Secretary, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(d) LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Environmental Remediation Trust Fund may be paid only out of the Environmental Remediation Trust Fund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in CERCLA or the Superfund Amendments and Reauthorization Act of 1986 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Environmental Remediation Trust Fund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Environmental Remediation Trust Fund has insufficient funds to pay all of the claims payable out of the Environmental Remediation Trust Fund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined.

"(e) SEPARATE ACCOUNTING IF SUPERFUND REAUTHORIZED.—

"(1) IN GENERAL.—If a Federal law is enacted after September 30, 1999, which authorizes expenditures out of the Environmental Remediation Trust Fund for purposes of carrying out provisions of CERCLA not described in subsection (c)(1)(A), this section shall be applied as if such Fund consisted of 2 accounts: a Superfund Account and a Leaking Underground Storage Tank Account.

"(2) AMOUNTS IN ACCOUNTS.—

"(A) LEAKING UNDERGROUND STORAGE TANK ACCOUNT.—The Leaking Underground Storage Tank Account—

"(i) shall consist of amounts which would have been appropriated or credited to the Leaking Underground Storage Tank Trust Fund but for the amendments made by section 1321 of the Taxpayer Refund and Relief Act of 1999, and

"(ii) shall be available, as provided in appropriation Acts, for the purposes for which the Leaking Underground Storage Tank Trust Fund was available (as in effect on the day before the date of the enactment of such amendments).

"(B) SUPERFUND ACCOUNT.—The Superfund Account—

"(i) shall consist of amounts which would have been appropriated or credited to the Hazardous Substance Superfund but for such amendments, and

"(ii) shall be available, as provided in appropriation Acts, for the purposes for which the Hazardous Substance Superfund was available (as so in effect).

"(3) OPENING BALANCES.—

"(A) LEAKING UNDERGROUND STORAGE TANK ACCOUNT.—The balance in the Leaking Underground Storage Tank Account as of the date of the enactment of the Federal law referred to in paragraph (1) shall be the sum of—

"(i) the amount which bears the same ratio to the balance in such Trust Fund as of such date, bears to the sum of the balances (as of the close of September 30, 1999) in Leaking Underground Storage Tank Trust Fund and the Hazardous Substance Superfund, and

"(ii) the aggregate amount appropriated to the Environmental Remediation Trust Fund after September 30, 1999, by reason of taxes received in the Treasury.

"(B) SUPERFUND ACCOUNT.—The balance in the Superfund Account as of the date of the enactment of the Federal law referred to in paragraph (1) shall be the excess of the balance in such Trust Fund as of such date over the balance of the Leaking Underground Storage Tank Account determined under subparagraph (A).

"(4) SPECIAL TRANSFER RULE.—If the balance in the Environmental Remediation Trust Fund as of the date of the enactment of the Federal law referred to in paragraph (1) is less than the required balance for the Leaking Underground Storage Tank Account, amounts otherwise required to be deposited in the Superfund Account shall be reduced (to the extent of the shortfall) and deposited into the Leaking Underground Storage Tank Account.".

(b) CONFORMING AMENDMENTS.—

(1) Subsections (c) and (e) of section 4611 are each amended by striking "Hazardous Substance Superfund" each place it appears and inserting "Environmental Remediation Trust Fund".

(2) Subsection (c) of section 4661 is amended by striking "Hazardous Substance Superfund" and inserting "Environmental Remediation Trust Fund".

(3) Sections 4041(d), 4042(b), 4081(a)(2)(B), 4081(d)(3), 4091(b), 4092(b), 6421(f), and 6427(l) are each amended by striking "Leaking Underground Storage Tank" each place it appears (other than the headings) and inserting "Environmental Remediation".

(4) The heading for subsection (d) of section 4041 is amended by striking "LEAKING UNDERGROUND STORAGE TANK" and inserting "ENVIRONMENTAL REMEDIATION".

(5) The headings for subsections (a)(2)(B) and (d)(3) of section 4081 and section 4091(b)(2) are each amended by striking "LEAKING UNDERGROUND STORAGE TANK" and inserting "ENVIRONMENTAL REMEDIATION".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

(d) ENVIRONMENTAL REMEDIATION TRUST FUND TREATED AS CONTINUATION OF OLD TRUST FUNDS.—The Environmental Remediation Trust Fund established by the amendments made by this section shall be treated for all purposes of law as a continuation of both the Hazardous Substance Superfund and the Leaking Underground Storage Tank Trust Fund. Any reference in any law to the Hazardous Substance Superfund or the Leaking Underground Storage Tank Trust Fund shall be deemed to include (wherever appropriate) a reference to the Environmental Remediation Trust Fund established by such amendments.

SEC. 1322. REPEAL OF CERTAIN MOTOR FUEL EXCISE TAXES ON FUEL USED BY RAILROADS AND ON INLAND WATERWAY TRANSPORTATION.

(a) REPEAL OF LEAKING UNDERGROUND STORAGE TANK TRUST FUND TAXES ON FUEL USED IN TRAINS.—

(1) IN GENERAL.—Paragraph (1) of section 4041(d) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply to any sale for use, or use, of fuel in a diesel-powered train.".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3) of section 6421(f) is amended by striking "with respect to—" and all that follows through "so much of" and inserting "with respect to so much of".

(B) Paragraph (3) of section 6427(l) is amended by striking "with respect to—" and all that follows through "so much of" and inserting "with respect to so much of".

(b) REPEAL OF 4.3-CENT MOTOR FUEL EXCISE TAXES ON RAILROADS AND INLAND WATERWAY TRANSPORTATION WHICH REMAIN IN GENERAL FUND.—

(1) TAXES ON TRAINS.—

(A) IN GENERAL.—Subparagraph (A) of section 4041(a)(1) is amended by striking "or a diesel-powered train" each place it appears and by striking "or train".

(B) CONFORMING AMENDMENTS.—

(i) Subparagraph (C) of section 4041(a)(1) is amended by striking clause (ii) and by redesignating clause (iii) as clause (ii).

(ii) Subparagraph (C) of section 4041(b)(1) is amended by striking all that follows "section 6421(e)(2)" and inserting a period.

(iii) Paragraph (3) of section 4083(a) is amended by striking "or a diesel-powered train".

(iv) Section 6421(f) is amended by striking paragraph (3).

(v) Section 6427(l) is amended by striking paragraph (3).

(2) FUEL USED ON INLAND WATERWAYS.—

(A) IN GENERAL.—Paragraph (1) of section 4042(b) is amended by adding "and" at the end of subparagraph (A), by striking ", and" at the end of subparagraph (B) and inserting a period, and by striking subparagraph (C).

(B) CONFORMING AMENDMENT.—Paragraph (2) of section 4042(b) is amended by striking subparagraph (C).

(c) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1999 (October 1, 2003, in the case of the amendments made by subsection (b)), but shall not take effect if section 1321 does not take effect.

SEC. 1323. REPEAL OF EXCISE TAX ON FISHING TACKLE BOXES.

(a) REPEAL.—Paragraph (6) of section 4162(a) (defining sport fishing equipment) is amended by striking subparagraph (C) and by redesignating subparagraphs (D) through (J) as subparagraphs (C) through (I), respectively.

(b) MODIFICATION OF TRANSFER TO AQUATIC RESOURCES TRUST FUND.—Section 9503(b)(4)(D) is amended—

(1) by striking "11.5 cents" in clause (i) and inserting "11.7 cents",

(2) by striking "13 cents" in clause (ii) and inserting "13.2 cents", and

(3) by striking "13.5 cents" in clause (iii) and inserting "13.7 cents".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

SEC. 1324. CLARIFICATION OF EXCISE TAX IMPOSED ON ARROW COMPONENTS.

(a) IN GENERAL.—Paragraph (2) of section 4161(b) (relating to bows and arrows, etc.) is amended to read as follows:

"(2) ARROWS.—

"(A) IN GENERAL.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any shaft, point, article used to attach a point to a shaft, nock, or vane of a type used in the manufacture of any arrow which after its assembly—

"(i) measures 18 inches overall or more in length, or

"(ii) measures less than 18 inches overall in length but is suitable for use with a bow described in paragraph (1)(A),

a tax equal to 12.4 percent of the price for which so sold.

"(B) REDUCED RATE ON CERTAIN HUNTING POINTS.—Subparagraph (A) shall be applied by substituting '11 percent' for '12.4 percent' in the case of a point which is designed primarily for use in hunting fish or large animals.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to articles sold by the manufacturer, producer, or importer after the close of the first calendar month ending more than 30 days after the date of the enactment of this Act.

SEC. 1325. EXEMPTION FROM TICKET TAXES FOR CERTAIN TRANSPORTATION PROVIDED BY SMALL SEAPLANES.

(a) IN GENERAL.—Section 4281 (relating to small aircraft on nonestablished lines) is amended to read as follows:

"SEC. 4281. SMALL AIRCRAFT.

"The taxes imposed by sections 4261 and 4271 shall not apply to—

"(1) transportation by an aircraft having a maximum certificated takeoff weight of 6,000 pounds or less, except when such aircraft is operated on an established line, and

"(2) transportation by a seaplane having a maximum certificated takeoff weight of 6,000 pounds or less with respect to any segment consisting of a takeoff from, and a landing on, water.

For purposes of the preceding sentence, the term 'maximum certificated takeoff weight' means the maximum such weight contained in the type certificate or airworthiness certificate.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter C of chapter 33 is amended by striking "on nonestablished lines" in the item relating to section 4281.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid for transportation beginning after December 31, 1999, but shall not apply to any amount paid on or before such date with respect to taxes imposed by sections 4261 and 4271 of the Internal Revenue Code of 1986.

SEC. 1326. MODIFICATION OF RURAL AIRPORT DEFINITION.

(a) IN GENERAL.—Clause (ii) of section 4261(e)(1)(B) (defining rural airport) is amended by striking the period at the end of subclause (II) and inserting ", or", and by adding at the end the following new subclause:

"(III) is not connected by paved roads to another airport.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 1999.

Subtitle D—Other Provisions

SEC. 1331. TAX-EXEMPT FINANCING OF QUALIFIED HIGHWAY INFRASTRUCTURE CONSTRUCTION.

(a) TREATMENT AS EXEMPT FACILITY BOND.—A bond described in subsection (b) shall be treated as described in section 141(e)(1)(A) of the Internal Revenue Code of 1986, except that—

(1) section 146 of such Code shall not apply to such bond, and

(2) section 147(c)(1) of such Code shall be applied by substituting "any portion of" for "25 percent or more".

(b) BOND DESCRIBED.—

(1) IN GENERAL.—A bond is described in this subsection if such bond is issued after December 31, 1999, as part of an issue—

(A) 95 percent or more of the net proceeds of which are to be used to provide a qualified highway infrastructure project, and

(B) to which there has been allocated a portion of the allocation to the project under paragraph (2)(C)(ii) which is equal to the aggregate face amount of bonds to be issued as part of such issue.

(2) QUALIFIED HIGHWAY INFRASTRUCTURE PROJECTS.—

(A) IN GENERAL.—For purposes of paragraph (1), the term "qualified highway infrastructure project" means a project—

(i) for the construction or reconstruction of a highway, and

(ii) designated under subparagraph (B) as an eligible pilot project.

(B) ELIGIBLE PILOT PROJECT.—

(i) IN GENERAL.—The Secretary of Transportation, in consultation with the Secretary of the Treasury, shall select not more than 15 highway infrastructure projects to be pilot projects eligible for tax-exempt financing.

(ii) ELIGIBILITY CRITERIA.—In determining the criteria necessary for the eligibility of pilot projects, the Secretary of Transportation shall include the following:

(I) The project must serve the general public.

(II) The project is necessary to evaluate the potential of the private sector's participation in the provision of the highway infrastructure of the United States.

(III) The project must be located on publicly-owned rights-of-way.

(IV) The project must be publicly owned or the ownership of the highway constructed or reconstructed under the project must revert to the public.

(V) The project must be consistent with a transportation plan developed pursuant to section 134(g) or 135(e) of title 23, United States Code.

(C) AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

(i) IN GENERAL.—The aggregate face amount of bonds issued pursuant to this section shall not exceed $15,000,000,000, determined without regard to any bond the proceeds of which are used exclusively to refund (other than to advance refund) a bond issued pursuant to this section (or a bond which is a part of a series of refundings of a bond so issued) if the amount of the refunding bond does not exceed the outstanding amount of the refunded bond.

(ii) ALLOCATION.—The Secretary of Transportation, in consultation with the Secretary of the Treasury, shall allocate the amount described in clause (i) among the eligible pilot projects designated under subparagraph (B).

(iii) REALLOCATION.—If any portion of an allocation under clause (ii) is unused on the date which is 3 years after such allocation, the Secretary of Transportation, in consultation with the Secretary of the Treasury, may reallocate such portion among the remaining eligible pilot projects.

SEC. 1332. TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) IN GENERAL.—Subpart A of part I of subchapter J of chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following new section:

"SEC. 646. ELECTING ALASKA NATIVE SETTLEMENT TRUSTS.

"(a) IN GENERAL.—Except as otherwise provided in this section, the provisions of this subchapter and section 1(e) shall apply to all Settlement Trusts.

"(b) BENEFICIARIES OF ELECTING TRUST NOT TAXED ON CONTRIBUTIONS.—

"(1) IN GENERAL.—In the case of a Settlement Trust for which an election under paragraph (2) is in effect for any taxable year, no amount shall be includible in the gross income of a beneficiary of the Settlement Trust by reason of a contribution to the Settlement Trust made during such taxable year.

"(2) ONE-TIME ELECTION.—

"(A) IN GENERAL.—A Settlement Trust may elect to have the provisions of this section apply to the trust and its beneficiaries.

"(B) TIME AND METHOD OF ELECTION.—An election under subparagraph (A) shall be made—

"(i) on or before the due date (including extensions) for filing the Settlement Trust's return of tax for the 1st taxable year of the Settlement Trust ending after December 31, 1999, and

"(ii) by attaching to such return of tax a statement specifically providing for such election.

"(C) PERIOD ELECTION IN EFFECT.—Except as provided in paragraph (3), an election under subparagraph (A)—

"(i) shall apply to the 1st taxable year described in subparagraph (B)(i) and all subsequent taxable years, and "(ii) may not be revoked once it is made.

"(c) Special Rules Where Transfer Restrictions Modified.—

"(1) Transfer of beneficial interests.—If, at any time, a beneficial interest in a Settlement Trust may be disposed of to a person in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if the interest were Settlement Common Stock—

"(A) no election may be made under subsection (b)(2) with respect to such trust, and

"(B) if such an election is in effect as of such time, such election shall cease to apply for purposes of subsection (b)(1) as of the 1st day of the taxable year following the taxable year in which such disposition is first permitted.

"(2) Stock in corporation.—If—

"(A) the Settlement Common Stock in any Native Corporation which transferred assets to a Settlement Trust making an election under subsection (b)(2) may be disposed of to a person in a manner not permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)), and

"(B) at any time after such disposition of stock is first permitted, such corporation transfers assets to such trust,

subparagraph (B) of paragraph (1) shall be applied to such trust on and after the date of the transfer in the same manner as if the trust permitted dispositions of beneficial interests in the trust in a manner not permitted by such section 7(h).

"(c) Tax Treatment of Distributions to Beneficiaries.—

"(1) In general.—In the case of a Settlement Trust for which an election under subsection (b)(2) is in effect for any taxable year, any distribution to a beneficiary shall be included in gross income of the beneficiary as ordinary income to the extent such distribution reduces the earnings and profits of any Native Corporation making a contribution to such Trust.

"(2) Earnings and profits.—The earnings and profits of any Native Corporation making a contribution to a Settlement Trust shall not be reduced on account thereof at the time of such contribution, but such earnings and profits shall be reduced (up to the amount of such contribution) as distributions are thereafter made by the Settlement Trust which exceed the sum of—

"(A) such Trust's total undistributed net income for all prior years during which an election under subsection (b)(2) is in effect, and

"(B) such Trust's distributable net income.

"(d) Definitions.—For purposes of this section—

"(1) Native corporation.—The term 'Native Corporation' has the meaning given such term by section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

"(2) Settlement trust.—The term 'Settlement Trust' means a trust which constitutes a Settlement Trust under section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629e).".

(b) Withholding on Distributions by Electing ANCSA Settlement Trusts.—Section 3402 is amended by adding at the end the following new subsection:

"(t) Tax Withholding on Distributions by Electing ANCSA Settlement Trusts.—

"(1) In general.—Any Settlement Trust (as defined in section 646(d)) for which an election under section 646(b)(2) is in effect (in this subsection referred to as an 'electing trust') and which makes a payment to any beneficiary which is includable in gross income under section 646(c) shall deduct and withhold from such payment a tax in an amount equal to such payment's proportionate share of the annualized tax.

"(2) Exception.—The tax imposed by paragraph (1) shall not apply to any payment to the extent that such payment, when annualized, does not exceed an amount equal to the amount in effect under section 6012(a)(1)(A)(i) for taxable years beginning in the calendar year in which the payment is made.

"(3) Annualized tax.—For purposes of paragraph (1), the term 'annualized tax' means, with respect to any payment, the amount of tax which would be imposed by section 1(c) (determined without regard to any rate of tax in excess of 31 percent) on an amount of taxable income equal to the excess of—

"(A) the annualized amount of such payment, over

"(B) the amount determined under paragraph (2).

"(4) Annualization.—For purposes of this subsection, amounts shall be annualized in the manner prescribed by the Secretary.

"(5) Alternate withholding procedures.—At the election of an electing trust, the tax imposed by this subsection on any payment made by such trust shall be determined in accordance with such tables or computational procedures as may be specified in regulations prescribed by the Secretary (in lieu of in accordance with paragraphs (2) and (3)).

"(6) Coordination with other sections.—For purposes of this chapter and so much of subtitle F as relates to this chapter, payments which are subject to withholding under this subsection shall be treated as if they were wages paid by an employer to an employee.".

(c) Reporting.—Section 6041 is amended by adding at the end the following new subsection:

"(f) Application to Alaska Native Settlement Trusts.—In the case of any distribution from a Settlement Trust (as defined in section 646(d)) to a beneficiary which is includable in gross income under section 646(c), this section shall apply, except that—

"(1) this section shall apply to such distribution without regard to the amount thereof,

"(2) the Settlement Trust shall include on any return or statement required by this section information as to the character of such distribution (if applicable) and the amount of tax imposed by chapter 1 which has been deducted and withheld from such distribution, and

"(3) the filing of any return or statement required by this section shall satisfy any requirement to file any other form or schedule under this title with respect to distributive share information (including any form or schedule to be included with the trust's tax return).".

(d) Clerical Amendment.—The table of sections for subpart A of part I of subchapter J of chapter 1 is amended by adding at the end the following new item:

"Sec. 646. Electing Alaska Native Settlement Trusts.".

(e) Effective Date.—The amendments made by this section shall apply to taxable years of Settlement Trusts ending after December 31, 1999, and to contributions to such trusts after such date.

SEC. 1333. INCREASE IN THRESHOLD FOR JOINT COMMITTEE REPORTS ON REFUNDS AND CREDITS.

(a) General Rule.—Subsections (a) and (b) of section 6405 are each amended by striking "$1,000,000" and inserting "$2,000,000".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act, except that such amendment shall not apply with respect to any refund or credit with respect to a report that has been made before such date of the enactment under section 6405 of the Internal Revenue Code of 1986.

SEC. 1334. CREDIT FOR CLINICAL TESTING RESEARCH EXPENSES ATTRIBUTABLE TO CERTAIN QUALIFIED ACADEMIC INSTITUTIONS INCLUDING TEACHING HOSPITALS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 41 the following:

"SEC. 41A. CREDIT FOR MEDICAL INNOVATION EXPENSES.

"(a) General Rule.—For purposes of section 38, the medical innovation credit determined under this section for the taxable year shall be an amount equal to 40 percent of the excess (if any) of—

"(1) the qualified medical innovation expenses for the taxable year, over

"(2) the medical innovation base period amount.

"(b) Qualified Medical Innovation Expenses.—For purposes of this section—

"(1) In general.—The term 'qualified medical innovation expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year directly or indirectly to any qualified academic institution for clinical testing research activities.

"(2) Clinical testing research activities.—

"(A) In general.—The term 'clinical testing research activities' means human clinical testing conducted at any qualified academic institution in the development of any product, which occurs before—

"(i) the date on which an application with respect to such product is approved under section 505(b), 506, or 507 of the Federal Food, Drug, and Cosmetic Act (as in effect on the date of the enactment of this section),

"(ii) the date on which a license for such product is issued under section 351 of the Public Health Service Act (as so in effect), or

"(iii) the date classification or approval of such product which is a device intended for human use is given under section 513, 514, or 515 of the Federal Food, Drug, and Cosmetic Act (as so in effect).

"(B) Product.—The term 'product' means any drug, biologic, or medical device.

"(3) Qualified academic institution.—The term 'qualified academic institution' means any of the following institutions:

"(A) Educational institution.—A qualified organization described in section 170(b)(1)(A)(iii) which is owned by, or affiliated with, an institution of higher education (as defined in section 3304(f)).

"(B) Teaching hospital.—A teaching hospital which—

"(i) is publicly supported or owned by an organization described in section 501(c)(3), and

"(ii) is affiliated with an organization meeting the requirements of subparagraph (A).

"(C) Foundation.—A medical research organization described in section 501(c)(3) (other than a private foundation) which is affiliated with, or owned by—

"(i) an organization meeting the requirements of subparagraph (A), or "(ii) a teaching hospital meeting the requirements of subparagraph (B).

"(D) CHARITABLE RESEARCH HOSPITAL.—A hospital that is designated as a cancer center by the National Cancer Institute.

"(4) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified medical innovation expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(c) MEDICAL INNOVATION BASE PERIOD AMOUNT.—For purposes of this section, the term 'medical innovation base period amount' means the average annual qualified medical innovation expenses paid by the taxpayer during the 3-taxable year period ending with the taxable year immediately preceding the first taxable year of the taxpayer beginning after December 31, 1998.

"(d) SPECIAL RULES.—

"(1) LIMITATION ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any clinical testing research activities conducted outside the United States.

"(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subsections (f) and (g) of section 41 shall apply for purposes of this section.

"(3) ELECTION.—This section shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

"(4) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES AND WITH CREDIT FOR CLINICAL TESTING EXPENSES FOR CERTAIN DRUGS FOR RARE DISEASES.—Any qualified medical innovation expense for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 or 45C for such taxable year.".

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) (relating to current year business credits) is amended by striking "plus" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ", plus", and by adding at the end the following:

"(13) the medical innovation expenses credit determined under section 41A(a).".

(2) TRANSITION RULE.—Section 39(d) is amended by adding at the end the following new paragraph:

"(9) NO CARRYBACK OF SECTION 41A CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the medical innovation credit determined under section 41A may be carried back to a taxable year beginning before January 1, 1999.".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

"(d) CREDIT FOR INCREASING MEDICAL INNOVATION EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified medical innovation expenses (as defined in section 41A(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 41A(a).

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.".

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) the medical innovation expenses credit determined under section 41A(a) (other than such credit determined under the rules of section 280C(d)(2)),".

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding after the item relating to section 41 the following:

"Sec. 41A. Credit for medical innovation expenses.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 1335. PAYMENT OF DIVIDENDS ON STOCK OF COOPERATIVES WITHOUT REDUCING PATRONAGE DIVIDENDS.

(a) IN GENERAL.—Subsection (a) of section 1388 (relating to patronage dividend defined) is amended by adding at the end the following: "For purposes of paragraph (3), net earnings shall not be reduced by amounts paid during the year as dividends on capital stock or other proprietary capital interests of the organization to the extent that the articles of incorporation or bylaws of such organization or other contract with patrons provide that such dividends are in addition to amounts otherwise payable to patrons which are derived from business done with or for patrons during the taxable year.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions in taxable years beginning after the date of the enactment of this Act.

Subtitle E—Tax Court Provisions

SEC. 1341. TAX COURT FILING FEE IN ALL CASES COMMENCED BY FILING PETITION.

(a) IN GENERAL.—Section 7451 (relating to fee for filing a Tax Court petition) is amended by striking all that follows "petition" and inserting a period.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 1342. EXPANDED USE OF TAX COURT PRACTICE FEE.

Subsection (b) of section 7475 (relating to use of fees) is amended by inserting before the period at the end "and to provide services to pro se taxpayers".

SEC. 1343. CONFIRMATION OF AUTHORITY OF TAX COURT TO APPLY DOCTRINE OF EQUITABLE RECOUPMENT.

(a) CONFIRMATION OF AUTHORITY OF TAX COURT TO APPLY DOCTRINE OF EQUITABLE RECOUPMENT.—Subsection (b) of section 6214 (relating to jurisdiction over other years and quarters) is amended by adding at the end the following new sentence: "Notwithstanding the preceding sentence, the Tax Court may apply the doctrine of equitable recoupment to the same extent that it is available in civil tax cases before the district courts of the United States and the United States Court of Federal Claims.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any action or proceeding in the Tax Court with respect to which a decision has not become final (as determined under section 7481 of the Internal Revenue Code of 1986) as of the date of the enactment of this Act.

TITLE XIV—EXTENSIONS OF EXPIRING PROVISIONS

SEC. 1401. RESEARCH CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking "June 30, 1999" and inserting "June 30, 2004", and

(B) by striking the material following subparagraph (B).

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking "June 30, 1999" and inserting "June 30, 2004".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1999.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking "1.65 percent" and inserting "2.65 percent",

(B) by striking "2.2 percent" and inserting "3.2 percent", and

(C) by striking "2.75 percent" and inserting "3.75 percent".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1999.

SEC. 1402. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) IN GENERAL.—Sections 953(e)(10) and 954(h)(9) are each amended—

(1) by striking "the first taxable year" and inserting "taxable years", and

(2) by striking "January 1, 2000" and inserting "January 1, 2005".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 1403. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR MARGINAL PRODUCTION.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking "January 1, 2000" and inserting "January 1, 2005".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 1404. WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) TEMPORARY EXTENSION.—Sections 51(c)(4)(B) and 51A(f) (relating to termination) are each amended by striking "June 30, 1999" and inserting "December 31, 2001".

(b) CLARIFICATION OF FIRST YEAR OF EMPLOYMENT.—Paragraph (2) of section 51(i) is amended by striking "during which he was not a member of a targeted group".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after June 30, 1999.

SEC. 1405. EXTENSION AND MODIFICATION OF CREDIT FOR PRODUCING ELECTRICITY FROM CERTAIN RENEWABLE RESOURCES.

(a) EXTENSION AND MODIFICATION OF PLACED-IN-SERVICE RULES.—Paragraph (3) of section 45(c) is amended to read as follows:

"(3) QUALIFIED FACILITY.—

"(A) WIND FACILITY.—In the case of a facility using wind to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 1993, and before July 1, 2003.

"(B) CLOSED-LOOP BIOMASS FACILITY.—In the case of a facility using closed-loop biomass to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 1992, and before July 1, 2003.

"(C) POULTRY WASTE FACILITY.—In the case of a facility using poultry waste to produce electricity, the term 'qualified facility' means any facility of the taxpayer which is originally placed in service after December 31, 1999, and before July 1, 2003.".

(b) EXPANSION OF QUALIFIED ENERGY RESOURCES.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by adding at the end the following new subparagraph:

"(C) poultry waste.".

(2) DEFINITION.—Section 45(c) is amended by adding at the end the following new paragraph:

"(4) POULTRY WASTE.—The term 'poultry waste' means poultry manure and litter, including wood shavings, straw, rice hulls, and other bedding material for the disposition of manure.".

(c) SPECIAL RULES.—Section 45(d) (relating to definitions and special rules) is amended by adding at the end the following new paragraphs:

"(6) CREDIT ELIGIBILITY IN THE CASE OF GOVERNMENT-OWNED FACILITIES USING POULTRY WASTE.—In the case of a facility using poultry waste to produce electricity and owned by a governmental unit, the person eligible for the credit under subsection (a) is the lessor or the operator of such facility.

"(7) CREDIT NOT TO APPLY TO ELECTRICITY SOLD TO UTILITIES UNDER CERTAIN CONTRACTS.—

"(A) IN GENERAL.—The credit determined under subsection (a) shall not apply to electricity—

"(i) produced at a qualified facility described in paragraph (3)(A) which is placed in service by the taxpayer after June 30, 1999, and

"(ii) sold to a utility pursuant to a contract originally entered into before January 1, 1987 (whether or not amended or restated after that date).

"(B) EXCEPTION.—Subparagraph (A) shall not apply if—

"(i) the prices for energy and capacity from such facility are established pursuant to an amendment to the contract referred to in subparagraph (A)(ii);

"(ii) such amendment provides that the prices set forth in the contract which exceed avoided cost prices determined at the time of delivery shall apply only to annual quantities of electricity (prorated for partial years) which do not exceed the greater of—

"(I) the average annual quantity of electricity sold to the utility under the contract during calendar years 1994, 1995, 1996, 1997, and 1998, or

"(II) the estimate of the annual electricity production set forth in the contract, or, if there is no such estimate, the greatest annual quantity of electricity sold to the utility under the contract in any of the calendar years 1996, 1997, or 1998; and

"(iii) such amendment provides that energy and capacity in excess of the limitation in clause (ii) may be—

"(I) sold to the utility only at prices that do not exceed avoided cost prices determined at the time of delivery, or

"(II) sold to a third party subject to a mutually agreed upon advance notice to the utility.

For purposes of this subparagraph, avoided cost prices shall be determined as provided for in 18 CFR 292.304(d)(1) or any successor regulation.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

TITLE XV—REVENUE OFFSETS

SEC. 1501. RETURNS RELATING TO CANCELLATIONS OF INDEBTEDNESS BY ORGANIZATIONS LENDING MONEY.

(a) IN GENERAL.—Paragraph (2) of section 6050P(c) (relating to definitions and special rules) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by inserting after subparagraph (C) the following new subparagraph:

"(D) any organization a significant trade or business of which is the lending of money.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to discharges of indebtedness after December 31, 1999.

SEC. 1502. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

"SEC. 7527. INTERNAL REVENUE SERVICE USER FEES.

"(a) GENERAL RULE.—The Secretary shall establish a program requiring the payment of user fees for—

"(1) requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters, and

"(2) other similar requests.

"(b) PROGRAM CRITERIA.—

"(1) IN GENERAL.—The fees charged under the program required by subsection (a)—

"(A) shall vary according to categories (or subcategories) established by the Secretary,

"(B) shall be determined after taking into account the average time for (and difficulty of) complying with requests in each category (and subcategory), and

"(C) shall be payable in advance.

"(2) EXEMPTIONS, ETC.—The Secretary shall provide for such exemptions (and reduced fees) under such program as the Secretary determines to be appropriate.

"(3) AVERAGE FEE REQUIREMENT.—The average fee charged under the program required by subsection (a) shall not be less than the amount determined under the following table:

"Category:	**Average Fee:**
Employee plan ruling and opinion	$250
Exempt organization ruling	$350
Employee plan determination	$300
Exempt organization determination	$275
Chief counsel ruling	$200.

"(c) TERMINATION.—No fee shall be imposed under this section with respect to requests made after September 30, 2009.".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for chapter 77 is amended by adding at the end the following new item:

"Sec. 7527. Internal Revenue Service user fees.".

(2) Section 10511 of the Revenue Act of 1987 is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to requests made after the date of the enactment of this Act.

SEC. 1503. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) (relating to exception for 10 or more employer plans) is amended to read as follows:

"(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are 1 or more of the following:

"(i) Medical benefits.

"(ii) Disability benefits.

"(iii) Group term life insurance benefits which do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.".

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) (defining disqualified benefit) is amended by adding at the end the following new paragraph:

"(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

"(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide 1 or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

"(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

SEC. 1504. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) (relating to withholding) is amended by striking "10 percent" and inserting "15 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 2000.

SEC. 1505. CONTROLLED ENTITIES INELIGIBLE FOR REIT STATUS.

(a) IN GENERAL.—Subsection (a) of section 856 (relating to definition of real estate investment trust) is amended by striking "and" at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

"(7) which is not a controlled entity (as defined in subsection (l)); and".

(b) CONTROLLED ENTITY.—Section 856 is amended by adding at the end the following new subsection:

"(l) CONTROLLED ENTITY.—

"(1) IN GENERAL.—For purposes of subsection (a)(7), an entity is a controlled entity if, at any time during the taxable year, one person (other than a qualified entity)—

"(A) in the case of a corporation, owns stock—

"(i) possessing at least 50 percent of the total voting power of the stock of such corporation, or

"(ii) having a value equal to at least 50 percent of the total value of the stock of such corporation, or

"(B) in the case of a trust, owns beneficial interests in the trust which would meet the requirements of subparagraph (A) if such interests were stock.

"(2) QUALIFIED ENTITY.—For purposes of paragraph (1), the term 'qualified entity' means—

"(A) any real estate investment trust, and

"(B) any partnership in which one real estate investment trust owns at least 50 percent of the capital and profits interests in the partnership.

"(3) Attribution rules.—For purposes of this paragraphs (1) and (2)—

"(A) In general.—Rules similar to the rules of subsections (d)(5) and (h)(3) shall apply; except that section 318(a)(3)(C) shall not be applied under such rules to treat stock owned by a qualified entity as being owned by a person which is not a qualified entity.

"(B) Stapled entities.—A group of entities which are stapled entities (as defined in section 269B(c)(2)) shall be treated as 1 person.

"(4) Exception for certain new REITs.—

"(A) In general.—The term 'controlled entity' shall not include an incubator REIT.

"(B) Incubator REIT.—A corporation shall be treated as an incubator REIT for any taxable year during the eligibility period if it meets all the following requirements for such year:

"(i) The corporation elects to be treated as an incubator REIT.

"(ii) The corporation has only voting common stock outstanding.

"(iii) Not more than 50 percent of the corporation's real estate assets consist of mortgages.

"(iv) From not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation's capital is provided by lenders or equity investors who are unrelated to the corporation's largest shareholder.

"(v) The corporation annually increases the value of its real estate assets by at least 10 percent.

"(vi) The directors of the corporation adopt a resolution setting forth an intent to engage in a going public transaction.

No election may be made with respect to any REIT if an election under this subsection was in effect for any predecessor of such REIT.

"(C) Eligibility period.—

"(i) In general.—The eligibility period (for which an incubator REIT election can be made) begins with the REIT's second taxable year and ends at the close of the REIT's third taxable year, except that the REIT may, subject to clauses (ii), (iii), and (iv), elect to extend such period for an additional 2 taxable years.

"(ii) Going public transaction.—A REIT may not elect to extend the eligibility period under clause (i) unless it enters into an agreement with the Secretary that if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the 2 years of the extended eligibility period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those 2 taxable years.

"(iii) Returns, interest, and notice.—

"(I) Returns.—In the event the corporation ceases to be treated as a REIT by operation of clause (ii), the corporation shall file any appropriate amended returns reflecting the change in status within 3 months of the close of the extended eligibility period.

"(II) Interest.—Interest shall be payable on any tax imposed by reason of clause (ii) for any taxable year but, unless there was a finding under subparagraph (D), no substantial underpayment penalties shall be imposed.

"(III) Notice.—The corporation shall, at the same time it files its returns under subclause (I), notify its shareholders and any other persons whose tax position is, or may reasonably be expected to be, affected by the change in status so they also may file any appropriate amended returns to conform their tax treatment consistent with the corporation's loss of REIT status.

"(IV) Regulations.—The Secretary shall provide appropriate regulations setting forth transferee liability and other provisions to ensure collection of tax and the proper administration of this provision.

"(iv) Clauses (ii) and (iii) shall not apply if the corporation allows its incubator REIT status to lapse at the end of the initial 2-year eligibility period without engaging in a going public transaction if the corporation is not a controlled entity as of the beginning of its fourth taxable year. In such a case, the corporation's directors may still be liable for the penalties described in subparagraph (D) during the eligibility period.

"(D) Special penalties.—If the Secretary determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of $20,000 shall be imposed on each of the corporation's directors for each taxable year for which an election was in effect.

"(E) Going public transaction.—For purposes of this paragraph, a going public transaction means—

"(i) a public offering of shares of the stock of the incubator REIT;

"(ii) a transaction, or series of transactions, that results in the stock of the incubator REIT being regularly traded on an established securities market and that results in at least 50 percent of such stock being held by shareholders who are unrelated to persons who held such stock before it began to be so regularly traded; or

"(iii) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own at least 50 percent of the stock of the REIT.

For the purposes of this subparagraph, the rules of paragraph (3) shall apply in determining the ownership of stock.

"(F) Definitions.—The term 'established securities market' shall have the meaning set forth in the regulations under section 897.".

(c) Conforming Amendment.—Paragraph (2) of section 856(h) is amended by striking "and (6)" each place it appears and inserting ", (6), and (7)".

(d) Effective Date.—

(1) In general.—The amendments made by this section shall apply to taxable years ending after July 14, 1999.

(2) Exception for existing controlled entities.—The amendments made by this section shall not apply to any entity which is a controlled entity (as defined in section 856(l) of the Internal Revenue Code of 1986, as added by this section) as of July 14, 1999, which is a real estate investment trust for the taxable year which includes such date, and which has significant business assets or activities as of such date. For purposes of the preceding sentence, an entity shall be treated as such a controlled entity on July 14, 1999, if it becomes such an entity after such date in a transaction—

(A) made pursuant to a written agreement which was binding on such date and at all times thereafter, or

(B) described on or before such date in a filing with the Securities and Exchange Commission required solely by reason of the transaction.

SEC. 1506. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) In General.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

"SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

"(a) In General.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

"(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

"(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

"(b) Interest Charge on Deferral of Gain Recognition.—

"(1) In general.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

"(2) Amount of interest.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

"(3) Applicable federal rate.—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

"(4) No credits against increase in tax.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

"(A) the amount of any credit allowable under this chapter, or

"(B) the amount of the tax imposed by section 55.

"(c) Financial Asset.—For purposes of this section—

"(1) In general.—The term 'financial asset' means—

"(A) any equity interest in any pass-thru entity, and

"(B) to the extent provided in regulations—

"(i) any debt instrument, and

"(ii) any stock in a corporation which is not a pass-thru entity.

"(2) Pass-thru entity.—For purposes of paragraph (1), the term 'pass-thru entity' means—

"(A) a regulated investment company,

"(B) a real estate investment trust,

"(C) an S corporation,

"(D) a partnership,

"(E) a trust,

"(F) a common trust fund,

"(G) a passive foreign investment company (as defined in section 1297 without regard to subsection (e) thereof),

"(H) a foreign personal holding company,

"(I) a foreign investment company (as defined in section 1246(b)), and

"(J) a REMIC.

"(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

"(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

"(A) holds a long position under a notional principal contract with respect to the financial asset,

"(B) enters into a forward or futures contract to acquire the financial asset,

"(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

"(D) to the extent provided in regulations prescribed by the Secretary, enters into 1 or more other transactions (or acquires 1 or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

"(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

"(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

"(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

"(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

"(4) FORWARD CONTRACT.—The term 'forward contract' means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

"(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

"(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

"(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

"(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

"(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

"(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.".

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end the following new item:

"Sec. 1260. Gains from constructive ownership transactions.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 1507. TRANSFER OF EXCESS DEFINED BENEFIT PLAN ASSETS FOR RETIREE HEALTH BENEFITS.

(a) EXTENSION.—

(1) IN GENERAL.—Paragraph (5) of section 420(b) (relating to expiration) is amended by striking "in any taxable year beginning after December 31, 2000" and inserting "made after September 30, 2009".

(2) CONFORMING AMENDMENTS.—

(A) Section 101(e)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(e)(3)) is amended by striking "1995" and inserting "2001".

(B) Section 403(c)(1) of such Act (29 U.S.C. 1103(c)(1)) is amended by striking "1995" and inserting "2001".

(C) Paragraph (13) of section 408(b) of such Act (29 U.S.C. 1108(b)(13)) is amended—

(i) by striking "in a taxable year beginning before January 1, 2001" and inserting "made before October 1, 2009", and

(ii) by striking "1995" and inserting "2001".

(b) APPLICATION OF MINIMUM COST REQUIREMENTS.—

(1) IN GENERAL.—Paragraph (3) of section 420(c) is amended to read as follows:

"(3) MINIMUM COST REQUIREMENTS.—

"(A) IN GENERAL.—The requirements of this paragraph are met if each group health plan or arrangement under which applicable health benefits are provided provides that the applicable employer cost for each taxable year during the cost maintenance period shall not be less than the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the qualified transfer.

"(B) APPLICABLE EMPLOYER COST.—For purposes of this paragraph, the term 'applicable employer cost' means, with respect to any taxable year, the amount determined by dividing—

"(i) the qualified current retiree health liabilities of the employer for such taxable year determined—

"(I) without regard to any reduction under subsection (e)(1)(B), and

"(II) in the case of a taxable year in which there was no qualified transfer, in the same manner as if there had been such a transfer at the end of the taxable year, by

"(ii) the number of individuals to whom coverage for applicable health benefits was provided during such taxable year.

"(C) ELECTION TO COMPUTE COST SEPARATELY.—An employer may elect to have this paragraph applied separately with respect to individuals eligible for benefits under title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

"(D) COST MAINTENANCE PERIOD.—For purposes of this paragraph, the term 'cost maintenance period' means the period of 5 taxable years beginning with the taxable year in which the qualified transfer occurs. If a taxable year is in 2 or more overlapping cost maintenance periods, this paragraph shall be applied by taking into account the highest applicable employer cost required to be provided under subparagraph (A) for such taxable year.".

(2) CONFORMING AMENDMENTS.—

(A) Clause (iii) of section 420(b)(1)(C) is amended by striking "benefits" and inserting "cost".

(B) Subparagraph (D) of section 420(e)(1) is amended by striking "and shall not be subject to the minimum benefit requirements of subsection (c)(3)" and inserting "or in calculating applicable employer cost under subsection (c)(3)(B)".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to qualified transfers occurring after the date of the enactment of this Act.

(2) TRANSITION RULE.—If the cost maintenance period for any qualified transfer after the date of the enactment of this Act includes any portion of a benefit maintenance period for any qualified transfer on or before such date, the amendments made by subsection (b) shall not apply to such portion of the cost maintenance period (and such portion shall be treated as a benefit maintenance period).

SEC. 1508. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 (relating to installment method) is amended to read as follows:

"(a) USE OF INSTALLMENT METHOD.—

"(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

"(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).".

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking "(a)" each place it appears and inserting "(a)(1)".

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: "A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 1509. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) In General.—Section 448(d)(5) (relating to special rule for services) is amended—

(1) by inserting "in fields described in paragraph (2)(A)" after "services by such person", and

(2) by inserting "Certain personal" before "Services" in the heading.

(b) Effective Date.—

(1) In general.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) Change in method of accounting.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 1510. CHARITABLE SPLIT-DOLLAR LIFE INSURANCE, ANNUITY, AND ENDOWMENT CONTRACTS.

(a) In General.—Subsection (f) of section 170 (relating to disallowance of deduction in certain cases and special rules) is amended by adding at the end the following new paragraph:

"(10) Split-dollar life insurance, annuity, and endowment contracts.—

"(A) In general.—Nothing in this section or in section 545(b)(2), 556(b)(2), 642(c), 2055, 2106(a)(2), or 2522 shall be construed to allow a deduction, and no deduction shall be allowed, for any transfer to or for the use of an organization described in subsection (c) if in connection with such transfer—

"(i) the organization directly or indirectly pays, or has previously paid, any premium on any personal benefit contract with respect to the transferor, or

"(ii) there is an understanding or expectation that any person will directly or indirectly pay any premium on any personal benefit contract with respect to the transferor.

"(B) Personal benefit contract.—For purposes of subparagraph (A), the term 'personal benefit contract' means, with respect to the transferor, any life insurance, annuity, or endowment contract if any direct or indirect beneficiary under such contract is the transferor, any member of the transferor's family, or any other person (other than an organization described in subsection (c)) designated by the transferor.

"(C) Application to charitable remainder trusts.—In the case of a transfer to a trust referred to in subparagraph (E), references in subparagraphs (A) and (F) to an organization described in subsection (c) shall be treated as a reference to such trust.

"(D) Exception for certain annuity contracts.—If, in connection with a transfer to or for the use of an organization described in subsection (c), such organization incurs an obligation to pay a charitable gift annuity (as defined in section 501(m)) and such organization purchases any annuity contract to fund such obligation, persons receiving payments under the charitable gift annuity shall not be treated for purposes of subparagraph (B) as indirect beneficiaries under such contract if—

"(i) such organization possesses all of the incidents of ownership under such contract,

"(ii) such organization is entitled to all the payments under such contract, and

"(iii) the timing and amount of payments under such contract are substantially the same as the timing and amount of payments to each such person under such obligation (as such obligation is in effect at the time of such transfer).

"(E) Exception for certain contracts held by charitable remainder trusts.—A person shall not be treated for purposes of subparagraph (B) as an indirect beneficiary under any life insurance, annuity, or endowment contract held by a charitable remainder annuity trust or a charitable remainder unitrust (as defined in section 664(d)) solely by reason of being entitled to any payment referred to in paragraph (1)(A) or (2)(A) of section 664(d) if—

"(i) such trust possesses all of the incidents of ownership under such contract, and

"(ii) such trust is entitled to all the payments under such contract.

"(F) Excise tax on premiums paid.—

"(i) In general.—There is hereby imposed on any organization described in subsection (c) an excise tax equal to the premiums paid by such organization on any life insurance, annuity, or endowment contract if the payment of premiums on such contract is in connection with a transfer for which a deduction is not allowable under subparagraph (A), determined without regard to when such transfer is made.

"(ii) Payments by other persons.—For purposes of clause (i), payments made by any other person pursuant to an understanding or expectation referred to in subparagraph (A) shall be treated as made by the organization.

"(iii) Reporting.—Any organization on which tax is imposed by clause (i) with respect to any premium shall file an annual return which includes—

"(I) the amount of such premiums paid during the year and the name and TIN of each beneficiary under the contract to which the premium relates, and

"(II) such other information as the Secretary may require.

The penalties applicable to returns required under section 6033 shall apply to returns required under this clause. Returns required under this clause shall be furnished at such time and in such manner as the Secretary shall by forms or regulations require.

"(iv) Certain rules to apply.—The tax imposed by this subparagraph shall be treated as imposed by chapter 42 for purposes of this title other than subchapter B of chapter 42.

"(G) Special rule where State requires specification of charitable gift annuitant in contract.—In the case of an obligation to pay a charitable gift annuity referred to in subparagraph (D) which is entered into under the laws of a State which requires, in order for the charitable gift annuity to be exempt from insurance regulation by such State, that each beneficiary under the charitable gift annuity be named as a beneficiary under an annuity contract issued by an insurance company authorized to transact business in such State, the requirements of clauses (i) and (ii) of subparagraph (D) shall be treated as met if—

"(i) such State law requirement was in effect on February 8, 1999,

"(ii) each such beneficiary under the charitable gift annuity is a bona fide resident of such State at the time the obligation to pay a charitable gift annuity is entered into, and

"(iii) the only persons entitled to payments under such contract are persons entitled to payments as beneficiaries under such obligation on the date such obligation is entered into.

"(H) Member of family.—For purposes of this paragraph, an individual's family consists of the individual's grandparents, the grandparents of such individual's spouse, the lineal descendants of such grandparents, and any spouse of such a lineal descendant.

"(I) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the avoidance of such purposes.".

(b) Effective Date.—

(1) In general.—Except as otherwise provided in this section, the amendment made by this section shall apply to transfers made after February 8, 1999.

(2) Excise tax.—Except as provided in paragraph (3) of this subsection, section 170(f)(10)(F) of the Internal Revenue Code of 1986 (as added by this section) shall apply to premiums paid after the date of the enactment of this Act.

(3) Reporting.—Clause (iii) of such section 170(f)(10)(F) shall apply to premiums paid after February 8, 1999 (determined as if the tax imposed by such section applies to premiums paid after such date).

SEC. 1511. RESTRICTION ON USE OF REAL ESTATE INVESTMENT TRUSTS TO AVOID ESTIMATED TAX PAYMENT REQUIREMENTS.

(a) In General.—Subsection (e) of section 6655 (relating to estimated tax by corporations) is amended by adding at the end the following new paragraph:

"(5) Treatment of certain REIT dividends.—

"(A) In general.—Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsections (d)(5) and (l)(3)(B) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

"(B) Closely held REIT.—For purposes of subparagraph (A), the term 'closely held real estate investment trust' means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsections (d)(5) and (l)(3)(B) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to estimated tax payments due on or after September 15, 1999.

SEC. 1512. MODIFICATION OF ANTI-ABUSE RULES RELATED TO ASSUMPTION OF LIABILITY.

(a) In General.—Section 357(b)(1) (relating to tax avoidance purpose) is amended—

(1) by striking "the principal purpose" and inserting "a principal purpose", and

(2) by striking "on the exchange" in subparagraph (A).

(b) Effective Date.—The amendments made by this section shall apply to assumptions of liability after July 14, 1999.

SEC. 1513. ALLOCATION OF BASIS ON TRANSFERS OF INTANGIBLES IN CERTAIN NONRECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

"(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.

"(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

"(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

"(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.".

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 is amended to read as follows:

"(d) TRANSFERS OF INTANGIBLE PROPERTY.—

"(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

"(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers on or after the date of the enactment of this Act.

SEC. 1514. DISTRIBUTIONS TO A CORPORATE PARTNER OF STOCK IN ANOTHER CORPORATION.

(a) IN GENERAL.—Section 732 (relating to basis of distributed property other than money) is amended by adding at the end the following new subsection:

"(f) CORRESPONDING ADJUSTMENT TO BASIS OF ASSETS OF A DISTRIBUTED CORPORATION CONTROLLED BY A CORPORATE PARTNER.—

"(1) IN GENERAL.—If—

"(A) a corporation (hereafter in this subsection referred to as the 'corporate partner') receives a distribution from a partnership of stock in another corporation (hereafter in this subsection referred to as the 'distributed corporation'),

"(B) the corporate partner has control of the distributed corporation immediately after the distribution or at any time thereafter, and

"(C) the partnership's adjusted basis in such stock immediately before the distribution exceeded the corporate partner's adjusted basis in such stock immediately after the distribution,

then an amount equal to such excess shall be applied to reduce (in accordance with subsection (c)) the basis of property held by the distributed corporation at such time (or, if the corporate partner does not control the distributed corporation at such time, at the time the corporate partner first has such control).

"(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS BEFORE CONTROL ACQUIRED.—Paragraph (1) shall not apply to any distribution of stock in the distributed corporation if—

"(A) the corporate partner does not have control of such corporation immediately after such distribution, and

"(B) the corporate partner establishes to the satisfaction of the Secretary that such distribution was not part of a plan or arrangement to acquire control of the distributed corporation.

"(3) LIMITATIONS ON BASIS REDUCTION.—

"(A) IN GENERAL.—The amount of the reduction under paragraph (1) shall not exceed the amount by which the sum of the aggregate adjusted bases of the property and the amount of money of the distributed corporation exceeds the corporate partner's adjusted basis in the stock of the distributed corporation.

"(B) REDUCTION NOT TO EXCEED ADJUSTED BASIS OF PROPERTY.—No reduction under paragraph (1) in the basis of any property shall exceed the adjusted basis of such property (determined without regard to such reduction).

"(4) GAIN RECOGNITION WHERE REDUCTION LIMITED.—If the amount of any reduction under paragraph (1) (determined after the application of paragraph (3)(A)) exceeds the aggregate adjusted bases of the property of the distributed corporation—

"(A) such excess shall be recognized by the corporate partner as long-term capital gain, and

"(B) the corporate partner's adjusted basis in the stock of the distributed corporation shall be increased by such excess.

"(5) CONTROL.—For purposes of this subsection, the term 'control' means ownership of stock meeting the requirements of section 1504(a)(2).

"(6) INDIRECT DISTRIBUTIONS.—For purposes of paragraph (1), if a corporation acquires (other than in a distribution from a partnership) stock the basis of which is determined (by reason of being distributed from a partnership) in whole or in part by reference to subsection (a)(2) or (b), the corporation shall be treated as receiving a distribution of such stock from a partnership.

"(7) SPECIAL RULE FOR STOCK IN CONTROLLED CORPORATION.—If the property held by a distributed corporation is stock in a corporation which the distributed corporation controls, this subsection shall be applied to reduce the basis of the property of such controlled corporation. This subsection shall be reapplied to any property of any controlled corporation which is stock in a corporation which it controls.

"(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations to avoid double counting and to prevent the abuse of such purposes.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to distributions made after July 14, 1999.

(2) PARTNERSHIPS IN EXISTENCE ON JULY 14, 1999.—In the case of a corporation which is a partner in a partnership as of July 14, 1999, the amendment made by this section shall apply to distributions made to such partner from such partnership after the date of the enactment of this Act.

SEC. 1515. PROHIBITED ALLOCATIONS OF S CORPORATION STOCK HELD BY AN ESOP.

(a) IN GENERAL.—Section 409 (relating to qualifications for tax credit employee stock ownership plans) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) PROHIBITED ALLOCATION OF SECURITIES IN AN S CORPORATION.—

"(1) IN GENERAL.—An employee stock ownership plan holding employer securities consisting of stock in an S corporation shall provide that no portion of the assets of the plan attributable to (or allocable in lieu of) such employer securities may, during a nonallocation year, accrue (or be allocated directly or indirectly under any plan of the employer meeting the requirements of section 401(a)) for the benefit of any disqualified individual.

"(2) FAILURE TO MEET REQUIREMENTS.—If a plan fails to meet the requirements of paragraph (1)—

"(A) the plan shall be treated as having distributed to any disqualified individual the amount allocated to the account of such individual in violation of paragraph (1) at the time of such allocation,

"(B) the provisions of section 4979A shall apply, and

"(C) the statutory period for the assessment of any tax imposed by section 4979A shall not expire before the date which is 3 years from the later of—

"(i) the allocation of employer securities resulting in the failure under paragraph (1) giving rise to such tax, or

"(ii) the date on which the Secretary is notified of such failure.

"(3) NONALLOCATION YEAR.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'nonallocation year' means any plan year of an employee stock ownership plan if, at any time during such plan year—

"(i) such plan holds employer securities consisting of stock in an S corporation, and

"(ii) disqualified individuals own at least 50 percent of the number of outstanding shares of stock in such S corporation.

"(B) ATTRIBUTION RULES.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The rules of section 318(a) shall apply for purposes of determining ownership, except that—

"(I) in applying paragraph (1) thereof, the members of an individual's family shall include members of the family described in paragraph (4)(D), and

"(II) paragraph (4) thereof shall not apply.

"(ii) DEEMED-OWNED SHARES.—Notwithstanding the employee trust exception in section 318(a)(2)(B)(i), disqualified individuals shall be treated as owning deemed-owned shares.

"(4) DISQUALIFIED INDIVIDUAL.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'disqualified individual' means any individual who is a participant or beneficiary under the employee stock ownership plan if—

"(i) the aggregate number of deemed-owned shares of such individual and the members of the individual's family is at least 20 percent of the number of outstanding shares of stock in the S corporation constituting employer securities of such plan, or

"(ii) if such individual is not described in clause (i), the number of deemed-owned shares of such individual is at least 10 percent of the number of outstanding shares of stock in such corporation.

"(B) TREATMENT OF FAMILY MEMBERS.—In the case of a disqualified individual described in subparagraph (A)(i), any member of the individual's family with deemed-owned shares shall be treated as a disqualified individual if not otherwise a disqualified individual under subparagraph (A).

"(C) DEEMED-OWNED SHARES.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'deemed-owned shares' means, with respect to any participant or beneficiary under the employee stock ownership plan—

"(I) the stock in the S corporation constituting employer securities of such plan which is allocated to such participant or beneficiary under the plan, and

"(II) such participant's or beneficiary's share of the stock in such corporation which is held by such trust but which is not allocated under the plan to employees.

"(ii) INDIVIDUAL'S SHARE OF UNALLOCATED STOCK.—For purposes of clause (i)(II), an individual's share of unallocated S corporation stock held by the trust is the amount of the unallocated stock which would be allocated to such individual if the unallocated stock were allocated to individuals in the same proportions as the most recent stock allocation under the plan.

"(D) MEMBER OF FAMILY.—For purposes of this paragraph, the term 'member of the family' means, with respect to any individual—

"(i) the spouse of the individual,

"(ii) an ancestor or lineal descendant of the individual or the individual's spouse,

"(iii) a brother or sister of the individual or the individual's spouse and any lineal descendant of the brother or sister, and

"(iv) the spouse of any person described in clause (ii) or (iii).

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) EMPLOYEE STOCK OWNERSHIP PLAN.—The term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7).

"(B) EMPLOYER SECURITIES.—The term 'employer security' has the meaning given such term by section 409(l).

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations providing for the treatment of any stock option, restricted stock, stock appreciation right, phantom stock unit, performance unit, or similar instrument granted by an S corporation as stock or not stock.".

(b) EXCISE TAX.—

(1) IN GENERAL.—Section 4979A(b) (defining prohibited allocation) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) any allocation of employer securities which violates the provisions of section 409(p).".

(2) LIABILITY.—Section 4979A(c) (defining liability for tax) is amended by adding at the end the following new sentence: "In the case of a prohibited allocation described in subsection (b)(3), such tax shall be paid by the S corporation the stock in which was allocated in violation of section 409(p).".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

(2) EXCEPTION FOR CERTAIN PLANS.—In the case of any—

(A) employee stock ownership plan established after July 14, 1999, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 1362(a) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years ending after July 14, 1999.

TITLE XVI—COMPLIANCE WITH BUDGET ACT

SEC. 1601. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all provisions of, and amendments made by, this Act which are in effect on September 30, 2009, shall cease to apply as of the close of September 30, 2009.

(b) SUNSET FOR CERTAIN PROVISIONS.—The amendments made by sections 101, 111, 121, 201, 202, 211, 214, and 1221 of this Act shall not apply to any taxable year beginning after December 31, 2008.

And the Senate agrees to the same.

For consideration of the House bill, and the Senate amendment, and modfications committed to conference:

WM. ARCHER,
DICK ARMEY,
PHILIP M. CRANE,
WM. THOMAS.

As additional conferees for consideration of sections 313, 315–16, 318, 325, 335, 338, 341–42, 344–45, 351, 362–63, 365, 369, 371, 381, 1261, 1305, and 1406 of the Senate amendment, and modfications committed to conference:

BILL GOODLING,
JOHN BOEHNER,
Managers on the Part of the House.

WM. V. ROTH, JR.,
TRENT LOTT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2488) to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

I. BROAD-BASED AND FAMILY TAX RELIEF

A. Reduction in Individual Income Tax Rates and Expansion of Lowest Individual Regular Income Tax Rate Bracket (sec. 101 of the House bill, secs. 101 and 102 of the Senate amendment and secs. 1 and 55 of the Code)

Present Law

Income tax rate structure

To determine regular income tax liability, a taxpayer generally must apply the tax rate schedules (or the tax tables) to his or her taxable income. The rate schedules are divided into several ranges of income, known as income brackets, and the marginal tax rate increases as a taxpayer's income increases. The income bracket amounts are indexed for inflation. Separate rate schedules apply based on an individual's filing status. In order to limit multiple uses of a graduated rate schedule within a family, the net unearned income of a child under age 14 is taxed as if it were the parent's income.

Individual alternative minimum tax ("AMT") rate structure

Present law imposes the individual AMT on an individual to the extent the taxpayer's minimum tax liability exceeds his or her regular tax liability. The AMT is imposed on individuals at rates of (1) 26 percent on the first $175,000 of alternative minimum taxable income ("AMTI") in excess of a phased-out exemption amount and (2) 28 percent on the amount in excess of $175,000. The lower capital gains rates applicable to the regular tax also apply for purposes of the AMT.

House Bill

Individual regular tax rates

The House bill reduces the regular income tax rates by 10 percent over a 10-year period (2000–2009). Specifically, each rate is reduced by 1.0 percent for taxable years beginning in 2001–2003, 2.5 percent for taxable years beginning in 2004, 5 percent for taxable years beginning in 2005–2007, 7.5 percent for taxable years beginning in 2008, and 10 percent for taxable years beginning in 2009 and thereafter. The tax rates will be rounded up in 2001, rounded down in 2002 and 2003 and rounded up in 2004 and thereafter, annually to the nearest one-tenth of a percent. This rate reduction does not apply to the capital gains tax rates. However, a separate provision of the House bill would reduce individual capital gains rates.

Individual AMT

The House bill reduces the individual AMT tax rates by a total of 10 percent over a 10-year period (2000–2009). Specifically, the individual AMT tax rates are reduced by 1.0 percent for taxable years beginning in 2001–2003, 2.5 percent for taxable years beginning in 2004, 5 percent for taxable years beginning in 2005–2007, 7.5 percent for taxable years beginning in 2008, and 10 percent for taxable years beginning in 2009 and thereafter. The rates will be rounded annually to the nearest one-tenth of a percent, like the regular income tax rates.

Effective date

The House bill is effective for taxable years beginning after December 31, 2000.

Senate Amendment

Individual regular income tax rates

The Senate amendment reduces the lowest individual regular income tax rate from 15 percent to 14 percent. This rate reduction does not apply to the capital gains tax rates.

The Senate amendment also phases in an increase in the size of the 14-percent rate bracket. Specifically, the amendment increases the size of the otherwise applicable 14-percent rate bracket by $2,000 ($4,000 for a married couple filing a joint return) in 2006, and by $2,500 ($5,000 for a married couple filing a joint return) in 2007 and thereafter. The $2,500/$5,000 amounts in 2007 and thereafter are the total increase and are not in addition to the $2,000/$4,000 amounts in 2006. These amounts are indexed for inflation beginning in 2008.

Individual AMT

The Senate amendment does not contain a provision relating to AMT tax rates. A separate provision would make permanent the present-law provision to allow the nonrefundable personal credits fully against the AMT and to allow personal exemptions against the AMT.

Effective date

The Senate amendment provision reducing the tax rate from 15 percent to 14 percent is effective for taxable years beginning after December 31, 2000. The provision increasing the size of the 14-percent rate bracket is effective for taxable years beginning after December 31, 2005.

Conference Agreement

Individual regular income tax rates

The conference agreement reduces the individual regular income tax rates as follows: (1) from 15 percent to 14 percent; (2) from 28 percent to 27 percent; (3) from 31 percent to 30 percent; (4) from 36 percent to 35 percent; and (5) from 39.6 percent to 38.6 percent. These rate reductions do not apply to the capital gains tax rates. The reduction of the 15-percent rate to a 14-percent rate is phased-in over three years; (1) 14.5 percent in 2001 and 2002; and (2) 14 percent in 2003 and thereafter. Therefore, the 14 percent rate applies to taxable years beginning after December 31, 2002. The reductions in the other rates (both regular and AMT) are effective for taxable years beginning after December 31, 2004.

The conference agreement also widens the lowest (currently 15 percent) regular income tax rate brackets for both singles and head of households by $3,000 for taxable years beginning after December 31, 2005. For taxable years beginning after December 31, 2006, the $3,000 amounts are indexed for inflation.

Individual AMT

The conference agreement reduces the AMT rates as follows: (1) from 26 percent to 25 percent, and (2) from 28 percent rate to 27 percent. The lower capital gains rates applicable to the regular tax also apply for purposes of the AMT.

Effective date

The reduction of the 15-percent rate to a 14-percent rate is effective for taxable years beginning after December 31, 2000. The reductions in the other rates (both regular and AMT) are effective for taxable years beginning after December 31, 2004. The widening of the lowest applicable rate bracket for single and head of household returns is effective for taxable years beginning after December 31, 2005.

B. Marriage Penalty Relief Provisions Relating to the Rate Structure and Standard Deduction Amounts (sec. 111 of the House bill, secs. 201 and 209 of the Senate amendment and secs. 63 and 6013A of the Code)

Present Law

Marriage penalty

A married couple generally is treated as one tax unit that must pay tax on the unit's total taxable income. Although married couples may elect to file separate returns, the rate schedules and provisions are structured so that filing separate returns usually results in a higher tax than filing a joint return. Other rate schedules apply to single persons and to single heads of households.

A "marriage penalty" exists when the sum of the tax liabilities of two unmarried individuals filing their own tax returns (either single or head of household returns) is less than their tax liability under a joint return (if the two individuals were to marry). A "marriage bonus" exists when the sum of the tax liabilities of the individuals is greater than their combined tax liability under a joint return.

While the size of any marriage penalty or bonus under present law depends upon the individuals' incomes, number of dependents, and itemized deductions, as a general rule married couples whose incomes are split more evenly than 70–30 suffer a marriage penalty. Married couples whose incomes are largely attributable to one spouse generally receive a marriage bonus.

Under present law, the size of the standard deduction and the tax bracket breakpoints follow certain customary ratios across filing statuses. The standard deduction and tax bracket breakpoints for single filers are roughly 60 percent of those for joint filers.[1] With these ratios, unmarried individuals have standard deductions whose sum exceeds the standard deduction they would receive as a married couple filing a joint return. Thus, their taxable income as joint filers may exceed the sum of their taxable incomes as unmarried individuals.

Basic standard deduction

Taxpayers who do not itemize deductions may choose the basic standard deduction (and additional standard deductions, if applicable), which is subtracted (along with the deduction for personal exemptions) from adjusted gross income ("AGI") in arriving at taxable income. The size of the basic standard deduction varies according to filing status and is indexed for inflation. For 1999, the size of the basic standard deduction is: (1) $7,200 for married couples filing a joint return; (2) $6,250 for head of household returns; (3) $4,300 for single returns; and (4) $3,600 for married couples filing separate returns. Therefore in 1999, the basic standard deduction for joint returns is 1.674 times the basic standard deduction for single returns.

House Bill

Basic standard deduction

The House bill increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual in each taxable year. This increase is phased-in over three years beginning in 2001 by increasing the standard deduction for a married couple filing a joint return to 1.778 times the standard deduction for an unmarried individual in 2001 and to 1.889 times such amount in 2002. Therefore, the House bill provision is fully effective, (i.e., the basic standard deduction for a married couple will be twice the basic standard deduction for a unmarried individual) for taxable years beginning after December 31, 2002. Also, the basic standard deduction for a married taxpayer filing separately will be increased so that it will continue to equal one-half of the basic standard deduction for a married couple filing jointly. The basic standard deduction for a head of household will be unchanged.

Effective date.—The House bill provision is effective for taxable years beginning after December 31, 2000.

Separate calculations

No provision.

Senate Amendment

Basic standard deduction

The Senate amendment increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual in each taxable year. This increase is phased-in over eight years beginning in 2001 by increasing the standard deduction for a married couple filing a joint return to: (1) 1.671 times the standard deduction for an unmarried individual in 2001; (2) 1.700 times the standard deduction for an unmarried individual in 2002; (3) 1.727 times the standard deduction for an unmarried individual in 2003; (4) 1.837 times the standard deduction for an unmarried individual in 2004; (5) 1.951 times the standard deduction for an unmarried individual in 2005; (6) 1.953 times the standard deduction for an unmarried individual in 2006; and (7) 1.973 times the standard deduction for an unmarried taxpayer in 2007. Therefore, the Senate amendment provision is fully effective, (i.e., the basic standard deduction for a married couple will be twice the basic standard deduction for a unmarried individual) for taxable years beginning after December 31, 2007. Also, the basic standard deduction for a married taxpayer filing separately will be increased so that it will continue to equal one-half of the basic standard deduction for a married couple filing jointly. The basic standard deduction for a head of household will be unchanged.

Effective date.—The Senate amendment provision is effective for taxable years beginning after December 31, 2000.

Separate calculations

Under the Senate amendment, married taxpayers have the option to calculate separate taxable income for each spouse and to be taxed as two single individuals on the same return. The tax due is calculated by applying the tax rates for single individuals to the separate taxable incomes. Under the Senate amendment, both spouses must elect to either use a standard deduction or to itemize their deductions. Thus, one spouse is not permitted to itemize deductions while the other spouse claims a standard deduction. If a married couple elects to compute taxable income separately and claim the standard deduction, the applicable standard deduction for each spouse is the standard deduction for single individuals. Under the Senate amendment, once tax liability is calculated on a separate basis, all tax credits and payments of tax are applied as if the couple is filing a joint return.

Income from the performance of services (e.g., wages, salaries, and pensions) are treated as the income of the spouse who performed the services. Income from property is divided between the spouses in accordance with their respective ownership rights in such property. Jointly owned assets are divided evenly.

Deductions generally are allocated to the spouse treated as having the income to which the deduction relates. Special rules apply for certain deductions. The deduction for contributions to an individual retirement arrangement are allocated to the spouse for whom the contribution is made. The deduction for alimony is allocated to the spouse who has the liability to pay the alimony. The deduction for contributions to medical savings accounts is allocated to the spouse with respect to whose employment or self employment the account relates.

Each spouse is entitled to claim one personal exemption. Exemptions for dependents are allocated based on each spouse's relative income.

All credits are determined as if the spouses had filed a joint return. The credit amounts are then applied against the combined tax liability of the couple as calculated under this provision.

For purposes of determining the alternative minimum tax imposed by section 55, the tentative minimum tax shall be the tax which would be computed as if the spouses had filed a joint return, and the regular tax shall be the tax liability computed under section 6013A.

The Secretary of the Treasury is directed to prescribe such regulations as may be necessary or appropriate to carry out the provision.

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[1] This is not true for the 39.6-percent rate. The beginning point of this rate bracket is the same for all taxpayers regardless of filing status.

Effective date.—The Senate amendment provision is effective for taxable years beginning after December 31, 2004.

Conference Agreement

Basic standard deduction

The conference agreement increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual. This increase is phased-in over five years beginning in 2001 by increasing the standard deduction for a married couple filing a joint return to: (1) 1.728 times the standard deduction for an unmarried individual in 2001; (2) 1.801 times the standard deduction for an unmarried individual in 2002; (3) 1.870 times the standard deduction for an unmarried individual in 2003; (4) 1.935 times the standard deduction for an unmarried individual in 2004; and 2.000 times the standard deduction for an unmarried individual in 2005. Therefore, the provision is fully effective, (i.e., the basic standard deduction for a married couple will be twice the basic standard deduction for a unmarried individual) for taxable years beginning after December 31, 2004. Also, the basic standard deduction for a married taxpayer filing separately will be increased so that it will continue to equal one-half of the basic standard deduction for a married couple filing jointly. The basic standard deduction for a head of household will be unchanged.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

Width of 15-percent rate bracket for a married couple filing a joint return

The conference agreement increases the size of the lowest (currently, 15 percent) regular income tax rate bracket for a married couple filing a joint return to twice the size of the corresponding rate bracket for an unmarried individual. This increase is phased-in over four years beginning in 2005 by increasing the lowest regular income tax rate bracket for a married couple filing a joint return to: (1) 1.737 times the lowest regular income tax rate bracket for an unmarried individual in 2005; (2) 1.761 times the lowest regular income tax rate bracket for an unmarried individual in 2006; (3) 1.881 times the lowest regular income tax rate bracket for an unmarried individual in 2007; and (4) 2.000 times the lowest regular income tax rate bracket for an unmarried individual in 2008. Therefore, this provision is fully effective, (i.e., the size of the lowest regular income tax rate bracket for a married couple filing a joint return will be twice the size of the lowest regular income tax rate bracket for an unmarried individual) for taxable years beginning after December 31, 2007.

Effective date.—The provision is effective for taxable years beginning after December 31, 2004.

Separate calculations

The conference agreement does not include the Senate amendment provision.

C. Marriage Penalty Relief Relating to the Earned Income Credit (sec. 202 of the Senate amendment and sec. 32 of the Code)

Present Law

Certain eligible low-income workers are entitled to claim a refundable earned income credit ("EIC") on their income tax return. A refundable credit is a credit that not only reduces an individual's tax liability but allows refunds to the individual in excess of income tax liability. The amount of the credit an eligible individual may claim depends upon whether the individual has one, more than one, or no qualifying children, and is determined by multiplying the credit rate by the individual's earned income up to an earned income amount. In the case of a married individual who files a joint return with his or her spouse, the income for purposes of these tests is the combined income of the couple. The maximum amount of the credit is the product of the credit rate and the earned income amount. The credit is phased out above certain income levels. For individuals with earned income (or modified AGI, if greater) in excess of the beginning of the phase-out range, the maximum credit amount is reduced by the phase-out rate multiplied by the earned income (or modified AGI, if greater) in excess of the beginning of the phase-out range. For individuals with earned income (or modified AGI, if greater) in excess of the end of the phase-out range, no credit is allowed.

The parameters of the credit for 1999 are provided in the following table.

EARNED INCOME CREDIT PARAMETERS (1999)

	Two or more qualifying children	One qualifying child	No qualifying children
Credit rate (percent)	40.00	34.00	7.65
Earned income amount	$9,540	$6,800	$4,530
Maximum credit	$3,816	$2,312	$347
Phase-out begins	$12,460	$12,460	$5,670
Phase-out rate (percent)	21.06	15.98	7.65
Phase-out ends	$30,580	$26,928	$10,200

House Bill

No provision.

Senate Amendment

The Senate amendment increases the beginning point of the phase out of the EIC for married couples filing a joint return by $2,000. Because the rate of the phase out is not changed by the provision, the end-point of the phase-out ranges is also increased by $2,000. The effect of the increase in the beginning point of the phase-out is to increase the EIC for taxpayers in the phase-out range by an amount up to $2,000 times the phase-out rate. For example, for couples with two or more qualifying children, the maximum increase in the EIC as a result of the proposal would be $2,000 times 21.06 percent, or $421.20. The provision also expands the universe of taxpayers eligible for the EIC. Specifically, the $2,000 increase in the end of the phase-out range makes taxpayers with earnings up to $2,000 beyond the present-law phase-out range newly eligible for the credit. Beginning in 2006, the $2,000 amount is indexed for inflation.

Effective date.—The Senate amendment provision is effective for taxable years beginning after December 31, 2004.

Conference Agreement

The conference agreement follows the Senate amendment with a modification to the effective date. The provision is effective for taxable years beginning after December 31, 2005.

D. Individual Alternative Minimum Tax Provisions (sec. 121 of the House bill, secs. 206 and 1134 of the Senate amendment, and secs. 26 and 55 of the Code)

Present Law

In general

Present law imposes a minimum tax ("AMT") on an individual to the extent the taxpayer's minimum tax liability exceeds his or her regular tax liability. The AMT is imposed on individuals at rates of (1) 26 percent on the first $175,000 of alternative minimum taxable income ("AMTI") in excess of a phased-out exemption amount and (2) 28 percent on the remaining AMTI. The exemptions amounts are $45,000 in the case of married individuals filing a joint return and surviving spouses; $33,750 in the case of other unmarried individuals; and $22,500 in the case of married individuals filing a separate return. These exemption amounts are phased-out by an amount equal to 25 percent of the amount that the individual's AMTI exceeds a threshold amount. These threshold amounts are $150,000 in the case of married individuals filing a joint return and surviving spouses; $112,500 in the case of other unmarried individuals; and $75,000 in the case of married individuals filing a separate return, estates, and trusts. The exemption amounts, the threshold phase-out amounts, and the $175,000 break-point amount are not indexed for inflation. The lower capital gains rates applicable to the regular tax apply for purposes of the AMT.

AMTI is the taxpayer's taxable income increased by certain preference items and adjusted by determining the tax treatment of certain items in a manner that negates the deferral of income resulting from the regular tax treatment of those items.

Preference items in computing AMTI

The minimum tax preference items are:

(1) The excess of the deduction for percentage depletion over the adjusted basis of the property at the end of the taxable year. This preference does not apply to percentage depletion allowed with respect to oil and gas properties.

(2) The amount by which excess intangible drilling costs arising in the taxable year exceed 65 percent of the net income from oil, gas, and geothermal properties. This preference does not apply to an independent producer to the extent the preference would not reduce the producer's AMTI by more than 40 percent.

(3) Tax-exempt interest income on private activity bonds (other than qualified 501(c)(3) bonds) issued after August 7, 1986.

(4) Accelerated depreciation or amortization on certain property placed in service before January 1, 1987.

(5) Forty-two percent of the amount excluded from income under section 1202 (relating to gains on the sale of certain small business stock).

In addition, losses from any tax shelter, farm, or passive activities are denied.[2]

Adjustments in computing AMTI

The adjustments that individuals must make in computing AMTI are:

(1) Depreciation on property placed in service after 1986 and before January 1, 1999, must be computed by using the generally longer class lives prescribed by the alternative depreciation system of section 168(g) and either (a) the straight-line method in the case of property subject to the straight-line method under the regular tax or (b) the 150-percent declining balance method in the case of other property. Depreciation on property placed in service after December 31, 1998, is computed by using the regular tax recovery periods and the AMT methods described in the previous sentence.

(2) Mining exploration and development costs must be capitalized and amortized over a 10-year period.

(3) Taxable income from a long-term contract (other than a home construction contract) must be computed using the percentage of completion method of accounting.

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[2] Given the passage of section 469 by the Tax Reform Act of 1986 (relating to the deductibility of losses from passive activities), these provisions are largely "deadwood."

(4) The amortization deduction allowed for pollution control facilities placed in service before January 1, 1999 (generally determined using 60-month amortization for a portion of the cost of the facility under the regular tax), must be calculated under the alternative depreciation system (generally, using longer class lives and the straight-line method). The amortization deduction allowed for pollution control facilities placed in service after December 31, 1998, is calculated using the regular tax recovery periods and the straight-line method.

(5) Miscellaneous itemized deductions are not allowed.

(6) Itemized deductions for State, local, and foreign real property taxes, State and local personal property taxes, and State, local, and foreign income, war profits, and excess profits taxes are not allowed.

(7) Medical expenses are allowed only to the extent they exceed 10 percent of the taxpayer's adjusted gross income (AGI).

(8) Standard deductions and personal exemptions are not allowed.

(9) The amount allowable as a deduction for circulation expenditures must be capitalized and amortized over a 3-year period.

(10) The amount allowable as a deduction for research and experimental expenditures must be capitalized and amortized over a 10-year period.[3]

(11) The regular tax rules relating to incentive stock options do not apply.

Other rules

The combination of the taxpayer's net operating loss carryover and foreign tax credits cannot reduce the taxpayer's AMT liability by more than 90 percent of the amount determined without these items.

The various nonrefundable credits allowed under the regular tax generally are allowed only to the extent that the individual's regular tax exceeds the tentative minimum tax. The earned income credit and the child credit of those taxpayers with three or more qualified children are refundable credits and may offset the taxpayer's tentative minimum tax. However, a taxpayer must reduce these refundable credits by the amount the taxpayer's tentative minimum tax exceeds his or her regular tax liability.[4]

If an individual is subject to AMT in any year, the amount of tax exceeding the taxpayer's regular tax liability is allowed as a credit (the "AMT credit") in any subsequent taxable year to the extent the taxpayer's regular tax liability exceeds his or her tentative minimum tax in such subsequent year. For individuals, the AMT credit is allowed only to the extent the taxpayer's AMT liability is a result of adjustments that are timing in nature. Most individual AMT adjustments relate to itemized deductions and personal exemptions and are not timing in nature.

House Bill

The House bill allows an individual to offset the entire regular tax liability (without regard to the minimum tax) by the personal nonrefundable credits, and also repeals the provision reducing the refundable child credit by the AMT.

The House bill phases out the individual AMT. For taxable years beginning in 2005, only 80 percent of the full AMT liability will be imposed. That percentage will be reduced to 70 percent in 2006, 60 percent in 2007, 50 percent in 2008, and the AMT will be fully repealed for taxable years beginning after 2008.

Under the House bill, an individual will be allowed to use the AMT credit to offset 90 percent of its regular tax liability (determined after the application of the other nonrefundable credits).

Effective date.—The provisions relating to the personal credits are effective for taxable years beginning after December 31, 1998. The phase-out of the AMT will be effective for taxable years beginning after December 31, 2004. The repeal of the AMT and the provision relating to the use of AMT credits apply to taxable years beginning after December 31, 2008.

Senate Amendment

The Senate amendment follows the House bill in the treatment of personal credits under the AMT.

The Senate amendment allows the personal exemption in computing AMT (except for $300 per exemption).

Effective date.—The provisions relating to the personal credits are effective for taxable years beginning after December 31, 1998. The provision relating to the personal exemption applies to taxable years beginning after December 31, 2005.

Conference Agreement

The conference agreement follows the House bill, except that the AMT is repealed for taxable years beginning after December 31, 2007.

E. Expand the Exclusion from Income for Certain Foster Care Payments (sec. 1301 of the House bill sec. 203 of the Senate amendment and sec. 131 of the Code)

Present Law

Generally, a foster care provider may exclude qualified foster care payments, (including difficulty of care payments) from gross income if certain requirements are satisfied.[5] First, such payments must be paid to the foster care providers by either (1) a State or political subdivision of a State; or (2) a tax-exempt placement agency. Second, the payments, including difficulty of care payments, must be paid to the foster care provider for the care of a "qualified foster individual" in the foster care provider's home. A qualified foster individual is an individual living in a foster care family home in which the individual was placed by: (1) an agency of the State or a political subdivision of a State; or (2) a tax-exempt placement agency if such individual was under the age of 19 at the time of placement. Third, the exclusion of foster care payments generally applies to qualified foster care payments for five or fewer foster care individuals over the age of 19 in a foster home. In the case of difficulty of care payments, the exclusion applies to payments for ten or fewer foster care individuals under the age of 19 in a foster home and to payments for five or fewer foster care individuals at least age 19 in a foster home.

House Bill

The House bill makes two principal modifications to the exclusion for qualified foster care payments. First, the House bill expands the list of persons eligible to make qualified foster care payments. Therefore, the exclusion applies to qualified payments made pursuant to a foster care program of a State or local government which are paid by either: (1) a State or political subdivision of a State; or (2) a qualified foster care placement agency, whether taxable or tax-exempt. Second, the bill expands the list of persons eligible to place foster care individuals. Specifically, the bill allows placements by either: (1) a State or a political subdivision of a State; or (2) a qualified foster care placement agency. For these purposes, a qualified foster care placement agency is defined as any placement agency which is licensed or certified by: (1) a State or political subdivision of a State; or (2) an entity designated by a State or political subdivision thereof, for the foster care program of such State or political subdivision to make payments to providers of foster care.

The House bill allows State and local governments to employ both tax-exempt and taxable entities to administer their foster care programs more efficiently; however, it does not extend the exclusion to payments outside such foster care programs (e.g., payments to a foster care provider from friends or relatives of foster care individual in its care).

Effective date.—The House bill provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

Same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

F. Increase and Expand the Dependent Care Credit (sec. 204 of the Senate amendment and sec. 21 of the Code)

Present Law

In general

A taxpayer who maintains a household which includes one or more qualifying individuals may claim a nonrefundable credit against income tax liability for up to 30 percent of a limited amount of employment-related dependent care expenses. Eligible employment-related expenses are limited to $2,400 if there is one qualifying individual or $4,800 if there are two or more qualifying individuals. Generally, a qualifying individual is a dependent under the age of 13 or a physically or mentally incapacitated dependent or spouse. No credit is allowed for any qualifying individual unless a valid taxpayer identification number ("TIN") has been provided for that individual. A taxpayer is treated as maintaining a household for a period if the taxpayer (or the taxpayer's spouse, if married) provides more than one-half the cost of maintaining the household for that period. In the case of married taxpayers, the credit is not available unless they file a joint return.

Employment-related dependent care expenses are expenses for the care of a qualifying individual incurred to enable the taxpayer to be gainfully employed, other than expenses incurred for an overnight camp. For example, amounts paid for the services of a housekeeper generally qualify if such services are performed at least partly for the benefit of a qualifying individual; amounts paid for a chauffeur or gardener do not qualify.

Expenses that may be taken into account in computing the credit generally may not exceed an individual's earned income or, in the case of married taxpayers, the earned income of the spouse with the lesser earnings.

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[3] No adjustment is required if the taxpayer materially participates in the activity that relates to the research and experimental expenditures.

[4] For 1998 only, the nonrefundable personal credits were not limited by the tentative minimum tax, and the refundable child credit was not reduced by the minimum tax.

[5] A difficulty of care payment is a payment designated by the person making such payment as compensation for providing the additional care of a qualified foster care individual which is required by reason of a physical, mental, or emotional handicap of such individual and with respect to which the State has determined that there is a need for additional compensation.

Thus, if one spouse has no earned income, generally no credit is allowed.

The 30-percent credit rate is reduced, but not below 20 percent, by 1 percentage point for each $2,000 (or fraction thereof) of adjusted gross income ("AGI") above $10,000.

Interaction with employer-provided dependent care assistance

For purposes of the dependent care credit, the maximum amounts of employment-related expenses ($2,400/$4,800) are reduced to the extent that the taxpayer has received employer-provided dependent care assistance that is excludable from gross income (sec. 129). The exclusion for dependent care assistance is limited to $5,000 per year and does not vary with the number of children.

House Bill

No provision.

Senate Amendment

The Senate amendment makes three changes to the dependent care tax credit. First, the maximum credit percentage is increased from 30 percent to 40 percent for taxpayers with AGI of $30,000 or less. The 40–percent credit rate is phased-down by one percentage point for each $1,000 of AGI, or fraction thereof, between $30,001 and $49,000. The credit percentage is 20 percent for taxpayers with AGI of $49,001 or greater. Second, beginning in 2001, the maximum amount of eligible employment-related expenses ($2,400/$4,800) is indexed for inflation. Finally, the Senate amendment extends up to $960 of additional credit ($1,920 for two or more qualifying dependents) to taxpayers with qualifying dependents under the age of one. This additional credit, computed as the applicable credit rate times $200 of deemed expenses per month ($400 of deemed expenses per month for two or more qualifying dependents), is available regardless of whether the taxpayer actually incurred any out-of-pocket child care expenses.

The present-law reduction of the dependent care credit for employer-provided dependent care assistance is not changed.

Effective date.—The Senate amendment provision is effective for taxable years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment with two modifications to the effective date. First, the maximum credit percentage will be 35 percent for taxable years beginning in 2001 through 2005, and 40 percent for taxable years beginning after 2005. Second, the extension of the credit to taxpayers with qualifying dependents under the age of one will be effective for taxable years beginning after 2005.

The present-law reduction of the dependent care credit for employer-provided dependent care assistance is not changed.

G. Tax Credit for Employer-Provided Child Care Facilities (sec. 205 of the Senate amendment and new sec. 45D of the Code)

Present Law

Generally, present law does not provide a tax credit to employers for supporting child care or child care resource and referral services.[6] An employer, however, may be able to claim such expenses as deductions for ordinary and necessary business expenses. Alternatively, the employer may be required to capitalize the expenses and claim depreciation deductions over time.

House Bill

No provision.

Senate Amendment

Employer tax credit for supporting employee child care

Under the Senate amendment, taxpayers receive a tax credit equal to 25 percent of qualified expenses for employee child care. These expenses include costs incurred: (1) to acquire, construct, rehabilitate or expand property that is to be used as part of the taxpayer's qualified child care facility; (2) for the operation of the taxpayer's qualified child care facility, including the costs of training and continuing education for employees of the child care facility; or (3) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer. To be a qualified child care facility, the principal use of the facility must be for child care, and the facility must be duly licensed by the State agency with jurisdiction over its operations. Also, if the facility is owned or operated by the taxpayer, at least 30 percent of the children enrolled in the center (based on an annual average or the enrollment measured at the beginning of each month) must be children of the taxpayer's employees. If a taxpayer opens a new facility, it must meet the 30-percent employee enrollment requirement within two years of commencing operations. If a new facility failed to meet this requirement, the credit would be subject to recapture.

To qualify for the credit, the taxpayer must offer child care services, either at its own facility or through third parties, on a basis that does not discriminate in favor of highly compensated employees.

Employer tax credit for child care resource and referral services

Under the Senate amendment, a taxpayer is entitled to a tax credit equal to 10 percent of expenses incurred to provide employees with child care resource and referral services.

Other rules

The maximum total credit that may be claimed by a taxpayer under the Senate amendment can not exceed $150,000 per year. Any amounts for which the taxpayer may otherwise claim a tax deduction are reduced by the amount of these credits. Similarly, if the credits are taken for expenses of acquiring, constructing, rehabilitating, or expanding a facility, the taxpayer's basis in the facility is reduced by the amount of the credits.

Effective date

The credits are effective for taxable years beginning after December 31, 2000.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

H. Extension and Expansion of the Adoption Tax Credit (sec. 210 of the Senate amendment and sec. 23 of the Code)

Present Law

Taxpayers are entitled to a maximum nonrefundable credit against income tax liability of $5,000 per child for qualified adoption expenses paid or incurred by the taxpayer (sec. 23). In the case of a special needs adoption, the maximum credit amount is $6,000 ($5,000 in the case of a foreign special needs adoption). A special needs child is a child who the State has determined: (1) cannot or should not be returned to the home of the birth parents, and (2) has a specific factor or condition because of which the child cannot be placed with adoptive parents without adoption assistance. The adoption of a child who is not a citizen or a resident of the United States is a foreign adoption.

Qualified adoption expenses are reasonable and necessary adoption fees, court costs, attorneys' fees, and other expenses that are directly related to the legal adoption of an eligible child. All reasonable and necessary expenses required by a State as a condition of adoption are qualified adoption expenses. Otherwise qualified adoption expenses paid or incurred in one taxable year are not taken into account for purposes of the credit until the next taxable year unless the expenses are paid or incurred in the year the adoption becomes final.

An eligible child is an individual (1) who has not attained age 18 or (2) who is physically or mentally incapable of caring for himself or herself. After December 31, 2001, the credit will be available only for domestic special needs adoptions. No credit is allowed for expenses incurred (1) in violation of State or Federal law, (2) in carrying out any surrogate parenting arrangement, (3) in connection with the adoption of a child of the taxpayer's spouse, (4) that are reimbursed under an employer adoption assistance program or otherwise, or (5) for a foreign adoption that is not finalized.

The credit is phased out ratably for taxpayers with modified AGI above $75,000, and is fully phased out at $115,000 of modified AGI. For these purposes modified AGI is computed by increasing the taxpayer's AGI by the amount otherwise excluded from gross income under Code sections 911, 931, or 933.

House Bill

No provision.

Senate Amendment

The Senate amendment makes three changes to the adoption credit. First, it provides that the maximum credit for domestic special needs adoptions is increased to $10,000 from $6,000. Second, taxpayers making a domestic special needs adoption are deemed to have paid or incurred $10,000 of qualified expenses in all cases. Third, the sunset for non-special needs adoptions is repealed.

Effective date.—The Senate amendment provision is effective for taxable years beginning after December 31, 2000.

Conference Agreement

The conference agreement makes two changes to the adoption credit. First, it provides that the maximum credit for special needs adoptions is increased to $10,000 from $6,000. Second, taxpayers making a special needs adoption are deemed to have paid or incurred $10,000 of qualified expenses in all cases. The conference agreement does not change the present-law sunset of the adoption credit for non-special needs adoptions.

Effective date.—The conference agreement provision is effective for taxable years beginning after December 31, 2000.

II. SAVINGS AND INVESTMENT TAX RELIEF PROVISIONS

A. Partial Exclusion for Interest and Dividends (sec. 201 of the House bill and new sec. 116 of the Code)

Present Law

The Code states that, except as otherwise provided, "gross income means all income from whatever source derived" (sec. 61). Because there is no exclusion for interest and dividends, interest and dividends received by individuals are includible in gross income and subject to tax.

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[6] An employer may claim the welfare-to-work tax credit on the eligible wages of certain long-term family assistance recipients. For purposes of the welfare-to-work credit, eligible wages includes amounts paid by the employer for dependent care assistance.

House Bill

The House bill gives individual taxpayers an exclusion from income of interest and dividends (other than capital gain dividends from RICs and REITs, dividends from farmers' cooperative associations, and dividends received from an employee stock ownership plan), received during a taxable year.[7] This exclusion is phased-in over five years. The maximum exclusion from income is $50 of combined interest and dividends ($100 for married couples filing a joint return) for taxable years beginning in 2001 and 2002. The maximum exclusion from income is $100 of combined interest and dividends ($200 for married couples filing a joint return) for taxable years beginning in 2003 and 2004. The maximum exclusion is $200 of combined interest and dividends ($400 for married couples filing a joint return) for taxable years beginning after December 31, 2004. The amount of the combined interest and dividends excluded under the House bill is in addition to the amount of any interest or dividend which is exempt from tax under any other provision (e.g., interest on certain State and local bonds which is exempt from tax under section 103 of the Code).

In determining eligibility for the earned income credit ("EIC"), any interest or dividends excluded from gross income under the House bill are included in modified adjusted gross income for purposes of phase-out rules of the EIC and disqualified income for purposes of the EIC disqualified income test. Similarly, any interest or dividends excluded from gross income under the House bill are included in modified adjusted gross income for purposes of the taxation of certain Social Security benefits.

The fact that dividends may be excluded from income pursuant to the House bill does not affect the computation of the foreign tax credit.

The exclusion under the House bill is in addition to, and is applied after, the exclusion for educational savings bond interest (sec. 135). In applying those provisions of the Code (such as secs. 86, 219, 221, and 469) that determine modified adjusted gross income without regard to section 135, it is intended that the exclusion under this provision be computed without regard to the exclusion under section 135.

In addition, the IRS is encouraged to simplify the process of completing tax forms to the greatest extent practicable, including, for example, considering raising the administratively-established dollar thresholds for completing Schedule B or for being able to use the Form 1040EZ.

Effective date.—The House bill provision is effective for taxable years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

B. Individual Capital Gains (sec. 202 of the House bill, sec. 207 of the Senate amendment, and secs. 1(h) and 1022 of the Code)

Present Law

In general, gain or loss reflected in the value of an asset is not recognized for income tax purposes until a taxpayer disposes of the asset. On the sale or exchange of capital assets, any gain generally is included in income, and the net capital gain of an individual is taxed at maximum rates lower than the rates applicable to ordinary income. Net capital gain is the excess of the net long-term capital gain for the taxable year over the net short-term capital loss for the year. Gain or loss is treated as long-term if the asset is held for more than one year. In determining gain or loss, no adjustment is allowed for inflation.

A capital asset generally means any property except (1) inventory, stock in trade, or property held primarily for sale to customers in the ordinary course of the taxpayer's trade or business, (2) depreciable or real property used in the taxpayer's trade or business, (3) specified literary or artistic property, (4) business accounts or notes receivable, or (5) certain U.S. publications. In addition, the net gain from the disposition of certain property used in the taxpayer's trade or business is treated as long-term capital gain. Gain from the disposition of depreciable personal property is not treated as capital gain to the extent of all previous depreciation allowances. Gain from the disposition of depreciable real property is generally not treated as capital gain to the extent of the depreciation allowances in excess of the allowances that would have been available under the straight-line method of depreciation.

The maximum rate of tax on the adjusted net capital gain of an individual is 20 percent. In addition, any adjusted net capital gain which otherwise would be taxed at the lowest individual rate (currently 15 percent) is taxed at a 10-percent rate. These rates apply for purposes of both the regular tax and the alternative minimum tax.

The "adjusted net capital gain" of an individual is the net capital gain reduced (but not below zero) by the sum of the 28-percent rate gain and the unrecaptured section 1250 gain. The net capital gain is reduced by the amount of gain which the individual treats as investment income for purposes of determining the investment interest limitation under section 163(d).

The term "28-percent rate gain" means the amount of net gain attributable to long-term capital gains and losses from the sale or exchange of collectibles (as defined in section 408(m) without regard to paragraph (3) thereof) ("collectibles gain and loss"), an amount of gain equal to the amount of gain excluded from gross income under section 1202, relating to certain small business stock ("section 1202 gain"),[8] the net short-term capital loss for the taxable year, and any long-term capital loss carryover to the taxable year.

"Unrecaptured section 1250 gain" means any long-term capital gain from the sale or exchange of section 1250 property (i.e., depreciable real estate) held more than one year to the extent of the gain that would have been treated as ordinary income if section 1250 applied to all depreciation, rather than only to a portion of the depreciation, reduced by the net loss (if any) attributable to the items taken into account in computing 28-percent rate gain. The amount of unrecaptured section 1250 gain (before the reduction for the net loss) attributable to the disposition of property to which section 1231 applies shall not exceed the net section 1231 gain for the year.

The unrecaptured section 1250 gain is taxed at a maximum rate of 25 percent, and the 28-percent rate gain is taxed at a maximum rate of 28 percent.

For taxable years beginning after December 31, 2000, any gain from the sale or exchange of property held more than five years which would otherwise be taxed at the 10-percent rate will instead be taxed at an 8-percent rate. Any gain from the sale or exchange of property held more than five years and the holding period for which begins after December 31, 2000, which would otherwise be taxed at a 20-percent rate will be taxed at an 18-percent rate. A taxpayer holding a capital asset or property used in the trade or business on January 1, 2001, may elect to treat the asset as having been sold in a taxable transaction on that date for an amount equal to its fair market value, and having been reacquired for an amount equal to such value.

House Bill

The House bill reduces the 10- and 20-percent rates on the adjusted net capital gain to 7.5 and 15 percent, respectively. The 25-percent rate on unrecaptured section 1250 gain is reduced to 20 percent. These lower rates apply to both the regular tax and the alternative minimum tax.[9]

The bill repeals the 8- and 18-percent rates on certain gain from property held more than 5 years.

Effective date.—The provision applies to taxable years ending on or after July 1, 1999.

For taxable years which include July 1, 1999, the lower rates apply to amounts properly taken into account for the portion of the year on or after that date. This generally has the effect of applying the lower rates to capital assets sold or exchanged (and installment payments received) on or after July 1, 1999. In the case of gain taken into account by a pass-through entity, the date taken into account by the entity is the appropriate date for applying this rule.

Senate Amendment

The Senate amendment allows an individual a deduction for up to $1,000 of net capital gain. Collectible gain and loss is taxed as short-term capital gain or loss.

Effective date.—The provision is effective for taxable years beginning after December 31, 2005.

Conference Agreement

Rates

The conference agreement follows the House bill, except that the rates on adjusted net capital gain are reduced to 8 and 18 percent respectively, and the rate on unrecaptured section 1250 gain is reduced to 23 percent.

Effective date.—The reduced rates apply to taxable years beginning after December 31, 1998.

Indexing

The conference agreement also generally provides for an inflation adjustment to (i.e., indexing of) the adjusted basis of certain assets (called "indexed assets") held more than one year for purposes of determining gain (but not loss) upon a sale or other disposition of such assets by a taxpayer other than a C corporation. Assets held by trusts, estates, S corporations, regulated investment companies ("RICs"), real estate investment trusts ("REITs"), and partnerships are eligible for indexing, to the extent gain on such assets is taken into account by taxpayers other than C corporations.

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[7] From 1954 until 1986, the Code (sec. 116) contained an exclusion from income (in varying amounts) for dividends. For 1981 only, that provision was also extended to interest; this proposal is generally parallel to that provision. The exclusion for dividends was repealed by the Tax Reform Act of 1986.

[8] This results in a maximum effective regular tax rate on qualified gain from small business stock of 14 percent.

[9] The provision does not change the regular tax rate for gain from collectibles and small business stock. The provision reduces the maximum effective AMT rate on small business stock to slightly below 15 percent (depending on the amount of individual rate cut for the taxable year).

Assets eligible for the inflation adjustment generally include common (but not preferred) stock of C corporations and tangible property that are capital assets or property used in a trade or business. A personal residence does not qualify for indexing.

The inflation adjustment under the provision would be computed by multiplying the taxpayer's adjusted basis in the indexed asset by an inflation adjustment percentage. The inflation adjustment percentage would be the percentage by which the GDP deflator for the last calendar quarter ending before the disposition exceeds the GDP deflator for the last calendar quarter ending before the asset was acquired by the taxpayer. The inflation adjustment percentage will be rounded to the nearest one-tenth of a percent. No adjustment will be made if the inflation adjustment is one or less.

In the case of a RIC or a REIT, the indexing adjustments generally apply in computing the taxable income and the earnings and profits of the RIC or REIT. The indexing adjustments, however, are not applicable in determining whether a corporation qualifies as a RIC or REIT.

In the case of shares held in a RIC or REIT, partial indexing generally is provided by the provision based on the ratio of the value of indexed assets held by the entity to the value of all its assets. The ratio of indexed assets to total assets will be determined quarterly (for RICs, the quarterly ratio would be based on a three-month average). If the ratio of indexed assets to total assets exceeds 80 percent in any quarter, full indexing of the shares will be allowed for that quarter. If less than 20 percent of the assets are indexed assets in any quarter, no indexing will be allowed for that quarter for the shares. Partnership interests held by a RIC or REIT will be subject to a look-through test for purposes of determining whether, and to what degree, the shares in the RIC or REIT are indexed.

A return of capital distribution by a RIC or REIT generally will be treated by a shareholder as allocable to stock acquired by the shareholder in the order in which the stock was acquired.

Stock in an S corporation or an interest in a partnership or common trust fund is not an indexed asset. Under the provision, the individual owner receives the benefit of the indexing adjustment when the S corporation, partnership, or common trust fund disposes of indexed assets. Under the provision, any inflation adjustments at the entity level flows through to the holders and result in a corresponding increase in the basis of the holder's interest in the entity. Where a partnership has a section 754 election in effect, a partner transferring his interest in the partnership is entitled to any indexing adjustment that has accrued at the partnership level with respect to the partner and the transferee partner is entitled to the benefits of indexing for inflation occurring after the transfer.

The indexing adjustment is disregarded in determining any loss on the sale of an interest in a partnership, S corporation or common trust fund.

Common stock of a foreign corporation generally is an indexed asset if the stock is regularly traded on an established securities market. Indexed assets, however, do not include stock in a foreign investment company, a passive foreign investment company (including a qualified electing fund), a foreign personal holding company, or, in the hands of a shareholder who meets the requirements of section 1248(a)(2) (generally pertaining to 10-percent shareholders of controlled foreign corporations), any other foreign corporation. An American Depository Receipt (ADR) for common stock in a foreign corporation is treated as common stock in the foreign corporation and, therefore, the basis in an ADR for common stock generally will be indexed.

No indexing is provided for improvements or contributions to capital if the aggregate amount of the improvements or contributions to capital during the taxable year with respect to the property or stock is less than $1,000. If the aggregate amount of such improvements or contributions to capital is $1,000 or more, each addition is treated as a separate asset acquired at the close of the taxable year.

No indexing adjustment is allowed during any period during which there is a substantial diminution of the taxpayer's risk of loss from holding the indexed asset by reason of any transaction entered into by the taxpayer, or a related party.

In the case of a short sale of an indexed asset with a short sale period in excess of one year, the proposal, requires that the amount realized be indexed for inflation for the short sale period.

The provision does not index the basis of property for sales or dispositions between related persons, except to the extent the adjusted basis of property in the hands of the transferee is a substituted basis (e.g., gifts).

Under the provision, indexing reduces the amount of ordinary gain that would be recognized in cases where a corporation is treated as a collapsible corporation (under sec. 341) with respect to a distribution or sale of stock.

Effective date.—The indexing provision applies to assets the holding period for which begins after December 31, 1999. An individual holding an indexed asset on January 1, 2000, may elect to treat the indexed asset as having been sold on such date for its fair market value, and having been reacquired for that value. If an election is made, any gain is recognized (and any loss disallowed).

C. Apply Capital Gain Rates to Capital Gains Earned by Designated Settlement Funds (sec. 203 of the House bill and sec. 468B of the Code)

Present Law

Under present law, designated settlement funds are taxed at the highest rate of tax imposed on individuals, currently 39.6 percent, on their entire taxable income (sec. 468B).

House Bill

Under the House bill, the net capital gain of a designated settlement fund will be taxed in the same manner as in the case of an individual, i.e., the lower rates applicable to net capital gain set forth in section 1(h), as amended by the bill, will apply.

Effective date.—The provision applies to taxable years beginning after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

D. Exclusion of Gain on the Sale of a Principal Residence by a Member of the Uniformed Service or the Foreign Service of the United States or Certain Other Individuals Relocated Outside of the United States (sec. 204 of the House bill and sec. 121 of the Code)

Present Law

Under present law, an individual taxpayer may exclude up to $250,000 ($500,000 if married filing a joint return) of gain realized on the sale or exchange of a principal residence. To be eligible for the exclusion, the taxpayer must have owned and used the residence as a principal residence for at least two of the five years prior to the sale or exchange. A taxpayer who fails to meet these requirements by reason of a change of place of employment, health, or, to the extent provided under regulations, unforeseen circumstances is able to exclude an amount equal to the fraction of the $250,000 ($500,000 if married filing a joint return) that is equal to the fraction of the two years that the ownership and use requirements are met. There are no special rules relating to: (1) members of the uniformed services or the Foreign Service of the United States or (2) individuals relocated outside of the United States.

House Bill

Under the House bill, the five-year test period for ownership and use is suspended during certain absences due to service in the uniformed services or the Foreign Service of the United States. The uniformed services include: (1) the armed forces (the Army, Navy, Air Force, Marine Corp, and Coast Guard); (2) the commissioned corps of the National Oceanic and Atmospheric Administration; and (3) the commissioned corps of the Public Health Service. Specifically, the five-year period ending on the date of the sale or exchange of a principal residence will not include any periods during which the taxpayer or the taxpayer's spouse is on qualified official extended duty as a member of the uniformed services or the Foreign Service of the United States. Qualified official extended duty is any period of extended duty by a member of the uniformed services or the Foreign Service of the United States while serving at a place of duty at least 50 miles away from the taxpayer's principal residence or under orders compelling residence in Government furnished quarters. Extended duty is defined as any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.

The House bill also suspends for up to five years, the five-year test period for an individual relocated for a period of more than 90 days outside of the United States by the individual's (or spouse's) employer. This provision does not apply to self-employed individuals.

Effective date.—The House bill provision is effective for sales or exchanges of principal residences after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

E. Clarify the Tax Treatment of Income and Losses on Derivatives (sec. 205 of the House bill, sec. 1306 of the Senate amendment, and sec. 1221 of the Code)

Present Law

Capital gain treatment applies to gain on the sale or exchange of a capital asset. Capital assets include property other than (1) stock in trade or other types of assets includible in inventory, (2) property used in a trade or business that is real property or property subject to depreciation, (3) accounts or notes receivable acquired in the ordinary course of a trade or business, (4) certain copyrights (or similar property), and (5) U.S. government publications. Gain or loss on such assets generally is treated as ordinary, rather than capital, gain or loss. Certain other Code sections also treat gains or losses as ordinary. For example, the gains or losses of securities dealers or certain electing commodities dealers or electing traders in securities or commodities that are subject to "mark-to-market" accounting are treated as ordinary (sec. 475).

Treasury regulations (which were finalized in 1994) require ordinary character treatment for most business hedges and provide timing rules requiring that gains or losses on hedging transactions be taken into account in a manner that matches the income or loss from the hedged item or items. The regulations apply to hedges that meet a standard of "risk reduction" with respect to ordinary property held (or to be held) or certain liabilities incurred (or to be incurred) by the taxpayer and that meet certain identification and other requirements (Treas. reg. sec. 1.1221-2).

House Bill

The House bill adds three categories to the list of assets the gain or loss on which is treated as ordinary (sec. 1221). The new categories are: (1) commodities derivative financial instruments entered into by derivatives dealers; (2) hedging transactions; and (3) supplies of a type regularly consumed by the taxpayer in the ordinary course of a taxpayer's trade or business. In defining a hedging transaction, the House bill generally codifies the approach taken by the Treasury regulations, but modifies the rules. The "risk reduction" standard of the regulations is broadened to "risk management" with respect to ordinary property held (or to be held) or certain liabilities incurred (or to be incurred).

Effective date.—The house bill is effective for any instrument held, acquired or entered into, any transaction entered into, and supplies held or acquired on or after the date of enactment.

Senate Amendment

The Senate amendment generally follows the House bill except that the Senate amendment makes one modification to the definition of a hedging transaction. In addition to managing certain risks with respect to ordinary property held (or to be held) or certain liabilities incurred (or to be incurred), the Senate amendment provides that the definition of a hedging transaction includes a transaction entered into primarily to manage such other risks as the Secretary may prescribe in regulations.

Conference Agreement

The conference agreement follows the Senate amendment.

F. Treatment of Loss on Worthless Stock of Subsidiary (sec. 206 of the House bill and sec. 165(g)(3) of the Code)

Present Law

Under present law, the loss on stock of a subsidiary corporation that becomes worthless is treated as an ordinary loss (rather than a capital loss), unless 10 percent or more of its gross receipts for all taxable years has been, with minor exceptions, from royalties, rents, dividends, interest, annuities, and gains from the sales or exchanges of stocks and securities (sec. 165(g)(3)).

House Bill

Under the House bill, income from the conduct of an active trade or business of an insurance company or financial institution will not be included as gross receipts from the types of passive income listed above. Thus, a loss recognized with respect to the worthless stock of a subsidiary corporation which is an insurance company or financial institution could be treated as an ordinary loss, rather than as a capital loss.

Effective date.—The provision applies to stock becoming worthless in taxable years beginning after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows he House bill.

G. Individual Retirement Arrangements ("IRAs") (sec. 113 of the House bill, secs. 301–303, 305, and 321 of the Senate amendment, and secs. 219, 408, and 408A of the Code)

Present Law

In general

There are two general types of individual retirement arrangements ("IRAs") under present law: traditional IRAs, to which both deductible and nondeductible contributions may be made, and Roth IRAs. The Federal income tax rules regarding each type of IRA (and IRA contribution) differ.

Traditional IRAs

Under present law, an individual may make deductible contributions to an IRA up to the lesser of $2,000 or the individual's compensation if neither the individual nor the individual's spouse is an active participant in an employer-sponsored retirement plan. In the case of a married couple, deductible IRA contributions of up to $2,000 can be made for each spouse (including, for example, a homemaker who does not work outside the home), if the combined compensation of both spouses is at least equal to the contributed amount. If the individual (or the individual's spouse) is an active participant in an employer-sponsored retirement plan, the $2,000 deduction limit is phased out for taxpayers with adjusted gross income ("AGI") over certain levels for the taxable year.

The AGI phase-out limits for taxpayers who are active participants in employer-sponsored plans are as follows.

Single Taxpayers

Taxable years beginning in:	*Phase-out range*
1998	$30,000–40,000
1999	31,000–41,000
2000	32,000–42,000
2001	33,000–43,000
2002	34,000–44,000
2003	40,000–50,000
2004	45,000–55,000
2005 and thereafter	50,000–60,000

Joint Returns

Taxable years beginning in:	*Phase-out range*
1998	$50,000–60,000
1999	51,000–61,000
2000	52,000–62,000
2001	53,000–63,000
2002	54,000–64,000
2003	60,000–70,000
2004	65,000–75,000
2005	70,000–80,000
2006	75,000–85,000
2007 and thereafter	80,000–100,000

If the individual is not an active participant in an employer-sponsored retirement plan, but the individual's spouse is, the $2,000 deduction limit is phased out for taxpayers with AGI between $150,000 and $160,000.

To the extent an individual cannot or does not make deductible contributions to an IRA or contributions to a Roth IRA, the individual may make nondeductible contributions to a traditional IRA.

Amounts held in a traditional IRA are includible in income when withdrawn (except to the extent the withdrawal is a return of nondeductible contributions). Includible amounts withdrawn prior to attainment of age 59–1/2 are subject to an additional 10-percent early withdrawal tax, unless the withdrawal is due to death or disability, is made in the form of certain periodic payments, is used to pay medical expenses in excess of 7.5 percent of AGI, is used to purchase health insurance of an unemployed individual, is used for education expenses, or is used for first-time homebuyer expenses of up to $10,000.

Roth IRAs

Individuals with AGI below certain levels may make nondeductible contributions to a Roth IRA. The maximum annual contribution that may be made to a Roth IRA is the lesser of $2,000 or the individual's compensation for the year. The contribution limit is reduced to the extent an individual makes contributions to any other IRA for the same taxable year. As under the rules relating to IRAs generally, a contribution of up to $2,000 for each spouse may be made to a Roth IRA provided the combined compensation of the spouses is at least equal to the contributed amount. The maximum annual contribution that can be made to a Roth IRA is phased out for single individuals with AGI between $95,000 and $110,000 and for joint filers with AGI between $150,000 and $160,000.

Taxpayers with modified AGI of $100,000 or less generally may convert a traditional IRA into an Roth IRA. The amount converted is includible in income as if a withdrawal had been made, except that the 10-percent early withdrawal tax does not apply ,and, if the conversion occurred in 1998, the income inclusion may be spread ratably over 4 years. Married taxpayers who file separate returns cannot convert a traditional IRA into a Roth IRA.

Amounts held in a Roth IRA that are withdrawn as a qualified distribution are not includible in income, nor subject to the additional 10-percent tax on early withdrawals. A qualified distribution is a distribution that (1) is made after the 5-taxable year period beginning with the first taxable year for which the individual made a contribution to a Roth IRA, and (2) which is made after attainment of age 59-1/2, on account of death or disability, or is made for first-time homebuyer expenses of up to $10,000.

Distributions from a Roth IRA that are not qualified distributions are includible in income to the extent attributable to earnings, and subject to the 10-percent early withdrawal tax (unless an exception applies).[10] The same exceptions to the early withdrawal tax that apply to IRAs apply to Roth IRAs.

IRA investments

In general, IRAs may not invest in collectibles. Under one exception to this rule, IRAs may invest in certain gold, silver, and platinum coins and coins issued under the laws of any State.

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[10] Early distribution of converted amounts may also accelerate income inclusion of converted amounts that are taxable under the 4-year rule applicable to 1998 conversions.

House Bill

The House bill increases the AGI limit on conversions of traditional IRAs to Roth IRAs to $160,000 for joint filers.

Effective date.—The House bill is effective for years beginning after December 31, 1999.

Senate Amendment

Increase in annual contribution limits

The Senate amendment provision increases the maximum annual dollar contribution limit for IRA contributions in $1,000 annual increments, beginning in 2001, until the limit reaches $5,000 in 2003. Thereafter, the limit is indexed for inflation in $100 increments.

Additional catch-up contributions

The Senate amendment increases the IRA maximum contribution limit for individuals who have attained age 50 before the end of the taxable year. The otherwise maximum dollar contribution limit (before application of the AGI phase-out limits) for such an individual is increased by the applicable percentage. The applicable percentage is 10 percent in 2001, and increases by 10 percentage points until the applicable percent is 50 in 2005 and thereafter.

Increase in AGI limits for deductible IRA contributions

Under the Senate amendment provision, the AGI phase-out limits for active participants in an employer-sponsored plan is increased by $2,000 ($4,000 in the case of married taxpayers filing a joint return) in 2008 and by $2,500 ($5,000 in the case of married taxpayers filing a joint return) in 2009. Thus, the phase-out limits are as follows for taxable years beginning in 2008–2009.

Single Returns

Taxable years beginning in:	*Phase-out range*
2008	$52,000–62,000
2009	54,500–64,500

Joint Returns

Taxable years beginning in:	*Phase-out range*
2008	$84,000–104,000
2009	89,000–109,000

The present-law income phase-out range for an individual who is not an active participant, but whose spouse is, remains at $150,000 to $160,000.

AGI limits for Roth IRAs

The provision repeals the Roth IRA contribution AGI phase-out limits. The provision also increases the AGI limit on conversions of traditional IRAs to Roth IRAs to $1 million ($500,000 in the case of a married taxpayer filing a separate return).

IRA investments in coins

The provision allows IRAs to invest in any coin certified by a recognized grading service and traded on a nationally recognized electronic network, or listed by a recognized wholesale reporting service and which (1) is or was at any time legal tender in the United States, or (2) issued under the laws of any State. Such coins must be in the physical possession of the IRA trustee or custodian.

Deemed IRAs under employer plans

If a qualified retirement plan or a section 403(b) annuity permits employees to make voluntary employee contributions to a separate account or annuity that (1) is established under the qualified plan or section 403(b) annuity, and (2) meets the requirements applicable to either traditional IRAs (sec. 408) or Roth IRAs (sec. 408A), the separate account or annuity will be deemed a traditional IRA or a Roth IRA, as applicable. The deemed IRA, and contributions thereto, will not be subject to the Code rules pertaining to qualified plans or section 403(b) annuities, as applicable. In addition, the deemed IRA, and contributions thereto, will not be taken into account in applying these rules to any other contributions under the qualified plan or section 403(b) annuity. The deemed IRA, and contributions thereto, will be subject to the exclusive benefit and fiduciary rules of ERISA, but will not be subject to the ERISA reporting and disclosure, participation, vesting, funding, and enforcement requirements that apply to pension plans.

Effective date

The Senate amendment provision generally is effective for taxable years beginning after December 31, 2000. The increase in the AGI limits for deductible IRA contributions is effective for taxable years beginning after December 31, 2007. The provision increasing the AGI limit for conversions to Roth IRAs is effective for taxable years beginning after December 31, 2002. The provision relating to IRA investment in coins is effective for taxable years beginning after December 31, 1999. The provision relating to deemed IRAs is effective for plan years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment, with modifications.

Increase in annual contribution limits

Under the conference agreement, the maximum IRA contribution limit is increased from $2,000 as follows: $3,000 in 2001–2003; $4,000 in 2004–2005; $5,000 in 2006–2008, with indexing thereafter.

Additional catch-up contributions

The conference agreement follows the Senate amendment.

Increase in AGI limits for deductible IRA contributions

The conference agreement does not include the Senate amendment.

AGI limits for Roth IRAs

The conference agreement increases the AGI phase-out limits for Roth IRAs to $200,000—$210,000 for joint filers and to $100,000—$110,000 for all other filers.

The conference agreement increases the Roth IRA AGI conversion limit to $200,000 for joint filers ($100,000 for all other filers).

IRA investments in coins

The conference agreement does not include the Senate amendment.

Deemed IRAs under employer plans

The conference agreement follows the Senate amendment.

Effective date

The conference agreement generally is effective for years beginning after December 31, 2000. The provisions increasing the AGI phase-out limits for Roth IRAs and the Roth IRA AGI conversion limit are effective for years beginning after December 31, 2002.

H. Creation of Individual Development Accounts (sec. 304 of the Senate amendment, and new sec. 530A of the Code)

Present Law

There are no tax benefits to encourage financial institutions to match savings of low-income individuals.

House Bill

No provision.

Senate Amendment

In general

The Senate amendment creates individual development accounts ("IDAs") to which eligible individuals can contribute. In addition, the Senate amendment provides a tax credit for certain matching contributions made to an IDA by the financial institution maintaining the IDA. Eligible individuals are individuals who are: (1) at least 18 years of age; (2) a citizen or legal resident of the United States; and (3) a member of a household eligible for the earned income credit, Temporary Assistance for Needy Families ("TANF"), or with family gross income of 60 percent or less of area median gross income and net worth of $10,000 or less.

Contributions to an IDA by eligible individuals

Only eligible individuals are allowed to contribute to an IDA. Contributions to IDAs by individuals are not deductible, and earnings on such contributions are includible in income. The maximum contribution that can be made to an IDA for a taxable year is the lesser of (1) $350 or (2) the individual's taxable compensation for the year. A special rule would allow contributions of up to $350 for each spouse in a married couple if the total compensation of the spouses is at least equal to the amount contributed.

Matching contributions

The Senate amendment provides a tax credit to financial institutions that make matching contributions to IDAs of individuals.[11] The tax credit equals 85 percent of matching contributions, rounded up to the nearest $10, up to a maximum annual credit of $300 per eligible individual. The credit is available in each year that a matching contribution is made.

Matching contributions (and earnings thereon) are not includible in the gross income of the eligible individual.

If an individual withdraws his or her own IDA contributions (or earnings thereon) for a purpose other than a qualified purpose, the matching contribution attributable to such individual contribution is forfeited.[12] Matching contributions may be withdrawn only in a qualified purpose distribution.

A qualified purpose distribution is a distribution (1) that is made after the individual has completed an economic literacy course, (2) that is made by the financial institution directly to the person to whom the funds are to (or to another IDA) and (3) is used for (a) certain educational expenses, (b) first-time homebuyer expenses, and (c) business start-up expenses.

Effect on means-tested programs

Any amounts in the IDA are not to be taken into account for certain Federal means-tested programs.

Effective date

The provision is effective for contributions to IDAs and matching contributions made with respect to such IDAs after December 31, 2000, and before January 1, 2006.

Conference Agreement

The conference agreement does not include the Senate amendment.

III. BUSINESS INVESTMENT AND JOB CERTAIN PROVISIONS

A. Alternative Tax for Corporate Capital Gains (sec. 301 of the House bill and sec. 1201 of the Code)

Present Law

Under present law, the net capital gain of a corporation is taxed at the same rates as ordinary income, and subject to tax at graduated rates up to 35 percent.

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[11] Matching contributions (and earnings) are accounted for separately from individual IDA contributions (and earnings).

[12] The financial institution is to use forfeited amounts to make other matching contributions. No credit is provided with respect to such reallocated contributions.

House Bill

Under the House bill, an alternative tax rate of 30 percent applies to the net capital gain of a corporation if that tax is lower than the corporation's regular tax.

Effective date.—The provision applies to taxable years beginning after December 31, 2004.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not contain the provision in the House bill.

B. Corporate Alternative Minimum Tax (sec. 302(a) of the House bill, sec. 1103 of the Senate amendment and secs. 53 and 56 of the Code)

Present Law

In general

Present law imposes a minimum tax on a corporation to the extent the corporation's minimum tax liability exceeds its regular tax liability. This alternative minimum tax ("AMT") is imposed on corporations at the rate of 20 percent on the alternative minimum taxable income ("AMTI") in excess of a $40,000 phased-out exemption amount. The exemption amount is phased-out by an amount equal to 25 percent of the amount that the corporation's AMTI exceeds $150,000.

AMTI is the taxpayer's taxable income increased by certain preference items and adjusted by determining the tax treatment of certain items in a manner that negates the deferral of income resulting from the regular tax treatment of those items.

A corporation with average gross receipts of less that $7.5 million for the prior three taxable years is exempt from the corporate minimum tax. The $7.5 million threshold is reduced to $5 million for the corporation's first 3-taxable year period.

Preference items in computing AMTI

The corporate minimum tax preference items are:

(1) The excess of the deduction for percentage depletion over the adjusted basis of the property at the end of the taxable year. This preference does not apply to percentage depletion allowed with respect to oil and gas properties.

(2) The amount by which excess intangible drilling costs arising in the taxable year exceed 65 percent of the net income from oil, gas, and geothermal properties. This preference does not apply to an independent producer to the extent the preference would not reduce the producer's AMTI by more than 40 percent.

(3) Tax-exempt interest income on private activity bonds (other than qualified 501(c)(3) bonds) issued after August 7, 1986.

(4) Accelerated depreciation or amortization on certain property placed in service before January 1, 1987.

Adjustments in computing AMTI

The adjustments that corporations must make in computing AMTI are:

(1) Depreciation on property placed in service after 1986 and before January 1, 1999, must be computed by using the generally longer class lives prescribed by the alternative depreciation system of section 168(g) and either (a) the straight-line method in the case of property subject to the straight-line method under the regular tax or (b) the 150-percent declining balance method in the case of other property. Depreciation on property placed in service after December 31, 1998, is computed by using the regular tax recovery periods and the AMT methods described in the previous sentence.

(2) Mining exploration and development costs must be capitalized and amortized over a 10-year period.

(3) Taxable income from a long-term contract (other than a home construction contract) must be computed using the percentage of completion method of accounting.

(4) The amortization deduction allowed for pollution control facilities placed in service before January 1, 1999 (generally determined using 60-month amortization for a portion of the cost of the facility under the regular tax), must be calculated under the alternative depreciation system (generally, using longer class lives and the straight-line method). The amortization deduction allowed for pollution control facilities placed in service after December 31, 1998, is calculated using the regular tax recovery periods and the straight-line method.

(5) The special rules applicable to Merchant Marine construction funds are not applicable.

(6) The special deduction allowable under section 833(b) for Blue Cross and Blue Shield organizations is not allowed.

(7) The adjusted current earnings adjustment, described below.

Adjusted current earning ("ACE") adjustment

The adjusted current earnings adjustment is the amount equal to 75 percent of the amount by which the adjusted current earnings ("ACE") of a corporation exceeds its AMTI (determined without the ACE adjustment and the alternative tax net operating loss deduction. In determining ACE the following rules apply:

(1) For property placed in service before 1994, depreciation generally is determined using the straight-line method and the class life determined under the alternative depreciation system.

(2) Any amount that is excluded from gross income under the regular tax but is included for purposes of determining earnings and profits is included in determining ACE.

(3) The inside build-up of a life insurance contract is included in ACE (and the related premiums are deductible).

(4) Intangible drilling costs of integrated oil companies must be capitalized and amortized over a 60-month period.

(5) The regular tax rules of section 173 (allowing circulation expenses to be amortized) and section 248 (allowing organizational expenses to be amortized) do not apply.

(6) Inventory must be calculated using the FIFO, rather than LIFO, method.

(7) The installment sales method generally may not be used.

(8) No loss may be recognized on the exchange of any pool of debt obligations for another pool of debt obligations having substantially the same effective interest rates and maturities.

(9) Depletion (other than for oil and gas) must be calculated using the cost, rather than the percentage, method.

(10) In certain cases, the assets of a corporation that has undergone an ownership change must be stepped-down to their fair market values.

Other rules

The combination of the taxpayer's net operating loss carryover and foreign tax credits cannot reduce the taxpayer's AMT liability by more than 90 percent of the amount determined without these items.

The various nonrefundable business credits allowed under the regular tax generally are not allowed against the AMT.

If a corporation is subject to AMT in any year, the amount of tax exceeding the taxpayer's regular tax liability is allowed as a credit (the "AMT credit") in any subsequent taxable year to the extent the taxpayer's regular tax liability exceeds its tentative minimum tax in such subsequent year.

House Bill

For taxable years beginning in 2005, the limitation on the amount of AMT credits allowable to a corporation will be increased by 20 percent of the corporation's tentative minimum tax. This percentage is raised to 30, 40 and 50 percent, respectively, for 2006, 2007 and 2008. The AMT credit may not exceed an amount equal to the sum of the regular tax and minimum tax less the other nonrefundable credits.

For taxable years beginning after 2008, the provision repeals the corporate AMT. A corporation then will be allowed to use the AMT credit to offset 90 percent of its regular tax liability (determined after the application of other nonrefundable credits).

Effective dates.—The provision allowing the AMT credit to be offset a portion of the minimum tax applies to taxable years beginning after December 31, 2004.

The provision repealing the AMT applies to taxable years beginning after December 31, 2008.

Senate Amendment

The Senate amendment allows a corporation with long-term AMT credits to use the AMT credit to offset a portion of its tentative minimum tax. The portion so allowed is the least of : (1) the amount of the corporation's long-term minimum tax credit; (2) 50 percent of the corporation's tentative minimum tax; or (3) the amount by which the corporation's tentative minimum tax exceeds its regular tax for the taxable year.

Under the amendment, an AMT credit is a long-term minimum tax credit if the credit is attributable to the adjusted net minimum tax of the corporation for a taxable year that began after 1986 and ended before the fifth taxable year immediately preceding the taxable year for which the determination is being made.

Effective date.—The provision applies to taxable years beginning after December 31, 2003.

Conference Agreement

The conference agreement allows a corporation to increase the use of minimum tax credits to the extent of the lesser of 50 percent of the tentative minimum tax for the taxable year or the excess (if any) of the tentative minimum tax over the regular tax for the taxable year.

The conference agreement also allows a corporation to use AMT net operating loss deductions to offset 100 percent (rather than 90 percent) of the AMTI.

Effective dates.—The credit provision applies to taxable years beginning after December 31, 2004. The net operating deduction provision applies to taxable years beginning after December 31, 2001.

C. Repeal of Limitation of Foreign Tax Credit Under Alternative Minimum Tax (sec. 302(b) of the House bill, sec. 907 of the Senate amendment, and sec. 59 of the Code)

Present Law

Under present law, taxpayers are subject to an alternative minimum tax ("AMT"), which is payable, in addition to all other tax liabilities, to the extent that it exceeds the taxpayer's regular income tax liability. The tax is imposed at a flat rate of 20 percent, in the case of corporate taxpayers, on alternative minimum taxable income ("AMTI") in excess of a phased-out exemption amount. The maximum rate for noncorporate taxpayers is 28 percent. AMTI is the taxpayer's taxable income increased for certain tax preferences and adjusted by determining the tax treatment of certain items in a manner which negates the exclusion or deferral of income resulting from the regular tax treatment of those items.

Taxpayers are permitted to reduce their AMT liability by an AMT foreign tax credit. The AMT foreign tax credit for a taxable year is determined under principles similar to those used in computing the regular tax foreign tax credit, except that (1) the numerator of the AMT foreign tax credit limitation fraction is foreign source AMTI and (2) the denominator of that fraction is total AMTI.[13] Taxpayers may elect to use as their AMT foreign tax credit limitation fraction the ratio of foreign source *regular* taxable income to total AMTI (sec. 59(a)(4)).

The AMT foreign tax credit for any taxable year generally may not offset a taxpayer's entire pre-credit AMT. Rather, the AMT foreign tax credit is limited to 90 percent of AMT computed without an AMT net operating loss deduction, an AMT energy preference deduction, or an AMT foreign tax credit. For example, assume that a corporation has $10 million of AMTI from foreign sources, has no AMT net operating loss or energy preference deductions, and is subject to the AMT. In the absence of the AMT foreign tax credit, the corporation's tax liability would be $2 million. Accordingly, the AMT foreign tax credit cannot be applied to reduce the taxpayer's tax liability below $200,000. Any unused AMT foreign tax credit may be carried back 2 years and carried forward 5 years for use against AMT in those years under the principles of the foreign tax credit carryback and carryforward rules set forth in section 904(c).

House Bill

The House bill repeals the 90-percent limitation on the utilization of the AMT foreign tax credit.

Effective date.—The provision is effective for taxable years beginning after December 31, 2001.

Senate Amendment

The Senate amendment is the same as the House bill, with a modification to the effective date.

Effective date.—The provision is effective for taxable years beginning after December 31, 2004.

Conference Agreement

The conference agreement follows the House bill.

IV. EDUCATION TAX RELIEF PROVISIONS

A. Student Loan Interest Deduction (secs. 112 and 406 of the House bill, sec. 401 of the Senate amendment, and sec. 221 of the Code)

Present Law

Certain individuals who have paid interest on qualified education loans may claim an above-the-line deduction for such interest expenses, subject to a maximum annual deduction limit (sec. 221). The deduction is allowed only with respect to interest paid on a qualified education loan during the first 60 months in which interest payments are required. Required payments of interest generally do not include nonmandatory payments, such as interest payments made during a period of loan forbearance. Months during which interest payments are not required because the qualified education loan is in deferral or forbearance do not count against the 60-month period. No deduction is allowed to an individual if that individual is claimed as a dependent on another taxpayer's return for the taxable year.

A qualified education loan generally is defined as any indebtedness incurred solely to pay for certain costs of attendance (including room and board) of a student (who may be the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer as of the time the indebtedness was incurred) who is enrolled in a degree program on at least a half-time basis at (1) an accredited post-secondary educational institution defined by reference to section 481 of the Higher Education Act of 1965, or (2) an institution conducting an internship or residency program leading to a degree or certificate from an institution of higher education, a hospital, or a health care facility conducting post-graduate training.

The maximum allowable deduction per taxpayer return is $1,500 in 1999, $2,000 in 2000, and $2,500 in 2001 and thereafter.[14] The deduction is phased out ratably for individual taxpayers with modified adjusted gross income ("AGI") of $40,000–$55,000 and $60,000–$75,000 for joint returns. The income ranges will be indexed for inflation after 2002.

House Bill

The House bill increases the beginning point of the income phaseout for the student loan interest deduction for taxpayers filing joint returns to twice the beginning point of the income phaseouts applicable to single taxpayers and doubles the phaseout range for joint filers. The House bill also repeals both the limit on the number of months during which interest paid on a qualified education loan is deductible and the restriction that nonmandatory payments of interest are not deductible.

Effective date.—The House bill generally is effective for taxable years beginning after December 31, 1999. The House bill provision repealing the 60-month limit on deductible student loan interest is effective for interest paid on qualified education loans after December 31, 1999.

Senate Amendment

The Senate amendment is the same as the House bill, except that it increases the beginning point of the income phaseout for the student loan interest deduction for individual taxpayers from $40,000 to $50,000 and does not double the phaseout range for joint filers. Like the House bill, the Senate amendment increases the beginning point of the income phaseout for taxpayers filing joint returns to twice the beginning point of the income phaseouts applicable to single taxpayers.

Effective date.—The Senate amendment generally is effective generally for taxable years ending after December 31, 1999. The Senate amendment provision repealing the 60-month limit on deductible student loan interest is effective for interest paid on qualified education loans after December 31, 1999, in taxable years ending after such date.

Conference Agreement

The conference agreement follows the Senate amendment, with the modification that the beginning point of the income phaseout for individual taxpayers is $45,000. Thus, beginning in 2000, the deduction will be phased out ratably for individual taxpayers with modified AGI of $45,000 to $60,000 and for taxpayers filing joint returns with modified AGI of $90,000–$105,000.

B. Expand Education Savings Accounts (sec. 401 of the House bill and secs. 530 and 4973 of the Code)

Present Law

In general

Section 530 provides tax-exempt status to education individual retirement accounts ("education IRAs"), meaning certain trusts (or custodial accounts) which are created or organized in the United States exclusively for the purpose of paying the qualified higher education expenses of a named beneficiary.[15] Contributions to education IRAs may be made only in cash. Annual contributions to education IRAs may not exceed $500 per designated beneficiary (except in cases involving certain tax-free rollovers, as described below), and may not be made after the designated beneficiary reaches age 18.[16] Moreover, an excise tax is imposed if a contribution is made by any person to an education IRA established on behalf of a beneficiary during any taxable year in which any contributions are made by anyone to a qualified State tuition program (defined under sec. 529) on behalf of the same beneficiary.

Phase-out of contribution limit

The $500 annual contribution limit for education IRAs is phased out ratably for contributors with modified adjusted gross income ("AGI") between $95,000 and $110,000 (between $150,000 and $160,000 for joint returns). Individuals with modified AGI above the phase-out range are not allowed to make contributions to an education IRA established on behalf of any individual.

Treatment of distributions

Amounts distributed from an education IRA are excludable from gross income to the extent that the amounts distributed do not exceed qualified higher education expenses of the designated beneficiary incurred during the year the distribution is made (provided that a HOPE credit or Lifetime Learning credit is not claimed with respect to the beneficiary for the same taxable year). Distributions from an education IRA are generally deemed to consist of distributions of principal (which, under all circumstances, are excludable from gross income) and earnings (which may be excludable from gross income) by applying the ratio that the aggregate amount of contributions to the account for the beneficiary bears to the total balance of the account. If the qualified higher education expenses of the student for the year are at least equal to the total amount of the distribution (i.e., principal and earnings combined) from an education IRA, then the earnings in their entirety are excludable from gross income. If, on the other hand, the qualified higher education expenses of the student for the year are less than the total amount of the distribution (i.e., principal and earnings combined) from an education

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[13] Similar to the regular tax foreign tax credit, the AMT foreign tax credit is subject to the separate limitation categories set forth in section 904(d). Under the AMT foreign tax credit, however, the determination of whether any income is high taxed for purposes of the high-tax-kick-out rules (sec. 904(d)(2)) is made on the basis of the applicable AMT rate rather than the highest applicable rate of regular tax.

[14] The maximum allowable deduction for 1998 was $1,000.

[15] Education IRAs generally are not subject to Federal income tax, but are subject to the unrelated business income tax ("UBIT") imposed by section 511.

[16] An excise tax may be imposed under present law to the extent that excess contributions above the $500 annual limit are made to an education IRA.

IRA, then the qualified higher education expenses are deemed to be paid from a pro-rata share of both the principal and earnings components of the distribution. Thus, in such a case, only a portion of the earnings are excludable (i.e., a portion of the earnings based on the ratio that the qualified higher education expenses bear to the total amount of the distribution) and the remaining portion of the earnings is includible in the distributee's gross income.

To the extent that a distribution exceeds qualified higher education expenses of the designated beneficiary, an additional 10-percent tax is imposed on the earnings portion of such excess distribution, unless such distribution is made on account of the death or disability of, or scholarship received by, the designated beneficiary. The additional 10-percent tax also does not apply to the distribution of any contribution to an education IRA made during the taxable year if such distribution is made on or before the date that a return is required to be filed (including extensions of time) by the beneficiary for the taxable year during which the contribution was made (or, if the beneficiary is not required to file such a return, April 15th of the year following the taxable year during which the contribution was made).

Present law allows tax-free transfers or rollovers of account balances from one education IRA benefitting one beneficiary to another education IRA benefitting another beneficiary (as well as redesignations of the named beneficiary), provided that the new beneficiary is a member of the family of the old beneficiary. For this purpose, a "member of the family" means persons described in paragraphs (1) through (8) of section 152(a)—e.g., sons, daughters, brothers, sisters, nephews and nieces, certain in-laws—and any spouse of such persons or of the original beneficiary.

Any balance remaining in an education IRA is deemed to be distributed within 30 days after the date that the named beneficiary reaches age 30 (or, if earlier, within 30 days of the date that the beneficiary dies).

Qualified higher education expenses

The term "qualified higher education expenses" includes tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the designated beneficiary at an eligible education institution, regardless of whether the beneficiary is enrolled at an eligible educational institution on a full-time, half-time, or less than half-time basis. Moreover, the term "qualified higher education expenses" includes certain room and board expenses for any period during which the beneficiary is at least a half-time student. Qualified higher education expenses include expenses with respect to undergraduate or graduate-level courses. In addition, qualified higher education expenses include amounts paid or incurred to purchase tuition credits (or to make contributions to an account) under a qualified State tuition program, as defined in section 529, for the benefit of the beneficiary of the education IRA.

Qualified higher education expenses generally include only out-of-pocket expenses. Such qualified higher education expenses do not include expenses covered by educational assistance for the benefit of the beneficiary that is excludable from gross income. Thus, total qualified higher education expenses are reduced by scholarship or fellowship grants excludable from gross income under present-law section 117, as well as any other tax-free educational benefits, such as employer-provided educational assistance that is excludable from the employee's gross income under section 127.[17]

Present law also provides that, if any qualified higher education expenses are taken into account in determining the amount of the exclusion for a distribution from an education IRA, then no deduction (e.g., for trade or business expenses deductible under sec. 162), or exclusion (e.g., for expenses paid with interest on education savings bonds excludable under sec. 135), or credit is allowed with respect to such expenses.

Eligible educational institution

Eligible educational institutions are defined by reference to section 481 of the Higher Education Act of 1965. Such institutions generally are accredited post-secondary educational institutions offering credit toward a bachelor's degree, an associate's degree, a graduate-level or professional degree, or another recognized post-secondary credential. Certain proprietary institutions and post-secondary vocational institutions also are eligible institutions. The institution must be eligible to participate in Department of Education student aid programs.

House Bill

Annual contribution limit

The House bill increases the annual education IRA contribution limit to $2,000. Thus, in years beginning after 2000, aggregate contributions that can be made by all contributors to one (or more) education IRAs established on behalf of any particular beneficiary are limited to $2,000 for each year.

Qualified expenses

The House bill expands the definition of qualified education expenses that may be paid with tax-free distributions from an education IRA for distributions made in taxable years beginning after December 31, 2000. Specifically, the definition of qualified education expenses is expanded to include "qualified elementary and secondary education expenses," meaning (1) tuition, fees, academic tutoring, special needs services, books, supplies, and equipment (including computers and related software and services) incurred in connection with the enrollment or attendance of the designated beneficiary as an elementary or secondary student at a public, private, or religious school providing elementary or secondary education (kindergarten through grade 12), and (2) room and board, uniforms, transportation, and supplementary items and services (including extended-day programs) required or provided by such a school in connection with such enrollment or attendance of the designated beneficiary.[18] "Qualified elementary and secondary education expenses" also include certain homeschooling education expenses if the requirements of any applicable State or local law are met with respect to such homeschooling.

Under the House bill, the definition of "qualified higher education expenses" is modified to mean: (1) tuition and fees required for the enrollment or attendance of a designated beneficiary at an eligible education institution, and (2) expenses for books, supplies, and equipment incurred in connection with such enrollment or attendance (but not in excess of the allowance for books and supplies determined by the educational institution for purposes of Federal financial assistance programs).[19] The House bill also provides that "qualified higher education expenses" does not include expenses for education involving sports, games, or hobbies unless this education is part of the student's degree program or is taken to acquire or improve job skills of the individual. The House bill does not change the definition of "qualified higher education expenses" with respect to expenses for room and board.

Special needs beneficiaries

The House bill also provides that, although contributions to an education IRA generally may not be made after the designated beneficiary reaches age 18, contributions may continue to be made to an education IRA in the case of a special needs beneficiary (as defined by Treasury Department regulations). In addition, under the House bill, in the case of a special needs beneficiary, a deemed distribution of any balance in an education IRA will not occur when the beneficiary reaches age 30.

Contributions by persons other than individuals

The House bill clarifies that corporations and other entities (including tax-exempt organizations) are permitted to make contributions to education IRAs, regardless of the income of the corporation or entity during the year of the contribution. As under present law, the eligibility of high-income individuals to make contributions to education IRAs is phased out ratably for individuals with modified AGI between $95,000 and $110,000 ($150,000 and $160,000 for joint returns).

Contributions permitted until April 15

Under the House bill, individual contributors to education IRAs are deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions), generally April 15.[20] The House bill also provides that the additional 10-percent tax does not apply to the distribution of any contribution to an education IRA made during the taxable year if such distribution is made on or before the first day of the sixth month of the taxable year (generally June 1) following the taxable year during which the contribution was or was deemed made.

Coordination with HOPE and Lifetime Learning credits

For distributions made after December 31, 2000, the House bill allows a taxpayer to claim a HOPE credit or Lifetime Learning credit for a taxable year and to exclude from gross income amounts distributed (both the principal and the earnings portions) from an education IRA on behalf of the same student as long as the distribution is not used for the same educational expenses for which a credit was claimed.

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[17] No reduction of qualified higher education expenses is required, however, for a gift, bequest, devise, or inheritance.

[18] Contributions made to education IRAs prior to December 31, 2000, (and earnings thereon) may be used for distributions for qualified elementary and secondary education expenses made after January 1, 2001. Thus, it is not necessary for trustees of education IRAs to keep separate accounts with respect to contributions made prior to January 1, 2001, and earnings thereon.

[19] "Qualified higher education expenses" for purposes of education IRAs are defined by reference to the definition of such expenses for purposes of qualified State tuition programs (sec. 530(b)(2)(A)). Because the House bill modifies the definition of "qualified higher education expenses" for purposes of qualified State tuition programs (sec. 529(e)(3)), the definition of "qualified higher education expenses" for education IRAs is also modified.

[20] Trustees of education IRAs will require documentation from a contributor (whether an individual, corporation, or other entity) indicating the taxable year to which the contribution should be allocated.

Coordination with qualified tuition programs

The House bill repeals the excise tax on contributions made by any person to an education IRA on behalf of a beneficiary during any taxable year in which any contributions are made by anyone to a qualified State tuition program on behalf of the same beneficiary (sec. 4973(e)(1)(B)).

Change name to "Education Savings Accounts'

The House bill changes the name of education IRAs to "Education Savings Accounts."

Effective date

The House bill provisions modifying education IRAs generally are effective for taxable years beginning after December 31, 2000. The House bill provision modifying the definition of "qualified higher education expenses" applies to amounts paid for education furnished after December 31, 1999, the same date that this provision is effective for qualified state tuition plans described in section 529. The House bill provision changing the name of education IRAs to Education Savings Accounts is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

C. ALLOW TAX-FREE DISTRIBUTIONS FROM STATE AND PRIVATE EDUCATION PROGRAMS (SEC. 402 OF THE HOUSE BILL, SEC. 402 OF THE SENATE AMENDMENT, AND SEC. 529 OF THE CODE)

Present Law

Section 529 provides tax-exempt status to "qualified State tuition programs," meaning certain programs established and maintained by a State (or agency or instrumentality thereof) under which persons may (1) purchase tuition credits or certificates on behalf of a designated beneficiary that entitle the beneficiary to a waiver or payment of qualified higher education expenses of the beneficiary, or (2) make contributions to an account that is established for the purpose of meeting qualified higher education expenses of the designated beneficiary of the account (a "savings account plan"). The term "qualified higher education expenses" generally has the same meaning as does the term for purposes of education IRAs (as described above) and, thus, includes expenses for tuition, fees, books, supplies, and equipment required for the enrollment or attendance at an eligible educational institution[21], as well as certain room and board expenses for any period during which the student is at least a half-time student.

No amount is included in the gross income of a contributor to, or beneficiary of, a qualified State tuition program with respect to any distribution from, or earnings under, such program, except that (1) amounts distributed or educational benefits provided to a beneficiary (e.g., when the beneficiary attends college) are included in the beneficiary's gross income (unless excludable under another Code section) to the extent such amounts or the value of the educational benefits exceed contributions made on behalf of the beneficiary, and (2) amounts distributed to a contributor (e.g., when a parent receives a refund) are included in the contributor's gross income to the extent such amounts exceed contributions made on behalf of the beneficiary.[22]

A qualified State tuition program is required to provide that purchases or contributions only be made in cash.[23] Contributors and beneficiaries are not allowed to directly or indirectly direct the investment of contributions to the program (or earnings thereon). The program is required to maintain a separate accounting for each designated beneficiary. A specified individual must be designated as the beneficiary at the commencement of participation in a qualified State tuition program (i.e., when contributions are first made to purchase an interest in such a program), unless interests in such a program are purchased by a State or local government or a tax-exempt charity described in section 501(c)(3) as part of a scholarship program operated by such government or charity under which beneficiaries to be named in the future will receive such interests as scholarships. A transfer of credits (or other amounts) from one account benefitting one designated beneficiary to another account benefitting a different beneficiary is considered a distribution (as is a change in the designated beneficiary of an interest in a qualified State tuition program), unless the beneficiaries are members of the same family. For this purpose, the term "member of the family" means persons described in paragraphs (1) through (8) of section 152(a)—e.g., sons, daughters, brothers, sisters, nephews and nieces, certain in-laws—and any spouse of such persons or of the original beneficiary. Earnings on an account may be refunded to a contributor or beneficiary, but the State or instrumentality must impose a more than de minimis monetary penalty unless the refund is (1) used for qualified higher education expenses of the beneficiary, (2) made on account of the death or disability of the beneficiary, or (3) made on account of a scholarship received by the designated beneficiary to the extent the amount refunded does not exceed the amount of the scholarship used for higher education expenses.

To the extent that a distribution from a qualified State tuition program is used to pay for qualified tuition and related expenses (as defined in sec. 25A(f)(1)), the distributee (or another taxpayer claiming the distributee as a dependent) may claim the HOPE credit or Lifetime Learning credit under section 25A with respect to such tuition and related expenses (assuming that the other requirements for claiming the HOPE credit or Lifetime Learning credit are satisfied and the modified AGI phaseout for those credits does not apply).

House Bill

Qualified tuition program

The House bill expands the definition of "qualified tuition program" to include certain prepaid tuition programs established and maintained by one or more eligible educational institutions (which may be private institutions) that satisfy the requirements under section 529 (other than the present-law State sponsorship rule). In the case of a qualified tuition program maintained by one or more private educational institutions, persons will be able to purchase tuition credits or certificates on behalf of a designated beneficiary (as described in section 529(b)(1)(A)(i)), but will not be able to make contributions to a savings account plan (described in section 529(b)(1)(A)(ii)).

Exclusion from gross income

Under the House bill, an exclusion from gross income is provided for distributions made in taxable years beginning after December 31, 2000, from qualified State tuition programs to the extent that the distribution is used to pay for qualified higher education expenses. This exclusion from gross income is extended to distributions from qualified tuition programs established and maintained by an entity other than a State or agency or instrumentality thereof, for distributions made in taxable years after December 31, 2003.

The House bill also allows a taxpayer to claim a HOPE credit or Lifetime Learning credit for a taxable year and to exclude from gross income amounts distributed (both the principal and the earnings portions) from a qualified tuition program on behalf of the same student as long as the distribution is not used for the same expenses for which a credit was claimed.

Definition of qualified higher education expenses

Under the House bill, the definition of "qualified higher education expenses" is modified to mean: (1) tuition and fees required for the enrollment or attendance of a designated beneficiary at an eligible educational institution, and (2) expenses for books, supplies, and equipment incurred in connection with such enrollment or attendance (but not in excess of the allowance for books and supplies determined by the educational institution for purposes of Federal financial assistance programs).[24] The House bill also provides that "qualified higher education expenses" will not include expenses for education involving sports, games, or hobbies unless this education is part of the student's degree program or is taken to acquire or improve job skills of the individual. The bill does not change the definition of "qualified higher education expenses" with respect to expenses for room and board.

Rollovers for benefit of same beneficiary

The House bill provides that a transfer of credits (or other amounts) from one qualified tuition program for the benefit of a designated beneficiary to another qualified tuition program for the benefit of the same beneficiary will not be considered a distribution for a maximum of one such transfer in each 1-year period.

Member of family

The House bill further provides that, for purposes of tax-free rollovers and changes of designated beneficiaries, a "member of the family" includes first cousins of such beneficiary.

Effective date

The House bill provision permitting the establishment of qualified tuition programs maintained by one or more private educational institutions is effective for taxable years beginning after December 31, 2000. The exclusion from gross income for certain distributions from qualified State tuition programs under section 529 is effective for distributions made in taxable years beginning after December 31, 2000. In the case of a qualified tuition program established and maintained by an entity other than a State or agency or instrumentality thereof, the House bill provision allowing an exclusion from gross income for certain distributions is effective for distributions made in taxable years beginning after December 31, 2003. The House bill provision coordinating distributions from qualified tuition programs with the HOPE and Lifetime Learning credits is effective for distributions made after December 31, 2000. The House bill provision modifying the definition of qualified higher education expenses is effective for amounts paid for education furnished after December 31, 1999. The House bill provisions allowing rollovers for the same beneficiary and including first cousins as a member of the family are effective for taxable years beginning after December 31, 2000.

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[21] "Eligible educational institutions" are defined the same for purposes of education IRAs and qualified State tuition programs.

[22] Distributions from qualified State tuition programs are treated as representing a pro- rata share of the principal (i.e., contributions) and accumulated earnings in the account.

[23] Sections 529(c)(2), (c)(4), and (c)(5), and section 530(d)(3) provide special estate and gift tax rules for contributions made to, and distributions made from, qualified State tuition programs and education IRAs.

[24] The conferees intend that, with respect to a distribution made from a qualified tuition program that does not exceed the allowance for books and supplies determined for purposes of Federal financial assistance by the eligible educational institution where the beneficiary is enrolled, Treasury regulations will provide that beneficiaries need not substantiate actual purchases of books, supplies, and equipment.

Senate Amendment

The Senate amendment is the same as the House bill, except that it provides for coordination of the HOPE credit or Lifetime Learning credit with distributions from education individual retirement accounts ("education IRAs") (in addition to distributions from qualified tuition plans) as long as the distributions are not used for the same expenses for which a credit was claimed. The Senate amendment also provides that the section may be cited as the "Collegiate Learning and Student Savings (CLASS) Act."

Effective date.—The Senate amendment provision permitting the establishment of qualified tuition programs maintained by one or more private educational institutions is effective for taxable years beginning after December 31, 1999. The exclusion from gross income for certain distributions from qualified State tuition programs under section 529 is effective for distributions made in taxable years beginning after December 31, 1999. In the case of a qualified tuition program established and maintained by an entity other than a State or agency or instrumentality thereof, the Senate amendment provision allowing an exclusion from gross income for certain distributions is effective for distributions made in taxable years beginning after December 31, 2003. The Senate amendment provision coordinating distributions from qualified tuition programs and education IRAs with the HOPE and Lifetime Learning credits is effective for distributions made after December 31, 1999. The Senate amendment provision modifying the definition of qualified higher education expenses is effective for amounts paid for courses beginning after December 31, 1999. The provisions allowing rollovers for the same beneficiary and including first cousins as a member of the family is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment, except that the provision coordinating the HOPE and Lifetime Learning credits with distributions from education IRAs is not included because this provision is included in the conference agreement provision for education IRAs.

D. Eliminate Tax on Awards under National Health Service Corps Scholarship Program, F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program, National Institutes of Health Undergraduate Scholarship Program, and Certain State-sponsored Scholarship Programs (sec. 403 of the House bill and the Senate amendment and sec. 117 of the Code)

Present Law

Section 117 excludes from gross income qualified scholarships received by an individual who is a candidate for a degree and used for tuition and fees required for the enrollment or attendance (or for fees, books, supplies, and equipment required for courses of instruction) at a primary, secondary, or post-secondary educational institution. The tax-free treatment provided by section 117 does not extend to scholarship amounts covering regular living expenses, such as room and board. In addition to the exclusion for qualified scholarships, section 117 provides an exclusion from gross income for qualified tuition reductions for certain education provided to employees (and their spouses and dependents) of certain educational organizations.

Section 117(c) specifically provides that the exclusion for qualified scholarships and qualified tuition reductions does not apply to any amount received by a student that represents payment for teaching, research, or other services by the student required as a condition for receiving the scholarship or tuition reduction.

The National Health Service Corps Scholarship Program (the "NHSC Scholarship Program"), the F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program (the "Armed Forces Scholarship Program"), and the National Institutes of Health Undergraduate Scholarship Program (the "NIH Scholarship Program") provide education awards to participants on condition that the participants provide certain services. In the case of the NHSC Program, the recipient of the scholarship is obligated to provide medical services in a geographic area (or to an underserved population group or designated facility) identified by the Public Health Service as having a shortage of health-care professionals. In the case of the Armed Forces Scholarship Program, the recipient of the scholarship is obligated to serve a certain number of years in the military at an armed forces medical facility. The National Institutes of Health Undergraduate Scholarship Program (the "NIH Scholarship Program") awards scholarships to students from disadvantaged backgrounds interested in pursuing a career in biomedical research. In exchange, the recipients must work for the National Institutes of Health after graduation. Several States also provide a limited number of scholarships to students in health professions who are obligated to work in underserved areas for a period of time after graduation. Because the recipients of scholarships in all of these programs are required to perform services in exchange for the education awards, the awards used to pay higher education expenses are taxable income to the recipient.

House Bill

The House bill provides that amounts received by an individual under the NHSC Scholarship Program, the Armed Forces Scholarship Program, the NIH Scholarship Program, or any State-sponsored health scholarship program determined by the Secretary of the Treasury to have substantially similar objectives to these programs are eligible for tax-free treatment as qualified scholarships under section 117, without regard to any service obligation by the recipient. As with other qualified scholarships under section 117, the tax-free treatment does not apply to amounts received by students for regular living expenses, including room and board.

Effective date.—The House bill is effective for education awards received under the NHSC Scholarship Program, the Armed Forces Scholarship Program, and the NIH Scholarship Program after December 31, 1993. The House bill is effective for education awards received under any State-sponsored health scholarship program designated by the Secretary of the Treasury after December 31, 1999.

Senate Amendment

The Senate amendment is the same as the House bill, except that it does not extend the exclusion from gross income to the NIH Scholarship Program or State-sponsored health scholarship programs.

Conference Agreement

The conference agreement follows the House bill.

E. Exclusion for Employer-Provided Educational Assistance (sec. 404 of the Senate amendment and sec. 127 of the Code)

Present Law

Educational expenses paid by an employer for its employees are generally deductible to the employer.

Employer-paid educational expenses are excludable from the gross income and wages of an employee if provided under a section 127 educational assistance plan or if the expenses qualify as a working condition fringe benefit under section 132. Section 127 provides an exclusion of $5,250 annually for employer-provided educational assistance. The exclusion does not apply to graduate courses. The exclusion for employer-provided educational assistance expires with respect to courses beginning on or after June 1, 2000.

In order for the exclusion to apply, certain requirements must be satisfied. The educational assistance must be provided pursuant to a separate written plan of the employer. The educational assistance program must not discriminate in favor of highly compensated employees. In addition, not more than 5 percent of the amounts paid or incurred by the employer during the year for educational assistance under a qualified educational assistance plan can be provided for the class of individuals consisting of more than 5-percent owners of the employer (and their spouses and dependents).

Educational expenses that do not qualify for the section 127 exclusion may be excludable from income as a working condition fringe benefit.[25] In general, education qualifies as a working condition fringe benefit if the employee could have deducted the education expenses under section 162 if the employee paid for the education. In general, education expenses are deductible by an individual under section 162 if the education (1) maintains or improves a skill required in a trade or business currently engaged in by the taxpayer, or (2) meets the express requirements of the taxpayer's employer, applicable law or regulations imposed as a condition of continued employment. However, education expenses are generally not deductible if they relate to certain minimum educational requirements or to education or training that enables a taxpayer to begin working in a new trade or business.[26]

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[25] These rules also apply in the event that section 127 expires and is not reinstated.

House Bill

No provision.

Senate Amendment

The provision extends the exclusion for employer-provided educational assistance through 2003, thus, the exclusion is not available with respect to courses beginning after December 31, 2003. The provision also extends the exclusion to graduate education, effective for courses beginning on or after January 1, 2000, and before January 1, 2004.

Effective date.—The provision is generally effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment with respect to the extension of the exclusion as applied to undergraduate education, but does not include the extension of the exclusion to graduate education.

F. Liberalize Tax-Exempt Financing Rules for Public School Construction (secs. 404–405 of the House bill, secs. 405—407 of the Senate amendment, and secs. 103, 148, and 149 of the Code)

Present Law

Tax-exempt bonds

In general

Interest on debt incurred by States or local governments is excluded from income if the proceeds of the borrowing are used to carry out governmental functions of those entities or the debt is repaid with governmental funds (sec. 103). Like other activities carried out and paid for by States and local governments, the construction, renovation, and operation of public schools is an activity eligible for financing with the proceeds of tax-exempt bonds.

Interest on bonds that nominally are issued by States or local governments, but the proceeds of which are used (directly or indirectly) by a private person and payment of which is derived from funds of such a private person is taxable unless the purpose of the borrowing is approved specifically in the Code or in a non-Code provision of a revenue Act. These bonds are called "private activity bonds." The term "private person" includes the Federal Government and all other individuals and entities other than States or local governments.

Private activities eligible for financing with tax-exempt private activity bonds

The Code includes several exceptions permitting States or local governments to act as conduits providing tax-exempt financing for private activities. Both capital expenditures and limited working capital expenditures of charitable organizations described in section 501(c)(3) of the Code—including elementary, secondary, and post-secondary schools—may be financed with tax-exempt private activity bonds ("qualified 501(c)(3) bonds").

In most cases, the volume of tax-exempt private activity bonds is restricted by aggregate annual limits imposed on bonds issued by issuers within each State. These annual volume limits equal $50 per resident of the State, or $150 million if greater. The annual State private activity bond volume limits are scheduled to increase to the greater of $75 per resident of the State or $225 million in calendar year 2007. The increase will be phased in ratably beginning in calendar year 2003. This increase was enacted by the Tax and Trade Relief Extension Act of 1998. Qualified 501(c)(3) bonds are among the tax-exempt private activity bonds that are not subject to these volume limits.

Private activity tax-exempt bonds may not be used to finance schools owned or operated by private, for-profit businesses.

Arbitrage restrictions on tax-exempt bonds

The Federal income tax does not apply to income of States and local governments that is derived from the exercise of an essential governmental function. To prevent these tax-exempt entities from issuing more Federally subsidized tax-exempt bonds than is necessary for the activity being financed or from issuing such bonds earlier than necessary, the Code includes arbitrage restrictions limiting the ability to profit from investment of tax-exempt bond proceeds. In general, arbitrage profits may be earned only during specified periods (e.g., defined "temporary periods") before funds are needed for the purpose of the borrowing or on specified types of investments (e.g., "reasonably required reserve or replacement funds"). Subject to limited exceptions, investment profits that are earned during these periods or on such investments must be rebated to the Federal Government.

The Code includes three exceptions applicable to education-related bonds. First, issuers of all types of tax-exempt bonds are not required to rebate arbitrage profits if all of the proceeds of the bonds are spent for the purpose of the borrowing within six months after issuance. In the case of governmental bonds (including bonds to finance public schools) the six-month expenditure exception is treated as satisfied if at least 95 percent of the proceeds is spent within six months and the remaining five percent is spent within 12 months after the bonds are issued.

Second, in the case of bonds to finance certain construction activities, including school construction and renovation, the six-month period is extended to 24 months for construction proceeds. Arbitrage profits earned on construction proceeds are not required to be rebated if all such proceeds (other than certain retainage amounts) are spent by the end of the 24-month period and prescribed intermediate spending percentages are satisfied.

Third, governmental bonds issued by "small" governments are not subject to the rebate requirement. Small governments are defined as general purpose governmental units that issue no more than $5 million of tax-exempt governmental bonds in a calendar year. The $5 million limit is increased to $10 million if at least $5 million of the bonds are used to finance public schools.

Restriction on Federal guarantees of tax-exempt bonds

Unlike interest on State or local government bonds, interest on Federal debt (e.g., Treasury bills) is taxable. Generally, interest on State and local government bonds that are Federally guaranteed does not qualify for tax-exemption. This restriction was enacted in 1984. The 1984 legislation included exceptions for housing bonds and for certain other Federal insurance programs that were in existence when the restriction was enacted.

Qualified zone academy bonds

As an alternative to traditional tax-exempt bonds, certain States and local governments are given the authority to issue "qualified zone academy bonds." Under present law, a total of $400 million of qualified zone academy bonds may be issued in each of 1998 and 1999. The $400 million aggregate bond authority is allocated each year to the States according to their respective populations of individuals below the poverty line. Each State, in turn, allocates the credit to qualified zone academies within such State. A State may carry over any unused allocation into subsequent years.

1. Increase amount of governmental bonds that may be issued by governments qualifying for the "small governmental unit" arbitrage rebate exception

House Bill

The additional amount of governmental bonds for public schools that small governmental units may issue without being subject to the arbitrage rebate requirement is increased from $5 million to $10 million. Thus, these governmental units may issue up to $15 million of governmental bonds in a calendar year provided that at least $10 million of the bonds are used to finance public school construction expenditures.

Effective date.—The provision is effective for bonds issued in calendar years beginning after December 31, 1999.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

2. Liberalize construction bond expenditure rule for governmental bonds for public schools

House Bill

The present-law 24-month expenditure exception to the arbitrage rebate requirement are liberalized for certain public school bonds. Under the bill, no rebate is required with respect to earnings on available construction proceeds of public school bonds if the proceeds are spent within 48 months after the bonds are issued and the following intermediate spending levels are satisfied:

12 months	At least 10 percent
24 months	At least 30 percent
36 months	At least 60 percent
48 months	100 percent (less present-law retainage amounts which must be spent within 60 months of issuance)

Effective date.—The provision applies to bonds issued in calendar years beginning after 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

3. Allow issuance of tax-exempt private activity bonds for public school facilities

House Bill

No provision.

Senate Amendment

The private activities for which tax-exempt bonds may be issued are expanded to include elementary and secondary public school facilities which are owned by private, for-profit corporations pursuant to public-private partnership agreements with a State or local educational agency. The term school facility includes school buildings and functionally related and subordinate land (including stadiums or other athletic facilities primarily used for school events) and depreciable personal property used in the school facility. The school facilities for which these bonds are issued must be operated by a public educational agency as part of a system of public schools.

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[26] In the case of an employee, education expenses (if not reimbursed by the employer) may be claimed as an itemized deduction only if such expenses, along with other miscellaneous deductions, exceed 2 percent of the taxpayer's AGI. The 2-percent floor limitation is disregarded in determining whether an item is excludable as a working condition fringe benefit.

A public-private partnership agreement is defined as an arrangement pursuant to which the for-profit corporate party constructs, rehabilitates, refurbishes or equips a school facility. The agreement must provide that, at the end of the contract term, ownership of the bond-financed property is transferred to the public school agency party to the agreement for no additional consideration.

Issuance of these bonds is subject to a separate annual per-State volume limit equal to the greater of $10 per resident ($5 million, if greater) in lieu of the present-law State private activity bond volume limits. As with the present-law State private activity bond volume limits, States decide how to allocate the bond authority to State and local government agencies. Bond authority that is unused in the year in which it arises may be carried forward for up to three years for public school projects under rules similar to the carryforward rules of the present-law private activity bond volume limits.

Effective date.—The provision applies to bonds issued after December 31, 1999.

Conference Agreement

The conference does not include the Senate amendment provision.

4. Permit limited Federal guarantees of school construction bonds by the Federal Housing Finance Board

House Bill

No provision.

Senate Amendment

The Federal Housing Finance Board is permitted to authorize the regional Federal Home Loan Banks in its system to guarantee limited amounts of public school bonds. Eligible bonds are governmental bonds with respect to which 95 percent of more of the proceeds are used for public school construction. The aggregate amount of bonds which may be guaranteed by all such Banks pursuant to this provision is $500 million per year.

Effective date.—The provision will become effective upon enactment (after the date of enactment of the amendment) of legislation authorizing the Federal Housing Finance Board and Federal Home Loan Banks to provide the guarantees.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

G. Expansion of Deduction for Computer Donations to Schools (sec. 1124 of the Senate amendment and sec. 170(e)(6) of the Code)

Present Law

The maximum charitable contribution deduction that may be claimed by a corporation for any one taxable year is limited to 10 percent of the corporation's taxable income for that year (disregarding charitable contributions and with certain other modifications) (sec. 170(b)(2)). Corporations also are subject to certain limitations based on the type of property contributed. In the case of a charitable contribution of short-term gain property, inventory, or other ordinary income property, the amount of the deduction generally is limited to the taxpayer's basis (generally, cost) in the property. However, special rules in the Code provide an augmented deduction for certain corporate contributions. Under these special rules, the amount of the augmented deduction is equal to the lesser of (1) the basis of the donated property plus one-half of the amount of ordinary income that would have been realized if the property had been sold, or (2) twice basis.

Section 170(e)(6) allows corporate taxpayers an augmented deduction for qualified contributions of computer technology and equipment (i.e., computer software, computer or peripheral equipment, and fiber optic cable related to computer use) to be used within the United States for educational purposes in grades K–12. Eligible donees are: (1) any educational organization that normally maintains a regular faculty and curriculum and has a regularly enrolled body of pupils in attendance at the place where its educational activities are regularly carried on; and (2) tax-exempt charitable organizations that are organized primarily for purposes of supporting elementary and secondary education. A private foundation also is an eligible donee, provided that, within 30 days after receipt of the contribution, the private foundation contributes the property to an eligible donee described above.

Qualified contributions are limited to gifts made no later than two years after the date the taxpayer acquired or substantially completed the construction of the donated property. In addition, the original use of the donated property must commence with the donor or the donee. Accordingly, qualified contributions generally are limited to property that is no more than two years old. Such donated property could be computer technology or equipment that is inventory or depreciable trade or business property in the hands of the donor.

Donee organizations are not permitted to transfer the donated property for money or services (e.g., a donee organization cannot sell the computers). However, a donee organization may transfer the donated property in furtherance of its exempt purposes and be reimbursed for shipping, installation, and transfer costs. For example, if a corporation contributes computers to a charity that subsequently distributes the computers to several elementary schools in a given area, the charity could be reimbursed by the elementary schools for shipping, transfer, and installation costs.

The special treatment applies only to donations made by C corporations; S corporations, personal holding companies, and service organizations are not eligible donors.

The provision is scheduled to expire for contributions made in taxable years beginning after December 31, 2000.

House Bill

No provision.

Senate Amendment

The Senate amendment makes the augmented deduction of section 170(e)(6) available for gifts made no later than three years after the date the taxpayer acquired or substantially completed the construction of the donated property. The Senate amendment also modifies the current-law original use requirement (i.e., the original use of the donated property must be the donor or the donee) by making the deduction available to donors who reacquire computers prior to donation. Thus, a corporation would be permitted to donate computers that were traded in or returned to them under a lease program.

Effective date.—The Senate amendment is effective for contributions made in taxable years ending after the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

H. Credit for Computer Donations to Schools and Senior Centers (sec. 1125 of the Senate amendment and new sec. 45E of the Code)

Present Law

The maximum charitable contribution deduction that may be claimed by a corporation for any one taxable year is limited to 10 percent of the corporation's taxable income for that year (disregarding charitable contributions and with certain other modifications) (sec. 170(b)(2)). Corporations also are subject to certain limitations based on the type of property contributed. In the case of a charitable contribution of short-term gain property, inventory, or other ordinary income property, the amount of the deduction generally is limited to the taxpayer's basis (generally, cost) in the property. However, special rules in the Code provide an augmented deduction for certain corporate contributions. Under these special rules, the amount of the augmented deduction is equal to the lesser of (1) the basis of the donated property plus one-half of the amount of ordinary income that would have been realized if the property had been sold, or (2) twice basis.

Section 170(e)(6) allows corporate taxpayers an augmented deduction for qualified contributions of computer technology and equipment (i.e., computer software, computer or peripheral equipment, and fiber optic cable related to computer use) to be used within the United States for educational purposes in grades K–12. Qualified contributions are limited to gifts made no later than two years after the date the taxpayer acquired or substantially completed the construction of the donated property. In addition, the original use of the donated property must commence with the donor or the donee. Eligible donees are: (1) any educational organization that normally maintains a regular faculty and curriculum and has a regularly enrolled body of pupils in attendance at the place where its educational activities are regularly carried on; and (2) tax-exempt charitable organizations that are organized primarily for purposes of supporting elementary and secondary education. A private foundation also is an eligible donee, provided that, within 30 days after receipt of the contribution, the private foundation contributes the property to an eligible donee described above.

House Bill

No provision.

Senate Amendment

The Senate amendment permits businesses to claim a tax credit in lieu of the augmented deduction for qualified contributions of computer technology and equipment, as defined under section 170(e)(6)(B).[27] In addition, the Senate amendment allows businesses to claim a credit for contributions of computer technology or equipment to multipurpose senior centers (as defined by reference to the Older Americans Act of 1965) for use by individuals who are at least 60 years old to improve job skills in computers.

The credit is equal to 30 percent of the amount calculated for purposes of determining the augmented deduction under section 170(e)(6)(A) (i.e., the lesser of the basis of the donated property plus one-half of the amount of ordinary income that would have been realized if the property had been sold, or twice basis). If the donee is a qualified educational organization or senior center located in an empowerment zone, enterprise community, or Indian reservation (as defined in sec. 168(j)(6)), the proposed credit would be equal to 50 percent of the amount calculated for purposes of determining the augmented deduction under section 170(e)(6)(A). No deduction is allowed for the portion of computer donations made during a taxable year that is equal to the amount of the credit claimed during the year.

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[27] In addition, the Senate amendment provides that the term "qualified computer contribution," for purposes of the computer donation credit, includes a computer only if the computer software that serves as the computer's operating system has been lawfully installed.

Effective date.—The Senate amendment provision providing a 30-percent credit for qualified computer donations is effective for contributions made in taxable years beginning one year after the date of enactment and before taxable years beginning on or after the date which is three years after the date of enactment. The Senate amendment provision providing a 50-percent credit for qualified computer donations to eligible recipients in empowerment zones, enterprise communities, and Indian reservations is effective for contributions made during taxable years beginning after the date of enactment and before taxable years beginning on or after the date which is three years after the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment.

I. Two-Percent Floor Not To Apply to Professional Development Expenses of Teachers (sec. 1123 of the Senate amendment and sec. 67 of the Code)

Present Law

In general, taxpayers are not permitted to deduct education expenses. However, employees may deduct the cost of certain work-related education. For costs to be deductible, the education must either be required by the taxpayer's employer or by law to retain taxpayer's current job or be necessary to maintain or improve skills required in the taxpayer's current job. Expenses incurred for education that is necessary to meet minimum education requirements of an employee's present trade or business or that can qualify an employee for a new trade or business are not deductible.

An employee is allowed to deduct work-related education and other business expenses only to the extent such expenses (together with other miscellaneous itemized deductions) exceed 2 percent of the taxpayer's adjusted gross income.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that qualified professional development expenses incurred by an elementary or secondary school teacher (including instructors, aides, counselors and principals) with respect to certain courses of instruction would not be subject to the 2-percent floor on miscellaneous itemized deductions. Qualified professional development expenses are expenses for tuition, fees, books, supplies, equipment, and transportation required for enrollment or attendance in a qualified course of instruction, provided that such expenses are otherwise deductible under present law. A qualified course of instruction means a professional conference or a course of instruction at an institution of higher education (as defined in sec. 481 of the Higher Education Act of 1965), and which is part of a program of professional development that is approved and certified by the appropriate local educational agency as furthering the individual's teaching skills.

Additionally, the 2-percent floor would not apply to incidental expenses paid by an eligible teacher in an amount not greater than $125 for any taxable year for books, supplies and equipment related to instruction, teaching, or other educational job-related activities of the teacher. The exception to the 2-percent for incidental expenses would also apply to homeschooling if the requirements of applicable State or local law are met with respect to the homeschooling.

Effective date.—Taxable years beginning after December 31, 2000, and ending on or before December 31, 2004.

Conference Agreement

The conference agreement follows the Senate amendment with modifications. The conference agreement provides an exception to the 2-percent floor for the qualified professional development expenses of eligible teachers, not to exceed $1,000 per year. The conference agreement does not provide an exception to the 2-percent floor for job-related incidental expenses.

J. Exclusion for Education Benefits Provided by Employers to Children of Employees (sec. 404 of the Senate amendment and sec. 117 of the Code)

Present Law

If certain requirements are satisfied, employer-paid educational expenses are excludable from the gross income and wages of an employee if provided under a section 127 educational assistance plan or if the expenses qualify as a working condition fringe benefit under section 132. Section 127 provides an exclusion of $5,250 annually for employer-provided educational assistance. The exclusion does not apply to graduate courses. The exclusion for employer-provided educational assistance expires with respect to courses beginning on or after June 1, 2000. These exclusions do not apply with respect to education provided to an individual other than the employee.

Section 117 provides that, if certain conditions are satisfied, a qualified scholarship is excludable from the gross income of an individual who is a candidate for a degree.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that educational benefits provided to children of employees are excludable from gross income as a scholarship, regardless of whether the child is a candidate for a degree program. Any such benefits must be in addition to any other compensation payable to the employee. The exclusion does not apply to any amount provided to a child of an individual who owns more than 5 percent of the employer.

The maximum amount excludable for a taxable year with respect to a child of an employee may not exceed $2,000. In addition, the maximum amount excludable from an employee's income for a year under the provision may not exceed the excess of the amount excludable under section 127 ($5,250) over the amount excluded from the employee's income under section 127 for that year.

Effective date.—The provision is effective for taxable years beginning after the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment.

K. Credit for Interest on Higher Education Loans (sec. 208 of the Senate amendment and new sec. 25B of the Code)

Present Law

Certain individuals who have paid interest on qualified education loans may claim an above-the-line deduction for such interest expenses, subject to a maximum annual deduction limit (sec. 221). The deduction is allowed only with respect to interest paid on a qualified education loan during the first 60 months in which interest payments are required. Required payments of interest generally do not include nonmandatory payments, such as interest payments made during a period of loan forbearance. Months during which interest payments are not required because the qualified education loan is in deferral or forbearance do not count against the 60-month period. No deduction is allowed to an individual if that individual is claimed as a dependent on another taxpayer's return for the taxable year.

A qualified education loan generally is defined as any indebtedness incurred solely to pay for certain costs of attendance (including room and board) of a student (who may be the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer as of the time the indebtedness was incurred) who is enrolled in a degree program on at least a half-time basis at (1) an accredited post-secondary educational institution defined by reference to section 481 of the Higher Education Act of 1965, or (2) an institution conducting an internship or residency program leading to a degree or certificate from an institution of higher education, a hospital, or a health care facility conducting post-graduate training.

The maximum allowable deduction per taxpayer return is $1,500 in 1999, $2,000 in 2000, and $2,500 in 2001 and thereafter.[28] The deduction is phased out ratably for individual taxpayers with modified adjusted gross income ("AGI") of $40,000-$55,000 and $60,000–$75,000 for joint returns. The income ranges will be indexed for inflation after 2002.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, certain individuals who have paid interest on qualified education loans may claim a tax credit for such interest expenses, up to a maximum credit of $1,500 per year. The credit is allowed only with respect to interest paid on a qualified education loan during the first 60 months in which interest payments are required. A qualified education loan is defined in the same manner as for the deduction for student loan interest under section 221. No credit is allowed to an individual if that individual is claimed as a dependent on another taxpayer's return for the taxable year. In addition, no credit is allowed for any amount taken into account for any deduction under chapter 1 of the Code.

The credit is phased out ratably for individual taxpayers with modified AGI of $50,000–$70,000 ($80,000–$100,000 for joint returns). The income phase-out ranges will be indexed for inflation after the year 2005, rounded to the closest multiple of $50.

Effective date.—The Senate amendment is effective for interest due and paid after December 31, 2004, on any qualified education loan.

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[28] The maximum allowable deduction for 1998 was $1,000.

Conference Agreement

The conference agreement does not include the Senate amendment.

V. HEALTH CARE TAX RELIEF PROVISIONS

A. Above-the-Line Deduction for Health Insurance Expenses (sec. 501 of the House bill and the Senate amendment and new sec. 222 of the Code)

Present Law

Under present law, the tax treatment of health insurance expenses depends on the individual's circumstances. Self-employed individuals may deduct a portion of health insurance expenses for the individual and his or her spouse and dependents. The deductible percentage of health insurance expenses of a self-employed individual is 60 percent in 1999 through 2001; 70 percent in 2002; and 100 percent in 2003 and thereafter. The deduction for health insurance expenses of self-employed individuals is not available for any month in which the taxpayer is eligible to participate in a subsidized health plan maintained by the employer of the taxpayer or the taxpayer's spouse. The deduction applies to qualified long-term care insurance premiums treated as medical expenses under the itemized deduction for medical expenses, described below.

Employees can exclude from income 100 percent of employer-provided health insurance.

Individuals who itemize deductions may deduct their health insurance expenses only to the extent that the total medical expenses of the individual exceed 7.5 percent of adjusted gross income (sec. 213). Subject to certain dollar limitations, premiums for qualified long-term care insurance are treated as medical expenses for purposes of the itemized deduction for medical expenses (sec. 213). The amount of qualified long-term care insurance premiums that may be taken into account for 1999 is as follows: $210 in the case of an individual 40 years old or less; $400 in the case of an individual who is more than 40 but not more than 50; $800 in the case of an individual who is more than 50 but not more than 60; $2,120 in the case of an individual who is more than 60 but not more than 70; and $2,660 in the case of an individual who is more than 70. These dollar limits are indexed for inflation.

House Bill

The House bill provides an above-the-line deduction for a percentage of the amount paid during the year for insurance which constitutes medical care (as defined under sec. 213, other than long-term care insurance treated as medical care under sec. 213) for the taxpayer and his or her spouse and dependents.[29] The deductible percentage is: 25 percent in 2001; 40 percent in 2002; 50 percent in 2003 through 2006; 75 percent in 2007; and 100 percent in 2008 and thereafter.

The deduction is not available to an individual for any month in which the individual is covered under an employer-sponsored health plan if at least 50 percent of the cost of the coverage is paid or incurred by the employer[30] For purposes of this rule, any amounts excludable from the gross income of the employee under the exclusion for employer-provided health coverage is treated as paid or incurred by the employer; thus, for example, health insurance purchased by an employee through a cafeteria plan with salary reduction amounts is considered to be paid for by the employer.[31] In determining whether the 50-percent threshold is met, all health plans of the employer in which the employee participates are treated as a single plan. If the employer pays for less than 50 percent of the cost of all health plans in which the individual participates, the deduction is available only with respect to each plan with respect to which the employer subsidy is less than 50 percent. Cost is determined as under the health care continuation rules.

The deduction is not available to individuals enrolled in Medicare, Medicaid, the Federal Employees Health Benefit Program ("FEHBP"),[32] Champus, VA, Indian Health Service, or Children's Health Insurance programs. Thus, for example, the deduction is not available with respect to Medigap coverage, because such coverage is provided to individuals enrolled in Medicare.

The provision authorizes the Secretary to prescribe rules necessary to carry out the provision, including appropriate reporting requirements for employers.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill, except that the deductible percentage of health care insurance expenses is as follows: 25 percent in 2001, 2002, and 2003; 50 percent in 2004 and 2005; and 100 percent in 2006 and thereafter.

In addition, under the Senate amendment, the deduction is not available with respect to insurance providing coverage for accidents, disability, dental care, vision care or a specific disease or making payments of a fixed amount per day (or other period) on account of hospitalization. Such insurance and employer payments for such insurance are not taken into account in determining whether the employee pays more than half the cost of the health insurance.

Effective date.—Same as the House bill.

Conference Agreement

The conference agreement follows the Senate amendment, with modifications to the deductible percentage.

Effective date.—The provision is effective for taxable years beginning after December 31, 2001.

B. Provisions Relating to Long-term Care Insurance (secs. 501 and 502 of the House bill, secs. 501 and 502 of the Senate amendment and secs. 105 and 125 and new sec. 222 of the Code)

Present Law

Tax treatment of health insurance and long-term care insurance

Under present law, the tax treatment of health insurance expenses depends on the individual's circumstances. Self-employed individuals may deduct a portion of health insurance expenses for the individual and his or her spouse and dependents. The deductible percentage of health insurance expenses of a self-employed individual is 60 percent in 1999 through 2001; 70 percent in 2002; and 100 percent in 2003 and thereafter. The deduction for health insurance expenses of self-employed individuals is not available for any month in which the taxpayer is eligible to participate in a subsidized health plan maintained by the employer of the taxpayer or the taxpayer's spouse. The deduction applies to qualified long-term care insurance premiums treated as medical expenses under the itemized deduction for medical expenses, described below.

Employees can exclude from income 100 percent of employer-provided health insurance or qualified long-term care insurance.

Individuals who itemize deductions may deduct their health insurance expenses only to the extent that the total medical expenses of the individual exceed 7.5 percent of adjusted gross income (sec. 213). Subject to certain dollar limitations, premiums for qualified long-term care insurance are treated as medical expenses for purposes of the itemized deduction for medical expenses (sec. 213). The amount of qualified long-term care insurance premiums that may be taken into account for 1999 is as follows: $210 in the case of an individual 40 years old or less; $400 in the case of an individual who is more than 40 but not more than 50; $800 in the case of an individual who is more than 50 but not more than 60; $2,120 in the case of an individual who is more than 60 but not more than 70; and $2,660 in the case of an individual who is more than 70. These dollar limits are indexed for inflation.

Cafeteria plans

Under present law, compensation generally is includible in gross income when actually or constructively received. An amount is constructively received by an individual if it is made available to the individual or the individual has an election to receive such amount. Under one exception to the general principle of constructive receipt, amounts are not included in the gross income of a participant in a cafeteria plan described in section 125 of the Code solely because the participant may elect among cash and certain employer-provided qualified benefits under the plan. This constructive receipt exception is not available if the individual is permitted to revoke a benefit election during a period of coverage in the absence of a change in family status or certain other events.

In general, qualified benefits are certain specified benefits that are excludable from an employee's gross income by reason of a specific provision of the Code. Thus, employer-provided accident or health coverage, group-term life insurance coverage (whether or not subject to tax by reason of being in excess of the dollar limit on the exclusion for such insurance), and benefits under dependent care assistance programs may be provided through a cafeteria plan. The cafeteria plan exception from the principle of constructive receipt generally also applies for employment tax (FICA and FUTA) purposes.[33]

Long-term care insurance cannot be provided under a cafeteria plan.

Flexible spending arrangements

A flexible spending arrangement ("FSA") is a reimbursement account or other arrangement under which an employer pays or reimburses employees for medical expenses or certain other nontaxable employer-provided benefits, such as dependent care. An FSA may be part of a cafeteria plan and may be funded through salary reduction. FSAs may also be provided by an employer outside a cafeteria plan. FSAs are commonly used, for example, to reimburse employees for medical expenses not covered by insurance. Qualified long-term care services cannot be provided through an FSA.

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[29] The deduction only applies to health insurance that constitutes medical care; it does not apply to medical expenses. The deduction applies to self-insured arrangements (provided such arrangements constitute insurance, e.g., there is appropriate risk-shifting) and coverage under employer plans treated as insurance under section 104. Another provision of the bill provides a similar deduction for qualified long-term care insurance expenses.

[30] This rule is applied separately with respect to qualified long-term care insurance.

[31] Excludable employer contributions to a health flexible spending arrangement or medical savings account (including salary reduction contributions) are also considered amounts paid by the employer for health insurance that constitutes medical care. Salary reduction contributions are not considered to be amounts paid by the employee.

[32] This rule does not prevent individuals covered by the FEHBP from deducting premiums for health care continuation coverage, provided the requirements for the deduction are otherwise met.

[33] Elective contributions under a qualified cash or deferred arrangement that is part of a cafeteria plan are subject to employment taxes.

House Bill

Deduction for qualified long-term care insurance expenses

The provision provides an above-the-line deduction for a percentage of the amount paid during the year for long-term care insurance which constitutes medical care (as defined under sec. 213) for the taxpayer and his or her spouse and dependents.[34] The deductible percentage is: 25 percent in 2001, 2002, and 2003; 50 percent in 2004 and 2005; and 100 percent in 2006 and thereafter.

The deduction is not available to an individual for any month in which the individual is covered under an employer-sponsored health plan if at least 50 percent of the cost of the coverage is paid or incurred by the employer.[35] For purposes of this rule, any amounts excludable from the gross income of the employee with respect to qualified long-term care insurance are treated as paid or incurred by the employer. In determining whether the 50–percent threshold is met, all plans of the employer providing long-term care in which the employee participates are treated as a single plan. If the employer pays less than 50 percent of the cost of all long-term care plans in which the individual participates, the deduction is available only with respect to each plan with respect to which the employer pays for less than 50 percent of the cost. Cost is determined as under the health care continuation rules.

Long-term care insurance provided through a cafeteria plan

The provision authorizes the Secretary to prescribe rules necessary to carry out the provision, including appropriate reporting requirements for employers.

The provision provides that qualified long-term care insurance is a qualified benefit under a cafeteria plan. The provision also provides that qualified long-term care services can be provided under an FSA.[36]

Effective date

The provision is effective for taxable years beginning after December 31, 2000.

Senate Amendment

Deduction for qualified long-term care insurance expenses

The provision is the same as the House bill, with the following modification. Under the Senate amendment, the percentage deduction for qualified long-term care insurance expenses is as follows: 25 percent in 2001, 2002, and 2003; 50 percent in 2004 and 2005; and 100 percent in 2006 and thereafter.

Long-term care insurance provided through a cafeteria plan

The Senate amendment is the same as the House bill, with the modification that qualified long-term care insurance is treated as a qualified benefit under the cafeteria plan rules only to the extent that such insurance is treated as a medical expense under the itemized deduction for medical expenses (i.e., only to the extent of the premium limitations under sec. 213).

Effective date

The Senate amendment is the same as the House bill.

Conference Agreement

Deduction for qualified long-term care insurance expenses

The conference agreement follows the Senate amendment, with modifications to the deductible percentage.

As under the Senate amendment, the 50–percent rule is applied separately to health insurance and qualified long-term care insurance. For example, suppose an employee participates in a health insurance plan of the employer and that the employer pays for 100 percent of the cost of the coverage. The employee also participates in an employer-sponsored qualified long-term care insurance plan, and the employer pays for 10 percent of the cost of the qualified long-term care insurance. The employee pays for the remaining 90 percent of the long-term care insurance premium on an after-tax basis. The employee is not entitled to the deduction for health insurance expenses, but may deduct the 90 percent of the long-term care insurance premium she pays on an after-tax basis (subject to the premium limitations contained in section 213).

Long-term care insurance provided through a cafeteria plan

The conference agreement follows the Senate amendment. Under the conference agreement, as under the Senate amendment, the qualified long-term care insurance may only be offered under a cafeteria plan to the extent the cost of such insurance does not exceed the premium limitations contained in section 213.

Effective date

The provision is effective with respect to years beginning after December 31, 2001.

C. Extend Availability of Medical Savings Accounts (sec. 503 of the House bill and sec. 220 of the Code)

Present Law

In general

Within limits, contributions to a medical savings account ("MSA")[37] are deductible in determining AGI if made by an eligible individual and are excludable from gross income and wages for employment tax purposes if made by the employer of an eligible individual. Earnings on amounts in an MSA are not currently taxable. Distributions from an MSA for medical expenses are not taxable. Distributions not used for medical expenses are taxable. In addition, distributions not used for medical expenses are subject to an additional 15–percent tax unless the distribution is made after age 65, death, or disability.

Eligible individuals

MSAs are available to employees covered under an employer-sponsored high deductible plan of a small employer and self-employed individuals regardless of the size of the entity for which the individual performs services.[38] An employer is a small employer if it employed, on average, no more than 50 employees on business days during either the preceding or the second preceding year.

In order for an employee of a small employer to be eligible to make MSA contributions (or to have employer contributions made on his or her behalf), the employee must be covered under an employer-sponsored high deductible health plan (see the definition below) and must not be covered under any other health plan (other than a plan that provides certain permitted coverage, described below). In the case of an employee, contributions can be made to an MSA either by the individual or by the individual's employer. However, an individual is not eligible to make contributions to an MSA for a year if any employer contributions are made to an MSA on behalf of the individual for the year. Similarly, if the individual's spouse is covered under the high deductible plan covering such individual and the spouse's employer makes a contribution to an MSA for the spouse, the individual may not make MSA contributions for the year.

Similarly, in order to be eligible to make contributions to an MSA, a self-employed individual must be covered under a high deductible health plan and no other health plan (other than a plan that provides certain permitted coverage, described below). A self-employed individual is not an eligible individual (by reason of being self-employed) if the high deductible plan under which the individual is covered is established or maintained by an employer of the individual (or the individual's spouse).

An individual with other coverage in addition to a high deductible plan is still eligible for an MSA if such other coverage is certain permitted insurance or is coverage (whether provided through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care. Permitted insurance is: (1) Medicare supplemental insurance; (2) insurance if substantially all of the coverage provided under such insurance relates to (a) liabilities incurred under worker's compensation law, (b) tort liabilities, (c) liabilities relating to ownership or use of property (e.g., auto insurance), or (d) such other similar liabilities as the Secretary may prescribe by regulations; (3) insurance for a specified disease or illness; and (4) insurance that provides a fixed payment for hospitalization.

If a small employer with an MSA plan ceases to become a small employer (i.e., exceeds the 50–employee limit), then the employer (and its employees) can continue to establish and make contributions to MSAs (including contributions for new employees and employees that did not previously have an MSA) until the year following the first year in which the employer has more than 200 employees. After that, those employees who had an MSA (to which individual or employer contributions were made in any year) can continue to make contributions (or have contributions made on their behalf) even if the employer has more than 200 employees.

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[34] The deduction would only apply to insurance that constitutes medical care; it would not apply to long-term care insurance expenses. The deduction would apply to self-insured arrangements (provided such arrangements constitute insurance, e.g., there is appropriate risk- shifting) and coverage under employer plans treated as insurance under section 104. Another provision of the bill provides a similar deduction for health insurance expenses.

[35] This rule is applied separately with respect to health insurance.

[36] Excludable employer contributions to a flexible spending arrangement or a cafeteria plan for qualified long-term care insurance or services are considered an amount paid by the employer for long-term care insurance.

[37] In general, an MSA is a trust or custodial account created exclusively for the benefit of the account holder and is subject to rules similar to those applicable to individual retirement arrangements. The trustee of an MSA can be a bank, insurance company, or other person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with applicable requirements.

[38] Self-employed individuals include more than 2-percent shareholders of S corporations who are treated as partners for purposes of fringe benefit rules pursuant to section 1372.

Tax treatment of and limits on contributions

Individual contributions to an MSA are deductible (within limits) in determining adjusted gross income (i.e., "above the line"). In addition, employer contributions are excludable from gross income and wages for employment tax purposes (within the same limits), except that this exclusion does not apply to contributions made through a cafeteria plan. No deduction is allowed to any individual for MSA contributions if such individual is a dependent on another taxpayer's tax return.

In the case of a self-employed individual, the deduction cannot exceed the individual's earned income from the trade or business with respect to which the high deductible plan is established. In the case of an employee, the deduction cannot exceed the individual's compensation attributable to the employer sponsoring the high deductible plan in which the individual is enrolled.

The maximum annual contribution that can be made to an MSA for a year is 65 percent of the deductible under the high deductible plan in the case of individual coverage and 75 percent of the deductible in the case of family coverage.

Contributions for a year can be made until the due date for the individual's tax return for the year (determined without regard to extensions).

If an employer provides high deductible health plan coverage coupled with an MSA to employees and makes employer contributions to the MSAs during a calendar year, the employer must make available a comparable contribution on behalf of all employees with comparable coverage during the same coverage period in the calendar year. Contributions are considered comparable if they are either of the same dollar amount or the same percentage of the deductible under the high deductible plan. The comparability rule does not restrict contributions that can be made to an MSA by a self-employed individual.

If employer contributions do not comply with the comparability rule during a calendar year, then the employer is subject to an excise tax equal to 35 percent of the aggregate amount contributed by the employer to MSAs of the employer for the year. In the case of a failure to comply with the comparability rule which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed to the extent that the payment of the tax is excessive relative to the failure involved.

Definition of high deductible plan

A high deductible plan is a health plan with an annual deductible of at least $1,550 and no more than $2,300 in the case of individual coverage and at least $3,050 and no more than $4,600 in the case of family coverage. In addition, the maximum out-of-pocket expenses with respect to allowed costs (including the deductible) must be no more than $3,050 in the case of individual coverage and no more than $5,600 in the case of family coverage.[39] A plan does not fail to qualify as a high deductible plan merely because it does not have a deductible for preventive care as required by State law. A plan does not qualify as a high deductible health plan if substantially all of the coverage under the plan is for permitted coverage (as described above). In the case of a self-insured plan, the plan must in fact be insurance (e.g., there must be appropriate risk shifting) and not merely a reimbursement arrangement.

Tax treatment of MSAs

Earnings on amounts in an MSA are not currently includible in income.

Taxation of distributions

Distributions from an MSA for the medical expenses of the individual and his or her spouse or dependents generally are excludable from income.[40] However, in any year for which a contribution is made to an MSA, withdrawals from an MSA maintained by that individual generally are excludable from income only if the individual for whom the expenses were incurred was covered under a high deductible plan for the month in which the expenses were incurred.[41] This rule is designed to ensure that MSAs are in fact used in conjunction with a high deductible plan, and that they are not primarily used by other individuals who have health plans that are not high deductible plans.

For this purpose, medical expenses are defined as under the itemized deduction for medical expenses, except that medical expenses do not include expenses for insurance other than long-term care insurance, premiums for health care continuation coverage, and premiums for health care coverage while an individual is receiving unemployment compensation under Federal or State law.

Distributions that are not used for medical expenses are includible in income. Such distributions are also subject to an additional 15-percent tax unless made after age 65, death, or disability.

Cap on taxpayers utilizing MSAs

The number of taxpayers benefiting annually from an MSA contribution is limited to a threshold level (generally 750,000 taxpayers). If it is determined in a year that the threshold level has been exceeded (called a "cut-off" year) then, in general, for succeeding years during the 4-year pilot period 1997-2000, only those individuals who (1) made an MSA contribution or had an employer MSA contribution for the year or a preceding year (i.e., are active MSA participants) or (2) are employed by a participating employer, is eligible for an MSA contribution. In determining whether the threshold for any year has been exceeded, MSAs of individuals who were not covered under a health insurance plan for the six month period ending on the date on which coverage under a high deductible plan commences would not be taken into account.[42] However, if the threshold level is exceeded in a year, previously uninsured individuals is subject to the same restriction on contributions in succeeding years as other individuals. That is, they would not be eligible for an MSA contribution for a year following a cut-off year unless they are an active MSA participant (i.e., had an MSA contribution for the year or a preceding year) or are employed by a participating employer.

The number of MSAs established has not exceeded the threshold level.

End of MSA pilot program

After December 31, 2000, no new contributions may be made to MSAs except by or on behalf of individuals who previously had MSA contributions and employees who are employed by a participating employer. An employer is a participating employer if (1) the employer made any MSA contributions for any year to an MSA on behalf of employees or (2) at least 20 percent of the employees covered under a high deductible plan made MSA contributions of at least $100 in the year 2000.

Self-employed individuals who made contributions to an MSA during the period 1997-2000 also may continue to make contributions after 2000.

House Bill

Eligible individuals and cap on MSAs

The House bill expands availability of MSAs to include all employees covered under a high deductible plan of an employer. Self-employed individuals continue to be eligible to contribute to an MSA.

The House bill also eliminates the cap on the number of taxpayers that can benefit annually from MSA contributions.

Definition of high deductible plan and limits on contributions

The provision modifies the definition of a high deductible plan by decreasing the lower threshold for the annual deductible. Thus, under the provision, a high deductible plan means a plan with an annual deductible of at least $1,000 and not more than $2,300 (indexed) in the case of individual coverage and at least $2,000 and not more than $4,600 (indexed) in the case of family coverage. The limits on out-of-pocket expenses is the same as under present law.

The provision increases the amount of deductible (or excludable) contributions to an MSA to 100 percent of the deductible under the high deductible plan. The provision also allows an individual to make deductible contributions to an MSA even if the individual's employer also made contributions. The provision provides that MSAs may be offered as part of a cafeteria plan. The total contributions to MSAs on behalf on an individual for a year may not exceed 100 percent of the deductible under the high deductible plan.

End of MSA pilot program

The provision makes MSAs permanent.

Effective date

The provision is effective for taxable years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

D. Additional Personal Exemption for Caretakers (sec. 504 of the House bill, sec. 503 of the Senate amendment and sec. 151 of the Code)

Present Law

Present law does not provide an additional personal exemption based solely on the custodial care of parents or grandparents. However, taxpayers with dependent parents generally are able to claim a personal exemption for each of these dependents, if they satisfy five tests: (1) a member of household or relationship test; (2) a citizenship test; (3) a joint return test; (4) a gross income test; and (5) a support test. The taxpayer is also required to list each dependent's tax identification number (the "TIN") on the tax return.

The total amount of personal exemptions is subtracted (along with certain other items) from adjusted gross income ("AGI") in arriving at taxable income. The amount of each personal exemption is $2,750 for 1999, and is adjusted annually for inflation. For 1999, the total amount of the personal exemptions is phased out for taxpayers with AGI in excess of $126,600 for single taxpayers, $158,300 for heads of household, and $189,950 for married couples filing joint returns. For 1999, the point at which a taxpayer's personal exemptions are completely phased- out is $249,100 for single taxpayers, $280,800 for heads of households, and $312,450 for married couples filing joint returns.

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[39] These dollar amounts are for 1999. These amounts are indexed for inflation in $50 increments.

[40] This exclusion does not apply to expenses that are reimbursed by insurance or otherwise.

[41] The exclusion still applies to expenses for continuation coverage or coverage while the individual is receiving unemployment compensation, even if for an individual who is not an eligible individual.

[42] Permitted coverage, as described above, does not constitute coverage under a health insurance plan for this purpose.

House Bill

The House bill provides taxpayers who maintain a household including one or more "qualified persons" with an additional personal exemption for each qualified person.

A "qualified person "is an individual who: (1) satisfies a relationship test, (2) satisfies a residency test, (3) satisfies an identification test, and (4) has been certified as having long-term care needs. The individual satisfies the relationship test if the individual was the father or mother of: (a) the taxpayer, (b) the taxpayer's spouse, or (c) a former spouse of the taxpayer. A stepfather, stepmother, and ancestors of the father or mother are treated as a father or mother for these purposes.

An individual satisfies the residency test if the individual had the same principal place of abode as the taxpayer for the taxpayer's entire taxable year.

An individual satisfies the identification test if the individual's name and taxpayer identification number ("TIN") is included on the taxpayer's return for the taxable year.

In order to be a qualified individual, an individual must be certified before the due date of the return for the taxable year (without extensions) by a licensed physician as having long-term care needs for period which is at least 180 consecutive days and a portion of which occurs within the taxable year. The certification must be made no more than 39-1/2 months before the due date for the return (or within such other period as the Secretary has prescribed).

Under the provision, an individual has long-term care needs if the individual is unable to perform at least 2 activities of daily living ("ADLs") without substantial assistance from another individual, due to a loss of functional capacity. As with the present-law rules relating to long- term care, ADLs are: (1) eating; (2) toileting; (3) transferring; (4) bathing; (5) dressing; and (6) continence. Substantial assistance includes hands-on assistance (that is, the physical assistance of another person without which the individual is unable to perform the ADL) and stand-by assistance (that is, the presence of another person within arm's reach of the individual that is necessary to prevent, by physical intervention, injury to the individual when performing the ADL).

As an alternative to the 2–ADL test described above, an individual is considered to have long-term care needs if he or she (1) requires substantial supervision for at least 6 months to be protected from threats to health and safety due to severe cognitive impairment and (2) is unable for at least 6 months to perform at least one or more ADLs or to engage in age appropriate activities as determined under regulations prescribed by the Secretary of the Treasury in consultation with the Secretary of Health and Human Services.

The House bill provides that a taxpayer is treated as maintaining a household for any period only if over one-half of the cost of maintaining the household for such period is furnished by such taxpayer or, if such taxpayer is married, by such taxpayer and the taxpayer's spouse. The House bill also provides that taxpayers who are married at the end of the taxable year must file a joint return to receive the credit unless they lived apart from their respective spouse for the last six months of the taxable year and the individual claiming the credit (1) maintained as his or her home a household for the qualified person for the entire taxable year and (2) furnished over one-half of the cost of maintaining that household in that taxable year. Finally, the House bill provides that a taxpayer legally separated from his or her spouse under a decree of divorce or of separate maintenance will not be considered married for purposes of this provision.

Effective date.—The House bill provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

Same as House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

E. Expand Human Clinical Trials Expenses Qualifying for the Orphan Drug Tax Credit (sec. 505 of the House bill and sec. 45C of the Code)

Present Law

Taxpayers may claim a 50–percent credit for expenses related to human clinical testing of drugs for the treatment of certain rare diseases and conditions, generally those that afflict less than 200,000 persons in the United States. Qualifying expenses are those paid or incurred by the taxpayer after the date on which the drug is designated as a potential treatment for a rare disease or disorder by the Food and Drug Administration ("FDA") in accordance with the section 526 of the Federal Food, Drug, and Cosmetic Act.

House Bill

The House bill expands qualifying expenses to include those expenses related to human clinical testing incurred after the date on which the taxpayer files an application with the FDA for designation of the drug under section 526 of the Federal Food, Drug, and Cosmetic Act as a potential treatment for a rare disease or disorder. As under present law, the credit may only be claimed for such expenses related to drugs designated as a potential treatment for a rare disease or disorder by the FDA in accordance with section 526 of such Act.

Effective date.—The provision would be effective for expenditures paid or incurred after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

Effective date.—The provision would be effective for expenditures paid or incurred after December 31, 1999.

F. Add Certain Vaccines Against Streptococcus Pneumoniae to the List of Taxable Vaccines; Reduce Vaccine Excise Tax (sec. 506 of the House bill, sec. 504 of the Senate amendment and secs. 4131 and 4132 of the Code)

Present Law

A manufacturer's excise tax is imposed at the rate of 75 cents per dose (sec. 4131) on the following vaccines recommended for routine administration to children: diphtheria, pertussis, tetanus, measles, mumps, rubella, polio, HIB (haemophilus influenza type B), hepatitis B, varicella (chicken pox), and rotavirus gastroenteritis. The tax applied to any vaccine that is a combination of vaccine components equals 75 cents times the number of components in the combined vaccine.

Amounts equal to net revenues from this excise tax are deposited in the Vaccine Injury Compensation Trust Fund ("Vaccine Trust Fund") to finance compensation awards under the Federal Vaccine Injury Compensation Program for individuals who suffer certain injuries following administration of the taxable vaccines. This program provides a substitute Federal, "no fault" insurance system for the State-law tort and private liability insurance systems otherwise applicable to vaccine manufacturers and physicians. All persons immunized after September 30, 1988, with covered vaccines must pursue compensation under this Federal program before bringing civil tort actions under State law.

House Bill

The House bill adds any conjugate vaccine against streptococcus pneumoniae to the list of taxable vaccines.

In addition, the House bill directs the General Accounting Office ("GAO") to report to the House Committee on Ways and Means and the Senate Committee on Finance on the operation and management of expenditures from the Vaccine Trust Fund and to advise the Committees on the adequacy of the Vaccine Trust Fund to meet future claims under the Federal Vaccine Injury Compensation Program.

The GAO is directed to report its findings to the House Committee on Ways and Means and the Senate Committee on Finance not later than December 31, 1999.

Effective date.—The provision is effective for vaccine purchases beginning on the day after the date on which the Centers for Disease Control make final recommendation for routine administration of conjugated streptococcus pneumonia vaccines to children.

Senate Amendment

The Senate amendment is identical to the House bill in adding any conjugate vaccine against streptococcus pneumoniae to the list of taxable vaccines.

The Senate amendment also reduces the rate of tax applicable to all taxable vaccines from 75 cents per dose to 25 cents per dose for sales of vaccines after December 31, 2004.

The Senate amendment also changes the effective date enacted in Public Law 105-277 and certain other conforming amendments to expenditure purposes to enable certain payments to be made from the Trust Fund.

In addition, the Senate amendment is identical to the House bill in directing the General Accounting Office ("GAO") to report to the House Committee on Ways and Means and the Senate Committee on Finance on the operation and management of expenditures from the Vaccine Trust Fund and to advise the Committees on the adequacy of the Vaccine Trust Fund to meet future claims under the Federal Vaccine Injury Compensation Program, except that the GAO is directed to report its findings to the House Committee on Ways and Means and the Senate Committee on Finance within one year of the date of enactment.

Effective date.—The provision is effective for vaccine purchases beginning on the day after the date on which the Centers for Disease Control make final recommendation for routine administration of conjugated streptococcus pneumonia vaccines to children. The addition of conjugate streptococcus pneumoniae vaccines to the list of taxable vaccines is contingent upon the inclusion in this legislation of the modifications to Public Law 105–277.

The provision to reduce the rate of tax to 25 cents per dose would be effective for sales after December 31, 2004. No floor stocks refunds would be permitted for vaccines held on December 31, 2004. For the purpose of determining the amount of refund of tax on a vaccine returned to the manufacturer or importer, for vaccines returned after August 31, 2004 and before January 1, 2005, the amount of tax assumed to have been paid on the initial purchase of the returned vaccine is not to exceed $0.25 per dose. The reduction in the rate of tax is contingent upon the inclusion in this legislation of the modifications to Public Law 105–277.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment in adding any conjugate vaccine against streptococcus pneumoniae to the list of taxable vaccines. In addition, the conference agreement follows the House bill and the Senate amendment by changing the effective date enacted in Public Law 105–277 and certain other conforming amendments to expenditure purposes to enable certain payments to be made from the Trust Fund.

The conference agreement also reduces the rate of tax applicable to all taxable vaccines from 75 cents per dose to 50 cents per dose for sales of vaccines after December 31, 2004.

In addition, the conferees direct the General Accounting Office ("GAO") to report to the House Committee on Ways and Means and the Senate Committee on Finance on the operation and management of expenditures from the Vaccine Trust Fund and to advise the Committees on the adequacy of the Vaccine Trust Fund to meet future claims under the Federal Vaccine Injury Compensation Program.

Within its report, to the greatest extent possible, the conferees would like to see a thorough statistical report of the number of claims submitted annually, the number of claims settled annually, and the value of settlements. The conferees would like to learn about the statistical distribution of settlements, including the mean and median values of settlements, and the extent to which the value of settlements varies with an injury attributed to an identifiable vaccine. The conferees also would like to learn about the settlement process, including a statistical distribution of the amount of time required from the initial filing of a claim to a final resolution.

The Code provides that certain administrative expenses may be charged to the Vaccine Trust Fund. The conferees intend that the GAO report include an analysis of the overhead and administrative expenses charged to the Vaccine Trust Fund.

The conferees request that the GAO report its findings to the House Committee on Ways and Means and the Senate Committee on Finance not later than December 31, 1999.

Effective date.—The provision is effective for vaccine purchases beginning on the day after the date on which the Centers for Disease Control make final recommendation for routine administration of conjugated streptococcus pneumonia vaccines to children. No floor stocks tax is to be collected for amounts held for sale on that date. For sales on or before the date on which the Centers for Disease Control make final recommendation for routine administration of conjugate streptococcus pneumonia vaccines to children for which delivery is made after such date, the delivery date is deemed to be the sale date. The addition of conjugate streptococcus pneumoniae vaccines to the list of taxable vaccines is contingent upon the inclusion in this legislation of the modifications to Public Law 105–277.

The provision to reduce the rate of tax to 50 cents per dose would be effective for sales after December 31, 2004. No floor stocks refunds would be permitted for vaccines held on December 31, 2004. For the purpose of determining the amount of refund of tax on a vaccine returned to the manufacturer or importer, for vaccines returned after August 31, 2004 and before January 1, 2005, the amount of tax assumed to have been paid on the initial purchase of the returned vaccine is not to exceed $0.50 per dose.

G. Above-the-Line Deduction for Prescription Drug Insurance Coverage of Medicare Beneficiaries if Certain Medicare and Low-Income Assistance Provisions Are in Effect (sec. 507 of the House bill and sec. 213 of the Code)

Present Law

Individuals who itemize deductions may deduct their health insurance expenses, including the cost of prescription drugs, to the extent that the total medical expenses of the individual exceed 7.5 percent of adjusted gross income (sec. 213).

House Bill

The provision provides an above-the-line deduction for Medicare beneficiaries for prescription drug insurance. The deduction will take effect when (a) the Federal Government provides assistance for prescription drug coverage for low-income Medicare beneficiaries, (b) all policies supplemental to Medicare provide coverage for costs of prescription drugs, and (c) coverage for outpatient prescription drugs for Medicare beneficiaries is provided only through integrated comprehensive health plans which offer current Medicare covered services and maximum limitations on out-of-pocket spending and such comprehensive plans sponsored by the Health Care Financing Administration compete on the same basis as private plans.

Effective date.—The provision is effective for taxable years beginning after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill with modifications. The conference agreement modifies the contingency with respect to Medicare supplemental policies requiring all such policies to provide prescription drug coverage to require that at least one of the benefit packages authorized to be offered under a Medicare supplemental policy is a package which provides solely for the coverage of costs for prescription drugs. The conference agreement also includes an additional contingency in order for the above-the-line deduction contained in the House bill to take effect. Under the conference agreement, the above-the-line deduction is also contingent upon the enactment of a provision, included in the conference agreement effective for taxable years beginning after December 31, 2002, that provides that, in the case of individuals enrolled in Medicare, medical expenses for purposes of the itemized deduction for medical care includes formerly prescription drugs. Formerly prescription drugs are drugs that within the year of purchase or the two preceding taxable years were available by prescription only.

H. Credit for Employee Health Insurance Expenses of Small Employers (sec. 609 of the Senate amendment and new sec. 45E of the Code)

Present Law

Under present law, employee health insurance expenses paid by the employer are generally deductible as an ordinary and necessary business expense.

House Bill

No provision.

Senate Amendment

The Senate amendment allows small employers a credit for the amount paid by the employer during the taxable year with respect to health insurance expenses of qualified employees.[43] The credit is equal to 60 percent of such expenses in the case of self-only coverage of a qualified employee and 70 percent in the case of family coverage. The maximum amount that can be taken into account in determining the credit with respect to any qualified employee for a taxable year may not exceed $1,000 in the case of self-only coverage and $1,715 in the case of family coverage. No deduction is allowed with respect to expenses taken into account under the credit.

An employer is a small employer for a year if the employer employed an average of 9 or fewer employees on business days during either of the 2 preceding calendar years. A special rule applies in the case of employers that were not in business in the preceding calendar year.

A qualified employee is an employee of the employer receiving total wages at an annual rate of more than $5,000 and not more than $16,000. Beginning after 2001, the $16,000 limit is indexed for cost-of-living adjustments. An employee does not include self-employed individuals. Leased employees (with in the meaning of sec. 414(n) are treated as employees for purposes of the credit.

The credit is part of the general business credit.

Effective date.—The provision is effective for amounts paid or incurred in taxable years beginning after December 31, 2000.

Conference Agreement

The conference agreement does not include the Senate amendment.

VI. ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAX RELIEF PROVISIONS

A. Phase in Repeal of Estate, Gift, and Generation-Skipping Taxes (secs. 601–603, 611, and 621 of the House bill, secs. 701–702 of the Senate amendment, and secs. 2001–2704 of the Code)

Present Law

A gift tax is imposed on lifetime transfers and an estate tax is imposed on transfers at death. The gift tax and the estate tax are unified so that a single graduated rate schedule applies to cumulative taxable transfers made by a taxpayer during his or her lifetime and at death. The unified estate and gift tax rates begin at 18 percent on the first $10,000 in cumulative taxable transfers and reach 55 percent on cumulative taxable transfers over $3 million. In addition, a 5-percent surtax is imposed on taxable transfers at death between $10 million and the amount necessary to phase out the benefits of the graduated rates.

A unified credit is available with respect to taxable transfers by gift and at death. The unified credit amount effectively exempts from tax a total of $650,000 in 1999, $675,000 in 2000 and 2001, $700,000 in 2002 and 2003, $850,000 in 2004, $950,000 in 2005, and $1 million in 2006 and thereafter.

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[43] Salary reduction contributions are not treated as employer payments for purposes of the credit.

A generation-skipping transfer ("GST") tax generally is imposed on transfers, either directly or through a trust or similar arrangement, to a "skip person" (i.e., a beneficiary in a generation more than one generation below that of the transferor). Transfers subject to the GST tax include direct skips, taxable terminations, and taxable distributions. The GST tax is imposed at the top estate and gift tax rate (which, under present law, is 55 percent) on cumulative generation-skipping transfers in excess of $1 million (indexed beginning in 1999).

The basis of property acquired or passing from a decedent generally is its fair market value on the date of the decedent's death (or, if the alternative valuation date is elected, the earlier of six months after death or the date the property is sold or distributed by the estate). This step up (or step down) in basis eliminates the recognition of any income on the appreciation of the property that occurred prior to the decedent's death, and it has the effect of eliminating any tax benefit from any unrealized loss. The basis of property acquired by gift generally is the same as it was in the hands of the donor. However, if the donor's basis was greater than the fair market value of the property at the time of gift, then, for purposes of determining loss on the disposition of the property, the basis is its fair market value at the time of gift.

House Bill

The House bill repeals the 5-percent surtax (which phases out the benefit of the graduated rates), the unified credit is converted into a unified exemption, and the rates in excess of 53 percent are repealed beginning in 2001. In 2002, the rates in excess of 50 percent are repealed.

In 2003 through 2006, all estate and gift tax rates are reduced by 1 percentage point per year. In 2007, all estate and gift tax rates are reduced by 1.5 percentage points. In 2008, all estate and gift tax rates are reduced by 2 percentage points.

Beginning in 2009, the estate, gift, and GST taxes are repealed, and carryover basis applies for transfers from estates in excess of $2 million (the carryover basis regime is phased in for transfers from estates valued in excess of $1.3 million and not over $2 million). Transfers to surviving spouses will continue to receive a step up in basis.

Effective date.—The unified credit is replaced with a unified exemption, and the 5-percent surtax and rates in excess of 53 percent are repealed for estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2000. The rates in excess of 50 percent are repealed for estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2001.

All estate and gift tax rates are reduced by 1 percentage point for estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2002, but before January 1, 2007. All estate and gift tax rates are reduced by 1.5 percentage points for estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2006, but before January 1, 2008. All estate and gift tax rates are reduced by 2 percentage points for estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2008.

The estate, gift, and GST taxes are repealed and the carryover basis regime takes effect for estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2008.

Senate Amendment

The Senate amendment repeals the rates in excess of 53 percent beginning in 2001. Beginning in 2004, the 5-percent bubble (which phases out the benefits of the graduated rates) is repealed and the unified credit is converted into a unified exemption. Beginning in 2007, the unified exemption is increased from $1 million to $1.5 million.

Effective date.—The rates in excess of 53 percent are repealed and the unified credit is converted into a unified exemption, both for estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2003. The unified exemption is increased from $1 million to $1.5 million for estates of decedents dying and gifts made after December 31, 2006.

Conference Agreement

The conference agreement follows the House bill, with modifications. After the estate, gift, and GST taxes are repealed and the carryover basis regime takes effect, the first $3 million of transfers from decedents to surviving spouses will receive a step up in basis. Transfers to surviving spouses that are eligible for a step up in basis are not counted toward the transfers for which the carryover basis regime is phased in for estates valued in excess of $1.3 million and not over $2 million.

Effective date.—Same as the House bill.

B. Modify Generation-Skipping Transfer Tax Rules

1. Deemed allocation of the generation-skipping transfer ("GST") tax exemption to lifetime transfers to trusts that are not direct skips (sec. 631 of the House bill and sec. 2632 of the Code)

Present Law

A GST tax generally is imposed on transfers, either directly or through a trust or similar arrangement, to a "skip person" (i.e., a beneficiary in a generation more than one generation below that of the transferor). Transfers subject to the GST tax include direct skips, taxable terminations, and taxable distributions. An exemption of $1 million (indexed beginning in 1999) is provided for each person making generation-skipping transfers. The exemption may be allocated by a transferor (or his or her executor) to transferred property.

A direct skip is any transfer subject to estate or gift tax of an interest in property to a skip person. A skip person may be a natural person or certain trusts. All persons assigned to the second or more remote generation below the transferor are skip persons (e.g., grandchildren and great-grandchildren). Trusts are skip persons if (1) all interests in the trust are held by skip persons, or (2) no person holds an interest in the trust and at no time after the transfer may a distribution (including distributions and terminations) be made to a non-skip person.

A taxable termination is a termination (by death, lapse of time, release of power, or otherwise) of an interest in property held in trust unless, immediately after such termination, a non-skip person has an interest in the property, or unless at no time after the termination may a distribution (including a distribution upon termination) be made from the trust to a skip person. A taxable distribution is a distribution from a trust to a skip person (other than a taxable termination or direct skip).

The tax rate on generation-skipping transfers is a flat rate of tax equal to the maximum estate and gift tax rate in effect at the time of the transfer (55 percent under present law) multiplied by the "inclusion ratio." The inclusion ratio with respect to any property transferred in a GST indicates the amount of GST tax exemption allocated to a trust. The allocation of GST tax exemption reduces the 55-percent tax rate on a GST.

If an individual makes a direct skip during his or her lifetime, any unusued GST tax exemption is automatically allocated to the direct skip to the extent necessary to make the inclusion ratio for such property as low as possible. An individual may elect out of the automatic allocation for lifetime direct skips.

For lifetime transfers made to a trust that are not direct skips, the transferor must allocate GST tax exemption'the allocation is not automatic. If GST tax exemption is allocated on a timely-filed gift tax return, then the portion of the trust which is exempt from GST tax is based on the value of the property at the time of the transfer. If, however, the allocation is not made on a timely-filed gift tax return, then the portion of the trust which is exempt from GST tax is based on the value of the property at the time the allocation of GST tax exemption was made.

Treas. Reg. 26.2632-1(d) further provides that any unused GST tax exemption, which has not been allocated to transfers made during an individual's life, is automatically allocated on the due date for filing the decedent's estate tax return. Unused GST tax exemption is allocated pro rata on the basis of the value of the property as finally determined for estate tax purposes, first to direct skips treated as occurring at the transferor's death. The baalance, if any, of unused GST tax exemption is allocated pro rata on the basis of the estate tax value of the non-exempt portion of the trust property (or in the case of trusts that are not included in the gross estate, on the basis of the date of death value of the trust) to trusts with respect to which a taxable termination may occur or from which a taxable distribution may be made.

House Bill

Under the House bill, GST tax exemption is automatically allocated to transfers made during life that are "indirect skips." An indirect skip is any transfer of property (that is not a direct skip) subject to the gift tax that is made to a GST trust.

A GST trust is defined as a trust that could have a GST with respect to the transferor (e.g., a taxable termination or taxable distribution), unless:

the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons (a) before the date that the individual attains age 46, or (b) on or before 1 or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or (c) upon the occurrence of an event that, in accordance with regulations prescribed by the Treasury Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by 1 or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name of by class) who is more than 10 years older than such individuals;

the trust instrument provides that, if 1 or more individuals who are non-skip persons die on or before a date or event described in clause (1) or (2), more than 25 percent of the trust corpus either must be distributed to the estate or estates of 1 or more of such individuals or is subject to a general power of appointment exercisable by 1 or more of such individuals;

the trust is a trust any portion of which would be included in the gross estate of a non- skip person (other than the transferor) if such person died immediately after the transfer;

the trust is a charitable lead annuity trust or a charitable remainder annuity trust or a charitable unitrust; or

the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yeaerly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

If any individual makes an indirect skip during the individual's lifetime, then any unused portion of such individual's GST tax exemption is allocated to the property transferred to the extent necessary to produce the lowest possible inclusion ratio for such property.

An individual may elect not to have the automatic allocation rules apply to an indirect skip, and such elections will be deemed timely if filed on a timely-filed gift tax return for the calendar year in which the transfer was made or deemed to have bee made or on such later date or dates as may be prescribed by the Treasury Secretary. An individual may elect not to have the automatic allocation rules apply to any or all transfers made by such individual to a particular trust and may elect to treat any trust as a GST trust with respect to any or all transfers made by the individual to such trust, and such election may be made on a timely-filed gift tax return for the calendar year for which the election is to become effective.

Effective date.—The provision applies to transfers subject to estate or gift tax made after December 31, 1999, and to estate tax inclusion periods ending after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

2. Retroactive allocation of the GST tax exemption (sec. 631 of the House bill, sec. 731 of the Senate amendment, and sec. 2632 of the Code)

Present Law

A taxable termination is a termination (by death, lapse of time, release of power, or otherwise) of an interest in property held in trust unless, immediately after such termination, a non-skip person has an interest in the property, or unless at no time after the termination may a distribution (including a distribution upon termination) be made from the trust to a skip person. A taxable distribution is a distribution from a trust to a skip person (other than a taxable termination or direct skip). If a transferor allocates GST tax exemption to a trust prior to the taxable termination or taxable distribution, GST tax may be avoided.

A transferor likely will not allocate GST tax exemption to a trust that the transferor expects will benefit only non-skip persons. However, if a taxable termination occurs because, for example, the transferor's child unexpectedly dies such that the trust terminates in favor of the transferor's grandchild, and GST tax exemption had not been allocated to the trust, then GST tax would be due even if the transferor had unused GST tax exemption.

House Bill

Under the House bill, GST tax exemption may be allocated retroactively when there is an unnatural order of death. If a lineal descendant of the transferor predeceased the transferor, then the transferor may allocate any unused GST tax exemption to any previous transfer or transfers to the trust on a chronological basis. The provision allows a transferor to retroactively allocate GST tax exemption to a trust where a beneficiary (a) is a non-skip person, (b) is a lineal descendant of the transferor's grandparent or grandparent of the transferor's spouse, (c) is a generation younger than the generation of the transferor, and (d) dies before the transferor. Exemption is allocated under this rule retroactively, and the applicable fraction and inclusion ratio under this provision are determined based on the value of the property on the date that the property was transferred to the trust.

Effective date.—The provision applies to deaths of non-skip persons occurring after the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Severing of trusts holding property having an inclusion ratio of greater than zero (sec. 632 of the House bill, sec. 732 of the Senate amendment, and sec. 2642 of the Code)

Present Law

An exemption of $1 million (indexed beginning in 1999) is provided for each person making generation-skipping transfers. The exemption may be allocated by a transferor (or his or her executor) to transferred property.

If the value of transferred property exceeds the amount of the GST tax exemption allocated to that property, then the GST tax generally is determined by multiplying a flat tax rate equal to the highest estate tax rate (55 percent under present law) by the "inclusion ratio" and the value of the taxable property at the time of the taxable event. The "inclusion ratio" is the number one minus the "applicable fraction." The applicable fraction is a fraction calculated by dividing the amount of the GST tax exemption allocated to the property by the value of the property.

Under Treas. Reg. 26.2654–1(b), a trust may be severed into two or more trusts (e.g., one with an inclusion ratio of zero and one with an inclusion ratio of one) only if (1) the trust is severed according to a direction in the governing instrument or (2) the trust is severed pursuant to the trustee's discretionary powers, but only if certain other conditions are satisfied (e.g., the severance occurs or a reformation proceeding begins before the estate tax return is due). Under current Treasury regulations, however, a trustee cannot establish inclusion ratios of zero and one by severing a trust that is subject to the GST tax after the trust has been created.

House Bill

Under the House bill, a trust may be severed in a "qualified severance." A qualified severance is defined as the division of a single trust and the creation of two or more trusts if (1) the single trust was divided on a fractional basis, and (2) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust. If a trust has an inclusion ratio of greater than zero and less than one, a severance is a qualified severance only if the single trust is divided into two trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of one. Under the provision, a trustee may elect to sever a trust in a qualified severance at any time.

Effective date.—The provision is effective for severances of trusts occurring after the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

4. Modification of certain valuation rules (sec. 633 of the House bill, sec. 733 of the Senate amendment, and sec. 2642 of the Code)

Present Law

Under present law, the inclusion ratio is determined using gift tax values for allocations of GST tax exemption made on timely filed gift tax returns. The inclusion ratio generally is determined using estate tax values for allocations of GST tax exemption made to transfers at death. Treas. Reg. 26.2642-5(b) provides that, with respect to taxable terminations and taxable distributions, the inclusion ratio becomes final on the later of the period of assessment with respect to the first transfer using the inclusion ratio or the period for assessing the estate tax with respect to the transferor's estate.

House Bill

Under the House bill, in connection with timely and automatic allocations of GST tax exemption, the value of the property for purposes of determining the inclusion ratio shall be its finally determined gift tax value or estate tax value depending on the circumstances of the transfer. In the case of a GST tax exemption allocation deemed to be made at the conclusion of an estate tax inclusion period, the value for purposes of determining the inclusion ratio shall be its value at that time.

Effective date.—The provision is effective as though included in the amendments made by section 1431 of the Tax Reform Act of 1986.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

5. Relief from late elections (sec. 634 of the House bill, sec. 734 of the Senate amendment, and sec. 2642 of the Code)

Present Law

An election to allocate GST tax exemption to a specific transfer may be made at any time up to the time for filing the transferor's estate tax return. If an allocation is made on a gift tax return filed timely with respect to the transfer to a trust, then the value on the date of transfer to the trust is used for determining GST tax exemption allocation. However, if the allocation relating to a specific transfer is not made on a timely-filed gift tax return, then the value on the date of allocation must be used. There is no statutory provision allowing relief for an inadvertent failure to make an election on a timely-filed gift tax return to allocate GST tax exemption.

House Bill

Under the House bill, the Treasury Secretary is authorized and directed to grant extensions of time to make the election to allocate GST tax exemption and to grant exceptions to the time requirement. If such relief is granted, then the value on the date of transfer to a trust would be used for determining GST tax exemption allocation.

In determining whether to grant relief for late elections, the Treasury Secretary is directed to consider all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Treasury Secretary deems relevant. For purposes of determining whether to grant relief, the time for making the allocation (or election) is treated as if not expressly prescribed by statute.

Effective date.—The provision applies to requests pending on, or filed after, the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment. The conferees expect that the Treasury Secretary will issue regulations that will facilitate the liberal granting of relief under this provision.

6. Substantial compliance (sec. 634 of the House bill, sec. 734 of the Senate amendment, and sec. 2642 of the Code)

Present Law

Under present law, there is no statutory rule which provides that substantial compliance with the statutory and regulatory requirements for allocating GST tax exemption will suffice to establish that GST tax exemption was allocated to a particular transfer or trust.

House Bill

Under the House bill, substantial compliance with the statutory and regulatory requirements for allocating GST tax exemption will suffice to establish that GST tax exemption was allocated to a particular transfer or a particular trust. If a taxpayer demonstrates substantial compliance, then so much of the transferor's unused GST tax exemption will be allocated to the extent it produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances will be considered, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Treasury Secretary deems appropriate.

Effective date.—The substantial compliance provisions are effective on the date of enactment and apply to allocations made prior to such date for purposes of determining the tax consequences of generation-skipping transfers with respect to which the period of time for filing claims for refund has not expired.[44]

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

C. Expand Estate Tax Rule for Conservation Easements (sec. 711 of the Senate amendment and sec. 2031 of the Code)

Present Law

An executor may elect to exclude from the taxable estate 40 percent of the value of any land subject to a qualified conservation easement, up to a maximum exclusion of $100,000 in 1998, $200,000 in 1999, $300,000 in 2000, $400,000 in 2001, and $500,000 in 2002 and thereafter (sec. 2031(c)). The exclusion percentage is reduced by 2 percentage points for each percentage point (or fraction thereof) by which the value of the qualified conservation easement is less than 30 percent of the value of the land (determined without regard to the value of such easement and reduced by the value of any retained development right).

A qualified conservation easement is one that meets the following requirements: (1) the land is located within 25 miles of a metropolitan area (as defined by the Office of Management and Budget) or a national park or wilderness area, or within 10 miles of an Urban National Forest (as designated by the Forest Service of the U.S. Department of Agriculture); (2) the land has been owned by the decedent or a member of the decedent's family at all times during the three- year period ending on the date of the decedent's death; and (3) a qualified conservation contribution (within the meaning of sec. 170(h)) of a qualified real property interest (as generally defined in sec. 170(h)(2)(C)) was granted by the decedent or a member of his or her family. For purposes of the provision, preservation of a historically important land area or a certified historic structure does not qualify as a conservation purpose.

In order to qualify for the exclusion, a qualifying easement must have been granted by the decedent, a member of the decedent's family, the executor of the decedent's estate, or the trustee of a trust holding the land, no later than the date of the election. To the extent that the value of such land is excluded from the taxable estate, the basis of such land acquired at death is a carryover basis (i.e., the basis is not stepped-up to its fair market value at death). Property financed with acquisition indebtedness is eligible for this provision only to the extent of the net equity in the property. The exclusion from estate taxes does not extent to the value of any development rights retained by the decedent or donor.

House Bill

No provision.

Senate Amendment

The Senate amendment expands the availability of qualified conservation easements by modifying the distance requirements. Under the provision, the distance from which the land must be situated from a metropolitan area, national park, or wilderness area is increased from 25 to 50 miles, and the distance from which the land must be situated from an Urban National Forest is increased from 10 to 25 miles. The Senate amendment also clarifies that the date for determining easement compliance is the date on which the donation was made.

Effective date.—The provision that clarifies the date for determining easement compliance is effective for estates of decedents dying after December 31, 1997. The provisions that modify the distance rules are effective for estates of decedents dying after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

D. Increase Annual Gift Exclusion (sec. 721 of the Senate amendment)

Present Law

An annual exclusion of $10,000 of transfers of present interests in property is provided for each donee. If the non-donor spouse consents to split the gift with the donor spouse, then the annual exclusion is $20,000 for each donee. Unlimited transfers between spouses are permitted without imposition of a gift tax. In the case of gifts made after 1998, the $10,000 amount is increased by a cost-of-living adjustment.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, the annual gift exclusion for each donee is increased to $20,000 beginning in 2005.

Effective date.—The annual gift exclusion is increased to $20,000, for each donee, for gifts made after December 31, 2004.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

E. Increase Estate Tax Deduction for Family-Owned Business Interest (sec. 608 of the Senate amendment and sec. 2057 of the Code)

Present Law

An estate is permitted to deduct the adjusted value of the qualified "family-owned business interests" of the decedent, up to a total of $675,000. The deduction plus the unified credit exclusion amount may not exceed $1.3 million. If the deduction is taken, then the unified credit exclusion amount is $625,000; however, if the deduction is less than $675,000, then the unified credit is increased (but not above the unified credit that would apply without regard to the deduction) by the excess of $675,000 over the deduction allowed. (Code sec. 2057.)

A qualified family-owned business interest is defined as any interest in a trade or business (regardless of the form in which it is held) with a principal place of business in the United States if one family owns at least 50 percent of the trade or business, two families own 70 percent, or three families own 90 percent, as long as the decedent's family owns at least 30 percent of the trade or business. An interest in a trade or business does not qualify if any interest in the business (or a related entity) was publicly-traded at any time within three years of the decedent's death. An interest in a trade or business also does not qualify if more than 35 percent of the adjusted ordinary gross income of the business for the year of the decedent's death was personal holding company income (as defined in sec. 543). In the case of a trade or business that owns an interest in another trade or business (i.e., "tiered entities"), special look-through rules apply. The value of a trade or business qualifying as a family-owned business interest is reduced to the extent the business holds passive assets or excess cash or marketable securities.

To qualify for the deduction, the decedent (or a member of the decedent's family) must have owned and materially participated in the trade or business for at least 5 of the 8 years preceding the decedent's date of death.

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[44] No implication is intended with respect to the application of a rule of substantial compliance prior to enactment of this provision.

In addition, each qualified heir (or a member of the qualified heir's family) is required to actively participate in the trade or business for at least 10 years following the decedent's death.

The benefit of the deduction for qualified family-owned business interests is subject to recapture if, within 10 years of the decedent's death and before the qualified heir's death, one of the following "recapture events" occurs: (1) the qualified heir ceases to meet the material participation requirements; (2) the qualified heir disposes of any portion of his or her interest in the family-owned business, other than by a disposition to a member of the qualified heir's family or through a qualified conservation contribution; (3) the principal place of business of the trade or business ceases to be located in the United States; or (4) the qualified heir loses U.S. citizenship.

The portion of the reduction in estate taxes that is recaptured depends upon the number of years that the qualified heir (or members of the qualified heir's family) materially participated in the trade or business between the date of the decedent's death and the date of the recapture event. If the qualified heir (or his or her family members) materially participated in the trade or business after the decedent's death for less than six years, 100 percent of the reduction in estate taxes attributable to that heir's interest is recaptured; if the participation was for at least six years but less than seven years, 80 percent of the reduction in estate taxes is recaptured; if the participation was for at least seven years but less than eight years, 60 percent is recaptured; if the participation was for at least eight years but less than nine years, 40 percent is recaptured; and if the participation was for at least nine years but less than ten years, 20 percent of the reduction in estates taxes is recaptured. In general, there is no requirement that the qualified heir (or members of his or her family) continue to hold or participate in the trade or business more than 10 years after the decedent's death. As under section 2032A(c)(7)(A), however, the 10-year recapture period may be extended for a period of up to two years if the qualified heir does not begin to use the property for a period of up to two years after the decedent's death.

House Bill

No provision.

Senate Amendment

The Senate amendment increases the qualified "family-owned business interests" deduction from $675,000 to $1.975 million. The deduction plus the unified credit exclusion amount may not exceed $2.6 million.

Effective date.—The provision is effective for decedents dying after December 31, 2000.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

VII. DISTRESSED COMMUNITIES AND INDUSTRIES PROVISIONS

A. Renewal Community Provisions (secs. 701-706 of the House bill and secs. 51, 198, 4973, 4975, 6047, 6104, 6693, and new secs. 1400E-L of the Code)

Present Law

Pursuant to the Omnibus Budget Reconciliation Act of 1993 ("OBRA 1993"), the Secretaries of Housing and Urban Development ("HUD") and the Department of Agriculture designated a total of nine empowerment zones and 95 enterprise communities on December 21, 1994. Of the nine empowerment zones, six are in urban areas and three are in rural areas.[45]

In general, businesses located in these empowerment zones qualify for the following tax incentives: (1) a 20-percent wage credit for the first $15,000 of wages paid to a zone resident who works in the empowerment zone; (2) an additional $20,000 of section 179 expensing for certain property placed in service by an enterprise zone business; and (3) special tax-exempt financing for certain zone facilities. Businesses located in enterprise communities are eligible for the special tax-exempt financing benefits but not the other tax incentives available in the empowerment zones. The tax incentives for empowerment zones and enterprise communities generally remain in effect for ten years.

The Taxpayer Relief Act of 1997 ("1997 Act") authorized the designation of two new urban empowerment zones[46] and 20 additional empowerment zones. The new urban empowerment zones, whose designations take effect on January 1, 2000, are eligible for substantially the same tax incentives as the nine empowerment zones authorized by OBRA 1993 except that the wage credit is phased down beginning in 2005 and expires after 2007. Businesses in the 20 additional empowerment zones are not eligible for the wage credit (but are eligible to receive up to $20,000 of additional section 179 expensing and to utilize the special tax-exempt financing benefits).

House Bill

The House bill authorizes the designation of 20 "renewal communities" within which special tax incentives would be available. The following is a description of the designation process and the tax incentives that would be available within the renewal communities.

Designation process

Designation of 20 renewal communities.—The House bill authorizes the Secretary of HUD to designate up to 20 "renewal communities" from areas nominated by States and local governments. At least four of the designated communities must be in rural areas (defined as areas which are (1) within local government jurisdictions with a population less than 50,000, (2) outside of a metropolitan statistical area, or (3) determined by HUD to be a rural area). The Secretary of HUD would be required to publish (within four months after enactment) regulations describing the selection process; all designations of renewal communities would have to be made within 24 months after such regulations are published. The designation of an area as a renewal community terminates after December 31, 2007.[47]

Old empowerment zones and enterprise communities could seek additional designation as renewal communities.—The bill allows the previously designated empowerment zones and enterprise communities to apply for designation as renewal communities. Priority is given in the designation of the first ten renewal communities to nominated areas that are designated as empowerment zones or enterprise communities under present law and that otherwise meet the requirements for designation as a renewal community. If a previously designated empowerment zone or enterprise community is selected as one of the 20 renewal communities, then the area's designation as an empowerment zone or enterprise community remains in effect and the same area would also be designated as a renewal community. For such an area obtaining dual- designation status, the special tax incentives available for empowerment zones (or enterprise communities, as the case may be) *and* for renewal communities would be available.

Eligibility criteria.—To be designated as a renewal community, a nominated area must meet all of the following criteria: (1) each census tract has a poverty rate of at least 20 percent; (2) in the case of an urban area, at least 70 percent of the households have incomes below 80 percent of the median income of households within the local government jurisdiction; (3) the unemployment rate is at least 1.5 times the national unemployment rate; and (4) the area is one of pervasive poverty, unemployment, and general distress.

Except with respect to the designation of the first ten renewal communities when priority would be given to existing empowerment zones and enterprise communities (as described above), those areas with the highest average ranking of eligibility factors (1), (2), and (3) above would be designated as renewal communities. The Secretary of HUD shall take into account in selecting areas for designation the extent to which such areas have a high incidence of crime, as well as whether the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

There are *no* geographic size or maximum population limitations placed on the designated renewal communities. The provision merely requires that the boundary of a designated community be "continuous" and that the designated community have a minimum population of 4,000 if the community is located within a metropolitan statistical area (at least 1,000 in all other cases, or the community must be entirely within an Indian reservation).

Required State and local government course of action.—In order for an area to be designated as a renewal community, State and local governments are required to submit a written course of action that promises within the nominated area at least five of the following: (1) a reduction of tax rates or fees; (2) an increase in the level of efficiency of local services; (3) crime reduction strategies; (4) actions to remove or streamline governmental requirements; (5) involvement by private entities and community groups, such as to provide jobs and job training and financial assistance; (6) State or local income tax benefits for fees paid for services performed by a nongovernmental entity that were formerly performed by a government entity; and (7) the gift (or sale at below fair market value) of surplus realty by the State or local government to community organizations or private companies.

In addition, the bill requires that the nominating State and local governments promise to promote economic growth in the nominated area by repealing or not enforcing (1) licensing requirements for occupations that do not ordinarily require a professional degree, (2) zoning restrictions on home-based businesses which do not create a public nuisance, (3) permit requirements for street vendors who do not create a public nuisance, (4) zoning or other restrictions that impede the formation of schools or child care centers, and (5) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling, unless such regulations are necessary for and well-tailored to the protection of health and safety.

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[45] The six urban empowerment zones are located in New York City, Chicago, Atlanta, Detroit, Baltimore, and Philadelphia-Camden (New Jersey). The three rural empowerment zones are located in the Kentucky Highlands (Clinton, Jackson and Wayne counties, Kentucky), Mid- Delta Mississippi (Bolivar, Holmes, Humphreys, Leflore counties, Mississippi), and Rio Grande Valley Texas (Cameron, Hidalgo, Starr, and Willacy counties, Texas).

[46] The new urban empowerment zones are located in Los Angeles and Cleveland.

[47] The designation would terminate earlier than December 31, 2007, if (1) an earlier termination date is designated by the State or local government in their designation, or (2) the Secretary of HUD revokes the designation as of an earlier date.

Tax incentives for renewal communities

The following tax incentives generally would be available during the seven-year period beginning January 1, 2001, and ending December 31, 2007.

100-percent capital gain exclusion.—The bill provides for a 100 percent capital gains exclusion for capital gain from the sale of any qualified community asset acquired after December 31, 2000, and before January 1, 2008, and held for more than five years. A "qualified community asset" includes: (1) qualified community stock (meaning original-issue stock purchased for cash in a "renewal community business"); (2) a qualified community partnership interest (meaning a partnership interest acquired for cash in a renewal community business); and (3) qualified community business property (meaning tangible real and personal property used in a renewal community business if acquired (or substantially improved) by the taxpayer after December 31, 2000). A "renewal community business" is similar to the present-law definition of an enterprise zone business[48] except that 80 percent of the gross income must be derived from the conduct of a qualified business within a renewal community. Property continues to be a "qualified community asset" if sold (or otherwise transferred) to a subsequent purchaser, provided that the property continues to represent an interest in (or is tangible property used in) a renewal community business. The termination of an area's status as a renewal community does not affect whether property is a qualified community asset. Gain attributable to the period before January 1, 2001, and after December 31, 2007, is not eligible for the 100-percent exclusion.

Family development accounts.—The bill allow individuals to claim an above-the-line deduction for certain amounts paid in cash to a family development account ("FDA") established for the benefit of a "qualified individual," meaning an individual who both resides in a renewal community throughout the taxable year and was allowed to claim the earned income credit (EIC) during the preceding taxable year. A qualified individual may claim a deduction of up to $2,000 per year for amounts he or she contributes to his or her own FDA. Any other person may contribute amounts to one or more FDAs established for the benefit of a qualified individual and deduct up to $1,000 per qualified individual. Contributions to an FDA made on or before April 15th of the current taxable year could be treated as made during the preceding taxable year. The bill permits (but does not require) individuals to direct that the IRS directly deposit their EIC refunds into an FDA on behalf of such individual.

The bill provides that up to five of the renewal communities may be designated by the Secretary of HUD as "FDA matching demonstration areas," with respect to which HUD will, at the request of a qualified individual, match amounts contributed to FDAs, up to $1,000 per individual per taxable year (with a $2,000 lifetime cap). At least two of the FDA matching demonstration areas must be rural areas. The Secretary of HUD may designate renewal communities as FDA matching demonstration areas only during the 24-month period after such Secretary prescribes regulations regarding such areas. The matching grant amounts made under this demonstration program are excluded from the gross income of the account holder, and no deduction is allowed for matching grant amounts. The Treasury Secretary must provide notice to residents of FDA matching demonstration areas of the availability of matching contributions.

An FDA is exempt from taxation (other than UBIT imposed by present-law section 511). A distribution from an FDA is not included in the gross income of the distributee if it is a "qualified family development distribution." A qualified family development distribution is defined as a distribution from an FDA that is used exclusively to pay for (1) qualified higher educational expenses, (2) qualified first-time homebuyer expenses, (3) qualified business capitalization costs[49], or (4) qualified medical expenses. Such qualified expenses must be incurred on behalf of the FDA account holder, or the spouse or dependent of the account holder.

Distributions from an FDA that are not qualified family development distributions are included in gross income and subject to either a 100-percent additional tax (in the case of a distribution attributable to a demonstration matching contribution) or a 10-percent additional tax (in the case of any other distribution). The 100-percent and 10-percent additional taxes do not apply to distributions that are made on or after the account holder attains age 59½, dies, or becomes disabled. Any distribution from an FDA that is not a qualified family development distribution is deemed to have been made from demonstration matching contributions (thus subject to a 100-percent additional tax) until all such demonstration matching contributions have been withdrawn. This is to encourage account holders to use the amounts contributed to the FDA for qualified family development distributions or to save such amounts for retirement.

The bill permits tax-free rollovers of amounts in an FDA into another such account established for the benefit of an individual who (1) *both* resides in a renewal community throughout the taxable year and was allowed to claim the earned income credit during the preceding taxable year, and (2) either is the account holder or is a spouse or dependent of the account holder.

Commercial revitalization deduction.—The bill allows each State to allocate an amount of "commercial revitalization deductions" with respect to qualified revitalization expenditures incurred in connection with a qualified revitalization building. The commercial revitalization deduction is equal to (a) 50 percent of qualified revitalization expenditures for the taxable year in which a qualified revitalization building is placed in service or, at the election of the taxpayer, (b) a ten-percent deduction for qualified revitalization expenditures per year for a 10-year period beginning with the year in which the building is placed in service. A "qualified revitalization expenditure" means the cost (up to $10 million) of constructing or substantially rehabilitating a building used for commercial purposes in a designated renewal community, including certain land acquisition costs. A commercial revitalization deduction would be in lieu of any depreciation deduction otherwise allowable on account of such expenditure.

Each State would be allowed to allocate no more than $6 million worth of commercial revitalization deductions to each renewal community located within the State for each calendar year after 2000 and before 2008. The appropriate State agency would make the allocations pursuant to a qualified allocation plan. The qualified allocation plan would (1) set forth the selection criteria to be used to determine priorities as appropriate to local conditions; (2) consider how the building project would contribute to the renewal community and its residents, and (3) provide a procedure that the agency would follow to monitor compliance.

A qualified revitalization building must be located in a renewal community and placed in service after December 31, 2000, and before January 1, 2008.

Additional section 179 expensing.—A renewal community business is allowed an additional $35,000 of section 179 expensing for qualified renewal property placed in service after December 31, 2000, and before January 1, 2008. If a renewal community business is located in an area that is designated as *both* an empowerment zone and a renewal community, such business could be allowed an additional $55,000 of section 179 expensing (i.e., $20,000 of additional expensing because the area is designated an empowerment zone *plus* $35,000 of additional expensing because the area is designated a renewal community). The section 179 expensing allowed to a taxpayer is phased out by the amount by which 50 percent of the cost of qualified renewal property placed in service during the year by the taxpayer exceeds $200,000. The term qualified renewal property" is similar to "qualified zone property" under section 1397C.

Expensing of environmental remediation costs ("brownfields").—A renewal community is treated as a "targeted area" under section

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[48] An "enterprise zone business" is defined as a corporation or partnership (or proprietorship) if for the taxable year: (1) the sole trade or business of the corporation or partnership is the active conduct of a qualified business within an empowerment zone or enterprise community; (2) at least 50 percent of the total gross income is derived from the active conduct of a "qualified business" within a zone or community; (3) a substantial portion of the business' tangible property is used within a zone or community; (4) a substantial portion of the business' intangible property is used in the active conduct of such business; (5) a substantial portion of the services performed by employees are performed within a zone or community; (6) at least 35 percent of the employees are residents of the zone or community; and (7) less than five percent of the average of the aggregate unadjusted bases of the property owned by the business is attributable to (a) certain financial property, or (b) collectibles not held primarily for sale to customers in the ordinary course of an active trade or business (sec. 1397B).

A "qualified business" is defined as any trade or business other than a trade or business that consists predominantly of the development or holding of intangibles for sale or license. In addition, the leasing of real property that is located within the empowerment zone or community to others is treated as a qualified business only if (1) the leased property is not residential property, and (2) at least 50 percent of the gross rental income from the real property is from enterprise zone businesses. The rental of tangible personal property to others is not a qualified business unless at least 50 percent of the rental of such property is by enterprise zone businesses or by residents of an empowerment zone or enterprise community (sec. 1397B(d)).

[49] As is the case for enterprise zone businesses, a qualified business capitalization cost would not include expenditures incurred for the capitalization of any trade or business described in section 144(c)(6)(B) (*e.g.*, a country club, hot tub facility, or liquor store).

198 which permits expensing of certain environmental remediation costs. Thus, taxpayers can elect to treat certain environmental remediation expenditures that otherwise would be capitalized as deductible in the year paid or incurred. The expenditure must be incurred in connection with the abatement or control of environmental contaminants, as required by Federal and State law, at a trade or business site located within a designated renewal community. This provision applies to expenditures incurred after December 31, 2000, and before January 1, 2008.

Extension of work opportunity tax credit ("WOTC").—The provision makes two changes to the WOTC. Beginning in 2001, the provision expands the high-risk youth and qualified summer youth categories in the present-law WOTC to include qualified individuals who live in a renewal community. Second, in the event that the WOTC program were to expire and not be extended, the bill permits employers engaged in a trade or business in a renewal community to claim a tax credit with respect to individuals hired from one or more targeted groups that live and perform substantially all of their work in a renewal community. The tax credit equals 15 percent of the qualified first-year wages and 30 percent of the qualified second-year wages through December 31, 2007. No more than $10,000 of wages may be taken into account in each year. Qualified wages generally consist of wages paid or incurred during the period for which the WOTC is being calculated.

Targeted groups eligible for the tax credit include: (1) certain individuals certified by the designated local agency as being a member of a family receiving assistance under a IV-A program for any nine months during the 18-month period ending on the hiring date; (2) certain ex-felons having a hiring date within one year of release from prison or date of conviction; (3) individuals who are at least 18 but not 25 years of age and have a principal place of abode within an empowerment zone, enterprise community, or renewal community; (4) individuals who are at least 18 but not 25 years of age who are certified as being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for a period of at least six months ending on the hiring date; (5) individuals who have a physical or mental disability that constitutes a substantial handicap to employment and who have been referred to the employer while receiving, or after completing, vocational rehabilitation services; (6) individuals who are 16 or 17 years of age, perform services during any 90-day period between May 1 and September 15, and have a principal place of abode within an empowerment zone, enterprise community, or renewal community; (7) certain veterans who receive food stamps; and (8) recipients of certain Supplemental Security Income benefits.

HUD reports.—Not later than the close of the fourth calendar year after the year the Secretary of HUD first designates an area as a renewal community and every four years thereafter, the Secretary of HUD must report to Congress on the effects of such designation in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

Effective date

Although renewal communities would be designated within 24 months after publication of regulations by HUD, the tax benefits available in renewal communities are effective for the 7-year period beginning January 1, 2001, and ending December 31, 2007.

Senate Amendment

No provision.

Conference Agreement

The conference agreement generally follows the House bill with the following modifications. The conference agreement does not provide for the designation of the "FDA matching demonstration areas." In addition, the conference agreement does not include the provision requiring a report by the Secretary of HUD to Congress.

B. Provide That Federal Production Payments to Farmers Are Taxable in the Year Received (sec. 711 of the House bill)

Present Law

A taxpayer generally is required to include an item in income no later than the time of its actual or constructive receipt, unless such amount properly is accounted for in a different period under the taxpayer's method of accounting. If a taxpayer has an unrestricted right to demand the payment of an amount, the taxpayer is in constructive receipt of that amount whether or not the taxpayer makes the demand and actually receives the payment.

The Federal Agriculture Improvement and Reform Act of 1996 (the "FAIR Act") provides for production flexibility contracts between certain eligible owners and producers and the Secretary of Agriculture. These contracts generally cover crop years from 1996 through 2002. Annual payments are made under such contracts at specific times during the Federal government's fiscal year. Section 112(d)(2) of the FAIR Act provides that one-half of each annual payment is to be made on either December 15 or January 15 of the fiscal year, at the option of the recipient.[50] The remaining one-half of the annual payment must be made no later than September 30 of the fiscal year. The Emergency Farm Financial Relief Act of 1998 added section 112(d)(3) to the FAIR Act which provides that all payments for fiscal year 1999 are to be paid at such time or times during fiscal year 1999 as the recipient may specify. Thus, the one-half of the annual amount that would otherwise be required to be paid no later than September 30, 1999 can be specified for payment in calendar year 1998.

These options potentially would have resulted in the constructive receipt (and thus inclusion in income) of the payments to which they relate at the time they could have been exercised, whether or not they were in fact exercised. However, section 2012 of the Tax and Trade Relief Extension Act of 1998 provided that the time a production flexibility contract payment under the FAIR Act properly is includible in income is to be determined without regard to either option, effective for production flexibility contract payments made under the FAIR Act in taxable years ending after December 31, 1995.

House Bill

Any option to accelerate the receipt of any payment under a production flexibility contract which is payable under the FAIR Act, as in effect on the date of enactment of the provision, is to be disregarded in determining the taxable year in which such payment is properly included in gross income. Options to accelerate payments that are enacted in the future are covered by this rule, providing the payment to which they relate is mandated by the FAIR Act as in effect on the date of enactment of this Act.

The provision does not delay the inclusion of any amount in gross income beyond the taxable period in which the amount is received.

Effective date.—The provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

C. Allow Net Operating Losses from Oil and Gas Properties To Be Carried Back for Up to Five Years (sec. 721 of the House bill, sec. 1104 of the Senate amendment, and sec. 172 of the Code)

Present Law

A net operating loss ("NOL") generally is the amount by which business deductions of a taxpayer exceed business gross income. In general, an NOL may be carried back two years and carried forward 20 years to offset taxable income in such years. A carryback of an NOL results in the refund of Federal income tax for the carryback year. A carryforward of an NOL reduces Federal income tax for the carryforward year. Special NOL carryback rules apply to (1) casualty and theft losses of individual taxpayers, (2) Presidentially declared disasters for taxpayers engaged in a farming business or a small business, (3) real estate investment trusts, (4) specified liability losses, (5) excess interest losses, and (6) farm losses.

House Bill

The House bill provides a special five-year carryback for certain eligible oil and gas losses. The carryforward period remains 20 years. An "eligible oil and gas loss" is defined as the lesser of (1) the amount which would be the taxpayer's NOL for the taxable year if only income and deductions attributable to operating mineral interests in oil and gas wells were taken into account, or (2) the amount of such net operating loss for such taxable year. In calculating the amount of a taxpayer's NOL carrybacks, the portion of the NOL that is attributable to an eligible oil and gas loss is treated as a separate NOL and taken into account after the remaining portion of the NOL for the taxable year.

Effective date.—The provision applies to net operating losses arising in taxable years beginning after December 31, 1998.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

D. Deduction for Delay Rental Payments (sec. 722 of the House bill, sec. 1106 of the Senate amendment, and sec. 263A of the Code)

Present Law

Present law generally requires costs associated with inventory and property held for resale to be capitalized rather than currently deducted as they are incurred. (sec. 263). Oil and gas producers typically contract for mineral production in exchange for royalty payments. If mineral production is delayed, these contracts provide for "delay rental payments" as a condition of their extension. The Treasury Department has taken the position that the uniform capitalization rules of section 263A require delay rental payments to be capitalized.

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[50] This rule applies to fiscal years after 1996. For fiscal year 1996, this payment was to be made not later than 30 days after the production flexibility contract was entered into.

House Bill

The House bill allows delay rental payments to be deducted currently.

Effective date.—The provision applies to rental payments incurred in taxable years beginning after December 31, 1999.

No inference is intended from the prospective effective date of this provision as to the proper treatment of pre-effective date delay rental payments.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

E. Election to Expense Geological and Geophysical Expenditures (sec. 723 of the House bill, sec. 1105 of the Senate amendment, and sec. 263 of the Code)

Present Law

Under present law, current deductions are not allowed for any amount paid for new buildings or for permanent improvements or betterments made to increase the value of any property or estate (sec. 263(a)). Treasury Department regulations define capital amounts to include amounts paid or incurred (1) to add to the value, or substantially prolong the useful life, of property owned by the taxpayer or (2) to adapt property to a new or different use.[51]

The proper income tax treatment of geological and geophysical costs ("G&G costs") associated with oil and gas production has been the subject of a number of court decisions and administrative rulings. G&G costs are incurred by the taxpayer for the purpose of obtaining and accumulating data that will serve as a basis for the acquisition and retention of oil or gas properties by taxpayers exploring for the minerals. Courts have ruled that such costs are capital in nature and are not deductible as ordinary and necessary business expenses.

House Bill

The House bill allows geological and geophysical costs incurred in connection with oil and gas exploration in the United States to be deducted currently.

Effective date.—The provision is effective for G&G costs incurred in taxable years beginning after December 31, 1999.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

F. Temporary Suspension of Limitation Based on 65 Percent of Taxable Income (sec. 724 of the House bill and sec. 613 of the Code)

Present Law

Depletion, like depreciation, is a form of capital cost recovery. In both cases, the taxpayer is allowed a deduction in recognition of the fact that an asset—in the case of depletion for oil or gas interests, the mineral reserve itself—is being expended in order to produce income. Certain costs incurred prior to drilling an oil or gas property are recovered through the depletion deduction. These include costs of acquiring the lease or other interest in the property and geological and geophysical costs (in advance of actual drilling). Depletion is available to any person having an economic interest in a producing property.

Two methods of depletion currently are allowable under the Code: (1) the cost depletion method, and (2) the percentage depletion method (secs. 611–613). Under the cost depletion method, the taxpayer deducts that portion of the adjusted basis of the depletable property which is equal to the ratio of units sold from that property during the taxable year to the number of units remaining as of the end of taxable year plus the number of units sold during the taxable year. Thus, the amount recovered under cost depletion may never exceed the taxpayer's basis in the property.

Under the percentage depletion method, generally, 15 percent of the taxpayer's gross income from an oil- or gas-producing property is allowed as a deduction in each taxable year (sec. 613A(c)). The amount deducted generally may not exceed 100 percent of the net income from that property in any year (the "net-income limitation") (sec. 613(a)).[52] Additionally, the percentage depletion deduction for all oil and gas properties may not exceed 65 percent of the taxpayer's overall taxable income (determined before such deduction and adjusted for certain loss carrybacks and trust distributions) (sec. 613A(d)(1)).

House Bill

The limit on percentage depletion deductions to no more than 65 percent of the taxpayer's overall taxable income is suspended for taxable years beginning after December 31, 1998, and before January 1, 2005.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

G. Modify Small Refiner Limit for Eligibility for Percentage Depletion Deductions (sec. 725 of the House bill and sec. 613A of the Code)

Present Law

Present law classifies oil and gas producers as independent producers or integrated companies. The Code provides numerous different, and typically more generous, tax rules for operations by independent producers. One such rule allows independent producers to claim percentage depletion deductions rather than deducting the costs of their asset, a producing well, based on actual production from the well (i.e., cost depletion).

A producer is an independent producer only if its refining and retail operations are relatively small. For example, an independent producer may not have refining operations the runs from which exceed 50,000 barrels on any day in the taxable year during which independent producer status is claimed.

House Bill

The House bill changes the refinery limitation on claiming independent producer status from a limit based on actual daily production to a limit based on average daily production for the taxable year: the average daily refinery run for the taxable year may not exceed 50,000 barrels. For this purpose, the taxpayer shall calculate average daily production by dividing total production for the taxable year by the total number of days in the taxable year.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

H. Increase the Maximum Dollar Amount of Reforestation Expenditures Eligible for Amortization and Credit (sec. 731 of the House bill, sec. 1108 of the Senate amendment, and sec. 194 of the Code)

Present Law

Amortization of reforestation costs (sec. 194)

A taxpayer may elect to amortize up to $10,000 ($5,000 in the case of a separate return by a married individual) of qualifying reforestation expenditures incurred during the taxable year with respect to qualifying timber property. Amortization is taken over 84 months (7 years) and is subject to a mandatory half-year convention.[53] In the case of an individual, the amortization deduction is allowed in determining adjusted gross income (an above-the-line deduction) rather than as an itemized deduction. The amount eligible for amortization has not been increased since the election was added to the Code in 1980.[54]

Qualifying reforestation expenditures are the direct costs a taxpayer incurs in connection with the forestation or reforestation of a site by planting or seeding, and include costs for the preparation of the site, the cost of the seed or seedlings, and the cost of the labor and tools (including depreciation of long lived assets such as tractors and other machines) used in the reforestation activity. Qualifying reforestation expenditures do not include expenditures that would otherwise be deductible and do not include costs for which the taxpayer has been reimbursed under a governmental cost sharing program, unless the amount of the reimbursement is also included in the taxpayer's gross income.

Qualifying timber property includes any woodlot or other site that is located in the United States that will contain trees in significant commercial quantities and that is held by the taxpayer for the planting, cultivating, caring for, and cutting of trees for sale or use in the commercial production of timber products. The regulations require that the site consist of at least one acre that is devoted to such activities.[55] A taxpayer may hold qualifying timber property in fee or by lease. Where the property is held by one person for life with the remainder to another person, the life tenant is considered the owner of the property for this purpose.

Reforestation amortization is subject to recapture as ordinary income on sale of qualifying timber property within 10 years of the year in which the qualifying reforestation expenditures were incurred.[56]

Reforestation tax credit (sec. 48(b))

A tax credit is allowed equal to 10 percent of the reforestation expenditures incurred during the year that are properly elected to be amortized. An amount allowed as a credit is subject to recapture if the qualifying timber property to which the expenditure relates is disposed of within 5 years.

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[51] Treas. Reg. sec. 1.263(a)-(1)(b).

[52] The Taxpayer Relief Act of 1997 suspended the 100-percent net-income limitation for production from marginal wells for taxable years beginning after December, 31, 1997, and before January 1, 2000. This suspension is extended for an additional period, through December 31, 2004, in another section of the House bill and the Senate amendment.

[53] Under the half-year convention, all reforestation expenditures are considered to be incurred on the first day of the first month of the second half of the taxable year. Thus, an amortization deduction equal to 6/84 of the expenditures for the year is allowed in the first and eighth years and an amortization deduction equal to 1/7 (12/84) of such expenditures is allowed in the second through seventh years.

[54] Sec. 301(a) of the Multiemployer Pension Plan Amendments Act of 1980.

[55] Treas. Reg. sec. 1.194–3(a).

[56] Sec. 1245(b)(7); Treas. Reg. sec. 1.194–1(c).

House Bill

The provision increases the amount of reforestation expenditures eligible for 7-year amortization and the reforestation credit from $10,000 to $25,000 per taxable year (from $5,000 to $12,500 in the case of a separate return by a married individual).

For taxable years beginning in 2000 through 2003, the provision removes the limitation on the amount eligible for 7-year amortization.

Effective date.—The provision is effective for expenditures paid or incurred in taxable years beginning after December 31, 1998. Expenditures paid or incurred prior to the effective date would continue to be recovered under the rules of present law. For taxable years beginning in 1999 and after 2003, the amount of reforestation expenditures eligible for 7-year amortization and for the credit is limited to $25,000. For taxable years beginning in 2000 through 2003, the amount of reforestation expenditures eligible for the credit is limited to $25,000 and no limit would apply to the amount eligible for 7-year amortization.

Senate Amendment

The Senate amendment is generally the same as the House bill, except that the Senate amendment is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment, effective as provided in the Senate amendment. Accordingly, there is no change in the amount of reforestation expenditures eligible for amortization and the credit for taxable years beginning in 1999. For taxable years beginning in 2000 through 2003, the amount of reforestation expenditures eligible for the credit is limited to $25,000 and no limit applies to the amount eligible for 7-year amortization. For taxable years beginning after 2003, the amount of reforestation expenditures eligible for 7-year amortization and for the credit is limited to $25,000.

I. Capital Gains Treatment Under Section 631(b) to Apply to Outright Sales by Landowners (sec. 732 of the House bill, sec. 1136 of the Senate amendment, and sec. 631(b) of the Code)

Present Law

Gain on the cutting and sale of timber generally is eligible for capital gains treatment, provided the growing timber has been held for more than one year. If the taxpayer sells the timber at the time it is cut, the capital gain is measured as the difference between the sales price of the timber less cost of sales and any unrecovered costs of growing the timber.

If the taxpayer sells the timber prior to its being cut, a special rule allows the taxpayer to treat the sale as a capital gain, provided the taxpayer retains an economic interest in the timber and holds the timber for more than one year prior to the date of disposal. The date of disposal is deemed to be the date the timber is cut, unless the taxpayer receives payment for the timber prior to the date it is cut and elects to treat the date of payment as the date of disposal.

House Bill

In the case of a sale of timber by the owner of the land from which the timber is cut, the requirement that a taxpayer retain an economic interest in the timber in order to treat gains on sales prior to the time the timber is cut as capital gains does not apply. Outright sales of timber by the landowner will qualify for capital gains treatment in the same manner as sales with a retained economic interest qualify under present law. The provision does not modify the rule that deems the date of cutting to be the date of disposition. Thus, unless the taxpayer receives payment prior to the date of cutting and elects to treat that date as the date of disposition, the date of sale will be the date of cutting whether or not an economic interest is retained.

Effective date.—The provision is effective for sales of timber after the date of enactment. A sale will not be considered to occur after the date of enactment if the taxpayer conveys its interest in the timber on or before the date of enactment, even if the deemed date of disposition is after the date of enactment.

Senate Amendment

Same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

J. Minimum Tax Relief for the Steel Industry (sec. 741 of the House bill and sec. 53 of the Code)

Present Law

A corporate taxpayer receives a minimum tax credit for any year in which it pays alternative minimum tax. The alternative minimum tax is the excess of tentative minimum tax over regular tax[57] and generally represents the additional tax a corporate taxpayer is required to pay in any year as a result of the alternative minimum tax system. The minimum tax credit may be used in future years to the extent regular tax exceeds tentative minimum tax. The minimum tax credit may not be used to reduce liability below tentative minimum tax. The credit may be carried forward indefinitely.

For example, a corporate taxpayer has $1,000 of minimum tax credits available in a year in which its regular tax is $200 and its tentative minimum tax is $100. The taxpayer may use $100 of its minimum tax credits (the excess of regular tax over tentative minimum tax) to reduce its current liability to $100. The taxpayer would then have $900 of minimum tax credits available in the following year.

If instead the corporate taxpayer had regular tax of $100 and tentative minimum tax of $200, it would not be allowed to use any of its minimum tax credits because there is no excess of regular tax over tentative minimum tax. The taxpayer would have a current liability of $200 ($100 of regular tax and $100 of alternative minimum tax) and would generate an additional $100 of minimum tax credits, giving it minimum tax credits of $1100 available for the following year.

House Bill

The provision allows minimum tax credits to offset 90 percent of tentative minimum tax[58] in the case of a steel company, in addition to any excess of regular tax over tentative minimum tax. The benefit of the provision is limited to amounts that are attributable to the trade or business of manufacturing steel within the United States for sale to customers. The rules regarding the determination of minimum tax credits are not changed. The Secretary is authorized to issue regulations to insure that the benefit of the provision is limited to steel companies.

For example, under the provision, a company that has exclusively engaged in the trade or business of manufacturing steel within the United States for sale to customers has $1,000 of minimum tax credits available in a year in which its regular tax is $200 and its tentative minimum tax is $100. The taxpayer may use minimum tax credits of $100 (the excess of its regular tax over its tentative minimum tax) plus $90 (90 percent of its tentative minimum tax), for a total of $190, to reduce its current liability to $10. The taxpayer would then have $810 of minimum tax credits available in the following year.

If instead the steel company had regular tax of $100 and tentative minimum tax of $200, it would be allowed to use $180 (90 percent of its tentative minimum tax) of its minimum tax credits to reduce its current liability to $20. The net effect on its minimum tax credits would be a reduction of $80[59], giving it minimum tax credits of $920 available for the following year.

Effective date.—The provision is effective for taxable years beginning after December 31, 1998.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

VIII. SMALL BUSINESS TAX RELIEF PROVISIONS

A. Accelerate 100-Percent Self-Employed Health Insurance Deduction (sec. 801 of the House bill, sec. 601 of the Senate amendment, and sec. 162(l) of the Code)

Present Law

Under present law, the tax treatment of health insurance expenses depends on the individual's circumstances. Self-employed individuals may deduct a portion of health insurance expenses for the individual and his or her spouse and dependents. The deductible percentage of health insurance expenses of a self-employed individual is 60 percent in 1999 through 2001, 70 percent in 2002, and 100 percent in 2003 and thereafter. The deduction for health insurance expenses of self-employed individuals is not available for any month in which the taxpayer is eligible to participate in a subsidized health plan maintained by the employer of the taxpayer or the taxpayer's spouse.

The self-employed health deduction also applies to qualified long-term care insurance premiums treated as medical care for purposes of the itemized deduction for medical expenses.

House Bill

Beginning in 2000, the House bill increases the deduction for health insurance expenses (and qualified long-term care insurance expenses) of self-employed individuals to 100 percent.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

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[57] For this purpose, tentative minimum tax is determined net of alternative minimum tax foreign tax credits and regular tax is determined net of regular tax foreign tax credits.

[58] Determined net of the alternative minimum tax foreign tax credit.

[59] The determination of minimum tax credits available in the following year is a multiple step process, involving an increase in the stock of minimum tax credits by the amount that tentative minimum tax exceeds regular tax ($100), combined with a reduction by the amount used ($180), for a net reduction of $80.

Senate Amendment

The Senate amendment is the same as the House bill, except that the Senate amendment also provides that the self-employed health deduction is not available for any month in which the taxpayer participates in any subsidized health plan maintained by any employer of the taxpayer or the taxpayer's spouse.

Effective date.—Same as the House bill.

Conference Agreement

The conference agreement follows the Senate amendment. Under the conference agreement, as under the Senate amendment, the self-employed health deduction is not available for any month in which the taxpayer participates in any subsidized health plan maintained by any employer of the taxpayer or the taxpayer's spouse. Thus, for example, suppose that A is a sole proprietor and that A and his spouse, S, are eligible to participate in the health plan sponsored by S's employer, but decline to participate. A and S are entitled to the self-employed health deduction.

Effective date.—Taxable years beginning after December 31, 1999.

B. Increase Section 179 Expensing (sec. 802 of the House bill, sec. 602 of the Senate amendment, and sec. 179 of the Code)

Present Law

Present law provides that, in lieu of depreciation, a taxpayer with a sufficiently small amount of annual investment may elect to deduct up to $19,000 (for taxable years beginning in 1999) of the cost of qualifying property placed in service for the taxable year (sec. 179). In general, qualifying property is defined as depreciable tangible personal property that is purchased for use in the active conduct of a trade or business. The $19,000 amount is reduced (but not below zero) by the amount by which the cost of qualifying property placed in service during the taxable year exceeds $200,000. In addition, the amount eligible to be expensed for a taxable year may not exceed the taxable income for a taxable year that is derived from the active conduct of a trade or business (determined without regard to this provision). Any amount that is not allowed as a deduction because of the taxable income limitation may be carried forward to succeeding taxable years (subject to similar limitations).

The $19,000 amount is increased to $25,000 for taxable years beginning in 2003 and thereafter. The increase is phased in as follows: for taxable years beginning in 2000, the amount is $20,000; for taxable years beginning in 2001 or 2002, the amount is $24,000; and for taxable years beginning in 2003 and thereafter, the amount is $25,000.

House Bill

The House bill provides that the maximum dollar amount that may be deducted under section 179 is increased to $30,000 for taxable years beginning in 2000 and thereafter, without the present-law phase-in rule.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

Same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

C. Repeal of Temporary Federal Unemployment Surtax (sec. 803 of the House bill, sec. 603 of the Senate amendment and sec. 3301 of the Code)

Present Law

The Federal Unemployment Tax Act ("FUTA") imposes a 6.2-percent gross tax rate on the first $7,000 paid annually by covered employers to each employee. Employers in States with programs approved by the Federal Government and with no delinquent Federal loans may credit 5.4-percentage points against the 6.2-percent tax rate, making the minimum, net Federal unemployment tax rate 0.8 percent. Since all States currently have approved programs, 0.8 percent is the Federal tax rate that generally applies. This Federal revenue finances administration of the unemployment system, half of the Federal-State extended benefits program, and a Federal account for State loans. The States use the revenue turned back to them by the 5.4-percent credit to finance their regular State programs and half of the Federal-State extended benefits program.

In 1976, Congress passed a temporary surtax of 0.2 percent of taxable wages to be added to the permanent FUTA tax rate. Thus, the current 0.8-percent FUTA tax rate has two components: a permanent tax rate of 0.6 percent, and a temporary surtax rate of 0.2 percent. The temporary surtax subsequently has been extended through 2007.

House Bill

The House bill repeals the temporary FUTA surtax after December 31, 2004.

Effective date.—The House bill provision is effective for labor performed on or after January 1, 2005.

Senate Amendment

Same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

D. Farmer and Fisherman Income Averaging (sec. 604 of the Senate amendment and secs. 55(c) and 1301 of the Code)

Present Law

An individual taxpayer may elect to compute his or her current year tax liability by averaging, over the prior three-year period, all or portion of his or her taxable income from the trade or business of farming. The averaging election is not coordinated with the alternative minimum tax. Thus, some farmers may become subject to the alternative minimum tax solely as a result of the averaging election.

House Bill

No provision.

Senate Amendment

The election to average income is extended to cover income from the trade or business of fishing as well as farming. For this purpose, the trade or business of fishing is the conduct of commercial fishing as defined in Section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) and includes the trade or business of catching, taking or harvesting fish that are intended to enter commerce through sale, barter or trade.

The provision coordinates farmers' and fishermen's income averaging with the alternative minimum tax. A farmer of fisherman electing to average his or her farm income will owe alternative minimum tax only to the extent he or she would have owed alternative minimum tax had averaging not been elected. This is achieved by excluding the impact of the election to average farm income from the calculation of both regular tax and tentative minimum tax, solely for the purpose of determining alternative minimum tax.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

E. Farm, Fish and Ranch Risk Management Accounts (sec. 605 of the Senate amendment and secs. 468C and 4973 of the Code)

Present Law

There is no provision in present law allowing the elective deferral of farm or fishing income.

House Bill

No provision.

Senate Amendment

The bill allows taxpayers engaged in an eligible business to establish Farm, Fish and Ranch Risk Management (FFARRM) accounts. An eligible business is any trade or business of farming in which the taxpayer actively participates, including the operation of a nursery or sod farm or the raising or harvesting of crop-bearing or ornamental trees[60]. An eligible business is also the trade or business of commercial fishing as that term is defined under section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) and includes the trade or business of catching, taking or harvesting fish that are intended to enter commerce through sale, barter or trade.

Contributions to a FFARRM account are deductible and are limited to 20 percent of the taxable income that is attributable to the eligible business. The deduction is to be taken into account in determining adjusted gross income and will reduce income attributable to the eligible business for all income tax purposes other than the determination of the 20 percent of eligible income limitation on contributions to a FFARRM account. Contributions will be deemed to have been made on the last day of the taxable year if made on or before the due date (without regard to extensions) of the taxpayer's return for that year.

A FFARRM account is taxed as a grantor trust and any earnings are required to be distributed currently. Thus, any income earned in the FFARRM account is taxed currently to the farmer or fisherman who established the account.

Contributions to a FFARRM account do not reduce earnings from self-employment. Accordingly, distributions are not included in self-employment income.

Amounts may remain on deposit in a FFARRM account for up to five years. Any amount that has not been distributed by the close of the fourth year following the year of deposit is deemed to be distributed and includible in the gross income of the account owner. Distributions for the year are considered to first be made from the earnings that are required to be distributed. Additional amounts distributed for the year are considered to be made from the oldest deposits.

Distributions from a FFARRM account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations enforcing this restriction.

A FFARRM account may not be maintained by a taxpayer who has ceased to engage in an eligible business. If the taxpayer does not engage in an eligible business during two consecutive taxable years, the balance in the FFARRM account is deemed to be distributed to the taxpayer on the last day of such two year period.

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[60] An evergreen tree that is more than 6 years old when severed from the roots (and thus eligible for captial gains treatment on cutting) is not considered an ornamental tree for this purpose.

If the taxpayer who established the FFARRM account dies, and the taxpayer's surviving spouse acquires the taxpayer's interest in the FFARRM account by reason of being designated as the beneficiary of the account at the death of the taxpayer, the surviving spouse will "step into the shoes" of the deceased taxpayer with respect to the FFARRM account. In other cases, the account will cease to be a FFARRM account on the date of the taxpayer's death and the balance in the account will be deemed distributed to the taxpayer on the date of death.

A FFARRM account is a trust that is created or organized in the United States for the exclusive benefit of the taxpayer who establishes it. The trustee must be a bank or other person who demonstrates to the satisfaction of the Secretary that it will administer the trust in a manner consistent with the requirements of the section. At all times, the assets of the trust must consist entirely of cash and obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such adequate interest not less often than annually. The trust must distribute all income currently, and its assets may not be commingled except in a common trust fund or common investment fund. Additional protections, including rules preventing the trust from engaging in prohibited transactions or from being pledged as security for a loan, are provided.

Penalties apply in the case of excess contributions and failures to make required distributions.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment.

F. S Corporation Bank Provisions

1. Definition of passive investment income for banks (sec. 606 of the Senate amendment and sec. 1362 of the Code)

Present Law

An S corporation is subject to corporate-level tax, at the highest marginal corporate tax rate, on its net passive income if the corporation has (1) accumulated earnings and profits[61] at the close of the taxable year and (2) gross receipts more than 25 percent of which are passive investment income. In addition, an S corporation election is terminated whenever the corporation has accumulated C earnings and profits at the close of three consecutive taxable years and has gross receipts for each of such years more than 25 percent of which are passive investment income.

For these purposes, "passive investment income" generally means gross receipts derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities (to the extent of gains).

Treasury regulations provide that passive income does not include gross receipts directly derived in the ordinary course of a trade or business of lending or financing.[62] The Internal Revenue Service has ruled that income earned by an S corporation on specified banking assets will be treated as gross receipts directly derived from the active and regular conduct of a banking business.[63]

House Bill

No provision.

Senate Amendment

The Senate amendment provides that, for purposes of applying the passive income test to a bank or a bank holding company, interest income and dividends received on assets required to conduct a banking business are not to be treated as passive income.

Effective date.—The provision applies to taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Bank director stock (sec. 607 of the Senate amendment and sec. 1361 of the Code)

Present Law

The taxable income or loss of an S corporation is taken into account by the corporation's shareholders, rather than by the entity, whether or not such income is distributed. A small business corporation may elect to be treated as an S corporation. A "small business corporation" generally is defined as a domestic corporation which does not have (1) more than 75 shareholders; (2) a shareholder (other than certain trusts, estates, and tax-exempt organizations) who is not an individual; (3) a nonresident alien as a shareholder; and (4) more than one class of stock.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, qualifying director shares is not treated as a second class of stock. Instead, payments on the stock are deductible by the corporation and includible in income of the holder of the stock. No allocations of income or loss are made with respect to the stock. Qualifying director shares are shares of stock in a bank or bank holding company that are held by an individual solely by reason of being a director and which are subject to an agreement to dispose of the shares upon termination of director status at the price paid to acquire the shares.

Effective date.—The provision applies to taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

IX. INTERNATIONAL TAX RELIEF PROVISIONS

A. Allocate Interest Expense on Worldwide Basis (sec. 901 of the House bill, sec. 901 of the Senate amendment, and sec. 864 of the Code)

Present Law

In general

In order to compute the foreign tax credit limitation, a taxpayer must determine the amount of taxable income from foreign sources. Thus, the taxpayer must allocate and apportion deductions between items of U.S.-source gross income, on the one hand, and items of foreign- source gross income, on the other. Generally, it is left to the Treasury to provide detailed rules for the allocation and apportionment of expenses.

In the case of interest expense, regulations generally are based on the approach that money is fungible and that interest expense is properly attributable to all business activities and property of a taxpayer, regardless of any specific purpose for incurring an obligation on which interest is paid. (Exceptions to the fungibility concept are recognized or required, however, in particular cases, some of which are described below.) The Code provides that for interest allocation purposes all members of an affiliated group of corporations generally are to be treated as a single corporation (the so-called "one-taxpayer rule"), and that allocation must be made on the basis of assets rather than gross income.

Affiliated group

In general

The term "affiliated group" in this context generally is defined by reference to the rules for determining whether corporations are eligible to file consolidated returns. However, some groups of corporations are eligible to file consolidated returns yet are not treated as affiliated for interest allocation purposes, and other groups of corporations are treated as affiliated for interest allocation purposes even though they are not eligible to file consolidated returns. Thus, under the one-taxpayer rule, the factors affecting the allocation of interest expense of one corporation may affect the sourcing of taxable income of another, related corporation even if the two corporations do not elect to file, or are ineligible to file, consolidated returns. (See, e.g., Treas. Reg. sec. 1.861-11T(g).)

Definition of affiliated group—consolidated return rules

For consolidation purposes, the term "affiliated group" means one or more chains of includible corporations connected through stock ownership with a common parent corporation which is an includible corporation, but only if the common parent owns directly at least 80 percent of the total voting power of all classes of stock and at least 80 percent of the total value of all outstanding stock of at least one other includible corporation. In addition, for each such other includible corporation (except the common parent), stock possessing at least 80 percent of the total voting power of all classes of its stock and at least 80 percent of the total value of all of its outstanding stock must be directly owned by one or more other includible corporations.

Generally the term "includible corporation" means any domestic corporation except certain corporations exempt from tax under section 501 (for example, corporations organized and operated exclusively for charitable or educational purposes), certain life insurance companies, corporations electing application of the possession tax credit, regulated investment companies, real estate investment trusts, and domestic international sales corporations. A foreign corporation generally is not an includible corporation.

Definition of affiliated group—special interest allocation rules

Subject to exceptions, the consolidated return and interest allocation definitions of affiliation generally are consistent with each other.[64] For example, both definitions exclude all foreign corporations from the affiliated group. Thus, while debt generally is considered fungible among the assets of a group of domestic affiliated corporations, the same rule does not apply as between the domestic and foreign members of a group with the same degree of common control as the domestic affiliated group.

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[61] An S corporation generally will have accumulated corporation earnings and profits if it had been a C corporation prior to electing to be an S corporation.

[62] Treas. Regulation sec. 1-1362-2(c)(5)(iii)(B).

[63] Notice 97-5, 1997-1 C. B. 352 (January 13, 1997).

[64] One such exception is that the affiliated group for interest allocation purposes includes section 936 corporations that are excluded from the consolidated group.

Banks, savings institutions and other financial affiliates

The affiliated group for interest allocation purposes generally excludes what are referred to in the regulations as "financial corporations" (Treas. Reg. sec. 1.861–11T(d)(4)). These include any corporation, otherwise a member of the affiliated group for consolidation purposes, that is a financial institution (described in section 581 or section 591), the business of which is predominantly with persons other than related persons or their customers, and which is required by State or Federal law to be operated separately from any other entity which is not a financial institution (sec. 864(e)(5)(C)). The category of financial corporations also includes, to the extent provided in regulations, bank holding companies, subsidiaries of banks and bank holding companies, and savings institutions predominantly engaged in the active conduct of a banking, financing, or similar business (sec. 864(e)(5)(D)).

A financial corporation is not treated as a member of the regular affiliated group for purposes of applying the one-taxpayer rule to other nonfinancial members of that group. Instead, all such financial corporations that would be so affiliated are treated as a separate single corporation for interest allocation purposes.

House Bill

Worldwide affiliated group election

The House bill modifies the present-law interest expense allocation rules (which generally apply for purposes of computing the foreign tax credit limitations) by providing a one- time election under which the taxable income of the domestic members of an affiliated group from sources outside the United States generally would be determined by allocating and apportioning interest expense of the domestic members of a worldwide affiliated group on a worldwide-group basis. The election provides taxpayers with the option either to apply fungibility principles on a worldwide basis or to continue to apply present law.

Under the House bill, the common parent of an affiliated group can make a one-time election to apply the present-law interest expense allocation and apportionment rules under section 864(e) by allocating and apportioning interest expense of the domestic members of the worldwide affiliated group on a worldwide-group basis. If an affiliated group makes this election, subject to certain modifications and exceptions discussed below, the taxable income of the domestic members of the worldwide affiliated group from sources outside the United States is determined by allocating and apportioning the interest expense of those domestic members to foreign-source income in an amount equal to the worldwide affiliated group's worldwide interest expense multiplied by a ratio of the foreign assets of the worldwide affiliated group over the total assets of the worldwide affiliated group.

For purposes of the new elective rules based on worldwide fungibility, the worldwide affiliated group means all corporations in an affiliated group (as that term is defined under present law for interest expense allocation purposes)[65] as well as any foreign corporations with respect to which domestic members of the affiliated group own stock meeting the ownership requirements for treatment as a controlled foreign corporation under section 957(a) (without regard to the constructive ownership rules of section 958(b)). Hence, if more than 50 percent of the total combined voting power or the total value of the stock of a foreign corporation is owned (directly or indirectly) by domestic members of the affiliated group that are U.S. shareholders (i.e., that own 10 percent or more of the total combined voting power of the stock of such foreign corporation), then such foreign corporation is included in an electing worldwide affiliated group.

With respect to foreign corporations included in a worldwide affiliated group, the House bill provides that only a pro rata portion of such foreign corporation's interest expense and assets is treated as attributable to the worldwide affiliated group and taken into account for purposes of determining the allocation and apportionment of interest expense. The pro rata portion is determined by the ratio of the value of the stock of the foreign corporation owned by domestic members of the worldwide affiliated group (regardless of whether the foreign corporation qualifies as more than 50-percent owned because of either vote or value) to the total value of the stock of such foreign corporation.

In short, the taxable income from sources outside the United States of electing domestic group members generally is determined by allocating and apportioning interest expense of the domestic members of the worldwide affiliated group as if all of the interest expense and assets of 80-percent or greater owned domestic corporations (i.e., corporations that are part of the affiliated group under present-law section 864(e)(5)(A) as modified to include insurance companies) and a pro rata portion of the interest expense and assets of greater than 50-percent owned foreign subsidiaries were attributable to a single corporation.

Although a pro rata portion of the interest expense of a foreign subsidiary is taken into account for purposes of allocating the interest expense of the domestic members of the electing worldwide affiliated group for foreign tax credit limitation purposes, the interest expense incurred by a foreign subsidiary is not deductible on a U.S. return. After calculating the interest expense allocation based on the worldwide affiliated group, the interest expense of the domestic members preliminarily allocable to foreign-source income is reduced (but not below zero) by the applicable pro rata portion of the interest expense incurred by a foreign member of the group to the extent that such interest would be allocated to foreign sources if the provision's principles were applied separately to the foreign members of the group.

The worldwide affiliated group election is to be made by the common parent of the affiliated group. It must be made for the first taxable year beginning after December 31, 2001 (the effective date under the House bill), in which a worldwide affiliated group exists that includes at least one foreign corporation that meets the requirements for inclusion in a worldwide affiliated group. Once made, the election applies to the common parent and all other members of the worldwide affiliated group for the taxable year for which the election was made and all subsequent taxable years.

Annual elections

Regardless of whether a taxpayer elects to continue to be governed by the present-law allocation rules or to apply the new worldwide fungibility principle, the House bill provides two annual elections that are exceptions to the "one-taxpayer" rule described above: (1) the "subsidiary group" election, and (2) a "financial institution group" election.

Subsidiary group election

Under the subsidiary group election, at the annual election of the common parent of the affiliated group, certain interest expense attributable to qualified indebtedness incurred by a domestic member of the affiliated group (other than the common parent) is allocated and apportioned by treating the borrower and its direct and indirect subsidiaries as a separate group (in which the borrower would be treated as the common parent). The regime that is elected by the entire affiliated group (i.e., present law or the worldwide fungibility principles of the House bill) applies to all the qualified indebtedness of the members of that separate electing subsidiary group. For this purpose, qualified indebtedness generally means any borrowing from unrelated parties that is not guaranteed or in any other way supported by any corporation within the same affiliated group (other than a member of the subsidiary group) of the borrower.

If the common parent of the affiliated group makes the election with respect to a domestic member of an affiliated group, the subsidiary group election applies to all direct and indirect subsidiaries of that member. No member of an electing subsidiary group can be treated as a member of another electing subsidiary group. Therefore, a separate subsidiary group election could not be made with respect to lower-tier subsidiaries in an electing subsidiary group. If the subsidiary group election is made, the House bill also provides that an "equalization" rule applies under which interest expense (if any) incurred by domestic members of the affiliated group with respect to indebtedness that is not qualified indebtedness of an electing subsidiary group is allocated first to foreign-source income to the extent necessary to achieve (if possible) the allocation and apportionment of interest expense to foreign-source income that would have resulted had the subsidiary group election not been made. In addition, the House bill provides anti-abuse rules under which certain transfers from one member of a subsidiary group to a member of the affiliated group outside of the subsidiary group are treated as reducing the amount of qualified indebtedness.

Financial institution group election

The House bill provides a financial institution group election that expands and replaces the bank group rules of present law (sec. 864(e)(5)(B)–(D)). At the annual election of the common parent of the affiliated group, the interest expense allocation and apportionment rules that apply to the affiliated group as a whole (i.e., present law or the worldwide approach), can be applied separately to a subgroup of the affiliated group consisting of corporations that are predominantly engaged in a banking, insurance, financing, or similar business (as well as certain bank holding companies). For this purpose, a corporation is predominantly engaged in such a business if at least 80 percent of its gross income is "financial services income" as described in section 904(d)(2)(C)(ii) and the regulations thereunder.[66] The financial institution group rules, if elected, apply to all members of the affiliated group that are considered to be predominantly engaged in the active conduct of a banking, insurance, financing, or similar business, or otherwise considered to be a bank holding company. In addition, if a financial institution group election has been made, a member of the affiliated group that is part of the financial institution group could not also be a member of a separate subsidiary group at the same time. Anti-abuse rules similar to those that apply in connection with the subsidiary group election also apply to the financial institution group.

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[65] The bill expands the present-law definition of an affiliated group for interest expense allocation purposes to include certain insurance companies that are generally excluded from an affiliated group under section 1504(b)(2) (without regard to whether such companies are covered by an election under section 1504(c)(2)). As is the case under present law, the affiliated group includes section 936 corporations.

[66] See Treas. Reg. sec. 1.904-4(e)(2).

Regulatory authority

The House bill grants the Treasury Secretary authority to prescribe rules to carry out the purposes of the provision, including rules (1) to address changes in members of an affiliated group (including acquisitions or other business combinations of affiliated groups in which one group has made an election to apply the worldwide approach and the other group applies present law); (2) to prevent assets and interest expense from being taken into account more than once; and (3) to provide for direct allocation of interest expense in circumstances where such allocation would be appropriate to carry out the purposes of the provision.

Effective date

The provision in the House bill is effective for taxable years beginning after December 31, 2001.

Senate Amendment

The Senate amendment generally follows the House bill, but makes the following modifications.

Worldwide affiliated group election

The Senate amendment follows the House bill in that the common parent of an affiliated group can make a one-time election to apply the present-law interest expense allocation and apportionment rules under section 864(e) by allocating and apportioning interest expense of the domestic members of the worldwide affiliated group on a worldwide-group basis. If an affiliated group makes this election, subject to certain modifications and exceptions, the taxable income of the domestic members of the worldwide affiliated group from sources outside the United States is determined by allocating and apportioning the interest expense of those domestic members to foreign-source income in an amount equal to the excess (if any) of (1) the worldwide affiliated group's worldwide interest expense multiplied by the ratio which the foreign assets of the worldwide affiliated group bears to the total assets of the worldwide affiliated group, over (2) the interest expense incurred by a foreign member of the group to the extent that such interest would be allocated to foreign sources if the provision's principles were applied separately to the foreign members of the group.[67] While this approach is generally the same as that under the House bill, the Senate amendment modifies the House bill to provide the actual allocation and apportionment formula in the statute.

The Senate amendment modifies the House bill definition of a worldwide affiliated group for purposes of the new elective rules based on worldwide fungibility. Under the Senate amendment, the worldwide affiliated group means all corporations in an affiliated group (as that term is defined under present law for interest expense allocation purposes)[68] as well as any foreign corporations that would be members of such an affiliated group if section 1504(b)(3) did not apply (i.e., in which at least 80 percent of the vote and value of the stock of such corporations is owned by one or more other corporations included in the affiliated group). In addition, unlike the House bill, the Senate amendment takes into account all of the interest expense and assets of foreign corporations that are part of an electing worldwide affiliated group rather than a pro rata portion. In short, under the Senate amendment, the taxable income from sources outside the United States of electing domestic group members generally is determined by allocating and apportioning interest expense of the domestic members of the worldwide affiliated group as if all of the interest expense and assets of 80-percent or greater owned domestic corporations (i.e., corporations that are part of the affiliated group under present-law section 864(e)(5)(A) as modified to include insurance companies) and 80-percent or greater owned foreign corporations were attributable to a single corporation.

The worldwide affiliated group election is to be made by the common parent of the affiliated group. It must be made for the first taxable year beginning after December 31, 2004 (the effective date under the Senate amendment), in which a worldwide affiliated group exists that includes at least one foreign corporation that meets the requirements for inclusion in a worldwide affiliated group. Once made, the election applies to the common parent and all other members of the worldwide affiliated group for the taxable year for which the election is made and all subsequent taxable years.

Subsidiary group election

The Senate amendment modifies the House bill to exclude the annual "subsidiary group" election.

Financial institution group election

The Senate amendment provides a "financial institution group" election that expands the bank group rules of present law (sec. 864(e)(5)(B)–(D)), but modifies the House bill by providing that this election is a one-time election as opposed to an annual election, and by providing that the election is only available to the extent that a worldwide affiliated group election has been made. Thus, unlike the House bill, under the Senate amendment the election would not be available to an affiliated group that continues to apply the present-law interest expense allocation rules.

Under the Senate amendment, at the election of the common parent of the affiliated group that has made the election to apply the worldwide affiliated group rules, those rules can be applied separately to a subgroup of the worldwide affiliated group that consists of (1) all corporations that are part of the present-law bank group and (2) all "financial corporations." For this purpose, the Senate amendment follows the House bill by providing that a corporation is a financial corporation if at least 80 percent of its gross income is "financial services income" (as described in section 904(d)(2)(C)(ii) and the regulations thereunder).[69] The Senate amendment modifies the House bill, however, by requiring that such income be derived from transactions with unrelated persons.

Under the Senate amendment, the financial institution group rules, if elected, apply to all members of the worldwide affiliated group that are financial corporations within the meaning of the provision. The election must be made for the first taxable year beginning after December 31, 2004, in which a worldwide affiliated group includes a financial corporation that would qualify as part of the expanded financial institution group (other than a corporation that would qualify as part of the present-law bank group). Once made, the election applies to the financial institution group for the taxable year and all subsequent taxable years. In addition, the Senate amendment provides anti-abuse rules under which certain transfers from one member of a financial institution group to a member of the worldwide affiliated group outside of the financial institution group are treated as reducing the amount of indebtedness of the separate financial institution group.

Effective date

The provision in the Senate amendment is effective for taxable years beginning after December 31, 2004.

Conference Agreement

The conference agreement generally follows the House bill with the following modifications.

Worldwide affiliated group election

The conference agreement modifies the present-law interest expense allocation rules by providing a one-time election under which the taxable income of the domestic members of an affiliated group from sources outside the United States generally would be determined by allocating and apportioning interest expense of the domestic members of a worldwide affiliated group on a worldwide-group basis. The election provides taxpayers with the option either to apply fungibility principles on a worldwide basis or to continue to apply present law. The conference agreement makes no changes to the present-law interest expense allocation rules; all aspects of the provision apply only to the extent that a worldwide affiliated group election is made.

Under the conference agreement, if an affiliated group makes the worldwide affiliated group election, subject to certain modifications and exceptions, the taxable income of the domestic members of the worldwide affiliated group from sources outside the United States is determined by allocating and apportioning the interest expense of those domestic members to foreign-source income in an amount equal to the excess (if any) of (1) the worldwide affiliated group's worldwide interest expense multiplied by the ratio which the foreign assets of the worldwide affiliated group bears to the total assets of the worldwide affiliated group, over (2) the interest expense incurred by a foreign member of the group (and taken into account for allocation purposes) to the extent that such interest would be allocated to foreign sources if the provision's principles were applied separately to the foreign members of the group. While this approach is generally the same as that under the House bill, the conference agreement follows the Senate amendment by providing the actual allocation and apportionment formula in the statute.

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[67] Although the interest expense of a foreign subsidiary is taken into account for purposes of allocating the interest expense of the domestic members of the electing worldwide affiliated group for foreign tax credit limitation purposes, the interest expense incurred by a foreign subsidiary is not deductible on a U.S. return.

[68] The Senate amendment follows the House bill by expanding the definition of an affiliated group for interest expense allocation purposes to include certain insurance companies that are generally excluded from an affiliated group under section 1504(b)(2) (without regard to whether such companies are covered by an election under section 1504(c)(2)). The Senate amendment modifies this expansion, however, to apply only when the worldwide affiliated group election has been made.

[69] See Treas. Reg. sec. 1.904-4(e)(2).

For purposes of the new elective rules based on worldwide fungibility, the worldwide affiliated group means all corporations in an affiliated group (as that term is defined under present law for interest expense allocation purposes)[70] as well as any foreign corporations with respect to which domestic members of the affiliated group own stock meeting the ownership requirements for treatment as a controlled foreign corporation under section 957(a). For this purpose, the conference agreement modifies the House bill to permit limited constructive ownership rules (as described in section 958(b)) to apply. The conferees, however, believe that certain constructive ownership rules such as option attribution and "to-corporation" attribution (sec. 318(a)(3) and (4)) does not provide sufficient economic ownership to justify inclusion in the worldwide affiliated group. The conference agreement therefore disregards these types of constructive ownership. Hence, if more than 50 percent of the total combined voting power or the total value of the stock of a foreign corporation is owned (directly, indirectly, or, in certain circumstances, constructively) by domestic members of the affiliated group that are U.S. shareholders (i.e., that own 10 percent or more of the total combined voting power of the stock of such foreign corporation), then such foreign corporation is included in an electing worldwide affiliated group.

With respect to foreign corporations included in a worldwide affiliated group, the conference agreement follows the House bill in providing that only a pro rata portion of such foreign corporation's interest expense and assets is treated as attributable to the worldwide affiliated group and taken into account for purposes of determining the allocation and apportionment of interest expense. The pro rata portion is determined by the ratio of the value of the stock of the foreign corporation owned (within the meaning of section 958(a)) by domestic members of the worldwide affiliated group (regardless of whether the foreign corporation qualifies as more than 50-percent owned because of either vote or value) to the total value of the stock of such foreign corporation.

Under the conference agreement, the worldwide affiliated group election is to be made by the common parent of the affiliated group. It must be made for the first taxable year beginning after December 31, 2001 (the effective date under the conference agreement), in which a worldwide affiliated group exists that includes at least one foreign corporation that meets the requirements for inclusion in a worldwide affiliated group. Once made, the election applies to the common parent and all other members of the worldwide affiliated group for the taxable year for which the election was made and all subsequent taxable years.

Additional elections

The conference agreement modifies the annual elections provided in the House bill as follows. To the extent that a worldwide affiliated group elects to apply the new worldwide fungibility principle, the conference agreement provides two additional elections that are exceptions to the "one-taxpayer" rule described above: (1) the "subsidiary group" election, and (2) the "financial institution group" election.

Subsidiary group election

Under the subsidiary group election, at the election of the common parent of the affiliated group, certain interest expense attributable to qualified indebtedness incurred by a domestic member of the affiliated group (other than the common parent) is allocated and apportioned by treating the borrower and its direct and indirect subsidiaries as a separate group (in which the borrower would be treated as the common parent). The conference agreement modifies the House bill by providing that election is only available to the extent that the affiliated group has elected the worldwide fungibility rules, and those rules apply to the qualified indebtedness of the members of that separate electing subsidiary group. For this purpose, qualified indebtedness generally means any borrowing from unrelated parties that is not guaranteed or in any other way supported by any corporation within the same worldwide affiliated group (other than a member of the subsidiary group) of the borrower.

If the common parent of the worldwide affiliated group makes the election with respect to a domestic member of an affiliated group, the subsidiary group election applies to all direct and indirect subsidiaries of that member. The conference agreement modifies the House bill to provide that the election, once made, applies to the taxable year and the four succeeding taxable years (unless revoked with the consent of the Treasury Secretary). The conferees are concerned with certain potentials for abuse and believe that a five-year period is a reasonable duration for which the subsidiary group election should apply. In addition, as under the House bill, no member of an electing subsidiary group can be treated as a member of another electing subsidiary group. Therefore, a separate subsidiary group election cannot be made with respect to lower-tier subsidiaries in an electing subsidiary group.

The conference agreement follows the House bill by providing that, if the subsidiary group election is made, an "equalization" rule applies under which interest expense (if any) incurred by domestic members of the worldwide affiliated group with respect to indebtedness that is not qualified indebtedness of an electing subsidiary group is allocated first to foreign- source income to the extent necessary to achieve (if possible) the allocation and apportionment of interest expense to foreign-source income that would have resulted had the subsidiary group election not been made. In addition, the conference agreement provides anti-abuse rules under which certain transfers from one member of a subsidiary group to a member of the affiliated group outside of the subsidiary group would be recharacterized as reducing the amount of qualified indebtedness, except as otherwise provided by the Treasury Secretary.

Financial institution group election

The conference agreement generally follows the Senate amendment with respect to the financial institution group election, with certain technical modifications. The conference agreement provides a one-time financial institution group election that replaces and expands the bank group rules of present law (sec. 864(e)(5)(B)-(D)). At the election of the common parent of the affiliated group that has made the election to apply the worldwide affiliated group rules, those rules can be applied separately to a subgroup of the worldwide affiliated group that consists of all "financial corporations" that are part of the worldwide affiliated group.

For purposes of the financial institution group election, the conference agreement provides that a corporation is a financial corporation if at least 80 percent of its gross income is (1) "financial services income" (as described in section 904(d)(2)(C)(ii) and the regulations thereunder),[71] that is derived from transactions with unrelated persons or (2) dividends or financial services income derived directly or indirectly from related corporations that satisfy the 80-percent test by deriving financial services income from transactions with unrelated persons.[72] For this purpose, the conferees intend that certain ordering rules and netting rules with respect to amounts paid or accrued to and amounts received or accrued from related persons, similar to those provided in Treas. Reg. sec. 1.904-5(k), will apply. The conferees also intend that, for this purpose, gross income will not include gain from the disposition of the stock of a corporation that is related to the transferor prior to such disposition.[73] In addition, the conference agreement provides an anti-abuse rule under which items of income or gain from a transaction a principal purpose of which is to qualify a corporation as a financial corporation under these rules are disregarded.

Under the conference agreement, the financial institution group rules, if elected, apply to all members of the worldwide affiliated group that are financial corporations within the meaning of the provision. If a financial institution group election has been made, a member of the worldwide affiliated group that is part of the financial institution group cannot also be a member of a separate subsidiary group. The election must be made for the first taxable year beginning after December 31, 2001, in which a worldwide affiliated group includes a corporation that qualifies as a financial corporation. Once made, the election applies to the financial institution group for the taxable year and all subsequent taxable years. Therefore, if a financial institution group election is in place, a corporation that qualifies as a financial corporation for a taxable year will be included in the financial institution group for that year notwithstanding that it may not have qualified in prior years for which the election was in place. Similarly, a corporation that was a financial corporation in the first year in which an election was made will be included in the financial institution group for all subsequent years, but only to the extent that such corporation qualifies as a financial corporation for a given year. In addition, the conference agreement provides anti-abuse rules similar to those that apply in connection with the subsidiary group election.

Regulatory authority

The conference agreement follows the House bill and the Senate amendment in granting the Treasury Secretary authority to prescribe rules to carry out the purposes of the provision. Such authority includes, among other things, the authority to provide for direct allocation of interest expense in appropriate circumstances. The conferees intend that this authority to provide for direct allocation of interest expense includes, for example, circumstances in which interest expense is incurred by foreign corporations in order to circumvent the purposes of the provision.

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[70] The conference agreement expands the present-law definition of an affiliated group for interest expense allocation purposes with respect to an electing worldwide affiliated group to include certain insurance companies that are generally excluded from an affiliated group under section 1504(b)(2) (without regard to whether such companies are covered by an election under section 1504(c)(2)). As is the case under present law, the affiliated group includes section 936 corporations.

[71] See Treas. Reg. sec. 1.904-4(e)(2).

[72] As is the case under the House bill, the conference agreement provides that certain bank holding companies that would qualify as part of the present-law bank group are also considered to be financial corporations.

[73] See Treas. Reg. sec. 1.904-4(e)(3)(i).

Effective date

The provision in the conference agreement is effective for taxable years beginning after December 31, 2001.

B. Look-Through Rules to Apply to Dividends from Noncontrolled Section 902 Corporations (sec. 902 of the House bill, sec. 902 of the Senate amendment, and sec. 904 of the Code)

Present Law

U.S. persons may credit foreign taxes against U.S. tax on foreign-source income. The amount of foreign tax credits that may be claimed in a year is subject to a limitation that prevents taxpayers from using foreign tax credits to offset U.S. tax on U.S.-source income. Separate limitations are applied to specific categories of income.

Special foreign tax credit limitations apply in the case of dividends received from a foreign corporation in which the taxpayer owns at least 10 percent of the stock by vote and which is not a controlled foreign corporation (a so-called "10/50 company").[74] Dividends paid by a 10/50 company in taxable years beginning before January 1, 2003, are subject to a separate foreign tax credit limitation for each 10/50 company. Dividends paid by a 10/50 company that is not a passive foreign investment company in taxable years beginning after December 31, 2002, out of earnings and profits accumulated in taxable years beginning before January 1, 2003, are subject to a single foreign tax credit limitation for all 10/50 companies (other than passive foreign investment companies). Dividends paid by a 10/50 company that is a passive foreign investment company out of earnings and profits accumulated in taxable years beginning before January 1, 2003, continue to be subject to a separate foreign tax credit limitation for each such 10/50 company. Dividends paid by a 10/50 company in taxable years beginning after December 31, 2002, out of earnings and profits accumulated in taxable years after December 31, 2002, are treated as income in a foreign tax credit limitation category in proportion to the ratio of the earnings and profits attributable to income in such foreign tax credit limitation category to the total earnings and profits (a so-called "look-through" approach). For these purposes, distributions are treated as made from the most recently accumulated earnings and profits. Regulatory authority is granted to provide rules regarding the treatment of distributions out of earnings and profits for periods prior to the taxpayer's acquisition of such stock.

House Bill

The House bill simplifies the application of the foreign tax credit limitation by applying the look-through approach to all dividends paid by a 10/50 company, regardless of the year in which the earnings and profits out of which the dividend is paid were accumulated. The House bill eliminates the single-basket limitation approach for dividends from such companies for foreign tax credit limitation purposes.

The House bill provides a transition rule under which pre-effective date foreign tax credits associated with a 10/50 company separate limitation category can be carried forward into post-effective date years. Under the House bill, look-through principles similar to those applicable to post-effective date dividends from a 10/50 company apply to determine the appropriate foreign tax credit limitation category or categories with respect to the foreign tax credit carryforward.

The House bill also provides a default rule in cases in which taxpayers are unable to obtain the necessary information to apply the look-through rules with respect to dividends from a 10/50 company (or in which the income is not treated as falling within one of certain enumerated limitation categories). In such cases, the House bill treats the dividend (or a portion thereof) from such 10/50 company as a dividend that is not subject to the look-through rules.

Effective date.—The provision is effective for taxable years beginning after December 31, 2001.

Senate Amendment

The Senate amendment is the same as the House bill, with a modification to the effective date.

Effective date.—The provision is effective for taxable years beginning after December 31, 2004.

Conference Agreement

The conference agreement follows the House bill.

C. Subpart F Treatment of Pipeline Transportation Income and Income from Transmission of High Voltage Electricity (secs. 903–904 of the House bill, secs. 903–904 of the Senate amendment, and sec. 954 of the Code)

Present Law

Under the subpart F rules, U.S. 10–percent shareholders of a controlled foreign corporation ("CFC") are subject to U.S. tax currently on their shares of certain income earned by the foreign corporation, whether or not such income is distributed to the shareholders (referred to as "subpart F income"). Subpart F income includes foreign base company income, which in turn includes five categories of income: foreign personal holding company income, foreign base company sales income, foreign base company services income, foreign base company shipping income, and foreign base company oil related income (sec. 954(a)).

Foreign base company services income includes income from services performed (1) for or on behalf of a related party and (2) outside the country of the CFC's incorporation (sec. 954(e)). Treasury regulations provide that the services of the foreign corporation will be treated as performed for or on behalf of the related party if, for example, a party related to the foreign corporation furnishes substantial assistance to the foreign corporation in connection with the provision of services (Treas. Reg. sec. 1.954–4(b)(1)(iv)).

Foreign base company oil related income is income derived outside the United States from the processing of minerals extracted from oil or gas wells into their primary products; the transportation, distribution, or sale of such minerals or primary products; the disposition of assets used by the taxpayer in a trade or business involving the foregoing; or the performance of any related services. However, foreign base company oil related income does not include income derived from a source within a foreign country in connection with: (1) oil or gas which was extracted from a well located in such foreign country or, (2), oil, gas, or a primary product of oil or gas which is sold by the CFC or a related person for use or consumption within such foreign country or is loaded in such country as fuel on a vessel or aircraft. An exclusion also is provided for income of a CFC that is a small producer (i.e., a corporation whose average daily oil and natural gas production, including production by related corporations, is less than 1,000 barrels).

House Bill

The House bill exempts income derived in connection with the performance of services which are directly related to the transmission of high voltage electricity from the definition of foreign base company services income. Thus, the income of a CFC that owns a high voltage transmission line for the purpose of providing electricity generated by a related party to a third party outside the CFC's country of incorporation does not constitute foreign base company services income. No inference is intended as to the treatment of such income under present law.

The House bill also provides an additional exception to the definition of foreign base company oil related income. Under the House bill, foreign base company oil related income does not include income derived from a source within a foreign country in connection with the pipeline transportation of oil or gas within such foreign country. Thus, the exception applies whether or not the CFC that owns the pipeline also owns any interest in the oil or gas transported. In addition, the exception applies to income earned from the transportation of oil or gas by pipeline in a country in which the oil or gas was neither extracted nor consumed.

Effective date.—The provision is effective for taxable years of CFCs beginning after December 31, 2001, and taxable years of U.S. shareholders with or within which such taxable years of CFCs end.

Senate Amendment

The Senate amendment is the same as the House bill, with a modification to the effective date.

Effective date.—The provision is effective for taxable years of CFCs beginning after December 31, 2002, and taxable years of U.S. shareholders with or within which such taxable years of CFCs end.

Conference Agreement

The conference agreement follows the House bill.

D. Recharacterization of Overall Domestic Loss (sec. 905 of the House bill and sec. 904 of the Code)

Present Law

A premise of the foreign tax credit is that it should not reduce a taxpayer's U.S. tax on its U.S.-source income; rather, it should only reduce U.S. tax on foreign-source income. An overall foreign tax credit limitation prevents taxpayers from using foreign tax credits to offset U.S. tax on U.S.-source income. The overall limitation is calculated by prorating a taxpayer's pre-credit U.S. tax on its worldwide income between its U.S.-source and foreign-source taxable income. The ratio (not exceeding 100 percent) of the taxpayer's foreign-source taxable income to worldwide taxable income is multiplied by its pre-credit U.S. tax to establish the amount of U.S. tax allocable to the taxpayer's foreign-source income and, thus, the upper limit on the foreign tax credit for the year. If the taxpayer's foreign-source taxable income exceeds worldwide taxable income (because of a domestic source loss), then the full amount of pre-credit U.S. tax may be offset by the foreign tax credit.

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[74] A controlled foreign corporation in which the taxpayer owns at least 10 percent of the stock by vote is treated as a 10/50 company with respect to any distribution out of earnings and profits for periods when it was not a controlled foreign corporation.

If a taxpayer's losses from foreign sources exceed its foreign-source income, the excess ("overall foreign loss" or "OFL") may offset U.S.-source income. Such an offset reduces the effective rate of U.S. tax on U.S.-source income. To eliminate a double benefit (that is, the reduction of U.S. tax previously noted and, later, full allowance of a foreign tax credit with respect to foreign-source income), an OFL recapture rule applies. Under this rule, a portion of foreign-source taxable income earned after an OFL year is recharacterized as U.S.-source taxable income for foreign tax credit purposes (and for purposes of the possessions tax credit) (sec. 904(f)(1)). Foreign-source taxable income up to the amount of the unrecaptured OFL may be so treated. In general, no more than 50 percent of the foreign-source taxable income earned in any particular taxable year is recharacterized as U.S.-source taxable income, unless a taxpayer elects a higher percentage.[75] The effect of the recapture is to reduce the foreign tax credit limitation in one or more years following an OFL year and, therefore, the amount of U.S. tax that can be offset by foreign tax credits in the later year or years.

An overall U.S.-source loss reduces pre-credit U.S. tax on worldwide income to an amount less than the hypothetical tax that would apply to the taxpayer's foreign-source income if viewed in isolation. The existence of foreign-source taxable income in the year of the U.S. loss reduces or eliminates any net operating loss carryover that the U.S. loss would otherwise have generated absent the foreign income. In addition, as the pre-credit U.S. tax on worldwide income is reduced, so is the foreign tax credit limitation. As a result, some foreign tax credits in the year of the U.S. loss must be credited, if at all, in a carryover year. Tax on domestic-source taxable income in a subsequent year may be offset by a net operating loss carryforward (if any), but not by a foreign tax credit carryforward. There is presently no mechanism for resourcing such subsequent U.S.-source income as foreign-source income.

House Bill

The House bill applies a resourcing rule to U.S.-source income where the taxpayer has suffered a reduction in the amount of its foreign tax credit limitation due to a prior overall domestic loss. Under the House bill, in the case of a taxpayer that has incurred an overall domestic loss, the portion of the taxpayer's U.S.-source taxable income for each succeeding taxable year that is equal to the lesser of (1) the amount of the unrecharacterized overall domestic loss, or (2) 50 percent of the taxpayer's U.S.-source taxable income for such succeeding taxable year is recharacterized as foreign-source taxable income.

The House bill defines an overall domestic loss for this purpose as any domestic loss to the extent it offsets foreign-source taxable income for the current taxable year or for any preceding taxable year by reason of a loss carryback. For this purpose, a domestic loss means the amount by which the U.S.-source gross income for the taxable year is exceeded by the sum of the deductions properly apportioned or allocated thereto, determined without regard to any loss carried back from a subsequent taxable year. Under the House bill, an overall domestic loss does not include any loss for any taxable year unless the taxpayer elected the use of the foreign tax credit for such taxable year.

Any U.S.-source income resourced under the House bill is allocated among the various foreign tax credit separate limitation categories in the same proportion that those categories were reduced by the prior overall domestic loss. In addition, the House bill grants the Treasury Secretary authority to prescribe regulations as may be necessary to coordinate the operation of the OFL recapture rules with the operation of the overall domestic loss recharacterization rules that would be added by the House bill.

Effective date.—The provision applies to losses incurred in taxable years beginning after December 31, 2004.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with a modification to the effective date.

Effective date.—The provision applies to losses incurred in taxable years beginning after December 31, 2005.

E. Treatment of Military Property of Foreign Sales Corporations (sec. 906 of the House bill, sec. 908 of the Senate amendment, and sec. 923 of the Code)

Present Law

A portion of the foreign trade income of an eligible foreign sales corporation ("FSC") is exempt from federal income tax. Foreign trade income is defined as the gross income of a FSC that is attributable to foreign trading gross receipts. In general, the term "foreign trading gross receipts" means the gross receipts of a FSC from the sale or lease of export property, services related and subsidiary to the sale or lease of export property, engineering or architectural services for construction projects located outside the United States, and certain managerial services for an unrelated FSC or DISC.

Section 923(a)(5) contains a special limitation relating to the export of military property. Under regulations prescribed by the Treasury Secretary, the portion of a FSC's foreign trading gross receipts from the disposition of, or services relating to, military property that may be treated as exempt foreign trade income is limited to 50 percent of the amount that would otherwise be so treated. For this purpose, the term "military property" means any property that is an arm, ammunition, or implement of war designated in the munitions list published pursuant to federal law. Under this provision, the export of military property through a FSC is accorded one-half the tax benefit that is accorded to exports of non-military property.

House Bill

The House bill repeals the special FSC limitation relating to the export of military property, thus providing exports of military property through a FSC with the same treatment currently provided exports of non-military property.

Effective date.—The provision is effective for taxable years beginning after December 31, 2001.

Senate Amendment

The Senate amendment is the same as the House bill, with a modification to the effective date.

Effective date.—The provision is effective for taxable years beginning after December 31, 2004.

Conference Agreement

The conference agreement follows the House bill.

F. Modify Treatment of RIC Dividends Paid to Foreign Persons (sec. 907 of the House bill and secs. 871, 881, 897, 1441, 1442, and 2105 of the Code)

Present Law

Regulated investment companies

A regulated investment company ("RIC") is a domestic corporation that, at all times during the taxable year, is registered under the Investment Company Act of 1940 as a management company or as a unit investment trust, or has elected to be treated as a business development company under that Act (sec. 851(a)). In addition, to qualify as a RIC, a corporation must elect such status and must satisfy certain tests (sec. 851(b)). Generally, a RIC pays no income tax because it is permitted to deduct dividends paid to its shareholders in computing its taxable income.

A RIC generally may pass through to its shareholders the character of its long-term capital gains. It does this by designating a dividend it pays as a capital gain dividend to the extent that the RIC has net capital gain (i.e., net long-term capital gain over net short-term capital loss). These capital gain dividends are treated as long-term capital gains by the shareholders. A RIC generally also can pass through to its shareholders the character of tax-exempt interest from State and municipal bonds, but only if, at the close of each quarter of its taxable year, at least 50 percent of the value of the total assets of the RIC consists of these obligations. In this case, the RIC generally may designate a dividend it pays as an exempt-interest dividend to the extent that the RIC has tax-exempt interest income. These exempt-interest dividends are treated as interest excludable from gross income by the shareholders.

U.S. source investment income of foreign persons

The United States generally imposes a flat 30–percent tax, collected by withholding, on the gross amount of U.S.-source investment income payments, such as interest, dividends, rents, royalties, or similar types of income, to nonresident alien individuals and foreign corporations ("foreign persons") (secs. 871(a), 881, 1441, and 1442). Under treaties, the United States may reduce or eliminate such taxes. Even taking into account U.S. treaties, however, the tax on a dividend generally is not entirely eliminated. Instead, U.S.-source portfolio investment dividends received by foreign persons generally are subject to U.S. withholding tax at a rate of at least 15 percent.

Although payments of U.S.-source interest that is not effectively connected with a U.S. trade or business generally are subject to the 30–percent withholding tax, there are significant exceptions to that rule under which the U.S.-source interest payments to foreign persons are exempt from U.S. tax.

In addition, foreign persons generally are not subject to U.S. tax on gain realized on the disposition of stock or securities issued by a U.S. person, unless the gain is effectively connected with the conduct of a trade or business in the United States. Under the

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[75] If a taxpayer with an OFL disposes of property that was used predominantly outside the United States in a trade or business, the taxpayer generally is deemed to have received and recognized foreign-source taxable income as the result of a disposition in an amount at least equal to the lesser of the gain actually realized on the disposition or the remaining amount of the unrecaptured OFL. Furthermore, the annual 50-percent limit on the resourcing of foreign-source income does not apply to that amount of foreign-source income realized by reason of the disposition.

Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), as amended, gain or loss of a foreign person from the disposition of a U.S. real property interest is subject to net basis tax as if the taxpayer were engaged in a trade or business within the United States and the gain or loss were effectively connected with such trade or business (sec. 897). Under the FIRPTA provisions, a distribution by a real estate investment trust ("REIT") to a foreign person generally is, to the extent attributable to gain from sales or exchanges by the REIT of U.S. real property interests, treated as gain recognized by the foreign person from the sale or exchange of a U.S. real property interest (sec. 897(h)). In view of the nature of a REIT, an interest in a REIT may in some cases be considered to be a U.S. real property interest.

Estate taxation

Decedents who were citizens or residents of the United States are generally subject to Federal estate tax on all property, wherever situated. Nonresidents who are not U.S. citizens, however, are subject to estate tax only on their property which is within the United States. Property within the United States generally includes debt obligations of U.S. persons, including the Federal government and State and local governments (sec. 2104(c)), but does not include either bank deposits or portfolio obligations, the interest on which would be exempt from U.S. income tax under section 871 (sec. 2105(b)).

House Bill

Under the House bill, a RIC that earns certain net interest income that would not be subject to U.S. tax if earned by a foreign person directly may, to the extent of such income, designate a dividend it pays as derived from such net interest income. A foreign person who is a shareholder in the RIC generally would treat such a dividend as exempt from gross-basis U.S. tax, just as if the foreign person had earned the interest directly. Similarly, a RIC that earns an excess of net short-term capital gains over net long-term capital losses, which excess would not be subject to U.S. tax if earned by a foreign person directly, generally may, to the extent of such excess, designate a dividend it pays as derived from such excess. A foreign person who is a shareholder in the RIC generally would treat such a dividend as exempt from gross-basis U.S. tax, just as if the foreign person had realized the amount directly.

As is true under present law for distributions from REITs, the House bill provides that any distribution by a RIC to a foreign person shall, to the extent attributable to gain from the sale or exchange by the RIC of an asset that is considered a U.S. real property interest, be treated as gain recognized by the foreign person from the sale or exchange of a U.S. real property interest.

The House bill also extends the special rules for domestically-controlled REITS to domestically- controlled RICs. The House bill provides that the estate of a foreign decedent is exempt from U.S. estate tax on a transfer of stock in the RIC in the proportion that the assets held by the RIC are debt obligations, deposits, or other property that would generally be treated as situated outside the United States if held directly by the estate.

Effective date.—The House bill generally applies to dividends with respect to taxable years of RICs beginning after December 31, 2004. With respect to the treatment of a RIC for estate tax purposes, the House bill applies to estates of decedents dying after December 31, 2004. With respect to the treatment of RICs under section 897 (dealing with U.S. real property interests), the House bill is effective on January 1, 2005.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

G. Repeal of Special Rules for Applying Foreign Tax Credit in Case of Foreign Oil and Gas Income (sec. 908 of the House bill and sec. 907 of the Code)

Present Law

U.S. persons are subject to U.S. income tax on their worldwide income. A credit against U.S. tax on foreign-source income is allowed for foreign taxes paid or accrued (or deemed paid) (secs. 901, 902).

The amount of foreign tax credits that a taxpayer may claim in a year is subject to a limitation that prevents taxpayers from using foreign tax credits to offset U.S. tax on U.S.-source income (sec. 904). The foreign tax credit limitation is calculated on an overall basis and separately for specific categories of income. The amount of creditable taxes paid or accrued (or deemed paid) in any taxable year that exceeds the respective foreign tax credit limitations is permitted to be carried back two years and carried forward five years (sec. 904(c)).

Special rules apply with respect to the foreign tax credit in the case of foreign oil and gas income (sec. 907). Under a special limitation, taxes on foreign oil and gas extraction income are creditable only to the extent that they do not exceed a specified amount (e.g., 35 percent of such income in the case of a corporation) (sec. 907(a)). For this purpose, foreign oil and gas extraction income is income derived from foreign sources from the extraction of minerals from oil or gas wells or the sale or exchange of assets used by the taxpayer in such extraction. A taxpayer must have excess limitation under the special rules applicable to foreign extraction taxes and excess limitation under the general foreign tax credit provisions in order to utilize excess foreign oil and gas extraction taxes in a carryback or carryforward year. In addition, in the case of taxes paid or accrued to any foreign country with respect to certain foreign oil related income, discriminatory foreign taxes are not treated as creditable foreign taxes (sec. 907(b)).

House Bill

The House bill repeals the special rules of section 907 for applying the foreign tax credit in the case of foreign oil and gas income.

Effective date.—The provision is effective for taxable years beginning after December 31, 2004.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with a modification to the effective date.

Effective date.—The provision is effective for taxable years beginning after December 31, 2007.

H. Study of Proper Treatment of European Union under Subpart F Same Country Exceptions (sec. 909 of the House bill)

Present Law

In general, U.S. 10-percent shareholders of a controlled foreign corporation ("CFC") are required to include in income for U.S. tax purposes currently certain income of the CFC (referred to as "subpart F income"), without regard to whether the income is distributed to the shareholders (sec. 951(a)(1)(A)). In effect, the Code treats the U.S. 10-percent shareholders of a CFC as having received a current distribution of their pro rata shares of the CFC's subpart F income. For this purpose, a U.S. 10-percent shareholder is a U.S. person that owns 10 percent or more of the corporation's stock (measured by vote) (sec. 951(b)). In general, a foreign corporation is a CFC if U.S. 10-percent shareholders own more than 50 percent of such corporation's stock (measured by vote or by value) (sec. 957).

Subpart F income typically is passive income or income that is relatively movable from one taxing jurisdiction to another. Subpart F income consists of foreign base company income (defined in sec. 954), insurance income (defined in sec. 953), and certain income relating to international boycotts and other violations of public policy (defined in sec. 952(a)(3)-(5)). Subpart F income does not include income of the CFC that is effectively connected with the conduct of a trade or business within the United States (on which income the CFC is subject to current U.S. tax) (sec. 952(b)).

Income of a CFC may be excepted from the subpart F provisions under various same country exceptions. For example, a major category of foreign base company income is foreign personal holding company income, which generally includes, among other things, certain dividends, interest, rents and royalties (sec. 954(c)). Same country exceptions from treatment as subpart F foreign personal holding company income generally are provided for dividends and interest received by the CFC from a related person that (1) is a corporation organized under the laws of the same foreign country in which the CFC is created or organized and (2) has a substantial part of its assets used in a trade or business located in such same foreign country. Similarly, same country exceptions from subpart F foreign personal holding income generally are provided for rents and royalties received by the CFC from a related corporation for the use of property within the country in which the CFC is created or organized (sec. 954(c)(3)).

House Bill

The House bill directs the Treasury Secretary to conduct a study of the feasibility of treating all countries included in the European Union as one country for purposes of applying same country exceptions under subpart F. The House bill requires the results of the study to be reported to the House Committee on Ways and Means and the Senate Committee on Finance, along with any legislative recommendations, no later than 6 months after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the provision in the House bill. The conferees, however, encourage the Treasury Department to study the feasibility of treating all countries included in the European Union as one country for purposes of applying same country exceptions under subpart F.

Provide Waiver from Denial of Foreign Tax Credits (sec. 910 of the House bill and sec. 901(j) of the Code)

Present Law

In general, U.S. persons may credit foreign taxes against U.S. tax on foreign-source income. The amount of foreign tax credits that can be claimed in a year is subject to a limitation that prevents taxpayers from using foreign tax credits to offset U.S. tax on U.S.-source income. Separate limitations are applied to specific categories of income.

Pursuant to special rules applicable to taxes paid to certain foreign countries, no foreign tax credit is allowed for income, war profits, or excess profits taxed paid, accrued, or deemed paid to a country which satisfies specified criteria, to the extent that the taxes are with respect to income attributable to a period during which such criteria were satisfied (sec. 901(j)). Section 901(j) applies with respect to any foreign country: (1) the government of which the United States does not recognize, unless such government is otherwise eligible to purchase defense articles or services under the Arms Export Control Act, (2) with respect to which the United States has severed diplomatic relations, (3) with respect to which the United States has not severed diplomatic relations but does not conduct such relations, or (4) which the Secretary of State has, pursuant to section 6(j) of the Export Administration Act of 1979, as amended, designated as a foreign country which repeatedly provides support for acts of international terrorisms (a "section 901(j) foreign country"). The denial of credits applies to any foreign country during the period beginning on the later of January 1, 1987, or six months after such country becomes a section 901(j) country, and ending on the date the Secretary of State certifies to the Secretary of the Treasury that such country is no longer a section 901(j) country.

Taxes treated as noncreditable under section 901(j) generally are permitted to be deducted notwithstanding the fact that the taxpayer elects use of the foreign tax credit for the taxable year with respect to other taxes. In addition, income for which foreign tax credits are denied generally cannot be sheltered from U.S. tax by other creditable foreign taxes.

Under the rules of subpart F, U.S. 10-percent shareholders of a controlled foreign corporation ("CFC") are required to include in income currently certain types of income of the CFC, whether or not such income is actually distributed currently to the shareholders (referred to as "subpart F income"). Subpart F income includes income derived from any foreign country during a period in which the taxes imposed by that country are denied eligibility for the foreign tax credit under section 901(j) (sec. 952(a)(5)).

House Bill

The House bill provides that section 901(j) no longer applies with respect to a foreign country if the President determines that the application of section 901(j) to such foreign country is not in the national interests of the United States.

Effective date.—The provision is effective as of the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the provision in the House bill.

J. Prohibit Disclosure of APAs and APA Background Files (sec. 911 of the House bill, sec. 905 of the Senate amendment and secs. 6103 and 6110 of the Code)

Present Law

Section 6103

Under section 6103, returns and return information are confidential and cannot be disclosed unless authorized by the Internal Revenue Code.

The Code defines return information broadly. Return information includes:

A taxpayer's identity, the nature, source or amount of income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments;

Whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing; or

Any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense.[76]

Section 6110 and the Freedom of Information Act

With certain exceptions, section 6110 makes the text of any written determination the IRS issues available for public inspection. A written determination is any ruling, determination letter, technical advice memorandum, or Chief Counsel advice. Once the IRS makes the written determination publicly available, the background file documents associated with such written determination are available for public inspection upon written request. The Code defines "background file documents" as any written material submitted in support of the request. Background file documents also include any communications between the IRS and persons outside the IRS concerning such written determination that occur before the IRS issues the determination.

Before making them available for public inspection, section 6110 requires the IRS to delete specific categories of sensitive information from the written determination and background file documents.[77] It also provides judicial and administrative procedures to resolve disputes over the scope of the information the IRS will disclose. In addition, Congress has also wholly exempted certain matters from section 6110's public disclosure requirements.[78] Any part of a written determination or background file that is not disclosed under section 6110 constitutes "return information."[79]

The Freedom of Information Act (FOIA) lists categories of information that a federal agency must make available for public inspection.[80] It establishes a presumption that agency records are accessible to the public. The FOIA, however, also provides nine exemptions from public disclosure. One of those exemptions is for matters specifically exempted from disclosure by a statute other than the FOIA if the exempting statute meets certain requirements.[81] Section 6103 qualifies as an exempting statute under this FOIA provision. Thus, returns and return information that section 6103 deems confidential are exempt from disclosure under the FOIA.

Section 6110 is the exclusive means for the public to view IRS written determinations.[82] If section 6110 covers the written determination, then the public cannot use the FOIA to obtain that determination.

Advance Pricing Agreements

The Advanced Pricing Agreement ("APA") program is an alternative dispute resolution program conducted by the IRS, which resolves international transfer pricing issues prior to the filing of the corporate tax return. Specifically, an APA is an advance agreement establishing an approved transfer pricing methodology entered into among the taxpayer, the IRS, and a foreign tax authority. The IRS and the foreign tax authority generally agree to accept the results of such approved methodology. Alternatively, an APA also may be negotiated between just the taxpayer and the IRS; such an APA establishes an approved transfer pricing methodology for U.S. tax purposes. The APA program focuses on identifying the appropriate transfer pricing methodology; it does not determine a taxpayer's tax liability. Taxpayers voluntarily participate in the program.

To resolve the transfer pricing issues, the taxpayer submits detailed and confidential financial information, business plans and projections to the IRS for consideration. Resolution involves an extensive analysis of the taxpayer's functions and risks. Since its inception in 1991, the APA program has resolved more than 180 APAs, and approximately 195 APA requests are pending.

Currently pending in the U.S. District Court for the District of Columbia are three consolidated lawsuits asserting that APAs are subject to public disclosure under either section 6110 or the FOIA.[83] Prior to this litigation and since the inception of the APA program, the IRS held the position that APAs were confidential return information protected from disclosure by section 6103.[84]

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[76] Sec. 6103(b)(2)(A).

[77] Sec. 6110(c) provides for the deletion of identifying information, trade secrets, confidential commercial and financial information and other material.

[78] Sec. 6110(l).

[79] Sec. 6103(b)(2)(B) ("The term "return information" means . . . any part of any written determination or any background file document relating to such written determination (as such terms are defined in section 6110(b)) which is not open to public inspection under section 6110").

[80] Unless published promptly and offered for sale, an agency must provide for public inspection and copying: (1) final opinions as well as orders made in the adjudication of cases; (2) statements of policy and interpretations not published in the Federal Register; (3) administrative staff manuals and instructions to staff that affect a member of the public; and (4) agency records which have been or the agency expects to be, the subject of repetitive FOIA requests. 5 U.S.C. sec. 552(a)(2). An agency must also publish in the Federal Register: the organizational structure of the agency and procedures for obtaining information under the FOIA; statements describing the functions of the agency and all formal and informal procedures; rules of procedure, descriptions of forms and statements describing all papers, reports and examinations; rules of general applicability and statements of general policy; and amendments, revisions and repeals of the foregoing. 5 U.S.C. sec. 552(a)(1). All other agency records can be sought by FOIA request; however, some records may be exempt from disclosure.

[81] Exemption 3 of the FOIA provides that an agency is not required to disclose matters that are: "(3) specifically exempted from disclosure by statute (other than section 552b of this title) provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld; . . ." 5 U.S.C. §552(b)(3).

[82] Sec. 6110(m).

[83] *BNA* v. *IRS*, Nos. 96-376, 96-2820, and 96-1473 (D.D.C.). The Bureau of National Affairs, Inc. (BNA) publishes matters of interest for use by its subscribers. BNA contends that APAs are not return information as they are prospective in application. Thus at the time they are entered into they do not relate to "the determination of the existence, or possible existence, of liability or amount thereof . . ."

[84] The IRS contended that information received or generated as part of the APA process pertains to a taxpayer's liability and therefore was return information as defined in sec. 6103(b)(2)(A). Thus, the information was subject to section 6103's restrictions on the dissemination of returns and return information. Rev. Proc. 91-22, sec. 11, 1991-1 C.B. 526, 534 and Rev. Proc. 96-53, sec. 12, 1996-2 C.B. 375, 386.

On January 11, 1999, the IRS conceded that APAs are "rulings" and therefore are "written determinations" for purposes of section 6110.[85] Although the court has not yet issued a ruling in the case, the IRS announced its plan to publicly release both existing and future APAs. The IRS then transmitted existing APAs to the respective taxpayers with proposed deletions. It has received comments from some of the affected taxpayers. Where appropriate, foreign tax authorities have also received copies of the relevant APAs for comment on the proposed deletions. No APAs have yet been released to the public.

Some taxpayers assert that the IRS erred in adopting the position that APAs are subject to section 6110 public disclosure. Several have sought to participate as *amici* in the lawsuit to block the release of APAs. They are concerned that release under section 6110 could expose them to expensive litigation to defend the deletion of the confidential information from their APAs. They are also concerned that the section 6110 procedures are insufficient to protect the confidentiality of their trade secrets and other financial and commercial information.

House Bill

The House bill amends section 6103 to provide that APAs and related background information are confidential return information under section 6103. Related background information is meant to include: the request for an APA, any material submitted in support of the request, and any communication (written or otherwise) prepared or received by the Secretary in connection with an APA, regardless of when such communication is prepared or received. Protection is not limited to agreements actually executed; it includes material received and generated in the APA process that does not result in an executed agreement.

Further, APAs and related background information are not "written determinations" as that term is defined in section 6110. Therefore, the public inspection requirements of section 6110 do not apply to APAs and related background information. A document's incorporation in a background file, however, is not intended to be grounds for not disclosing an otherwise disclosable document from a source other than a background file.

The House bill statutorily requires that the Treasury Department prepare and publish an annual report on the status of APAs. The annual report is to contain the following information:

Information about the structure, composition, and operation of the APA program office;

A copy of each current model APA;

Statistics regarding the amount of time to complete new and renewal APAs;

The number of APA applications filed during such year;

The number of APAs executed to date and for the year;

The number of APA renewals issued to date and for the year;

The number of pending APA requests;

The number of pending APA renewals;

The number of APAs executed and pending (including renewals and renewal requests) that are unilateral, bilateral and multilateral, respectively;

The number of APAs revoked or canceled, and the number of withdrawals from the APA program, to date and for the year;

The number of finalized new APAs and renewals by industry;[86] and

General descriptions of:

the nature of the relationships between the related organizations, trades, or businesses covered by APAs;

the related organizations, trades, or businesses whose prices or results are tested to determine compliance with the transfer pricing methodology prescribed in the APA;

the covered transactions and the functions performed and risks assumed by the related organizations, trades or businesses involved;

methodologies used to evaluate tested parties and transactions and the circumstances leading to the use of those methodologies;

critical assumptions;

sources of comparables;

comparable selection criteria and the rationale used in determining such criteria;

the nature of adjustments to comparables and/or tested parties;

the nature of any range agreed to, including information such as whether no range was used and why, whether an inter-quartile range was used, or whether there was a statistical narrowing of the comparables;

adjustment mechanisms provided to rectify results that fall outside of the agreed upon APA range;

the various term lengths for APAs, including rollback years, and the number of APAs with each such term length;

the nature of documentation required; and

approaches for sharing of currency or other risks.

The first report is to cover the period January 1, 1991, through the calendar year including the date of enactment. The Treasury Department cannot include any information in the report which would have been deleted under section 6110(c) if the report were a written determination as defined in section 6110. Additionally, the report cannot include any information which can be associated with or otherwise identify, directly or indirectly, a particular taxpayer. The Secretary is expected to obtain input from taxpayers to ensure proper protection of taxpayer information and, if necessary, utilize its regulatory authority to implement appropriate processes for obtaining this input. For purposes of section 6103, the report requirement is treated as part of Title 26.

The IRS user fee otherwise required to be paid for an APA is increased by $500. The Secretary has the authority to make appropriate reductions in such fee for small businesses.

While the House bill statutorily requires an annual report, it is not intended to discourage the Treasury Department from issuing other forms of guidance, such as regulations or revenue rulings, consistent with the confidentiality provisions of the Code.

Effective date.—The provision is effective on the date of enactment: accordingly, no APAs, regardless of whether executed before or after enactment, or related background file documents can be released to the public after the date of enactment. It requires the Treasury Department to publish the first annual report no later than March 30, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment. In addition, the conference agreement requires the IRS to describe, in each annual report, its efforts to ensure compliance with existing APA agreements.

K. Increase Dollar Limitation on Section 911 Exclusion (sec. 912 of the House bill and sec. 911 of the Code)

Present Law

U.S. citizens generally are subject to U.S. income tax on their worldwide income. A U.S. citizen who earns income in a foreign country also may be taxed on such income by that foreign country. A credit against the U.S. income tax imposed on foreign-source income is allowed for foreign taxes paid on such income.

U.S. citizens living abroad may be eligible to exclude from their income for U.S. tax purposes certain foreign earned income and foreign housing costs. In order to qualify for these exclusions, a U.S. citizen must be either (1) a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire taxable year, or (2) present in a foreign country or countries for 330 days out of any 12 consecutive month period. In addition, the taxpayer must have his or her tax home in a foreign country.

The exclusion for foreign earned income generally applies to income earned from sources outside the United States as compensation for personal services actually rendered by the taxpayer. The maximum exclusion for foreign earned income for taxable years before 1998 is $70,000. Beginning in 1998, the maximum exclusion is increased in increments of $2,000 per year until the exclusion amount is $80,000 (i.e., in the year 2002). The maximum exclusion is $74,000 for 1999. The exclusion is indexed for inflation beginning in 2008 (for inflation after 2006).

The exclusion for housing costs applies to reasonable expenses, other than deductible interest and taxes, paid or incurred by or on behalf of the taxpayer for housing for the taxpayer and his or her spouse and dependents in a foreign country. The exclusion amount for housing costs for a taxable year is equal to the excess of such housing costs for the taxable year over an amount computed pursuant to a specified formula.

The combined earned income exclusion and housing cost exclusion may not exceed the taxpayer's total foreign earned income. The taxpayer's foreign tax credit is reduced by the amount of the credit that is attributable to excluded income.

House Bill

The House bill increases the maximum exclusion for foreign earned income in annual increments of $3,000 per year beginning in 2003, until the exclusion amount is $95,000 (i.e., in the year 2007). Thus, for the years 2003 through 2007, the maximum exclusion gradually increases from $83,000 to $95,000. Beginning in 2008, the maximum exclusion amount of $95,000 is indexed for inflation.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

L. Exempt Certain Sales of Frequent-Flyer and Similar Reduced-Fare Air Transportation Rights from Aviation Excise Taxes (sec. 906 of the Senate amendment and sec. 4261 of the Code)

Present Law

An 7.5-percent excise tax is imposed on the sale by an air transportation provider of the right to frequent-flyer or similar reduced-fare air transportation. Like the aviation excise taxes imposed on the sale of actual air transportation, this tax is imposed on all amounts paid for the right to air transportation if the right can be used for transportation to, from, or within the United States. In both cases, tax is imposed without regard to whether the sale occurs within the United States or elsewhere. Further, subject to an exception for rights actually used for purposes other than air transportation (as determined under Treasury Department regulations), the tax is imposed without regard to whether the rights ultimately are used for travel (to, from, or within United States or between two or more points in foreign countries) or expire without use.

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[85] IR 1999-05.

[86] This information was previously released in IRS Publication 3218, "IRS Report on Application and Administration of I.R.C. Section 482."

The current authority granted to the Treasury Department to exempt certain awards does not permit an exemption unless the rights actually are used for a purpose other than air transportation (e.g., hotels or car rentals). Thus, under present law, rights are taxable even if transportation for which they ultimately are used has no nexus to the United States.

House Bill

No provision.

Senate Amendment

The Senate amendment exempts from the 7.5-percent tax, air transportation rights sold which are credited to accounts of persons having a mailing address outside the United States. Mailing addresses are those listed on the records of the operator of the frequent-flyer or similar program.

Effective date.—The provision applies to air transportation rights sold after December 31, 2004.

Conference Agreement

The conference agreement follows the Senate amendment. As with the present-law regulatory exception for certain rights shown to be used for purposes other than air transportation, this statutory exemption is limited to amounts which are documented by the person providing the right to transportation (i.e., the operator of the frequent-flyer or similar program) as credited to accounts of persons having mailing addresses outside the United States.

X. TAX-EXEMPT ORGANIZATION PROVISIONS

A. Provide Tax Exemption for Organizations Created by a State to Provide Property and Casualty Insurance Coverage for Property for Which Such Coverage Is Otherwise Unavailable (sec. 1001 of the House bill, sec. 801 of the Senate amendment, and sec. 501(c)(28) of the Code)

Present Law

A life insurance company is subject to tax on its life insurance company taxable income, which is its life insurance income reduced by life insurance deductions (sec. 801). Similarly, a property and casualty insurance company is subject to tax on its taxable income, which is determined as the sum of its underwriting income and investment income (as well as gains and other income items) (sec. 831). Present law provides that the term "corporation" includes an insurance company (sec. 7701(a)(3)).

In general, the Internal Revenue Service ("IRS") takes the position that organizations that provide insurance for their members or other individuals are not considered to be engaged in a tax-exempt activity. The IRS maintains that such insurance activity is either (1) a regular business of a kind ordinarily carried on for profit, or (2) an economy or convenience in the conduct of members' businesses because it relieves the members from obtaining insurance on an individual basis.

Certain insurance risk pools have qualified for tax exemption under Code section 501(c)(6). In general, these organizations (1) assign any insurance policies and administrative functions to their member organizations (although they may reimburse their members for amounts paid and expenses); (2) serve an important common business interest of their members; and (3) must be membership organizations financed, at least in part, by membership dues.

State insurance risk pools may also qualify for tax exempt status under section 501(c)(4) as a social welfare organization or under section 115 as serving an essential governmental function of a State. In seeking qualification under section 501(c)(4), insurance organizations generally are constrained by the restrictions on the provision of "commercial-type insurance" contained in section 501(m). Section 115 generally provides that gross income does not include income derived from the exercise of any essential governmental function or accruing to a State or any political subdivision thereof.

Certain specific provisions provide tax-exempt status to organizations meeting statutory requirements.

Health coverage for high-risk individuals

Section 501(c)(26) provides tax-exempt status to any membership organization that is established by a State exclusively to provide coverage for medical care on a nonprofit basis to certain high-risk individuals, provided certain criteria are satisfied. The organization may provide coverage for medical care either by issuing insurance itself or by entering into an arrangement with a health maintenance organization ("HMO").

High-risk individuals eligible to receive medical care coverage from the organization must be residents of the State who, due to a pre-existing medical condition, are unable to obtain health coverage for such condition through insurance or an HMO, or are able to acquire such coverage only at a rate that is substantially higher than the rate charged for such coverage by the organization. The State must determine the composition of membership in the organization. For example, a State could mandate that all organizations that are subject to insurance regulation by the State must be members of the organization.

The provision further requires the State or members of the organization to fund the liabilities of the organization to the extent that premiums charged to eligible individuals are insufficient to cover such liabilities. Finally, no part of the net earnings of the organization can inure to the benefit of any private shareholder or individual.

Workers' compensation reinsurance organizations

Section 501(c)(27)(A) provides tax-exempt status to any membership organization that is established by a State before June 1, 1996, exclusively to reimburse its members for workers' compensation insurance losses, and that satisfies certain other conditions. A State must require that the membership of the organization consist of all persons who issue insurance covering workers' compensation losses in such State, and all persons and governmental entities who self-insure against such losses. In addition, the organization must operate as a nonprofit organization by returning surplus income to members or to workers' compensation policyholders on a periodic basis and by reducing initial premiums in anticipation of investment income.

State workmen's compensation act companies

Section 501(c)(27)(B) provides tax-exempt status for any organization that is created by State law, and organized and operated exclusively to provide workmen's compensation insurance and related coverage that is incidental to workmen's compensation insurance, and that meets certain additional requirements. The workmen's compensation insurance must be required by State law, or be insurance with respect to which State law provides significant disincentives if it is not purchased by an employer (such as loss of exclusive remedy or forfeiture of affirmative defenses such as contributory negligence). The organization must provide workmen's compensation to any employer in the State (for employees in the State or temporarily assigned out-of-State) seeking such insurance and meeting other reasonable requirements. The State must either extend its full faith and credit to the initial debt of the organization or provide the initial operating capital of such organization. For this purpose, the initial operating capital can be provided by providing the proceeds of bonds issued by a State authority; the bonds may be repaid through exercise of the State's taxing authority, for example. For periods after the date of enactment, either the assets of the organization must revert to the State upon dissolution, or State law must not permit the dissolution of the organization absent an act of the State legislature. Should dissolution of the organization become permissible under applicable State law, then the requirement that the assets of the organization revert to the State upon dissolution applies. Finally, the majority of the board of directors (or comparable oversight body) of the organization must be appointed by an official of the executive branch of the State or by the State legislature, or by both.

House Bill

The provision provides tax-exempt status for any association created before January 1, 1999, by State law and organized and operated exclusively to provide property and casualty insurance coverage for property located within the State for which the State has determined that coverage in the authorized insurance market is limited or unavailable at reasonable rates, provided certain requirements are met.

Under the provision, no part of the net earnings of the association may inure to the benefit of any private shareholder or individual. Except as provided in the case of dissolution, no part of the assets of the association may be used for, or diverted to, any purpose other than: (1) to satisfy, in whole or in part, the liability of the association for, or with respect to, claims made on policies written by the association; (2) to invest in investments authorized by applicable law; (3) to pay reasonable and necessary administration expenses in connection with the establishment and operation of the association and the processing of claims against the association (4) to make remittances pursuant to State law to be used by the State to provide for the payment of claims on policies written by the association, purchase reinsurance covering losses under such policies, or to support governmental programs to prepare for or mitigate the effects of natural catastrophic events. The provision requires that the State law governing the association permit the association to levy assessments on insurance companies authorized to sell property and casualty insurance in the State, or on property and casualty insurance policyholders with insurable interests in property located in the State to fund deficits of the association, including the creation of reserves. The provision requires that the plan of operation of the association be subject to approval by the chief executive officer or other official of the State, by the State legislature, or both. In addition, the provision requires that the assets of the association revert upon dissolution to the State, the State's designee, or an entity designated by the State law governing the association, or that State law not permit the dissolution of the association.

The provision provides a special rule in the case of any entity or fund created before January 1, 1999, pursuant to State law and organized and operated exclusively to receive, hold, and invest remittances from an association exempt from tax under the provision, to make disbursements to pay claims on insurance contracts issued by the association, and to make disbursements to support governmental programs to prepare for or mitigate the effects of natural catastrophic events. The special rule provides that the entity or fund may elect to be disregarded as a separate entity and be treated as part of the association exempt from tax under the provision, from which it receives such remittances. The election is required to be made no later than 30 days following the date on which the association is determined to be exempt from tax under the provision, and would be effective as of the effective date of that determination.

An organization described in the provision is treated as having unrelated business taxable income ("UBIT") in the amount of its taxable income (computed as if the organization were not exempt from tax under the proposal), if at the end of the immediately preceding taxable year, the organization's net equity exceeded 15 percent of the total coverage in force under insurance contracts issued by the organization and outstanding at the end of that preceding year.

Under the provision, no income or gain is recognized solely as a result of the change in status to that of an association exempt from tax under the provision.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999. No inference is intended as to the tax status under present law of associations described in the provision.

Senate Amendment

Same as House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

B. Conform Provisions Relating to Arbitrage Treatment to Reflect Proposed State Constitutional Amendments (sec. 1002 of the House bill)

Present Law

In general, present-law tax-exempt bond arbitrage restrictions provide that interest on a State or local government bond is not eligible for tax-exemption if the proceeds are invested, directly or indirectly, in materially higher yielding investments or if the debt service on the bond is secured by or paid from (directly or indirectly) such investments. An exception, enacted in 1984, provides that the pledge of income from investments in a Fund established under a provision of a State constitution adopted in 1876 as security for a limited amount of tax-exempt bonds for two State university systems will not cause interest on those bonds to be taxable. The terms of this exception are limited to State constitutional or statutory restrictions in effect as of October 9, 1969.

The General Assembly of the State has approved proposed constitutional amendments regarding the manner in which amounts in the Fund are paid for the benefit of the two university systems. These proposed amendments are to be voted on by the State's citizens in November 1999. If approved, the amendments will in substance eliminate the benefits of the 1984 exception from the tax-exempt bond arbitrage restrictions for future debt.

House Bill

The 1984 exception is conformed to the proposed State constitutional amendments to permit its continued applicability to bonds of the two university systems. Limitations on the aggregate amount of bonds which may benefit from the exception are not modified.

Effective date.—The provision applies to bonds issued after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

C. Authorize Secretary of Treasury to Grant Waivers from Section 4941 Prohibitions (sec. 1004 of the House bill and sec. 4941 of the Code)

Present Law

In order to prohibit transactions between tax-exempt private foundations and certain related persons, present law provides for the imposition of excise taxes when "disqualified persons" engage in acts of "self-dealing" with a private foundation (sec. 4941). Disqualified persons include foundation managers (directors, trustees, and officers of the foundation), substantial contributors to the foundation, certain family members of these persons, and certain entities related to these persons. Disqualified persons also include government officials at certain levels.

Acts of self-dealing include any direct or indirect: (1) sale, exchange, or leasing of property between a private foundation and a disqualified person, (2) lending of money or extensions of credit between a private foundation and a disqualified person, (3) furnishing of goods, services, or facilities between a private foundation and a disqualified person, (4) payment of compensation (or payment or reimbursement of expenses) by a private foundation to a disqualified person, (5) transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a private foundation, and (6) agreement by a private foundation to make any payment of money or other property to a government official.[87] There is no exception from the prohibition on acts of self-dealing for inadvertent violations, and even transactions which arguably may benefit the private foundation may be subject to tax as an act of self-dealing.

Self-dealing excise taxes are imposed on a disqualified person who has engaged in a self-dealing transaction, and on any foundation manager who knowingly participates in the transaction. At the first level of tax, a disqualified person is subject to an initial tax at a rate of 5 percent and a foundation manager at a rate of 2.5 percent (up to a maximum of $10,000) of the "amount involved" in the act of self-dealing. Where the self-dealing transaction involves the use of money (e.g., a loan) or other property, the "amount involved" generally is the greater of the amount of money and the fair market value of the other property given or the amount of money and the fair market value of the property received. Section 4941 also imposes a second level of taxes at higher rates where an act of self-dealing has occurred and the transaction is not corrected within a specified period of time.

House Bill

The House bill requires the Secretary of the Treasury to establish an exemption procedure pursuant to which the Secretary can grant a conditional or unconditional exemption from the self- dealing prohibition of section 4941. The Secretary is permitted to grant an exemption for any disqualified person or transaction, or class of disqualified persons or transactions, if such exemption is: (1) administratively feasible, (2) in the interests of the private foundation, and (3) protective of the rights of the private foundation. The House bill requires that, prior to granting such an exemption, the Secretary must: (1) require that adequate notice be given to interested persons, (2) publish notice in the Federal Register of the pendency of a request for an exemption, and (3) afford interested persons an opportunity to present their views.

Effective date.—The House bill is effective for transactions occurring after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

D. Extend Declaratory Judgment Procedures to Non-501(c)(3) Tax-exempt Organizations (sec. 1005 of the House bill and sec. 7428 of the Code)

Present Law

In order for an organization to be granted tax exemption as a charitable entity described in section 501(c)(3), it generally must file an application for recognition of exemption with the IRS and receive a favorable determination of its status. Similarly, for most organizations, a charitable organization's eligibility to receive tax-deductible contributions is dependent upon its receipt of a favorable determination from the IRS. In general, a section 501(c)(3) organization can rely on a determination letter or ruling from the IRS regarding its tax-exempt status, unless there is a material change in its character, purposes, or methods of operation. In cases where an organization violates one or more of the requirements for tax exemption under section 501(c)(3), the IRS is authorized to revoke an organization's tax exemption, notwithstanding an earlier favorable determination.

In situations where the IRS denies an organization's application for recognition of exemption under section 501(c)(3) or fails to act on such application, or where the IRS informs a section 501(c)(3) organization that it is considering revoking or adversely modifying its tax- exempt status, present law authorizes the organization to seek a declaratory judgment regarding its tax status (sec. 7428). Section 7428 provides a remedy in the case of a dispute involving a determination by the IRS with respect to: (1) the initial qualification or continuing qualification of an organization as a charitable organization for tax exemption purposes or for charitable contribution deduction purposes; (2) the initial classification or continuing classification of an organization as a private foundation; (3) the initial classification or continuing classification of an organization as a private operating foundation; or (4) the failure of the IRS to make a determination with respect to (1), (2), or (3). A "determination" in this context generally means a final decision by the IRS affecting the tax qualification of a charitable organization, although it also can include a proposed revocation of an organization's tax-exempt status or public charity classification. Section 7428 vests jurisdiction over controversies involving such a determination in the U.S. District Court for the District of Columbia, the U.S. Court of Federal Claims, and the U.S. Tax Court.

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[87] There are certain limited transactions between disqualified persons and private foundations that are defined by statute not to constitute acts of self-dealing.

Prior to utilizing the declaratory judgment procedure, an organization must have exhausted all administrative remedies available to it within the IRS. For the first 270 days after a request for a determination is made, an organization is deemed to not have exhausted its administrative remedies. Provided that no determination is made during the 270–day period, the organization may initiate an action for declaratory judgment after the period has elapsed. If, however, the IRS makes an adverse determination during the 270–day period, an organization may initiate a declaratory judgment immediately. The 270–day period does not begin with respect to applications for recognition of tax-exempt status until the date a substantially completed application is submitted.

In contrast to the rules governing charities, it is a disputed issue as to whether non-charities (i.e., organizations not described in section 501(c)(3), including trade associations, social welfare organizations, social clubs, labor and agricultural organizations, and fraternal organizations) are required to file an application with the IRS to obtain a determination of their tax-exempt status. If an organization voluntarily files an application for recognition of exemption and receives a favorable determination from the IRS, the determination of tax-exempt status is usually effective as of the date of formation of the organization if its purposes and activities during the period prior to the date of the determination letter were consistent with the requirements for exemption. However, if the organization files an application for recognition of exemption and later receives an adverse determination from the IRS, the IRS may assert that the organization is subject to tax on some or all of its income for open taxable years. In addition, as with charitable organizations, the IRS may revoke or modify an earlier favorable determination regarding an organization's tax-exempt status.

Under present law, a non-charity (i.e., an organization not described in section 501(c)(3)) may not seek a declaratory judgment with respect to an IRS determination regarding its tax- exempt status. The only remedies available to such an organization are to petition the U.S. Tax Court for relief following the issuance of a notice of deficiency or to pay any tax owed and sue for refund in federal district court or the U.S. Court of Federal Claims.

House Bill

The House bill extends declaratory judgment procedures similar to those currently available only to charities under section 7428 to other section 501(c) determinations. Jurisdiction over controversies involving such determinations is limited to the United States Tax Court.

Effective date.—The House bill is effective for pleadings with respect to determinations made after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

E. Modify Section 512(b)(13) (sec. 1006 of the bill and, Sec. 802 of the Senate amendment and section 512(b)(13) of the Code)

Present Law

In general, interest, rents, royalties and annuities are excluded from the unrelated business income ("UBI") of tax-exempt organizations. However, section 512(b)(13) treats otherwise excluded rent, royalty, annuity, and interest income as UBI if such income is received from a taxable or tax-exempt subsidiary that is 50 percent controlled by the parent tax-exempt organization. In the case of a stock subsidiary, "control" means ownership by vote or value of more than 50 percent of the stock. In the case of a partnership or other entity, control means ownership of more than 50 percent of the profits, capital or beneficial interests. In addition, present law applies the constructive ownership rules of section 318 for purposes of section 512(b)(13). Thus, a parent exempt organization is deemed to control any subsidiary in which it holds more than 50 percent of the voting power or value, directly (as in the case of a first-tier subsidiary) or indirectly (as in the case of a second-tier subsidiary).

Under present law, interest, rent, annuity, or royalty payments made by a controlled entity to a tax-exempt organization are includable in the latter organization's UBI and are subject to the unrelated business income tax to the extent the payment reduces the net unrelated income (or increases any net unrelated loss) of the controlled entity.

The Taxpayer Relief Act of 1997 (the "1997 Act") made several modifications, as described above, to the control requirement of section 512(b)(13). In order to provide transitional relief, the changes made by the 1997 Act do not apply to any payment received or accrued during the first two taxable years beginning on or after the date of enactment of the 1997 Act (August 5, 1997) if such payment is received or accrued pursuant to a binding written contract in effect on June 8, 1997, and at all times thereafter before such payment (but not pursuant to any contract provision that permits optional accelerated payments).

House Bill

The House bill provides that the general rule of section 512(b)(13), which includes interest, rent, annuity, or royalty payments made by a controlled entity to a tax-exempt organization in the latter organization's UBI, applies only to the portion of payments received in a taxable year that exceed the amount of the specified payment which would have been paid if such payment had been determined under the principles of section 482. Thus, if a payment of rent by a controlled subsidiary to its tax-exempt parent organization exceeds fair market value, the excess amount of such payment over fair market value (as determined in accordance with section 482) is included in the parent organizations's UBI. The House bill also imposes an addition to tax of 20 percent of the excess amount of any such payment.

The House bill provides relief for payments under contracts that are still subject to the binding contract transition rule of the 1997 Act on the date of enactment of the proposal (but for which the transition rule would expire prior to the effective date of the proposal) by extending the transition rule until December 31, 1999.

Effective date.—The provision providing an exception from the general rule of section 512(b)(13) for interest, rent, annuity, or royalty payments from controlled subsidiaries that do not exceed fair market value generally applies to payments received or accrued after December 31, 1999.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

F. Simplify Lobbying Expenditure Limitations (sec. 803 of the Senate amendment and secs. 501(h) and 4911 of the Code)

Present Law

An organization does not qualify for tax-exempt status as a charitable organization under section 501(c)(3) unless no substantial part of its activities constitutes carrying on propaganda or otherwise attempting to influence legislation (commonly referred to as "lobbying"). For purposes of determining whether legislative activities are a substantial part of a public charity's overall functions, a public charity may elect either the "substantial part" test or the "expenditure" test.

The substantial part test uses a facts and circumstances approach to measure the permissible level of legislative activities. Because there is no statutory or regulatory guidance, it is not clear whether the determination is based on the organization's activities, its expenditures, or both.

As an alternative to the substantial part test, the expenditure test permits public charities to elect to be governed by specific expenditure limitations on their lobbying activities under section 501(h). The expenditure test establishes two expenditure limits: one restricts the total amount of lobbying expenditures the public charity can make, the other restricts grass roots lobbying expenditures as a subset of total lobbying expenditures. A public charity's total lobbying expenditures for a year are the sum of its expenditures for direct lobbying and its expenditures for grass roots lobbying.

Direct lobbying is defined as an attempt to influence legislation through communication with a member or staff of a legislative body or with any other government official or employee who may participate in the formulation of legislation. The communication will constitute direct lobbying only if such communication "refers to specific legislation" and reflects a view on such legislation (Treas. Reg. sec. 56.4911–2(b)(1)(ii)). Grass roots lobbying is defined as an attempt to influence legislation through a communication with members of the public that seeks to affect their opinions about the legislation (Treas. Reg. sec. 56.4911–2(b)(2)(i)). The communication must refer to specific legislation, reflect a view on the legislation, and encourage the recipient of the communication to take action with respect to the legislation.

Under the expenditure test, a public charity will be denied exemption under section 501(c)(3) because of lobbying activities only if it normally either (1) makes total lobbying expenditures in excess of the "lobbying ceiling amount" or (2) makes grass roots expenditures in excess of the "grass roots ceiling amount" (sec. 501(h)(1)). The lobbying ceiling amount is 150 percent of the organization's "lobbying nontaxable amount" and the grass roots ceiling amount is 150 percent of the "grass roots nontaxable amount." The lobbying nontaxable amount is the lesser of $1 million or an amount determined as a percentage of an organization's exempt purpose expenditures. The grass roots nontaxable amount is 25 percent of the organization's lobbying nontaxable amount for that taxable year. A public charity that has elected the expenditure test and that exceeds either or both of these limitations is subject to a 25 percent tax on the greater of the two excess lobbying expenditures.

House Bill

No provision.

Senate Amendment

The Senate amendment removes the separate percentage limitation on grass roots lobbying expenditures. Consequently, public charities that have elected the expenditure test under section 501(h) are subject to an expenditure limitation only on their total lobbying expenditures.

Effective date.—The Senate amendment is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

G. Tax-Free Withdrawals From IRAs for Charitable Purposes (sec. 804 of the Senate amendment and sec. 408(d) of the Code)

Present Law

Under present law, individualsmay make deductible contributions to a traditional individual retirement arrangement ("IRA"). Amounts in an IRA are includible in income when withdrawn (except to the extent the withdrawal represents a return of after-tax contributions). Includible amounts withdrawn before attainment of age 59½ are subject to an additional 10- percent early withdrawal tax, unless an exception applies.

Generally, a taxpayer who itemizes deductions may deduct cash contributions to charity, as well as the fair market value of contributions of property. The amount of the deduction otherwise allowable for the taxable year with respect to a charitable contribution may be reduced, depending on the type of property contributed, the type of charitable organization to which the property is contributed, and the income of the taxpayer.

For donations of cash by individuals, total deductible contributions to public charities may not exceed 50 percent of a taxpayer's adjusted gross income ("AGI") for a taxable year. To the extent a taxpayer has not exceeded the 50-percent limitation, contributions of cash to private foundations and certain other nonprofit organizations and contributions of capital gain property to public charities generally may be deducted up to 30 percent of the taxpayer's AGI. If a taxpayer makes a contribution in one year which exceeds the applicable 50-percent or 30-percent limitation, the excess amount of the contribution may be carried over and deducted during the next five taxable years.

In addition to the percentage limitations imposed specifically on charitable contributions, present law imposes a reduction on most itemized deductions, including charitable contribution deductions, for taxpayers with adjusted gross income in excess of a threshold amount, which is indexed annually for inflation. The threshold amount for 1999 is $126,600 ($63,300 for married individuals filing separate returns). For those deductions that are subject to the limit, the total amount of itemized deductions is reduced by 3 percent of AGI over the threshold amount, but not by more than 80 percent of itemized deductions subject to the limit. The effect of this reduction may be to limit a taxpayer's ability to deduct some of his or her charitable contributions.

House Bill

No provision.

Senate Amendment

The provision provides an exclusion from gross income for qualified charitable distributions from an IRA: (1) to a charitable organization to which deductible contributions can be made; (2) to a charitable remainder annuity trust or charitable remainder unitrust; (3) to a pooled income fund (as defined in sec. 642(c)(5)); or (4) for the issuance of a charitable gift annuity. The exclusion applies with respect to distributions described in (2), (3), or (4) only if no person holds an income interest in the trust, fund, or annuity attributable to such distributions other than the IRA owner, his or her spouse, or a charitable organization.

In determining the character of distributions from a charitable remainder annuity trust or a charitable remainder unitrust to which a qualified charitable distribution from an IRA was made, the charitable remainder trust is required to treat as ordinary income the portion of the distribution from the IRA to the trust which would have been includible in income but for the provision, and as corpus any remaining portion of the distribution. Similarly, in determining the amount includible in gross income by reason of a payment from a charitable gift annuity purchased with a qualified charitable distribution from an IRA, the taxpayer is not permitted to treat the portion of the distribution from the IRA used to purchase the annuity as an investment in the annuity contract.

A qualified charitable distribution is any distribution from an IRA which is made after age 70½, which qualifies as a charitable contribution (within the meaning of sec. 170(c)), and which is made directly to the charitable organization or to a charitable remainder annuity trust, charitable remainder unitrust, pooled income fund, or charitable gift annuity (as described above).[88] A taxpayer is not permitted to claim a charitable contribution deduction for amounts transferred from his or her IRA to charity or to a trust, fund, or annuity that, because of the provision, are excluded from the taxpayer's income.

Effective date.—The provision is effective with respect to distributions after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment, except that an exclusion from gross income for a qualified charitable distribution from an IRA is available only for a distribution made to a charitable organization to which deductible contributions can be made, and not for distributions to charitable remainder trusts, pooled income funds, or for the issuance of charitable gift annuities.

Effective date.—The provision is effective for distributions in taxable years beginning after December 31, 2002.

H. Provide Exclusion for Mileage Reimbursements by Charitable Organizations (sec. 1302 of the House bill, sec. 805 of the Senate amendment, and new sec. 138A of the Code)

Present Law

In computing taxable income, individuals who do not elect the standard deduction may claim itemized deductions, including a deduction (subject to certain limitations) for charitable contributions or gifts made during the taxable year to a qualified charitable organization or governmental entity (sec. 170). Individuals who elect the standard deduction may not claim a deduction for charitable contributions made during the taxable year.

No charitable contribution deduction is allowed for a contribution of services. However, unreimbursed expenditures made incident to providing donated services to a qualified charitable organization—such as out-of-pocket transportation expenses necessarily incurred in performing donated services—may constitute a deductible contribution (Treas. Reg. sec. 1.170A-1(g)).[89] However, no charitable contribution deduction is allowed for traveling expenses (including expenses for meals and lodging) while away from home, whether paid directly or by reimbursement, unless there is no significant element of personal pleasure, recreation, or vacation in such travel (sec. 170(j)). Moreover, a taxpayer may not deduct as a charitable contribution out-of-pocket expenditures incurred on behalf of a charity if such expenditures are made for the purposes of influencing legislation (sec. 170(f)(6)).

For purposes of computing the charitable contribution deduction for the use of a passenger automobile (including vans, pickups, and panel trucks) in connection with providing donated services to a qualified charitable organization, the standard mileage rate is 14 cents per mile (sec. 170(i)). Volunteer drivers who are reimbursed for mileage expenses have taxable income to the extent the reimbursement exceeds 14 cents per mile.

House Bill

Under the House bill, reimbursement by an entity or organization described in section 170(c) (including public charities and private foundations) for the costs of using an automobile in connection with providing donated services is excludable from the gross income of the volunteer, provided that (1) reimbursement does not exceed the rate prescribed for business use, and (2) applicable recordkeeping requirements are satisfied. The expenditures for which a volunteer is reimbursed must be expenditures for which a deduction would otherwise be allowable under section 170. The bill does not permit a volunteer to exclude a reimbursement from income if the volunteer claims a deduction or credit with respect to his or her automobile transportation expenses incurred in connection with providing donated services.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

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[88] The Committee intends that, in the case of transfer to a trust, fund, or annuity, the full amount distributed from an IRA will meet the definition of a qualified charitable distribution if the charitable organization's interest in the distribution would qualify as a charitable contribution under section 170.

[89] Treasury Regulation section 1.170A-1(g) allows taxpayers to deduct only their own unreimbursed expenses incurred in performing services for a qualified charitable organization, and not expenses incident to a third party's performance of services. See *Davis* v. *United States*, 495 U.S. 472 (1990).

I. Charitable Contribution Deduction for Certain Expenses in Support of Native Alaskan Subsistence Whaling (sec. 806 of the Senate amendment and sec. 170 of the Code)

Present Law

In computing taxable income, individuals who do not elect the standard deduction may claim itemized deductions, including a deduction (subject to certain limitations) for charitable contributions or gifts made during the taxable year to a qualified charitable organization or governmental entity (sec. 170). Individuals who elect the standard deduction may not claim a deduction for charitable contributions made during the taxable year.

No charitable contribution deduction is allowed for a contribution of services. However, unreimbursed expenditures made incident to the rendition of services to an organization, contributions to which are deductible, may constitute a deductible contribution (Treas. Reg. sec. 1.170A-1(g)). Specifically, section 170(j) provides that no charitable contribution deduction is allowed for traveling expenses (including amounts expended for meals and lodging) while away from home, whether paid directly or by reimbursement, unless there is no significant element of personal pleasure, recreation, or vacation in such travel.

House Bill

No provision.

Senate Amendment

The Senate amendment allows individuals to claim a deduction under section 170 not exceeding $7,500 per taxable year for certain expenses incurred in carrying out sanctioned whaling activities. The deduction is available only to an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities. The deduction is available for reasonable and necessary expenses paid by the taxpayer during the taxable year for (1) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities, (2) the supplying of food for the crew and other provisions for carrying out such activities, and (3) storage and distribution of the catch from such activities.

For purposes of the provision, the term "sanctioned whaling activities" means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission. No inference is intended regarding the deductibility of any whaling expenses incurred in a taxable year ending before January 1, 2000.

Effective date.—The Senate amendment is effective for taxable years ending after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

J. Charitable Giving Provisions (secs. 807–809 of the Senate amendment and secs. 170 and 63 of the Code)

Present Law

Generally, a taxpayer who itemizes deductions may deduct cash contributions to charity made within a taxable year (generally, January 1–December 31 for calendar-year taxpayers), as well as the fair market value of contributions of property. The amount of the deduction otherwise allowable for the taxable year with respect to a charitable contribution may be reduced, depending on the type of property contributed, the type of charitable organization to which the property is contributed, and the income of the taxpayer. Taxpayers who do not itemize their deductions may not claim a deduction for charitable contributions made during the taxable year.

For donations of cash by individuals, total deductible contributions to public charities, private operating foundations, and certain types of private non-operating foundations may not exceed 50 percent of a taxpayer's "contribution base," which is typically the taxpayer's adjusted gross income ("AGI"), for a taxable year (sec. 170(b)(1)). To the extent a taxpayer has not exceeded the 50-percent limitation, contributions of cash to private foundations and certain other charitable organizations and contributions of capital gain property to public charities generally may be deducted up to 30 percent of the taxpayer's contribution base. If a taxpayer makes a contribution in one year which exceeds the applicable 50-percent or 30-percent limitation, the excess amount of the contribution may be carried over and deducted during the next five taxable years.

The maximum charitable contribution deduction that may be claimed by a corporation for any one taxable year is limited to 10 percent of the corporation's taxable income for that year. (sec. 170(b)(2)).

House Bill

No provision.

Senate Amendment

Deadline for contributions to low-income schools extended until return filing date

The Senate amendment allows taxpayers to claim a charitable contribution deduction for donations to public, private, and parochial low-income elementary and secondary schools made after the end of the taxable year and on or before the date for filing the taxpayer's Federal income tax return (not including extensions). For example, a calendar-year taxpayer may make a contribution to a qualifying school on March 23, 2001, and claim a charitable contribution deduction for that gift on his or her Federal income tax return for the year 2000 filed on April 15, 2001.[90] For purposes of the provision, a low-income school is defined as one where more than 50 percent of the students qualify for free or reduced price lunches.

Effective date.—The Senate amendment is effective for taxable years beginning after December 31, 1999.

Charitable contribution deduction for non-itemizers

For 2005 and 2006, the Senate amendment allows taxpayers who do not itemize their deductions to claim a deduction for charitable contributions in addition to the standard deduction. The deduction is limited to $50 for individual taxpayers and $100 for taxpayers filing joint returns. The deduction is available for any donation that is allowable as a deductible charitable contribution under section 170(a). Thus, contributions of cash, as well as tangible personal property (e.g., clothing and furniture), are eligible for the deduction.

Effective date.—The Senate amendment is effective for taxable years 2005 and 2006.

Increase AGI percentage limits for individuals

The Senate amendment phases up the percentage limitations applicable to charitable contributions of cash and capital gain property to public charities and certain other charitable entities (organizations and entities described in section 170(b)(1)(A)) by individuals. Beginning in 2002, the Senate amendment increases the 50-percent and 30-percent limitations by 2 percent per year until the limitations are equal to 60 percent and 30 percent, respectively, in 2006. In 2007, the limitations are increased to 70 percent and 50 percent, respectively.

Effective date.—The Senate amendment is effective for taxable years beginning after December 31, 2001.

Increase AGI percentage limits for corporations

The Senate amendment phases up the percentage limitation applicable to charitable contributions by corporations. Beginning in 2002, the Senate amendment increases the 10-percent limitation by 2 percent per year until the limitation is equal to 20 percent in 2006.

Effective date.—The Senate amendment is effective for taxable years beginning after December 31, 2001.

Conference Agreement

The conference agreement does not include the Senate amendment charitable giving provisions.

K. Modify Excess Business Holdings Rules for Publicly Traded Stock (sec. 810 of the Senate amendment and sec. 4943 of the Code)

Present Law

Private foundations, which are charitable organizations that do not qualify as public charities, are subject to certain restrictions on their operations. Violations of these restrictions may subject the foundation and, in some cases, their foundation managers to excise taxes. One such restriction prohibits a private foundation from owning more than specified equity interests in business enterprises, including corporations, partnerships, estates, or trusts (sec. 4943). A private foundation, together with all disqualified persons, generally may not hold more than 20 percent of a corporation's voting stock, a partnership's profits interest, or similar interest in a business enterprise.[91] The limit increases to 35 percent if effective control of the business is in the hands of one or more persons who are not disqualified persons. These rules do not apply if the foundation owns less than 2 percent of a business, or if the business engages in activities that are substantially related to the foundation's charitable purpose.

If a foundation acquires business holdings other than by purchase (i.e., by gift or bequest), and the holdings would result in the foundation having excess business holdings, the foundation effectively has five years to reduce those holdings to permissible levels. In the case of an unusually large gift or bequest, the initial five-year disposition period may be extended by the Internal Revenue Service for an additional five years if the foundation is able to demonstrate that it has made diligent efforts to dispose of the excess holdings within the initial five-year period and that disposition within that period was not possible (except at a price substantially below fair market value) because of the size and complexity or diversity of the holdings.

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[90] The taxpayer will not be permitted to claim a deduction for the same gift on his or her 2001 Federal income tax return filed in 2002.

[91] A disqualified person is a person (including an individual, corporation, partnership, trust, or estate) that has a particularly influential relationship with respect to a private foundation. Disqualified persons include: (1) substantial contributors to a foundation (e.g., the founder of a foundation); (2) foundation managers (officers, directors, or trustees of a foundation, or an individual having powers or responsibilities similar to these positions); (3) persons who own more than a 20 percent interest in an entity (corporation, partnership, trust, or other unincorporated enterprise) that is a disqualified person with respect to a foundation; (4) family members of persons described in (1), (2), and (3); (5) corporations, partnerships, trusts, or estates that are more than 35 percent owned by persons described in (1), (2), (3), and (4); and (6) only for purposes of the self-dealing rules of section 4943, government officials at certain levels.

The initial tax imposed on a foundation with excess business holdings is 5 percent of the value of such holdings during the taxable year. The amount of tax is computed with respect to the greatest amount of excess business holdings during the taxable year. If the foundation fails to divest itself of the excess holdings within a certain period of time, an additional tax equal to 200 percent of their value is imposed on the excess business holdings remaining at the end of the period.

Present law also prohibits transactions between private foundations and disqualified persons by imposing excise taxes when disqualified persons engage in acts of "self-dealing" with a private foundation (sec. 4941). Acts of self-dealing include any direct or indirect: (1) sale, exchange, or leasing of property between a private foundation and a disqualified person, (2) lending of money or extensions of credit between a private foundation and a disqualified person, (3) furnishing of goods, services, or facilities between a private foundation and a disqualified person, (4) payment of compensation (or payment or reimbursement of expenses) by a private foundation to a disqualified person, (5) transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a private foundation, and (6) agreement by a private foundation to make any payment of money or other property to a government official.[92] There is no exception from the prohibition on acts of self-dealing for inadvertent violations, and even transactions which arguably may benefit the private foundation may be subject to tax as an act of self-dealing.

Self-dealing excise taxes are imposed on a disqualified person who has engaged in a self-dealing transaction, and on any foundation manager who knowingly participates in the transaction.

House Bill

No provision.

Senate Amendment

The Senate amendment provides an exception to the excess business holdings rules of section 4943 in certain circumstances. Under the Senate amendment, for the taxable year 2007, a private foundation and all disqualified persons are permitted to own up to 40 percent of the voting stock and 40 percent in value of all outstanding shares of all classes of stock in an incorporated business enterprise if the stock held by the foundation and disqualified persons is publicly traded stock for which market quotations are readily available. For the taxable year 2008 and thereafter, the percentage of stock that may be owned by a private foundation and all disqualified persons for purposes of this provision increases to 49 percent.

The Senate amendment limits the extent to which disqualified persons with respect to the foundation can engage in transactions with up to 49-percent owned corporations. Disqualified persons are not permitted to receive compensation from the corporation or to engage in any act with the corporation that would constitute self-dealing under section 4941 if the corporation were a private foundation and the disqualified persons were disqualified persons with respect to such corporation. Disqualified persons may not own, in the aggregate, more than 2 percent of the voting stock and not more than 2 percent in value of all outstanding shares of all classes of stock in such corporation. Finally, an audit committee of the board of directors (consisting of a majority of persons who are not disqualified persons) of each corporation that is up to 49-percent owned by a private foundation must certify in writing to, the foundation that the committee is not aware, after due inquiry, that any disqualified person has received compensation from the corporation or has engaged in an act of self-dealing with the corporation. This certification must be filed by the private foundation with its annual information return.

Effective date.—The provision is effective for foundations established by bequest of decedents dying after December 31, 2006.

Conference Agreement

The conference agreement does not include the Senate amendment.

L. Certain Costs of Private Foundation in Removing Hazardous Substances Treated as Qualifying Distribution (sec. 811 of the Senate amendment and sec. 4942 of the Code)

Present Law

Tax-exempt private foundations generally are required to make annual "qualifying distributions" of a specified minimum amount called the "distributable amount" (sec. 4942). The "distributable amount" is an amount equal to 5 percent of the fair market value of the foundation's investment assets for the year, reduced by (1) any excise tax on the foundation's investment income (under sec. 4940), (2) any tax on unrelated business taxable income (under sec. 511), and (3) by carryovers of excess distributions from prior years. "Qualifying distributions" include direct expenditures to accomplish charitable purposes and grants to public charities or private operating foundations. In addition, if certain requirements are met, a qualifying distribution also may include amounts "set aside" to be paid with five years for a specific charitable project.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, the distributable amount of a private foundation for purposes of section 4942 is reduced by any amounts paid or incurred for (1) investigatory costs, (2) direct costs of removal, and (3) costs of remedial action with respect to a hazardous substance released at a facility which was owned or operated by the private foundation. The provision is limited to a facility that was transferred to the foundation before December 11, 1980, for which active operation by the foundation was terminated before December 12, 1980. In addition, the provision does not apply to costs that were incurred pursuant to a pending order issued to the foundation unilaterally by the President or the President's assignee under section 106 of the Comprehensive Response, Compensation and Liability Act, or pursuant to a nonconsensual judgement against the foundation in a governmental costs recovery action under section 107 of such Act. For purpose of this provision, "hazardous substance" has the meaning given to such term by section 9601(14) of the Comprehensive Environmental Compensation and Liability Act.

Effective date.—Taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement does not include the Senate amendment.

XI. REAL ESTATE TAX RELIEF PROVISIONS

A. Provisions Relating to REITs (secs. 1101–1106, 1111, 1121, 1131, 1141, and 1151 of the House bill, secs. 1021–1026, 1031, 1041, 1051, 1061 and 1071 of the Senate amendment, and secs. 852, 856, and 857 of the Code)

Present Law

Real estate investment trust ("REITs") are treated, in substance, as pass-through entities under present law. Pass-through status is achieved by allowing the REIT a deduction for dividends paid to its shareholders. REITs are restricted to investing in passive investments primarily in real estate and securities. Specifically, a REIT is required to receive at least 95 percent of its income from real property rents and from securities. Amounts received as impermissible "tenant services income" are not treated as rents from real property. In general, such amounts are for services rendered to tenants that are not "customarily furnished" in connection with the rental of real property. Rents for certain personal property leased in connection with real property are treated as rents from real property if the adjusted basis of the personal property does not exceed 15 percent of the aggregate adjusted bases of the real and the personal property. Special rules also permit amounts to be received from certain "foreclosure property," treated as such for 3 years after the property is acquired by the REIT in foreclosure after a default (or imminent default) on a lease of such property or on indebtedness which such property secured.

A REIT is not treated as providing services that produce impermissible tenant services income if such services are provided by an independent contractor from whom the REIT does not derive or receive any income. An independent contractor is defined as a person who does not own, directly or indirectly, more than 35 percent of the shares of the REIT. Also, no more than 35 percent of the total shares of stock of an independent contractor (or of the interests in assets or net profits, if not a corporation) can be owned directly or indirectly by persons owning 35 percent or more of the interests in the REIT.

A REIT is limited in the amount that it can own in other corporations. Specifically, a REIT cannot own securities (other than Government securities and certain real estate assets) in an amount greater than 25 percent of the value of REIT assets. In addition, it cannot own securities of any one issuer representing more than 5 percent of the total value of REIT assets or more than 10 percent of the voting securities of any corporate issuer. Under an exception to this rule, a REIT can own 100 percent of the stock of a corporation, but in that case the income and assets of such corporation are treated as income and assets of the REIT. Securities for purposes of these rules are defined by reference to the Investment Company Act of 1940.[93]

A REIT is generally required to distribute 95 percent of its income before the end of its taxable year, as deductible dividends paid to shareholders. This rule is similar to a rule for regulated investment companies ("RICs") that requires distribution of 90 percent of income. Both REITS and RICs can make certain "deficiency dividends" after the close of the taxable year, and have these treated as made before the end of the year. The regulations applicable to REITS state that a distribution will be treated as a "deficiency dividend" and thus as made before the end of the prior taxable year, only to the extent the earnings and profits for that year exceed the amount of distributions actually made during the taxable year.

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[92] There are certain limited transactions between disqualified persons and private foundations that are defined by statute not to constitute acts of self-dealing.

[93] 15 U.S.C. 80a–1 and following.

A REIT that has been or has combined with a C corporation will be disqualified if, as of the end of its taxable year, it has accumulated earnings and profits from a non-REIT year. A similar rule applies to regulated investment companies ("RICs"). In the case of a REIT, any distribution made in order to comply with this requirement is treated a being first from pre-REIT accumulated earnings and profits. RICs do not have a similar ordering rule.

In the case of a RIC, under a provision entitled "procedures similar to deficiency dividend procedures", any distribution made within a specified period after determination that the investment company did not qualify as a RIC for the taxable year will, "for purposes of applying [the earnings and profits rule that forbids a RIC to have non-RIC earnings and profits] to subsequent taxable years", be treated as applying to the RIC for the non-RIC year. The REIT rules do not specify any particular separate treatment of distributions made after the end of the taxable year for purposes of the earnings and profits rule. Treasury regulations under the REIT provisions state that "distribution procedures similar to those .–.–. for regulated investment companies apply to non-REIT earnings and profits of a real estate investment trust."

House Bill

Taxable REIT subsidiaries

Under the provision, a REIT generally cannot own more than 10 percent of the total value of securities of a single issuer, in addition to the present law rule that a REIT cannot own more than 10 percent of the outstanding voting securities of a single issuer.

For purposes of the new 10–percent value test, securities are generally defined to exclude safe harbor debt owned by a REIT (as defined for purposes of sec. 1361(c)(5)(B)(i) and (ii)) if the REIT (and any taxable REIT subsidiary of such REIT) owns no other securities of the issuer. However, in the case of a REIT that owns securities of a partnership, safe harbor debt is excluded from the definition of securities only if the REIT owns at least 20–percent or more of the profits interest in the partnership. The purpose of the partnership rule requiring a 20 percent profits interest is to assure that if the partnership produces income that would be disqualified income to the REIT, the REIT will be treated as receiving a significant portion of that income directly, even though it may also derive qualified interest income through its safe harbor debt interest.

An exception to the limitations on ownership of securities of a single issuer applies in the case of a "taxable REIT subsidiary" that meets certain requirements. To qualify as a taxable REIT subsidiary, both the REIT and the subsidiary corporation must join in an election. In addition, any corporation (other than a REIT or a qualified REIT subsidiary under section 856(i) that does not properly elect with the REIT to be a taxable REIT subsidiary) of which a taxable REIT subsidiary owns, directly or indirectly, more than 35 percent of the vote or value is automatically treated as a taxable REIT subsidiary. Securities (as defined in the Investment Company Act of 1940) of taxable REIT subsidiaries could not exceed 25 percent of the total value of a REIT's assets.

A taxable REIT subsidiary can engage in certain business activities that under present law could disqualify the REIT because, but for the proposal, the taxable REIT subsidiary's activities and relationship with the REIT could prevent certain income from qualifying as rents from real property. Specifically, the subsidiary can provide services to tenants of REIT property (even if such services were not considered services customarily furnished in connection with the rental of real property), and can manage or operate properties, generally for third parties, without causing amounts received or accrued directly or indirectly by REIT for such activities to fail to be treated as rents from real property.

However, the subsidiary cannot directly or indirectly operate or manage a lodging or healthcare facility. Nevertheless, it can lease a qualified lodging facility (e.g, a hotel) from the REIT (provided no gambling revenues were derived by the hotel or on its premises); and the rents paid are treated as rents from real property so long as the lodging facility was operated by an independent contractor for a fee. The subsidiary can bear all expenses of operating the facility and receive all the net revenues, minus the independent contractor's fee.

For purposes of the rule that an independent contractor may operate a qualified lodging facility, an independent contractor will qualify so long as, at the time it enters into the management agreement with the taxable REIT subsidiary, it is actively engaged in the trade or business of operating qualified lodging facilities for any person who is not related to the REIT or the taxable REIT subsidiary. The REIT may receive income from such an independent contractor with respect to certain pre-existing leases.

Also, the subsidiary generally cannot provide to any person rights to any brand name under which hotels or healthcare facilities are operated. An exception applies to rights provided to an independent contractor to operate or manage a lodging facility, if the rights are held by the subsidiary as licensee or franchisee, and the lodging facility is owned by the subsidiary or leased to it by the REIT.

Interest paid by a taxable REIT subsidiary to the related REIT is subject to the earnings stripping rules of section 163(j). Thus the taxable REIT subsidiary cannot deduct interest in any year that would exceed 50 percent of the subsidiary's adjusted gross income.

If any amount of interest, rent, or other deductions of the taxable REIT subsidiary for amounts paid to the REIT is determined to be other than at arm's length ("redetermined" items) , an excise tax of 100 percent is imposed on the portion that was excessive. "Safe harbors" are provided for certain rental payments where the amounts are de minimis, there is specified evidence that charges to unrelated parties are substantially comparable, certain charges for services from the taxable REIT subsidiary are separately stated, or the subsidiary's gross income from the service is not less than 150 percent of the subsidiary's direct cost in furnishing the service.

In determining whether rents are arm's length rents, the fact that such rents do not meet the requirements of the specified safe harbors shall not be taken into account. In addition, rent received by a REIT shall not fail to qualify as rents from real property by reason of the fact that all or any portion of such rent is redetermined for purposes of the excise tax.

The Commissioner of Internal Revenue is to conduct a study to determine how many taxable REIT subsidiaries are in existence and the aggregate amount of taxes paid by such subsidiaries. A report shall be submitted to the Congress describing the results of such study.

Health care REITS

The provision permits a REIT to own and operate a health care facility for at least two years, and treat it as permitted "foreclosure" property, if the facility is acquired by the termination or expiration of a lease of the property. Extensions of the 2 year period can be granted.

Conformity with regulated investment company rules

Under the provision, the REIT distribution requirements are modified to conform to the rules for regulated investment companies. Specifically, a REIT is required to distribute only 90 percent, rather than 95 percent, of its income.

Definition of independent contractor

If any class of stock of the REIT or the person being tested as an independent contractor is regularly traded on an established securities market, only persons who directly or indirectly own 5 percent or more of such class of stock shall be counted in determining whether the 35 percent ownership limitations have been exceeded.

Modification of earnings and profits rules for RICs and REITS

The rule allowing a RIC to make a distribution after a determination that it had failed RIC status, and thus meet the requirement of no non-RIC earnings and profits in subsequent years, is modified to clarify that, when the reason for the determination is that the RIC had non- RIC earnings and profits in the initial year, the procedure would apply to permit RIC qualification in the initial year to which such determination applied, in addition to subsequent years.

The RIC earnings and profits rules are also modified to provide an ordering rule similar to the REIT rule, treating a distribution to meet the requirements of no non-RIC earnings and profits as coming first from the earliest earnings and profits accumulated in any year for which the RIC did not qualify as a RIC. In addition, the REIT deficiency dividend rules are modified to apply the same earnings and profits ordering rule to such dividends as other REIT dividends.

Effective date

The House bill is generally effective for taxable years beginning after December 31, 2000. The provision with respect to modification of earnings and profits rules is effective for distributions after December 31, 2000.

In the case of the provisions relating to permitted ownership of securities of an issuer, special transition rules apply. The new rules forbidding a REIT to own more than 10 percent of the value of securities of a single issuer do not apply to a REIT with respect to securities held directly or indirectly by such REIT on July 12, 1999, or acquired pursuant to the terms of written binding contract in effect on that date and at all times thereafter until the acquisition. Also, securities received in a tax-free exchange or reorganization, with respect to or in exchange for such grandfathered securities would be grandfathered. This transition ceases to apply to securities of a corporation as of the first day after July 12, 1999 on which such corporation engages in a substantial new line of business, or acquires any substantial asset, other than pursuant to a binding contract in effect on such date and at all times thereafter, or in a reorganization or transaction in which gain or loss is not recognized by reason of section 1031 or 1033 of the Code. If a corporation makes an election to become a taxable REIT subsidiary, effective before January 1, 2004 and at a time when the REIT's ownership is grandfathered under these rules, the election is treated as a reorganization under section 368(a)(1)(A) of the Code.

Senate Amendment

The Senate amendment is the same as the House bill with certain clarifications and one additional provision.

General clarifications

The Senate amendment clarifies that straight-debt securities of an individual issuer are not treated as securities for purposes of the new prohibition on a REIT owning 10 percent of the value of a single issuer.

The Senate amendment clarifies the definition of "redetermined deductions" for purposes of the 100 percent excise tax, to indicate that these are deductions of the taxable REIT subsidiary that would be reduced (not increased) under the arm's length rules of section 482.

The Senate amendment clarifies the application of the transition rule permitting a REIT to own more than 10 percent of the value of securities of an issuer if such securities are held by the REIT on July 12, 1999. Under the Senate amendment, the grandfathering of such securities ceases to apply if the REIT acquires additional securities of that issuer after that date, other than pursuant to a binding contract in effect on that date and at all times thereafter, or in a reorganization with another corporation the securities of which are grandfathered.

Rental income clarification

The Senate amendment clarifies that rents paid to a REIT are not generally qualified rents if the REIT owns more than 10 percent of the value, (as well as of the vote) of a corporation paying the rents. The amendment clarifies that the only exception is for rents that are paid by taxable REIT subsidiaries and that also meet the limited rental exception (where 90 percent of space is leased to third parties) or the exception for certain lodging facilities (operated by an independent contractor) specified in the House bill.

Effective date.—The new 10 percent of value limitation for purposes of defining qualified rents is effective for taxable years beginning after December 31, 1999. There is an exception for rents paid under a lease or pursuant to a binding contract in effect on July 12, 1999 and at all times thereafter.

Provision regarding rental income from certain personal property

The Senate amendment modifies the present law rule that permits certain rents from personal property to be treated as real estate rental income if such personal property does not exceed 15 percent of the aggregate of real and personal property. The Senate amendment replaces the present law comparison of the adjusted bases of properties with a comparison based on fair market values.

Effective date.—The provision regarding rental income from certain personal property is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

Effective date.—The effective dates of the conference agreement are the same as under the Senate amendment, except that the effective dates of (1) the clarification that a 10 percent of value ownership limitation applies to certain rents, and (2) the provision using a fair market value test for rental income from certain personal property, are for taxable years beginning after December 31, 2000 (rather than after December 31, 1999).

B. Modify At-Risk Rules for Publicly Traded Nonrecourse Debt (sec. 1161 of the House bill and sec. 465(b)(6) of the Code)

Present Law

Present law provides an at-risk limitation on losses from business and income-producing activities, applicable to individuals and certain closely held corporations (sec. 465). Under the at-risk rules, a taxpayer generally is not considered at risk with respect to borrowed amounts if the taxpayer is not personally liable for repayment of the debt (e.g., nonrecourse loans), and in certain other circumstances.

In the case of the activity of holding real property, however, an exception is provided for qualified nonrecourse financing that is secured by real property used in the activity (sec. 465(b)(6)). The qualified nonrecourse financing rules require, among other things, that the financing be borrowed by the taxpayer from a qualified person or from certain governmental entities. For this purpose, a qualified person is one that is actively and regularly engaged in the business of lending money (and that is not a related person with respect to the taxpayer, is not a person from whom the taxpayer acquired the property or a related person, and is not a person that receives a fee with respect to the taxpayer's investment or a related person (sec. 49(a)(1)(D)(iv)). A related person is one with certain types of relationships to the taxpayer defined by statute (sec. 465(b)(3)(C)). The qualified nonrecourse financing rules also require that the financing be secured by real property used in the activity (sec. 465(b)(6)(A)).

House Bill

The House bill modifies the rules relating to qualified nonrecourse financing to provide that, in the case of an activity of holding real property, a taxpayer is considered at risk with respect to the taxpayer's share of certain financing that is not borrowed from a person that is regularly engaged in the business of lending money, and that is not secured by real property used in the activity, if the financing is qualified publicly traded debt.

The financing may not be borrowed from a person that is a related person with respect to the taxpayer, that is a person from whom the taxpayer acquired the property or a related person, or that is a person that receives a fee with respect to the taxpayer's investment or a related person.

Qualified publicly traded debt generally means any debt instrument that is readily tradable on an established securities market. However, qualified publicly traded debt does not include any debt instrument, the yield to maturity on which equals or exceeds the applicable Federal rate of interest for the calendar month in which it is issued, plus 5 percentage points. The applicable Federal rate is the rate determined under section 1274(d) with respect to the term of the debt instrument. Under the provision, it is intended that "readily tradable on an established securities market" have the same meaning as under section 453(f)(5).

Effective date.—The provision is effective for debt instruments issued after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

C. Qualified Lessee Construction Allowances Not Limited to Short-term Leases for Certain Retailers (sec. 1171 of the House bill and sec. 110 of the Code)

Present Law

Section 110 provides that the gross income of a lessee does not include amounts received in cash (or treated as a rent reduction) from a lessor under a short-term lease of retail space for the purpose of the lessee's construction or improvement of qualified long-term real property for use in the lessee's trade or business at the retail space subject to the short-term lease. The exclusion only applies to the extent the allowance does not exceed the amount expended by the lessee on the construction or improvement of qualified long-term real property. For this purpose, "qualified long-term real property" means nonresidential real property that is part of, or otherwise present at, retail space used by the lessee and that reverts to the lessor at the termination of the lease. A "short-term lease" means a lease or other agreement for the occupancy or use of retail space for a term of 15 years or less (as determined pursuant to sec. 168(i)(3)). "Retail space" means real property leased, occupied, or otherwise used by the lessee in its trade or business of selling tangible personal property or services to the general public.

The lessor must treat the amounts expended on the construction allowance as nonresidential real property owned by the lessor. The Secretary is granted the authority to require reporting to ensure that both the lessor and lessee treat such amounts as nonresidential real property owned by the lessor.[94]

House Bill

The provision eliminates the section 110 requirement that the lease be for a term of 15 years or less in the case of payment (or rent reduction) to a "qualified retail business." Payments by a lessor to such businesses for the purpose of constructing or improving long-term real property would not be included in the income of the lessee regardless of the term of the lease, provided the payments are used for such purpose.

For this purpose, a qualified retail business would be defined as a trade or business of selling tangible personal property to the general public. A trade or business will not fail to be considered a qualified retail business by reason of sales of services to the general public if such sales are incidental to the sale of tangible personal property (such as tailoring services provided incidental to the sale of a suit or dress) or are de minimis in amount. For this purpose, services would be considered de minimis in amount if they represent 10% or less of the gross receipts of the business at the retail space subject to the lease.

The provision does not eliminate the short-term lease requirement in all situations that are otherwise eligible for section 110 under present law. Section 110 presently applies

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[94] Section 110 provides for regulations to be issued establishing the time and manner information must be provided the Secretary concerning amounts received (or treated as a rent reduction), amounts expended on qualified long-term real property, and such other information as the Secretary deems necessary to carry out the provision. These regulations have not yet been issued.

(assuming the other standards are met) if the retail space of the lessee will be used in the trade or business of selling tangible personal property or services to the public. If the lessee will earn more than 10% of the gross receipts of the space from the sale of services (other than from services that are incidental to the sale of tangible personal property), section 110 will continue to be available only if the lease is for a term of 15 years or less.

Effective date.—The provision applies to leases entered into after December 31, 1999. No inference is intended as to the treatment of amounts that are not affected by the provision.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

D. Exclusion From Gross Income for Certain Contributions to the Capital of Certain Retailers (sec. 1172 of the House bill and sec. 118 of the Code)

Present Law

Section 118(a) provides that gross income does not include any contribution to the capital of a corporation. The test for determining whether a particular payment is a contribution to capital is the intent or motive of the transferor. The contribution (1) must become a part of the recipient's capital structure; (2) may not be compensation for a "specific, quantifiable service"; (3) must be bargained for; (4) must result in a benefit to the recipient; and (5) ordinarily will contribute to the production of additional income. *United States* v. *Chicago, Burlington & Quincy R.R.*, 412 U.S. 401, 411, 93 S. Ct. 2169, 2175, 37 L. Ed. 2d 30 (1973).

Two appellate courts have applied section 118(a) to inducements paid by developers to retailers in exchange for the agreement of the retailers to "anchor" future shopping centers. *Federated Department Stores* v. *Commissioner* 51 TC 500 (1968), aff'd 426 F. 2d 417 (6th Cir., 1970), *May Department Stores Co.* v. *Commissioner*, 33 TCM 1128 (1974), aff'd 519 F. 2d 1154 (8th Cir., 1975). In both cases, the courts held that the benefits anticipated by the developer were speculative and intangible, and thus could not be considered in payment for any particular service.

The recipient taxpayer is allowed no basis in any property it receives as a contribution to capital, or an property it acquires within 12 months with the proceeds of a contribution to capital (sec. 362).

A portion of a single payment may qualify as a nontaxable contribution to capital, while the remainder is considered to be part of a taxable transaction. Where there are multiple purposes to the payment, the payment may be examined to determine what portion is eligible for section 118(a) treatment. *G.M. Trading Corporation* v. *Commissioner*, 121 F. 3d 977 (5th Cir., 1997).

House Bill

The provision establishes a safe harbor allowing certain inducements received by retailers to be treated as nontaxable contributions to capital. In order to qualify for the safe harbor, the inducement must be in exchange for the retailer's agreement to operate a qualified retail business at particular location for a period of at least 15 years. The retailer must, immediately after the receipt of the contribution, own the land and structures to be used by the taxpayer in carrying on the qualified retail business at the agreed location and must satisfy an expenditure rule.

The safe harbor does not apply if the contributor owns a beneficial interest in property located on the premises of the qualified retail business, other than de minimis amounts of property associated with the operation of adjacent property. For example, a developer may be the owner of the pipes and related equipment making up the water system of a shopping mall. Ownership of such property on premises owned by the retailer is expected to be considered de minimis and would not prevent the application of the safeharbor. On the other hand, ownership of more than a de minimis amount of assets or the ownership of assets disqualifies the inducement from safeharbor treatment. For example, if a developer owns and leases to a retailer the retailer's point of sale equipment, any inducement paid by the developer to the retailer will not qualify under the safeharbor as a nontaxable contribution to capital.[95] The rule applies to property owned by the developer on the premises of the retailer. The premises of the retailer is the area in which the retailer holds out personal property for sale to the general public. The premises of the retailer do not include adjacent space, such as a parking facility under the store which is owned and operated by the developer whose use is not limited to customers of the taxpayer. The rule also does not prevent the developer paying the inducement from owning a beneficial interest in the retailers, or joining in a joint venture with the retailer unless the joint venture involves ownership of property on the premises of the retailer that would prevent the use of the safeharbor if owned directly by the developer.

The expenditure rule requires that, prior to the end of the second taxable year after the year in the contribution was received, the retailer spend an amount equal to the amount of the contribution for the acquisition of land or structure, or for the acquisition or construction of other property to be used in the qualified retail business at the agreed location. Accurate records would be required to be kept that establish the satisfaction of the expenditure rule. It is not intended that the retailer be required to trace specific expenditures to the inducement.

A qualified retail business is defined as a trade or business of selling tangible personal property to the general public. A trade or business will not fail to be considered a qualified retail business by reason of sales of services to the general public if such sales are incidental to the sale of tangible personal property (such as tailoring services provided incidental to the sale of a suit or dress) or are de minimis in amount. For this purpose, services are considered de minimis in amount if they represent 10 percent or less of the gross receipts of the business at the retail space subject to the lease.

Anti-abuse rules are provided to prevent the use of the safeharbor for amounts that are not intended by the parties as contributions to capital. The Secretary is authorized to allocate income and deductions, or to reduce the amount of any contribution to capital under the safeharbor, in cases in which it is established that above market rates have been paid from the retailer to the developer in another transaction. A rate is not expected to be considered to be above market if it is the same on a square footage basis as the rate charged other retailers at the same location. For example, a developer charges all retailers in the mall a common area maintenance charge. If this charge is equal to a standard rate times the square footage of each store in the mall, it will not be considered to be an above market rate with respect to any single retailer.

The Secretary is also authorized to allocate income and deductions, or reduce the amount of any contribution to capital, to the extent necessary to prevent the abuse of the purposes of this section where the transaction takes place between related parties. It is expected that this authority will be used to prevent the conversion of nondepreciable or longer lived property into costs that may be recovered over a shorter period of time. For example, if a retailer who owns a piece of land contributes that land to a joint venture and then accept the land from the joint venture as an inducement to operate a retail facility for 20 years an anchor for a new mall, it is expected that the Secretary will use its authority to reduce the amount of any contribution to capital in a transaction between related parties to prevent the application of the safeharbor. However, it is not intended that the authority to will be used simply because the retailer and a related party engage in transactions that are concluded on an arm's-length basis and do not result in the conversion of nondepreciable or longer lived assets into costs that may be recovered over a shorter period of time.

The provision does not limit the application of section 118(a) of present law. No inference is intended as to whether any payment constitutes a nontaxable contribution to capital under section 118(a) whether or not such payment qualifies for the safeharbor provided by this provision.

Effective date.—The provision is effective for contributions received after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

E. Increase the Low-Income Housing Tax Credit Cap and Make Other Modifications (secs. 1331–1337 of the House Bill, sec. 1001 of the Senate amendment and sec. 42 of the Code)

Present Law

In general

The low-income housing tax credit may be claimed over a 10-year period for the cost of rental housing occupied by tenants having incomes below specified levels. The credit percentage for newly constructed or substantially rehabilitated housing that is not Federally subsidized is adjusted monthly by the Internal Revenue Service so that the 10 annual installments have a present value of 70 percent of the total qualified expenditures. The credit percentage for new substantially rehabilitated housing that is Federally subsidized and for existing housing that is substantially rehabilitated is calculated to have a present value of 30 percent qualified expenditures.

Credit cap

The aggregate credit authority provided annually to each State is $1.25 per resident, except in the case of projects that also receive financing with proceeds of tax-exempt bonds issued subject to the private activity bond volume limit and certain carry-over amounts.

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[95] Ownership of property on the premises of the retailer by the developer does not automatically prevent an inducement from qualifying as a nontaxable contribution to capital under section 118(a), provided the taxpayer can establish the facts required for that provision to apply.

Expenditure test

Generally, the building must be placed in service in the year in which it receives an allocation to qualify for the credit. An exception is provided in the case where the taxpayer has expended an amount equal to 10–percent or more of the taxpayer's reasonably expected basis in the building by the end of the calendar year in which the allocation is received and certain other requirements are met.

Basis of building eligible for the credit

Buildings receiving assistance under the HOME investment partnerships act ("HOME") are not eligible for the enhanced credit for buildings located in high cost areas (i.e., qualified census tracts and difficult development areas). Under the enhanced credit, the 70-percent and 30-percent credit are increased to a 91-percent and 39-percent credit, respectfully.

Eligible basis is generally limited to the portion of the building used by qualified low-income tenants for residential living and some common areas.

State allocation plans

Each State must develop a plan for allocating credits and such plan must include certain allocation criteria including: (1) project location; (2) housing needs characteristics; (3) project characteristics; (4) sponsor characteristics; (5) participation of local tax-exempts; (6) tenant populations with special needs; and (7) public housing waiting lists. The State allocation plan must also give preference to housing projects: (1) that serve the lowest income tenants; and (2) that are obligated to serve qualified tenants for the longest periods.

Credit administration

There are no explicit requirements that housing credit agencies perform a comprehensive market study of the housing needs of the low-income individuals in the area to be served by the project, nor that such agency conduct site visits to monitor for compliance with habitability standards.

Stacking rule

Authority to allocate credits remains at the State (as opposed to local) government level unless State law provides otherwise.[96] Generally, credits may be allocated only from volume authority arising during the calendar year in which the building is placed in service, except in the case of: (1) credits claimed on additions to qualified basis; (2) credits allocated in a later year pursuant to an earlier binding commitment made no later than the year in which the building is placed in service; and (3) carryover allocations.

Each State annually receives low-income housing credit authority equal to $1.25 per State resident for allocation to qualified low-income projects.[97] In addition to this $1.25 per resident amount, each State's "housing credit ceiling" includes the following amounts: (1) the unused State housing credit ceiling (if any) of such State for the preceding calendar year;[98] (2) the amount of the State housing credit ceiling (if any) returned in the calendar year;[99] and (3) the amount of the national pool (if any) allocated to such State by the Treasury Department.

The national pool consists of States' unused housing credit carryovers. For each State, the unused housing credit carryover for a calendar year consists of the excess (if any) of the unused State housing credit ceiling for such year over the excess (if any) of the aggregate housing credit dollar amount allocated for such year over the sum of $1.25 per resident and the credit returns for such year. The amounts in the national pool are allocated only to a State which allocated its entire housing credit ceiling for the preceding calendar year, and requested a share in the national pool not later than May 1 of the calendar year. The national pool allocation to qualified States is made on a pro rata basis equivalent to the fraction that a State's population enjoys relative to the total population of all qualified States for that year.

The present-law stacking rule provides that a State is treated as using its annual allocation of credit authority ($1.25 per State resident) and any returns during the calendar year followed by any unused credits carried forward from the preceding year's credit ceiling and finally any applicable allocations from the National pool.

House Bill

Credit cap

The $1.25 per capita cap is increased to $1.75 per capita. This increase is phased-in by increasing the credit cap by 10 cents per capita each year for five years. The credit cap would be: $1.35 in calendar year 2000; $1.45 in calendar 2001; $1.55 in calendar year 2002; $1.65 in calendar year 2003; and $1.75 in calendar year 2004. The $1.75 per capita credit cap is indexed for inflation beginning in 2004.

Expenditure test

The bill allows a building which receives an allocation in the second half of a calendar to qualify under the 10–percent test if the taxpayer expends an amount equal to 10–percent or more of the taxpayer's reasonably expected basis in the building within six months of receiving the allocation regardless of whether the 10–percent test is met by the end of the calendar year.

Basis of building eligible for the credit

The bill makes three changes to the basis rules of the credit. First, buildings receiving HOME assistance are made eligible for the enhanced credit. Second, the definition of qualified census tracts for purposes of the enhanced credit is expanded to include any census tracts with a poverty rate of 25 percent or more. Third, the bill extends the credit to a portion of the building used as a community service facility not in excess of 20 percent of the total eligible basis in the building. A community service facility is defined as any facility designed to serve primarily individuals whose income is 60 percent or less of area median income.

State allocation plans

The bill strikes the plan criteria relating to participation of local tax-exempts, replacing it with two other criteria: tenant populations of individuals with children and projects intended for eventual tenant ownership. It also provides that the present-law criteria relating to sponsor characteristics include whether the project involves the use of existing housing as part of a community revitalization plan. Also, the bill adds a third category of housing projects to the preferential list. That third category is for projects located in qualified census tracts which contribute to a concerted community revitalization plan.

Credit administration

The bill requires a comprehensive market study of the housing needs of the low-income individuals in the area to be served by the project and a written explanation available to the general public for any allocation not made in accordance with the established priorities and selection criteria of the housing credit agency. It also requires site inspections by the housing credit agency to monitor compliance with habitability standards applicable to the project.

Stacking rule

The bill modifies the stacking rule so that each State would be treated as using its allocation of the unused State housing credit ceiling (if any) from the preceding calendar before the current year's allocation of credit (including any credits returned to the State) and then finally any National pool allocations.

Effective date

In general, the House bill is effective for calendar years beginning after December 31, 2000, and buildings placed-in-service after such date in the case of projects that also receive financing with proceeds of tax-exempt bonds subject to the private activity bond volume limit which are issued after such date. The increase and indexing of the credit cap is effective for calendar years after December 31, 1999.

Senate Amendment

Credit cap

The Senate amendment makes two changes to the credit cap. First, the $1.25 per capita cap for each State modified so that small population State are given a minimum of $2 million of annual credit cap. Second, the $1.25 per capita element of the credit cap is increased to $1.75 per capita. This increase is phased-in by increasing the credit cap by 10 cents per capita each year for five years. Therefore the credit cap will be: $1.35 per capita or $2 million, whichever is greater, in calendar year 2001; $1.45 per capita or $2 million, whichever is greater, in calendar 2002; $1.55 per capita or $2 million, whichever is greater, in calendar year 2003; $1.65 per capita or $2 million, whichever is greater, in calendar year 2004; and $1.75 per capita or $2 million, whichever is greater, in calendar year 2005 and thereafter.

Expenditure test

No provision.

Basis of building eligible for the credit

The Senate amendment provides that assistance received under the Native American Housing Assistance and Self-Determination Act of 1996 is not taken into account in determining whether a building is Federally subsidized for purposes of the credit. This allows such buildings to qualify for something other than the 30-percent credit generally applicable to Federally subsidized buildings.

State allocation plans

No provision.

Credit administration

No provision.

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[96] For example, constitutional home rule cities in Illinois are guaranteed their proportionate share of the $1.25 amount, based on their population relative to that of the State as a whole.

[97] A State's population, for these purposes, is the most recent estimate of the State's population released by the Bureau of the Census before the beginning of the year to which the limitation applies. Also, for these purposes, the District of Columbia and the U.S. possessions (i.e., Puerto Rico, the Virgin Islands, Guam, the Northern Marianas and American Samoa) are treated as States.

[98] The unused State housing credit ceiling is the amount (if positive) of the previous year's annual credit limitation plus credit returns less the credit actually allocated in that year.

[99] Credit returns are the sum of any amounts allocated to projects within a State which fail to become a qualified low-income housing project within the allowable time period plus any amounts allocated to a project within a State under an allocation which is canceled by mutual consent of the housing credit agency and the allocation recipient.

Stacking rule

Same as the House bill.

Effective date

The Senate amendment provision is effective for calendar years beginning after December 31, 2000.

Conference Agreement

Credit cap

The conference agreement follows the House bill with a modification. The modification provides a minimum of $2 million of annual credit cap to small population states beginning in calendar year 2000. The $2 million annual credit cap is indexed for inflation, beginning in the same year that indexing begins for the per capita cap.

Expenditure test

The conference agreement follows the House bill.

Basis of building eligible for the credit

The conference agreement includes two of the three House bill changes to the credit basis rules and the Senate amendment provision relating to assistance received under the Native American Housing Assistance and Self-Determination Act of 1996. The first House bill provision included in the conference agreement provides that the definition of qualified census tracts for purposes of the enhanced credit is expanded to include any census tracts with a poverty rate of 25 percent or more. The second House bill provision included in the conference agreement is modified so that it extends the credit to a portion of the building used as a community service facility not in excess of 10 percent of the total eligible basis in the building. A community service facility is defined as any facility designed to serve primarily individuals whose income is 60 percent or less of area median income. The House bill provision relating to buildings receiving HOME assistance being made eligible for the enhanced credit is not included in the conference agreement.

State allocation plans

The conference agreement includes the House bill provision.

Credit administration

The conference agreement includes the House bill provision.

Stacking rule

The conference agreement follows the House bill and the Senate amendment.

Effective date

The provision is generally effective for calendar years beginning after December 31, 1999, and buildings placed-in-service after such date in the case of projects that also receive financing with proceeds of tax-exempt bonds subject to the private activity bond volume limit which are issued after such date.

The increase in the credit cap is contingent upon enactment as part of the bill of the separate provisions relating to State allocation plans and credit administration.

F. Tax Credit for Renovating Historic Homes (section 1011 of the Senate amendment and new section 25B of the Code)

Present Law

Present law provides an income tax credit for certain expenditures incurred in rehabilitating certified historic structures and certain nonresidential buildings placed in service before 1936 (Code sec. 47). The amount of the credit is determined by multiplying the applicable rehabilitation percentage by the basis of the property that is attributable to qualified rehabilitation expenditures. The applicable rehabilitation percentage is 20 percent for certified historic structures and 10 percent for qualified rehabilitated buildings (other than certified historic structures) that were originally placed in service before 1936.

A qualified rehabilitated building is a nonresidential building eligible for the 10-percent credit only if the building is substantially rehabilitated and a specific portion of the existing structure of the building is retained in place upon completion of the rehabilitation. A residential or nonresidential building is eligible for the 20-percent credit that applies to certified historic structures only if the building is substantially rehabilitated (as determined under the eligibility rules for the 10-percent credit). In addition, the building must be listed in the National Register or the building must be located in a registered historic district and must be certified by the Secretary of the Interior as being of historical significance to the district.

House bill

No provision.

Senate Amendment

The Senate amendment permits a taxpayer to claim a 20-percent credit for qualified rehabilitation expenditures made with respect to a qualified historic home which the taxpayer subsequently occupies as his or her principal residence for at least five years. The total credit which could be claimed by the taxpayer is limited to $20,000 ($10,000 in the case of married taxpayer filing a separate return) with respect to any qualified historic home.

The bill applies to (1) structures listed in the National Register; (2) structures located in a registered national, State, or local historic district, and certified by the Secretary of the Interior as being of historic significance to the district, but only if the median income of the historic district is less than twice the State median income; (3) any structure designated as being of historic significance under a State or local statute, if such statute is certified by the Secretary of the Interior as achieving the purpose of preserving and rehabilitating buildings of historic significance.

For this purpose, a building generally is considered substantially rehabilitated if the qualified rehabilitation expenditures incurred during a 24-month measuring period exceed the greater of (1) the adjusted basis of the building as of the later of the first day of the 24-month period or the beginning of the taxpayer's holding period for the building, or (2) $5,000. In the case of structures in empowerment zones, in enterprise communities, in a census tract in which 70 percent of families have income which is 80 percent or less of the State median family income, and areas of chronic distress as designated by the State and approved by the Secretary of Housing and Urban Development only the $5,000 expenditure requirement applies. In addition, for all structures, at least 5 percent of the rehabilitation expenditures have to be allocable to the exterior of the structure.

To qualify for the credit, the rehabilitation must be certified by a State or local government subject to conditions specified by the Secretary of the Interior.

The credit may be claimed in one of three ways. First, if the taxpayer directly incurs the qualifying expenditures in rehabilitation of his or her principal residence, the taxpayer may claim the tax credit on his or her return.

Second, the taxpayer may claim the credit on his or her return if the taxpayer is the first purchaser of a structure on which qualified rehabilitation expenditures have been made.

Third, the taxpayer may elect to receive an historic rehabilitation mortgage credit certificate. An historic rehabilitation mortgage credit certificate is a certificate stating the value of the credit that would be allowable to the taxpayer for qualified historic rehabilitation expenditures. The taxpayer may transfer the historic rehabilitation mortgage credit certificate to a lending institution in connection with a loan that is to be secured by the structure on which the qualified rehabilitation expenditures were incurred. In exchange for the rehabilitation mortgage credit certificate, the lending institution provides the taxpayer with a loan, the rate of interest on which is less than that for which the taxpayer otherwise would have qualified.

In the case of structures located in empowerment zones, in enterprise communities, in a census tract in which 70 percent of families have income which is 80 percent or less of the State median family income, and areas of chronic distress as designated by the State and approved by the Secretary of Housing and Urban Development, the taxpayer may elect that the loan be satisfied by principal payments less than those that would otherwise be required such that the present value of the reduced principal payments over the term of the loan be substantially equivalent to the value stated on the historic rehabilitation mortgage credit certificate.

The lending institution that enters into the exchange with the taxpayer may claim the credit amount against its regular income tax liability. Reductions in interest payments and reductions in principal payments resulting from a qualified exchange of a rehabilitation mortgage credit certificate would not be taxable income to the taxpayer.

If a taxpayer ceases to maintain the structure as his or her personal residence within five years from the date of the rehabilitation, the credit is recaptured on a pro rata basis. In the case of a taxpayer who elected to receive and exchange a rehabilitation mortgage credit certificate with a lending institution, any recapture liability would be paid by the taxpayer.

Effective date.—The provision is effective for expenditures paid or incurred beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment, but modifies the provision to provide a tax deduction for qualified expenses incurred by a homeowner who makes renovations to his or her principal residence. Thus, the conference agreement provides that a taxpayer may claim a deduction for 50 percent of qualified rehabilitation expenditures made with respect to a qualified historic home which the taxpayer subsequently occupies as his or her principal residence for at least five years. The total amount of deduction which could be claimed by the taxpayer is limited to $50,000 ($25,000 in the case of married taxpayer filing a separate return) with respect to any qualified historic home. The deduction is to be treated as a miscellaneous itemized deduction, subject to the present-law two-percent floor on miscellaneous deductions. For taxpayers subject to the alternative minimum tax, the deduction for qualified expenditures may be claimed against the taxpayer's alternative minimum taxable income.

The conference agreement follows the Senate amendment with respect to the definitions of qualifying structures and qualifying expenditures, and regarding certification requirements.

If a taxpayer.ceases to maintain the structure as his or her personal residence within five years from the date of the rehabilitation, the deduction is recaptured, on a pro rata basis, as taxable income to the taxpayer.

Effective date.—The provision is effective for expenditures paid or incurred beginning after December 31, 1999.

G. Accelerate the Scheduled Increase in State Volume Limits on Tax-Exempt Private Activity Bonds (sec. 1351 of the House bill, sec. 1081 of the Senate amendment and sec. 146 of the Code)

Present Law

Interest on bonds issued by States and local governments is excluded from income if the proceeds of the bonds are used to finance activities conducted and paid for by the governmental units (sec. 103). Interest on bonds issued by these governmental units to finance activities carried out and paid for by private persons ("private activity bonds") is taxable unless the activities are specified in the Internal Revenue Code. Private activity bonds on which interest may be tax-exempt include bonds for privately operated transportation facilities (airports, docks and wharves, mass transit, and high speed rail facilities), privately owned and/or provided municipal services (water, sewer, solid waste disposal, and certain electric and heating facilities), economic development (small manufacturing facilities and redevelopment in economically depressed areas), and certain social programs (low-income rental housing, qualified mortgage bonds, student loan bonds, and exempt activities of charitable organizations described in sec. 501(c)(3)).

The volume of tax-exempt private activity bonds that States and local governments may issue for most of these purposes in each calendar year is limited by State-wide volume limits. The current annual volume limits are $50 per resident of the State or $150 million if greater. The volume limits do not apply to private activity bonds to finance airports, docks and wharves, certain governmentally owned, but privately operated solid waste disposal facilities, certain high speed rail facilities, and to certain types of private activity tax-exempt bonds that are subject to other limits on their volume (qualified veterans' mortgage bonds and certain "new" empowerment zone and enterprise community bonds).

The current annual volume limits that apply to private activity tax-exempt bonds increase to $75 per resident of each State or $225 million, if greater, beginning in calendar year 2007. The increase is, ratably phased in, beginning with $55 per capita or $165 million, if greater, in calendar year 2003.

House Bill

The House bill increases the present-law annual State private activity bond volume limits to $75 per resident of each State or $225 million (if greater).

Effective date.—The House bill volume limit increases are effective for calender years after December 31, 1999.

Senate Amendment

The Senate amendment increases the present-law annual State private activity bond volume limits to $75 per resident of each State or $225 million (if greater) beginning in calendar year 2005. The increase is phased-in as follows, beginning in calendar year 2001:

Calendar year	Volume limit
2001	$55 per resident ($165 million if greater).
2002	$60 per resident ($180 million if greater).
2003	$65 per resident ($195 million if greater).
2004	$70 per resident ($210 million if greater).

Effective date.—The Senate amendment volume limit increases are effective beginning in calendar year 2001 and will be fully effective in calendar year 2005 and thereafter.

Conference Agreement

The conference agreement increases the present-law annual State private activity bond volume limits to $75 per resident of each State or $225 million (if greater) beginning in calendar year 2004. The increase is phased-in as follows, beginning in calendar year 2000:

Calendar year	Volume limit
2000	$55 per resident ($165 million if greater).
2001	$60 per resident ($180 million if greater).
2002	$65 per resident ($195 million if greater).
2003	$70 per resident ($210 million if greater).

Effective date.—The provision is effective beginning in calendar year 2000 and will be fully effective in calendar year 2004 and thereafter.

H. Treatment of Leasehold Improvements (sec. 1091 of the Senate amendment and sec. 168 of the Code)

Present Law

Depreciation of leasehold improvements

Depreciation allowances for property used in a trade or business generally are determined under the modified Accelerated Cost Recovery System ("MACRS") of section 168. Depreciation allowances for improvements made on leased property are determined under MACRS, even if the MACRS recovery period assigned to the property is longer than the term of the lease (sec. 168(i)(8)).[100] This rule applies regardless whether the lessor or lessee places the leasehold improvements in service.[101] If a leasehold improvement constitutes an addition or improvement to nonresidential real property already placed in service, the improvement is depreciated using the straight-line method over a 39-year recovery period, beginning in the month the addition or improvement was placed in service (secs. 168(b)(3), (c)(1), (d)(2), and (i)(6)).[102]

Treatment of dispositions of leasehold improvements

A lessor of leased property that disposes of a leasehold improvement which was made by the lessor for the lessee of the property may take the adjusted basis of the improvement into account for purposes of determining gain or loss if the improvement is irrevocably disposed of or abandoned by the lessor at the termination of the lease.[103] This rule conforms the treatment of lessors and lessees with respect to leasehold improvements disposed of at the end of a term of lease. For purposes of applying this rule, it is expected that a lessor must be able to separately account for the adjusted basis of the leasehold improvement that is irrevocably disposed of or abandoned. This rule does not apply to the extent section 280B applies to the demolition of a structure, a portion of which may include leasehold improvements.[104]

House Bill

No provision.

Senate Amendment

The provision provides that 15-year property for purposes of the depreciation rules of section 168 includes qualified leasehold improvement property. The straight line method is required to be used with respect to qualified leasehold improvement property.

Qualified leasehold improvement property is any improvement to an interior portion of a building that is nonresidential real property, provided certain requirements are met. The improvement must be made under or pursuant to a lease either by the lessee (or sublessee) of that portion of the building, or by the lessor of that portion of the building. That portion of the building is to be occupied exclusively by the lessee (or any sublessee). The original use of the qualified leasehold improvement property must begin with the lessee, and must begin after December 31, 2002.[105] The improvement must be placed in service more than three years after the date the building was first placed in service.

Qualified leasehold improvement property does not include any improvement for which the expenditure is attributable to the enlargement of the building, any elevator or escalator, any structural component benefitting a common area, or the internal structural framework of the building.

No special rule is specified for the class life of qualified leasehold improvement property. Therefore, the general rule that the class life for nonresidential real and residential rental property is 40 years applies.

For purposes of the provision, a commitment to enter into a lease is treated as a lease, and the parties to the commitment are treated as lessor and lessee, provided the lease is in effect at the time the qualified leasehold improvement property is placed in service. A lease between related persons is not considered a lease for this purpose.

Effective date.—The provision is effective for qualified leasehold improvement property placed in service after December 31, 2002.

Conference Agreement

The conference agreement does not include the Senate amendment provision. However, the conferees expect that the depreciation study (pursuant to section 2022 of the Tax and Trade Relief Extension Act of 1998) will include an examination of the depreciation issues raised in the House bill and the Senate amendment, including leasehold improvements and section 1250 property used in connection with a franchise.

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[100] The Tax Reform Act of 1986 modified the Accelerated Cost Recovery System ("ACRS") to institute MACRS. Prior to the adoption of ACRS by the Economic Recovery Act of 1981, taxpayers were allowed to depreciate the various components of a building as separate assets with separate useful lives. The use of component depreciation was repealed upon the adoption of ACRS. The Tax Reform Act of 1986 also denied the use of component depreciation under MACRS.

[101] Former Code sections 168(f)(6) and 178 provided that in certain circumstances, a lessee could recover the cost of leasehold improvements made over the remaining term of the lease. These provisions were repealed by the Tax Reform Act of 1986.

[102] If the improvement is characterized as tangible personal property, ACRS or MACRS depreciation is calculated using the shorter recovery periods and accelerated methods applicable to such property. The determination of whether certain improvements are characterized as tangible personal property or as nonresidential real property often depends on whether or not the improvements constitute a "structural component" of a building (as defined by Treas. Reg. sec. 1.48-1(e)(1)). See, for example, *Metro National Corp.*, 52 TCM 1440 (1987); *King Radio Corp.*, 486 F.2d 1091 (10th Cir., 1973); *Mallinckrodt, Inc.*, 778 F.2d 402 (8th Cir., 1985) (with respect various leasehold improvements).

[103] The conference report describing this provision mistakenly states that the provision applies to improvements that are irrevocably disposed of or abandoned by the lessee (rather than the lessor) at the termination of the lease.

[104] Under present law, section 280B denies a deduction for any loss sustained on the demolition of any structure.

[105] The Finance Committee report describing the provision erroneously states that this date is December 31, 2000.

XII. PENSION REFORM PROVISIONS

A. Expanding Coverage

1. Increase in benefit and contribution limits (sec. 1201 of the House bill, sec. 312 of the Senate amendment, and secs. 401(a)(17), 402(g), 408(p), 415 and 457 of the Code)

Present Law

In general

Under present law, limits apply to contributions and benefits under qualified plans (sec. 415), the amount of compensation that may be taken into account under a plan for determining benefits (sec. 401(a)(17)), the maximum amount of elective deferrals that an individual may make to a salary reduction plan or tax sheltered annuity (sec. 402(g)), and deferrals under an eligible deferred compensation plan of a tax-exempt organization or a State or local government (sec. 457).

Limitations on contributions and benefits

Under present law, the limits on contributions and benefits under qualified plans are based on the type of plan. Under a defined contribution plan, the qualification rules limit the annual additions to the plan with respect to each plan participant to the lesser of (1) 25 percent of compensation or (2) $30,000 (for 1999). Annual additions are the sum of employer contributions, employee contributions, and forfeitures with respect to an individual under all defined contribution plans of the same employer. The $30,000 limit is indexed for cost-of-living adjustments in $5,000 increments.

Under a defined benefit plan, the maximum annual benefit payable at retirement is generally the lesser of (1) 100 percent of average compensation, or (2) $130,000 (for 1999). The dollar limit is adjusted for cost-of-living increases in $5,000 increments.

Under present law, in general, the dollar limit on annual benefits is reduced if benefits under the plan begin before the social security retirement age (currently, age 65) and increased if benefits begin after social security retirement age.[1]

Compensation limitation

Under present law, the annual compensation of each participant that may be taken into account for purposes of determining contributions and benefits under a plan, applying the deduction rules, and for nondiscrimination testing purposes is limited to $160,000 (for 1999). The compensation limit is indexed for cost-of-living adjustments in $10,000 increments.

Elective deferral limitations

Under present law, under certain salary reduction arrangements, an employee may elect to have the employer make payments as contributions to a plan on behalf of the employee, or to the employee directly in cash. Contributions made at the election of the employee are called elective deferrals.

The maximum annual amount of elective deferrals that an individual may make to a qualified cash or deferred arrangement (a "section 401(k) plan"), a tax-sheltered annuity ("section 403(b) annuity") or a salary reduction simplified employee pension plan ("SEP") is $10,000 (for 1999). The maximum annual amount of elective deferrals that an individual may make to a SIMPLE plan is $6,000. These limits are indexed for inflation in $500 increments.

Section 457 plans

The maximum annual deferral under a deferred compensation plan of a State or local government or a tax-exempt organization (a "section 457 plan") is the lesser of (1) $8,000 (for 1999) or (2) 33-1/3 percent of compensation. The $8,000 dollar limit is increased for inflation in $500 increments. Under a special catch-up rule, the section 457 plan may provide that, for one or more of the participant's last 3 years before retirement, the otherwise applicable limit is increased to the lesser of (1) $15,000 or (2) the sum of the otherwise applicable limit for the year plus the amount by which the limit applicable in preceding years of participation exceeded the deferrals for that year.

House Bill

Limits on contributions and benefits

The House bill increases the $30,000 annual addition limit for defined contribution plans to $40,000. This amount is indexed in $1,000 increments.[2]

The House bill increases the $130,000 annual benefit limit under a defined benefit plan to $160,000. The dollar limit is reduced for benefit commencement before age 62 and increased for benefit commencement after age 65.

Compensation limitation

The House bill increases the limit on compensation that may be taken into account under a plan to $200,000. This amount is indexed in $5,000 increments.

Elective deferral limitations

Beginning in 2001, the House bill increases the dollar limit on annual elective deferrals under section 401(k) plans, section 403(b) annuities and salary reduction SEPs in $1,000 annual increments until the limits reach $15,000 in 2005. Beginning in 2001, the House bill increases the maximum annual elective deferrals that may be made to a SIMPLE plan in $1,000 annual increments until the limit reaches $10,000 in 2004. The $15,000 and $10,000 dollar limits are indexed in $500 increments, as under present law.

Section 457 plans

The House bill increases the dollar limit on deferrals under a section 457 plan to conform to the elective deferral limitation. Thus, the limit is $11,000 in 2001, and is increased in $1,000 annual increments until the limit reaches $15,000 in 2005. The limit is indexed thereafter in $500 increments. The limit is twice the otherwise applicable dollar limit in the three years prior to retirement.[3]

Effective date

The House bill is effective for years beginning after December 31, 2000, with a delayed effective date for plans maintained pursuant to a collective bargaining agreement.

Senate Amendment

Beginning in 2001, the Senate amendment increases the dollar limit on annual elective deferrals under section 401(k) plans, section 403(b) annuities and salary reduction SEPs in $1,000 annual increments until the limits reach $15,000 in 2005. Beginning in 2001, the Senate amendment increases the maximum annual elective deferrals that may be made to a SIMPLE plan in $1,000 annual increments until the limit reaches $10,000 in 2004. The $15,000 and $10,000 dollar limits are indexed in $500 increments, as under present law.

The Senate amendment increases the dollar limit on deferrals under a section 457 plan to $9,000 in 2001, $10,000 in 2002, $11,000 in 2003, and $12,000 in 2004. The limit is indexed thereafter in $500 increments. The limit is twice the otherwise applicable dollar limit in the three years prior to retirement.[4]

Effective date.—The Senate amendment is effective for years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the House bill.

Effective date.—The conference agreement is effective for years beginning after December 31, 2000.

2. Plan loans for subchapter S shareholders, partners, and sole proprietors (sec. 1202 of the House bill, sec. 313 of the Senate amendment and sec. 4975 of the Code)

Present Law

The Internal Revenue Code prohibits certain transactions ("prohibited transactions") between a qualified plan and a disqualified person in order to prevent persons with a close relationship to the qualified plan from using that relationship to the detriment of plan participants and beneficiaries.[5] Certain types of transactions are exempted from the prohibited transaction rules, including loans from the plan to plan participants, if certain requirements are satisfied. In addition, the Department of Labor can grant an administrative exemption from the prohibited transaction rules if she finds the exemption is administratively feasible, in the interest of the plan and plan participants and beneficiaries, and protective of the rights of participants and beneficiaries of the plan.

For purposes of the prohibited transaction rules, an owner-employee means (1) a sole proprietor, (2) a partner who owns more than 10 percent of either the capital interest or the profits interest in the partnership, (3) an employee or officer of a Subchapter S corporation who owns more than 5 percent of the outstanding stock of the corporation, and (4) the owner of an individual retirement arrangement ("IRA"). The term owner-employee also includes certain family members of an owner-employee and certain corporations owned by an owner-employee.

Under the Internal Revenue Code, a two-tier excise tax is imposed on disqualified persons who engage in a prohibited transaction. The first level tax is equal to 15 percent of the amount involved in the transaction. The second level tax is imposed if the prohibited transaction is not corrected within a certain period, and is equal to 100 percent of the amount involved.

House Bill

The House bill generally eliminates the special present-law rules relating to plan loans made to an owner-employee. Thus, the general statutory exemption applies to such transactions. Present law continues to apply with respect to IRAs.

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[1] An overall limit applies if a participant participates in a defined contribution plan and a defined benefit plan maintained by the same employer (sec. 415(e)). This limit is repealed for years beginning after December 31, 1999.

[2] The 25 percent of compensation limitation is increased to 100 percent of compensation under another provision of the House bill.

[3] Another provision of the bill increases the 33-1/3 percentage of compensation limit to 100 percent.

[4] Another provision of the Senate amendment increases the 33-1/3 percentage of compensation limit to 100 percent.

[5] Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), also contains prohibited transaction rules. The Code and ERISA provisions are substantially similar, although not identical.

Effective date.—The House bill is effective with respect to loans made after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.[6]

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Modification of top-heavy rules (sec. 1203 of the House bill, sec. 319 of the Senate amendment, and sec. 416 of the Code)

Present Law

In general

Under present law, additional qualification requirements apply to plans that primarily benefit an employer's key employees ("top-heavy plans"). These additional requirements provide (1) more rapid vesting for plan participants who are non-key employers and (2) minimum nonintegrated employer contributions or benefits for plan participants who are non-key employees.

Definition of top-heavy plan

In general, a top-heavy plan is a plan under which more than 60 percent of the contributions or benefits are provided to key employees.

For purposes of determining whether a plan is a top-heavy plan, benefits derived both from employer and employee contributions, including employee elective contributions, are taken into account. In addition, the accrued benefit of a participant in a defined benefit plan and the account balance of a participant in a defined contribution plan includes any amount distributed within the 5-year period ending on the determination date.

An individual's accrued benefit or account balance is not taken into account in determining whether a plan is top-heavy if the individual has not performed services for the employer during the 5-year period ending on the determination date.

SIMPLE plans are not subject to the top-heavy rules.

Definition of key employee

A key employee is an employee who, during the plan year that ends on the determination date or any of the 4 preceding plan years, is (1) an officer earning over one-half of the defined benefit plan dollar limitation of section 415 ($65,000 for 1999), (2) a 5-percent owner of the employer, (3) a 1-percent owner of the employer earning over $150,000, or (4) one of the 10 employees earning more than the defined contribution plan dollar limit ($30,000 for 1999) with the largest ownership interests in the employer. A family ownership attribution rule applies to the determination of 1-percent owner status, 5-percent owner status, and largest ownership interest. Under this attribution rule, an individual is treated as owning stock owned by the individual's spouse, children, grandchildren, or parents.

Minimum benefit for non-key employees

A minimum benefit generally must be provided to all non-key employees in a top-heavy plan. In general, a top-heavy defined benefit plan must provide a minimum benefit equal to the lesser of (1) 2 percent of compensation multiplied by the employee's years of service, or (2) 20 percent of compensation. A top-heavy defined contribution plan must provide a minimum annual contribution equal to the lesser of (1) 3 percent of compensation, or (2) the percentage of compensation at which contributions were made for key employees (including employee elective contributions made by key employees and employer matching contributions).

For purposes of the minimum benefit rules, only benefits derived from employer contributions (other than amounts employees have elected to defer) to the plan are taken into account, and an employee's social security benefits are disregarded (i.e., the minimum benefit is nonintegrated). Employer matching contributions may be used to satisfy the minimum contribution requirement; however, in such a case the contributions are not treated as matching contributions for purposes of applying the special nondiscrimination requirements applicable to employee elective contributions and matching contributions under sections 401(k) and (m). Thus, such contributions would have to meet the general nondiscrimination test of section 401(a)(4).[7]

Qualified cash or deferred arrangements

Under a qualified cash or deferred arrangement (a "section 401(k) plan"), an employee may elect to have the employer make payments as contributions to a qualified plan on behalf of the employee, or to the employee directly in cash. Contributions made at the election of the employee are called elective deferrals. A special nondiscrimination test applies to elective deferrals under cash or deferred arrangements, which compares the elective deferrals of highly compensated employees with elective deferrals of nonhighly compensated employees. (This test is called the actual deferral percentage test or the "ADP" test). Employer matching contributions under qualified defined contribution plans are also subject to a similar nondiscrimination test. (This test is called the actual contribution percentage test or the "ACP" test.)

Under a design-based safe harbor, a cash or deferred arrangement is deemed to satisfy the ADP test if the plan satisfies one of two contribution requirements and satisfies a notice requirement.

House Bill

Definition of top-heavy plan

The House bill provides that a plan consisting of a cash-or-deferred arrangement that satisfies the design-based safe harbor for such plans and matching contributions that satisfy the safe harbor rule for such contributions is not a top-heavy plan. Matching or nonelective contributions provided under such a plan may be taken into account in satisfying the minimum contribution requirements applicable to top-heavy plans.[8]

In determining whether a plan is top-heavy, the House bill provides that distributions during the year ending on the date the top-heavy determination is being made are taken into account. The present-law 5-year rule applies with respect to in-service distributions. Similarly, the House bill provides that an individual's accrued benefit or account balance is not taken into account if the individual has not performed services for the employer during the 1-year period ending on the date the top-heavy determination is being made.

Definition of key employee

The House bill (1) provides that an employee is not considered a key employee by reason of officer status unless the employee earns more than $150,000 in compensation for the year, and (2) repeals the top-10 owner key employee category.

The House bill repeals the 4-year lookback rule for determining key employee status and provides that an employee is a key employee only if he or she is a key employee during the current plan year.

Minimum benefit for non-key employees

Under the House bill, matching contributions are taken into account in determining whether the minimum benefit requirement has been satisfied.[9]

The House bill provides that, in determining the minimum benefit required under a defined benefit plan, a year of service does not include any year in which no employee benefits under the plan (as determined under sec. 410).

Effective date

The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

Definition of top-heavy plan

The Senate amendment provides that a plan consisting of a cash-or-deferred arrangement that satisfies the design-based safe harbor for such plans and matching contributions that satisfy the safe harbor rule for such contributions is not a top-heavy plan. Matching or nonelective contributions provided under such a plan may be taken into account in satisfying the minimum contribution requirements applicable to top-heavy plans.[10]

Definition of key employee

The family ownership attribution rule no longer applies in determining whether an individual is a 5-percent owner of the employer for purposes of the top-heavy rules only.

Minimum benefit for non-key employees

Under the provision, matching contributions are taken into account in determining whether the minimum benefit requirement has been satisfied.[11]

Effective date

The Senate amendment provision is effective for years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment. As under the Senate amendment, the family ownership attribution rule no longer applies in determining whether an individual is a 5-percent owner of the employer for purposes of the top-heavy rules only.

4. Elective deferrals not taken into account for purposes of deduction limits (sec. 1204 of the House bill, sec. 314 of the Senate amendment, and sec. 404 of the Code)

Present Law

Employer contributions to one or more qualified retirement plans are deductible subject to certain limits. In general, the deduction limit depends on the kind of plan.

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[6] The Senate amendment also amends the corresponding provisions of ERISA.

[7] Tres. Reg. sec. 1.416-1 Q&A M-19.

[8] This provision is not intended to preclude the use of nonelective contributions that are used to satisfy the safe harbor rules from being used to satisfy other qualified retirement plan nondiscrimination rules, including those involving cross-testing.

[9] Thus, this provision overrides the provision in Treasury regulations that, if matching contributions are used to satisfy the minimum benefit requirement, then they are not treated as matching contributions for purposes of the section 401(m) nondiscrimination rules.

[10] This provision is not intended to preclude the use of nonelective contributions that are used to satisfy the safe harbor rules from being used to satisfy other qualified retirement plan nondiscrimination rules, including those involving cross-testing.

[11] Thus, this provision overrides the provision in Treasury regulations that, if matching contributions are used to satisfy the minium benefit requirement, then they are not treated as matching contributions for purposes of the section 401(m) nondiscrimination rules.

In the case of a defined benefit pension plan or a money purchase pension plan, the employer generally may deduct the amount necessary to satisfy the minimum funding cost of the plan for the year. If a defined benefit pension plan has more than 100 participants, the maximum amount deductible is at least equal to the plan's unfunded current liabilities.

In the case of a profit-sharing or stock bonus plan, the employer generally may deduct an amount equal to 15 percent of compensation of the employees covered by the plan for the year.

If an employer sponsors both a defined benefit pension plan and a defined contribution plan that covers some of the same employees (or a money purchase pension plan and another kind of defined contribution plan), the total deduction for all plans for a plan year generally is limited to the greater of (1) 25 percent of compensation or (2) the contribution necessary to meet the minimum funding requirements of the defined benefit pension plan for the year (or the amount of the plan's unfunded current liabilities, in the case of a plan with more than 100 participants).

For purposes of the deduction limits, employee elective deferral contributions to a section 401(k) plan are treated as employer contributions and, thus, are subject to the generally applicable deduction limits.

Subject to certain exceptions, nondeductible contributions are subject to a 10–percent excise tax.

House Bill

Under the House bill, elective deferral contributions are not subject to the deduction limits, and the application of a deduction limitation to any other employer contribution to a qualified retirement plan does not take into account elective deferral contributions.

Effective date.—The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

5. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations (sec. 1205 of the House bill and sec. 457 of the Code)

Present Law

Compensation deferred under an eligible deferred compensation plan of a tax-exempt or State and local government employer (a "section 457 plan") is not includible in gross income until paid or made available. In general, the maximum permitted annual deferral under such a plan is the lesser of (1) $8,000 (in 1999) or (2) 33⅓ percent of compensation. The $8,000 limit is increased for inflation in $500 increments.

The $8,000 limit (as modified under the catch-up rule), applies to all deferrals under all section 457 plans in which the individual participates. In addition, in applying the $8,000 limit, contributions under a tax-sheltered annuity ("section 403(b) annuity"), elective deferrals under a qualified cash or deferred arrangement ("section 401(k) plan"), salary reduction contributions under a simplified employee pension plan ("SEP"), and contributions under a SIMPLE plan are taken into account. Further, the amount deferred under a section 457 plan is taken into account in applying a special catch-up rule for section 403(b) annuities.

House Bill

The House bill repeals the rules coordinating the section 457 dollar limit with contributions under other types of plans.[12]

Effective date.—The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

6. Eliminate IRS user fees for certain requests regarding employer plans (sec. 1206 of the House bill, sec. 317 of the Senate amendment, and sec. 7527 of the Code)

Present Law

An employer that maintains a retirement plan for the benefit of its employees may request from the Internal Revenue Service ("IRS") a determination as to whether the form of the plan satisfies the requirements applicable to tax-qualified plans (sec. 401(a)). In order to obtain from the IRS a determination letter on the qualified status of the plan, the employer must pay a user fee. The user fee may range from $125 to $1,250, depending upon the scope of the request and the type and format of the plan.[13]

House Bill

Under the House bill, a small employer (100 or fewer employees) is not required to pay a user fee for any determination letter request with respect to the qualified status of a retirement plan that the employer maintains. The House bill applies only to requests by employers for determination letters concerning the qualified retirement plans they maintain. Therefore, a sponsor of a prototype plan is required to pay a user fee for a request for a notification letter, opinion letter, or similar ruling. A small employer that adopts a prototype plan, however, is not required to pay a user fee for a determination letter request with respect to the employer's plan.

Effective date.—The House bill is effective for determination letter requests made after December 31, 2000.

Senate Amendment

The Senate amendment provides that no user fee may be required with respect to a request for a ruling, opinion letter, determination letter, or similar request regarding the qualified status of a new pension plan. A new pension plan would be a plan of an employer which has not maintained a qualified plan in the three most recent years ending before the year in which the request is made.

Conference Agreement

The conference agreement follows the House bill, with the modification that the user fee is eliminated only for determination letter requests made during the first 5 plan years of the plan.

7. Definition of compensation for purposes of deduction limits (sec. 1207 of the House bill and sec. 404 of the Code)

Present Law

Employer contributions to one or more qualified retirement plans are deductible subject to certain limits. In general, the deduction limit depends on the kind of plan. Subject to certain exceptions, nondeductible contributions are subject to a 10-percent excise tax.

In the case of a defined benefit pension plan or a money purchase pension plan, the employer generally may deduct the amount necessary to satisfy the minimum funding cost of the plan for the year. If a defined benefit pension plan has more than 100 participants, the maximum amount deductible is at least equal to the plan's unfunded current liabilities.

In some cases, the amount of deductible contributions is limited by compensation. In the case of a profit-sharing or stock bonus plan, the employer generally may deduct an amount equal to 15 percent of compensation of the employees covered by the plan for the year.

If an employer sponsors both a defined benefit pension plan and a defined contribution plan that covers some of the same employees (or a money purchase pension plan and another kind of defined contribution plan), the total deduction for all plans for a plan year generally is limited to the greater of (1) 25 percent of compensation or (2) the contribution necessary to meet the minimum funding requirements of the defined benefit pension plan for the year (or the amount of the plan's unfunded current liabilities, in the case of a plan with more than 100 participants).

In the case of an employee stock ownership plan ("ESOP"), principal payments on a loan used to acquire qualifying employer securities are deductible up to 25 percent of compensation.

For purposes of the deduction limits, employee elective deferral contributions to a qualified cash or deferred arrangement ("section 401(k) plan") are treated as employer contributions and, thus, are subject to the generally applicable deduction limits.[14]

For purposes of the deduction rules, compensation generally includes only taxable compensation, and thus does not include salary reduction amounts, such as elective deferrals under a section 401(k) plan or a tax-sheltered annuity ("section 403(b) annuity"), elective contributions under a deferred compensation plan of a tax-exempt organization or a State or local government ("section 457 plan"), and salary reduction contributions under a section 125 cafeteria plan. For purposes of the contribution limits under section 415, compensation does include such salary reduction amounts.

House Bill

Under the House bill, the definition of compensation for purposes of the deduction rules includes salary reduction amounts treated as compensation under section 415.[15]

Effective date.—The House bill provision is effective for years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

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[12] The limits on deferrals under a section 457 plan are modified under other provisions of the House bill.

[13] User fees are statutorily authorized; however, the IRS sets the dollar amount of the fee applicable to any particular type of request.

[14] Another provision in the House bill provides that elective deferrals are not subject to the deduction limits.

[15] A technical correction in the House bill expands the salary reduction amounts treated as compensation under section 415 to include amounts used to purchase qualified transportation benefits (under sec. 132(f)).

8. Option to treat elective deferrals as after-tax contributions (sec. 1208 of the House bill, sec. 341 of the Senate amendment, and new sec. 402A of the Code)

Present Law

A qualified cash or deferred arrangement ("section 401(k) plan") or a tax-sheltered annuity ("section 403(b) annuity") may permit a participant to elect to have the employer make payments as contributions to the plan or to the participant directly in cash. Contributions made to the plan at the election of a participant are elective deferrals. Elective deferrals must be nonforfeitable and are subject to an annual dollar limitation (sec. 402(g)) and distribution restrictions. In addition, elective deferrals under a section 401(k) plan are subject to special nondiscrimination rules. Elective deferrals (and earnings attributable thereto) are not includible in a participant's gross income until distributed from the plan.

Individuals with adjusted gross income below certain levels generally may make nondeductible contributions to a Roth IRA and may convert a deductible or nondeductible IRA into a Roth IRA. Amounts held in a Roth IRA that are withdrawn as a qualified distribution are not includible in income, nor subject to the additional 10-percent tax on early withdrawals. A qualified distribution is a distribution that (1) is made after the 5-taxable year period beginning with the first taxable year for which the individual made a contribution to a Roth IRA, and (2) is made after attainment of age 59½, is made on account of death or disability, or is a qualified special purpose distribution (i.e., for first-time homebuyer expenses of up to $10,000). A distribution from a Roth IRA that is not a qualified distribution is includible in income to the extent attributable to earnings, and is subject to the 10-percent tax on early withdrawals (unless an exception applies).[16]

House Bill

A section 401(k) plan or a section 403(b) annuity is permitted to include a "qualified plus contribution program" that permits a participant to elect to have all or a portion of the participant's elective deferrals under the plan treated as designated plus contributions. Designated plus contributions are elective deferrals that the participant designates as not excludable from the participant's gross income.

The annual dollar limitation on a participant's designated plus contributions is the section 402(g) annual limitation on elective deferrals, reduced by the participant's elective deferrals that the participant does not designate as designated plus contributions. Designated plus contributions are treated as any other elective deferral for purposes of nonforfeitability requirements and distribution restrictions. Under a section 401(k) plan, designated plus contributions also are treated as any other elective deferral for purposes of the special nondiscrimination requirements.

The plan is required to establish a separate account, and maintain separate recordkeeping, for a participant's designated plus contributions (and earnings allocable thereto). A qualified distribution from a participant's designated plus contributions account is not includible in the participant's gross income. A qualified distribution is a distribution that is made after the end of a specified nonexclusion period and that is (1) made on or after the date on which the participant attains age 59½, (2) made to a beneficiary (or to the estate of the participant) on or after the death of the participant, or (3) attributable to the participant's being disabled.[17] The nonexclusion period is the 5-year-taxable period beginning with the earlier of (1) the first taxable year for which the participant made a designated plus contribution to any designated plus contribution account established for the participant under the plan, or (2) if the participant has made a rollover contribution to the designated plus contribution account that is the source of the distribution from a designated plus contribution account established for the participant under another plan, the first taxable year for which the participant made a designated plus contribution to the previously established account.

A distribution from a designated plus contributions account that is a corrective distribution of an elective deferral (and income allocable thereto) that exceeds the section 402(g) annual limit on elective deferrals is not a qualified distribution.

A participant is permitted to roll over a distribution from a designated plus contributions account only to another designated plus contributions account or a Roth IRA of the participant.

The Secretary of the Treasury is directed to require the plan administrator of each section 401(k) plan or section 403(b) annuity that permits participants to make designated plus contributions to make such returns and reports regarding designated plus contributions to the Secretary, plan participants and beneficiaries, and other persons that the Secretary may designate.

Effective date.—The House bill is effective for taxable years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

9. Increase minimum benefit under defined benefit plans (sec. 1209 of the House bill and sec. 415 of the Code)

Present Law

Under a defined benefit plan, the maximum annual benefit payable at retirement is generally the lesser of (1) 100 percent of the participant's compensation, or (2) $130,000 (for 1999).[18] Payment of a minimum annual benefit is permitted even if the benefit exceeds the normally applicable benefit limitations. Thus, the limits on benefits are deemed to be satisfied if the aggregate annual retirement benefit of a participant under all defined benefit pension plans of the employer does not exceed $10,000 and the participant has not participated in a defined contribution plan of the employer. The $10,000 limit is reduced for participants with less than 10 years of service with the employer.

House Bill

Under the House bill, beginning in 2001, the minimum annual benefit permitted under a defined benefit plan is increased in $10,000 annual increments until the minimum benefit amount reaches $40,000 in 2003. The $40,000 amount is not indexed. In addition, a participant is entitled to the minimum benefit even if the participant had participated in a defined contribution plan of the employer.

Effective date.—The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

10. Reduced PBGC premiums for small and new plans (secs. 315–316 of the Senate amendment and sec. 4006 of ERISA)

Present Law

Under present law, the Pension Benefit Guaranty Corporation ("PBGC") provides insurance protection for participants and beneficiaries under certain defined benefit pension plans by guaranteeing certain basic benefits under the plan in the event the plan is terminated with insufficient assets to pay benefits promised under the plan. The PBGC guarantee is phased in ratably in the case of plans that have been in effect for less than 5 years, and with respect to benefit increases from a plan amendment that was in effect for less than 5 years before termination of the plan. The guaranteed benefits are funded in part by premium payments from employers who sponsor defined benefit plans. The amount of the required annual PBGC premium for a single-employer plan is generally a flat rate premium of $19 per participant and an additional variable rate premium based on a charge of $9 per $1,000 of unfunded vested benefits. Unfunded vested benefits under a plan generally means (1) the unfunded current liability for vested benefits under the plan, over (2) the value of the plan's assets, reduced by any credit balance in the funding standard account. No variable rate premium is imposed for a year if contributions to the plan were at least equal to the full funding limit.

House Bill

No provision.

Senate Amendment

Reduced flat-rate premiums for new plans of small employers

Under the Senate amendment, for the first five plan years of a new single-employer plan of a small employer, the flat-rate PBGC premium is $5 per plan participant.

A small employer is a contributing sponsor that, on the first day of the plan year, has 100 or fewer employees. For this purpose, all employees of the members of the controlled group of the contributing sponsor are taken into account. In the case of a plan to which more than one unrelated contributing sponsor contributes, employees of all contributing sponsors (and their controlled group members) are taken into account in determining whether the plan is a plan of a small employer.

Reduced variable PBGC premium for new plans

The Senate amendment provides that the variable premium is phased in for new defined benefit plans over a six-year period starting with the plan's first plan year. The amount of the variable premium is a percentage of the variable premium otherwise due, as follows: 0 percent of the otherwise applicable variable premium in the first plan year; 20 percent in the second plan year; 40 percent in the third plan year; 60 percent in the fourth plan year; 80 percent in the fifth plan year; and 100 percent in the sixth plan year (and thereafter).

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[16] Early distributions of converted amounts may also accelerate income inclusion of converted amounts that are taxable under the 4-year rule applicable to 1998 conversions.

[17] A qualified special purpose distribution, as defined under the rules relating to Roth IRAs, does not qualify as a tax-free distribution from a designated plus contributions account.

[18] Another provision of the House bill increases the dollar limit on the annual benefit payable under a defined benefit plan.

A new defined benefit plan is defined as under the flat-rate premium provision relating to new small employer plans.

Effective date

The Senate amendment provisions are effective for plans established after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment, with a modification. In the case of any plan (not just a new plan) of an employer with 25 or fewer employees, the variable- rate premium is no more than $5 multiplied by the number of plan participants in the plan at the close of the preceding year.

Effective date.—The provision is generally effective for plans established after December 31, 2000. The provision regarding plans of employers with 25 or fewer employees is effective for plan years beginning after December 31, 2000.

11. SAFE annuities and trusts (sec. 318 of the Senate amendment and new sec. 408B of the Code)

Present Law

A small business may establish a simplified defined contribution retirement plan called a savings incentive match plan for employees ("SIMPLE") retirement plan. An employer is eligible to adopt a SIMPLE plan if the employer employs 100 or fewer employees who received at least $5,000 in compensation during the preceding year and does not maintain another retirement plan.

A SIMPLE plan may be either an individual retirement arrangement for each employee ("SIMPLE IRA") or part of a qualified cash or deferred arrangement (a "SIMPLE 401(k)"). A SIMPLE IRA is not subject to the nondiscrimination rules or top-heavy rules generally applicable to qualified plans. Similarly, a SIMPLE 401(k) is deemed to satisfy the special nondiscrimination tests applicable to 401(k) plans and is not subject to the top-heavy rules. The other qualified plan rules apply to a SIMPLE 401(k), however.

SIMPLE plans are subject to special contribution rules. Employees may elect during the 60–day period preceding a plan year to make elective contributions under a SIMPLE plan of up to $6,000 during the plan year. The $6,000 dollar limit is adjusted for cost-of-living increases in $500 increments.

An employer that maintains a SIMPLE plan generally is required to match each employee's elective contributions on a dollar-for-dollar basis up to 3 percent of the employee's compensation. As an alternative to a matching contribution for any year, an employer may make a nonelective contribution on behalf of each eligible employee equal to 2 percent of the employee's compensation.

Under a SIMPLE IRA, the compensation limit does not apply for purposes of the required employer matching contribution. If the employer satisfies the contribution requirement by making a nonelective contribution, however, the amount of compensation taken into account for each participant to determine the amount of the required employer contribution may not exceed the compensation limit.

Under a SIMPLE 401(k), the compensation limit applies for purposes of the matching contribution as well as the nonelective contribution.

No contributions other than employee elective contributions and required employer contributions may be made to a SIMPLE plan. All contributions under a SIMPLE plan must be fully vested.

Present law does not provide for a simplified defined benefit plan similar to the SIMPLE plan.

House Bill

No provision.

Senate Amendment

Under the Senate amendment, a small business may establish a simplified retirement plan called the secure assets for employees ("SAFE") plan. The SAFE plan combines the features of a defined benefit plan and a defined contribution plan.

Employer and employee eligibility and vesting

An employer is eligible to adopt a SAFE plan if the employer employs 100 or fewer employees who received at least $5,000 in compensation during the preceding year and does not maintain another retirement plan other than a plan that provides only for elective deferrals or matching contributions, an eligible deferred compensation plan of a tax-exempt organization or a State or local government ("section 457 plan"), or a collectively bargained plan.

Each employee whose compensation was at least $5,000 in any 2 preceding consecutive years and in the current year generally is eligible to participate. All benefits under a SAFE plan are fully vested at all times.

Benefits and funding

A SAFE plan provides a fully funded minimum defined benefit. For each year of participation, a participant generally accrues a minimum annual benefit at retirement equal to 3 percent of the participant's compensation for the year. The employer may elect to provide a benefit of 2 percent, 1 percent, or 0 percent of compensation for any year for all participants if the employer notifies the participants of such lower percentage within a reasonable period before the beginning of the year. Benefits under a SAFE plan are subject to the annual limitation on compensation that may be taken into account under a qualified plan ($160,000 in 1999).

An employer may count up to 10 years of service performed by a participant before the adoption of a SAFE plan ("prior service year") if the same number of prior service years is available to all employees eligible to participate in the SAFE plan for the first plan year. Prior service years is taken into account by doubling the amount of the contribution the employer would otherwise make for each participant with prior service years, beginning with the first year the SAFE plan is in effect. A participant's prior service years do not include any years in which a participant was an active participant in any defined benefit plan maintained by the employer or received less than $5,000 in compensation from the employer.

Each year the employer is required to contribute to the SAFE plan on behalf of each participant an amount sufficient to provide the annual benefit accrued for the year payable at age 65, using specified actuarial assumptions (including an interest rate not less than 3 percent and not greater than 5 percent per year). A SAFE plan may be funded either through an individual retirement annuity for each employee ("SAFE Annuity") or through a trust (a "SAFE Trust").

Under a SAFE Trust, each participant has an account to which actual investment returns are credited. If a participant's account balance is less than the total of past employer contributions credited with a specified interest rate (not less than 3 percent and not greater than 5 percent per year), the employer is required to make up the shortfall. If the investment returns in a participant's account exceed the specified interest rate, the participant is entitled to the larger account balance. Permissible investments of a SAFE Trust are securities that are readily tradable on an established securities market and insurance company products that are regulated by State law.

Under a SAFE Annuity, each year the employer is required to contribute the amount necessary to purchase an annuity that provides the benefit accrual for the year.

The required contributions to a SAFE plan are deductible under the rules applicable to qualified defined benefit plans. An excise tax applies if the employer fails to make the required contribution for the year.

Benefits under a SAFE plan are not guaranteed by the Pension Benefit Guaranty Corporation.

Distributions

A SAFE plan may provide for distributions at any time. Distributions from a SAFE plan are subject to tax under the present-law rules applicable to distributions from qualified plans, except that a distribution prior to the participant's attainment of age 59½ generally are subject to an additional tax equal to 20 percent of the amount distributed.

A SAFE plan must provide for payment of benefits in the form of a single life annuity payable at age 65 or any actuarially equivalent form of benefit. A SAFE plan is not subject to the joint and survivor annuity requirements applicable to other defined benefit pension plans.

Nondiscrimination requirements and other rules

A SAFE plan is not subject to the nondiscrimination rules, the top-heavy plan rules, or the limitations on benefits or contributions applicable to qualified retirement plans. A SAFE plan is subject to the qualified plan requirement that a participant's benefit accrual may not cease merely because the participant has attained a specified age (sec. 411(b)(1)(H)). Simplified reporting and disclosure requirements apply to SAFE plans.

Effective date

The Senate amendment provision is effective for years beginning after December 31, 2000.

Conference Agreement

The conference agreement does not include the Senate amendment.

B. Enhancing Fairness for Women

1. Additional catch-up contributions (sec. 1221 of the House bill, sec. 321 of the Senate amendment, and secs. 219, 402(g), 408(p), and 457 of the Code)

Present Law

Elective deferral limitations

Under present law, under certain salary reduction arrangements, an employee may elect to have the employer make payments as contributions to a plan on behalf of the employee, or to the employee directly in cash. Contributions made at the election of the employee are called elective deferrals.

The maximum annual amount of elective deferrals that an individual may make to a qualified cash or deferred arrangement (a "401(k) plan"), a tax-sheltered annuity ("section 403(b) annuity") or a salary reduction simplified employee pension plan ("SEP") is $10,000 (for 1999). The maximum annual amount of elective deferrals that an individual may make to a SIMPLE plan is $6,000. These limits are indexed for inflation in $500 increments.

Section 457 plans

The maximum annual deferral under a deferred compensation plan of a State or local government or a tax-exempt organization (a "section 457 plan") is the lesser of (1) $8,000 (for 1999) or (2) 33⅓ percent of compensation. The $8,000 dollar limit is increased for inflation in $500 increments. Under a special catch-up rule, the section 457 plan may provide that, for one or more of the participant's last 3 years before retirement, the otherwise applicable limit is increased to the lesser of (1) $15,000 or (2) the sum of the otherwise applicable limit for the year plus the amount by which the limit applicable in preceding years of participation exceeded the deferrals for that year.

IRAs

Under present law, the maximum annual contribution that can be made to all an individuals IRAs is the lesser of $2,000 or the individual's compensation for the year. Special rules apply in the case of a married couple to allow up to the maximum contribution for each spouse, provided that the combined compensation of the spouses is at least equal to the total IRA contributions.

House Bill

The House bill provides that the otherwise applicable dollar limit on elective deferrals under a section 401(k) plan, section 403(b) annuity, or SIMPLE, or deferrals under a section 457 plan are increased for individuals who have attained age 50 by the end of the year.[19] The otherwise applicable dollar limit is increased by $1,000 in each year beginning in 2001 until the amount of the increase is $5,000 in 2005. Thereafter, the $5,000 limit is indexed for inflation in $500 increments. In the case of section 457 plans, this catch-up rule does not apply during the participant's last 3 years before retirement (in those years, the regularly applicable dollar limit is doubled).

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

Senate Amendment

The Senate amendment provides that individuals who have attained age 50 may make additional catch-up elective contributions to employer-sponsored retirement plans and additional catch-up IRA contributions.

In the case of employer-sponsored retirement plans, the provision applies to elective deferrals under a section 401(k) plan, section 403(b) annuity, SIMPLE, or section 457 plan. Additional contributions may be made by an individual who has attained age 50 before the end of the plan year and with respect to whom no other elective deferrals may otherwise be made to the plan for the year because of the application of any limitation of the Code (e.g., the annual limit on elective deferrals) or of the plan. Under the provision, the additional amount of elective contributions that may be made by an eligible individual participating in such a plan is the lesser of (1) the applicable percent of the maximum dollar amount of elective deferrals otherwise excludable from the gross income of the participant for the year (under sec. 402(g)) or (2) the participant's compensation for the year reduced by any other elective deferrals of the participant for the year.[20] The applicable percent is 10 percent in 2001, and increases by 10 percentage points until the applicable percent is 50 in 2005 and thereafter.

Catch-up contributions made under the provision are not subject to any other contribution limits and are not taken into account in applying other contribution limits. In addition, such contributions are not subject to applicable nondiscrimination rules.[21]

An employer may make matching contributions with respect to catch-up contributions. Any such matching contributions are subject to the normally applicable rules.[22]

Effective date.—The Senate amendment is effective for years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment.

2. Equitable treatment for contributions of employees to defined contribution plans (sec. 1222 of the House bill, sec. 322 of the Senate amendment, and secs. 403(b), 415, and 457 of the Code)

Present Law

Present law imposes limits on the contributions that may be made to tax-favored retirement plans.

Defined contribution plans

In the case of a tax-qualified defined contribution plan, the limit on annual additions that can be made to the plan on behalf of an employee is the lesser of $30,000 (for 1999) or 25 percent of the employee's compensation (sec. 415(c)). Annual additions include employer contributions, including contributions made at the election of the employee (i.e., employee elective deferrals), after-tax employee contributions, and any forfeitures allocated to the employee. For this purpose, compensation means taxable compensation of the employee, plus elective deferrals, and similar salary reduction contributions. A separate limit applies to benefits under a defined benefit plan.

For years beginning before January 1, 2000, an overall limit applies if an employee is a participant in both a defined contribution plan and a defined benefit plan of the same employer.

Tax-sheltered annuities

In the case of a tax-sheltered annuity (a "section 403(b) annuity"), the annual contribution generally cannot exceed the lesser of the exclusion allowance or the section 415(c) defined contribution limit. The exclusion allowance for a year is equal to 20 percent of the employee's includible compensation, multiplied by the employee's years of service, minus excludable contributions for prior years under qualified plans, tax-sheltered annuities or section 457 plans of the employer.

For purposes of determining the contribution limits applicable to section 403(b) annuities, includible compensation means the amount of compensation received from the employer for the most recent period which may be counted as a year of service under the exclusion allowance. In addition, includible compensation includes elective deferrals and similar salary reduction amounts.

Treasury regulations include provisions regarding application of the exclusion allowance in cases where the employee participates in a section 403(b) annuity and a defined benefit plan. The Taxpayer Relief Act of 1997 directed the Secretary of the Treasury to revise these regulations, effective for years beginning after December 31, 1999, to reflect the repeal of the overall limit on contributions and benefits.

Section 457 plans

Compensation deferred under an eligible deferred compensation plan of a tax-exempt or State and local governmental employer (a "section 457 plan") is not includible in gross income until paid or made available. In general, the maximum permitted annual deferral under such a plan is the lesser of (1) $8,000 (in 1999) or (2) 33⅓ percent of compensation. The $8,000 limit is increased for inflation in $500 increments.

House Bill

Increase in defined contribution plan limit

The House bill increases the 25 percent of compensation limitation on annual additions under a defined contribution plan to 100 percent.[23]

Conforming limits on tax-sheltered annuities

The House bill repeals the exclusion allowance applicable to contributions to tax- sheltered annuities. Thus, such annuities are subject to the limits applicable to tax-qualified plans.

Section 457 plans

The House bill increases the 33⅓ percent of compensation limitation on deferrals under a section 457 plan to 100 percent of compensation.

Effective date

The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment, with a modification. The conference agreement directs the Secretary of the Treasury to revise the regulations relating to the exclusion allowance under section 403(b)(2) to render void the requirement that contributions to a defined benefit plan be treated as previously excluded amounts for purposes of the exclusion allowance. For taxable years beginning after December 31, 1999, the regulatory provisions regarding the exclusion allowance are to be applied as if the requirement that contributions to a defined benefit plan be treated as previously excluded amounts for purposes of the exclusion allowance were void.

Effective date.—The provisions are generally effective for years beginning after December 31, 2000. The provision regarding the regulations under section 403(b)(2) is effective on the date of enactment.

3. Faster vesting of employer matching contributions (sec. 1223 of the bill, sec. 325 of the Senate amendment, and sec. 411 of the Code)

Present Law

Under present law, a plan is not a qualified plan unless a participant's employer-provided benefit vests at least as rapidly as under one of two alternative minimum vesting schedules. A plan satisfies the first schedule if a participant acquires a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions upon the completion of 5 years of service. A plan satisfies the second schedule if a participant has a nonforfeitable right to at least 20 percent of the participant's accrued benefit derived from employer contributions after 3 years of service, 40 percent after 4 years of service, 60 percent after 5 years of service, 80 percent after 6 years of service, and 100 percent after 7 years of service.[24]

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[19] Another provision in the House bill increases the dollar limit on elective deferrals under such arrangements.

[20] In the case of a section 457 plans, this catch-up rule does not apply during the participant's last 3 years before retirement (in those years, the regularly applicable dollar limit is doubled).

[21] Another provision in the Senate amendment provides that elective contributions are deductible without regard to the otherwise applicable deduction limits.

[22] The Senate amendment contains a similar catch-up rule for IRAs, described earlier.

[23] Another provision of the House bill increases the defined contribution plan dollar limit.

House Bill

Under the House bill, employer matching contributions have to vest at least as rapidly as under one of the following two alternative minimum vesting schedules. A plan satisfies the first schedule if a participant acquires a nonforfeitable right to 100 percent of employer matching contributions upon the completion of 3 years of service. A plan satisfies the second schedule if a participant has a nonforfeitable right to 20 percent of employer matching contributions for each year of service beginning with the participant's second year of service and ending with 100 percent after 6 years of service.

Effective date.—The provision is effective for plan years beginning after December 31, 2000, with a delayed effective date for plans maintained pursuant to a collective bargaining agreement. The provision does not apply to any employee until the employee has an hour of service after the effective date. In applying the new vesting schedule, service before the effective date is taken into account.

Senate Amendment

The Senate amendment is the same as the House bill.[25]

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

4. Simplify and update the minimum distribution rules (secs. 1224 and 1239 of the House bill and secs. 401(a)(9) and 457 of the Code)

Present Law

In general

Minimum distribution rules apply to all types of tax-favored retirement vehicles, including qualified plans, individual retirement arrangements ("IRAs"), tax-sheltered annuities ("section 403(b) annuities"), and eligible deferred compensation plans of tax-exempt and State and local government employers ("section 457 plans"). In general, under these rules, distribution of minimum benefits must begin no later than the required beginning date. Minimum distribution rules also apply to benefits payable with respect to a plan participant who has died. Failure to comply with the minimum distribution rules results in an excise tax imposed on the individual plan participant equal to 50 percent of the required minimum distribution not distributed for the year. The excise tax can be waived if the individual establishes to the satisfaction of the Secretary that the shortfall in the amount distributed was due to reasonable error and reasonable steps are being taken to remedy the shortfall.

Distributions prior to the death of the individual

In the case of distributions prior to the death of the plan participant, the minimum distribution rules are satisfied if either (1) the participant's entire interest in the plan is distributed by the required beginning date, or (2) the participant's interest in the plan is to be distributed (in accordance with regulations), beginning not later than the required beginning date, over a permissible period. The permissible periods are (1) the life of the participant, (2) the lives of the participant and a designated beneficiary, (3) the life expectancy of the participant, or (4) the joint life and last survivor expectancy of the participant and a designated beneficiary. In calculating minimum required distributions, life expectancies of the participant and the participant's spouse may be recomputed annually.

In the case of qualified plans, tax-sheltered annuities, and section 457 plans, the required beginning date is the April 1 of the calendar year following the later of (1) the calendar year in which the employee attains age 70½ or (2) the calendar year in which the employee retires. However, in the case of a 5-percent owner of the employer, distributions are required to begin no later than the April 1 of the calendar year following the year in which the 5-percent owner attains age 70½. If commencement of benefits is delayed beyond age 70½ from a defined benefit plan, then the accrued benefit of the employee must be actuarially increased to take into account the period after age 70½ in which the employee was not receiving benefits under the plan.[26] In the case of distributions from an IRA other than a Roth IRA, the required beginning date is the April 1 following the calendar year in which the IRA owner attains age 70½. The pre-death minimum distribution rules do not apply to Roth IRAs.

In general, under proposed regulations, in order to satisfy the minimum distribution rules, annuity payments under a defined benefit plan must be paid in period payments made at intervals not longer than one year over a permissible period, and must be nonincreasing, or increase only as a result of the following: (1) cost-of-living adjustments; (2) cash refunds of employee contributions; (3) benefit increases under the plan; or (4) an adjustment due to death of the employee's beneficiary. In the case of a defined contribution plan, the minimum required distribution is determined by dividing the employee's benefit by the applicable life expectancy.

Distributions after the death of the plan participant

The minimum distribution rules also apply to distributions to beneficiaries of deceased participants. In general, if the participant dies after minimum distributions have begun, the remaining interest must be distributed at least as rapidly as under the minimum distribution method being used as of the date of death. If the participant dies before minimum distributions have begun, then the entire remaining interest must generally be distributed within 5 years of the participant's death. The 5-year rule does not apply if distributions begin within 1 year of the participant's death and are payable over the life expectancy of a designated beneficiary. A surviving spouse beneficiary is not required to begin distribution until the date the deceased participant would have attained age 70½.

Special rules for section 457 plans

Eligible deferred compensation plans of State and local and tax-exempt employers ("section 457 plans") are subject to the minimum distribution rules described above. Such plans are also subject to additional minimum distribution requirements (sec. 457(d)(2)(b)).

House Bill

Modification of post-death distribution rules

The House bill applies the present-law rules applicable if the participant dies before distribution of minimum benefits has begun to all post-death distributions. Thus, in general, if the employee dies before his or her entire interest has been distributed, distribution of the remaining interest must be made within 5 years of the date of death, or begin within one year of the date of death and paid over the life or life expectancy of a designated beneficiary. In the case of a surviving spouse, distributions are not required to begin until the surviving spouse attains age 70½. Minimum distributions that have already begun may be recalculated under the new rule.

Reduction in excise tax

The House bill reduces the excise tax on failures to satisfy the minimum distribution rules to 10 percent of the amount that was required to be distributed but was not distributed.

Treasury regulations

The Treasury is directed to update, simplify and finalize the regulations relating to the minimum distribution rules. The Treasury is directed to reflect in the regulations current life expectancies and to revise the required distribution methods so that, under reasonable assumptions, the amount of the required distribution does not decrease over time. The regulations are to permit recalculation of distributions for future years to reflect the change in the regulations, and to permit the election of a new designated beneficiary and method of calculating life expectancy. The regulations are effective for years beginning after December 31, 2000.

Section 457 plans

The House bill repeals the special minimum distribution rules applicable to section 457 plans. Thus, such plans are subject to the same minimum distribution rules applicable to other types of tax-favored arrangements.

Effective date

In general, the provision is effective for years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

5. Clarification of tax treatment of division of section 457 plan benefits upon divorce (sec. 1225 of the House bill, sec. 323 of the Senate amendment, and sec. 457 of the Code)

Present Law

Under present law, benefits provided under a qualified retirement plan for a participant may not be assigned or alienated to creditors of the participant, except in very limited circumstances. One exception to the prohibition on assignment or alienation rule is a qualified domestic relations order ("QDRO"). A QDRO is a domestic relations order that creates or recognizes a right of an alternate payee to any plan benefit payable with respect to a participant, and that meets certain procedural requirements.

Under present law, a distribution from a governmental plan or a church plan is treated as made pursuant to a QDRO if it is made pursuant to a domestic relations order that creates or recognizes a right of an alternate payee to any plan benefit payable with respect to a participant. Such distributions are not required to meet the procedural requirements that apply with respect to distributions from qualified plans.

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[24] The minimum vesting requirements are also contained in title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

[25] The Senate amendment makes corresponding changes to title I of ERISA.

[26] State and local government plans and church plans are not required to actuarially increase benefits that begin after age 70½

Under present law, amounts distributed from a qualified plan generally are taxable to the participant in the year of distribution. However, if amounts are distributed to the spouse (or former spouse) of the participant by reason of a QDRO, the benefits are taxable to the spouse (or former spouse). Amounts distributed pursuant to a QDRO to an alternate payee other than the spouse (or former spouse) are taxable to the plan participant.

Section 457 of the Internal Revenue Code provides rules for deferral of compensation by an individual participating in an eligible deferred compensation plan ("section 457 plan") of a tax-exempt or State and local government employer. The QDRO rules do not apply to section 457 plans.

House Bill

The House bill applies the taxation rules for qualified plan distributions pursuant to a QDRO to distributions made pursuant to a domestic relations order from a section 457 plan. In addition, a section 457 plan is not treated as violating the restrictions on distributions from such plans due to payments to an alternate payee under a QDRO. The special rule applicable to governmental plans and church plans applies for purposes of determining whether a distribution is pursuant to a QDRO.

Effective date.—The provision is effective for transfers, distributions and payments made after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

6. Modification of safe harbor relief for hardship withdrawals from 401(k) plans (sec. 324 of the Senate amendment)

Present Law

Elective deferrals under a qualified cash or deferred arrangement (a "section 401(k) plan") may not be distributable prior to the occurrence of one or more specified events. One event upon which distribution is permitted is the financial hardship of the employee. Applicable Treasury regulations[27] provide that a distribution is made on account of hardship only if the distribution is made on account of an immediate and heavy financial need of the employee and is necessary to satisfy the heavy need.

The Treasury regulations provide a safe harbor under which a distribution may be deemed necessary to satisfy an immediate and heavy financial need. One requirement of this safe harbor is that the employee be prohibited from making elective contributions and employee contributions to the plan and all other plans maintained by the employer for at least 12 months after receipt of the hardship distribution.

House Bill

No provision.

Senate Amendment

The Secretary of the Treasury is directed to revise the applicable regulations to reduce from 12 months to 6 months the period during which an employee must be prohibited from making elective contributions and employee contributions in order for a distribution to be deemed necessary to satisfy an immediate and heavy financial need.

Effective date.—The Senate amendment provision is effective for years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment.

C. Increasing Portability for Participants

1. Rollovers of retirement plan and IRA distributions (secs. 1231–1233 and 1239 of the House bill, secs. 331–333 and 339 of the Senate amendment, and secs. 401, 402, 403(b), 408, 457, and 3405 of the Code)

Present Law

In general

Present law permits the rollover of funds from a tax-favored retirement plan to another tax-favored retirement plan. The rules that apply depend on the type of plan involved. Similarly, the rules regarding the tax treatment of amounts that are not rolled over depend on the type of plan involved.

Distributions from qualified plans

Under present law, an "eligible rollover distribution" from a tax-qualified employer-sponsored retirement plan may be rolled over tax free to a traditional individual retirement arrangement ("IRA")[28] or another qualified plan.[29] An "eligible rollover distribution" means any distribution to an employee of all or any portion of the balance to the credit of the employee in a qualified plan, except the term does not include (1) any distribution which is one of a series of substantially equal periodic payments made (a) for the life (or life expectancy) of the employee or the joint lives (or joint life expectancies) of the employee and the employee's designated beneficiary, or (b) for a specified period of 10 years or more, (2) any distribution to the extent such distribution is required under the minimum distribution rules, and (3) certain hardship distributions. The maximum amount that can be rolled over is the amount of the distribution includible in income, i.e., after-tax employee contributions cannot be rolled over. Qualified plans are not required to accept rollovers.

Distributions from tax-sheltered annuities

Eligible rollover distributions from a tax-sheltered annuity ("section 403(b) annuity") may be rolled over into an IRA or another section 403(b) annuity. Distributions from a section 403(b) annuity cannot be rolled over into a tax-qualified plan. Section 403(b) annuities are not required to accept rollovers.

IRA distributions

Distributions from a traditional IRA, other than minimum required distributions, can be rolled over into another IRA. In general, distributions from an IRA cannot be rolled over into a qualified plan or section 403(b) annuity. An exception to this rule applies in the case of so-called "conduit IRAs." Under the conduit IRA rule, amounts can be rolled from a qualified plan into an IRA and then subsequently rolled back to another qualified plan if the amounts in the IRA are attributable solely to rollovers from a qualified plan. Similarly, an amount may be rolled over from a section 403(b) annuity to an IRA and subsequently rolled back into a section 403(b) annuity if the amounts in the IRA are attributable solely to rollovers from a section 403(b) annuity.

Distributions from section 457 plans

A "section 457 plan" is an eligible deferred compensation plan of a State or local government or tax-exempt employer that meets certain requirements. In some cases, different rules apply under section 457 to governmental plans and plans of tax-exempt employers. For example, governmental section 457 plans are like qualified plans in that plan assets are required to be held in a trust for the exclusive benefit of plan participants and beneficiaries. In contrast, benefits under a section 457 plan of a tax-exempt employer are unfunded, like nonqualified deferred compensation plans of private employers.

Section 457 benefits can be transferred to another section 457 plan. Distributions from a section 457 plan cannot be rolled over to another section 457 plan, a qualified plan, a section 403(b) annuity, or an IRA.

Rollovers by surviving spouses

A surviving spouse that receives an eligible rollover distribution may roll over the distribution into an IRA, but not a qualified plan or section 403(b) annuity.

Direct rollovers and withholding requirements

Qualified plans and section 403(b) annuities are required to provide that a plan participant has the right to elect that an eligible rollover distribution be directly rolled over to another eligible retirement plan. If the plan participant does not elect the direct rollover option, then withholding is required on the distribution at a 20-percent rate.

Notice of eligible rollover distribution

The plan administrator of a qualified plan or a section 403(b) annuity is required to provide a written explanation of rollover rules to individuals who receive a distribution eligible for rollover. In general, the notice is to be provided within a reasonable period of time before making the distribution and is to include an explanation of (1) the provisions under which the individual may have the distribution directly rolled over to another eligible retirement plan, (2) the provision that requires withholding if the distribution is not directly rolled over, (3) the provision under which the distribution may be rolled over within 60 days of receipt, and (4) if applicable, certain other rules that may apply to the distribution. The Treasury Department has provided more specific guidance regarding timing and content of the notice.

Taxation of distributions

As is the case with the rollover rules, different rules regarding taxation of benefits apply to different types of tax-favored arrangements. In general, distributions from a qualified plan, section 403(b) annuity, or IRA are includible in income in the year received. In certain cases, distributions from qualified plans are eligible for capital gains treatment and averaging. These rules do not apply to distributions from another type of plan. Distributions from a qualified plan, IRA, and section 403(b) annuity generally are subject to an additional 10-percent early withdrawal tax if made before age 59½. There are a number of exceptions to the early withdrawal tax. Some of the exceptions apply to all three types of plans, and others apply only to certain types of plans. For example, the 10-percent early withdrawal tax does not apply to IRA distributions for educational expenses, but does apply to similar distributions from qualified plans and section 403(b) annuities. Benefits under a section 457 plan are generally includible in income when paid or made available. The 10-percent early withdrawal tax does not apply to section 457 plans.

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[27] Treas. Reg. sec. 1.401(k)-1.

[28] A "traditional" IRA refers to IRAs other than Roth IRAs or SIMPLE IRAs. All references to IRAs refers only to traditional IRAs.

[29] An eligible rollover distribution may either be rolled over by the distributee within 60 days of the date of the distribution or, as described below, directly rolled over by the distributing plan.

House Bill

In general

The House bill provides that eligible rollover distributions from qualified retirement plans, section 403(b) annuities, and governmental section 457 plans generally may be rolled over to any of such plans or arrangements.[30] Similarly, distributions from an IRA generally may be rolled over into a qualified plan, section 403(b) annuity, or governmental section 457 plan. The direct rollover and withholding rules are extended to distributions from a governmental section 457 plan, and such plans are required to provide the written notification regarding eligible rollover distributions. The rollover notice (with respect to all plans) is required to include a description of the provisions under which distributions from the plan to which the distribution is rolled over may be subject to restrictions and tax consequences different than those applicable to distributions from the distributing plan. Qualified plans, section 403(b) annuities, and section 457 plans are not required to accept rollovers.

Some special rules apply in certain cases. A distribution from a qualified plan is not eligible for capital gains or averaging treatment if there was a rollover to the plan that would not have been permitted under present law. Thus, in order to preserve capital gains and averaging treatment for a qualified plan distribution that is rolled over, the rollover has to be made to a "conduit IRA" as under present law, and then rolled back into a qualified plan. Amounts distributed from a section 457 plan are subject to the early withdrawal tax to the extent the distribution consists of amounts attributable to rollovers from another type of plan. Section 457 plans are required to separately account for such amounts.

The provision also provides that benefits in governmental section 457 plans are includible in income when paid.

Rollover of after-tax contributions

The provision provides that employee after-tax contributions may be rolled over into another qualified plan or a traditional IRA. In the case of a rollover from a qualified plan to another qualified plan, the rollover may be accomplished only through a direct rollover. In addition, a qualified plan may not accept rollovers of after-tax contributions unless the plan provides separate accounting for such contributions (and earnings thereon). After-tax contributions (including nondeductible contributions to an IRA) may not be rolled over from an IRA into a qualified plan, tax-sheltered annuity, or section 457 plan.

In the case of a distribution from a traditional IRA that is rolled over into an eligible rollover plan that is not an IRA, the distribution is attributed first to amounts other than after-tax contributions.

Expansion of spousal rollovers

The provision provides that surviving spouses may roll over distributions to a qualified plan, section 403(b) annuity, or governmental section 457 plan in which the spouse participates.

Treasury regulations

The Secretary is directed to prescribe rules necessary to carry out the provisions. Such rules may include, for example, reporting requirements and mechanisms to address mistakes relating to rollovers. It is anticipated that the IRS will develop forms to assist individuals who roll over after-tax contributions to an IRA in keeping track of such contributions. Such forms could, for example, expand Form 8606—Nondeductible IRAs, to include information regarding after-tax contributions.

Effective date

The provision is effective for distributions made after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

2. Waiver of 60-day rule (sec. 1234 of the House bill, sec. 334 of the Senate amendment, and secs. 402 and 408 of the Code)

Present Law

Under present law, amounts received from an IRA or qualified plan may be rolled over tax free if the rollover is made within 60 days of the date of the distribution. The Secretary does not have the authority to waive the 60-day requirement.

House Bill

The House bill provides that the Secretary may waive the 60-day rollover period if the failure to waive such requirement would be against equity or good conscience, including cases of casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.

Effective date.—The House bill provision applies to distributions made after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Treatment of forms of distribution (sec. 1235 of the House bill, sec. 335 of the Senate amendment, and sec. 411(d)(6) of the Code)

Present Law

An amendment of a qualified retirement plan may not decrease the accrued benefit of a plan participant. An amendment is treated as reducing an accrued benefit if, with respect to benefits accrued before the amendment is adopted, the amendment has the effect of either (1) eliminating or reducing an early retirement benefit or a retirement-type subsidy, or (2) except as provided by Treasury regulations, eliminating an optional form of benefit (sec. 411(d)(6)).[31]

The prohibition against the elimination of an optional form of benefit applies to plan mergers, spinoffs, transfers, and transactions amending or having the effect of amending a plan or plans to transfer plan benefits. For example, if Plan A, a profit-sharing plan that provides for distribution of benefits in annual installments over ten or twenty years, is merged with Plan B, a profit-sharing plan that provides for distribution of benefits in annual installments over life expectancy at the time of retirement, the merged plan must preserve the ten- or twenty-year installment option with respect to benefits accrued under Plan A as of the date of the merger and the installments over life expectancy with respect to benefits accrued under Plan B as of the date of the merger. Similarly, for example, if a participant's benefit under a defined contribution plan is transferred to another defined contribution plan maintained by the same or a different employer, the optional forms of benefit available with respect to the participant's accrued benefit under the transferor plan must be preserved.[32]

House Bill

A defined contribution plan to which benefits are transferred is not treated as reducing a participant's or beneficiary's accrued benefit even though it does not provide all of the forms of distribution previously available under the transferor plan if (1) the plan receives from another defined contribution plan a direct transfer of the participant's or beneficiary's benefit accrued under the transferor plan, or the plan results from a merger or other transaction that has the effect of a direct transfer (including consolidations of benefits attributable to different employers within a multiple employer plan), (2) the terms of both the transferor plan and the transferee plan authorize the transfer, (3) the transfer occurs pursuant to a voluntary election by the participant or beneficiary that is made after the participant or beneficiary received a notice describing the consequences of making the election, (4) if the transferor plan provides for an annuity as the normal form of distribution in accordance with the joint and survivor annuity rules (sec. 417), the participant's spouse (if any) consents to the transfer in a manner similar to the consent required by section 417, and (5) the transferee plan allows the participant or beneficiary to receive distribution of his or her benefit under the transferee plan in the form of a single sum distribution.

In addition, except to the extent provided by the Secretary of the Treasury in regulations, a defined contribution plan is not treated as reducing a participant's accrued benefit if (1) a plan amendment eliminates a form of distribution previously available under the plan, (2) a single sum distribution is available to the participant at the same time or times as the form of distribution eliminated by the amendment, and (3) the single sum distribution is based on the same or greater portion of the participant's accrued benefit as the form of distribution eliminated by the amendment.

The Secretary is directed to issue, not later than December 31, 2001, final regulations under section 411(d)(6) implementing the provision.

Furthermore, the provision authorizes the Secretary of the Treasury to provide by regulations that the prohibitions against eliminating or reducing an early retirement benefit, a retirement-type subsidy, or an optional form of benefit not apply to plan amendments that do not adversely affect the rights of participants in a material manner but that do eliminate or reduce early retirement benefits, retirement-type subsidies, and optional forms of benefit that create significant burdens and complexities for a plan and its participants.

Effective date.—The provision is effective for years beginning after December 31, 2000, except that the direction to the Secretary regarding regulations is effective on the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

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[30] Hardship distributions from governmental section 457 plans would be considered eligible rollover distributions.

[31] A similar provision is contained in Title I of ERISA.

[32] Treas. Reg. sec. 1.411(d)-4, Q&A-2(a)(3)(i).

Conference Agreement

The conference agreement follows the House bill and the Senate amendment, with the modification that the Secretary is required to provide by regulations that the prohibitions against eliminating or reducing an early retirement benefit, a retirement-type subsidy, or an optional form of benefit not apply to plan amendments that do not adversely affect the rights of participants in a material manner but that do eliminate or reduce early retirement benefits, retirement-type subsidies, and optional forms of benefit that create significant burdens and complexities for a plan and its participants. As under the House bill and the Senate amendment, the conferees intend that the factors to be considered in determining whether an amendment has a materially adverse effect on a participant would include (1) all of the participant's early retirement benefits, retirement-type subsidies, and optional forms of benefits that are reduced or eliminated by the amendment, (2) the extent to which early retirement benefits, retirement-type subsidies, and optional forms of benefit in effect with respect to a participant after the amendment effective date provide rights that are comparable to the rights that are reduced or eliminated by the plan amendment, (3) the number of years before the participant attains normal retirement age under the plan (or early retirement age, as applicable), (4) the size of the participant's benefit that is affected by the plan amendment, in relation to the amount of the participant's compensation, and (5) the number of years before the plan amendment is effective.

The conference agreement clarifies that the Secretary is to issue final regulations under section 411(d)(6), including regulations required under the provision, no later than December 31, 2001.

Effective date.—The provision is generally effective for years beginning after December 31, 2001. The direction to the Secretary regarding regulations is effective on the date of enactment.

4. Rationalization of restrictions on distributions (sec. 1236 of the House bill, sec. 336 of the Senate amendment, and secs. 401(k), 403(b), and 457 of the Code)

Present Law

Elective deferrals under a qualified cash or deferred arrangement ("section 401(k) plan"), tax-sheltered annuity ("section 403(b) annuity"), or an eligible deferred compensation plan of a tax-exempt organization or State or local government ("section 457 plan"), may not be distributable prior to the occurrence of one or more specified events. These permissible distributable events include "separation from service."

A separation from service occurs only upon a participant's death, retirement, resignation or discharge, and not when the employee continues on the same job for a different employer as a result of the liquidation, merger, consolidation or other similar corporate transaction. A severance from employment occurs when a participant ceases to be employed by the employer that maintains the plan. Under a so-called "same desk rule," a participant's severance from employment does not necessarily result in a separation from service.[33]

In addition to separation from service and other events, a section 401(k) plan that is maintained by a corporation may permit distributions to certain employees who experience a severance from employment with the corporation that maintains the plan but does not experience a separation from service because the employee continues on the same job for a different employer as a result of a corporate transaction. If the corporation disposes of substantially all of the assets used by the corporation in a trade or business, a distributable event occurs with respect to the accounts of the employees who continue employment with the corporation that acquires the assets. If the corporation disposes of its interest in a subsidiary, a distributable event occurs with respect to the accounts of the employees who continue employment with the subsidiary.

House Bill

The House bill modifies the distribution restrictions applicable to section 401(k) plans, section 403(b) annuities, and section 457 plans to provide that distribution may occur upon severance from employment rather than separation from service. In addition, the provisions for distribution from a section 401(k) plan based upon a corporation's disposition of its assets or a subsidiary are repealed; this special rule is no longer necessary under the provision.

Effective date.—The provision is effective for distributions after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

5. Purchase of service credit under governmental pension plans (sec. 1237 of the House bill, sec. 337 of the Senate amendment, and secs. 403(b) and 457 of the Code)

Present Law

A qualified retirement plan maintained by a State or local government employer may provide that a participant may make after-tax employee contributions in order to purchase permissive service credit, subject to certain limits (sec. 415). Permissive service credit means credit for a period of service recognized by the governmental plan only if the employee voluntarily contributes to the plan an amount (as determined by the plan) that does not exceed the amount necessary to fund the benefit attributable to the period of service and that is in addition to the regular employee contributions, if any, under the plan.

In the case of any repayment of contributions and earnings to a governmental plan with respect to an amount previously refunded upon a forfeiture of service credit under the plan (or another plan maintained by a State or local government employer within the same State), any such repayment is not taken into account for purposes of the section 415 limits on contributions and benefits. Also, service credit obtained as a result of such a repayment is not considered permissive service credit for purposes of the section 415 limits.

A participant may not use a rollover or direct transfer of benefits from a tax-sheltered annuity ("section 403(b) annuity") or an eligible deferred compensation plan of a tax-exempt organization of a State or local government ("section 457 plan") to purchase permissive service credits or repay contributions and earnings with respect to a forfeiture of service credit.

House Bill

A participant in a State or local governmental plan is not required to include in gross income a direct trustee-to-trustee transfer to a governmental defined benefit plan from a section 403(b) annuity or a section 457 plan if the transferred amount is used (1) to purchase permissive service credits under the plan, or (2) to repay contributions and earnings with respect to an amount previously refunded under a forfeiture of service credit under the plan (or another plan maintained by a State or local government employer within the same State).

Effective date.—The provision is effective for transfers after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

6. Employers may disregard rollovers for purposes of cash-out rules (sec. 1238 of the House bill, sec. 338 of the Senate amendment, and sec. 411(a)(11) of the Code)

Present Law

If a qualified retirement plan participant ceases to be employed by the employer that maintains the plan, the plan may distribute the participant's nonforfeitable accrued benefit without the consent of the participant and, if applicable, the participant's spouse, if the present value of the benefit does not exceed $5,000. If such an involuntary distribution occurs and the participant subsequently returns to employment covered by the plan, then service taken into account in computing benefits payable under the plan after the return need not include service with respect to which a benefit was involuntarily distributed unless the employee repays the benefit.[34]

Generally, a participant may roll over an involuntary distribution from a qualified plan to an IRA or to another qualified plan.[35]

House Bill

Under the House bill, a plan is permitted to provide that the present value of a participant's nonforfeitable accrued benefit is determined without regard to the portion of such benefit that is attributable to rollover contributions (and any earnings allocable thereto).

Effective date.—The provision is effective for distributions after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.[36]

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

D. Strengthening Pension Security And Enforcement

1. Phase in repeal of 150 percent of current liability funding limit; deduction for contributions to fund termination liability (secs. 1241–1242 of the House bill, secs. 341 and 347 of the Senate amendment, and secs. 404(a)(1), 412(c)(7), and 4972(c) of the Code)

Present Law

Under present law, defined benefit pension plans are subject to minimum funding requirements designed to ensure that pension plans have sufficient assets to pay benefits. A defined benefit pension plan is funded using one of a number of acceptable actuarial cost methods.

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[33] Rev. Rul. 79-336, 1979-2 C.B. 187.

[34] A similar provision is cntained in Title I of ERISA.

[35] Other provisions of the House bill expand the kinds of plans to which benefits may be rolled over.

[36] The Senate amendment also makes changes to the corresponding provisions of ERISA.

No contribution is required under the minimum funding rules in excess of the full funding limit. The full funding limit is generally defined as the excess, if any, of (1) the lesser of (a) the accrued liability under the plan (including normal cost) or (b) 155 percent of the plan's current liability, over (2) the value of the plan's assets (sec. 412(c)(7)).[37] In general, current liability is all liabilities to plan participants and beneficiaries accrued to date, whereas the accrued liability full funding limit is based on projected benefits. The current liability full funding limit is scheduled to increase as follows: 160 percent for plan years beginning in 2001 or 2002, 165 percent for plan years beginning in 2003 and 2004, and 170 percent for plan years beginning in 2005 and thereafter.[38] In no event is a plan's full funding limit less than 90 percent of the plan's current liability over the value of the plan's assets.

An employer sponsoring a defined benefit pension plan generally may deduct amounts contributed to satisfy the minimum funding standard for the plan year. Contributions in excess of the full funding limit generally are not deductible. Under a special rule, an employer that sponsors a defined benefit pension plan (other than a multiemployer plan) which has more than 100 participants for the plan year may deduct amounts contributed of up to 100 percent of the plan's unfunded current liability.

House Bill

Current liability full funding limit

The House bill gradually increases and then repeals the current liability full funding limit. The current liability full funding limit is 160 percent of current liability for plan years beginning in 2001, 165 percent for plan years beginning in 2002, and 170 percent for plan years beginning in 2003. The current liability full funding limit is repealed for plan years beginning in 2004 and thereafter.

Deduction for contributions to fund termination liability

The special rule allowing a deduction for unfunded current liability generally is extended to all defined benefit pension plans, i.e., the provision applies to multiemployer plans and plans with 100 or fewer participants. The special rule does not apply to plans not covered by the PBGC termination insurance program.[39]

The House bill also modifies the rule by providing that the deduction is for up to 100 percent of unfunded termination liability, determined as if the plan terminated at the end of the plan year. In the case of a plan with less than 100 participants for the plan year, termination liability does not include the liability attributable to benefit increases for highly compensated employees resulting from a plan amendment which was made or became effective, whichever is later, within the last two years.

Effective date

The House bill is effective for plan years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.[40]

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

2. Excise tax relief for sound pension funding (sec. 1243 of the House bill, sec. 343 of the Senate amendment, and sec. 4972 of the Code)

Present Law

Under present law, defined benefit pension plans are subject to minimum funding requirements designed to ensure that pension plans have sufficient assets to pay benefits. A defined benefit pension plan is funded using one of a number of acceptable actuarial cost methods.

No contribution is required under the minimum funding rules in excess of the full funding limit. The full funding limit is generally defined as the excess, if any, of (1) the lesser of (a) the accrued liability under the plan (including normal cost) or (b) 155 percent of the plan's current liability, over (2) the value of the plan's assets (sec. 412(c)(7)). In general, current liability is all liabilities to plan participants and beneficiaries accrued to date, whereas the accrued liability full funding limit is based on projected benefits. The current liability full funding limit is scheduled to increase as follows: 160 percent for plan years beginning in 2001 or 2002, 165 percent for plan years beginning in 2003 and 2004, and 170 percent for plan years beginning in 2005 and thereafter.[41] In no event is a plan's full funding limit less than 90 percent of the plan's current liability over the value of the plan's assets.

An employer sponsoring a defined benefit pension plan generally may deduct amounts contributed to satisfy the minimum funding standard for the plan year. Contributions in excess of the full funding limit generally are not deductible. Under a special rule, an employer that sponsors a defined benefit pension plan (other than a multiemployer plan) which has more than 100 participants for the plan year may deduct amounts contributed of up to 100 percent of the plan's unfunded current liability.

Present law also provides that contributions to defined contribution plans are deductible, subject to certain limitations.

Subject to certain exceptions, an employer that makes nondeductible contributions to a plan is subject to an excise tax equal to 10 percent of the amount of the nondeductible contributions for the year. The 10-percent excise tax does not apply to contributions to certain terminating defined benefit plans. The 10-percent excise tax also does not apply to contributions of up to 6 percent of compensation to a defined contribution plan for employer matching and employee elective deferrals.

House Bill

In determining the amount of nondeductible contributions, the employer may elect not to take into account contributions to a defined benefit pension plan except to the extent they exceed the accrued liability full funding limit. Thus, if an employer elects, contributions in excess of the current liability full funding limit are not subject to the excise tax on nondeductible contributions. An employer making such an election for a year may not take advantage of the present-law exceptions for certain terminating plans and certain contributions to defined contribution plans.

Effective date.—The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Notice of significant reduction in plan benefit accruals (sec. 1244 of the House bill, sec. 344 of the Senate amendment, new sec. 4980F of the Code, and sec. 204(h) of ERISA)

Present Law

Section 204(h) of Title I of ERISA provides that a defined benefit pension plan or a money purchase pension plan may not be amended so as to provide for a significant reduction in the rate of future benefit accrual, unless, after adoption of the plan amendment and not less than 15 days before the effective date of the plan amendment, the plan administrator provides a written notice ("section 204(h) notice"), setting forth the plan amendment (or a summary of the amendment written in a manner calculated to be understood by the average plan participant) and its effective date. The plan administrator must provide the section 204(h) notice to each plan participant, each alternate payee under an applicable qualified domestic relations order ("QDRO"), and each employee organization representing participants in the plan. The applicable Treasury regulations[42] provide, however, that a plan administrator need not provide the section 204(h) notice to any participant or alternate payee whose rate of future benefit accrual is reasonably expected not to be reduced by the amendment, nor to an employee organization that does not represent a participant to whom the section 204(h) notice must be provided. In addition, the regulations provide that the rate of future benefit accrual is determined without regard to optional forms of benefit, early retirement benefits, retirement-type subsidiaries, ancillary benefits, and certain other rights and features.

A covered amendment generally will not become effective with respect to any participants and alternate payees whose rate of future benefit accrual is reasonably expected to be reduced by the amendment but who do not receive a section 204(h) notice. An amendment will become effective with respect to all participants and alternate payees to whom the section 204(h) notice was required to be provided if the plan administrator (1) has made a good faith effort to comply with the section 204(h) notice requirements, (2) has provided a section 204(h) notice to each employee organization that represents any participant to whom a section 204(h) notice was required to be provided, (3) has failed to provide a section 204(h) notice to no more than a de minimis percentage of participants and alternate payees to whom a section 204(h) notice was required to be provided, and (4) promptly upon discovering the oversight, provides a section 204(h) notice to each omitted participant and alternate payee.

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[37] The minimum funding requirements, including the full funding limit, are also contained in title I of ERISA.

[38] As originally enacted in the Pension Protection Act of 1997, the current liability full funding limit was 150 percent of current liability. The Taxpayer Relief Act of 1997 increased the current liability full funding limit to 155 percent in 1999 and 2000, and adopted the scheduled increases described in the text.

[39] The PBGC termination insurance program does not cover plans of professional service employers that have fewer thatn 25 participants.

[40] The Sente amendment also amends the corresponding provisions of ERISA.

[41] As originally enacted in the Pension Protection Act of 1997, the current liability full funding limit was 150 percent of current liability. The Texpayer Relief Act of 1997 increased the current liability full funding limit to 155 percent in 1999 and 2000, and adopted the scheduled increases described int he text. Another provision in the bill gradually increases and then repeals the current liability full funding limit.

[42] Treas. Reg. sec. 1.411(d)-6.

The Internal Revenue Code does not require any notice concerning a plan amendment that provides for a significant reduction in the rate of future benefit accrual.

House Bill

The House bill adds to the Internal Revenue Code a requirement that the plan administrator of a defined benefit pension plan or a money purchase pension plan with more than 100 participants furnish a written notice concerning a plan amendment that provides for a significant reduction in the rate of future benefit accrual. The plan administrator is required to provide in this notice, in a manner calculated to be understood by the average plan participant, sufficient information (as defined in Treasury regulations) to allow participants to understand the effect of the amendment.

The plan administrator is required to provide this notice to each affected participant, each affected alternate payee, and each employee organization representing affected participants. For purposes of the House bill, an affected participant or alternate payee is a participant or alternate payee to whom the significant reduction in the rate of future benefit accrual is reasonably expected to apply.

Except to the extent provided by Treasury regulations, the plan administrator is required to provide the notice within a reasonable time before the effective date of the plan amendment.

The provision imposes on a plan administrator that fails to comply with the notice requirement an excise tax equal to $100 per day per omitted participant and alternate payee. For failures due to reasonable cause and not to willful neglect, the total excise tax imposed during a taxable year of the employer will not exceed $500,000. Furthermore, in the case of a failure due to reasonable cause and not to willful neglect, the Secretary of the Treasury is authorized to waive the excise tax to the extent that the payment of the tax would be excessive relative to the failure involved.

The legislative history indicates that it is anticipated that the Secretary will issue the necessary regulations within 90 days of enactment and that such guidance may be relatively detailed because of the need to provide for alternative disclosures rather than a single disclosure methodology that may not fit all situations, and the need to consider the complex actuarial calculations and assumptions involved in providing necessary disclosures.

Effective date.—The House bill is effective for plan amendments taking effect on or after the date of enactment. The period for providing any notice required under the House bill will not end before the last day of the 3–month period following the date of enactment. Prior to the issuance of Treasury regulations, a plan will be treated as meeting the requirements of the provision if the plan makes a good faith effort to comply with such requirements.

Senate Amendment

The Senate amendment adds to the Internal Revenue Code a requirement that the plan administrator of a defined benefit pension plan furnish a written notice concerning a plan amendment that provides for a significant reduction in the rate of future benefit accrual, including any elimination or reduction of an early retirement benefit or retirement-type subsidy.[43] The notice must set forth the plan amendment and its effective date and provide sufficient information (as defined in Treasury regulations) to allow participants to understand how the amendment generally will affect different classes of employees. The plan administrator is required to provide the notice not less than 30 days before the effective date of the plan amendment.

The plan administrator must provide this generalized notice to each participant and alternate payee to whom the amendment applies, and to each employee organization,representing such individuals. The plan administrator is not required to provide this notice to any participant who has less than 1 year of participation in the plan or who is entitled to receive the greater of the participant's accrued benefit under the amended plan formula or under the formula as in effect immediately prior to the amendment effective date.

If the amendment provides for a significant change in the manner in which accrued benefits are determined under the plan, or requires an affected participant or affected alternate payee to choose between 2 or more benefit formulas, the plan administrator is required to provide an additional notice to each affected participant and affected alternate payee within 6 months after the effective date of the amendment. For purposes of the Senate amendment, an affected participant or alternate payee generally is a participant or alternate payee to whom the significant reduction in the rate of future benefit accrual is reasonably expected to apply. A participant who has less than 1 year of participation in the plan, or who is entitled to receive the greater of the participant's accrued benefit under the amended plan formula or under the formula as in effect immediately prior to the amendment effective date, is not an affected participant.

The legislative history provides that an example of an amendment that provides for a significant change in the manner in which accrued benefits are determined is an amendment that replaces a benefit formula that defines a participant's normal retirement benefit as a percentage of the participant's final average compensation with a benefit formula that defines a participant's normal retirement benefit in terms of a hypothetical account credited with annual allocations of contributions and interest. The legislative history also provides that examples of amendments that do not provide for a significant change in the manner in which accrued benefits are determined are (1) an amendment that reduces the percentage of average compensation that the plan provides as an annual benefit commencing at normal retirement age from 60 percent to 50 percent, and (2) an amendment that modifies the definition of compensation used to determine average compensation by providing for the exclusion of bonuses and overtime.

The plan administrator is required to provide in this additional notice (1) the individual's accrued benefit (and, if the amendment adds the option of an immediate lump sum distribution, the present value of the accrued benefit) as of the amendment effective date, determined under the terms of the plan in effect immediately before the effective date, (2) the individual's accrued benefit as of the amendment effective date, determined under the terms of the plan in effect on the amendment effective date and without regard to any minimum accrued benefit that may not be decreased by the amendment (sec. 411(d)(6)), and (3) either (a) sufficient information (as defined in Treasury regulations) for the individual to compute his or her projected accrued benefit or to acquire information necessary to compute such projected accrued benefit, or (b) a determination of the individual's projected accrued benefit with a disclosure of the assumptions (which must be reasonable in the aggregate) used by the plan in determining the projected accrued benefit. For purposes of this additional notice, an individual's accrued benefit and projected accrued benefit are computed as if the accrued benefit were in the form of a single life annuity at normal retirement age, taking into account any early retirement subsidy.

The legislative history provides that, with respect to the description of the individual's accrued benefit as of the amendment effective date, an example of determining such benefit under the terms of the plan in effect on the amendment effective date and without regard to the sec. 411(d)(6) protected benefit is a situation in which (1) an amendment replaces a benefit formula that defines a participant's normal retirement benefit as a percentage of the participant's final average compensation with a benefit formula that defines a participant's normal retirement benefit in terms of a hypothetical account credited with annual allocations of contributions and interest, (2) the amendment adds the option of an immediate lump sum distribution, (3) the present value of a participant's sec. 411(d)(6) protected benefit is $50,000, and (4) the beginning balance of the participant's hypothetical account balance under the terms of the plan in effect on the amendment effective date is $25,000. In this example, the required notice would inform the participant that, as of the amendment effective date, the individual's accrued benefit determined under the terms of the plan in effect immediately before the effective date is $50,000, and the individual's accrued benefit determined under the terms of the plan in effect on the amendment effective date is $25,000.

With respect to a plan amendment that requires an affected participant or affected alternate payee to choose between 2 or more benefit formulas, the Secretary of the Treasury, after consultation with the Secretary of Labor, is authorized to require additional information to be provided in the notices and to require either of the notices to be provided at a different time. The legislative history states that this authorization is not intended to result in a modification of the present-law fiduciary requirements under Title I of ERISA.

Under the Senate amendment, the notice requirement does not apply to governmental plans or church plans with respect to which an election to have the qualified plan participation, vesting, and funding rules apply has not been made (sec. 410(d)).

The Senate amendment generally imposes on a plan administrator that fails to comply with the notice requirement an excise tax equal to $100 per day per omitted participant and alternate payee. For failures due to reasonable cause and not to willful neglect, the total excise tax imposed during a taxable year of the employer will not exceed $500,000. Furthermore, in the case of a failure due to reasonable cause and not to willful neglect, the Secretary of the Treasury is authorized to waive the excise tax to the extent that the payment of the tax would be excessive relative to the failure involved. The legislative history provides that an example of facts and circumstances under which reasonable cause may exist for a failure to comply with the notice requirement is a plan administrator's inability to provide the required generalized notice concerning a plan amendment if the amendment results from a business merger or acquisition transaction and the timing of the transaction prevents the plan administrator from providing the notice at least 30 days prior to the effective date of the amendment.

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[43] The provision also modifies the present-law notice requirement contained in section 204(h) of Title I of ERISA to provide that an applicable pension plan may not be amended to provide for a significant reduction in the rate of future benefit accrual unles the plan administrator complies with a notice requirement similar to the notice requirement that the provision adds to the Internal Revenue Code.

Effective date.—The Senate amendment is effective for plan amendments taking effect on or after the date of enactment. The period for providing any notice required under the provision will not end before the last day of the 3–month period following the date of enactment. Prior to the issuance of Treasury regulations, a plan will be treated as meeting the requirements of the provision if the plan makes a good faith effort to comply with such requirements. Pending the issuance of regulations, the legislative history provides that examples of good faith compliance in which the Senate amendment would not require additional employee communications include: (1) A plan amendment provides that participants may choose to have their accrued benefits determined under the amended plan formula or under the formula as in effect immediately prior to the amendment effective date, and the plan administrator provides participants with comparison information, including clearly stated assumptions, relative to the amended and prior formulas so that participants are able to make an informed decision; (2) A plan administrator provides to participants estimates of accrued benefits at various career stages, determined under the amended plan formula and under the formula as in effect immediately prior to the amendment effective date, including clearly stated assumptions, and stated as annuities and/or lump sums (without regard to section 417) as appropriate under the plan provisions; (3) An employer informs certain employees before they are hired that the employer's current plan benefit formula will be amended at a specified future date, and these employees participate in the plan under the formula as in effect immediately prior to the amendment until such specified future date (good faith compliance would be relevant for these employees only).

Conference Agreement

The conference agreement follows the House bill, with modifications. Under the conference agreement, the notice requirement does not apply to governmental plans or church plans with respect to which an election to have the qualified plan participation, vesting, and funding rules apply has not been made (sec. 410(d)). The provision also modifies the present- law notice requirement contained in section 204(h) of Title I of ERISA to provide that an applicable pension plan may not be amended to provide for a significant reduction in the rate of future benefit accrual unless the plan administrator complies with a notice requirement similar to the notice requirement that the provision adds to the Internal Revenue Code.

The conferees intend that in issuing regulations under the provision, the Treasury Department generally will follow the approach under the Senate amendment. Thus, the conferees intend that Treasury regulations will provide for a notice that describes how the amendment generally will affect different classes of employees and that the regulations will require the plan administrator to furnish this notice not less than 30 days before the effective date of the amendment. With respect to an amendment that provides for a significant change in the manner in which accrued benefits are determined under the plan, or requires an affected participant or affected alternate payee to choose between 2 or more benefit formulas, the conferees intend that the regulations will require the plan administrator to provide an additional notice to each affected participant and affected alternate payee within 6 months after the effective date of the amendment.

An example of an amendment that provides for a significant change in the manner in which accrued benefits are determined is an amendment that replaces a benefit formula that defines a participant's normal retirement benefit as a percentage of the participant's final average compensation with a benefit formula that defines a participant's normal retirement benefit in terms of a hypothetical account credited with annual allocations of contributions and interest. Examples of amendments that do not provide for a significant change in the manner in which accrued benefits are determined are (1) an amendment that reduces the percentage of average compensation that the plan provides as an annual benefit commencing at normal retirement age from 60 percent to 50 percent, and (2) an amendment that modifies the definition of compensation used to determine average compensation by providing for the exclusion of bonuses and overtime.

The conferees intend that the regulations will require the plan administrator to provide in this additional notice (1) the individual's accrued benefit (and, if the amendment adds the option of an immediate lump sum distribution, the present value of the accrued benefit) as of the amendment effective date, determined under the terms of the plan in effect immediately before the effective date, (2) the individual's accrued benefit as of the amendment effective date, determined under the terms of the plan in effect on the amendment effective date and without regard to any minimum accrued benefit that may not be decreased by the amendment (sec. 411(d)(6)), and (3) either (a) sufficient information for the individual to compute his or her projected accrued benefit or to acquire information necessary to compute such projected accrued benefit, or (b) a determination of the individual's projected accrued benefit with a disclosure of the assumptions (which must be reasonable in the aggregate) used by the plan in determining the projected accrued benefit. The conferees intend that the regulations will provide that, for purposes of this additional notice, an individual's accrued benefit and projected accrued benefit are computed as if the accrued benefit were in the form of a single life annuity at normal retirement age, taking into account any early retirement subsidy.

With respect to the description of the individual's accrued benefit as of the amendment effective date, an example of determining such benefit under the terms of the plan in effect on the amendment effective date and without regard to the sec. 411(d)(6) protected benefit is a situation in which (1) an amendment replaces a benefit formula that defines a participant's normal retirement benefit as a percentage of the participant's final average compensation with a benefit formula that defines a participant's normal retirement benefit in terms of a hypothetical account credited with annual allocations of contributions and interest, (2) the amendment adds the option of an immediate lump sum distribution, (3) the present value of a participant's sec. 411(d)(6) protected benefit is $50,000, and (4) the beginning balance of the participant's hypothetical account balance under the terms of the plan in effect on the amendment effective date is $25,000. In this example, the conferees intend that the regulations would provide that the required notice would inform the participant that, as of the amendment effective date, the individual's accrued benefit determined under the terms of the plan in effect immediately before the effective date is $50,000, and the individual's accrued benefit determined under the terms of the plan in effect on the amendment effective date is $25,000.

With respect to a plan amendment that requires an affected participant or affected alternate payee to choose between 2 or more benefit formulas, the conferees intend that the Secretary of the Treasury, after consultation with the Secretary of Labor, may require additional information to be provided in the notices and to require either of the notices to be provided at a different time. The conferees do not intend this authorization to result in a modification of the present-law fiduciary requirements under Title I of ERISA.

An example of facts and circumstances under which reasonable cause may exist for a failure to comply with the notice requirement is a plan administrator's inability to provide the required generalized notice concerning a plan amendment if the amendment results from a business merger or acquisition transaction and the timing of the transaction prevents the plan administrator from providing the notice at least 30 days prior to the effective date of the amendment.

Effective date.—The conference agreement follows the House bill and the Senate amendment. As under the Senate amendment, pending the issuance of regulations, examples of good faith compliance in which the provision would not require additional employee communications include: (1) A plan amendment provides that participants may choose to have their accrued benefits determined under the amended plan formula or under the formula as in effect immediately prior to the amendment effective date, and the plan administrator provides participants with comparison information, including clearly stated assumptions, relative to the amended and prior formulas so that participants are able to make an informed decision; (2) A plan administrator provides to participants estimates of accrued benefits at various career stages, determined under the amended plan formula and under the formula as in effect immediately prior to the amendment effective date, including clearly stated assumptions, and stated as annuities and/or lump sums (without regard to section 417) as appropriate under the plan provisions; (3) An employer informs certain employees before they are hired that the employer's current plan benefit formula will be amended at a specified future date, and these employees participate in the plan under the formula as in effect immediately prior to the amendment until such specified future date (good faith compliance would be relevant for these employees only).

4. Extension of PBGC missing participants program (sec. 342 of the Senate amendment, and secs. 206(f) and 4050 of ERISA)

Present Law

The plan administrator of a defined benefit pension plan that is subject to Title IV of

ERISA, is maintained by a single employer, and terminates under a standard termination is required to distribute the assets of the plan. With respect to a participant whom the plan administrator cannot locate after a diligent search, the plan administrator satisfies the distribution requirement only by purchasing irrevocable commitments from an insurer to provide all benefit liabilities under the plan or transferring the participant's designated benefit to the Pension Benefit Guaranty Corporation ("PBGC"), which holds the benefit of the missing participant as trustee until the PBGC locates the missing participant and distributes the benefit.

The PBGC missing participant program is not available to multiemployer plans or defined contribution plans and other plans not covered by Title IV of ERISA.

House Bill

No provision.

Senate Amendment

The PBGC is directed to prescribe for terminating multiemployer plans rules similar to the present-law missing participant rules applicable to terminating single employer plans that are subject to Title IV of ERISA.

Effective date.—The Senate amendment is effective for distributions from terminating plans that occur after the PBGC adopts final regulations implementing the Senate amendment.

Conference Agreement

The conference agreement follows the Senate amendment, with modifications. In addition to the extension of the missing participant program to multiemployer plans, to the extent provided in PBGC regulations, plan administrators of certain types of plans that are not covered by the PBGC missing participant program under present law are permitted, but not required, to elect to transfer missing participants' benefits to the PBGC upon plan termination. Specifically, the provision extends the missing participants program to defined contribution plans, defined benefit plans that do not have more than 25 active participants and are maintained by professional service employers, and the portions of defined benefit plans that provide benefits based upon the separate accounts of participants and therefore are treated as defined contribution plans under ERISA.

Effective date.—The conference agreement is effective with respect to distributions made after the PBGC adopts final regulations implementing the provision.

5. Investment of employee contributions in 401(k) plans (sec. 345 of the Senate amendment)

Present Law

The Employee Retirement Income Security Act of 1974, as amended ("ERISA") prohibits certain employee benefit plans from acquiring securities or real property of the employer who sponsors the plan if, after the acquisition, the fair market value of such securities and property exceeds 10 percent of the fair market value of plan assets. The 10-percent limitation does not apply to any "eligible individual account plans" that specifically authorize such investments. Generally, eligible individual account plans are defined contribution plans, including plans containing a cash or deferred arrangement ("401(k) plans").

The term "eligible individual account plan" does not include the portion of a plan that consists of elective deferrals (and earnings on the elective deferrals) made under section 401(k) if elective deferrals equal to more than 1 percent of any employee's eligible compensation are required to be invested in employer securities and employer real property. Eligible compensation is compensation that is eligible to be deferred under the plan. The portion of the plan that consists of elective deferrals (and earnings thereon) is still treated as an individual account plan, and the 10-percent limitation does not apply, as long as elective deferrals (and earnings thereon) are not required to be invested in employer securities or employer real property.

The rule excluding elective deferrals (and earnings thereon) from the definition of individual account plan does not apply if individual account plans are a small part of the employer's retirement plans. In particular, that rule does not apply to an individual account plan for a plan year if the value of the assets of all individual account plans maintained by the employer do not exceed 10 percent of the value of the assets of all pension plans maintained by the employer (determined as of the last day of the preceding plan year). Multiemployer plans are not taken into account in determining whether the value of the assets of all individual account plans maintained by the employer exceed 10 percent of the value of the assets of all pension plans maintained by the employer. The rule excluding elective deferrals (and earnings thereon) from the definition of individual account plan does not apply to an employee stock ownership plan as defined in section 4975(e)(7) of the Internal Revenue Code.

The rule excluding elective deferrals (and earnings thereon) from the definition of individual account plan applies to elective deferrals for plan years beginning after December 31, 1998 (and earnings thereon). It does not apply with respect to earnings on elective deferrals for plan years beginning before January 1, 1999.

House Bill

No provision.

Senate Amendment

The Senate amendment modifies the effective date of the rule excluding certain elective deferrals (and earnings thereon) from the definition of individual account plan by providing that the rule does not apply to any elective deferral used to acquire an interest in the income or gain from employer securities or employer real property acquired (1) before January 1, 1999, or (2) after such date pursuant to a written contract which was binding on such date and at all times thereafter.

Effective date.—The Senate amendment is effective as if included in the section of the Taxpayer Relief Act of 1997 that contained the rule excluding certain elective deferrals (and earnings thereon).

Conference Agreement

The conference agreement follows the Senate amendment, with a modification to eliminate the exception for employer securities or real property acquired pursuant to certain binding contracts. Thus, under the conference agreement, the rule excluding certain elective deferrals (and earnings thereon) from the definition of individual account plan does not apply to any elective deferral used to acquire an interest in the income or gain from employer securities or employer real property acquired before January 1, 1999.

Effective date.—The conference agreement follows the Senate amendment.

6. Periodic pension benefit statements (sec. 351 of the Senate amendment and sec. 105 of ERISA)

Present Law

Title I of ERISA provides that a pension plan administrator must furnish a benefit statement to any participant or beneficiary who makes a written request for such a statement. This statement must indicate, on the basis of the latest available information, (1) the participant's or beneficiary's total accrued benefit, and (2) the participant's or beneficiary's vested accrued benefit or the earliest date on which the accrued benefit will become vested. A participant or beneficiary is not entitled to receive more than 1 benefit statement during any 12-month period. The plan administrator must furnish the benefit statement no later than 60 days after receipt of the request or, if later, 120 days after the close of the immediately preceding plan year.

In addition, the plan administrator must furnish a benefit statement to each participant whose employment terminates or who has a 1-year break in service. For purposes of this benefit statement requirement, a "1-year break in service" is a calendar year, plan year, or other 12-month period designated by the plan during which the participant does not complete more than 500 hours of service for the employer. A participant is not entitled to receive more than 1 benefit statement with respect to consecutive breaks in service. The plan administrator must provide a benefit statement required upon termination of employment or a break in service no later than 180 days after the end of the plan year in which the termination of employment or break in service occurs.

House Bill

No provision.

Senate Amendment

A plan administrator of a defined contribution plan generally must furnish a benefit statement to each participant at least once annually and to a beneficiary upon written request.

In addition to providing a benefit statement to a beneficiary upon written request, the plan administrator of a defined benefit plan generally must either (1) furnish a benefit statement at least once every 3 years to each participant who has a vested accrued benefit and who is employed by the employer at the time the plan administrator furnishes the benefit statements to participants, or (2) annually furnish written, electronic, telephonic, or other appropriate notice to each participant of the availability of and the manner in which the participant may obtain the benefit statement.

The plan administrator of a multiemployer plan or a multiple employer plan is required to furnish a benefit statement only upon written request of a participant or beneficiary.[44]

The plan administrator is required to write the benefit statement in a manner calculated to be understood by the average plan participant and is permitted to furnish the statement in written, electronic, telephonic, or other appropriate form.

Effective date.—The Senate amendment is effective for plan years beginning after December 31, 2000.

Conference Agreement

The conference agreement does not include the Senate amendment.

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[44] A multiple employer plan is a plan that is maintained by 2 or more unrelated employers but that is not maintained pursuant to a collective bargaining (sec. 413(c)).

E. Reducing Regulatory Burdens

1. Repeal of the multiple use test (sec. 1251 of the House bill and sec. 401(m) of the Code)

Present Law

Elective deferrals under a qualified cash or deferred arrangement ("section 401(k) plan") are subject to a special annual nondiscrimination test ("ADP test"). The ADP test compares the actual deferral percentages ("ADPs") of the highly compensated employee group and the nonhighly compensated employee group. The ADP for each group generally is the average of the deferral percentages separately calculated for the employees in the group who are eligible to make elective deferrals for all or a portion of the relevant plan year. Each eligible employee's deferral percentage generally is the employee's elective deferrals for the year divided by the employee's compensation for the year.

The plan generally satisfies the ADP test if the ADP of the highly compensated employee group for the current plan year is either (1) not more than 125 percent of the ADP of the nonhighly compensated employee group for the prior plan year, or (2) not more than 200 percent of the ADP of the nonhighly compensated employee group for the prior plan year and not more than 2 percentage points greater than the ADP of the nonhighly compensated employee group for the prior plan year.

Employer matching contributions and after-tax employee contributions under a defined contribution plan also are subject to a special annual nondiscrimination test ("ACP test"). The ACP test compares the actual deferral percentages ("ACPs") of the highly compensated employee group and the nonhighly compensated employee group. The ACP for each group generally is the average of the contribution percentages separately calculated for the employees in the group who are eligible to make after-tax employee contributions or who are eligible for an allocation of matching contributions for all or a portion of the relevant plan year. Each eligible employee's contribution percentage generally is the employee's aggregate after-tax employee contributions and matching contributions for the year divided by the employee's compensation for the year.

The plan generally satisfies the ACP test if the ACP of the highly compensated employee group for the current plan year is either (1) not more than 125 percent of the ACP of the nonhighly compensated employee group for the prior plan year, or (2) not more than 200 percent of the ACP of the nonhighly compensated employee group for the prior plan year and not more than 2 percentage points greater than the ACP of the nonhighly compensated employee group for the prior plan year.

For any year in which (1) at least one highly compensated employee is eligible to participate in an employer's plan or plans that are subject to both the ADP test and the ACP test, (2) the plan subject to the ADP test satisfies the ADP test but the ADP of the highly compensated employee group exceeds 125 percent of the ADP of the nonhighly compensated employee group, and (3) the plan subject to the ACP test satisfies the ACP test but the ACP of the highly compensated employee group exceeds 125 percent of the ACP of the nonhighly compensated employee group, an additional special nondiscrimination test ("Multiple Use test") applies to the elective deferrals, employer matching contributions, and after-tax employee contributions. The plan or plans generally satisfy the Multiple Use test if the sum of the ADP and the ACP of the highly compensated employee group does not exceed the greater of (1) the sum of (A) 1.25 times the greater of the ADP or the ACP of the nonhighly compensated employee group, and (B) 2 percentage points plus (but not more than 2 times) the lesser of the ADP or the ACP of the nonhighly compensated employee group, or (2) the sum of (A) 1.25 times the lesser of the ADP or the ACP of the nonhighly compensated employee group, and (B) 2 percentage points plus (but not more than 2 times) the greater of the ADP or the ACP of the nonhighly compensated employee group.

House Bill

The House bill repeals the Multiple Use test.

Effective date.—The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

2. Modification of timing of plan valuations (sec. 1252 of the House bill, sec. 362 of the Senate amendment, and sec. 412 of the Code)

Present Law

Under present law, in the case of plans subject to the minimum funding rules, a plan valuation is generally required annually. The Secretary may require that a valuation be made more frequently in particular cases.

Prior to the Retirement Protection Act of 1994, plan valuations generally were required at least once every three years.

House Bill

The House bill allows an employer to elect to use the prior year's plan valuation in certain cases. The election may be made only with respect to a defined benefit plan with assets of at least 125 percent of current liability (determined as of the valuation date for the preceding year). If the prior year's valuation is used, it must be adjusted, as provided in regulations, to reflect significant differences in participants. An election made under the House bill may be revoked only with the consent of the Secretary. In any event, a plan valuation is required once every three years.[45]

Effective date.—The House bill is effective for plan years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

3. Flexibility in nondiscrimination and line of business rules (sec. 1253 of the House bill, sec. 361 of the Senate amendment, and secs. 401(a)(4), 410(b), and 414(r) of the Code)

Present Law

A plan is not a qualified retirement plan if the contributions or benefits provided under the plan discriminate in favor of highly compensated employees (sec. 401(a)(4)). The applicable Treasury regulations set forth the exclusive rules for determining whether a plan satisfies the nondiscrimination requirement. These regulations state that the form of the plan and the effect of the plan in operation determine whether the plan is nondiscriminatory and that intent is irrelevant.

Similarly, a plan is not a qualified retirement plan if the plan does not benefit a minimum number of employees (sec. 410(b)). A plan satisfies this minimum coverage requirement if and only if it satisfies one of the tests specified in the applicable Treasury regulations. If an employer is treated as operating separate lines of business, the employer may apply the minimum coverage requirements to a plan separately with respect to the employees in each separate line of business (sec. 414(r)). Under a so-called "gateway" requirement, however, the plan must benefit a classification of employees that does not discriminate in favor of highly compensated employees in order for the employer to apply the minimum coverage requirements separately for the employees in each separate line of business. A plan satisfies this gateway requirement only if it satisfies one of the tests specified in the applicable Treasury regulations.

House Bill

The Secretary of the Treasury is directed to modify, on or before December 31, 2000, the existing regulations issued under section 401(a)(4) and section 414(r) in order to expand (to the extent that the Secretary may determine to be appropriate) the ability of a plan to demonstrate compliance with the nondiscrimination and line of business requirements based upon the facts and circumstances surrounding the design and operation of the plan, even though the plan is unable to satisfy the mechanical tests currently used to determine compliance.

Effective date.—The House bill is effective on the date of enactment.

Senate Amendment

The Secretary of the Treasury is directed to provide by regulation applicable to years beginning after December 31, 2000, that a plan is deemed to satisfy the nondiscrimination requirements of section 401(a)(4) if the plan satisfies the pre-1994 facts and circumstances test, satisfies the conditions prescribed by the Secretary to appropriately limit the availability of such test, and is submitted to the Secretary for a determination of whether it satisfies such test (to the extent provided by the Secretary).

Similarly, a plan complies with the minimum coverage requirement of section 410(b) if the plan satisfies the pre-1989 coverage rules, is submitted to the Secretary for a determination of whether it satisfies the pre-1989 coverage rules (to the extent provided by the Secretary), and satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of the pre-1989 coverage rules.

Effective date.—The Senate amendment is effective on the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment with respect to coverage and nondiscrimination rules and the House bill with respect to line of business rules.

4. ESOP dividends may be reinvested without loss of dividend deduction (sec. 1254 of the House bill, sec. 364 of the Senate amendment, and sec. 404(k) of the Code)

Present Law

An employer is entitled to deduct certain dividends paid in cash during the employer's taxable year with respect to stock of the employer that is held by an employee stock ownership plan ("ESOP"). The deduction is allowed with respect to dividends that, in accordance with plan provisions, are (1) paid in cash directly to the plan participants or their beneficiaries, (2) paid to the plan and subsequently distributed to the participants or beneficiaries in cash no later than 90 days after the close of the plan year in which the dividends are paid to the plan, or (3) used to make payments on loans (including payments of interest as well as principal) that were used to acquire the employer securities (whether or not allocated to participants) with respect to which the dividend is paid.

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[45] As under present law, the Secretary could require that a valuation be made more frequently in particular cases.

House Bill

In addition to the deductions permitted under present law for dividends paid with respect to employer securities that are held by an ESOP, an employer is entitled to deduct dividends that, at the election of plan participants or their beneficiaries, are (1) payable in cash directly to plan participants or beneficiaries, (2) paid to the plan and subsequently distributed to the participants or beneficiaries in cash no later than 90 days after the close of the plan year in which the dividends are paid to the plan, or (3) paid to the plan and reinvested in qualifying employer securities.

Effective date.—The House bill is effective for taxable years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

5. Notice and consent period regarding distributions (sec. 1255 of the House bill, sec. 365 of the Senate amendment, and sec. 417 of the Code)

Present Law

Notice and consent requirements apply to certain distributions from qualified retirement plans. These requirements relate to the content and timing of information that a plan must provide to a participant prior to a distribution, and to whether the plan must obtain the participant's consent and the consent of the participant's spouse to the distribution. The nature and extent of the notice and consent requirements applicable to a distribution depend upon the value of the participant's vested accrued benefit and whether the joint and survivor annuity requirements (sec. 417) apply to the participant.[46]

If the present value of the participant's vested accrued benefit exceeds $5,000, the plan may not distribute the participant's benefit without the written consent of the participant. The participant's consent to a distribution is not valid unless the participant has received from the plan a notice that contains a written explanation of (1) the material features and the relative values of the optional forms of benefit available under the plan, and (2) in certain cases, the right, if any, to defer receipt of the distribution. In addition, the plan must provide to the participant notice of (1) the participant's right, if any, to have the distribution directly transferred to another retirement plan or IRA, and (2) the rules concerning the taxation of a distribution. If the joint and survivor annuity requirements apply to the participant, the plan must provide to the participant a written explanation of (1) the terms and conditions of the qualified joint and survivor annuity ("QJSA"), (2) the participant's right to make, and the effect of, an election to waive the QJSA, (3) the rights of the participant's spouse with respect to a participant's waiver of the QJSA, and (4) the right to make, and the effect of, a revocation of a waiver of the QJSA. The plan generally must provide these 3 notices to the participant no less than 30 and no more than 90 days before the date distribution commences.

If the participant's vested accrued benefit does not exceed $5,000, the terms of the plan may provide for distribution without the participant's consent. The plan generally is required, however, to provide to the participant a notice that contains a written explanation of (1) the participant's right, if any, to have the distribution directly transferred to another retirement plan or IRA, and (2) the rules concerning the taxation of a distribution. The plan generally must provide this notice to the participant no less than 30 and no more than 90 days before the date distribution commences.

House Bill

A qualified retirement plan is required to provide the applicable distribution notice no less than 30 days and no more than 6 months before the date distribution commences. The Secretary of the Treasury is directed to modify the applicable regulations to reflect the extension of the notice period to 6 months and to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

Effective date.—The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

A qualified retirement plan is required to provide the applicable distribution notice no less than 30 days and no more than 12 months before the date distribution commences. The Secretary of the Treasury is directed to modify the applicable regulations to reflect the extension of the notice period to 12 months and to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

Effective date.—The Senate amendment is effective for years beginning after December 31, 2000.

Conference Agreement

No provision.

6. Repeal transition rule relating to certain highly compensated employees (sec. 1256 of the House bill, sec. 366 of the Senate amendment, and sec. 414(q) of the Code)

Present Law

Under present law, for purposes of the rules relating to qualified plans, a highly compensated employee is generally defined as an employee[47] who (1) was a 5-percent owner of the employer at any time during the year or the preceding year or (2) either (a) had compensation for the preceding year in excess of $80,000 (for 1999) or (b) at the election of the employer, had compensation in excess of $80,000 for the preceding year and was in the top 20 percent of employees by compensation for such year.

Under a rule enacted in the Tax Reform Act of 1986, a special definition of highly compensated employee applies for purposes of the nondiscrimination rules relating to qualified cash or deferred arrangements ("section 401(k) plans") and matching contributions. This special definition applies to an employer incorporated on December 15, 1924, that meets certain specific requirements.

House Bill

The House bill repeals the special definition of highly compensated employee under the Tax Reform Act of 1986. Thus, the present-law definition applies.

Effective date.—The House bill is effective for plan years beginning after December 31, 2000.

Senate Amendment

The Senate amendment is the same as the House bill.

Effective date.—The Senate amendment is effective for plan years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

7. Employees of tax-exempt entities (sec. 1257 of the House bill, sec. 367 of the Senate amendment, and sec. 410 of the Code)

Present Law

The Tax Reform Act of 1986 provided that nongovernmental tax-exempt employers were not permitted to maintain a qualified cash or deferred arrangement ("section 401(k) plan"). This prohibition was repealed, effective for years beginning after December 31, 1996, by the Small Business Job Protection Act of 1996.

Treasury regulations provide that, in applying the nondiscrimination rules to a section 401(k) plan (or a section 401(m) plan that is provided under the same general arrangement as the section 401(k) plan), the employer may treat as excludable those employees of a tax-exempt entity who could not participate in the arrangement due to the prohibition on maintenance of a section 401(k) plan by such entities. Such employees may be disregarded only if more than 95 percent of the employees who could participate in the section 401(k) plan benefit under the plan for the plan year.[48]

Tax-exempt charitable organizations may maintain a tax-sheltered annuity (a "section 403(b) annuity") that allows employees to make salary reduction contributions.

House Bill

The Treasury Department is directed to revise its regulations under section 410(b) to provide that employees of a tax-exempt charitable organization who are eligible to make salary reduction contributions under a section 403(b) annuity may be treated as excludable employees for purposes of testing a section 401(k) plan, or a section 401(m) plan that is provided under the same general arrangement as the section 401(k) plan of the employer if (1) no employee of such tax-exempt entity is eligible to participate in the section 401(k) or 401(m) plan and (2) at least 95 percent of the employees who are not employees of the charitable employer are eligible to participate in such section 401(k) plan or section 401(m) plan.

The revised regulations will be effective for years beginning after December 31, 1996.

Effective date.—The House bill is effective on the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

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[46] Similar provisions are contained in Title I of ERISA.

[47] An employee includes a self-employed individual.

[48] Treas. Reg. sec. 1.410(b)-6(g).

8. Treatment of employer-provided retirement advice (sec. 1258 of the House bill, sec. 352 of the Senate amendment, and sec. 132 of the Code)

Present Law

Under present law, certain employer-provided fringe benefits are excludable from gross income (sec. 132) and wages for employment tax purposes. These excludable fringe benefits include working condition fringe benefits and de minimis fringes. In general, a working condition fringe benefit is any property or services provided by an employer to an employee to the extent that, if the employee paid for such property or services, such payment would be allowable as a deduction as a business expense. A de minimis fringe benefit is any property or services provided by the employer the value of which, after taking into account the frequency with which similar fringes are provided, is so small as to make accounting for it unreasonable or administratively impracticable.

In addition, if certain requirements are satisfied, up to $5,250 annually of employer-provided educational assistance is excludable from gross income (sec. 127) and wages. This exclusion expires with respect to courses beginning after May 31, 2000.[49] Education not excludable under section 127 may be excludable as a working condition fringe.

There is no specific exclusion under present law for employer-provided retirement planning services. However, such services may be excludable as employer-provided educational assistance or a fringe benefit.

House Bill

Qualified retirement planning services provided to an employee and his or her spouse are excludable from income and wages. The exclusion does not apply with respect to highly compensated employees unless the services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's pension plan. The exclusion is not limited to information regarding the plan but includes, for example, information regarding how the plan relates to retirement income planning as a whole.

Effective date.—The House bill is effective with respect to taxable years beginning after December 31, 2000.

Senate Amendment

Under the Senate amendment, qualified retirement planning services provided to an employee and his or her spouse by an employer maintaining a qualified plan are excludable from income and wages. The exclusion does not apply with respect to highly compensated employees unless the services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified plan. The exclusion is intended to allow employers to provide advice and information regarding retirement planning. The exclusion is not limited to information regarding the qualified plan, and, thus, for example, applies to advice and information regarding retirement income planning for an individual and his or her spouse and how the employer's plan fits into the individual's overall retirement income plan. On the other hand, the exclusion is not intended to apply to services that may be related to retirement planning, such as tax preparation, accounting, legal or brokerage services.

Effective date.—The Senate amendment is effective with respect to taxable years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment. As under the Senate amendment, the exclusion is intended to allow employers to provide advice and information regarding retirement planning. The exclusion is not limited to information regarding the qualified plan, and, thus, for example, applies to advice and information regarding retirement income planning for an individual and his or her spouse and how the employer's plan fits into the individual's overall retirement income plan. On the other hand, the exclusion is not intended to apply to services that may be related to retirement planning, such as tax preparation, accounting, legal or brokerage services. The conferees also intend that the provision is not to be interpreted as narrowing present law.

9. Provisions relating to plan amendments (sec. 1259 of the House bill and sec. 371 of the Senate amendment)

Present Law

Plan amendments to reflect amendments to the law generally must be made by the time prescribed by law for filing the income tax return of the employer for the employer's taxable year in which the change in law occurs.

House Bill

Any amendments to a plan or annuity contract required to be made by the House bill are not required to be made before the last day of the first plan year beginning on or after January 1, 2003. In the case of a governmental plan, the date for amendments is extended to the last day of the first plan year beginning on or after January 1, 2005.

Effective date.—The House bill is effective on the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

10. Model plans for small businesses (sec. 1260 of the House bill)

Present Law

The Internal Revenue Service ("IRS") previously has established uniform plan[50] and prototype plan[51] programs that were designed, in part, to simplify the preparation of qualified retirement plan documents and the determination letter application process. Neither the IRS nor the Secretary of the Treasury previously have issued model plan documents.

House Bill

The Secretary of the Treasury is directed to issue, not later than December 31, 2000, at least one model defined contribution plan document and at least one model defined benefit plan document that fit the needs of small businesses and that is treated as meeting the requirements of section 401(a) with respect to the form of the plan. To the extent that the requirements of section 401(a) are modified after the issuance of the model plans, the Secretary is directed to issue, in a timely manner, model amendments that, if adopted in a timely manner by an employer that adopts a model plan, will cause the model plan to be treated as meeting the requirements of section 401(a), as modified, with respect to the form of the plan.

Alternatively, the Secretary is permitted, in its discretion, to enhance and simplify the existing prototype plan programs in a manner that achieves the purposes of the model plans.

Effective date.—The House bill is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

11. Reporting simplification (sec. 1261 of the House bill and sec. 371 of the Senate amendment)

Present Law

A plan administrator of a pension, annuity, stock bonus, profit-sharing or other funded plan of deferred compensation generally must file with the Secretary of the Treasury an annual return for each plan year containing certain information with respect to the qualification, financial condition, and operation of the plan. Title I of ERISA also may require the plan administrator to file annual reports concerning the plan with the Department of Labor and the Pension Benefit Guaranty Corporation ("PBGC"). The plan administrator must use the Form 5500 series as the format for the required annual return.[52] The Form 5500 series annual return/report, which consists of a primary form and various schedules, includes the information required to be filed with all three agencies. The plan administrator satisfies the reporting requirement with respect to each agency by filing the Form 5500 series annual return/report with the Internal Revenue Service ("IRS"), which forwards the form to the Department of Labor and the PBGC.

The Form 5500 series consists of 3 different forms: Form 5500, Form 5500–C/R, and Form 5500–EZ. Form 5500 is the most comprehensive of the forms and requires the most detailed financial information. Form 5500–C/R requires less information than Form 5500, and Form 5500–EZ, which consists of only 1 page, is the simplest of the forms.

The size of the plan determines which form a plan administrator must file. If the plan has more than 100 participants at the beginning of the plan year, the plan administrator generally must file Form 5500. If the plan has fewer than 100 participants at the beginning of the plan year, the plan administrator generally may file Form 5500–C/R. A plan administrator generally may file Form 5500–EZ if (1) the only participants in the plan are the sole owner of a business that maintains the plan (and such owner's spouse), or partners in a partnership that maintains the plan (and such partners' spouses), (2) the plan is not aggregated with another plan in order to satisfy the minimum coverage requirements of section 410(b), (3) the employer is not a member of a related group of employers, and (4) the employer does not receive the services of leased employees. If the plan satisfies the eligibility requirements for Form 5500–EZ and the total value of the plan year and all prior plan years does not exceed $100,000, the plan administrator is not required to file a return.

House Bill

The Secretary of the Treasury is directed to provide for the filing of a simplified annual return substantially similar to the

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[49] The exclusion does not apply with respect to graduate-level courses.

[50] Rev. Proc. 84–46, 1984–2 C.B. 787.

[51] Rev. Proc. 84–23, 1984–1 C.B. 457; Rev. Proc. 89–9, 1989–1 C.B. 780; Rev. Proc. 89–13, 1989–1 C.B. 801.

[52] Treas. Reg. sec. 301.6058–1(a).

Form 5500–EZ by a plan that (1) covers less than 25 employees on the first day of the plan year, (2) is not aggregated with another plan in order to satisfy the minimum coverage requirements of section 410(b), (3) is maintained by an employer that is not a member of a related group of employers, and (4) is maintained by an employer that does not receive the services of leased employees.

Effective date.—The House bill is effective on the date of enactment.

Senate Amendment

The Secretary of the Treasury is directed to modify the annual return filing requirements with respect to plans that satisfy the eligibility requirements for Form 5500–EZ to provide that if the total value of the plan assets of such a plan as of the end of the plan year and all prior plan years does not exceed $500,000, the plan administrator is not required to file a return.

In addition, the Secretary of the Treasury is directed to provide for the filing of a simplified annual return substantially similar to the Form 5500–EZ by a plan that (1) covers less than 25 employees on the first day of the plan year, (2) is not aggregated with another plan in order to satisfy the minimum coverage requirements of section 410(b), (3) is maintained by an employer that is not a member of a related group of employers, and (4) is maintained by an employer that does not receive the services of leased employees.

Effective date.—The provision is effective on January 1, 2001.

Conference Agreement

The conference agreement follows the Senate amendment, with a modification. The Secretary of the Treasury is directed to modify the annual return filing requirements with respect to plans that satisfy the eligibility requirements for Form 5500–EZ to provide that if the total value of the plan assets of such a plan as of the end of the plan year and all prior plan years does not exceed $250,000, the plan administrator is not required to file a return.

Effective date.—The provision is effective on January 1, 2001.

12. Improvement to Employee Plans Compliance Resolution System (sec. 1262 of the House bill)

Present Law

A retirement plan that is intended to be a tax-qualified plan provides retirement benefits on a tax-favored basis if the plan satisfies all of the requirements of section 401(a). Similarly, an annuity that is intended to be a tax-sheltered annuity provides retirement benefits on a tax- favored basis if the program satisfies all of the requirements of section 403(b). Failure to satisfy all of the applicable requirements of section 401(a) or section 403(b) may disqualify a plan or annuity for the intended tax-favored treatment.

The Internal Revenue Service ("IRS") has established the Employee Plans Compliance Resolution System ("EPCRS"), which is a comprehensive system of correction programs for sponsors of retirement plans and annuities that are intended, but have failed, to satisfy the requirements of section 401(a) and section 403(b), as applicable.[53] EPCRS permits employers to correct compliance failures and continue to provide their employees with retirement benefits on a tax-favored basis.

The IRS has designed EPCRS to (1) encourage operational and formal compliance, (2) promote voluntary and timely correction of compliance failures, (3) provide sanctions for compliance failures identified on audit that are reasonable in light of the nature, extent, and severity of the violation, (4) provide consistent and uniform administration of the correction programs, and (5) permit employers to rely on the availability of EPCRS in taking corrective actions to maintain the tax-favored status of their retirement plans and annuities.

The basic elements of the programs that comprise EPCRS are self-correction, voluntary correction with IRS approval, and correction on audit. The Administrative Policy Regarding Self-Correction ("APRSC") permits a plan sponsor that has established compliance practices to correct certain insignificant failures at any time (including during an audit), and certain significant failures within a 2-year period, without payment of any fee or sanction. The Voluntary Compliance Resolution ("VCR") program, the Walk-In Closing Agreement Program ("Walk-In CAP"), and the Tax-Sheltered Annuity Voluntary Correction ("TVC") program permit an employer, at any time before an audit, to pay a limited fee and receive IRS approval of a correction. For a failure that is discovered on audit and corrected, the Audit Closing Agreement Program ("Audit CAP") provides for a sanction that bears a reasonable relationship to the nature, extent, and severity of the failure and that takes into account the extent to which correction occurred before audit.

The IRS has expressed its intent that EPCRS will be updated and improved periodically in light of experience and comments from those who use it.

House Bill

The Secretary of the Treasury is directed to continue to update and improve EPCRS, giving special attention to (1) increasing the awareness and knowledge of small employers concerning the availability and use of EPCRS, (2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures, (3) extending the duration of the self-correction period under APRSC for significant compliance failures, (4) expanding the availability to correct insignificant compliance failures under APRSC during audit, and (5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

Effective date.—The House bill is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

13. Modifications to section 415 limits for multiemployer and governmental plans (sec. 1263 of the House bill, secs. 346 and 348 of the Senate amendment, and sec. 415 of the Code)

Present Law

Under present law, limits apply to contributions and benefits under qualified plans (sec. 415). The limits on contributions and benefits under qualified plans are based on the type of plan.

Under a defined benefit plan, the maximum annual benefit payable at retirement is generally the lesser of (1) 100 percent of average compensation for the highest three years, or (2) $130,000 (for 1999). The dollar limit is adjusted for cost-of-living increases in $5,000 increments. The dollar limit is reduced in the case of retirement before the social security retirement age and increases in the case of retirement after the social security retirement age.

A special rule applies to governmental, tax-exempt organization, and qualified merchant marine defined benefit plans. In the case of such plans, the defined benefit dollar limit is reduced in the case of retirement before age 62 and increased in the case of retirement after age 65. In addition, there is a floor on early retirement benefits. Pursuant to this floor, the minimum benefit payable at age 55 is $75,000.

In the case of a defined contribution plan, the limit on annual is additions if the lesser of–(1) 25 percent of compensation[54] or (2) $30,000 (for 1999). In applying the limits on contributions and benefits, plans of the same employer are aggregated.

House Bill

The 100 percent of compensation defined benefit plan limit does not apply to multiemployer plans.

Effective date.—The House bill is effective for years beginning after December 31, 2000.

Senate Amendment

Treatment of multiemployer plans

The 100 percent of compensation defined benefit plan limit does not apply to multiemployer plans. In addition, except in applying the defined benefit plan dollar limitation, multiemployer plans are not aggregated with other plans maintained by an employer contributing to the multiemployer plan in applying the limits on contributions and benefits.

The Senate amendment also applies the special rules for defined benefit plans of governmental employers, tax-exempt organizations, and qualified merchant marines to multiemployer plans.

Increase in early retirement floor for governmental, multiemployer, and other plans

The floor for reductions of the dollar limit prior to age 62 for defined benefit plans of governmental employers and tax-exempt organizations, qualified merchant marine plans and multiemployer plans is increased from $75,000 to 80 percent of the defined benefit dollar limit.

Effective date

The Senate amendment is effective for years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the House bill.

14. Rules for substantial owner benefits in terminated plans (sec. 363 of the Senate amendment and sec. 4022 of ERISA)

Present Law

Under present law, the Pension Benefit Guaranty Corporation ("PBGC") provides participants and beneficiaries in a defined benefit pension plan with certain minimal guarantees as to the receipt of benefits under the plan in case of plan termination. The employer sponsoring the defined benefit pension plan is required to pay premiums to the PBGC to provide insurance for the guaranteed benefits. In general, the PBGC will guarantee all basic benefits which are payable in periodic installments for the life (or lives) of the participant and his or her beneficiaries and are non-forfeitable at the time of plan termination. The amount of the guaranteed benefit is subject to certain limitations. One limitation is that the plan (or an amendment to the plan which increases benefits) must be in effect for 60 months before termination for the PBGC to guarantee the full amount of basic benefits for a plan participant, other than a substantial owner. In the case of a substantial owner, the guaranteed basic benefit is phased in over 30 years beginning with participation in the plan. A substantial owner is one who owns, directly or indirectly, more than 10 percent of the voting stock of a corporation or all the stock of a corporation. Special rules restricting the amount of benefit guaranteed and the allocation of assets also apply to substantial owners.

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[53] Rev. Proc. 98-22, 1998-12 I.R.B. 11, as modified by Rev. Proc. 99-13, 1999-5, I.R.B. 52.

[54] Another provision of the Senate amendment increases this limit to 100 percent of compensation.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that the 60 month phase-in of guaranteed benefits applies to a substantial owner with less than 50 percent ownership interest. For a substantial owner with a 50 percent or more ownership interest ("majority owner"), the phase-in depends on the number of years the plan has been in effect. The majority owner's guaranteed benefit is limited so that it may not be more than the amount phased in over 60 months for other participants. The rules regarding allocation of assets apply to substantial owners, other than majority owners, in the same manner as other participants.

Effective date.—The Senate amendment is effective for plan terminations with respect to which notices of intent to terminate are provided, or for which proceedings for termination are instituted by the PBGC after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment.

15. Extension to international organizations of moratorium on application of certain nondiscrimination rules applicable to State and local government plans (sec. 368 of the Senate amendment, sec. 1505 of the Taxpayer Relief Act of 1997, and secs. 401(a) and 401(k) of the Code)

Present Law

A qualified retirement plan maintained by a State or local government is exempt from the rules concerning nondiscrimination (sec. 401(a)(4)) and minimum participation (sec. 401(a)(26)). A governmental plan maintained by an international organization that is exempt from taxation by reason of the International Organizations Immunities Act is not exempt from the nondiscrimination and minimum participation rules.

House Bill

No provision.

Senate Amendment

A governmental plan maintained by a tax-exempt international organization is exempt from the nondiscrimination and minimum participation rules.

Effective date.—The Senate amendment is effective for plan years beginning after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment.

16. Annual report dissemination (sec. 369 of the Senate amendment and sec. 104 of ERISA)

Present Law

Title I of ERISA generally requires the plan administrator of each employee pension benefit plan and each employee welfare benefit plan to file an annual report concerning the plan with the Secretary of Labor within 7 months after the end of the plan year. Within 9 months after the end of the plan year, the plan administrator generally must provide to each participant, and to each beneficiary receiving benefits under the plan, a summary of the annual report filed with the Secretary of Labor for the plan year.

House Bill

No provision.

Senate Amendment

Within 9 months after the end of each plan year, the plan administrator is required to make available for examination a summary of the annual report filed with the Secretary of Labor for the plan year. In addition, the plan administrator is required to furnish the summary to a participant, or to a beneficiary receiving benefits under the plan, upon request.

Effective date.—The Senate amendment is effective for reports for years beginning after December 31, 1998.

Conference Agreement

The conference agreement does not include the Senate amendment.

17. Clarification of exclusion for employer-provided transit passes (sec. 370 of the Senate amendment and sec. 132 of the Code)

Present Law

Qualified transportation fringe benefits provided by an employer are excluded from an employee's gross income and wages. Qualified transportation fringe benefits include parking, transit passes, and vanpool benefits. Up to $175 per month (for 1999) of employer-provided parking is excludable from income and up to $65 (for 1999) per month of employer-provided transit and vanpool benefits are excludable from income.

Qualified transportation benefits generally include a cash reimbursement by an employer to an employee. However, in the case of transit passes, a cash reimbursement is considered a qualified transportation fringe benefit only if a voucher or similar item which may be exchanged only for a transit pass is not readily available for direct distribution by the employer to the employee.

No amount is includible in the gross income of an employee merely because the employee is offered a choice between cash and any qualified transportation benefit (or a choice among such benefits).

House Bill

No provision.

Senate Amendment

The Senate amendment repeals the rule providing that cash reimbursements for transit benefits are excludable from income only if a voucher or similar item which may be exchanged only for a transit pass is not readily available for direct distribution by the employer.

Effective date.—The Senate amendment is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

XIII. MISCELLANEOUS PROVISIONS

A. Expand Employer Reporting on Annual Wage and Tax Statements (sec. 1303 of the House bill and sec. 6051 of the Code)

Present Law

An employer must provide certain information annually to each employee in the form of a wage and tax statement ("Form W-2"). The information required to be included on such form includes the individual's name, address, social security number and a statement of total wages, tips, and other compensation for the year. The form must also include the amount of federal income tax withheld as well as the employee's share of social security and medicare taxes withheld for the year by the employer. There is no requirement that the form include a statement of the employer's share of social security and medicare taxes paid by the employer with respect to that individual.

House Bill

The House bill requires the Form W-2 to include a statement of social security and medicare taxes paid by the employer on behalf of each employee.

Effective date.—The House bill provision is effective with respect to Form W-2's with respect to remuneration paid after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision. However, the conferees intend that the Internal Revenue Service provide the employer's share of social security and medicare taxes to each employee, no less frequently than annually.

B. Survivor Benefits of Public Safety Officers Killed in The Line of Duty (sec. 1304 of the House bill and sec. 101 of the Code)

Present Law

The Taxpayer Relief Act of 1997 included a provision providing that an amount paid as a survivor annuity on account of the death of a public safety officer who is killed in the line of duty is excludable from income to the extent the survivor annuity is attributable to the officer's service as a law enforcement officer. The survivor annuity must be provided under a governmental plan to the surviving spouse (or former spouse) of the public safety officer or to a child of the officer. Public safety officers include law enforcement officers, firefighters, rescue squad or ambulance crew. The provision does not apply with respect to the death of a public safety officer if it is determined by the appropriate supervising authority that (1) the death was caused by the intentional misconduct of the officer or by the officer's intention to bring about the death, (2) the officer was voluntarily intoxicated at the time of death, (3) the officer was performing his or her duties in a grossly negligent manner at the time of death, or (4) the actions of the individual to whom payment is to be made were a substantial contributing factor to the death of the officer.

The provision applies to amounts received in taxable years beginning after December 31, 1996, with respect to individuals dying after that date.

House Bill

The provision extends the present-law treatment of survivor annuities with respect to public safety officers killed in the line of duty to payments received in taxable years beginning after December 31, 1999, with respect to individuals dying on or before December 31, 1996.

Effective date.—The provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

C. Income from Publicly Traded Partnerships Treated as Qualifying Income of Regulated Investment Companies (secs. 1311 and 1312 of the House bill and secs. 851(b) and 469(k) of the Code)

Present Law

A regulated investment company ("RIC") generally is treated as a conduit for Federal income tax purposes. In computing its taxable income, a RIC deducts dividends paid to its shareholders to achieve conduit treatment (sec. 852(b)). In order to qualify for conduit treatment, a RIC must be a domestic corporation that, at all times during the taxable year, is registered under the Investment Company Act of 1940 as a management company or as a unit investment trust, or has elected to be treated as a business development company under that Act (sec. 851(a)). In addition, the corporation must elect RIC status, and must satisfy certain other requirements (sec. 851(b)).

One of the requirements is that at least 90 percent of its gross income is derived from dividends, interest, payments with respect to securities loans, and gains from the sale or other disposition of stock or securities or foreign currencies, or other income (including but not limited to gains from options, futures, or forward contracts) derived with respect to its business of investing in such stock, securities, or currencies. Income derived from a partnership is treated as meeting this requirement only to the extent such income is attributable to items of income of the partnership that would meet the requirement if realized by the RIC in the same manner as realized by the partnership (the "lookthrough" rule for partnership income). Under present law, no distinction is made under this rule between a publicly traded partnership and any other partnership.

Present law provides that a publicly traded partnership means a partnership, interests in which are traded on an established securities market, or are readily tradable on a secondary market (or the substantial equivalent thereof). In general, a publicly traded partnership is treated as a corporation (sec. 7704(a)), but an exception to corporate treatment is provided if 90 percent or more of its gross income is interest, dividends, real property rents, or certain other types of qualifying income (sec. 7704(c) and (d)).

A special rule for publicly traded partnerships applies under the passive loss rules. The passive loss rules limit deductions and credits from passive trade or business activities (sec. 469). Deductions attributable to passive activities, to the extent they exceed income from passive activities, generally may not be deducted against other income. Deductions and credits that are suspended under these rules are carried forward and treated as deductions and credits from passive activities in the next year. The suspended losses from a passive activity are allowed in full when a taxpayer disposes of his entire interest in the passive activity to an unrelated person. The special rule for publicly traded partnerships provides that the passive loss rules are applied separately with respect to items attributable to each publicly traded partnership (sec. 469(k)). Thus, income or loss from the publicly traded partnership is treated as separate from income or loss from other passive activities.

House Bill

The House bill modifies the 90 percent test with respect to income of a RIC to include income derived from an interest in a publicly traded partnership. The provision also modifies the lookthrough rule for partnership income of a RIC so that it applies only to income from a partnership other than a publicly traded partnership.

The provision provides that the special rule for publicly traded partnerships under the passive loss rules (requiring separate treatment) applies to a RIC holding an interest in a publicly traded partnership, with respect to items attributable to the interest in the publicly traded partnership.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

D. Equalize the Tax Treatment of Oversized "Clean Fuel" Vehicles and Electric Vehicles (sec. 1313 of the House bill and sec. 30 and 179A of the Code)

Present Law

Taxpayers may claim a credit of 10 percent of the cost of an electric vehicle up to a maximum credit of $4,000 (sec. 30). Taxpayers may claim an immediate deduction (expensing) for up to $50,000 of the cost of a qualified clean-fuel vehicle which is a truck or van with a gross vehicle weight greater than 13 tons or a bus with a seating capacity of at least 20 adults (sec. 179A). For the purposes of the deduction permitted under section 179A, electric trucks, vans, or buses are not qualified clean fuel vehicles.

House bill

The House bill provides that an electric truck or van with a gross vehicle weight rating greater than 13 tons or an electric bus which has seating capacity of at least 20 adults is a qualified clean fuel vehicle for which the taxpayer may expense up to $50,000 of cost and that such vehicles are not eligible for the electric vehicle credit.

Effective date.—The provision is effective for vehicles placed in service after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

Effective date.—The provision is effective for vehicles placed in service after December 31, 1999.

E. Nuclear Decommissioning Costs (sec. 1314 of the House bill and sec. 468A of the Code)

Present Law

Special rules dealing with nuclear decommissioning reserve funds were adopted by Congress in the Deficit Reduction Act of 1984 ("1984 Act") when tax issues regarding the time value of money were addressed generally. Under general tax accounting rules, a deduction for accrual basis taxpayers generally is deferred until there is economic performance for the item for which the deduction is claimed. However, the 1984 Act contains an exception to those rules under which a taxpayer responsible for nuclear power plant decommissioning may elect to deduct contributions made to a qualified nuclear decommissioning fund for future payment costs. Taxpayers who do not elect this provision are subject to the general rules in the 1984 Act.

A qualified decommissioning fund is a segregated fund established by the taxpayer that is used exclusively for the payment of decommissioning costs, taxes on fund income, payment of management costs of the fund, and making investments. The fund is prohibited from dealing with the taxpayer that established the fund. The income of the fund is taxed at a reduced rate of 20 percent[55] for taxable years beginning after December 31, 1995.

Contributions to the fund are deductible in the year made to the extent that these amounts were collected as part of the cost of service to ratepayers. Withdrawal of funds by the taxpayer to pay for decommissioning expenses are included in income at that time, but the taxpayer also is entitled to a deduction at that time for decommissioning expenses as economic performance for those costs occurs.

A taxpayer's contributions to the fund may not exceed the amount of nuclear decommissioning costs included in the taxpayer's cost of service for ratemaking purposes for the taxable year. Additionally, in order to prevent accumulations of funds over the remaining life of a nuclear power plant in excess of those required to pay future decommissioning costs and to ensure that contributions to the funds are not deducted more rapidly than level funding, taxpayers must obtain a ruling from the IRS to establish the maximum contribution that may be made to the fund.

If the decommissioning fund fails to comply with the qualification requirements or when the decommissioning is substantially completed, the fund's qualification may be terminated, in which case the amounts in the fund must be included in income of the taxpayer.

A qualified decommissioning fund may be transferred in connection with the sale, exchange or other transfer of the nuclear power plant to which it relates. If the transferee is a regulated public utility and meets certain other requirements, the transfer will be treated as a nontaxable transaction. No gain or loss will be recognized on the transfer of the qualified decommissioning fund and the transferee will take the transferor's basis in the fund.[56] The transferee is required to obtain a new ruling amount from the IRS, or accept a discretionary determination by the IRS.[157] However, if the transferee does not qualify to continue the qualified decommissioning fund, the balance in the fund will be treated as distributed (and thus taxable) at the time of the transfer.

State and Federal regulators may require utilities to set aside funds for nuclear decommissioning purposes in excess of the amount allowed as a deductible contribution to a qualified decommissioning fund. In addition, the taxpayer may have set aside funds prior to the effective date of the qualified decommissioning fund rules. In some cases, a deduction may have been taken for such amounts at the time they were set aside.[58]

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[55] As originally enacted in 1984, the fund paid tax on its earnings at the top corporate rate. Also, as originally enacted, the funds in the trust could be invested only in certain low risk investments. Subsequent amendments to the provision have reduced the rate of tax on the fund to 20 percent, and removed the restrictions on the types of permitted investments that the fund can make.

[56] Treas. Regs. sec. 1.468A-6.

[57] Treas. Regs. sec. 1.468A-6(f).

[58] Prior to July 17, 1984 (the date of enactment of the Deficit Reduction Act of 1984), accrual basis taxpayers could deduct items without regard to the time the items were economically performed. Some taxpayers may have taken the position that amounts for nuclear decommissioning were deductible prior to July 17, 1984.

These nonqualified funds are not eligible for the special rules that apply to qualified decommissioning funds. Since 1984, no deduction has been allowed with respect to the contribution or segregation of nonqualified funds, and the income on nonqualified funds is taxed to the taxpayer at the taxpayer's marginal rate.

House Bill

The cost of service requirement for deductible contributions to nuclear decommissioning funds is repealed. Taxpayers, including unregulated taxpayers, are allowed a deduction for amounts contributed to a qualified nuclear decommissioning fund. As under current law, however, the maximum contribution and deduction for a taxable year can not exceed the IRS ruling amount for that year.

The provision also clarifies the Federal income tax treatment of the transfer of qualified nuclear decommissioning funds. No gain or loss is recognized to the transferor or the transferee as a result of the transfer of a qualified fund in connection with the transfer of the power plant with respect to which the fund was established.

The provision provides an election to transfer the balance of certain nonqualified funds to qualified fund. Any portion of the amount transferred that has not previously been deducted is allowed as a deduction over the remainder of the useful life of the nuclear power plant (as determined for the purpose of the ruling amount) beginning with the first taxable year that begins after 2001. If a qualified fund that has received a transfer from a nonqualified fund is transferred to another person, that person will be entitled to the deduction at the same time and in the same manner as the transferor. Thus, if the transferor was not subject to tax at the time and thus would have been unable to utilize the deduction, the transferee will similarly not be able to utilize the deduction. A taxpayer is not considered to have a basis in any qualified nuclear decommissioning fund.

Nonqualified funds eligible to be transferred to a qualified fund are funds that have been irrevocably set aside pursuant to the requirements of a state of Federal agency exclusively for the purpose of funding the decommissioning of the taxpayer's nuclear power plant. Funds that constitute a "prepaid decommissioning fund" or "external sinking trust fund" that would qualify for the purpose of providing financial assurance that funds will be available for the decommisioning process under 10 CFR 50.75 are expected to meet the definition of nonqualified funds for this purpose.

A new ruling amount must be obtained following the transfer of nonqualified funds to a qualified fund.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

F. Permit Consolidation of Life and Nonlife Insurance Companies (sec. 1315 of the House bill, sec. 1113 of the Senate amendment, and secs. 1504(b)(2) and 1504(c) of the Code)

Present Law

Under present law, an affiliated group of corporations means one or more chains of includible corporations connected through stock ownership with a common parent corporation (sec. 1504(a)(1)). The stock ownership requirement consists of an 80-percent voting and value test. In general, an affiliated group of corporations may file a consolidated tax return for Federal income tax purposes.

Life insurance companies (subject to tax under section 801) generally are not treated as includible corporations, and therefore may not be included in a consolidated return of an affiliated group including nonlife-insurance companies, unless the common parent of the group elects to treat the life insurance companies as includible corporations (sec. 1504(c)(2)).

Under the election to treat life insurance companies as includible corporations of an affiliated group, two special 5-year limitation rules apply. The first 5-year rule provides that a life insurance company may not be treated as an includible corporation until it has been a member of the group for the 5 taxable years immediately preceding the taxable year for which the consolidated return is filed (sec. 1504(c)(2)). The second 5-year rule provides that any net operating loss of a nonlife-insurance member of the group may not offset the taxable income of a life insurance member for any of the first 5 years the life and nonlife-insurance corporations have been members of the same affiliated group (sec. 1503(c)(2)). This rule applies to nonlife losses for the current taxable year or as a carryover or carryback.

A separate 35-percent limitation also applies under the election to treat life insurance companies as includible corporations of an affiliated group (sec. 1503(c)(1)). This rule provides that if the non-life-insurance members of the group have a net operating loss, then the amount of the loss that is not absorbed by carrybacks against the nonlife-insurance members' income may offset the life insurance members' income only to the extent of the lesser of: (1) 35 percent of the amount of the loss; or (2) 35 percent of the life insurance members' taxable income. The unused portion of the loss is available as a carryover and is added to subsequent-year losses, subject to the same 35-percent limitation.

House Bill

The House bill repeals the two 5-year limitation rules under the election to treat life insurance companies as includible corporations of an affiliated group. The provision also repeals the rule that a life insurance corporation is not an includible corporation unless the common parent makes an election to treat life insurance companies as includible corporations. Thus, under the provision, a life insurance company is treated as an includible corporation starting with the first taxable year for which it becomes a member of the affiliated group and otherwise meets the definition of an includible corporation. In addition, any net operating loss of a nonlife- insurance member of the group can offset the taxable income of a life insurance member starting with the first taxable year for which it becomes a member of the affiliated group and otherwise meets the definition of an includible corporation. The provision retains the 35-percent limitation of present law with respect to any life insurance company that is an includible corporation of an affiliated group.

Effective date.—The provision is effective for taxable years beginning after December 31, 2004. To the extent that a consolidated net operating loss is created or increased by the provision, the loss may not be carried back to a taxable year beginning before January 1, 2005. In addition, no affiliated group terminates solely by reason of the provision. The provision waives the 5-year waiting period for reconsolidation under section 1504(a)(3), in the case of any corporation that was previously an includible corporation, but was subsequently deemed not to be an includible corporation as a result of becoming a subsidiary of a corporation that was not an includible corporation by reason of the 5-year rule of section 1504(c)(2) (providing that a life insurance company may not be treated as an includible corporation until it has been a member of the group for the 5 taxable years immediately preceding the taxable year for which the consolidated return is filed).

Senate Amendment

The Senate amendment repeals the 5-year limitation rule relating to consolidation under the election to treat life insurance companies as includible corporations of an affiliated group. The provision also repeals the rule that a life insurance corporation is not an includible corporation unless the common parent makes an election to treat life insurance companies as includible corporations. Thus, under the provision, a life insurance company is treated as an includible corporation starting with the first taxable year for which it becomes a member of the affiliated group and otherwise meets the definition of an includible corporation. However, as under present law, any net operating loss of a nonlife-insurance member of the group may not offset the taxable income of a life insurance member for any of the first five years the life and nonlife-insurance corporations have been members of the same affiliated group. The provision retains the 35-percent limitation of present law with respect to any life insurance company that is an includible corporation of an affiliated group.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000. To the extent that a consolidated net operating loss is created or increased by the provision, the loss may not be carried back to a taxable year beginning before January 1, 2001. In addition, no affiliated group terminates solely by reason of the provision. The provision waives the 5-year waiting period for reconsolidation under section 1504(a)(3), in the case of any corporation that was previously an includible corporation, but was subsequently deemed not to be an includible corporation as a result of becoming a subsidiary of a corporation that was not an includible corporation by reason of the 5-year rule of section 1504(c)(2) (providing that a life insurance company may not be treated as an includible corporation until it has been a member of the group for the 5 taxable years immediately preceding the taxable year for which the consolidated return is filed).

Conference Agreement

The conference agreement follows the Senate amendment. The conference agreement also follows the House bill with respect to repeal of the second 5-year rule (which provides that any net operating loss of a nonlife-insurance member of the group may not offset the taxable income of a life insurance member for any of the first 5 years the life and nonlife-insurance corporations have been members of the same affiliated group (sec. 1503(c)(2)), with a modification as to the effective date of repeal of the second 5-year rule. Under the conference agreement, repeal of the second 5-year rule is effective for taxable years beginning after December 31, 2005.

Effective date.—The repeal of the first 5-year rule and the repeal of the election to treat a life insurance company as an includible corporation are effective for taxable years beginning after December 31, 2000. The repeal of the second 5-year rule (sec. 1503(c)(2)) is effective for taxable years beginning after December 31, 2005. To the extent that a consolidated net operating loss is created or increased by the provision, the loss may not be carried back to a taxable year beginning before January 1, 2006. In addition, no affiliated group terminates solely by reason of the provision. The provision waives the 5-year waiting period for reconsolidation under section 1504(a)(3), in the case of any corporation that was previously an includible corporation, but was subsequently deemed not to be an includible corporation as a result of becoming a subsidiary of a corporation that was not an includible corporation by reason of the 5-year rule of section 1504(c)(2) (providing that a life insurance company may not be treated as an includible corporation until it has been a member of the group for the 5 taxable years immediately preceding the taxable year for which the consolidated return is filed).

G. Consolidate Code Provisions Governing the Hazardous Substance Superfund and the Leaking Underground Storage Tank Trust Fund (sec. 1321 of the House bill and secs. 9507 and 9508 of the Code)

Present Law

Present law includes two separate Trust Funds to finance similar ground and water cleanup programs related to hazardous substances. These funds are the Hazardous Substance Superfund (the "Superfund") and the Leaking Underground Storage Tank Trust Fund (the "LUST Trust Fund"). Amounts in both Trust Funds are available as provided in cross-referenced authorization and appropriations Acts.

House Bill

The Code provisions governing the Superfund and the LUST Trust Fund are consolidated into a single Environmental Remediation Trust Fund (the "Environmental Trust Fund"). Amounts in the consolidated Trust Fund (i.e., all amounts in both of the present-law Trust Funds) are available for expenditure, as provided in appropriations Acts, for the combined purposes of the two present-law Trust Funds, as of July 12, 1999.

Provisions similar to those currently included in the Highway Trust Fund, the Aquatic Resources Trust Fund, and the Vaccine Injury Compensation Trust Fund clarifying that expenditures from the Environmental Trust Fund may occur only as provided in the Code are incorporated into the new Trust Fund statute, notwithstanding provisions of any other Act (including subsequently enacted non-revenue Act legislation).

Effective date.—The provision is effective on October 1, 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with a modification providing that the LUST and Superfund provisions of the new Environmental Remediation Trust Fund will be divided into separate accounts upon future enactment of Superfund authorizing legislation. Upon enactment of such authorizing legislation, the LUST Account will be reimbursed from the Superfund Account for any amounts attributable to the LUST excise tax (and interest thereon) used to finance Superfund programs.

H. Repeal Certain Excise Taxes on Rail Diesel Fuel and Inland Waterway Barge Fuels (sec. 1322 of the House bill, sec. 1101 of the Senate amendment, and secs. 4041 and 4042 of the Code)

Present Law

Under present law, diesel fuel used in trains is subject to a 4.4–cents-per gallon excise tax. Revenues from 4.3 cents per gallon of this excise tax are retained in the General Fund of the Treasury. The remaining 0.1 cent per gallon is deposited in the Leaking Underground Storage Tank ("LUST") Trust Fund.

Similarly, fuels used in barges operating on the designated inland waterways system is subject to a 4.3–cents-per-gallon General Fund excise tax. This tax is in addition to the 20.1- cents-per-gallon tax rates that are imposed on fuels used in these barges to fund the Inland Waterways Trust Fund and the Leaking Underground Storage Tank Trust Fund.

In both cases, the 4.3–cents-per-gallon excise tax rates are permanent. The LUST tax is scheduled to expire after March 31, 2005.

House Bill

The 0.1–cent-per-gallon LUST tax on diesel fuel used in trains is repealed. In addition, the 4.3–cents-per-gallon General Fund excise tax rates on diesel fuel used in trains and fuels used in barges operating on the designated inland waterways system is repealed.

Effective date.—The repeal of the 0.1–cent-per-gallon LUST tax on diesel fuel used in trains is effective on October 1, 1999. The repeal of the 4.3–cents-per-gallon excise taxes on train diesel and inland waterway barge fuels is effective after September 30, 2003.

Repeal of these taxes is contingent upon enactment as part of the bill of a separate provision that consolidates the Code provisions governing the Hazardous Substance Superfund and the Leaking Underground Storage Tank Trust Fund into an Environmental Remediation Trust Fund.

Senate Amendment

The Senate amendment is the same as the House bill.

Effective date.—The provision of the Senate amendment is effective on October 1, 2000.

Conference Agreement

The conference agreement follows the House bill.

I. Repeal Excise Tax on Fishing Tackle Boxes (sec. 1323 of the House bill and sec. 4162 of the Code)

Present Law

Under present law, a 10–percent manufacturer's excise tax is imposed on specified sport fishing equipment. Examples of taxable equipment include fishing rods and poles, fishing reels, artificial bait, fishing lures, line and hooks, and fishing tackle boxes. Revenues from the excise tax on sport fishing equipment are deposited in the Sport Fishing Account of the Aquatic Resources Trust Fund. Monies in the fund are spent, subject to an existing permanent appropriation, to support Federal-State sport fish enhancement and safety programs.

In addition to the revenues from the sport fishing equipment excise tax, the Sport Fishing Account also receives revenues from excise taxes imposed on motorboat gasoline and special fuels. These motorboat fuels are subject to an excise tax totaling 18.4 cents per gallon. Of this amount, 11.5 cents per gallon is dedicated to the Sport Fishing Account. This amount is scheduled to increase to 13 cents per gallon (October 1, 2001–September 30, 2003) and to 13.5 cents per gallon (beginning October 1, 2003). The balance of these motorboat fuels taxes (other than 0.1 cent per gallon which is dedicated to the Leaking Underground Storage Tank Trust Fund) is retained in the General Fund.

House Bill

The excise tax on fishing tackle boxes is repealed.

Effective date.—The provision is effective beginning 30 days after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill, with a modification increasing by 0.2 cent per gallon the amount of the motorboat gasoline and special motor fuels taxes that are dedicated to the Sport Fishing Account of the Aquatic Resources Trust Fund. Thus, the amount transferred to that Account will be 11.7 cents per gallon (through September 30, 2001), 13.2 cents per gallon (October 1, 2001–September 30, 2003), and 13.7 cents per gallon thereafter.

Effective date.—The conference agreement follows the House bill with regard to repeal of the fishing tackle excise tax; the modification relating to transfer of the motorboat fuels taxes is effective for taxes received beginning 30 days after the date of enactment.

J. Modify Excise Tax on Arrow Components and Accessories (sec. 1324 of the House bill, sec. 1109 of the Senate amendment, and sec. 4161 of the Code)

Present Law

An 12.4 percent excise tax is imposed on the sale by a manufacturer or importer of any shaft, point, nock, or vane designed for use as part of an arrow which (1) is over 18 inches long, or (2) is designed for use with a taxable bow (if shorter than 18 inches). An 11–percent tax is imposed on certain bows and on certain accessories for taxable bows and arrows.

House Bill

The House bill makes two modifications to the excise tax on arrows and arrow accessories. First, the bill extends the 12.4–percent tax on arrow components to inserts and outserts designed for use with taxable arrows. Inserts and outserts are defined as articles, used to attach a point to an arrow shaft. Second, the bill reclassifies "broadheads," or arrow points designed for hunting fish or large animals, as arrow accessories subject to the 11–percent tax rather than arrow points subject to the 12.4–percent tax (as under present law).

Effective date.—The provisions apply to sales by manufacturers beginning on the first day of the first calendar quarter that begins more than 30 days after the bill's enactment.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

K. Entrepreneurial Equity Capital Formation ("SSBICS") (secs. 1341–1347 of the House bill and secs. 851, 1044 and 1202 of the Code)

Present Law

Under present law, a taxpayer may elect to roll over without payment of tax any capital gain realized upon the sale of publicly-traded securities where the taxpayer uses the proceeds from the sale to purchase common stock in a specialized small business investment company ("SSBIC") within 60 days of the sale of the securities. The maximum amount of gain that an individual may roll over under this provision for a taxable year is limited to the lesser of (1) $50,000 or (2) $500,000 reduced by any gain previously excluded under this provision. For corporations, these limits are $250,000 and $1 million.

In addition, under present law, an individual may exclude 50 percent of the gain[164] from the sale of qualifying small business stock held more than five years. An SSBIC is automatically deemed to satisfy the active business requirement which a corporation must satisfy to qualify its stock for the exclusion.

Regulated investment companies ("RICs") are entitled to deduct dividends paid to shareholders. To qualify for the deduction, 90 percent of the company's income must be derived from dividends, interest and other specified passive income, the company must distribute 90 percent of its investment income, and at least 50 percent of the value of its assets must be invested in certain diversified investments.

For purposes of these provisions, an SSBIC means any partnership or corporation that is licensed by the Small Business Administration under section 301(d) of the Small Business Investment Act of 1958 (as in effect on May 13, 1993). SSBICs make long-term loans to, or equity investments in, small businesses owned by persons who are socially or economically disadvantaged.

House Bill

Under the House the tax-free rollover provision is expanded by (1) extending the 60-day period to 180 days, (2) making preferred stock (as well as common stock) in an SSBIC an eligible investment, and (3) increasing the lifetime caps to $750,000 in the case of an individual and to $2 million in the case of a corporation, and repealing the annual caps.

The House also provides that an SSBIC that is organized as a corporation may convert to a partnership without imposition of a tax to either the corporation or its shareholders, by transferring its assets to a partnership in which it holds at least an 80-percent interest and then liquidating. The corporation is required to distribute all its earnings and profits before liquidating. The transaction must take place within 180 days of enactment of the bill. The partnership will be liable for a tax on any "built-in" gain in the assets transferred by the corporation at the time of the conversion.

The 50-percent exclusion for gain on the sale of qualifying small business stock is increased to 60 percent where the taxpayer, or a pass-through entity in which the taxpayer holds an interest, sells qualifying stock of an SSBIC.

For purposes of determining status as a RIC eligible for the dividends received deduction, the proposal would treat income derived by a SSBIC from its limited partner interest in a partnership whose business operations the SSBIC does not actively manage as income qualifying for the 90-percent test; would deem the SSBIC to satisfy the 90-percent distribution requirement if it distributes all its income that it is permitted to distribute under the Small Business Investment Act of 1958; and would deem the RIC diversification of assets requirement to be met to the extent the SSBIC's investments are permitted under that Act.

Effective date.—The rollover and small business stock provisions of the proposal are effective for sales after date of enactment. The RIC provisions are effective for taxable years beginning after date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

L. Tax Treatment of Alaska Native Settlement Trusts (sec. 1352 of the House bill, sec. 1102 of the Senate amendment, and new sec. 646 of the Code)

Present Law

An Alaska Native Settlement Corporation ("ANC") may establish a Settlement Trust ("Trust") under section 39 of the Alaska Native Claims Settlement Act ("ANCSA")[60] and transfer money or other property to such Trust for the benefit of beneficiaries who constitute all or a class of the shareholders of the ANC, to promote the health, education and welfare of the beneficiaries and preserve the heritage and culture of Alaska Natives.

With certain exceptions, once an ANC has made a conveyance to a Trust, the assets conveyed shall not be subject to attachment, distraint, or sale or execution of judgement, except with respect to the lawful debts and obligations of the Trust.

The Internal Revenue Service has indicated that contributions to a Trust constitute distributions to the beneficiary-shareholders at the time of the contribution and are treated as dividends to the extent of earnings and profits as provided under section 301 of the Code. The Trust and its beneficiaries are taxed according to the rules of Subchapter J of the Code.

House Bill

An Alaska Native Corporation may establish a Trust under section 39 of ANCSA and if the Trust makes an election for its first taxable year ending after December 31, 1999, no amount will be includible in the gross income of a beneficiary of such Trust by reason of a contribution to the Trust . The earnings and profits of the ANC are not reduced at the time of a conveyance to the Trust, but only after all earnings of the Trust have been distributed, and subsequent distributions to beneficiaries are made from the original principal conveyed.

Qualification of the Trust for tax-free conveyances terminates if interests in the Trust or in the ANC may transferred or exchanged to a person in a manner that would not be permitted under ANCSA if the trust interests were Settlement Common Stock (generally, to anyone other than an Alaska Native).

The final distributions of principal, which reduce earnings and profits of the ANC, are treated as ordinary income to the beneficiaries and may be reported on Form 1099 rather than form K-1. If annualized distributions exceed the sum of the standard deduction plus the personal exemption, withholding is required. All other Trust earnings and distributions are treated under present law.

Effective date.—The provision is effective for contributions after, and taxable years of Trusts ending after, December 31,1999.

Senate Amendment

The Senate amendment follows the House bill, with additions and modifications. Under the Senate amendment, unless the Trust fails to meet the other requirements of the provision, the Trust will be permitted to accumulate up to 45 percent of its income each year without tax to the Trust or the beneficiaries on that income. To qualify for this treatment, an electing Trust must distribute at least 55 percent of its adjusted taxable income for the year. If the Trust fails to meet this distribution requirement, tax at trust rates is imposed on the amount of the failure.

Every distribution by the Trust to beneficiaries is taxable as ordinary income to the beneficiaries. Reporting to beneficiaries for the future could be made on form 1099 rather than on form K-1. Distributions to beneficiaries would be subject to withholding to the extent such distributions, on an annualized basis, exceed the sum of the standard deduction and the personal exemption.

Certain additional restrictions apply. If the beneficial interests in the Trust may be sold or exchanged to a person in a manner that would not be permitted under ANCSA if the interests were Settlement Common Stock (generally, to a person other than an Alaska Native), then the value of all assets of the Trust that have not been distributed at the end of the taxable year of the Trust is subject to a tax at the highest individual tax rate; thereafter all amounts retained that were subject to that tax are treated as corpus under subchapter J. Also, if the shares of the ANC may be sold or exchanged to a person in such a manner, the Trust may continue in existence without an excise tax only if no new contributions are made to the Trust and the beneficial interests in the Trust cannot be sold or exchanged in such a manner.

Apart from these rules, the Trust and its beneficiaries would be taxed according to the provisions of subchapter J of the Code.

Effective date.— The effective date is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill.

M. Increase Joint Committee on Taxation Refund Review Threshold to $2 Million (sec. 1353 of the House bill, sec. 1110 of the Senate amendment, and sec. 6405 of the Code)

Present Law

No refund or credit in excess of $1,000,000 of any income tax, estate or gift tax, or certain other specified taxes, may be made until 30 days after the date a report on the refund is provided to the Joint Committee on Taxation (sec. 6405). A report is also required in the case of certain tentative refunds. Additionally, the staff of the Joint Committee on Taxation conducts post-audit reviews of large deficiency cases and other select issues.

House Bill

The provision increases the threshold above which refunds must be submitted to the Joint Committee on Taxation for review from $1,000,000 to $2,000,000. The staff of the Joint Committee on Taxation would continue to exercise its existing statutory authority to conduct a program of expanded post-audit reviews of large deficiency cases and other select issues, and the IRS is expected to cooperate fully in this expanded program.

Effective date.—The provision is effective on the date of enactment, except that the higher threshold does not apply to a refund or credit with respect to which a report was made before the date of enactment.

Senate Amendment

Same as House bill.

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[59] The portion of the capital gain included in income is subject to a maximum regular tax rate of 28 percent, and 42 percent of the excluded gain is a minimum tax preference.

[60] 43 U.S.C. 1601 et. seq.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

N. Clarification of Depreciation Study (sec. 1354 of the House bill)

Present Law

The Secretary of the Treasury (or his delegate) is directed to conduct a comprehensive study of the recovery periods and depreciation methods under section 168 of the Code, and to provide recommendations for determining such periods and methods in a more rational manner. The Secretary of the Treasury (or his delegate) is directed to submit the results of the study and recommendations to the House Ways and Means and Senate Finance Committees by March 31, 2000.

House Bill

The Secretary of the Treasury (or his delegate) is directed to include a study of such periods and methods applicable to section 1250 property used in connection with a franchise (within the meaning of section 1253) and owned by the franchisee in the study of recovery periods and depreciation methods under section 168 of the Code that is due to be submitted to the House Ways and Means and Senate Finance Committees by March 31, 2000.

Effective date.—The provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the provision of the House bill. Nonetheless, the conferees expect that the study will include an examination of the depreciation issues raised in the House bill and the Senate amendment, including leasehold improvements and section 1250 property used in connection with a franchise.

O. Tax Court Provisions

1. Tax Court filing fee (sec. 1361 of the House bill and sec. 7451 of the Code)

Present Law

Section 7451 authorizes the Tax Court to impose a fee of up to $60 for the filing of any petition "for the redetermination of a deficiency or for a declaratory judgment under part IV of this subchapter or under section 7428 or for judicial review under section 6226 or section 6228(a)." The statute does not specifically authorize the Tax Court to impose a filing fee for the filing of a petition for review of the IRS's failure to abate interest under section 6404 or for administrative costs under section 7430. The practice of the Tax Court is to impose a $60 filing fee in all cases commenced by petition.[61]

House Bill

Under the House bill, section 7451 is amended to provide that the Tax Court is authorized to charge a filing fee of up to $60 in all cases commenced by the filing of a petition.

Effective date.—The provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

2. Use of practitioner fee (sec. 1362 of the House bill and sec. 7475 of the code)

Present Law

Section 7475 authorizes the Tax Court to impose on practitioners a fee of up to $30 per year and permits these fees to be used to employ independent counsel to pursue disciplinary matters.

House Bill

The House bill provides that Tax Court fees imposed on practitioners also are available to provide services to pro se taxpayers.

Effective date.—The provision is effective on the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

3. Tax Court authority to apply equitable recoupment (sec. 1363 of the House bill and sec. 6214 of the code)

Present Law

Equitable recoupment is a common-law equitable principle which permits the defensive use of an otherwise time-barred claim to reduce or defeat an opponent's claim if both claims arise from the same transaction. U.S. District Courts and the U.S. Court of Federal Claims, the two Federal tax refund forums, may apply equitable recoupment in deciding tax refund cases.[62] In *Estate of Mueller* v. *Commissioner*,[63] the Tax Court held that it may apply equitable recoupment in deciding cases over which it has jurisdiction. However, the Court of Appeals for the Sixth Circuit recently held that the Tax Court may not apply the doctrine of equitable recoupment.[64]

House Bill

Under the House bill, section 6214(b) is amended to provide that the Tax Court may apply the principle of equitable recoupment to the same extent that it may be applied in Federal civil tax cases by the U.S. District Courts of U.S. Court of Federal Claims.[65]

Effective date.—The provision is effective for any action or proceeding in the Tax Court with respect to which a decision has not become final as of the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the House bill.

P. Allow Certain Wholesale Distributors and Control State Entities to Elect To Be Treated as Distilled Spirits Plants Operators (sec. 1371–1377 of the House bill and secs. 5002, 5005, 5011, 5113, 5171, 5178, 5212, 5214, 5232, 5551, 5601, 5602, and 5684 of the Code)

Present Law

Distilled spirits produced or imported (or brought) into the United States are subject to a $13.50 per proof gallon excise tax. A proof gallon is a U.S. gallon consisting of 50 percent alcohol. The tax is imposed on removal of the distilled spirits from the distillery where produced in the case of domestically produced spirits. In the case of distilled spirits imported in bulk and transferred to a U.S. distillery, the tax is imposed upon removal from the distillery. In the case of bottled distilled spirits imported into the United States, the tax is imposed on removal of the spirits from customs custody or the first customs bonded warehouse in the United States (or in a foreign trade zone) to which the spirits are transferred.

House Bill

The House bill allows certain wholesale dealers and certain control State entities[66] (collectively, "bonded dealers") to elect to become distilled spirits taxpayers. Code regulations relating to operation of distilled spirits plants, other than requirements directly related to production and bottling of distilled spirits, are extended to qualified bonded dealers. As under present law, excise tax will be determined in all cases upon removal from the distilled spirits plant or upon importation; however, in the case of distilled spirits transferred to a bonded dealer, payment of the tax will be delayed until the distilled spirits are removed from the bonded dealer's premises. All removals (including removals to other bonded dealers) of non-tax-paid distilled spirits by bonded dealers are subject to tax.

Operators of distilled spirits plants and importers will be required to certify to bonded dealers the amount of tax due with respect to all distilled spirits transferred without payment of tax. Bonded dealers are liable for the full amount of tax reflected in the certification supplied by the operator of distilled spirits plant from which the spirits are transferred without payment of tax. Distilled spirits plant operators remain liable for any understatement of tax on the certifications.

Only wholesale distributors or control State entities having gross receipts from the sale of distilled spirits within the United States in the 12-month period preceding the date on which the election is made equal to or exceeding $10 million may qualify as bonded dealers. Additionally, except in the case of control State entities, bonded dealers qualify only if they sell distilled spirits exclusively to other wholesale distributors (including other bonded dealers) or to independent retail dealers. Retail dealers, other than control State entities, are not permitted to be bonded dealers. For purposes of this rule, a wholesale distributor is treated as a retail dealer if the dealer directly, or indirectly through common ownership by or of a third party, more than 10 percent of a retail dealer.

As a condition of being granted and retaining bonded dealers status, electing wholesale distributors and control State entities are subject to a new Federal excise surtax equal to 1.5 percent of their liability for distilled spirits tax. The surtax is imposed in the same manner as the present-law distilled spirits tax; payment of the tax must be made in the same manner as the underlying distilled spirits excise tax. The surtax will expire after December 31, 2010.

Studies.—The House bill directs the Treasury Department to study and report to the House Committee on Ways and Means and the Senate Committee on Finance whether administrative efficiencies could result from cooperative tax collection agreements between the Federal Government and States. This report is due no later than the date which is one year after the bill's enactment.

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[61] See Rule 20(a) of the Tax Court Rules of Practice and Procedure.

[62] See *Stone* v. *White*, 301 U.S. 532 (1937); *Bull* v. *United States*, 295 U.S. 247 (1935).

[63] 101 T.C. 551 (1993).

[64] See *Estate of Mueller* v. *Commission*, 153 F.3d 302 (6th Cir. 1998), cert. denied, 67 U.S.L.W. 3525 (U.S. Feb. 22, 1999) (No. 98-794). In an earlier case, the Supreme Court specifically reserved ruling on whether the Tax Court may apply equitable recoupment in a case over which it otherwise has jurisdiction. *United States* v. *Dalm*, 494 U.S. 596, 611 n.8 (1990).

[65] No implication is intended with respect to whether the Tax court has the authority to continue to apply other equitable principles in deciding matters over which it has jurisdiction.

[66] A control state entity is a State or political subdivision of a State in which only the state or political subdivision is allowed by law to perform distilled spirits operations.

The House bill further directs the Treasury Department to study and report to these two Committees, the effect allowing bonded dealers to receive non-tax-paid distilled spirits on taxpayer compliance with the provisions of Code section 5010 (the "wine and flavors credits"). This report is due no later than June 1, 2002.

Effective date.—The provision is effective beginning on the first day of the first calendar quarter that begins at least 120 days after the bill's enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

Q. Simplify the Active Trade or Business Requirement for Tax-Free Spin-offs (sec. 1107 of the Senate amendment and sec. 355 of the Code)

Present Law

A corporation generally is required to recognize gain on the distribution of property (including stock of a subsidiary) to its shareholders as if such property had been sold for its fair market value. An exception to this rule is where the distribution of the stock of a controlled corporation satisfies the requirements of section 355. Among the requirements that must be satisfied in order to qualify for tax-free treatment under section 355 is that, immediately after the distribution, both the distributing corporation and the controlled corporation must be engaged in the active conduct of a trade or business (sec. 355(b)(1)).[67] For this purpose, a corporation is engaged in the active conduct of a trade or business only if (1) the corporation is directly engaged in the active conduct of a trade or business, or (2) if the corporation is not directly engaged in an active trade or business, then substantially all of its assets consist of stock and securities of a corporation it controls that is engaged in the active conduct of a trade or business (sec. 355(b)(2)(A)).

In determining whether a corporation satisfies the active trade or business requirement, the Internal Revenue Service's position for advance ruling purposes is that the value of the gross assets of the trade or business being relied on must constitute at least five percent of the total fair market value of the gross assets of the corporation directly conducting the trade or business.[68] However, if the corporation is not directly engaged in an active trade or business, then the "substantially all" test requires that at least 90 percent of the value of the corporation's gross assets consist of stock and securities of a controlled corporation that is engaged in the active conduct of a trade or business.[69]

House Bill

No provision.

Senate Amendment

The Senate amendment eliminates the "substantially all" test, and instead, applies the active trade or business requirement on an affiliated group basis. In applying the active trade or business test to an affiliated group, each separate affiliated group (immediately after the distribution) must satisfy the requirement. For the distributing corporation, the separate affiliated group consists of the distributing corporation as the common parent and all corporations connected with the distributing corporation through stock ownership described in section 1504(a)(1)(B) (regardless of whether the corporations are includible corporations under section 1504(b)). The separate affiliated group for a controlled corporation is determined in a similar manner (with the controlled corporation as the common parent).

Effective date.—The provision is effective for distributions after the date of enactment. Transition relief is provided for any distribution that is (1) made pursuant to an agreement which is binding on the date of enactment and at all times thereafter; (2) described in a ruling request submitted to the Internal Revenue Service on or before such date; or (3) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission. A corporation can make an irrevocable election to have the transition relief not apply (so that the provision would apply to all distributions after the date of enactment).

Conference Agreement

The conference agreement follows the Senate amendment.

R. Modify the Definition of Rural Airport Eligible for Reduced Air Passenger Ticket Tax Rate (sec. 1111 of the Senate amendment and sec. 4261 of the Code)

Present Law

Air passenger transportation is subject to an excise tax equal to 8 percent of the amount paid plus $2 per flight segment. After September 30, 1999, the ad valorem portion of this tax will decrease to 7.5 percent and the flight segment portion will increase to $2.25. Additional increases in the flight segment tax are scheduled until that rate equals $3 per flight segment (with indexing of the $3 amount one year after it is reached).

Flight segments to or from qualified rural airports are eligible for a reduced air passenger tax of 7.5 percent, with no segment tax being imposed on those segments. A qualified rural airport is defined as an airport that enplaned fewer than 100,000 passengers in the second preceding calendar year and either (1) is not located within 75 miles of a larger airport that is not qualified for the reduced tax rate or (2) was receiving essential air service subsidy payments as of August 5, 1997.

House Bill

No provision.

Senate Amendment

The definition of qualified rural airport is expanded to include otherwise qualified airports that are located within 75 miles of an unqualified, larger airports if the smaller airports are not connected by road to the larger airports (e.g., an airport on an island not connected by bridge to the mainland).

Effective date.—The provision is effective for amounts paid after December 31, 1999, for air transportation beginning after that date.

Conference Agreement

The conference agreement follows the Senate amendment.

S. Dividends Paid by Cooperatives (sec. 1112 of the Senate amendment and sec. 1388(a) of the Code)

Present Law

Cooperatives, including tax-exempt farmers' cooperatives, are treated like a conduit for Federal income tax purposes since a cooperative may deduct patronage dividends paid from its taxable income. In general, patronage dividends are amounts paid to patrons (1) on the basis of the quantity or value of business done with or for its patrons, (2) under a valid enforceable written obligation to the patron to pay such amount, which obligation existed before the cooperative received such amounts, and (3) which is determined by reference to the net earnings of the cooperative from business done with or for its patrons.

Treasury Regulations provide that net earnings are shall be reduced by dividends paid on capital stock or other proprietary capital interests. The effect of this rule is to reduce the amount of earnings that the cooperative can treat as patronage earnings which reduces the amount that cooperative can deduct as patronage dividends.

House Bill

No provision.

Senate Amendment

Under the amendment, patronage-sourced income is not reduced to the extent that the organizational documents (articles of incorporation, bylaws, or contract with patrons) provide that dividends on capital stock (or other proprietary capital interests) are "in addition" to amounts otherwise payable as patronage dividends.

Effective date.—The Senate amendment is effective for distributions made in taxable years beginning after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

T. Modify Personal Holding Company "Lending or Finance Business" Exception (sec. 1114 of the bill and sec. 542 of the Code)

Personal holding companies (PHC's) are subject to a 39.6% tax on undistributed PHC income. This tax can be avoided by distributing the income to shareholders, who then pay shareholder level tax. PHC's are closely held companies with at least 60% "personal holding company income" (PHCI). This is generally passive income, including interest, dividends, and rents. Certain rent is excluded from the definition, if rent is at least 50 percent of the adjusted ordinary gross income of the company and other undistributed PHCI does not exceed 10 percent of the adjusted ordinary gross income.

In the case of a group of corporations filing a consolidated return, with certain exceptions, the application of the PHC tax to the group and any member thereof is generally determined on the basis of consolidated income and consolidated PHCI. If any member of the group is excluded from the definition of a PHC under certain provisions (including one for certain lending or finance businesses), then each other member of the group is tested separately for PHC status.

A special rule of present law excludes a lending or finance business from the definition of a PHC if certain requirements are met. At least 60% of its income must come from the active conduct of a lending or finance business, and no more than 20% of its adjusted gross income may be from certain other PHCI. A lending or finance business does not include a business of making loans longer than 144 months (12 years). Also, the deductions attributable to this active lending or finance business (but not including interest expense) must be at least 5 percent of income over $500,000 (plus 15 percent of income under that amount).

House Bill

No provision.

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[67] If immediately before the distribution, the distributing corporation had no assets other than stock or securities in the controlled corporations, then each of the controlled corporations must be engaged immediately after the distribution in the active conduct of a trade or busnesss.

[68] Rev. Proc. 99-3, sec. 4.01(33), 1999-1 I.R.B. 111.

[69] Rev. Proc. 86-41, sec. 4.03(4), 1986-2 C.B. 716; Rev. Proc. 77-37, sec. 3.04, 1977-2 C.B. 568.

Senate Amendment

The Senate amendment modifies the personal holding company exclusion for lending or finance companies to provide that, in determining whether a member of an affiliated group (as defined in section 1504(a)(1)) filing a consolidated return is a lending or finance company, only corporations engaged in a lending or finance business are taken into account, and all such companies are aggregated for purposes of this determination. The effect of this rule is to treat a corporation as a lending or finance company if all companies engaged in a lending or finance business in the affiliated group, in the aggregate, satisfy the requirements of the exclusion.

The provision also repeals the business expense requirement and the limitation on the maturity of loans made by a lending or finance business.

The provision also broadens the definition of a lending or finance business to include providing financial or investment advisory services, as well as engaging in leasing, including entering into leases and/or purchasing, servicing, and/or disposing of leases and leased assets.

Rents that are not derived from the active and regular conduct of a lending or finance business would continue to be treated under the present law personal holding company income rules.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

U. Tax Credit for Modifications to Inter-City Buses Required Under the Americans with Disabilities Act of 1990 (sec. 1115 of the Senate amendment and sec. 44 of the Code)

Present Law

Present law provides a tax credit ("the disabled access credit") for eligible access expenditures paid or incurred by an eligible small business so that such business may comply with the Americans with Disabilities Act of 1990, (the"ADA"). The amount of the credit for any taxable year is equal to 50 percent of the eligible access expenditures for the taxable year that exceed $250 but do not exceed $10,250. Therefore the maximum annual credit is $5,000. An eligible small business is defined for any taxable year as a person that had gross receipts for the preceding taxable year that did not exceed $1 million or had no more than 30 full-time employees during the preceding taxable year.

Eligible access expenditures are defined as amounts paid or incurred by an eligible small business for the purpose of enabling such eligible small business to comply with applicable requirements of the ADA, as in effect on the date of enactment of the credit. Eligible access expenditures generally include amounts paid or incurred (1) for the purpose of removing architectural, communication, physical, or transportation barriers which prevent a business from being accessible to, or usable by, individuals with disabilities; (2) to provide qualified interpreters or other effective methods of making aurally delivered materials available to individuals with hearing impairments; (3) to provide qualified readers, taped texts, hearing impairments; (3) to provide qualified readers, taped texts and other effective methods of making visually delivered materials available to individuals with visual impairments; (4) to acquire or modify equipment or devices for individuals with disabilities; or (5) to provide other similar services, modifications, materials, or equipment. The expenditures must be reasonable and necessary to accomplish these purposes.

The disabled access credit is a general business credit and is subject to the present-law limitations on the amount of the general business credit that may be used for any taxable year. However, the portion of the unused business credit for any taxable year that is attributable to the disabled access credit may not to be carried back to any taxable year ending before the date of enactment of the credit.

House Bill

No provision.

Senate Amendment

The Senate amendment extends the disabled access credit to a business without regard to the eligible small business limitation generally applicable under the credit for the cost of making certain inter-city buses comply with the ADA under the Department of Transportation's ("DOT's") final rule making on September 28, 1998, (49 CFR Part 37). Specifically, the definition of eligible access expenditure under the credit is expanded to include the incremental capital cost paid or incurred by the taxpayer so that certain inter-city buses satisfy the DOT's rule making under the ADA. For purposes of this provision, the allowable credit is 50 percent of the eligible access expenditures, per bus, for the taxable year that exceed $250 but do not exceed $30,250. Therefore the maximum credit is $15,000, per bus. The otherwise allowable eligible access expenditures are reduced by any Federal or State grant monies received by the taxpayer to subsidize such expenditures relating to such intercity buses. For these purposes, inter-city buses are buses eligible for the reduced diesel fuel tax rate of 7.4 cents per gallon.

Effective date.—The Senate amendment provision is effective for taxable years beginning after December 31, 1999 and before January 1, 2012.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

V. Provisions Relating to Deduction for Business Meals

1. Increase deduction for business meals (sec. 804 of the House bill and sec. 274(n) of the Code)

Present Law

Ordinary and necessary business expenses, as well as expenses incurred for the production of income, are generally deductible, subject to a number of restrictions and limitations. Generally, the amount allowable as a deduction for business meal and entertainment expenses is limited to 50 percent of the otherwise deductible amount. Exceptions to this 50 percent rule are provided for food and beverages provided to crew members of certain vessels and offshore oil or gas platforms or drilling rigs, as well as to individuals subject to the hours of service limitations of the Department of Transportation.

House Bill

The provision phases in an increase from 50 percent to 80 percent in the deductible percentage of business meal (food and beverage) expenses.[175] The increase in the deductible percentage is phased in according to the following schedule:

Taxable years beginning in—	Deductible percentage
2005	55
2006	60
2007	65
2008	70
2009	75
2010 and thereafter	80

Effective date.—The provision is effective for taxable years beginning after 1999.

Senate Amendment

No provision.

Conference Agreement

The conference agreement increases the deductible percentage for business meal (food and beverage) expenses as follows:

Taxable years beginning in—	Deductible percentage
2006	55
2007 and thereafter	60

Effective date.—The provision is effective for taxable years beginning after 1999.

2. Increased deduction for business meals while operating under Department of Transportation hours of service limitations (sec. 1116 of the Senate amendment and sec. 274 of the Code)

Present Law

Ordinary and necessary business expenses, as well as expenses incurred for the production of income, are generally deductible, subject to a number of restrictions and limitations. Generally, the amount allowable as a deduction for food and beverage is limited to 50 percent of the otherwise deductible amount. Exceptions to the 50 percent rule are provided for food and beverages provided to crew members of certain vessels and offshore oil or gas platforms or drilling rigs.

The 1997 Act increased to 80 percent the deductible percentage of the cost of food and beverages consumed while away from home by an individual during, or incident to, a period of duty subject to the hours of service limitations of the Department of Transportation.

Individuals subject to the hours of service limitations of the Department of Transportation include:

(1) certain air transportation employees such as pilots, crew, dispatchers, mechanics, and control tower operators pursuant to Federal Aviation Administration regulations,

(2) interstate truck operators and interstate bus drivers pursuant to Department of Transportation regulations,

(3) certain railroad employees such as engineers, conductors, train crews, dispatchers and control operations personnel pursuant to Federal Railroad Administration regulations, and

(4) certain merchant mariners pursuant to Coast Guard regulations.

The increase in the deductible percentage is phased in according to the following schedule.

Taxable years beginning in—	Deductible percentage
1998, 1999	55
2000, 2001	60
2002, 2003	65
2004, 2005	70
2006, 2007	75
2008 and thereafter	80

House Bill

No provision.

Senate Amendment

The bill accelerates to taxable years beginning after 2006 the full 80 percent deduction for business meals while operating under Department of Transportation hours of service limitations.

Effective date.—The provision is effective for taxable years beginning after 2006.

Conference Agreement

The conference agreement follows the Senate amendment.

W. Authorize Limited Private Activity Tax-Exempt Financing for Highway Construction (sec. 1117 of the Senate amendment)

Present Law

Present law exempts interest on State or local government bonds from the regular income tax if the proceeds of the bonds are used to finance governmental activities of those units and the bonds are repaid with governmental revenues. Interest on bonds issued by States or local governments acting as conduits to provide financing for private persons is taxable unless a specific exception is provided in the Code. No such exception is provided for bonds issued to provide conduit financing for privately constructed and/or privately operated highways (e.g. toll roads).

House Bill

No provision.

Senate Amendment

The Senate amendment authorizes issuance of up to $15 billion of private activity tax-exempt bonds to finance the construction of up the 15 private highway pilot projects. Bonds for these projects generally will be subject to all Code provisions governing issuance of tax-exempt private activity bonds except (1) the annual State private activity bond volume limits and (2) no proceeds of these bonds may be used to finance land.

Effective date.—The provision applies to bonds issued after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment with a modification deleting the statutorily required report to Congress on the pilot program. The conferees intend that the Secretary of the Treasury and the Secretary of Transportation will prepare and submit to the Congress a report evaluating the overall effects of the program, including a description of each project receiving tax-exempt financing, the extent to which new technologies or construction techniques are used in the projects, information regarding any cost savings to the projects from the use of the new technologies or construction techniques, and the use and efficiency of the Federal subsidy provided by the tax-exempt financing.

X. Provisions Relating to Tax Incentives for the District of Columbia

1. Extend Tax Credit for First-time D.C. Homebuyers (sec. 1118 of the Senate amendment and sec. 1400C of the Code)

Present Law

First-time homebuyers of a principal residence in the District of Columbia are eligible for a nonrefundable tax credit of up to $5,000 of the amount of the purchase price. The $5,000 maximum credit applies both to individuals and married couples. Married individuals filing separately can claim a maximum credit of $2,500 each. The credit phases out for individual taxpayers with adjusted gross income between $70,000 and $90,000 ($110,000-$130,000 for joint filers). For purposes of eligibility, "first-time homebuyer" means any individual if such individual did not have a present ownership interest in a principal residence in the District of Columbia in the one year period ending on the date of the purchase of the residence to which the credit applies. The credit is scheduled to expire for residences purchased after December 31, 2000.

House Bill

No provision.

Senate Amendment

The Senate amendment extends the D.C. first-time homebuyer tax credit for 1 year, through December 31, 2001. In addition, the Senate amendment increases the phase-out range for married individuals filing a joint return so that it is twice that of unmarried individuals (i.e., the credit phases out for joint filers with adjusted gross income between $140,000 and $180,000).

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement includes the provision in the Senate amendment increasing the phase-out range for married individuals filing a joint return so that it is twice that of unmarried individuals (i.e., the credit phases out for joint filers with adjusted gross income between $140,000 and $180,000). The increase in the phase-out range is effective with respect to property purchased on or after the date of enactment.

The conference agreement does not include the Senate amendment provision extending the homebuyer credit.

2. Expand the Zero-percent Capital Gains Rate for DC Zone Assets (sec. 1119 of the Senate amendment and sec. 1400B of the Code)

Present Law

Present law provides a zero-percent capital gains rate for capital gains from the sale of certain qualified DC Zone assets held for more than five years . In general, a "DC Zone asset" means stock or partnership interests held in, or tangible assets held by, a DC Zone business. A DC Zone business generally refers to certain enterprise zone businesses within the DC Zone.[71] For purposes of the zero-percent capital gains rate, the D.C. Zone is defined to include all census tracts within the District of Columbia where the poverty rate is not less than 10 percent as determined on the basis of the 1990 Census (sec. 1400B(d)).

House Bill

No provision.

Senate Amendment

The Senate amendment eliminates the 10-percent poverty rate limitation for purposes of the zero-percent capital gains rate. Thus, the zero-percent capital gains rate applies to capital gains from the sale of assets held more than five years attributable to certain qualifying businesses located in the District of Columbia.

Effective date.—The provision is effective for DC Zone business stock and partnership interests originally issued after, and DC Zone business property assets originally acquired by the taxpayer after, December 31, 1999.

Conference Agreement

The conference agreement does not include the Senate amendment.

Y. Establish a Seven-year Recovery Period for Natural Gas Gathering Lines (sec. 1120 of the Senate amendment and sec. 168 of the Code)

Present Law

The applicable recovery period for assets placed in service under the Modified Accelerated Cost Recovery System is based on the "class life of the property." The class lives of assets placed in service after 1986 are set forth in Revenue Procedure 87-56.[72] Revenue Procedure 87-56 includes two asset classes that could describe natural gas gathering lines owned by nonproducers of natural gas. Asset class 13.2, describing assets used in the exploration for and production of petroleum and natural gas deposits, provides a class life of 14 years and a depreciation recovery period of seven years. Asset class 46.0, describing pipeline transportation, provides a class life of 22 years and a recovery period of 15 years. The uncertainty regarding the appropriate recovery period has resulted in litigation between taxpayers and the IRS. Recently, the 10th Circuit Court of Appeals held that natural gas gathering lines owned by nonproducers fall within the scope of Asset class 13.2 (i.e., 7-year recovery period).[73]

House Bill

No provision.

Senate Amendment

The Senate amendment establishes a statutory 7-year recovery period for all natural gas gathering lines. A natural gas gathering line is defined to include pipe, equipment, and appurtenances that is (1) determined to be a gathering line by the Federal Energy Regulatory Commission, or (2) used to deliver natural gas from the wellhead or a common point to the point at which such gas first reaches (a) a gas processing plant, (b) an interconnection with an interstate transmission line, (c) an interconnection with an intrastate transmission line, or (d) a direct interconnection with a local distribution company, a gas storage facility, or an industrial consumer.

Effective date.—The provision is effective for property placed in service on or after the date of enactment. No inference is intended as to the proper treatment of such property placed in service before the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment.

Z. Reclassify Air Transportation on Certain Small Seaplanes As Non-Commercial Aviation for Excise Tax Purposes (sec. 1121 of the Senate amendment and sec. 4261 of the Code)

Present Law

Commercial air passenger transportation is subject to an excise tax equal to 8 percent of the amount paid plus $2 per flight segment. After September 30, 1999, the *ad valorem* portion of this tax will decrease to 7.5 percent and the flight segment portion will increase to $2.25. Additional increases in the flight segment tax are scheduled until that rate equals $3 per flight segment (with indexing of the $3 amount one year after it is reached). In addition, fuel used in commercial aviation is subject to a 4.3-cents-per-gallon excise tax on fuels used in the aircraft.

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[71] For purposes of the zero-percent capital gains rate, a DC Zone business is defined by reference to the definition of an enterprise zone business in section 1397B, except that (1) the requirement that 35 percent of the employees of the business must be residents of the DC Zone does not apply, and (2) the DC Zone business must derive at least 80 percent (as opposed to 50 percent) of its total gross income from the active conduct of a qualified business within the DC Zone (sec. 1400B(c)).

[72] 1987-2 C.B. 674.

[73] *Duke Energy v. Commissioner*, 172 F. 3d 1255 (10th Cir. 1999), *Rev'g* 109 T.C. 416 (1997). *See also True v. United States*, 97-2 U.S. Tax Cas. (CCH) par. 50.946 (D. Wyo. 1997).

In lieu of the ticket taxes imposed on commercial air passenger transportation, noncommercial transportation is subject to excise taxes on the fuels used in the aircraft. Non-commercial air transportation is defined as transportation which is not for hire. The fuels excise tax rates are 19.3 cents per gallon (aviation gasoline) and 21.8 cents per gallon (jet fuel).

Revenues from all of these excise taxes are deposited in the Airport and Airway Trust Fund to finance Federal Aviation Administration programs.

House Bill

No provision.

Senate Amendment

The Senate amendment re-classifies passenger transportation for hire on certain small seaplanes as non-commercial aviation. As such, the transportation will be subject to the full 19.3 cents-per-gallon and 21.8-cents-per-gallon Airport and Airway Trust Fund excise taxes rather than the passenger ticket tax. Transportation is eligible for this provision only it occurs on seaplanes (planes that both take off from and land on water) and that have a maximum certificated takeoff weight of 6,000 pounds or less with respect to any flight segment.

Effective date.—The provision is effective for transportation beginning after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

XIV. ADDITIONAL MISCELLANEOUS PROVISIONS

A. Exemption from Federal Income Tax for Amounts Received by Holocaust Victims and Their Heirs (sec. 1122 of the Senate Amendment)

Present Law

Under the Code, gross income means "income from whatever source derived" except for certain items specifically exempt or excluded by statute (sec. 61). There is no explicit statutory exception from gross income provided for amounts received by Holocaust victims or their heirs.

House Bill

No provision.

Senate Amendment

The Senate amendment provides an exclusion from gross income for any amount received by an individual or any heir of the individual: (1) from the Swiss Humanitarian Fund established by the government of Switzerland or from any similar fund established in any foreign country; (2) as a result of the settlement of the action entitled, "In re Holocaust Victims" Asset Litigation", (E.D. NY), C.A. No. 96-4849, or as a result of any similar action; and (3) the value of land (including structures thereon) recovered by an individual (or any heir of the individual) from a government of a foreign country as a result of a settlement of a claim arising out of the confiscation of such land in connection with the Holocaust.

Effective date.—The provision is effective with regard to any amounts received before, on, or after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment provision but only on a prospective basis.

Effective date.—The provision is effective with regard to any amounts received on or after the date of enactment. No inference is intended as to the proper treatment of payments made before the date of enactment.

B. Medical Innovation Tax Credit (section 1137 of the Senate amendment and new section 41A of the Code)

Present Law

Section 41 provides for a research tax credit equal to 20 percent of the amount by which a taxpayer's qualified research expenditures for a taxable year exceeds its base amount for that year. In the case of contract research expenditures, generally only 65 percent of such expenditures are included in the calculation of a taxpayer's total qualified research expenditures. The research tax credit expired and generally does not apply to amounts paid or incurred after June 30, 1998.

House bill

No provision.

Senate Amendment

The Senate amendment permits a taxpayer to claim a 40-percent credit for qualified medical research expenditures made with respect to certain human clinical testing of any drug, biologic, or medical device. The credit would apply to qualified medical research expenditures in excess of a base period amount. Qualified medical research expenditures are only those amounts paid to certain academic institutions.

Effective date.—The provision is effective for taxable years beginning after December 31, 1998.

Conference Agreement

The conference agreement follows the Senate amendment.

C. Capital Gain Holding Period for Horses (sec. 812 of the Senate amendment and sec. 1231 of the Code)

Present Law

Under present law, cattle and horses held by the taxpayer for draft, breeding, dairy, or sporting purposes and held 24 months or more are eligible for capital gain treatment. Other livestock held for these purposes are eligible for capital gain treatment if held for 12 months or more.

House Bill

No provision.

Senate Amendment

The Senate amendment reduces the 24-month capital gain holding period for horses to 12 months.

Effective date.—The provision is effective for dispositions after December 31, 2000.

Conference Agreement

The conference agreement does not include the provision in the Senate amendment.

D. Disclosure of Tax Return Information for Combined Employment Tax Reporting (sec. 1131 of the Senate amendment and sec. 6103(d) of the Code)

Present Law

Traditionally, Federal tax forms are filed with the Federal government and State tax forms are filed with individual States. This necessitates duplication of items common to both returns. Some States have recently been working with the IRS to implement combined State and Federal reporting of certain types of items on one form as a way of reducing the burdens on taxpayers.

The State of Montana and the IRS have cooperatively developed a system to combine State and Federal employment tax reporting on one form. The one form contains exclusively Federal data, exclusively State data, and information common to both: the taxpayer's name, address, TIN, and signature.

The Code permits implementation of a demonstration project to assess the feasibility and desirability of expanding combined reporting in the future. There are several limitations on the demonstration project. First, it is limited to the State of Montana and the IRS. Second, it is limited to employment tax reporting. Third, it is limited to disclosure of the name, address, TIN, and signature of the taxpayer, which is information common to both the Montana and Federal portions of the combined form. Fourth, it is limited to a period of five years. The provision will expire on August 5, 2002.

The Internal Revenue Code prohibits disclosure of tax returns and return information, except to the extent specifically authorized by the Internal Revenue Code (sec. 6103). Unauthorized disclosure is a felony punishable by a fine not exceeding $5,000 or imprisonment of not more than five years, or both (sec. 7213). An action for civil damages also may be brought for unauthorized disclosure (sec. 7431). No tax information may be furnished by the Internal Revenue Service ("IRS") to another agency unless the other agency establishes procedures satisfactory to the IRS for safeguarding the tax information it receives (sec. 6103(p)).

House Bill

No provision.

Senate Amendment

The Senate amendment permits the Secretary to disclose taxpayer identity information and signatures to any State for purposes of carrying out a combined Federal and State employment tax reporting program.

Effective date.—The provision is effective on the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

E. Tax Rates for Trusts with Disabled Beneficiary (sec. 211 of the Senate amendment and section 1 of the Code)

Present Law

Taxation of trusts

Trusts are treated as conduits where income distributed to beneficiaries is taxed to the beneficiaries and not the trust. Income which the trust accumulates and does not distribute to beneficiaries in the year earned is taxed to the trust.

Income tax rate structure

To determine regular income tax liability, a taxpayer generally must apply the tax rate schedules (or the tax tables) to his or her taxable income. The rate schedules are broken into several ranges of income, known as income brackets, and the marginal tax rate increases as a taxpayer's income increases. The income bracket amounts are indexed for inflation. Separate rate schedules apply based on an individual's filing status, including estates and trusts. For 1999, the individual regular income tax rate schedules are shown below.

Table 1.—Federal Individual Income Tax Rates for 1999

If taxable income is:	Then income tax equals:
Single individuals	
$0-25,750	15 percent of taxable income
$25,750-$62,450	$3,862.50, plus 28% of the amount over $25,750
$62,450-$130,250	$14,138.50 plus 31% of the amount over $62,450
$130,250-$283,150	$35,156.50 plus 36% of the amount over $130,250
Over $283,150	$90,200.50 plus 39.6% of the amount over $283,150
Estates and trusts	
$0-$1,750	15 percent of taxable income

$1,750-$4,050	$262.50 plus 28% of the excess over $1,750
$4,050-$6,200	$906.50 plus 31% of the amount over $4,050
$6,200-$8,450	$1,573 plus 36% of the amount over $6,200
Over $8,450	$2,383 plus 39.6% of the amount over $8,450
Over $283,150	$87,548 plus 39.6% of the amount over $283,150

House Bill

No provision.

Senate Amendment

The Senate amendment provides that the tax rates applicable to a single individual will also apply to a trust whose exclusive purpose is to provide reasonable amounts for the support and maintenance of its sole beneficiary who is totally and permanently disabled (within the meaning of sec. 22(e)(3)) for the trust's entire taxable year.

Effective date.—The Senate amendment provision is effective for taxable years beginning after December 31, 2006.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

F. Taxation of Flights on Noncommercial Aircraft (sec. 370 of the Senate amendment and sec. 132 of the Code)

Present Law

In general under present law, the value of personal use of an employer-provided aircraft is includible in the gross income and wages of the employee. Under one exception to this rule, if 50 percent or more of the regular seating capacity of an aircraft is occupied by individuals whose flights are primarily for the employer's business, the value of a flight on that aircraft by any employee who is not flying primarily for the employer's business is deemed to be zero.[74] Thus, no amount is includible in the income of the employee by reason of such a flight.

Present law also provides an exclusion from gross income and wages for no-additional-cost-services. In general, a no-additional-cost-service is any service provided by an employer to an employee if such service if offered for sale to customers in the ordinary course of the line of business of the employer in which the employee is performing services, and the employer incurs no substantial additional cost (including forgone revenue) in providing such service to the employee (determined without regard to any amount paid for the employee for such service). Under this rule, services provided to the spouse or dependent child of the employee are treated as if provided to the employee. In addition, the term "employee" includes former employees who separated from service from the employer by reason of retirement or disability and surviving spouses of employees. The exclusion does not apply with respect to a no-additional-cost service provided to a highly compensated employee unless the service is available on a nondiscriminatory basis.

Except as described above, these exclusions are generally not available with respect to individuals who are not employees, e.g., independent contractors.

House Bill

No provision.

Senate Amendment

Under the provision, the value of certain transportation provided to an employee on a noncommercially operated aircraft is treated as a no-additional-cost-service. The provision applies to transportation provided to an employee by an employer on a noncommercially operated aircraft if (1) the transportation is provided on a flight made in the ordinary course of the trade or business of the employer owning or leasing such aircraft for use in such trade or business, (2) the flight would have been made even if the employee were not being transported, and (3) and no substantial additional cost is incurred in providing the transportation.

As under the present-law rule relating to no-additional-cost-services, services provided to the spouse or dependent child of the employee are treated as if provided to the employee. In addition, the term "employee" includes former employees who separated from service from the employer by reason of retirement or disability and surviving spouses of employees. Also, the exclusion does not apply with respect to a no-additional-cost service provided to a highly compensated employee unless the service is available on a nondiscriminatory basis.

In addition, under the provision, use of noncommercial aircraft by any individual is treated as use by an employee if no regularly scheduled commercial flight is available on the day of the flight from the air facility at the individual's location to the area surrounding the air facility where the noncommercial flight ends.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

G. Exclusion for Certain Severance Payments (sec. 1135 of the Senate amendment and new sec. 139 of the Code)

Present Law

Under present law, severance payments are includible in gross income.

House Bill

No provision.

Senate Amendment

Under the provision, up to $2,000 of qualified severance payments received with respect to a separation from employment are excludable from the gross income of the recipient. Qualified severance payments are payments received by an individual on account of separation from employment in connection with a reduction in the employer's work force. The exclusion is not available if the individual becomes employed within 6 months of the separation from employment at a compensation level that is at least 95 percent of the compensation the individual received before the separation. The exclusion does not apply if the total severance payments received by the individual in connection with the separation from employment exceed $75,000.

Effective date.—The provision is effective for taxable years beginning after December 31, 2000, and before January 1, 2002.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

H. FUTA Treatment of Maple Syrup Workers (sec. 1132 of the Senate amendment and sec. of the Code)

Present Law

In general

For purposes of the FUTA tax, a person is considered an employer, if the person pays wages of $1,500 or more in any calendar quarter in the calendar year or the immediately prior calendar year and employs at least one individual for one day (or portion thereof) on at least 20 days during the calender year or immediately prior calender year. For these purposes, each day must occur in a different calendar week. Generally, qualifying as an employer results in the obligation to pay FUTA taxes.

Agricultural labor

In the case of agricultural labor, a person is considered an employer, if the person pays wages of $20,000 or more of agricultural labor in any calendar quarter in the calendar year or the immediately prior calendar year and employs at least ten individuals for one day (or portion thereof) on at least 20 days during the calender year or immediately prior calender year. For these purposes, each day must occur in a different calendar week. Generally, qualifying as an employer results in the obligation to pay FUTA taxes.

The production or harvesting of maple syrup generally constitutes agricultural labor only if such services are performed on a farm.

House Bill

No provision.

Senate Amendment

The Senate amendment provides that, for purposes of FUTA tax, agricultural labor includes any labor connected to the harvesting or production of maple sap into maple syrup or sugar, regardless of the location of the labor.

Effective date.—The Senate amendment provision is effective on the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

I. Modify Rules Governing Tax-Exempt Bonds for Section 501(c)(3) Organizations as Applied to Organizations Engaged in Timber Conservation Activities (sec. 1133 of the Senate amendment and sec. 145 of the Code)

Present Law

Interest on State or local government bonds is tax-exempt when the proceeds of the bonds are used to finance activities carried out by or paid for by those governmental units. Interest on bonds issued by State or local governments acting as conduit borrowers for private businesses is taxable unless a specific exception is included in the Code. One such exemption allows tax-exempt bonds to be issued to finance activities of non-profit organizations described in Code section 501(c)(3) ("qualified 501(c)(3) bonds").

Qualified 501(c)(3) bonds may be issued only to finance exempt, as opposed to unrelated business, activities of these organizations. However, if the bonds are issued to finance property which is intended to be, or is in fact, sold to a private business while the bonds are outstanding, bond interest may be taxable. An example of such an issue would be qualified 501(c)(3) bonds issued to finance purchase of land and standing timber, when the timber was to be sold.

As is true of other private activities receiving tax-exempt financing, beneficiaries of qualified 501(c)(3) bonds are restricted in the arrangements they may have with private businesses relating to control and use of bond-financed property.

House Bill

No provision.

Senate Amendment

The Senate amendment modifies the rules governing issuance of qualified 501(c)(3) bonds to permit issuance of long-term bonds for the acquisition of timber land by organizations a principal purpose of which is conservation of that land as timber land. Under these rules, the bonds will not have to be repaid (to avoid loss of tax-exemption on interest) when the timber is harvested and sold. In addition, the Senate amendment provision allows these section 501(c)(3) organizations to enter into certain otherwise prohibited timber management arrangements with private businesses without losing tax-exemption on bonds used to finance the property and timber.

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[74] Treas. reg. sec. 1.61-21(g)(12).

Effective date.—The provision is effective for bonds issued after the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

XV. EXTENSION OF EXPIRING TAX PROVISIONS

A. Extension of Research and Experimentation Tax Credit and Increase in the Rates for the Alternative Incremental Research Credit (sec. 1401 of the House bill, sec. 1201 of the Senate amendment, and sec. 41 of the Code)

Present Law

Section 41 provides for a research tax credit equal to 20 percent of the amount by which a taxpayer's qualified research expenditures for a taxable year exceeded its base amount for that year. The research tax credit expired and generally does not apply to amounts paid or incurred after June 30, 1998.

Except for certain university basic research payments made by corporations, the research tax credit applies only to the extent that the taxpayer's qualified research expenditures for the current taxable year exceed its base amount. The base amount for the current year generally is computed by multiplying the taxpayer's "fixed-base percentage" by the average amount of the taxpayer's gross receipts for the four preceding years. If a taxpayer both incurred qualified research expenditures and had gross receipts during each of at least three years from 1984 through 1988, then its "fixed-base percentage" is the ratio that its total qualified research expenditures for the 1984–1988 period bears to its total gross receipts for that period (subject to a maximum ratio of .16). All other taxpayers (so-called "start-up firms") are assigned a fixed-base percentage of 3 percent.

Taxpayers are allowed to elect an alternative incremental research credit regime. If a taxpayer elects to be subject to this alternative regime, the taxpayer is assigned a three-tiered fixed-base percentage (that is lower than the fixed-base percentage otherwise applicable under present law) and the credit rate likewise is reduced. Under the alternative credit regime, a credit rate of 1.65 percent applies to the extent that a taxpayer's current-year research expenses exceed a base amount computed by using a fixed-base percentage of 1 percent (i.e., the base amount equals 1 percent of the taxpayer's average gross receipts for the four preceding years) but do not exceed a base amount computed by using a fixed-base percentage of 1.5 percent. A credit rate of 2.2 percent applies to the extent that a taxpayer's current-year research expenses exceed a base amount computed by using a fixed-base percentage of 1.5 percent but do not exceed a base amount computed by using a fixed-base percentage of 2 percent. A credit rate of 2.75 percent applies to the extent that a taxpayer's current-year research expenses exceed a base amount computed by using a fixed-base percentage of 2 percent. An election to be subject to this alternative incremental credit regime may be made for any taxable year beginning after June 30, 1996, and such an election applies to that taxable year and all subsequent years (in the event that the credit subsequently is extended by Congress) unless revoked with the consent of the Secretary of the Treasury.

House Bill

The House bill extends the research tax credit for five years—i.e., generally, for the period July 1, 1999, through June 30, 2004.

In addition, the House bill increases the credit rate applicable under the alternative incremental research credit one percentage point per step, that is from 1.65 percent to 2.65 percent when a taxpayer's current-year research expenses exceed a base amount of 1 percent but do not exceed a base amount of 1.5 percent; from 2.2 percent to 3.2 percent when a taxpayer's current-year research expenses exceed a base amount of 1.5 percent but do not exceed a base amount of 2 percent; and from 2.75 percent to 3.75 percent when a taxpayer's current-year research expenses exceed a base amount of 2 percent.

Effective date.—The extension of the research credit is effective for qualified research expenditures paid or incurred during the period July 1, 1999, through June 30, 2004. The increase in the credit rate under the alternative incremental research credit is effective for taxable years beginning after June 30, 1999.

Senate Amendment

The Senate amendment extends the research tax credit permanently.

In addition, the Senate amendment increases the credit rate applicable under the alternative incremental research credit one percentage point per step, that is, identical to the House bill.

Effective date.—The extension of the research credit is effective for qualified research expenditures paid or incurred after June 30, 1999. The increase in the credit rate under the alternative incremental research credit is effective for taxable years beginning after June 30, 1999.

Conference Agreement

The conference agreement follows the House bill by extending the research credit through June 30, 2004.

In addition, the conference agreement follows the House bill and the Senate amendment by increasing the credit rate applicable under the alternative incremental research credit by one percentage point per step.

Effective date.—The extension of the research credit is effective for qualified research expenditures paid or incurred during the period July 1, 1999, through June 30, 2004. The increase in the credit rate under the alternative incremental research credit is effective for taxable years beginning after June 30, 1999.

B. Extend Exceptions under Subpart F for Active Financing Income (sec. 1402 of the House bill, sec. 1202 of the Senate amendment, and secs. 953 and 954 of the Code)

Present Law

Under the subpart F rules, 10-percent U.S. shareholders of a controlled foreign corporation ("CFC") are subject to U.S. tax currently on certain income earned by the CFC, whether or not such income is distributed to the shareholders. The income subject to current inclusion under the subpart F rules includes, among other things, foreign personal holding company income and insurance income. In addition, 10-percent U.S. shareholders of a CFC are subject to current inclusion with respect to their shares of the CFC's foreign base company services income (i.e., income derived from services performed for a related person outside the country in which the CFC is organized).

Foreign personal holding company income generally consists of the following: (1) dividends, interest, royalties, rents, and annuities; (2) net gains from the sale or exchange of (a) property that gives rise to the preceding types of income, (b) property that does not give rise to income, and (c) interests in trusts, partnerships, and REMICs; (3) net gains from commodities transactions; (4) net gains from foreign currency transactions; (5) income that is equivalent to interest; (6) income from notional principal contracts; and (7) payments in lieu of dividends.

Insurance income subject to current inclusion under the subpart F rules includes any income of a CFC attributable to the issuing or reinsuring of any insurance or annuity contract in connection with risks located in a country other than the CFC's country of organization. Subpart F insurance income also includes income attributable to an insurance contract in connection with risks located within the CFC's country of organization, as the result of an arrangement under which another corporation receives a substantially equal amount of consideration for insurance of other-country risks. Investment income of a CFC that is allocable to any insurance or annuity contract related to risks located outside the CFC's country of organization is taxable as subpart F insurance income (Prop. Treas. Reg. sec. 1.953–1(a)).

Temporary exceptions from foreign personal holding company income, foreign base company services income, and insurance income apply for subpart F purposes for certain income that is derived in the active conduct of a banking, financing, or similar business, or in the conduct of an insurance business (so-called "active financing income"). These exceptions are applicable only for taxable years beginning in 1999.[75]

With respect to income derived in the active conduct of a banking, financing, or similar business, a CFC is required to be predominantly engaged in such business and to conduct substantial activity with respect to such business in order to qualify for the exceptions. In addition, certain nexus requirements apply, which provide that income derived by a CFC or a qualified business unit ("QBU") of a CFC from transactions with customers is eligible for the exceptions if, among other things, substantially all of the activities in connection with such transactions are conducted directly by the CFC or QBU in its home country, and such income is treated as earned by the CFC or QBU in its home country for purposes of such country's tax laws. Moreover, the exceptions apply to income derived from certain cross border transactions, provided that certain requirements are met. Additional exceptions from foreign personal holding company income apply for certain income derived by a securities dealer within the meaning of section 475 and for gain from the sale of active financing assets.

In the case of insurance, in addition to a temporary exception from foreign personal holding company income for certain income of a qualifying insurance company with respect to risks located within the CFC's country of creation or organization, certain temporary exceptions from insurance income and from foreign personal holding company income apply for certain income of a qualifying branch of a qualifying insurance company with respect to risks located within the home country of the branch, provided certain requirements are met under each of the exceptions. Further, additional temporary exceptions from insurance income and from foreign personal holding company income apply for certain income of certain CFCs or branches with respect to risks located in a country other than the United States, provided that the requirements for these exceptions are met.

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[75] Temporary exceptions from the subpart F provisions for certain active financing income applied only for taxable years beginning in 1998. Those exceptions were extended and modified as part of the present-law provisions.

House Bill

The House bill extends for five years the present-law temporary exceptions from subpart F foreign personal holding company income, foreign base company services income, and insurance income for certain income that is derived in the active conduct of a banking, financing, or similar business, or in the conduct of an insurance business.

Effective date.—The provision is effective for taxable years of a foreign corporation beginning after December 31, 1999, and before January 1, 2005, and for taxable years of U.S. shareholders with or within which such taxable years of such foreign corporation end.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

C. Extend Suspension of Net Income Limitation on Percentage Depletion from Marginal Oil and Gas Wells (sec. 1403 of the House bill, sec. 1203 of the Senate amendment, and sec. 613A of the Code)

Present Law

The Code permits taxpayers to recover their investments in oil and gas wells through depletion deductions. In the case of certain properties, the deductions may be determined using the percentage depletion method. Among the limitations that apply in calculating percentage depletion deductions is a restriction that, for oil and gas properties, the amount deducted may not exceed 100 percent of the net income from that property in any year (sec. 613(a)).

Special percentage depletion rules apply to oil and gas production from "marginal" properties (sec. 613A(c)(6)). Marginal production is defined as domestic crude oil and natural gas production from stripper well property or from property substantially all of the production from which during the calendar year is heavy oil. Stripper well property is property from which the average daily production is 15 barrel equivalents or less, determined by dividing the average daily production of domestic crude oil and domestic natural gas from producing wells on the property for the calendar year by the number of wells. Heavy oil is domestic crude oil with a weighted average gravity of 20 degrees API or less (corrected to 60 degrees Fahrenheit). Under one such special rule, the 100-percent-of-net-income limitation does not apply to domestic oil and gas production from marginal properties during taxable years beginning after December 31, 1997, and before January 1, 2000.

House Bill

The House bill extends the present-law suspension of the 100-percent-of-net-income limitation with respect to oil and gas production from marginal wells to include taxable years beginning after December 31, 1999, and before January 1, 2005.

Effective date.—The provision is effective for taxable years beginning after December 31, 1999.

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

D. Extend of the Work Opportunity Tax Credit (sec. 1404 of the House bill, sec. 1204 of the Senate amendment, and sec. 51 of the Code)

Present Law

In general

The work opportunity tax credit ("WOTC"), which expired on June 30, 1999, was available on an elective basis for employers hiring individuals from one or more of eight targeted groups. The credit equals 40 percent (25 percent for employment of 400 hours or less) of qualified wages. Generally, qualified wages are wages attributable to service rendered by a member of a targeted group during the one-year period beginning with the day the individual began work for the employer.

The maximum credit per employee is $2,400 (40% of the first $6,000 of qualified first-year wages). With respect to qualified summer youth employees, the maximum credit is $1,200 (40 percent of the first $3,000 of qualified first-year wages).

The employer's deduction for wages is reduced by the amount of the credit.

Targeted groups eligible for the credit

The eight targeted groups are: (1) families eligible to receive benefits under the Temporary Assistance for Needy Families (TANF) Program; (2) high-risk youth; (3) qualified ex-felons; (4) vocational rehabilitation referrals; (5) qualified summer youth employees; (6) qualified veterans; (7) families receiving food stamps; and (8) persons receiving certain Supplemental Security Income (SSI) benefits.

Minimum employment period

No credit is allowed for wages paid to employees who work less than 120 hours in the first year of employment.

Expiration date

The credit is effective for wages paid or incurred to a qualified individual who began work for an employer before July 1, 1999.

House Bill

The House bill extends the work opportunity tax credit for 30 months (through December 31, 2001). The House bill also directs the Secretary of the Treasury to expedite procedures to allow taxpayers to satisfy their WOTC filing requirements (e.g., Form 8850) by electronic means.

Effective date.—The House bill provision is effective for wages paid or incurred to qualified individuals who begin work for the employer on or after July 1, 1999, and before January 1, 2002.

Senate Amendment

The Senate amendment extends the work opportunity tax credit for five years (through June 30, 2004).

Effective date.—The Senate amendment provision is effective for wages paid or incurred to qualified individuals who begin work for the employer on or after July 1, 1999, and before July 1, 2004.

Conference Agreement

The conference agreement provides for a 30-month extension of the work opportunity tax credit. The conferees also direct the Secretary of the Treasury to expedite the use of electronic filing of requests for certification under the credit. They believe that participation in the program by businesses should not be discouraged by the requirement that such forms (i.e., the Form 8850) be submitted in paper form.

Effective date.—The provision is effective for wages paid or incurred to qualified individuals who begin work for the employer on or after July 1, 1999, and before January 1, 2002.

E. Extend of the Welfare-To-Work Tax Credit (sec. 1404 of the House bill, sec. 1204 of the Senate amendment, and sec. 51A of the Code)

Present Law

The Code provides to employers a tax credit on the first $20,000 of eligible wages paid to qualified long-term family assistance (AFDC or its successor program) recipients during the first two years of employment. The credit is 35 percent of the first $10,000 of eligible wages in the first year of employment and 50 percent of the first $10,000 of eligible wages in the second year of employment. The maximum credit is $8,500 per qualified employee.

Qualified long-term family assistance recipients are: (1) members of a family that has received family assistance for at least 18 consecutive months ending on the hiring date; (2) members of a family that has received family assistance for a total of at least 18 months (whether or not consecutive) after the date of enactment of this credit if they are hired within 2 years after the date that the 18-month total is reached; and (3) members of a family who are no longer eligible for family assistance because of either Federal or State time limits, if they are hired within 2 years after the Federal or State time limits made the family ineligible for family assistance.

Eligible wages include cash wages paid to an employee plus amounts paid by the employer for the following: (1) educational assistance excludable under a section 127 program (or that would be excludable but for the expiration of sec. 127); (2) health plan coverage for the employee, but not more than the applicable premium defined under section 4980B(f)(4); and (3) dependent care assistance excludable under section 129.

The welfare to work credit is effective for wages paid or incurred to a qualified individual who begins work for an employer on or after January 1, 1998, and before July 1, 1999.

House Bill

The House bill extends the welfare-to-work tax credit for 30 months.

Effective date.—The House bill provision extends the welfare-to-work credit effective for wages paid or incurred to a qualified individual who begins work for an employer on or after July 1, 1999, and before January 1, 2002.

Senate Amendment

The Senate amendment extends the welfare-to-work tax credit five years.

Effective date.—The Senate amendment provision extends the welfare-to-work credit effective for wages paid or incurred to a qualified individual who begins work for an employer on or after July 1, 1999, and before July 1, 2004.

Conference Agreement

The conference agreement provides for a 30-month extension of the welfare-to-work tax credit.

Effective date.—The provision is effective for wages paid or incurred to a qualified individual who begins work for an employer on or after July 1, 1999, and before January 1, 2002.

F. Extend and Modify Tax Credit for Electricity Produced by Wind and Closed-Loop Biomass Facilities (sec. 1205 of the Senate amendment and sec. 45 of the Code)

Present Law

An income tax credit is allowed for the production of electricity from either qualified wind energy or qualified "closed-loop" biomass facilities (sec. 45). The credit applies to electricity produced by a qualified wind energy facility placed in service after December 31, 1993, and before July 1, 1999, and to electricity produced by a qualified closed-loop biomass facility placed in service after December 31, 1992, and before July 1, 1999. The credit is allowable for production during the 10-year period after a facility is originally placed in service.

Closed-loop biomass is the use of plant matter, where the plants are grown for the sole purpose of being used to generate electricity. It does not include the use of waste materials (including, but not limited to, scrap wood, manure, and municipal or agricultural waste). The credit also is not available to taxpayers who use standing timber to produce electricity. In order to claim the credit, a taxpayer must own the facility and sell the electricity produced by the facility to an unrelated party.

House Bill

No provision.

Senate Amendment

The present-law tax credit for electricity produced by wind and closed-loop biomass is extended for five years, for facilities placed in service after June 30, 1999, and before July 1, 2004. The provision also modifies the tax credit to include electricity produced from poultry litter, for facilities placed in service after December 31, 1999, and before July 1, 2004. The credit for electricity produced from poultry litter is available to the lessor/operator of a qualified facility that is owned by a governmental entity. The credit further is expanded to include electricity produced from landfill gas by the owner of the gas collection facility, for electricity produced from facilities placed in service after December 31, 1999, and before June 30, 2004.

Finally, the credit is expanded to include electricity produced from certain other biomass (in addition to closed-loop biomass and poultry waste). This additional biomass is defined as solid, nonhazardous, cellulose waste material which is segregated from other waste materials and which is derived from forest resources, but not including old-growth timber. The term also includes urban sources such as waste pallets, crates, manufacturing and construction wood waste, and tree trimmings, or agricultural sources (including grain, orchard tree crops, vineyard legumes, sugar, and other crop by-products or residues. The term does not include unsegregated municipal solid waste or paper that commonly is recycled. In the case of this additional biomass, the credit applies to electricity produced after December 31, 1999 from facilities that are placed in service before January 1, 2003 (including facilities placed in service before the date of enactment of this provision). The credit is allowed for production attributable to biomass produced at facilities that are co-fired with coal.

Effective date.—The extension of the tax credit for electricity produced from wind and closed-loop biomass is effective for facilities placed in service after June 30, 1999. The modification to include electricity produced from poultry waste and landfill gas is effective for facilities placed in service after December 31, 1999. The modification to include other types of biomass is effective for facilities placed in service before January 1, 2003, but no credits may be claimed for production before January 1, 2000.

Conference Agreement

The conference agreement follows the Senate amendment, with a modification limiting the extension to facilities producing electricity from wind, closed-loop biomass, and poultry waste (i.e., the conference agreement does not include landfill gas, closed-loop biomass, or other biomass as qualified sources of electricity). The provision applies to facilities placed in service after June 30, 1999 and before July 1, 2003 (wind and closed-loop biomass) and after December 31, 1999 and before July 1, 2003 (poultry waste).

G. Extend Exemption From Diesel Dyeing Requirement for Certain Areas in Alaska (sec. 1206 of the Senate amendment and sec. 4082 of the Code)

Present Law

An excise tax totaling 24.4 cents per gallon is imposed on diesel fuel. The diesel fuel tax is imposed on removal of the fuel from a pipeline or barge terminal facility (i.e., at the "terminal rack"). Present law provides that tax is imposed on all diesel fuel removed from terminal facilities unless the fuel is destined for a nontaxable use and is indelibly dyed pursuant to Treasury Department regulations.

In general, the diesel fuel tax does not apply to non-transportation uses of the fuel. Off-highway business uses are included within this non-transportation use exemption. This exemption includes use on a farm for farming purposes and as fuel powering off-highway equipment (e.g., oil drilling equipment). Use as heating oil also is exempt. (Most fuel commonly referred to as heating oil is diesel fuel.) The tax also does not apply to fuel used by State and local governments, to exported fuels, and to fuels used in commercial shipping. Fuel used by intercity buses and trains is partially exempt from the diesel fuel tax.

A similar dyeing regime exists for diesel fuel under the Clean Air Act. That Act prohibits the use on highways of diesel fuel with a sulphur content exceeding prescribed levels. This "high sulphur" diesel fuel is required to be dyed by the EPA.

The State of Alaska generally is exempt from the Clean Air Act dyeing regime for a period established by the U.S. Environmental Protection Agency (urban areas) or permanently (remote areas). Diesel fuel used in Alaska is exempt from the excise tax dyeing requirements for periods when the EPA requirements do not apply.

House Bill

No provision.

Senate Amendment

The Senate amendment makes the excise tax exemption for Alaska urban areas permanent (i.e., independent of the EPA rules).

Effective date.—The provision is effective on the date of enactment.

Conference Agreement

The conference agreement does not include the Senate amendment provision.

H. Expensing of Environmental Remediation Expenditures and Expansion of Qualifying Sites (sec. 1207 of the Senate amendment and sec. 198 of the Code)

Present Law

Taxpayers can elect to treat certain environmental remediation expenditures that would otherwise be chargeable to capital account as deductible in the year paid or incurred (sec. 198). The deduction applies for both regular and alternative minimum tax purposes. The expenditure must be incurred in connection with the abatement or control of hazardous substances at a qualified contaminated site.

A "qualified contaminated site" generally is any property that (1) is held for use in a trade or business, for the production of income, or as inventory; (2) is certified by the appropriate State environmental agency to be located within a targeted area; and (3) contains (or potentially contains) a hazardous substance (so-called "brownfields"). Targeted areas are defined as: (1) empowerment zones and enterprise communities as designated under present law; (2) sites announced before February, 1997, as being subject to one of the 76 Environmental Protection Agency ("EPA") Brownfields Pilots; (3) any population census tract with a poverty rate of 20 percent or more; and (4) certain industrial and commercial areas that are adjacent to tracts described in (3) above. However, sites that are identified on the national priorities list under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 cannot qualify as targeted areas.

Eligible expenditures are those paid or incurred before January 1, 2001.

House Bill

No provision.

Senate Amendment

The Senate amendment extends the expiration date for eligible expenditures to include those paid or incurred before July 1, 2004.

In addition, the bill eliminates the targeted area requirement, thereby expanding eligible sites to include any site containing (or potentially containing) a hazardous substance that is certified by the appropriate State environmental agency, but not those sites that are identified on the national priorities list under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

Effective date.—The provision to extend the expiration date is effective upon the date of enactment. The provision to expand the class of eligible sites is effective for expenditures paid or incurred after December 31, 1999.

Conference Agreement

The conference agreement follows the Senate amendment by expanding eligible sites to include any site containing (or potentially containing) a hazardous substance that is certified by the appropriate State environmental agency, but not those sites that are identified on the national priorities list under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

The conference agreement does not include an extension of the present-law expiration date for section 198.

Effective date.—The provision to expand the class of eligible sites is effective for expenditures paid or incurred after December 31, 1999.

XVI. REVENUE OFFSET PROVISIONS

A. Expand Reporting of Cancellation of Indebtedness Income (sec. 1501 of the House bill, sec. 1302 of the Senate amendment, and sec. 6050P of the Code)

Present Law

Under section 61(a)(12), a taxpayer's gross income includes income from the discharge of indebtedness. Section 6050P requires "applicable entities" to file information returns with the Internal Revenue Service (IRS) regarding any discharge of indebtedness of $600 or more.

The information return must set forth the name, address, and taxpayer identification number of the person whose debt was discharged, the amount of debt discharged, the date on which the debt was discharged, and any other information that the IRS requires to be provided. The information return must be filed in the manner and at the time specified by the IRS. The same information also must be provided to the person whose debt is discharged by January 31 of the year following the discharge.

"Applicable entities" include: (1) the Federal Deposit Insurance Corporation (FDIC), the Resolution Trust Corporation (RTC), the National Credit Union Administration, and any successor or subunit of any of them; (2) any financial institution (as described in sec. 581 (relating to banks) or sec. 591(a) (relating to savings institutions)); (3) any credit union; (4) any corporation that is a direct or indirect subsidiary of an entity described in (2) or (3) which, by virtue of being affiliated with such entity, is subject to supervision and examination by a Federal or State agency regulating such entities; and (5) an executive, judicial, or legislative agency (as defined in 31 U.S.C. sec. 3701(a)(4)).

Failures to file correct information returns with the IRS or to furnish statements to taxpayers with respect to these discharges of indebtedness are subject to the same general penalty that is imposed with respect to failures to provide other types of information returns. Accordingly, the penalty for failure to furnish statements to taxpayers is generally $50 per failure, subject to a maximum of $100,000 for any calendar year. These penalties are not applicable if the failure is due to reasonable cause and not to willful neglect.

House Bill

The bill requires information reporting on indebtedness discharged by any organization a significant trade or business of which is the lending of money (such as finance companies and credit card companies whether or not affiliated with financial institutions).

Effective date.—The provision is effective with respect to discharges of indebtedness after December 31, 1999.

Senate Amendment

Same as House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

B. Extension of IRS User Fees (sec. 1502 of the House bill, sec. 1304 of the Senate amendment, and new sec. 7527 of the Code)

Present Law

The IRS provides written responses to questions of individuals, corporations, and organizations relating to their tax status or the effects of particular transactions for tax purposes. The IRS generally charges a fee for requests for a letter ruling, determination letter, opinion letter, or other similar ruling or determination. Public Law 104–117[76] extended the statutory authorization for these user fees[77] through September 30, 2003.

House Bill

The bill extends the statutory authorization for these user fees through September 30, 2009. The bill also moves the statutory authorization for these fees into the Internal Revenue Code.

Effective date.—The provision, including moving the statutory authorization for these fees into the Code and repealing the off-Code statutory authorization for these fees, is effective for requests made after the date of enactment.

Senate Amendment

Same as House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

C. Impose Limitation on Prefunding of Certain Employee Benefits (sec. 1503 of the House bill, sec. 1312 of the Senate amendment, and secs. 419A and 4976 of the Code)

Present Law

Under present law, contributions to a welfare benefit fund generally are deductible when paid, but only to the extent permitted under the rules of sections 419 and 419A. The amount of an employer's deduction in any year for contributions to a welfare benefit fund cannot exceed the fund's qualified cost for the year minus the fund's after-tax income for the year. With certain exceptions, the term qualified cost means the sum of (1) the amount that would be deductible for benefits provided during the year if the employer paid them directly and was on the cash method of accounting, and (2) within limits, the amount of any addition to a qualified asset account for the year. A qualified asset account includes any account consisting of assets set aside for the payment of disability benefits, medical benefits, supplemental unemployment compensation or severance pay benefits, or life insurance benefits. The account limit for a qualified asset account for a taxable year is generally the amount reasonably and actuarially necessary to fund claims incurred but unpaid (as of the close of the taxable year) for benefits with respect to which the account is maintained and the administrative costs incurred with respect to those claims. Specific additional reserves are allowed for future provision of post-retirement medical and life insurance benefits.

The deduction limits of sections 419 and 419A for contributions to welfare benefit funds do not apply in the case of certain 10-or-more employer plans. A plan is a 10-or-more employer plan if (1) more than one employer contributes to it, and (2) no employer is normally required to contribute more than 10 percent of the total contributions contributed under the plan by all employers. The exception is not available if the plan maintains experience-rating arrangements with respect to individual employers.

If any portion of a welfare benefit fund reverts to the benefit of an employer, an excise tax equal to 100 percent of the reversion is imposed on the employer.

House Bill

The present-law exception to the deduction limit for 10-or-more employer plans is limited to plans that provide only medical benefits, disability benefits, and qualifying group-term life insurance benefits to plan beneficiaries. The legislative history provides that qualifying group-term life insurance benefits do not include any arrangements that permit a plan beneficiary to directly or indirectly access all or part of the account value of any life insurance contract, whether through a policy loan, a partial or complete surrender of the policy, or otherwise. Also, the legislative history provides that it is intended that qualifying group-term life insurance benefits do not include any arrangement whereby a plan beneficiary may receive a policy without a stated account value that has the potential to give rise to an account value whether through the exchange of such policy for another policy that would have an account value or otherwise. The 10-or-more employer plan exception is no longer available with respect to plans that provide supplemental unemployment compensation, severance pay, or life insurance (other than qualifying group-term life insurance) benefits. Thus, the generally applicable deduction limits (sections 419 and 419A) apply to plans providing these benefits.

In addition, if any portion of a welfare benefit fund attributable to contributions that are deductible pursuant to the 10-or-more employer exception (and earnings thereon) is used for a purpose other than for providing medical benefits, disability benefits, or qualifying group-term life insurance benefits to plan beneficiaries, such portion is treated as reverting to the benefit of the employers maintaining the fund and is subject to the imposition of the 100-percent excise tax. Thus, for example, cash payments to employees upon termination of the fund, and loans or other distributions to the employee or employer, would be treated as giving rise to a reversion that is subject to the excise tax.

The legislative history indicates that no inference is intended with respect to the validity of any 10-or-more employer arrangement under the provisions of present law.

Effective date.—The House bill is effective with respect to contributions paid or accrued on or after June 9, 1999, in taxable years ending after such date.

Senate Amendment

The Senate amendment is the same as the House bill, except the Senate amendment states that group-term life insurance benefits that qualify for the 10-or-more employer exception are group-term life insurance benefits that do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan. In addition, the legislative history indicates that it is intended that group-term life insurance benefits do not fail to be qualifying group-term life insurance benefits solely as a result of the inclusion of de minimis ancillary benefits, as described in Treasury regulations.

Effective date.—The effective date of the Senate amendment is the same as the effective date of the House bill.

Conference Agreement

The conference agreement follows the Senate amendment. It is intended that group-term life insurance benefits do not fail to be qualifying group-term life insurance benefits solely as a result of the inclusion of de minimis ancillary benefits, as described in Treasury regulations under the provision.

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[76] An Act to provide that members of the Armed Froces performing services for the peacekeeping efforts in Bosnia and Herzegovina, Croatia, and Macedonia shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, and for other purposes (March 20, 1996).

[77] These user fees were originally enacted in section 10511 of the Revenue Act of 1987 (Public Law 100-203, December 22, 1987).

D. Increase Elective Withholding Rate for Nonperiodic Distributions from Deferred Compensation Plans (sec. 1504 of the bill and sec. 3405 of the Code)

Present Law

Present law provides that income tax withholding is required on designated distributions from employer compensation plans (whether or not such plans are tax qualified), individual retirement arrangements ("IRAs"), and commercial annuities unless the payee elects not to have withholding apply. A designated distribution does not include any payment (1) that is wages, (2) the portion of which it is reasonable to believe is not includible in gross income,[78] (3) that is subject to withholding of tax on nonresident aliens and foreign corporations (or would be subject to such withholding but for a tax treaty), or (4) that is a dividend paid on certain employer securities (as defined in sec. 404(k)(2)).

Tax is generally withheld on the taxable portion of any periodic payment as if the payment is wages to the payee. A periodic payment is a designated distribution that is an annuity or similar periodic payment.

In the case of a nonperiodic distribution, tax generally is withheld at a flat 10-percent rate unless the payee makes an election not to have withholding apply. A nonperiodic distribution is any distribution that is not a periodic distribution. Under current administrative rules, an individual receiving a nonperiodic distribution can designate an amount to be withheld in addition to the 10-percent otherwise required to be withheld.

Under present law, in the case of a nonperiodic distribution that is an eligible rollover distribution, tax is withheld at a 20-percent rate unless the payee elects to have the distribution rolled directly over to an eligible retirement plan (i.e., an IRA, a qualified plan (sec. 401(a)) that is a defined contribution plan permitting direct deposits of rollover contributions, or a qualified annuity plan (sec. 403(a)). In general, an eligible rollover distribution includes any distribution to an employee of all or any portion of the balance to the credit of the employee in a qualified plan or qualified annuity plan. An eligible rollover distribution does not include any distribution that is part of a series of substantially equal periodic payments made (1) for the life (or life expectancy) of the employee or for the joint lives (or joint life expectancies) of the employee and the employee's designated beneficiary, or (2) over a specified period of 10 years or more. An eligible rollover distribution also does not include any distribution required under the minimum distribution rules of section 401(a)(9), hardship distributions from section 401(k) plans, or the portion of a distribution that is not includible in income. The payee of an eligible rollover distribution can only elect not to have withholding apply by making the direct rollover election.

House Bill

Under the bill, the withholding rate for nonperiodic distributions would be increased from 10 percent to 15 percent. As under present law, unless the distribution is an eligible rollover distribution, the payee could elect not to have withholding apply. The bill does not modify the 20-percent withholding rate that applies to any distribution that is an eligible rollover distribution.

Effective date.—The provision is effective for distributions made after December 31, 1999.

Senate Amendment

The provision is the same as the House bill.

Effective date.—Distributions made after December 31, 2000.

Conference Agreement

The conference agreement follows the Senate amendment.

E. Modify Treatment of Closely-Held REITs (sec. 1505 of the House bill, sec. 1320 of the Senate amendment, and sec. 856 of the Code)

Present Law

In general, a real estate investment trust ("REIT") is an entity that receives most of its income from passive real estate related investments and that receives pass-through treatment for income that is distributed to shareholders. If an electing entity meets the qualifications for REIT status, the portion of its income that is distributed to the investors each year generally is taxed to the investors without being subjected to tax at the REIT level.

A REIT must satisfy a number of tests on a year-by-year basis that relate to the entity's: (1) organizational structure; (2) source of income; (3) nature of assets; and (4) distribution of income.

Under the organizational structure test, except for the first taxable year for which an entity elects to be a REIT, the beneficial ownership of the entity must be held by 100 or more persons. Generally, no more than 50 percent of the value of the REIT's stock can be owned by five or fewer individuals during the last half of the taxable year. Certain attribution rules apply in making this determination. No similar rule applies to corporate ownership of a REIT. Certain transactions have been structured to attempt to achieve special tax benefits for an entity that controls a REIT.

House Bill

The House bill provision imposes as an additional requirement for REIT qualification that, except for the first taxable year for which an entity elects to be a REIT, no one person can own stock of a REIT possessing 50 percent or more of the combined voting power of all classes of voting stock or 50 percent or more of the total value of shares of all classes of stock of the REIT. For purposes of determining a person's stock ownership, rules similar to attribution rules for REIT independent contractor qualification under present law apply (secs. 856(d)(5) and 856(h)(3)). The provision does not apply to ownership by a REIT of 50 percent or more of the stock (vote or value) of another REIT.

An exception applies for a limited period to certain "incubator REITs". An incubator REIT is a corporation that elects to be treated as an incubator REIT and that meets all the following other requirements. (1) it has only voting common stock outstanding, (2) not more than 50 percent of the corporation's real estate assets consist of mortgages, (3) from not later than the beginning of the last half of the second taxable year, at least 10 percent of the corporation's capital is provided by lenders or equity investors who are unrelated to the corporation's largest shareholder, (4) the directors of the corporation must adopt a resolution setting forth an intent to engage in a going public transaction, and (5) no predecessor entity (including any entity from which the electing incubator REIT acquired assets in a transaction in which gain or loss was not recognized in whole or in part) had elected incubator REIT status.

The new ownership requirement does not apply to an electing incubator REIT until the end of the REIT's third taxable year; and can be extended for an additional two taxable years if the REIT so elects. However, a REIT cannot elect the additional two year extension unless the REIT agrees that if it does not engage in a going public transaction by the end of the extended eligibility period, it shall pay Federal income taxes for the two years of the extended period as if it had not made an incubator REIT election and had ceased to qualify as a REIT for those two taxable years. In such case, the corporation shall file appropriate amended returns within 3 months of the close of the extended eligibility period. Interest would be payable, but no substantial underpayment penalties would apply except in cases where there is a finding that incubator REIT status was elected for a principal purpose other than as part of a reasonable plan to engage in a going public transaction. Notification of shareholders and any other person whose tax position would reasonably be expected to be affected is also required.

If an electing incubator REIT does not elect to extend its initial 2-year extended eligibility period and has not engaged in a going public transaction by the end of such period, it must satisfy the new control requirements as of the beginning of its fourth taxable year (i.e., immediately after the close of the last taxable year of the two-year initial extension period) or it will be required to notify its shareholders and other persons that may be affected by its tax status, and pay Federal income tax as a corporation that has ceased to qualify as a REIT at that time.

If the Secretary of the Treasury determines that an incubator REIT election was filed for a principal purpose other than as part of a reasonable plan to undertake a going public transaction, an excise tax of $20,000 is imposed on each of the corporation's directors for each taxable year for which the election was in effect.

A going public transaction is defined as either (1) a public offering of shares of stock of the incubator REIT, (2) a transaction, or series of transactions, that result in the incubator REIT stock being regularly traded on an established securities market (as defined in section 897) and being held by shareholders unrelated to persons who held such stock before it began to be so regularly traded, or (3) any transaction resulting in ownership of the REIT by 200 or more persons (excluding the largest single shareholder) who in the aggregate own least 50 percent of the stock of the REIT. Attribution rules apply in determining ownership of stock.

Effective date.—The provision is effective for taxable years ending after July 12, 1999. Any entity that elects (or has elected) REIT status for a taxable year including July 12, 1999, and which is both a controlled entity and has significant business assets or activities on such date, will not be subject to the proposal. Under this rule, a controlled entity with significant business assets or activities on July 14, 1999, can be grandfathered even if it makes its first REIT election after that date with its return for the taxable year including that date.

For purposes of the transition rules, the significant business assets or activities in place on July 12, 1999, must be real estate assets and activities of a type that would be qualified real estate assets and would produce qualified real estate related income for a REIT.

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[78] All IRA distributions are treated as if includible in income for purposes of this rule. A technical correction contained in the bill modifies this rule in the case of Roth IRAs.

Senate Amendment

The Senate amendment is the same as the House bill except that the Senate amendment contains an additional qualification for incubator REIT status, namely, that the corporation must annually increase the value of real estate assets by at least 10 percent.

For purposes of determining whether a corporation has met the requirement that it annually increase the value of its real estate assets by 10 percent, the following rules shall apply. First, values shall be based on cost and properly capitalizable expenditures with no adjustment for depreciation. Second, the test shall be applied by comparing the value of assets at the end of the first taxable year with those at the end of the second taxable year and by similar successive taxable year comparisons during the eligibility period. Third, if a corporation fails the 10 percent comparison test for one taxable year, it may remedy the failure by increasing the value of real estate assets by 25 percent in the following taxable year, provided it meets all the other eligibility period requirements in that following taxable year.

Effective date.—The effective date of the Senate amendment is the same as the House bill except that the Senate amendment substitutes the date July 14, 1999 for the date July 12, 1999.

Conference Agreement

The conference agreement follows the Senate amendment with a modification in the attribution rules so that once stock is deemed owned by a qualified entity (a REIT or a partnership of which a REIT is at least a 50 percent partner) it will not be reattributed under section 318(a)(3)(C).

Effective date.—The effective date is the same as that of the Senate amendment.

F. Limit Conversion of Character of Income from Constructive Ownership Transactions (sec. 1506 of the House bill, sec. 1314 of the Senate amendment, and new sec. 1260 of the Code)

Present Law

The maximum individual income tax rate on ordinary income and short-term capital gain is 39.6 percent, while the maximum individual income tax rate on long-term capital gain generally is 20 percent. Long-term capital gain means gain from the sale or exchange of a capital asset held more than one year. For this purpose, gain from the termination of a right with respect to property that would be a capital asset in the hands of the taxpayer is treated as capital gain.[79]

A pass-thru entity (such as a partnership) generally is not subject to Federal income tax. Rather, each owner includes its share of a pass-thru entity's income, gain, loss, deduction or credit in its taxable income. Generally, the character of the item is determined at the entity level and flows through to the owners. Thus, for example, the treatment of an item of income by a partnership as ordinary income, short-term capital gain, or long-term capital gain retains its character when reported by each of the partners.

Investors may enter into forward contracts, notional principal contracts, and other similar arrangements with respect to property that provides the investor with the same or similar economic benefits as owning the property directly but with potentially different tax consequences (as to the character and timing of any gain).

House Bill

The House bill limits the amount of long-term capital gain a taxpayer could recognize from certain derivative contracts ("constructive ownership transaction") with respect to certain financial assets. The amount of long-term capital gain is limited to the amount of such gain the taxpayer would have had if the taxpayer held the asset directly during the term of the derivative contract. Any gain in excess of this amount is treated as ordinary income. An interest charge is imposed on the amount of gain that is treated as ordinary income. The House bill does not alter the tax treatment of the long-term capital gain that is not treated as ordinary income.

A taxpayer is treated as having entered into a constructive ownership transaction if the taxpayer (1) holds a long position under a notional principal contract with respect to the financial asset, (2) enters into a forward contract to acquire the financial asset, (3) is the holder of a call option, and the grantor of a put option, with respect to a financial asset, and the options have substantially equal strike prices and substantially contemporaneous maturity dates, or (4) to the extent provided in regulations, enters into one or more transactions, or acquires one or more other positions, that have substantially the same effect as any of the transactions described. The House bill anticipates that Treasury regulations, when issued, will provide specific standards for determining when other types of financial transactions, like those specified in the provision, have the effect of replicating the economic benefits of direct ownership of a financial asset (and will be treated as a constructive ownership transaction).

A "financial asset" is defined as (1) any equity interest in a pass-thru entity, and (2) to the extent provided in regulations, any debt instrument and any stock in a corporation that is not a pass-thru entity. A "pass-thru entity" refers to (1) a regulated investment company, (2) a real estate investment trust, (3) an S corporation, (4) a partnership, (5) a trust, (6) a common trust fund, (7) a passive foreign investment company, (8) a foreign personal holding company, and (9) a foreign investment company.

The amount of recharacterized gain is calculated as the excess of the amount of long-term capital gain the taxpayer would have had absent this provision over the "net underlying long-term capital gain" attributable to the financial asset. The net underlying long-term capital gain is the amount of net capital gain the taxpayer would have realized if it had acquired the financial asset for its fair market value on the date the constructive ownership transaction was opened and sold the financial asset on the date the transaction was closed (only taking into account gains and losses that would have resulted from the constructive ownership of the financial asset).[80] The long-term capital gains rate on the net underlying long-term capital gain is determined by reference to the individual capital gains rates in section 1(h).

An interest charge is imposed on the underpayment of tax for each year that the constructive ownership transaction was open. The interest charge is the amount of interest that would be imposed under section 6601 had the recharacterized gain been included in the taxpayer's gross income during the term of the constructive ownership transaction. The recharacterized gain is treated as having accrued such that the gain in each successive year is equal to the gain in the prior year increased by a constant growth rate[81] during the term of the constructive ownership transaction.

A taxpayer is treated as holding a long position under a notional principal contract with respect to a financial asset if the person (1) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on the financial asset for a specified period, and (2) is obligated to reimburse (or provide credit) for all or substantially all of any decline in the value of the financial asset. A forward contract is a contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

If the constructive ownership transaction is closed by reason of taking delivery of the underlying financial asset, the taxpayer is treated as having sold the contracts, options, or other positions that are part of the transaction for its fair market value on the closing date. However, the amount of gain that is recognized as a result of having taken delivery is limited to the amount of gain that is treated as ordinary income by reason of this provision (with appropriate basis adjustments for such gain).

The provision does not apply to any constructive ownership transaction if all of the positions that are part of the transaction are marked to market under the Code or regulations. The provision also does not apply to transactions entered into by tax-exempt organizations and foreign taxpayers.

The Treasury Department is authorized to prescribe regulations as necessary to carry out the purposes of the provision, including to (1) permit taxpayers to mark to market constructive ownership transactions in lieu of the provision, and (2) exclude certain forward contracts that do not convey substantially all of the economic return with respect to a financial asset.

Effective date.—The provision applies to transactions entered into on or after July 12, 1999.

Senate Amendment

The Senate amendment is the same as the House bill with some modifications. The Senate amendment modifies the definition of a "pass-thru entity" to include (1) a real estate mortgage investment conduit and (2) a passive foreign investment company that is also a controlled foreign corporation. The Committee report clarifies (1) the types of financial transactions that, under Treasury regulations, are expected to have substantially the same effect as those specified in the provision, and (2) the determination of the amount of any net underlying long-term capital gain. The Committee report further provides that no inference is intended as to the proper treatment of a constructive ownership transaction entered into prior to the effective date of the provision.

Effective date.—The provision applies to transactions entered into on or after July 12, 1999. It is intended that a contract, option or any other arrangement that is entered into or exercised on or after July 12, 1999 which extends or otherwise modifies the terms of a transaction entered into prior to such date is treated as a transaction entered into on or after July 12, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

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[79] Section 1234A, as amended by the Taxpayer Relief Act of 1997.

[80] A taxpayer must establish the amount of the net underlying long-term capital gain with clear and convincing evidence; otherwise, the amount is deemed to be zero.

[81] The accrual rate is the applicable Federal rate on the day the transaction closed.

G. Treatment of Excess Pension Assets Used for Retiree Health Benefits (sec. 1507 of the House bill, sec. 1305 of the Senate amendment, sec. 420 of the Code, and secs. 101, 403, and 408 of ERISA)

Present Law

Defined benefit pension plan assets generally may not revert to an employer prior to the termination of the plan and the satisfaction of all plan liabilities. A reversion prior to plan termination may constitute a prohibited transaction and may result in disqualification of the plan. Certain limitations and procedural requirements apply to a reversion upon plan termination. Any assets that revert to the employer upon plan termination are includible in the gross income of the employer and subject to an excise tax. The excise tax rate, which may be as high as 50 percent of the reversion, varies depending upon whether or not the employer maintains a replacement plan or makes certain benefit increases. Upon plan termination, the accrued benefits of all plan participants are required to be 100-percent vested.

A pension plan may provide medical benefits to retired employees through a section 401(h) account that is a part of such plan. A qualified transfer of excess assets of a defined benefit pension plan (other than a multiemployer plan) into a section 401(h) account that is a part of such plan does not result in plan disqualification and is not treated as a reversion to the employer or a prohibited transaction. Therefore, the transferred assets are not includible in the gross income of the employer and are not subject to the excise tax on reversions.

Qualified transfers are subject to amount and frequency limitations, use requirements, deduction limitations, vesting requirements and minimum benefit requirements. Excess assets transferred in a qualified transfer may not exceed the amount reasonably estimated to be the amount that the employer will pay out of such account during the taxable year of the transfer for qualified current retiree health liabilities. No more than one qualified transfer with respect to any plan may occur in any taxable year.

The transferred assets (and any income thereon) must be used to pay qualified current retiree health liabilities (either directly or through reimbursement) for the taxable year of the transfer. Transferred amounts generally must benefit all pension plan participants, other than key employees, who are entitled upon retirement to receive retiree medical benefits through the section 401(h) account. Retiree health benefits of key employees may not be paid (directly or indirectly) out of transferred assets. Amounts not used to pay qualified current retiree health liabilities for the taxable year of the transfer are to be returned at the end of the taxable year to the general assets of the plan. These amounts are not includible in the gross income of the employer, but are treated as an employer reversion and are subject to a 20-percent excise tax.

No deduction is allowed for (1) a qualified transfer of excess pension assets into a section 401(h) account, (2) the payment of qualified current retiree health liabilities out of transferred assets (and any income thereon) or (3) a return of amounts not used to pay qualified current retiree health liabilities to the general assets of the pension plan.

In order for the transfer to be qualified, accrued retirement benefits under the pension plan generally must be 100-percent vested as if the plan terminated immediately before the transfer.

The minimum benefit requirement requires each group health plan under which applicable heath benefits are provided to provide substantially the same level of applicable health benefits for the taxable year of the transfer and the following 4 taxable years. The level of benefits that must be maintained is based on benefits provided in the year immediately preceding the taxable year of the transfer. Applicable health benefits are health benefits or coverage that are provided to (1) retirees who, immediately before the transfer, are entitled to receive such benefits upon retirement and who are entitled to pension benefits under the plan and (2) the spouses and dependents of such retirees.

The provision permitting a qualified transfer of excess pension assets to pay qualified current retiree health liabilities expires for taxable years beginning after December 31, 2000.[87]

House Bill

The present-law provision permitting qualified transfers of excess defined benefit pension plan assets to provide retiree health benefits under a section 401(h) account is extended through September 30, 2009. In addition, the present-law minimum benefit requirement is replaced by the minimum cost requirement that applied to qualified transfers before December 9, 1994, to section 401(h) accounts. Therefore, each group health plan or arrangement under which applicable health benefits are provided is required to provide a minimum dollar level of retiree health expenditures for the taxable year of the transfer and the following 4 taxable years. The minimum dollar level is the higher of the applicable employer costs for each of the 2 taxable years immediately preceding the taxable year of the transfer. The applicable employer cost for a taxable year is determined by dividing the employer's qualified current retiree health liabilities by the number of individuals to whom coverage for applicable health benefits was provided during the taxable year.

Effective date.—The House bill is effective with respect to qualified transfers of excess defined benefit pension plan assets to section 401(h) accounts after December 31, 2000, and before October 1, 2009. The modification of the minimum benefit requirement is effective with respect to transfers after the date of enactment.

Senate Amendment

The Senate amendment is the same as the House bill.[88]

Effective date.—Same as the House bill, except that the modification of the minimum benefit requirement is effective with respect to transfers after the date of enactment. In addition, the Senate amendment contains a transition rule regarding the minimum cost requirement. Under this rule, an employer must satisfy the minimum benefit requirement with respect to a qualified transfer that occurs after the date of enactment during the portion of the cost maintenance period of such transfer that overlaps the benefit maintenance period of a qualified transfer that occurs on or before the date of enactment. For example, suppose an employer (with a calendar year taxable year) made a qualified transfer in 1998. The minimum benefit requirement must be satisfied for calendar years 1998, 1999, 2000, 2001, and 2002. Suppose the employer also makes a qualified transfer in 2000. Then, the employer is required to satisfy the minimum benefit requirement in 2000, 2001, and 2002, and is required to satisfy the minimum cost requirement in 2003 and 2004.

Conference Agreement

The conference agreement follows the Senate amendment.

H. Modify Installment Method and Prohibit its Use by Accrual Method Taxpayers (sec. 1508 of the House bill, sec. 1313 of the Senate amendment, and secs. 453 and 453A of the Code)

Present Law

An accrual method taxpayer is generally required to recognize income when all the events have occurred that fix the right to the receipt of the income and the amount of the income can be determined with reasonable accuracy. The installment method of accounting provides an exception to this general principle of income recognition by allowing a taxpayer to defer the recognition of income from the disposition of certain property until payment is received. Sales to customers in the ordinary course of business are not eligible for the installment method, except for sales of property that is used or produced in the trade or business of farming and sales of timeshares and residential lots if an election to pay interest under section 453(l)(2)(B)) is made.

A pledge rule provides that if an installment obligation is pledged as security for any indebtedness, the net proceeds[89] of such indebtedness are treated as a payment on the obligation, triggering the recognition of income. Actual payments received on the installment obligation subsequent to the receipt of the loan proceeds are not taken into account until such subsequent payments exceed the loan proceeds that were treated as payments. The pledge rule does not apply to sales of property used or produced in the trade or business of farming, to sales of timeshares and residential lots where the taxpayer elects to pay interest under section 453(l)(2)(B), or to dispositions where the sales price does not exceed $150,000.

An additional rule requires the payment of interest on the deferred tax that is attributable to most large installment sales.

House Bill

Prohibition on the use of the installment method for accrual method dispositions

The provision generally prohibits the use of the installment method of accounting for dispositions of property that would otherwise be reported for Federal income tax purposes using an accrual method of accounting. The provision does not change present law regarding the availability of the installment method for dispositions of property used or produced in the trade or business of farming. The provision also does not change present law regarding the availability of the installment method for dispositions of timeshares or residential lots if the taxpayer elects to pay interest under section 453(l).

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[82] Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), provides that plan participants, the Secretaries of Treasury and the Department of Labor, the plan administrator, and each employee organization representing plan participants must be notified 60 days before a qualified transfer of excess assets to a retiree health benefits account occurs (ERISA sec. 103(e)). ERISA also provides that a qualified transfer is not a prohibited transaction under ERISA (ERISA sec. 408(b)(13)) or a prohibited reversion of assets to the employer (ERISA sec. 403(c)(1)). For purposes of these provisions, a qualified transfer is generally defined as a transfer pursuant to section 420 of the Internal Revenue Code, as in effect on January 1, 1995.

[83] The Senate amendment modifies the corresponding provisions of ERISA.

[84] The net proceeds equal the gross loan proceeds less the direct expenses of obtaining the loan.

The provision does not change the ability of a cash method taxpayer to use the installment method. For example, a cash method individual owns all of the stock of a closely held accrual method corporation. This individual sells his stock for cash, a ten year note, and a percentage of the gross revenues of the company for next ten years. The provision would not change the ability of this individual to use the installment method in reporting the gain on the sale of the stock.

Modifications to the pledge rule

The provision modifies the pledge rule to provide that entering into any arrangement that gives the taxpayer the right to satisfy an obligation with an installment note will be treated in the same manner as the direct pledge of the installment note. For example, a taxpayer disposes of property for an installment note. The disposition is properly reported using the installment method. The taxpayer only recognizes gain as it receives the deferred payment. However, were the taxpayer to pledge the installment note as security for a loan, it would be required to treat the proceeds of such loan as a payment on the installment note, and recognize the appropriate amount of gain. Under the provision, the taxpayer would also be required to treat the proceeds of a loan as payment on the installment note to the extent the taxpayer had the right to "put" or repay the loan by transferring the installment note to the taxpayer's creditor. Other arrangements that have a similar effect would be treated in the same manner.

The modification of the pledge rule applies only to installment sales where the pledge rule of present law applies. Accordingly, the provision does not apply to installment method sales made by a dealer in timeshares and residential lots where the taxpayer elects to pay interest under section 453(l)(2)(B), to sales of property used or produced in the trade or business of farming, or to dispositions where the sales price does not exceed $150,000, since such sales are not subject to the pledge rule under present law.

Effective Date.—The provision of the House bill is effective for sales or other dispositions entered into on or after the date of enactment.

Senate Amendment

Same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

I. Limitation on the Use of Non-accrual Experience Method of Accounting (sec. 1509 of the House bill, sec. 1311 of the Senate amendment, and sec. 448 of the Code)

Present Law

An accrual method taxpayer generally must recognize income when all the events have occurred that fix the right to receive the income and the amount of the income can be determined with reasonable accuracy. An accrual method taxpayer may deduct the amount of any receivable that was previously included in income that becomes worthless during the year.

Accrual method taxpayers are not required to include in income amounts to be received for the performance of services which, on the basis of experience, will not be collected (the "non-accrual experience method"). The availability of this method is conditioned on the taxpayer not charging interest or a penalty for failure to timely pay the amount charged.

A cash method taxpayer is not required to include an amount in income until it is received. A taxpayer generally may not use the cash method if purchase, production, or sale of merchandise is an income producing factor. Such taxpayers generally are required to keep inventories and use an accrual method of accounting. In addition, corporations (and partnerships with corporate partners) generally may not use the cash method of accounting if their average annual gross receipts exceed $5 million. An exception to this $5 million rule is provided for qualified personal service corporations. A qualified personal service corporation is a corporation (1) substantially all of whose activities involve the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts or consulting and (2) substantially all of the stock of which is owned by current or former employees performing such services, their estates or heirs. Qualified personal service corporations are allowed to use the cash method without regard to whether their average annual gross receipts exceed $5 million.

House Bill

The House bill provides that the non-accrual experience method will be available only for amounts to be received for the performance of qualified personal services. Amounts to be received for the performance of all other services will be subject to the general rule regarding inclusion in income. Qualified personal services are personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts or consulting. As under present law, the availability of the method is conditioned on the taxpayer not charging interest or a penalty for failure to timely pay the amount.

Effective date.—The provision of the House bill is effective for taxable years ending after the date of enactment. Any change in the taxpayer's method of accounting necessitated as a result of the proposal will be treated as a voluntary change initiated by the taxpayer with the consent of the Secretary of the Treasury. Any required section 481(a) adjustment is to be taken into account over a period not to exceed four years under principles consistent with those in Rev. Proc. 98-60.[85]

Senate Amendment

The Senate amendment is the same as the House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

J. Exclusion of Like-Kind Exchange Property from Nonrecognition Treatment on the Sale or Exchange of a Principal Residence (sec. 1510 of the House bill and sec. 121 of the Code)

Present Law

Under present law, a taxpayer may exclude up to $250,000 ($500,000 if married filing a joint return) of gain realized on the sale or exchange of a principal residence. To be eligible for the exclusion, the taxpayer must have owned and used the residence as a principal residence for at least two of the five years prior to the sale or exchange. A taxpayer who fails to meet these requirements by reason of a change of place of employment, health, or, to the extent provided under regulations, unforeseen circumstances is able to exclude an amount equal to the fraction of the $250,000 ($500,000 if married filing a joint return) that is equal to the fraction of the two years that the ownership and use requirements are met. There are no special rules relating to the sale or exchange of a principal residence that was acquired in a like-kind exchange within the prior five years.

House Bill

The House bill denies the principal residence exclusion (sec. 121) for gain on the sale or exchange of a principal residence if such principal residence was acquired in a like-kind exchange in which any gain was not recognized within the prior five years.

Effective date.—The House bill provision is effective for sales or exchanges of principal residences after the date of enactment.

Senate Amendment

No provision.

Conference Agreement

The conference agreement does not include the House bill provision.

K. Denial of Charitable Contribution Deduction for Transfers Associated with Split-Dollar Insurance Arrangements (sec. 1003 of the House bill, sec. 1315 of the Senate amendment, and new sec. 501(c)(28) of the Code)

Present Law

Under present law, in computing taxable income, a taxpayer who itemizes deductions generally is allowed to deduct charitable contributions paid during the taxable year. The amount of the deduction allowable for a taxable year with respect to any charitable contribution depends on the type of property contributed, the type of organization to which the property is contributed, and the income of the taxpayer (secs. 170(b) and 170(e)). A charitable contribution is defined to mean a contribution or gift to or for the use of a charitable organization or certain other entities (sec. 170(c)). The term "contribution or gift" is not defined by statute, but generally is interpreted to mean a voluntary transfer of money or other property without receipt of adequate consideration and with donative intent. If a taxpayer receives or expects to receive a quid pro quo in exchange for a transfer to charity, the taxpayer may be able to deduct the excess of the amount transferred over the fair market value of any benefit received in return, provided the excess payment is made with the intention of making a gift.[86]

In general, no charitable contribution deduction is allowed for a transfer to charity of less than the taxpayer's entire interest (i.e., a partial interest) in any property (sec. 170(f)(3)). In addition, no deduction is allowed for any contribution of $250 or more unless the taxpayer obtains a contemporaneous written acknowledgment from the donee organization that includes a description and good faith estimate of the value of any goods or services provided by the donee organization to the taxpayer in consideration, whole or part, for the taxpayer's contribution (sec. 170(f)(8)).

House Bill

Deduction denial

The House bill provision[87] restates present law to provide that no charitable contribution deduction is allowed for purposes of Federal tax, for a transfer to or for the use of an organization described in section 170(c) of the Internal Revenue Code, if in connection with the transfer (1) the organization directly or indirectly pays, or has previously paid, any premium on any "personal benefit contract" with respect to the transferor, or (2) there is an understanding or expectation that any person will directly or indirectly pay any premium on any "personal benefit contract" with respect to the transferor. It is intended that an organization be considered as indirectly paying premiums if, for example, another person pays premiums on its behalf.

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[85] 1998-51 I.R.B. 16.

[86] *United States* v. *American Bar Endowment*, 477 U.S. 105 (1986). Treas. Reg. sec. 1.170A-1(h).

[87] The provision is similar to H.R. 630, introduced by Mr. Archer and Mr. Rangel (106th Cong., 1st Sess.).

A personal benefit contract with respect to the transferor is any life insurance, annuity, or endowment contract, if any direct or indirect beneficiary under the contract is the transferor, any member of the transferor's family, or any other person (other than a section 170(c) organization) designated by the transferor. For example, such a beneficiary would include a trust having a direct or indirect beneficiary who is the transferor or any member of the transferor's family, and would include an entity that is controlled by the transferor or any member of the transferor's family. It is intended that a beneficiary under the contract include any beneficiary under any side agreement relating to the contract. If a transferor contributes a life insurance contract to a section 170(c) organization and designates one or more section 170(c) organizations as the sole beneficiaries under the contract, generally, it is not intended that the deduction denial rule under the provision apply. If, however, there is an outstanding loan under the contract upon the transfer of the contract, then the transferor is considered as a beneficiary. The fact that a contract also has other direct or indirect beneficiaries (persons who are not the transferor or a family member, or designated by the transferor) does not prevent it from being a personal benefit contract. The provision is not intended to affect situations in which an organization pays premiums under a legitimate fringe benefit plan for employees.

It is intended that a person be considered as an indirect beneficiary under a contract if, for example, the person receives or will receive any economic benefit as a result of amounts paid under or with respect to the contract. For this purpose, as described below, an indirect beneficiary is not intended to include a person that benefits exclusively under a bona fide charitable gift annuity (within the meaning of sec. 501(m)).

In the case of a charitable gift annuity, if the charitable organization purchases an annuity contract issued by an insurance company to fund its obligation to pay the charitable gift annuity, a person receiving payments under the charitable gift annuity is not treated as an indirect beneficiary, provided certain requirements are met. The requirements are that (1) the charitable organization possess all of the incidents of ownership (within the meaning of Treas. Reg. sec. 20.2042-1(c)) under the annuity contract purchased by the charitable organization; (2) the charitable organization be entitled to all the payments under the contract; and (3) the timing and amount of payments under the contract be substantially the same as the timing and amount of payments to each person under the organization's obligation under the charitable gift annuity (as in effect at the time of the transfer to the charitable organization).

Under the provision, an individual's family consists of the individual's grandparents, the grandparents of the individual's spouse, the lineal descendants of such grandparents, and any spouse of such a lineal descendant.

In the case of a charitable gift annuity obligation that is issued under the laws of a State that requires, in order for the charitable gift annuity to be exempt from insurance regulation by that State, that each beneficiary under the charitable gift annuity be named as a beneficiary under an annuity contract issued by an insurance company authorized to transact business in that State, then the foregoing requirements (1) and (2) are treated as if they are met, provided that certain additional requirements are met. The additional requirements are that the State law requirement was in effect on February 8, 1999, each beneficiary under the charitable gift annuity is a bona fide resident of the State at the time the charitable gift annuity was issued, the only persons entitled to payments under the annuity contract issued by the insurance company are persons entitled to payments under the charitable gift annuity when it was issued, and (as required by clause (iii) of subparagraph (D) of the provision) the timing and amount of payments under the annuity contract to each person are substantially the same as the timing and amount of payments to the person under the charitable organization's obligation under the charitable gift annuity (as in effect at the time of the transfer to the charitable organization).

In the case of a charitable remainder annuity trust or charitable remainder unitrust (as defined in section 664(d)) that holds a life insurance, endowment or annuity contract issued by an insurance company, a person is not treated as an indirect beneficiary under the contract held by the trust, solely by reason of being a recipient of an annuity or unitrust amount paid by the trust, provided that the trust possesses all of the incidents of ownership under the contract and is entitled to all the payments under such contract. No inference is intended as to the applicability of other provisions of the Code with respect to the acquisition by the trust of a life insurance, endowment or annuity contract, or the appropriateness of such an investment by a charitable remainder trust.

Nothing in the provision is intended to suggest that a life insurance, endowment, or annuity contract would be a personal benefit contract, solely because an individual who is a recipient of an annuity or unitrust amount paid by a charitable remainder annuity trust or charitable remainder unitrust uses such a payment to purchase a life insurance, endowment or annuity contract, and a beneficiary under the contract is the recipient, a member of his or her family, or another person he or she designates.

Excise tax

The provision imposes on any organization described in section 170(c) of the Code an excise tax, equal to the amount of the premiums paid by the organization on any life insurance, annuity, or endowment contract, if the premiums are paid in connection with a transfer for which a deduction is not allowable under the deduction denial rule of the provision (without regard to when the transfer to the charitable organization was made). The excise tax does not apply if all of the direct and indirect beneficiaries under the contract (including any related side agreement) are organizations described in section 170(c). Under the provision, payments are treated as made by the organization, if they are made by any other person pursuant to an understanding or expectation of payment. The excise tax is to be applied taking into account rules ordinarily applicable to excise taxes in chapter 41 or 42 of the Code (e.g., statute of limitation rules).

Reporting

The provision requires that the charitable organization annually report the amount of premiums that is paid during the year and that is subject to the excise tax imposed under the provision, and the name and taxpayer identification number of each beneficiary under the life insurance, annuity or endowment contract to which the premiums relate, as well as other information required by the Secretary of the Treasury. For this purpose, it is intended that a beneficiary include any beneficiary under any side agreement to which the section 170(c) organization is a party (or of which it is otherwise aware). Penalties applicable to returns required under Code section 6033 apply to returns under this reporting requirement. Returns required under this provision are to be furnished at such time and in such manner as the Secretary shall by forms or regulations require.

Regulations

The provision provides for the promulgation of regulations necessary or appropriate to carry out the purposes of the provisions, including regulations to prevent the avoidance of the purposes of the provision. For example, it is intended that regulations prevent avoidance of the purposes of the provision by inappropriate or improper reliance on the limited exceptions provided for certain beneficiaries under *bona fide* charitable gift annuities and for certain noncharitable recipients of an annuity or unitrust amount paid by a charitable remainder trust.

Effective date

The deduction denial provision applies to transfers after February 8, 1999 (as provided in H.R. 630). The excise tax provision applies to premiums paid after the date of enactment. The reporting provision applies to premiums paid after February 8, 1999 (determined as if the excise tax imposed under the provision applied to premiums paid after that date).

No inference is intended that a charitable contribution deduction is allowed under present law with respect to a charitable split-dollar insurance arrangement. The provision does not change the rules with respect to fraud or criminal or civil penalties under present law; thus, actions constituting fraud or that are subject to penalties under present law would still constitute fraud or be subject to the penalties after enactment of the provision.

Senate Amendment

Same as House bill.

Conference Agreement

The conference agreement follows the House bill and the Senate amendment.

L. Modify Foreign Tax Credit Carryover Rules (sec. 1301 of the Senate amendment and sec. 904 of the Code)

Present Law

U.S. persons may credit foreign taxes against U.S. tax on foreign-source income. The amount of foreign tax credits that can be claimed in a year is subject to a limitation that prevents taxpayers from using foreign tax credits to offset U.S. tax on U.S.-source income. Separate foreign tax credit limitations are applied to specific categories of income.

The amount of creditable taxes paid or accrued (or deemed paid) in any taxable year which exceeds the foreign tax credit limitation is permitted to be carried back two years and forward five years. The amount carried over may be used as a credit in a carryover year to the extent the taxpayer otherwise has excess foreign tax credit limitation for such year. The separate foreign tax credit limitations apply for purposes of the carryover rules.

House Bill

No provision.

Senate Amendment

The Senate amendment reduces the carryback period for excess foreign tax credits from two years to one year. The Senate amendment also extends the excess foreign tax credit carryforward period from five years to seven years.

Effective date.—The provision applies to foreign tax credits arising in taxable years beginning after December 31, 1999.

Conference Agreement

The conference agreement does not include the provision in the Senate amendment.

M. Modify Estimated Tax Rules for Closely Held Reit Dividends (sec. 1316 of the Senate amendment and sec. 6655 of the Code)

Present Law

If a person has a direct interest or a partnership interest in income-producing assets (such as securities generally, or mortgages) that produce income throughout the year, that person's estimated tax payments must reflect the quarterly amounts expected from the asset.

However, a dividend distribution of earnings from a REIT is considered for estimated tax purposes when the dividend is paid. Some corporations have established closely held REITS that hold property (e.g. mortgages) that if held directly by the controlling entity would produce income throughout the year. The REIT may make a single distribution for the year, timed such that it need not be taken into account under the estimated tax rules as early as would be the case if the assets were directly held by the controlling entity. The controlling entity thus defers the payment of estimated taxes.

House Bill

No provision.

Senate Amendment

In the case of a REIT that is closely held, any person owning at least 10 percent of the vote or value of the REIT is required to accelerate the recognition of year-end dividends attributable to the closely held REIT, for purposes of such person's estimated tax payments. A closely held REIT is defined as one in which at least 50 percent of the vote or value is owed by five or fewer persons. Attribution rules apply to determine ownership.

No inference is intended regarding the treatment of any transaction prior to the effective date.

Effective date.—The provision is effective for estimated tax payments due on or after September 15, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

N. Prohibited Allocations of Stock in an S Corporation ESOP (sec. 1317 of the Senate amendment and secs. 409 and 4979A of the Code)

Present Law

The Small Business Job Protection Act of 1996 allowed qualified retirement plan trusts described in section 401(a) to own stock in an S corporation. That Act treated the plan's share of the S corporation's income (and gain on the disposition of the stock) as includible in full in the trust's unrelated business taxable income ("UBTI").

The Tax Relief Act of 1997 repealed the provision treating items of income or loss of an S corporation as UBTI in the case of an employee stock ownership plan ("ESOP"). Thus, the income of an S corporation allocable to an ESOP is not subject to current taxation.

Present law provides a deferral of income on the sales of certain employer securities to an ESOP (sec. 1042). A 50-percent excise tax is imposed on certain prohibited allocations of securities acquired by an ESOP in a transaction to which section 1042 applies. In addition, such allocations are currently includible in the gross income of the individual receiving the prohibited allocation.

House Bill

No provision.

Senate Amendment

Under the provision, if there is a prohibited allocation of stock to a disqualified person under an ESOP sponsored by an S corporation (a "Sub S ESOP") for a nonallocation year: (1) an excise tax is imposed on the employer equal to 50 percent of the amount involved in the prohibited allocation; and (2) the stock allocated in the prohibited allocation is treated as distributed to the disqualified individual.

A nonallocation year means any plan year of a Sub S ESOP if, at any time during the plan year, disqualified individuals own at least 50 percent of the number of outstanding shares of the S corporation.

An individual is a disqualified person if the individual is either (1) a member of a "deemed 20-percent shareholder group" or (2) a "deemed 10-percent shareholder". An individual is a member of a "deemed 20-percent shareholder group" if the number of deemed-owned shares of the individual and his or her family members is at least 20 percent of the number of outstanding shares of the corporation. An individual is a deemed 10-percent shareholder if the individual is not a member of a deemed 20-percent shareholder group and the number of the individual's deemed-owned shares is at least 10 percent of the number of outstanding shares of stock of the corporation.

"Deemed-owned shares" mean: (1) stock allocated to the account of the individual under the ESOP, and (2) the individual's share of unallocated stock held by the ESOP. An individual's share of unallocated stock held by an ESOP is determined in the same manner as the most recent allocation of stock under the terms of the plan.

For purposes of determining whether disqualified individuals own 50 percent or more of the outstanding stock of the corporation, deemed-owned shares and shares owned directly by an individual are taken into account. The family attribution rules of section 318 would apply, modified to include certain other family members, as described below.

Under the provision, family members of an individual include (1) the spouse of the individual, (2) an ancestor or lineal descendant of the individual or his or her spouse, (3) a sibling of the individual (or the individual's spouse) and any lineal descendant of the brother or sister, and (4) the spouse of any person described in (2) or (3).

The Secretary is directed to prescribe rules under which holders of options, restricted stock and similar interests are or are not treated as owning stock attributable to such interests as appropriate to carry out the purposes of the provision. For example, it is intended that such interests would be taken into account if so doing would result in disqualified individuals owning at least 50 percent of the stock of the corporation and that such interests would not be taken into account if so doing would result in disqualified individuals owning less than 50 percent of the stock of the corporation.

Effective date.—The provision is generally effective with respect to years beginning after December 31, 2000. In the case of an ESOP established after July 14, 1999, or an ESOP established on or before such date if the employer maintaining the plan was not an S corporation on such date, the provision is effective with respect to plan years ending after July 14, 1999.

Conference Agreement

The conference agreement does not include the Senate amendment.

The conferees remain concerned that ESOPs of S corporations may continue to be used to avoid or inappropriately defer taxes. Thus, the conferees view the provision as a first step in addressing possible tax avoidance issues relating to the use of S corporation ESOPs and believe that further study of these issues, and further legislation, may be appropriate.

O. Modify Anti-abuse Rules Related to Assumption of Liabilities (sec. 1318 of the Senate amendment and sec. 357 of the Code)

Present Law

Generally, no gain or loss is recognized if property is exchanged for stock of a controlled corporation. The transferor may recognize gain to the extent other property ("boot") is received by the transferor. The assumption of liabilities by the transferee generally is not treated as boot received by the transferor. The assumption of a liability is treated as boot to the transferor, however, "[i]f, taking into consideration the nature of the liability and the circumstances in the light of which the arrangement for the assumption or acquisition was made, it appears that the principal purpose of the taxpayer . . . was a purpose to avoid Federal income tax on the exchange, or . . . if not such purpose, was not a bona fide business purpose." Sec. 357(b). Thus, this exception requires that the principal purpose of having the transferee assume the liability was the avoidance of tax on the exchange.

The transferor's basis in the stock of the transferee received in the exchange is the basis of the property contributed, reduced by the amount of any liability assumed, but generally increased in the amount of any gain recognized by the transferor on the exchange. If the transferee assumes liabilities in excess of the basis of assets transferred, the transferor recognizes gain in the amount of the excess. However, this gain recognition rule does not apply if the assumption of a liability is treated as boot under the tax avoidance rule. Stock basis is reduced, however, for such an assumption.[88] For other liabilities (where the assumption is not treated as boot under the tax avoidance rule), no gain recognition or basis reduction is required for the assumption of a liability that would give rise to a deduction.

Similar rules apply in connection with certain tax-free reorganizations.

A different set of rules applies with respect to partnerships. However, generally a partner's basis in its partnership interest is the basis of property contributed. Liabilities affect that basis by causing a decrease in basis of the partnership interest to the extent the partnership has assumed the partner's liabilities, and an increase in basis to the extent the partner has assumed liabilities of the partnership. Similarly, there is an increase (or decrease) in basis for an increase (or decrease) in the partner's share of partnership liabilities.

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[88] Pursuant to section 357(c)92)(A), liabilities that are treated as assumed in a tax avoidance transaction under section 357(b)(1) are not within the scope of section 357(c)(3) or section 358(d)(2) under present law. Thus, the transferee's assumption of a liability that is treated as a tax avoidance transaction under section 357(b)(1) is treated as the transferor's receipt of money for purposes of 358 and related provisions, regardless of whether the liability would give rise to a deduction.

House Bill

No provision.

Senate Amendment

The Senate amendment deletes the limitation that the assumption of liabilities anti-abuse rule only applies to tax avoidance on the exchange itself, and changes "the principal purpose" standard to "a principal purpose." The provision also affects the basis rule that requires a decrease in the transferor's basis in the transferee's stock when a liability, the payment of which would give rise to a deduction, is treated as boot under the tax avoidance rule. The committee report refers to a specific type of transaction involving certain contingent liabilities as one example of a transaction that is of concern under present law.

Effective date.—The provision is effective for assumptions of liabilities on or after July 15, 1999.

Conference Agreement

The conference agreement follows the Senate amendment.

It is also expected that the Treasury Department will promptly examine the use of partnerships and apply similar rules (for example, with respect to adjustments to the basis of a partnership interest with respect to certain contingent liabilities) where there is a principal purpose of avoiding Federal income tax through the use of a transaction that includes the assumption of liabilities by a partnership. The conferees note that pursuant to section 7805(b)(3), if necessary to prevent abuse, the Secretary could determine that any regulations applying such rules should be effective on the same date as this provision, i.e., July 15, 1999.

No inference is intended regarding the proper treatment of any transaction under present law.

Effective date.—The effective date is the same as that of the Senate amendment.

P. Require Consistent Treatment and Provide Basis Allocation Rules for Transfers of Intangibles in Certain Nonrecognition Transactions (sec. 1319 of the Senate amendment and secs. 351 and 721 of the Code)

Present Law

Generally, no gain or loss is recognized if one or more persons transfer property to a corporation solely in exchange for stock in the corporation and, immediately after the exchange such person or persons are in control of the corporation. Similarly, no gain or loss is recognized in the case of a contribution of property in exchange for a partnership interest. Neither the Internal Revenue Code nor the regulations provide the meaning of the requirement that a person "transfer property" in exchange for stock (or a partnership interest). The Internal Revenue Service interprets the requirement consistent with the "sale or other disposition of property" language in the context of a taxable disposition of property. See, e.g., Rev. Rul. 69-156, 1969-1 C.B. 101. Thus, a transfer of less than "all substantial rights" to use property will not qualify as a tax-free exchange and stock received will be treated as payments for the use of property rather than for the property itself. These amounts are characterized as ordinary income. However, the Claims Court has rejected the Service's position and held that the transfer of a nonexclusive license to use a patent (or any transfer of "something of value") could be a "transfer" of "property" for purposes of the nonrecognition provision. See *E.I. DuPont de Nemours & Co.* v. *U.S.*, 471 F.2d 1211 (Ct. Cl. 1973).

House Bill

No provision.

Senate Amendment

The provision treats a transfer of an interest in intangible property constituting less than all of the substantial rights of the transferor in the property as a transfer of property for purposes of the nonrecognition provisions regarding transfers of property to controlled corporations and partnerships. In the case of a transfer of less than all of the substantial rights, the transferor is required to allocate the basis of the intangible between the retained rights and the transferred rights based upon their respective fair market values.

No inference is intended as to the treatment of these or similar transactions prior to the effective date.

Effective date.—The provision is effective for transfers on or after the date of enactment.

Conference Agreement

The conference agreement follows the Senate amendment.

Q. Distributions by a Partnership to a Corporate Partner of Stock in Another Corporation (sec. 1321 of the Senate amendment and sec. 732 of the Code)

Present Law

Present law generally provides that no gain or loss is recognized on the receipt by a corporation of property distributed in complete liquidation of another corporation in which it holds 80 percent of the stock (by vote and value) (sec. 332). The basis of property received by a corporate distributee in the distribution in complete liquidation of the 80-percent-owned subsidiary is a carryover basis, i.e., the same as the basis in the hands of the subsidiary (provided no gain or loss is recognized by the liquidating corporation with respect to the distributed property) (sec. 334(b)).

Present law provides two different rules for determining a partner's basis in distributed property, depending on whether or not the distribution is in liquidation of the partner's interest in the partnership. Generally, a substituted basis rule applies to property distributed to a partner in liquidation. Thus, the basis of property distributed in liquidation of a partner's interest is equal to the partner's adjusted basis in its partnership interest (reduced by any money distributed in the same transaction) (sec. 732(b)).

By contrast, generally, a carryover basis rule applies to property distributed to a partner other than in liquidation of its partnership interest, subject to a cap (sec. 732(a)). Thus, in a non-liquidating distribution, the distributee partner's basis in the property is equal to the partnership's adjusted basis in the property immediately before the distribution, but not to exceed the partner's adjusted basis in its partnership interest (reduced by any money distributed in the same transaction). In a non-liquidating distribution, the partner's basis in its partnership interest is reduced by the amount of the basis to the distributee partner of the property distributed and is reduced by the amount of any money distributed (sec. 733).

If corporate stock is distributed by a partnership to a corporate partner with a low basis in its partnership interest, the basis of the stock is reduced in the hands of the partner so that the stock basis equals the distributee partner's adjusted basis in its partnership interest. No comparable reduction is made in the basis of the corporation's assets, however. The effect of reducing the stock basis can be negated by a subsequent liquidation of the corporation under section 332.[89]

House Bill

No provision.

Senate Amendment

In general

The provision provides for a basis reduction to assets of a corporation, if stock in that corporation is distributed by a partnership to a corporate partner. The reduction applies if, after the distribution, the corporate partner controls the distributed corporation.

Amount of the basis reduction

Under the provision, the amount of the reduction in basis of property of the distributed corporation generally equals the amount of the excess of (1) the partnership's adjusted basis in the stock of the distributed corporation immediately before the distribution, over (2) the corporate partner's basis in that stock immediately after the distribution.

The provision limits the amount of the basis reduction in two respects. First, the amount of the basis reduction may not exceed the amount by which (1) the sum of the aggregate adjusted bases of the property and the amount of money of the distributed corporation exceeds (2) the corporate partner's adjusted basis in the stock of the distributed corporation. Thus, for example, if the distributed corporation has cash of $300 and other property with a basis of $600 and the corporate partner's basis in the stock of the distributed corporation is $400, then the amount of the basis reduction could not exceed $500 (i.e., ($300+$600) − $400 = $500).

Second, the amount of the basis reduction may not exceed the adjusted basis of the property of the distributed corporation. Thus, the basis of property (other than money) of the distributed corporation may not be reduced below zero under the provision, even though the total amount of the basis reduction would otherwise be greater.

The provision provides that the corporate partner recognizes long-term capital gain to the extent the amount of the basis reduction does exceed the basis of the property (other than money) of the distributed corporation. In addition, the corporate partner's adjusted basis in the stock of the distribution is increased in the same amount. For example, if the amount of the basis reduction were $400, and the distributed corporation has money of $200 and other property with an adjusted basis of $300, then the corporate partner would recognize a $100 capital gain under the provision. The corporate partner's basis in the stock of the distributed corporation would also be increased by $100 in this example, under the provision.

The basis reduction is to be allocated among assets of the controlled corporation in accordance with the rules provided under section 732(c).

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[89] In a similar situation involving the purchase of stock of a subsidiary corporation as replacement property following an involuntary conversion, the Code generally requires the basis of the assets held by the subsidiary to be reduced to the extent that the basis of the stock in the replacement corporation itself is reduced (sec. 1033).

Partnership distributions resulting in control

The basis reduction generally applies with respect to a partnership distribution of stock if the corporate partner controls the distributed corporation immediately after the distribution or at any time thereafter. For this purpose, the term control means ownership of stock meeting the requirements of section 1504(a)(2) (generally, an 80-percent vote and value requirement).

The provision applies to reduce the basis of any property held by the distributed corporation immediately after the distribution, or, if the corporate partner does not control the distributed corporation at that time, then at the time the corporate partner first has such control. The provision does not apply to any distribution if the corporate partner does not have control of the distributed corporation immediately after the distribution and establishes that the distribution was not part of a plan or arrangement to acquire control.

Under the provision, a corporation is treated as receiving a distribution of stock from a partnership, if the corporation acquires stock other than in a distribution from a partnership and the basis of the stock is determined in whole or in part by reference to the partnership rules limiting the basis of the stock to a partner's basis in his partnership interest (secs. 732(a)(2) or 732(b)).

In the case of tiered corporations, a special rule provides that if the property held by a distributed corporation is stock in a corporation that the distributed corporation controls, then the provision is applied to reduce the basis of the property of that controlled corporation. The provision is also reapplied to any property of any controlled corporation that is stock in a corporation that it controls. Thus, for example, if stock of a controlled corporation is distributed to a corporate partner, and the controlled corporation has a subsidiary, the amount of the basis reduction allocable to stock of the subsidiary is applied again to reduce the basis of the assets of the subsidiary, under the special rule.

Effective date

The provision is effective for distributions made after July 14, 1999.

Conference Agreement

The conference agreement follows the Senate amendment, with clarifications and with a modification to the effective date.

The conference agreement clarifies the rule relating to stock acquired other than in a distribution from a partnership when the basis of the stock is determined in whole or in part by reference to the partnership rules limiting the basis of the stock to a partner's basis in his partnership interest (secs. 732(a)(2) or 732(b)). As clarified, the rule provides that, for purposes of the provision, if a corporation acquires (other than in a distribution from a partnership) stock the basis of which is determined (by reason of being distributed from a partnership) in whole or in part by reference to section 732(a)(2) or (b), then the corporation is treated as receiving a distribution of stock from a partnership. For example, if a partnership distributes property other than stock (such as real estate) to a corporate partner, and that corporate partner contributes the real estate to another corporation in a section 351 transaction, then the stock received in the section 351 transaction is not treated as distributed by a partnership, and the basis reduction under this provision does not apply. As another example, if a partnership distributes stock to two corporate partners, neither of which have control of the distributed corporation, and the two corporate partners merge and the survivor obtains control of the distributed corporation, the stock of the distributed corporation that is acquired as a result of the merger is treated as received in a partnership distribution; the basis reduction rule of the provision applies.

The conference agreement also provides additional clarification with respect to the regulations under the provision (which include regulations to avoid double counting and to prevent the abuse of the purposes of the provision). The conferees intend that regulations prevent the avoidance of the purposes of the provision through the use of tiered partnerships.

Effective date.—The provision is effective for distributions made after July 14, 1999, except that in the case of a corporation that is a partner in a partnership on July 14, 1999, the provision is effective for distributions by that partnership to the corporation after the date of enactment.

XVII. TAX TECHNICAL CORRECTIONS (secs. 1601—1605 of the House bill and secs. 504(c) and 1401—1405 of the Senate amendment)

House Bill

The House bill contains technical, clerical and conforming amendments to the Tax and Trade Relief Extension Act of 1998 and other recently enacted legislation. The provisions generally are effective as if enacted in the original legislation to which each provision relates.[90]

Senate Amendment

Same as House bill.

Conference Agreement

The conference agreement does not include the House bill or the Senate amendment provisions.

XIX. SENSE OF THE SENATE AND OTHER PROVISIONS

A. Sense of the Congress Regarding Empowerment Zones (sec. 1128 of the Senate amendment)

Present Law

Pursuant to the Omnibus Budget Reconciliation Act of 1993 ("OBRA 1993") and the Taxpayer Relief Act of 1997 ("1997 Act"), the Secretaries of the Department of Housing and Urban Development and the Department of Agriculture have designated a number of areas as empowerment zones and enterprise communities. In general, businesses located in empowerment zones and enterprise communities qualify for certain tax incentives (though the empowerment zones designated in the 1997 Act are not necessarily entitled to all of the tax incentives as those designated in OBRA 1993).

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act for Fiscal Year 1999 appropriated funds for 20 new rural enterprise communities that meet the designation and eligibility requirements set out the Code (but are not designated as enterprise communities for Federal tax purposes).

House Bill

No provision.

Senate Amendment

The Senate amendment provides a Sense of the Congress resolution that if Congress and the President agree to a substantial tax relief measure, it should ensure that such tax relief measure includes full funding for the empowerment zones and enterprise communities authorized in 1997 and 1998, as well as those areas currently designated as rural economic area partnerships by the Department of Agriculture. In addition, all such designated areas should equally share at least the same aggregate level of funding, tax incentives, and other Federal support that Congress provided to urban and rural empowerment zones and enterprise communities authorized by OBRA 1993.

Conference Agreement

The conference agreement does not include the Senate amendment.

B. Sense of the Senate Regarding Savings Incentives (sec. 1127 of the Senate amendment)

Present Law

The Code states that, except as otherwise provided, "gross income means all income from whatever source derived" (sec. 61). Because there is no exclusion for interest and dividends, interest and dividends received by individuals are includible in gross income and subject to tax.

House Bill

No provision.

Senate Amendment

The Senate amendment states that, before December 31,1999, Congress should pass legislation that creates savings incentives by providing a partial Federal income tax exclusion for income derived from interest and dividends of no less than $400 for married taxpayers and $200 for single taxpayers.

Effective date.—The provision is effective upon enactment.

Conference Agreement

The conference agreement does not include the Senate amendment.

C. Sense of the Congress Regarding Small Business Incentives (sec. 1129 of the Senate amendment)

Present Law

Present law provides that, in lieu of depreciation, a taxpayer with a sufficiently small amount of annual investment may elect to deduct up to $19,000 (for taxable years beginning in 1999) of the cost of qualifying property placed in service for the taxable year (sec. 179). In general, qualifying property is defined as depreciable tangible personal property that is purchased for use in the active conduct of a trade or business. The $19,000 amount is reduced (but not below zero) by the amount by which the cost of qualifying property placed in service during the taxable year exceeds $200,000. In addition, the amount eligible to be expensed for a taxable year may not exceed the taxable income for a taxable year that is derived from the active conduct of a trade or business (determined without regard to this provision). Any amount that is not allowed as a deduction because of the taxable income limitation may be carried forward to succeeding taxable years (subject to similar limitations).

The $19,000 amount is increased to $25,000 for taxable years beginning in 2003 and thereafter. The increase is phased in as follows: for taxable years beginning in 2000, the amount is $20,000; for taxable years beginning in 2001 or 2002, the amount is $24,000; and for taxable years beginning in 2003 and thereafter, the amount is $25,000.

House Bill

No provision.

Senate Amendment

The Senate amendment states that it is the sense of the Congress that many small businesses would benefit from the expansion of present-law expensing provisions to cover investments in depreciable real property, and that Congress should consider such expansion in any reform legislation that follows the depreciation study that the Treasury Department is currently undertaking.

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[90] For a description of the House provisions, see H. Rept. 106-238 (H.R. 2488), July 16, 1999.

Effective date.—The provision is effective upon enactment.

Conference Agreement

The conference agreement does not include the Senate amendment.

D. Direct Expenditure Block Grant (sec. 1126 of the Senate amendment and sec. 418 of the Social Security Act)

Present Law

Section 418 of the Social Security Act provides grants to the States for the purpose of providing child care assistance. At least 70 percent of the amounts received by the States must be used to provide child care assistance to families who are receiving assistance under a State program of Temporary Assistance for Needy Families (Title IV, part A of the Social Security Act), to families who are attempting through work activities to transition off of such assistance program, or to families who are at risk of becoming dependent on such assistance program.

House Bill

No provision.

Senate Amendment

The Senate amendment increases appropriations for grants under Section 418 of the Social Security Act from $2,717 million to $3,918 million for fiscal year 2002, and provides appropriations of $3,979 million for fiscal year 2003, $4,010 million for fiscal year 2004, $3,860 million for fiscal year 2005, $3,954 million for fiscal year 2006, $4,004 million for fiscal year 2007, $4,073 million for fiscal year 2008, and $4,075 million for fiscal year 2009.

Effective date.—The provision is effective upon enactment.

Conference Agreement

The conference agreement does not include the Senate amendment.

XVIII. CONTINGENCY FOR RATE REDUCTIONS AND COMMITMENT TO DEBT REDUCTION (secs. 101 and 1701 of the House bill)

Present Law

No provision.

House Bill

The House-passed version contained a 10-percent across-the-board rate reduction. The trigger attached to these provisions would delay the scheduled reductions in these rates depending on the level of gross interest costs. Gross interest expenses accrue from debt held publically as well as debt held by all government trust funds.

In order for a rate reduction to occur on January 1, the government's gross interest expense during the 12 month period ending on July 31 of the previous year must not increase. This measurement is referred to in the bill as the debt reduction calendar year. If the gross interest expense increased, the tax rate reduction was delayed one year but previous rate reductions were not rescinded.

The across the board rate reduction scheduled to take place in 2001 was not subject to the trigger.

The House bill contained a provision reflecting the sense of the Congress that the national debt held by the public shall be reduced from $3.619 trillion to a level below $1.61 trillion by fiscal year 2009.

Senate Amendment

No provision.

Conference Agreement

The conference report contains the same trigger mechanism as in the House passed bill. The trigger mechanism is based on gross debt interest expenses which must not increase from the previous year through July 31 of the year before the scheduled increase.

The conference report, however, contains a different structure for reducing tax rates and expanding certain tax brackets. In three instances, the trigger may delay one or more of these provisions. The following items are subject to the trigger mechanism:

—In 2003, the 14.5 percent marginal tax rate will be reduced to 14.0 percent.

—In 2005, the top four marginal tax rates will each be reduced by 1 percentage point.

—In 2006, the width of the 14 percent tax bracket will be increased by $5,000.

The first rate reduction from 15 percent to 14.5 percent is permanent and not subject to the trigger.

In addition, the conferees express the sense of the Congress that: (1) the national debt of the United States held by the public is $3.619 trillion as of fiscal year 1999; (2) the Federal budget is projected to produce a surplus each year in the next 10 fiscal years; (3) refunding taxes and reducing the national debt held by the public will assure continued economic growth and financial freedom for future generations; and (4) The provision reflects the sense of the Congress that: (1) the national debt of the United States held by the public is $3.619 trillion as of fiscal year 1999; (2) the Federal budget is projected to produce a surplus each year in the next 10 fiscal years; (3) refunding taxes and reducing the national debt held by the public will assure continued economic growth and financial freedom for future generations; and (4) the national debt held by the public shall be reduced from $3.619 trillion to a level below $1.61 trillion by fiscal year 2009.

XIX. EXCLUSION FROM PAYGO SCORECARD (sec. 1801 of the House bill)

Present Law

Under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, tax reduction legislation is subject to a "pay-as-you-go" (PAYGO) requirement. The PAYGO system tracks legislation that may increase budget deficits using a "scorecard" (estimated by the Office of Management and Budget). Any revenue loss would have to be offset by other revenue increases, reductions in direct spending or a combination of the two.

House Bill

The House bill provides that, upon enactment of the Act, the Director of the Office of Management and Budget shall not make any estimate of the changes in direct spending outlays and receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of the Act.

Senate Amendment

No provision.

Conference Agreement

The conference agreement follows the Senate amendment due to the Senate's procedural requirements under the Byrd rule. The conferees note that the reduction in revenues from the conference agreement is fully accommodated under the Congressional budget resolution from the on-budget non-social security surplus, leaving greater amounts set aside for Social Security, Medicare and debt relief greater than under the President's budget. The conferees further believe that the application of current PAYGO rules to the conference report is anachronistic in an era of sustained projected surpluses. Therefore, the conferees intend that, upon enactment of the Act, the Director of OMB should be directed to not make any estimate of the changes in direct spending, outlays, and receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of the Act.

XX. COMPLIANCE WITH CONGRESSIONAL BUDGET ACT (sec. 1501 of the Senate amendment)

Present Law

Reconciliation is a procedure under the Congressional Budget Act of 1974 ("the Budget Act") by which Congress implements spending and tax policies contained in a budget resolution. The Budget Act contains numerous rules enforcing the scope of items permitted to be considered under budget reconciliation process. One such rule, the so-called "Byrd rule," was incorporated into the Budget Act in 1990. The Byrd rule, named after its principal sponsor, Senator Robert C. Byrd, is contained in section 313 of the Budget Act. The Byrd rule is generally interpreted to permit members to make a motion to strike extraneous provisions (those which are unrelated to the deficit reduction goals of the reconciliation process) from either a budget reconciliation bill or a conference report on such bill.

Under the Byrd rule, a provision is considered to be extraneous if it falls under one or more of the following six definitions:

(1) It does not produce a change in outlays or revenues;

(2) It produces an outlay increase or revenue decrease when the instructed committee is not in compliance with its instructions;

(3) It is outside of the jurisdiction of the committee that submitted the title or provision for inclusion in the reconciliation measure;

(4) It produces a change in outlays or revenues which is merely incidental to the non-budgetary components of the provision;

(5) It would increase the deficit for a fiscal year beyond those covered by the reconciliation measure; and

(6) it recommends changes in Social Security.

House Bill

No provision.

Senate Amendment

To ensure compliance with the Budget Act, the provision provides that all provisions of, and amendments made by, this Senate amendment, which are in effect on September 30, 2009, shall cease to apply as of such date, and shall begin to apply again as of October 1, 2009.

Conference Agreement

The conference agreement follows the Senate amendment, but provides that certain provisions of the bill sunset on December 31, 2008.

XXI. TAX COMPLEXITY ANALYSIS

The following tax complexity analysis is provided pursuant to section 4022(b) of the Internal Revenue Service Reform and Restructuring Act of 1998, which requires the staff of the Joint Committee on Taxation (in consultation with the Internal Revenue Service ("IRS") and the Treasury Department) to provide a complexity analysis of tax legislation reported by the House Committee on Ways and Means, the Senate Committee on Finance, or a Conference Report containing tax provisions. The complexity analysis is required to report on the complexity and administrative issues raised by provisions that directly or indirectly amend the Internal Revenue Code and that have widespread applicability to individuals or small businesses. For each such provision identified by the staff of the Joint Committee on Taxation, a summary description of the provision is provided, along with an estimate of the number and the type of affected taxpayers, and a discussion regarding the relevant complexity and administrative issues.

Following the analysis of the staff of the Joint Committee on Taxation are the comments of the IRS regarding each of the provisions included in the complexity analysis, including a discussion of the likely effect on IRS forms and any expected impact on the IRS.

1. Reduce the income tax rates (sec. 101 of the conference agreement)

Summary description of provision

The provision reduces the individual regular income tax rates as follows: (1) from 15 percent to 14 percent; (2) from 28 percent to 27 percent; (3) from 31 percent to 30 percent; (4) from 36 percent to 35 percent; and (5) from 39.6 percent to 38.6 percent. The reduction of the 15–percent rate to a 14–percent rate is phased-in over three years; (1) 14.5 percent in 2001 and 2002; and (2) 14 percent in 2003 and thereafter. The reductions in the other rates are effective for taxable years beginning after 2004. The provision also widens the lowest regular income tax bracket for singles and head of households by $3,000 for taxable years beginning after 2005. For years after 2006, the $3,000 amount is indexed for inflation.

Number of affected taxpayers

It is estimated that the reduction of the regular income tax rates will affect approximately 112 million individual income tax returns.

Discussion

It is not anticipated that individuals will need to keep additional records due to this provision. The information necessary to implement the provision will be readily available to taxpayers (in the form of new tax tables and tax rate schedules). The rate reduction should not result in an increase in disputes with the IRS, nor will regulatory guidance be necessary to implement this provision.

Because the provision includes corresponding reductions in the individual alternative minimum tax rates, the provision should not result in taxpayers having to calculate their tax liability under the alternative minimum tax (AMT).

2. Marriage penalty relief (sec. 111 of the conference agreement)

Summary description of provision

The provision increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual. This increase is phased-in over five years (2001–2005) and is fully effective in 2005. The provision also increases the size of the lowest regular income tax rate bracket to twice the size of the rate bracket for an unmarried individual. This increase in the rate bracket is phased-in over four years (2005–2008) and is fully effective in 2008.

Number of affected taxpayers

It is estimated that this provision will affect approximately 36 million individual income tax returns.

Discussion

The provision is not expected to result in an increase in disputes with the IRS, nor should regulatory guidance be necessary to implement this provision. In addition, the provision should not increase individuals' tax preparation costs. Some taxpayers who currently itemize deductions may respond to the provision by claiming the increased standard deduction in lieu of itemizing. Such taxpayers will no longer have to file Schedule A or need to engage in the record keeping inherent in itemizing below-the-line deductions. This reduction in complexity and record keeping may also result in a decline in the number of individuals using a tax preparation service (or a decline in the cost of using such a service). It may also reduce the number of disputes between taxpayers and the IRS regarding substantiation of itemized deductions.

3. Individual capital gains rates (secs. 201 and 202 of the conference agreement)

Summary description of provision

The provision reduces the present-law individual capital gain rates of 10, 20, and 25 percent to 8, 18, and 23 percent respectively, effective for transactions on or after January 1, 1999. The provision also provides for the indexation of capital gains beginning in 2000 (with mark-to-market treatment with respect to assets held on January 1, 2000).

Number of affected taxpayers

It is estimated that the provision will affect approximately 20 million individual income tax returns.

Discussion

The capital gains rate reductions are not expected to cause taxpayers to keep additional records. The repeal of the reduced rates for five-year property after 2000 will simplify the forms and recordkeeping for years after 2000. In addition, since the provision applies with respect to capital gains realized for all of 1999, it obviates the need for multiple rate schedules for 1999.

Indexing of assets for inflation beginning in 2000 is expected to cause taxpayers to keep additional records because, in the case of the disposition of capital assets held more than one year, it will be necessary to establish the calendar quarter in which the asset was purchased. The taxpayer will have the additional complexity of computing the basis adjustments on the sale of the assets by multiplying the basis by the inflation adjustment. This will be particular complex where assets are purchased periodically, such as in the case of common stock acquired pursuant to dividend reinvestment plans.

The indexing of assets will result in additional computations by the taxpayer, and guidance will be necessary to implement the provision. For example, guidance will be necessary with respect to assets that are held on January 1, 2000 that are marked-to-market, as well as the application of the indexing provision with respect to pass-through entities.

The indexing of assets may result in an increase in disputes with the IRS. The provision can be expected to increase the tax preparation cost of individuals using a tax preparation service, depending on the type of assets that are indexed and the extent to which a taxpayer maintains adequate records.

4. Increase in IRA contribution limit (sec. 211 of the conference agreement)

Summary description of provision

The provision increases the $2,000 IRA contribution limit to $3,000 for 2001–03, to $4,000 in 2004–05, to $5,000 in 2006–08.

Number of affected taxpayers

It is estimated that the provision will affect 15 million individual tax returns.

Discussion

It is not anticipated that individuals will need to keep additional records due to the provision. It is not anticipated that the provision will result in increased disputes with the IRS. It is not anticipated that the provision will increase tax return preparation costs. Regulatory guidance will not be needed to implement the provision. Because the maximum contribution limit will change, some taxpayers may be confused as to how much they can contribute to an IRA. It is expected that IRS Forms and publications will contain the limit applicable for each year.

5. Accelerate 100–percent self-employed health insurance deduction (sec. 801 of the conference agreement)

Summary description of provision

The provision accelerates the increase in the deduction for health insurance expenses of self-employed individuals so that the deduction is 100 percent in years beginning after December 31, 1999.

Number of affected taxpayers

It is estimated that the provision will affect three million small businesses.

Discussion

It is not anticipated that individuals or small businesses will need to keep additional records due to the provision. It is not anticipated that the provision will result in an increase in disputes with the IRS, or increase tax return preparation costs. It is not anticipated that regulatory guidance will be needed to implement the provision. Accelerating the 100–percent deduction may simplify the preparation of tax returns for self-employed individuals, because they will no longer need to keep track of the percent of health insurance expenses that are deductible, and will need to perform one less calculation.

6. Repeal of the temporary federal unemployment "FUTA" surtax (sec. 803 of the conference agreement)

Summary description of provision

Under present law, in addition to the regular FUTA tax of 0.6 percent of taxable wages, a temporary surtax of 0.2 percent of taxable wages applies through 2007. The provision repeals the temporary FUTA surtax (of 0.2 percent of taxable wages) after December 31, 2004.

Number of affected taxpayers

It is estimated that the repeal of the FUTA surtax will affect over six million small businesses.

Discussion

It is not anticipated that small businesses will need to keep additional records due to this provision, nor is it anticipated that this provision will result in an increase in disputes with the IRS. Additional regulatory guidance should not be necessary to implement this provision. The provision should not increase the tax preparation cost of small businesses using a tax preparation service.

7. Increase deduction for business meals (sec. 804 of the conference agreement)

Summary description of provision

The provision phases in an increase in the deductible percentage of business meal (food and beverage) expenses. The increase in the deductible percentage is phased in as follows: 55 percent in 2006; and 60 percent in 2007 and thereafter.

Number of affected taxpayers

It is estimated that almost all small businesses will be affected by the provision.

Discussion

Because the provision increases the percentage deduction only with respect to meals and not entertainment, small businesses may have to keep additional records to distinguish between the two types of expenditures. The provision may lead to additional disputes between small businesses and the IRS regarding the nature of an expenditure, particularly in business situations where the meal and entertainment is provided as a package for a single price. No new regulatory changes would be needed to implement the provision (although a conforming change to regulations to reflect the increasing percentage would be appropriate). The provision may increase complexity because the percentage of the deduction is phased in.

8. Sunset the provisions of the act (sec. 1602 of the conference agreement)

Summary description of provision

The provision sunsets the provisions and amendments made by this Act on the close of September 30, 2009. Certain enumerated provisions of the bill sunset on December 31, 2008.

Number of affected taxpayers

It is estimated that the provision would affect almost all individuals and small businesses.

Discussion

The provision will result in additional complexity and record keeping requirements for individuals and small businesses. Additional forms will be necessary to the extent the sunset causes a provision that had been eliminated to once again become effective. Similarly, additional regulatory guidance may be necessary to provide rules regarding transition issues that may arise as a result of this provision. The provision also can be expected to result in an increase in the tax preparation cost of individuals and small businesses using a tax preparation service.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, August 4, 1999.

MS. LINDY L. PAULL,
Chief of Staff, Joint Committee on Taxation,
Washington, DC.

DEAR MS. PAULL: Attached are the Internal Revenue Service's comments on the eight provisions of the conference agreement to H.R. 2488 that you identified for complexity analysis in your letter of August 4, 1999. We have reiterated your description of those provisions in the attachment to this letter. Our comments are based on the information provided in the attachment to your letter, as well as language from the House and Senate versions of the bill.

Due to the short turnaround time, and the fact that we did not have the exact language of the conference report, our comments are provisional and subject to change upon a more complete and in-depth analysis of the provisions.

Sincerely,

CHARLES O. ROSSOTTI,
Commissioner.

Attachment.

COMPLEXITY ANALYSIS OF PROVISIONS FROM CONFERENCE AGREEMENT ON H.R. 2488

RATE REDUCTION

Provision: A reduction in the individual regular income tax rates as follows: (1) from 15 percent to 14 percent; (2) from 28 percent to 27 percent; (3) from 31 percent to 30 percent; (4) from 36 percent to 35 percent; and (5) from 39.6 percent to 38.6 percent. The reduction of the 15-percent rate to a 14-percent rate is phased-in over three years: (1) 14.5 percent in 2001 and 2002; and (2) 14 percent in 2003 and thereafter. The reductions in the other rates are effective for taxable years beginning after 2004. The provision also widens the lowest regular income tax bracket for singles and heads of household by $3,000 for taxable years beginning after 2005. For years after 2006, the $3,000 amount is indexed for inflation.

IRS Comments: The tax rate changes and the increase in the width of the 14 percent bracket mandated by the provision would be incorporated in the tax tables and tax rate schedules during IRS' annual update of these items. Changes would be required to the tax tables and tax rate schedules shown in the instructions for Forms 1040, 1040A, 1040EZ, 1040NR, 1040NR–EZ, and 1041, and on Forms 1040–ES, W–4V, and 8814 for 2001, 2003, 2005, and later years. Other forms (e.g., Form 8752) would also be affected. No new forms would be required. Programming changes would be required to reflect the new rates and wider 14 percent rate bracket.

MARRIAGE PENALTY RELIEF

Provision: An increase in the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual. This increase is phased-in over five years (2001–2005) and is fully effective in 2005. The provision also increases the size of the lowest regular income tax rate bracket to twice the size of the rate bracket for an unmarried individual. This increase in the rate bracket is phased-in over four years (2005–2008) and is fully effective in 2008.

IRS Comments: The increase in the basic standard deduction for married taxpayers filing jointly would be incorporated in the instructions for Forms 1040, 1040A, 1040EZ, 1040NR, and 1040NR–EZ, and on Forms 1040, 1040A, 1040EZ, and 1040–ES for each year during the phase-in period (2001–2005). The increase in the width of the 14 percent bracket would be incorporated in the tax tables and tax rate schedules in the instructions for Forms 1040, 1040A, 1040EZ, 1040NR, and 1040NR–EZ for each year during the phase-in period (2005–2008). No new forms would be required. Programming changes would be required to reflect the increased standard deduction and wider 14 percent rate bracket for married taxpayers filing jointly.

REDUCED CAPITAL GAINS RATE AND INDEXING

Provision: A reduction of the individual capital gain rates of 10, 20, and 25 percent to 8, 18, and 23 percent, respectively, effective for transactions on or after january 1, 1999. The provision also provides for the indexation of capital gains beginning in 2000 (with mark-to-market treatment with respect to assets held on january 1, 2000).

IRS Comments: The provision would require revision of the following 1999 forms to reflect the reduced capital gains tax rates. Schedule D (Form 1040), Schedule D (Form 1041), Form 6251, and Schedule I of Form 1041. no additional lines or worksheets would be necessary, provided that section 1(h)(13)(C) of the Code, relating to special rules for pass-through entities, is repealed. No new forms would be required. Programming changes would be required to reflect the new rates. Programming changes would be required to reflect the reduced capital gain rates.

The indexing provision would result in an increase in taxpayer burden. The IRS would need to develop a 6-column worksheet and a table of indexing factors beginning with the 2000 (or 2001) instructions for Schedules D of Forms 1040, 1041, 1065, 1065–B, and 1120–S, to help taxpayers figure the increase in the basis of each asset they sell. Indexing would be especially burdensome for taxpayers who have dividend reinvestment plans or who periodically add small amounts to their mutual funds. Each dividend reinvestment and/or periodic addition would be viewed as a separate asset purchase that would have to be indexed based on when the reinvestment or addition was made. Most capital improvements would be similarly treated as separate asset acquisitions. Assuming corporations are ineligible for indexing, the provision would also require two separate basis calculations for assets held by partnerships that have corporate partners. No new forms or programming changes would be required.

Indexing would lead to increased taxpayer error. Errors detected on the face of the return during processing would be sent to Error Resolution for correction, which would result in additional taxpayer contacts as well as delays in issuing refunds. Such errors would increase the IRS' processing costs. Most indexing errors would only be detectable through an examination of the return.

Taxpayers would have to maintain proof (i.e., a copy of their return) of their mark-to-market election well into the future in order to establish their asset basis. Failure to maintain this proof could lead to disputes with the IRS when the asset is eventually sold or disposed of.

Complications from indexing would likely cause an increase in the number of taxpayers who use a paid preparer and discourage the use by taxpayers of the electronic On-Line Filing program. The indexing and the mark-to-market provisions would result in increased taxpayer inquiries over the toll-free telephone lines, which might be beyond the capacity of the IRS to handle.

INCREASED IRA CONTRIBUTION LIMITS

Provision: An increase in the $2,000 IRA contribution limit to $3,000 for 2001–03, to $4,000 in 2004–05, and to $5,000 in 2006–08.

IRS Comments: This provision would require a change to the dollar limit specified in the Form 1040, Form 1040A, Form 8606, and Form 5329 instructions for 2001, 2004, and 2006. The change would also be reflected in the Form 1040–ES for all applicable years. No new forms or additional lines would be required. Programming changes would be needed to reflect the increased contribution limits.

IRS would need to provide guidance to financial institutions that sponsor IRAs on how to take into account the higher contribution limits (currently all sponsors utilize IRS approved documents). In addition, the following model IRA and Roth IRA documents that are issued by the Assistant Commissioner (EPEO) would need to be modified to take into account the increased contribution limits:

Form 5305, Individual Retirement Trust Account

Form 5305–A, Individual Retirement Custodial Account

Form 5305–R, Roth Individual Retirement Account

Form 5305–RA, Roth individual Retirement Custodial Account

Form 5305–RB, Roth Individual Retirement Annuity Endorsement

Increase Health Insurance Deduction for Self-Employed to 100 Percent.

Provision: An acceleration of the increase in the deduction of health insurance expenses of self-employed individuals so that the deduction is 100 percent in years beginning after December 31, 1999.

IRS Comments: This provision would enable IRS to eliminate one line from the self-employed health insurance deduction worksheet contained in the 2000 instructions for Forms 1040 and 1040NR. This worksheet is currently four lines. The Form 1040–ES for 2000 would also reflect the provision. No new forms would be required.

REPEAL FUTA SURTAX AFTER DECEMBER 31, 2004

Provision: A repeal of the temporary FUTA surtax (0.2 percent of wages) after December 31, 2004.

IRS Comments: The provision would require a change to the FUTA tax rate on forms 940, 940-EZ, 940-PR and Schedule H of form 1040 for 2005. The rate would be reduced from 6.2 percent to 6.0 percent. No new forms would be required. Programming changes would be necessary to reflect the reduced FUTA rate.

RESTORATION OF 80 PERCENT DEDUCTION FOR MEAL EXPENSES

Provision: An increase from 50 percent to 80 percent in the deductible percentage of business meal (food and beverage) expenses. The increase in the deductible percentage is phased-in according to the following schedule: 55 percent in 2005; 60 percent in 2006; 65 percent in 2007; 70 percent in 2008; 75 percent in 2009; and 80 percent in 2010 and thereafter.

IRS Comments: This provision would require the addition of a new 5-line column on Form 2106 and a new line on form 2106-EZ to account for the different limits on meal expenses and entertainment expenses. Currently, the same 50 percent limit generally applies both types of expenses. Minor changes to the instructions for Schedules, C, C-EZ, E, and F of Form 1040; form 1065; and the Form 1120 series would also be required. No new forms would be required.

SUNSET

Provision: A sunset of all the provisions in the Act, as of the close of September 30, 2009.

IRS Comments: Sunsetting all of the Act provisions at the same time would result in massive changes to tax forms and instructions (and related programming) for the sunset year. For taxpayers, the changes would be both burdensome and confusing. The "mid-year" sunset (i.e., September 30 as opposed to December 31) would greatly complicate matters and exacerbate the burden and confusion for taxpayers.

ESTIMATED BUDGET EFFECTS OF THE CONFERENCE AGREEMENT FOR H.R. 2488

Fiscal Years 2000 - 2009

[Millions of Dollars]

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
I. Broad-Based and Family Tax Relief Provisions													
A. Reduction in Individual Income Taxes - 15% rate reduced to 14.5% in 2001 and 2002, 14% in 2003 and thereafter; all other rates including AMT reduced by 1 percentage point in 2005; increase 14% bracket width for non-joint returns by $3,000 in 2006; sunset after 2008	tyba 12/31/00	---	-7,927	-11,585	-20,207	-25,176	-37,718	-50,819	-54,740	-57,297	-17,105	-64,895	-282,574
B. Family Tax Relief													
1. Elimination of marriage penalty in standard deduction - standard deduction for joint return set at two times single standard deduction, phased in over 5 years; increase width of 14% bracket to 2 times the single bracket, phased in over 4 years beginning in 2005, sunset after 2008	tyba 12/31/00	---	-748	-1,841	-2,827	-3,921	-8,163	-17,724	-22,076	-27,563	-28,018	-9,337	-112,881
2. Marriage Penalty Relief Relating to the Earned Income Credit - increase the income starting and ending point for the earned income credit for married couples filing joint returns by $2,000 indexed after 2006 (phaseout rate stays the same)	tyba 12/31/05	---	---	---	---	---	---	-263	-1,315	-1,302	-1,283	---	-4,163
3. Tax exclusion for certain foster care payments	tyba 12/31/99	-6	-14	-21	-29	-37	-44	-52	-61	-70	-80	-106	-414
4. Expansion of adoption credit - for special needs adoption only, eliminate expense requirement and allow a $10,000 tax credit for special needs adoptions beginning in 2001	tyba 12/31/00	---	-8	-28	-30	-33	-36	-39	-41	-42	-43	-99	-300
5. Increase the dependent care tax credit - increase percentage to 35% for AGI under $30,000; increase percentage to 40% in 2006; index maximum expense limits for inflation; percentage phases down in 1% increments, but not below 20%, for each $1,000 of AGI over $30,000; expand allowable expenses to $200 per month for all children under age 1 beginning in 2006	tyba 12/31/01	---	---	-71	-291	-313	-328	-541	-1,135	-1,093	-1,134	-675	-4,907

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Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
C. Repeal of Alternative Minimum Tax on Individuals - make permanent the present-law provision to allow nonrefundable personal credits against the individual AMT, effective for 1999 and thereafter; repeal 90% limit on foreign tax credits effective for taxable years beginning after 12/31/01; phaseout the individual AMT by paying the following percent of AMT liability: 80% in 2005, 70% in 2006, 60% in 2007, repeal in 2008; unused AMT credit carryovers as of repeal may be used to offset 90% of regular tax (repeal eliminates AMT marriage penalty); sunset after 2008	tyba 12/31/98	-980	-1,028	-1,529	-2,190	-3,465	-5,369	-9,081	-15,098	-30,835	-33,275	-9,192	-102,850
Total of Broad-Based and Family Tax Relief Provisions		**-986**	**-9,725**	**-15,075**	**-25,574**	**-32,945**	**-51,658**	**-78,519**	**-94,466**	**-118,202**	**-80,938**	**-84,304**	**-508,089**
II. Savings and Investment Tax Relief Provisions													
A. Capital Gains Tax Relief													
1. Reduce long-term capital gains rates from 20% and 10% to 18% and 8%; reduce the rate at which section 1250 deductions are recaptured from 25% to 23%; indexing for assets purchased after, and for inflation occurring after 12/31/99; on 1/1/00, mark-to-market assets purchased before 2000 to qualify for indexing; sunset the rate reductions and indexing on 12/31/08	da 12/31/98	-1,233	15,505	-4,318	-5,874	-6,517	-7,129	-7,759	-8,091	-7,578	517	-2,437	-32,477
2. Reduce tax on capital gains of designated settlement funds to individual capital gains rates under the bill	tyba 12/31/99	-12	-59	-67	-75	-85	-96	-110	-123	-137	-153	-298	-917
3. Suspend 5-year holding period requirement relating to gain on sale of principal residence for members of the uniformed services and the foreign service serving outside the area in which the residence is located	sa DOE	-5	-12	-13	-13	-14	-14	-15	-15	-16	-16	-57	-133
4. Suspend 5-year holding period requirement (for a maximum of 5 years) relating to gain on sale of principal residence by employee who is sent out of the United States by an employer	sa DOE	-18	-26	-28	-29	-30	-31	-32	-33	-34	-35	-131	-296
5. Clarify the tax treatment of income and losses from derivatives	DOE	[1]	1	1	1	1	1	1	1	1	1	4	9
6. Modify treatment of worthless securities of certain financial institutions	sbwi tyba 12/31/99	-8	-12	-12	-11	-11	-10	-10	-10	-10	-10	-58	-108
B. Individual Retirement Arrangements													
1. Set the annual contribution limits for all IRAs to $3,000 for 2001 through 2003, $4,000 for 2004 and 2005, $5,000 for 2006 through 2008, and $2,000 for 2009 and thereafter	tyba 12/31/00	---	-618	-1,324	-1,532	-2,391	-3,335	-4,096	-4,885	-5,347	-3,900	-5,865	-27,429
2. Increase the AGI phaseout ranges for contributions to Roth IRAs to $100,000 - $110,000 single, $200,000 - $210,000 joint	tyba 12/31/02	---	---	---	-8	-53	-139	-244	-359	-502	-655	-61	-1,960

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Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
3. Increase the income limit for conversions of an IRA to a Roth IRA to $200,000 for joint filers	tyba 12/31/02	—	—	—	461	1,172	458	-611	-981	-601	-198	1,634	-299
4. Employers permitted to establish a separate IRA fund in their tax-qualified plan to accept IRA contributions from employees	tyba 12/31/99	*Negligible Revenue Effect*											
5. Increase in maximum contribution limits for IRAs for individuals age 50 and above by 10% annually beginning in 2001, not to exceed 50%; sunset 12/31/08	yba 12/31/00	—	-74	-228	-408	-518	-539	-564	-537	-493	-334	-1,227	-3,694
Total of Savings and Investment Tax Relief Provisions		**-1,276**	**14,705**	**-5,989**	**-7,488**	**-8,446**	**-10,834**	**-13,440**	**-15,033**	**-14,717**	**-4,783**	**-8,496**	**-67,304**
III. Alternative Minimum Tax Reform Provision													
1. Corporate AMT - repeal 90% limit on foreign tax credit and net operating losses effective for taxable years beginning after 12/31/01; allow any AMT credit carryover to reduce minimum tax by 50% but not below regular tax for taxable years beginning after 12/31/04	generally tyba 12/31/04	—	—	-403	-774	-620	-1,193	-1,443	-1,299	-1,169	-1,052	-1,797	-7,952
Total of Alternative Minimum Tax Reform Provision		**—**	**—**	**-403**	**-774**	**-620**	**-1,193**	**-1,443**	**-1,299**	**-1,169**	**-1,052**	**-1,797**	**-7,952**
IV. Education Savings Incentive Provisions													
1. Education savings accounts (formerly "Education IRAs") - increase the annual contribution limit to $2,000; expand the definition of qualified education expenses to include elementary and secondary education expenses (and after-school programs); allow ESAs to be used for special needs beneficiaries; allow corporations and other entities to contribute to ESAs; allow contributions until April 15 of following year; and allow taxpayer to exclude ESA distribution from gross income and claim HOPE or Lifetime Learning credit as long as they are not used for same expenses	tyba 12/31/00	—	-46	-152	-230	-311	-394	-475	-566	-651	-726	-739	-3,552
2. Prepaid Savings Plans - State-sponsored plans: exclusions for distributions for education expenses, beginning in 2000; private plans: tax deferral on income beginning in 2000; exclusion for distributions for education expenses beginning in 2004; allow tax-free education withdrawals from prepaid savings plans as long as they are not used for the same expenses for which HOPE or Lifetime Learning credits are claimed, beginning in 2000; miscellaneous other changes (clarify definition; one rollover per year)	tyba 12/31/99	-6	-21	-35	-54	-78	-110	-144	-178	-210	-244	-195	-1,081

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
3. Exclude from tax awards under the following programs: National Health Corps Scholarship program, beginning in 1994; F. Edward Hebert Armed Forces Health Professions Scholarship program, beginning in 1994; National Institutes of Health Undergraduate Scholarship Program, beginning in 1994; and similar State-sponsored scholarship programs, beginning in 2000;	tyba 12/31/93 & tyba 12/31/99	-3	-3	-3	-3	-3	-4	-4	-4	-4	-5	-16	-36
4. Extension of employer provided educational assistance - extend the exclusion for undergraduate courses through 2003 [2]	1/1/00	-134	-318	-394	-421	-151	---	---	---	---	---	-1,419	-1,419
5. Provide new 4-year expenditure schedule for bonds for public school construction under the arbitrage rebate rules	bia 12/31/99	-13	-120	-236	-274	-292	-307	-310	-305	-300	-293	-935	-2,450
6. Increase the school construction small issuer arbitrage rebate exception from $10 million to $15 million	bia 12/31/99	[3]	-2	-4	-5	-13	-14	-14	-15	-16	-17	-25	-102
7. Increase student loan deduction income limits for single taxpayers by $5,000 and adjust the income limits for married couples filing joint returns to twice that of a single taxpayer; phase-out range of $15,000 for both; repeal 60-month rule	tyea 12/31/99	-46	-193	-223	-253	-288	-295	-305	-315	-325	-337	-1,004	-2,582
8. 2% floor on miscellaneous itemized deductions not to apply to qualified professional development expenses; with $1,000 cap	tyba 12/31/00	---	-5	-10	-10	-10	-5	---	---	---	---	-35	-40
Total of Education Savings Incentive Provisions		**-202**	**-708**	**-1,057**	**-1,250**	**-1,146**	**-1,129**	**-1,252**	**-1,383**	**-1,506**	**-1,622**	**-4,368**	**-11,262**
V. Health Care Provisions													
1. Provide an above-the-line deduction for health insurance expenses - 25% in 2002 through 2004, 35% in 2005, 65% in 2006, and 100% thereafter	tyba 12/31/01	---	---	-444	-1,379	-1,477	-1,803	-3,137	-5,878	-8,299	-8,848	-3,300	-31,264
2. Provide an above-the-line deduction for long-term care insurance expenses - 25% in 2002 through 2004, 35% in 2005, 65% in 2006, and 100% thereafter	tyba 12/31/01	---	---	-48	-328	-364	-417	-677	-1,315	-2,027	-2,146	-741	-7,323
3. Allow long-term care insurance to be offered as part of cafeteria plans; limited to amount of deductible premiums [4]	tyba 12/31/01	---	---	-104	-151	-171	-190	-202	-204	-215	-247	-426	-1,484
4. Provide an additional dependency deduction to caretakers of elderly family members	tyba 12/31/99	-180	-276	-275	-283	-304	-324	-350	-394	-418	-428	-1,317	-3,231
5. Increase the time period for measuring eligible expenses qualifying for the orphan drug tax credit	eia 12/31/99	-5	-8	-9	-10	-10	-11	-12	-13	-14	-15	-42	-107
6. Add certain vaccines against Streptococcus Pneumoniae to the list of taxable vaccines in the Federal vaccine insurance program; study of Federal vaccine insurance program; reduce excise tax on all taxable vaccines to $0.50 per dose beginning in 2005	[5] & tyba 12/31/04	4	7	9	10	10	-26	-38	-38	-39	-39	39	-141

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
7. Itemized deduction for certain nonprescription drug expenses of Medicare enrollees, and above-the-line deduction for prescription drug insurance coverage of Medicare beneficiaries if certain Medicare and low-income assistance provisions in effect	tyba 12/31/02	---	---	---	-6	-38	-42	-47	-53	-60	-68	-43	-314
Total of Health Care Provisions		**-181**	**-277**	**-871**	**-2,147**	**-2,354**	**-2,813**	**-4,463**	**-7,895**	**-11,072**	**-11,791**	**-5,830**	**-43,864**
VI. Estate and Gift Tax Relief Provisions													
1. Phase in repeal of estate, gift, and generation-skipping transfer taxes: beginning in 2001, convert the unified credit into a true exemption, repeal the 5% "bubble" (which phases out the lower rates); repeal rates in excess of 53%; in 2002, repeal rates in excess of 50%; in 2003 through 2006, reduce all rates by 1 percentage point a year; in 2007, reduce all rates by 1.5 percentage points; in 2008, reduce all rates by 2 percentage points; proportionately reduce State tax credit rates; beginning in 2009, repeal all of these taxes; carryover basis applies to transfers by gift or by death after 12/31/08 for estates with total assets of fair market value of $2 million or less and spouse transfers of $3 million or less	dda & gma 12/31/00	---	---	-4,166	-5,612	-6,379	-7,403	-8,431	-9,540	-10,902	-12,889	-16,157	-65,322
2. Provide deemed allocation of GST exemption	ta DOE	[3]	-1	-3	-4	-4	-4	-4	-4	-4	-4	-12	-32
3. Provide retroactive allocation of GST for unnatural orders of death	generally DOE	-3	-4	-5	-6	-6	-6	-6	-6	-6	-6	-24	-54
4. Allow severances of trusts holding property having an inclusion ratio of greater than zero	---	*Included in Estate and Gift Item 3.*											
5. Modify certain valuation rates	---	*Included in Estate and Gift Item 3.*											
6. Provide relief from late elections	---	*Included in Estate and Gift Item 3.*											
7. Provide rule of substantial compliance	---	*Included in Estate and Gift Item 3.*											
8. Expand estate tax rule for conservation easements - increase the 25-mile limit to 50 miles; increase 10-mile limit to 25 miles, and clarify that the date for determining easement compliance	dda 12/31/99 & dda 12/31/97	---	-10	-13	-19	-20	-20	-21	-22	-24	-26	-62	-175
Total of Estate and Gift Tax Relief Provisions		**-3**	**-15**	**-4,187**	**-5,641**	**-6,409**	**-7,433**	**-8,462**	**-9,572**	**-10,936**	**-12,925**	**-16,255**	**-65,583**
VII. Distressed Communities and Industries Provisions													
A. American Community Renewal Act of 1999													
1. Designate 20 renewal communities; provide various incentives (zero capital gains tax on certain 5-year investments; special deduction for real estate revitalization expenditures; special expensing for certain business property; work opportunity tax credit; remediation expenses; family development accounts) beginning 1/1/01 and ending 12/31/07 [6]	DOE	---	-129	-252	-288	-293	-305	-333	-424	-107	-18	-963	-2,151

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
B. Farming Incentive													
1. Provide that Federal farm production payments are taxable in the year of receipt (ignore election to take the payments in an earlier year unless exercised)	DOE	Negligible Revenue Effect											
C. Oil and Gas Incentives													
1. Allow 5-year carryback of oil and gas net operating losses	lii tyba 12/31/98	-46	-28	-24	-21	-20	-20	-21	-21	-22	-23	-139	-246
2. Allow delay rental payments to be deducted currently	tyba 12/31/99	-3	-4	-4	-4	-4	-4	-4	-3	-4	-5	-19	-39
3. Allow geological and geophysical costs to be deducted currently	tyba 12/31/99	-16	-25	-26	-27	-27	-28	-29	-29	-30	-31	-121	-267
4. Suspend the 65% of taxable income limit on percentage depletion for 6 years	tyba 12/31/98 & tybb 1/1/05	-10	-12	-15	-17	-20	-10	---	---	---	---	-74	-84
5. Modify the refining threshold in section 613(d)(4) from "on any given day" to average production	tyba 12/31/99	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-9	-19
D. Timber Incentives													
1. Increase maximum reforestation expenses qualifying for amortization and credit from $10,000 to $25,000; remove cap on amortization of reforestation costs in 2000 through 2003	epoii tyba 12/31/99	-5	-15	-22	-29	-34	-36	-38	-37	-33	-29	-104	-277
2. Section 631(b) treatment of sales of timber	sa DOE	Negligible Revenue Effect											
Total of Distressed Communities and Industries Provisions		**-81**	**-215**	**-345**	**-388**	**-400**	**-405**	**-427**	**-516**	**-198**	**-108**	**-1,429**	**-3,083**
VIII. Small Business Tax Relief Provisions													
1. Accelerate 100% self-employed health insurance deduction; extend eligibility for self-employed health insurance deduction to those who choose not to participate in employer-subsidized health plans	tyba 12/31/99	-245	-1,007	-1,040	-657	---	---	---	---	---	---	-2,949	-2,949
2. Increase section 179 expensing to $30,000	tyba 12/31/99	-790	-880	-189	-95	2	-31	-90	-142	-157	-160	-1,954	-2,533
3. Accelerate repeal of the FUTA surtax	lpo/a 1/1/05	---	---	---	---	---	-1,029	-421	-21	1,058	413	---	---
4. Business meals deduction provisions:													
a. Increase business meals deduction (excluding entertainment expenses) by 5 percentage points per year beginning in 2006 until it reaches 60%	tyba 12/31/05	---	---	---	---	---	---	-307	-940	-1,286	-1,334	---	-3,867
b. Accelerate the 80% meals deduction for persons subject to the hours of service requirements by 1 year	DOE	---	---	---	---	---	---	---	-13	-13	---	---	-26
5. Coordinate farmer income averaging and the AMT and provide the same income averaging relief to commercial fishermen	tyba 12/31/99	[3]	-1	-1	-1	-2	-3	-3	-4	-5	-6	-8	-27
6. Create new Farm, Fish, and Ranch Risk Management ("FFARRM") Accounts	tyba 12/31/00	---	-7	-150	-208	-177	-145	-112	-49	-23	-23	-542	-895
7. Exclude investment securities income from passive income test	tyba 12/31/99	-2	-2	-2	-2	-2	-2	-2	-3	-3	-3	-10	-23
8. Treatment of qualifying director shares	tyba 12/31/99	-1	-3	-5	-7	-9	-11	-13	-15	-17	-18	-26	-100
Total of Small Business Tax Relief Provisions		**-1,038**	**-1,900**	**-1,387**	**-970**	**-188**	**-1,221**	**-948**	**-1,187**	**-446**	**-1,131**	**-5,489**	**-10,420**

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
IX. International Tax Relief Provisions													
1. Allocate interest expense on worldwide basis	tyba 12/31/01	---	---	-825	-2,641	-2,839	-3,052	-3,281	-3,527	-3,792	-4,076	-6,305	-24,033
2. Simplify and apply look-through treatment for dividends of 10/50 companies and for separate basket excess credit carryovers	tyba 12/31/01	---	---	-116	-451	-172	-63	-32	-22	-17	-12	-739	-885
3. Exception from subpart F treatment for certain pipeline transportation and electricity transmission income	tyba 12/31/01	---	---	-3	-10	-13	-15	-17	-20	-23	-25	-26	-126
4. Recharacterize overall domestic loss	tyba 12/31/05	---	---	---	---	---	---	-223	-471	-494	-529	---	-1,717
5. Repeal limitation on foreign sales corporation tax benefits for defense products	tyba 12/31/01	---	---	-45	-108	-121	-136	-153	-173	-194	-215	-274	-1,145
6. Treatment of regulated investment companies	mf tyba 12/31/04	---	---	---	---	---	-82	-153	-162	-171	-182	---	-750
7. Repeal special foreign tax credit rules for foreign oil and gas income	tyba 12/31/07	---	---	---	---	---	---	---	---	-418	-1,259	---	-1,677
8. Prohibit disclosure of advance pricing agreements (APAs) and related information; require the IRS to submit to Congress an annual report of such agreements; APA user fee	DOE	*Negligible Revenue Effect*											
9. Increase the section 911 exclusion by $3,000 per year starting in 2003 until it reaches $95,000; index for inflation in 2008, for inflation occurring after 2006	1/1/03	---	---	---	-24	-48	-80	-107	-131	-155	-184	-72	-729
10. Exempt from the 7.5% air passenger ticket tax frequent flier miles to persons with foreign addresses	raa 12/31/04	---	---	---	---	---	-34	-29	-29	-30	-32	---	-155
Total of International Tax Relief Provisions		---	---	-989	-3,234	-3,193	-3,462	-3,995	-4,535	-5,294	-6,514	-7,416	-31,217
X. Tax-Exempt Organization Provisions													
1. Provide a tax exemption for organizations created by a State to provide property and casualty insurance coverage for property for which such coverage is otherwise unavailable	tyba 12/31/99	-2	-4	-4	-4	-5	-5	-6	-7	-8	-8	-18	-53
2. Modify special provision for a permanent university fund	tyba 12/31/99	[3]	-1	-1	[3]	[3]	[1]	[3]	-1	[3]	[3]	-2	-3
3. Authorize the Secretary of the Treasury to grant waivers from section 4941 self-dealing prohibitions	DOE	*Negligible Revenue Effect*											
4. Extend declaratory judgement remedy to certain organizations seeking determinations of tax-exempt status	DOE	*Negligible Revenue Effect*											
5. Modify section 512(b)(13) to exempt income received by a tax-exempt organization from certain subsidiaries when fair market value pricing is used, excess of fair market value subject to UBIT and 20% penalty tax, and extension of transition relief for certain binding contracts	DOE & proaa 12/31/99	-7	-9	-11	-11	-11	-11	-12	-12	-12	-13	-49	-110
6. Tax exclusion for mileage reimbursements by public charities not in excess of standard business mileage rate	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-2

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Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
7. Charitable deduction for certain expenses in support of Native Alaskan subsistence whaling	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-3
8. Simplify lobbying expenditure limitations	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1
9. Tax-Free withdrawals from IRAs for charitable donations to charitable organizations after age 70.5	tyba 12/31/02	---	---	---	-172	-240	-229	-231	-233	-235	-238	-412	-1,578
Total of Tax-Exempt Organization Provisions		**-9**	**-14**	**-16**	**-187**	**-256**	**-245**	**-249**	**-253**	**-255**	**-259**	**-483**	**-1,750**
XI. Real Estate Tax Relief Provisions													
A. Improvements in the Low-Income Housing Credit													
1. Low-income housing tax credit - increase per capita credit by $0.10 per year through 2004; thereafter COLA; $2 million small State minimum beginning in 2000; COLA beginning in 2005; modify stacking rules and credit allocation rules; certain Native American housing assistance disregarded in determining whether building is Federally subsidized for purposes of the low-income housing credit	tyba 12/31/99	-5	-26	-75	-152	-258	-391	-545	-713	-893	-1,087	-515	-4,145
B. Real Estate Investment Trust (REIT) Provisions													
1. Impose 10% vote or value test	tyba 12/31/00	---	2	8	8	8	9	9	9	10	10	26	73
2. Treatment of income and services provided by taxable REIT subsidiaries	tyba 12/31/00	---	60	158	53	23	-9	-45	-84	-127	-173	294	-145
3. Personal property treatment for determining rents from real property for REITs	tyba 12/31/00	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
4. Special foreclosure rule for health care REITs	tyba 12/31/00	Negligible Revenue Effect											
5. Conformity with RIC 90% distribution rules	tyba 12/31/00	---	1	1	1	1	1	1	1	1	1	3	5
6. Clarification of definition of independent operators for REITs	tyba 12/31/00	Negligible Revenue Effect											
7. Modification of earnings and profits rules	da 12/31/00	---	-6	-3	-3	-3	-4	-4	-4	-4	-4	-16	-35
C. Modify At-Risk Rules for Publicly Traded Securities	dlia 12/31/99	[3]	-2	-4	-5	-6	-8	-10	-12	-14	-16	-19	-78
D. Treatment of Certain Contributions to Capital of Retailers - amend section 118 to clarify the tax treatment of certain construction allowances or contributions received by retail operators	ara 12/31/99	-1	-2	-6	-10	-14	-18	-22	-27	-31	-36	-32	-166
E. Accelerate 5-year phase in of private activity bond volume cap	bia 12/31/99	-4	-27	-73	-133	-193	-240	-265	-264	-248	-228	-430	-1,675
D. Deduction for Renovating Historic Homes - miscellaneous itemized deduction for 50% of cost for renovating owner-occupied historic homes up to maximum of $50,000; adjustment to basis	eia 12/31/99	-28	-110	-114	-116	-118	-120	-122	-124	-142	-148	-486	-1,142
Total of Real Estate Tax Relief Provisions		**-38**	**-111**	**-109**	**-358**	**-561**	**-781**	**-1,004**	**-1,219**	**-1,449**	**-1,682**	**-1,178**	**-7,315**
XII. Pension Reform Provisions													
A. Provisions for Expanding Coverage													
1. Increase contribution and benefit limits:													
a. Increase limitation on exclusion for elective deferrals to $11,000 in 2001, $12,000 in 2002, $13,000 in 2003, $14,000 in 2004, $15,000 in 2005; index in $500 increments thereafter [7] [8]	yba 12/31/00	---	-131	-315	-465	-561	-638	-694	-741	-788	-835	-1,472	-5,168

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
b. Increase limitation on SIMPLE elective contributions to $7,000 in 2001, $8,000 in 2002, $9,000 in 2003, $10,000 in 2004; index in $500 increments thereafter [7] [8]	yba 12/31/00	---	-5	-14	-22	-27	-29	-29	-30	-32	-33	-67	-220
c. Increase defined benefit dollar limit to $160,000	yba 12/31/00	---	-18	-31	-40	-45	-48	-50	-53	-55	-57	-134	-396
d. Lower early retirement age to 62; lower normal retirement age to 65	yba 12/31/00	---	-3	-4	-4	-4	-5	-5	-5	-5	-5	-16	-40
e. Increase annual addition limitation for defined contribution plans to $40,000 [7]	yba 12/31/00	---	-6	-11	-13	-14	-15	-16	-16	-17	-18	-44	-125
f. Increase qualified plan compensation limit to $200,000 [7]	yba 12/31/00	---	-40	-69	-78	-83	-89	-95	-101	-107	-113	-270	-776
g. Increase limits on deferrals under deferred compensation plans of State-local governments and tax-exempt organizations to $11,000 in 2001, $12,000 in 2002, $13,000 in 2003, $14,000 in 2004, $15,000 in 2005 [7]	yba 12/31/00	---	-51	-90	-104	-115	-123	-130	-138	-143	-146	-360	-1,039
2. Plan loans for subchapter S owners, partners, and sole proprietors	yba 12/31/00	---	-20	-30	-32	-35	-37	-39	-41	-44	-46	-117	-325
3. Modification of top-heavy rules	pyba 12/31/00	---	-4	-9	-11	-12	-14	-16	-17	-19	-21	-36	-123
4. Elective deferrals not taken into account for purposes of deduction limits	yba 12/31/00	---	-38	-71	-81	-85	-89	-93	-97	-101	-104	-275	-759
5. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations	yba 12/31/00	---	-16	-22	-22	-22	-22	-23	-24	-25	-26	-82	-202
6. Elimination of user fee for certain requests regarding employer pension plans; waiver applies only for request made during first 5 plan years [9]	rma 12/31/00	---	-9	-5	-5	-5	-5	-5	-6	-6	-6	-24	-52
7. Definition of compensation for purposes of deduction limits [7]	yba 12/31/00	---	-1	-2	-3	-3	-3	-3	-3	-3	-3	-9	-24
8. Option to treat elective deferrals as after-tax contributions	tyba 12/31/00	---	50	100	131	144	89	-2	-104	-218	-345	426	-155
8. Reduce PBGC premium for new plans of small employers [9]	pea 12/31/00	---	---	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-1	-3
9. Phase-in of additional PBGC premium for new plans; include additional variable premium relief for small employers [9]	pea 12/31/00	---	---	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-9	-26
Subtotal of Provisions for Expanding Coverage		---	-292	-576	-752	-870	-1,031	-1,203	-1,379	-1,566	-1,761	-2,490	-9,433
B. Provisions for Enhancing Fairness for Women													
1. Additional catch-up contributions for individual age 50 and above - increase in maximum contribution limits for pension plans by 10% annually beginning in 2001, not to exceed 50%; sunset 12/31/08	yba 12/31/00	---	-73	-151	-130	-95	-82	-81	-84	-86	-43	-449	-825
2. Equitable treatment for contributions of employees to defined contribution plans [7]	yba 12/31/00	---	-50	-75	-81	-87	-92	-97	-103	-107	-110	-294	-804
3. Faster vesting of certain employer matching contributions	pyba 12/31/00	Negligible Revenue Effect											

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
4. Simplify and update the minimum distribution rules by modifying post-death distribution rules, reducing (to 10%) the excise tax on failures to make minimum distributions, and directing the Treasury to simplify and finalize regulations relating to the minimum distribution rules	yba 12/31/00	---	-118	-212	-239	-268	-297	-330	-366	-402	-441	-837	-2,673
5. Clarification of tax treatment of division of section 457 plan benefits upon divorce	tdapma 12/31/00	Negligible Revenue Effect											
6. Modification of safe harbor relief for hardship withdrawals from 401(k) plans	yba 12/31/00	Negligible Revenue Effect											
Subtotal of Provisions for Enhancing Fairness for Women		---	-241	-438	-450	-450	-471	-508	-553	-595	-594	-1,580	-4,302
C. Provisions for Increasing Portability for Participants													
1. Rollovers allowed among governmental section 457 plans, section 403(b) plans, and qualified plans	dma 12/31/00	---	-7	-11	-12	-12	-12	-13	-13	-13	-14	-41	-106
2. Rollovers of IRAs to workplace retirement plans	dma 12/31/00	Negligible Revenue Effect											
3. Rollovers of after-tax retirement plan contributions	dma 12/31/00	Negligible Revenue Effect											
4. Waiver of 60-day rule	dma 12/31/00	Negligible Revenue Effect											
5. Treatment of forms of qualified plan distributions	yba 12/31/00	Negligible Revenue Effect											
6. Rationalization of restrictions on distributions	da 12/31/00	Negligible Revenue Effect											
7. Purchase of service credit in governmental defined benefit plans	ta 12/31/00	Negligible Revenue Effect											
8. Employers may disregard rollovers for cash-out amounts	da 12/31/00	Negligible Revenue Effect											
Subtotal of Provisions for Increasing Portability for Participants		---	-7	-11	-12	-12	-12	-13	-13	-13	-14	-41	-106
D. Provisions for Strengthening Pension Security and Enforcement													
1. Phase-in repeal of 150% of current liability funding limit; extend maximum deduction rule	yba 12/31/00	---	-7	-21	-33	-36	-36	-38	-38	-39	-41	-98	-290
2. Missing plan participants	[11]	Negligible Revenue Effect											
3. Excise tax relief for sound pension funding	yba 12/31/00	---	-2	-3	-3	-3	-3	-3	-3	-3	-3	-11	-26
4. Notice of significant reduction in plan benefit accruals	pateo/a DOE	Negligible Revenue Effect											
5. Investment of employee contributions in 401(k) plans	aiii TRA'97	Negligible Revenue Effect											
6. Repeal 100% of compensation limit for multiemployer plans	yba 12/31/00	---	-2	-4	-4	-4	-4	-4	-5	-5	-5	-13	-36
Subtotal of Provisions for Strengthening Pension Security and Enforcement		---	-11	-28	-40	-43	-43	-45	-46	-47	-49	-122	-352
E. Provisions for Reducing Regulatory Burdens													
1. Modification of timing of plan valuations	pyba 12/31/00	Negligible Revenue Effect											
2. ESOP dividends may be reinvested without loss of dividend deduction	tyba 12/31/00	---	-19	-44	-56	-61	-63	-66	-69	-71	-74	-180	-523
3. Repeal transition rule relating to certain highly compensated employees	pyba 12/31/99	-1	-2	-3	-3	-3	-3	-4	-4	-4	-4	-12	-31
4. Employees of tax-exempt entities [12]	DOE	Negligible Revenue Effect											
5. Treatment of employer-provided retirement advice	yba 12/31/00	Negligible Revenue Effect											
6. Pension plan reporting simplification [12]	1/1/01	Negligible Revenue Effect											

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
7. Improvement to Employee Plans Compliance Resolution System [12]	DOE	*Negligible Revenue Effect*											
8. Rules for substantial owner benefits in terminated plans [9]	noitta 12/31/00	*Negligible Revenue Effect*											
9. Clarification of exclusion for employer-provided transit passes	tyba 12/31/99	-4	-8	-10	-13	-14	-15	-15	-16	-16	-16	-49	-127
10. Repeal of multiple use test	yba 12/31/00	*Considered in Other Provisions*											
11. Flexibility in nondiscrimination and line of business rules [12]	DOE	*Negligible Revenue Effect*											
12. Extension to international organization of moratorium on application of certain nondiscrimination rules applicable to State and local government plans	yba 12/31/00	*Negligible Revenue Effect*											
Subtotal of Provisions for Reducing Regulatory Burdens		-5	-29	-57	-72	-78	-81	-85	-89	-91	-94	-241	-681
F. Provisions relating to plan amendments	DOE	*No Revenue Effect*											
Total of Pension Reform Provisions		**-5**	**-580**	**-1,110**	**-1,326**	**-1,453**	**-1,638**	**-1,854**	**-2,080**	**-2,312**	**-2,512**	**-4,474**	**-14,874**
XIII. Miscellaneous Provisions													
A. Provisions Primarily Affecting Individuals													
1. Treatment of payments to public safety officer survivors	[13]	-1	-2	-2	-2	-2	-2	-1	-1	-1	-1	-8	-15
2. Increase phaseout of the DC first-time homebuyer credit for joint filers to $140,000 - $180,000	po/a DOE	-1	-2	[3]	[3]	[3]	---	---	---	---	---	-3	-3
3. No Federal income tax on amounts and lands received by holocaust victims or their heirs	ara DOE	-3	-14	-17	-17	-12	[14]	[14]	[14]	[14]	[14]	-63	-64
B. Provisions Primarily Affecting Businesses													
1. Allow income from publicly traded partnerships to be qualifying income for regulated investment companies	mf tyba 12/31/00	---	-4	-9	-13	-17	-20	-23	-25	-28	-30	-43	-170
2. Equalize the tax treatment of oversized "clean fuel" vehicles and electric vehicles	1/1/00	[3]	[3]	[3]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[3]	[1]
3. Nuclear decommissioning costs: one-time transfer of non-qualified funds, with amortization over remaining useful life beginning in 2002; modify section 468A to eliminate cost of service requirement in determining nuclear decommissioning costs and clarify treatment of funds transfers	generally tyba 12/31/99	-24	-51	-89	-126	-128	-130	-131	-132	-132	-132	-418	-1,075
4. Repeal 5-year limitations relating to life insurance companies filing a consolidated tax return with an affiliated group of nonlife insurance companies effective 2001; and repeal 5-year rule related to applying losses of non-life companies against income of affiliated life insurance companies, effective 2006	tyba 12/31/00 & tyba 12/31/05	---	-42	-85	-86	-88	-90	-151	-213	-217	-219	-301	-1,189
5. Simplify the active trade or business requirement for tax-free spin-off	da DOE	-3	-5	-5	-5	-5	-5	-5	-5	-5	-5	-23	-48

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Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
6. Modify definition of personal holding company and treat all lending or finance businesses of a controlled corporate group as a single corporation	tyba 12/31/99	-4	-10	-17	-24	-27	-28	-28	-28	-29	-30	-82	-227
7. Brownfields environmental remediation expanded to include all sites except Superfund sites	eia 12/31/99	-19	-19	-5	[3]	[1]	1	2	2	3	5	-42	-29
C. Provisions Relating to Excise Taxes													
1. Repeal 0.1 cent per gallon LUST tax on railroads (10/1/99); consolidate Superfund and LUST trust funds; repeal 4.3-cents-per-gallon tax on railroad fuel and inland waterway fuel currently paid into the General Fund (10/1/03)	10/1/99 & 10/1/03	-2	-2	-2	-2	-117	-125	-128	-131	-134	-137	-125	-780
2. Repeal 10% excise tax on fishing tackle boxes; increase transfer of motor boat gasoline revenues to Aquatic Resources Trust Fund by $0.002	30da DOE	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
3. Add inserts and outserts to arrow excise tax; reduce excise tax rate on "broadhead" arrow points	fcqb 30da DOE	Negligible Revenue Effect											
4. Treat small seaplanes as general aviation for purposes of the aviation excise taxes	tba 12/31/99	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-11
5. Clarify the definition of rural airport to include communities that cannot be reached by road	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-3
D. Other Provisions													
1. Allow a limited number of private highway projects to qualify for tax-exempt-facility bond financing	bia 12/31/99	---	---	-2	-5	-9	-12	-15	-18	-22	-25	-15	-107
2. Exempt from tax distributions from Alaska Native Corporations to Alaska Native Settlement Trusts; distribution of principal to beneficiaries taxed as ordinary income; income earned by the trust treated as under present law	da 12/31/99	[3]	-1	-2	-2	-2	-2	-2	-1	-1	-1	-7	-13
4. Increase the Joint Committee on Taxation refund review threshold from $1 million to $2 million	DOE	Negligible Revenue Effect											
E. Tax Court Provisions [9]	DOE	Negligible Revenue Effect											
F. Tax credit for clinical testing research expenses attributable to certain qualified academic institutions including teaching hospitals	tyba 12/31/98	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-14
L. Allow Farmer Cooperatives to Pay Dividends on Capital Stock Without Reducing Patronage Dividends	tyba DOE	[3]	[3]	-1	-1	-1	-1	-2	-2	-3	-4	-3	-15
Total of Miscellaneous Provisions		**-63**	**-157**	**-241**	**-288**	**-413**	**-419**	**-489**	**-559**	**-574**	**-584**	**-1,160**	**-3,793**
XIV. Extensions Expiring Provisions													
1. Research tax credit, and increase AIC rates by 1 percentage point (through 6/30/04)	[15]	-1,657	-1,853	-2,226	-2,537	-2,238	-1,340	-707	-433	-127	---	-10,510	-13,115
2. Exemption from Subpart F for active financing income (through 12/31/04)	tyba 1999	-187	-827	-992	-1,190	-1,369	-1,156	---	---	---	---	-4,565	-5,721
3. Suspension of 100% net income limitation for marginal properties (through 12/31/04)	tyba 12/31/99	-23	-35	-36	-36	-37	-13	---	---	---	---	-167	-180
4. Work opportunity tax credit (through 12/31/01)	wpoifibwa 6/30/99	-229	-321	-293	-151	-58	-19	-3	---	---	---	-1,053	-1,074
5. Welfare-to-work tax credit (through 12/31/01)	wpoifibwa 6/30/99	-49	-77	-79	-47	-19	-7	-2	---	---	---	-271	-280

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Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
6. Extend and modify tax credit for electricity produced from wind and closed-loop biomass facilities - credit to include electricity produced from poultry waste (through 6/30/03)	[16]	-9	-25	-42	-57	-63	-65	-66	-68	-70	-70	-195	-534
Total of Extensions of Expiring Provisions		**-2,154**	**-3,138**	**-3,668**	**-4,018**	**-3,784**	**-2,600**	**-778**	**-501**	**-197**	**-70**	**-16,761**	**-20,904**
XV. Revenue Offset Provisions													
1. Information reporting on cancellation of indebtedness by non-bank financial institutions	coda 12/31/99	---	7	7	7	7	7	7	7	7	7	28	63
2. Extension of IRS user fees (through 9/30/09) [9]	9/30/03	---	---	---	---	50	53	56	59	61	64	50	343
3. Impose limitation on pre-funding of certain employee benefits	cpoaa 6/9/99	115	141	147	149	140	129	118	105	90	74	693	1,209
4. Increase to 15% (from 10%) optional withholding rate for nonperiodic payments from deferred compensation plans	dma 12/31/00	---	52	1	1	1	1	1	1	1	1	55	59
5. Modify estimated tax rules for closely-owned REIT dividends	epdo/a 9/15/99	40	1	1	1	1	1	1	1	1	1	45	52
6. Prevent the conversion of ordinary income or short-term capital gains into income eligible for long-term capital gain rates	teio/a 7/12/99	15	45	47	49	51	54	58	62	66	70	207	517
7. Allow employers to transfer excess defined benefit plan assets to a special account for health benefits of retirees (through 9/30/09)	tmi tyba 12/31/00	---	19	38	39	40	41	42	42	43	44	136	348
8. Repeal installment method for most accrual basis taxpayers; adjust pledge rules	iso/a DOE	477	677	406	257	72	8	21	35	48	62	1,889	2,063
9. Limit use of non-accrual experience method of accounting to amounts to be received for the performance of qualified professional services	tyea DOE	77	60	33	28	10	12	14	16	18	20	208	288
10. Deny deduction and impose excise tax with respect to charitable split-dollar life insurance arrangements	[17]	Negligible Revenue Effect											
11. Modify treatment of closely-held REITs, with incubator REIT exception; grandfather REIT transaction in progress	tyea 7/14/99	2	5	5	5	6	6	6	6	7	7	23	55
12. Modify anti-abuse rules related to assumption of liabilities; modify to provide that similar rules apply to partnerships	aolo/a 7/15/99	6	11	10	10	9	9	9	9	9	8	46	90
13. Require consistent treatment and provide basis allocation rules for transfers of intangibles in certain nonrecognition transactions	to/a DOE	25	26	28	29	30	32	34	35	37	39	138	315
14. Distributions by a partnership to a corporate partner of stock in another corporation	[18]	4	9	10	10	9	9	9	9	9	8	42	86
15. Prohibited allocation of stock in an ESOP of a subchapter S corporation	[19]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	17	47
Total of Revenue Offset Provisions		**763**	**1,056**	**737**	**589**	**431**	**367**	**382**	**393**	**403**	**411**	**3,577**	**5,535**

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
XVI. Tax Technical Correction Provisions							*No Revenue Effect*						
NET TOTAL		-5,273	-1,079	-34,710	-53,054	-61,737	-85,464	-116,941	-140,105	-167,924	-125,560	-155,863	-791,875
ADDENDUM: TAX CUT TARGET		-14,000	-7,800	-53,500	-31,800	-49,200	-62,600	-109,300	-135,800	-150,700	-177,200	-156,300	-791,900

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

aiii TRA'97 = as if included in the Taxpayer Relief Act of 1997
aolo/a = assumption of liabilities on or after
ara = amounts received after
bia = bonds issued after
coda = cancellation of indebtedness after
cpoaa = contributions paid or accrued after
da = distributions after
dda = decedents dying after
diia = debt instruments issued after
dma = distributions made after
DOE = date of enactment
eia = expenses incurred after
epdo/a = estimated payments due on or after
epoii = expenses paid or incurred in
fcqb = first calendar quarter beginning at least
gma = gifts made after
iso/a = installment sales on or after
lii = losses incurred in
lpo/a = labor performed on or after
mf = mutual funds
noitta = notice of intent to terminate after
pateo/a = plan amendments taking effect on or after
pea = plans established after
po/a = purchases on or after
proaa = payments received or accrued after
pyba = plan years beginning after
raa = rights awarded after
rma = requests made after
sa = sales after
sbwi = stock becoming worthless in
ta = transfers after
tba = transportation beginning after
tdapma = transfers, distributions, and payments made after
teio/a = transactions entered into on or after
to/a = transactions on or after
tmi = transfers made in
tyba = taxable years beginning after
tybb = taxable years beginning before
tyea = taxable years ending after
wpoifibwa = wages paid or incurred for individuals beginning work after
yba = years beginning after
30da = 30 days after

[1] Gain of less than $500,000.

[2] Estimate considers interaction with HOPE and Lifetime Learning tax credits.

[3] Loss of less than $500,000.

[4] Estimate assumes concurrent enactment of the above-the-line deduction for long-term care insurance (item 2. under Health Care Tax Relief Provisions).

[5] Effective for vaccine sales the date after the date on which the Centers for Disease Control make final recommendation for routine administration of conjugate Streptococcus Pneumoniae vaccines to children.

[6] Estimate does not include outlay effects of renewal community provision.

[7] Provision includes interaction with other provisions in Provisions for Expanding Coverage.

[8] Provision includes interaction with the IRA provisions in II., Savings and Investment Tax Relief Provisions.

[9] Estimate provided by the Congressional Budget Office.

[Footnotes for the Table continued on the following page]

Footnotes for the Table continued:

[10] Loss of less than $5 million.
[11] Effective for distributions from terminating plans that occur after the PBGC has adopted final regulations implementing provision.
[12] Directs the Secretary of the Treasury to modify rules through regulations.
[13] Effective for payments received after 12/31/99 with respect to all officers.
[14] Loss of less than $1 million.
[15] Extension of credit effective for expenses incurred after 6/30/99; increase in AIC rates effective for taxable years beginning after 6/30/99.
[16] For wind and closed-loop biomass, provision applies to production from facilities placed in service after 6/30/99 and before 7/1/04; for poultry waste and landfill gas, provision applies to production from facilities placed in service after 12/31/99 and before 7/1/04; for other biomass, provision applies to production after 12/31/99 from facilities placed in service before 1/1/03.
[17] Effective for transfers made after 2/8/99 and for premiums paid after the date of enactment.
[18] Effective 7/14/99 (except with respect to partnerships in existence on 7/14/99, the provision in effective on the date of enactment).
[19] Effective with respect to ESOPs established on or after July 15,1999; in the case of an ESOP established by an S corporation before such date, the provision would apply to plan years beginning after 12/31/00.
[20] Gain of less than $10 million.

For consideration of the House bill, and the Senate amendment, and modifications committed to conference:

WM. ARCHER.
DICK ARMEY.
PHILIP M. CRANE.
WM. THOMAS.
Managers on the Part of the House.

As additional conferees for consideration of sections 313, 315–316, 318, 325, 335, 338, 341–42, 344–45, 351, 362–63, 365, 371, 381, 1261, 1305, and 1406 of the Senate amendment, and modifications committed to conference:

BILL GOODLING.
JOHN BOEHNER.
Managers on the Part of the House.
WM. V. ROTH, Jr.
TRENT LOTT.
Managers on the Part of the Senate.

EXTENSIONS OF REMARKS

SWAP FUND TRANSACTIONS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation to eliminate a tax avoidance technique available only to the very wealthy. This technique involves the use of swap funds.

Like the legendary phoenix, a bird that lived for 500 years, burned itself to ashes on a pyre, and rose alive from the ashes to live again; this swap fund transaction has been closed down by Congress three times to date, only to see life again in the form of new and more exotic designs to get around whatever restrictions had been placed into law.

Legislation to shut down this particular practice was enacted in 1967, 1976, and again in 1997. In 1967, Congress enacted a law to prevent swap funds from being transacted in the form of a corporation, as was popular at the time. This led to the swap fund transaction being resurrected in the form of a partnership, which was closed down in 1976. Subsequently, the industry developed methods to get around both laws by manipulating the 80 percent test for investment companies. The Taxpayer Relief Act of 1997 closed these transactions down by broadening the definition of financial assets that are taken into account for purposes of the 80 percent test. Obviously, the point here is that three times Congress has acknowledged the tax avoidance potential of this transaction, and three times Congress has made a public policy decision to close this shelter down. And three times Congress has failed. We will not fail again.

Swap funds are designed to permit individuals with large blocks of appreciated stock to diversify their portfolio without recognizing gain and paying tax. In this transaction, a fund is established into which wealthy individuals with large blocks of undiversified stock transfer their stock. In exchange for the transferred stock, these individuals receive an equivalent interests in the fund's diversified portfolio. In effect, these individuals have now diversified their holdings by mixing their shares of stock with different shares of stock from other individuals, without having to sell that stock and pay tax on the gain like ordinary Americans.

The swap fund transaction is complicated, and is limited to individuals with large blocks of stock. For example, a recent offering was limited to subscriptions for $1 million, although the general partner retained the right to accept subscriptions of lesser amounts. This, however, does not mean an individual with only a million dollars in stock could invest in the swap fund. In order to avoid Securities and Exchange Commission registration requirements, these transactions are often limited to sophisticated investors who under SEC regulations, according to a 1998 prospectus, must have total investment holdings in excess of $5 million.

As outlined above, current law tries to stop swap funds involving a corporation or a partnership that is in investment company. An investment company is a corporation or partnership where the contribution of assets results in a diversification of the investor's portfolio, and more than 80 percent of the assets of which are defined by law as includable for purposes of this test.

In the most current form of the swap fund transaction, that limitation is avoided by holding at least 21 percent of assets in preferred and limited interests in limited partnerships holding real estate. In fact, the purpose of the fund is clearly identified by the prospectus, which states that "the value of the Private Investments will constitute at least 21% of the total value of the Fund's portfolio, so that the Fund will satisfy the applicable requirements of the Code and the Treasury Regulations governing the nonrecognition of gain for federal income tax purposes in connection with the contribution of appreciated property to a partnership." As in past years, the bill I am introducing addresses the specific transaction being used; that is, the bill would eliminate the latest avoidance technique by providing that such investments would be treated as financial assets for purposes of the 80 percent test.

The second part of this bill at long last recognizes the inadequacy of the above approach, given its 32 year record of failure. This section states that any transfer of marketable stock or securities to any entity would be a taxable event, if that entity is required to be registered as an investment company under the securities laws, or would be required to register but for the fact that interests in the entity are only offered to sophisticated investors, or if that entity is formed or availed of for purposes of allowing investors to engage in tax-free exchanges of stock for diversified portfolios.

The effective date of this legislation is for transfers after date of Committee action, with an exception for binding contracts signed prior to date of introduction. While it is clear that the Committee will decide on the appropriate effective date, I do not believe it would be fair to apply this legislation to contracts signed prior to the date that taxpayers were first on notice of a potential change in the law. This effective date is, by the way, similar to the effective date the Committee chose for the 1997 change.

For those taxpayers who react by rushing their deals, they should be on notice that I intend to attach this legislation to the first tax bill that emerges from the Committee on Ways and Means after September 1, 1999. For those who have technical suggestions to make to the legislation, it would behoove them for the same reason to analyze this bill carefully and make whatever technical suggestions they have as soon as they practically can.

Mr. Speaker, the life and death of this transaction is not simply another instance of American ingenuity and creativity which we can all admire. It is, in reality, a practical example of the need to seriously consider what generic powers should be granted to the Department of the Treasury to close down certain tax shelters without waiting for Congress, which inevitably can only attempt to keep up with the most obvious techniques being utilized to minimize tax payments.

One of the great dangers I see on the horizon, Mr. Speaker, is that the proliferation of tax-shelters will eventually lead to a severe backlash by Congress that may not be as well crafted as many, including myself, would like.

OFFICERS STEVE REEVES AND STEPHEN GILLNER

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. BARR of Georgia. Mr. Speaker, those cynics who say America has no real heroes anymore have never heard the names Steve Reeves and Stephen Gillner.

Both men filled one of the most dangerous roles in the Cobb County Police Department by serving on its SWAT team. Late last month, both men gave their lives in a heroic effort to save an elderly woman.

Officers Gillner and Reeves were both devoted husbands and fathers. They were both active in their communities. Both had a record of putting their own lives at risk to help others.

Officer Gillner received an Officer of the Year nomination for pulling a man from a burning van. Reeves received awards for saving a family from a burning home and rescuing an officer from an armed suspect.

Every day, we are disappointed to see the sports figures and celebrities many look up to, letting us down. Officers Gillner and Reeves did not let us down. They lived their lives as quiet heroes; protecting lives, loving their families, and making it possible for the rest of us to enjoy the safety we all too often take for granted.

In life and death, these two brave officers taught all of us what it really means to be a hero. While nothing can erase their loss, we can take comfort in knowing they gave their lives doing a job they loved, and doing it well.

WORKFORCE SKILLS SHORTAGES

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. DREIER. Mr. Speaker, I rise today to commend the Chairman of the Immigration

Subcommittee, Representative LAMAR SMITH, for recognizing the important role technology companies play in our nation's economy, and holding a hearing on Thursday to investigate the workforce shortage affecting America's high-tech industries. The high-tech explosion experienced in the U.S. has created over 1 million jobs since 1993 and produced an industry unemployment rate of 1.4 percent. In California alone, this technology explosion has made the Golden State number one in high-tech employment by creating 784,151 jobs and making up 61 percent of California's exports. As a result, our nation's economy has surged and the American people are enjoying the highest standard of living in history.

While our economy is strong, we must recognize that if cutting edge technology companies do not have access to growing numbers of highly skilled personnel, it will threaten our nation's ability to maintain robust economic growth and expanding opportunities. For the second year in a row, robust growth in technology in technology industries have placed significant strains on the H–1B visa program. Last year, these visas were increased to ensure that the scarcity of skilled workers not undermine the ability of the economy to grow. Unfortunately, the Immigration and Naturalization Service reached the visa cap in June leaving 42,000 visas outstanding. Additionally, there are currently over 340,000 unfilled positions in the high-tech industry, and the Department of Labor projects that this deficit will increase by 1 million workers in the next decade.

I believe that highly-skilled, temporary foreign workers are critical to filling a limited number of positions for which no qualified Americans are available. That is why I introduced the New Workers for Economic Growth Act of 1999 as the House companion for S. 1440 introduced by Senator PHIL GRAMM. This legislation increases the level of H–1B visas available for highly-skilled scientists and engineers to 200,000 for the years 2000–2002.

It is clear that education reform and worker training are essential to ensure that American citizens are able to take advantage of these positions. The fact is, half of the student graduating from American universities with doctorates in science, math and computer programming are foreign-born students. The lack of investment in educating Americans in these subject areas is a serious long-term problem that must be addressed. In the short-term, however, I believe a temporary increase in H1B admissions is warranted. I commend Chairman SMITH for exploring the current situation so that a workforce shortage does not threaten our vibrant economy.

WORKPLACE PRESERVATION ACT

SPEECH OF

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 987) to require the Secretary of Labor to wait for completion of a National Academy of Sciences study before promulgating a study or guideline on ergonomics:

Mr. WALDEN. Mr. Chairman, I rise today in support of the Workplace Preservation Act and in support of American small business. All we're asking is for the Occupational Safety and Health Administration to delay implementation of a new workplace ergonomics rule until the National Academy of Science finishes a study of the effects of workplace ergonomics.

The rule that OSHA wants to implement is conservatively estimated to cost Americans $3.5 billion a year. As a small business owner, I am very concerned about how federal regulations affect people and their jobs. Too often the people who suffer are not only the small business owners, but also their employees. And the regulation being discussed by OSHA is indeed large. It could have harmful effects on the economies of the small towns that dot my district where there are not many choices of where to work. Often in Central, Southern, and Eastern Oregon, if you lose your job at the local tire store or construction company, there are no other employment choices.

The federal government has already played a role in driving the unemployment rate in Grant County to almost 17% in April of this year by halting access to the federal lands that dominate the landscape of Oregon. Now it wants to micro-manage small business? I believe that before the federal government implements a drastic increase in its interference in America's small businesses, it needs all the information it can get on ergonomics. It is not too much to ask OSHA to wait to implement its rule until we have a chance to examine the ergonomics study being performed by NAS at the request of Congress.

Mr. Chairman, I join the small business owners of America in thanking my friend from Missouri, Mr. Blunt, for his leadership on this important issue. I urge my colleagues to support this reasonable and pro small-business bill.

A TRIBUTE TO THE LATE ROSLYN McGRUDER CLARK

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mrs. MEEK of Florida. Mr. Speaker, I rise today to pay tribute to the late Roslyn McGruder Clark, a native of Miami who passed away Saturday of a brain aneurysm at the age of 48.

Roslyn Clark was a precious asset to our community. Her enthusiasm for her work, her compassion for other people, and her dedication to public service speak to the very best tradition of police service.

Roslyn was simply an outstanding law enforcement officer. She worked hard, and she worked smart. Education was extremely important to her. She was a graduate of Miami's Jackson Senior High School. She held a Master of Science degree from Biscayne College, and had completed graduate course work at Florida Atlantic University and at the University of Miami.

Roslyn Clark's tremendous abilities were recognized by her superiors. She attained the rank of major and was the highest-ranked African-American female police officer in the Miami-Dade Police Department. Her task was to head the Northside Police Station in the Liberty City are

Roslyn Clark's tremendous abilities were recognized by her superiors. She attained the rank of major and was the highest-ranked African-American female police officer in the Miami-Dade Police Department. Her task was to head the Northside Police Station in the Liberty City area of Miami, considered by many to be the most violent area in Dade County.

Roslyn Clark did not shrink from this challenge; she welcomed it. For she had grown up in this area. She knew the people, and she knew the problems. Even more important, she was a talented leader who knew how to make the police force work for the community. She used every tool available to her—personnel, training, community groups, educators. She forged relationships with residents and young people. Because of her work and under her direction, the neighborhood began to improve. This is an important part of her legacy.

Major Roslyn McGruder Clark is survived by her husband, Edgar Clark, her son Keenan, her stepson Edgar Clark, Jr., and by her maternal grandmother, Mrs. Helen Ward. I extend to them, on behalf of our entire community, my heartfelt sympathy at their loss, which is our loss.

From this day forward, whenever men and women of determination and good will talk about those in our community who made a positive contribution, whey will remember Roslyn Clark.

TWENTY-FIRST AMENDMENT ENFORCEMENT ACT

SPEECH OF

HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2031) to provide for injunctive relief in Federal district court to enforce State laws relating to the interstate transportation of intoxicating liquor:

Ms. HOOLEY of Oregon. Mr. Chairman, I rise to express my concerns about the impact of H.R. 2031 on small family-owned vintners and wine producers in my district.

This issue before us is much more complex than it seems on the surface. Of course, teens should not be able to order a case of beer from their home computers. Nor should they be able to mail order shipments of alcohol to their front door. Because of this, I will support this bill.

But we are voting on much more than this.

This bill basically states that federal courts might get involved when an adult visits a small family owned winery in person and purchases wine for their own consumption, then has that wine shipped home.

I see no reason why this transaction—which could still be prosecuted in a state court if it violated a state law—should be pushed into the federal courts.

We do not have the resources to use the federal courts to chase such violations of state law.

I hope to introduce stand alone legislation that would address my concerns and I ask my colleagues for their support.

Such an effort would be pro-small business, pro-tourism, and pro-family farmer.

JUDITH TAYLOR

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the outstanding work of Judith Taylor.

Judith Taylor teaches mathematics at Inez Elementary School in Albuquerque, New Mexico, in my district. Recently, she received the National Science Foundation 1998 Presidential Award for Excellence in Mathematics and Science Teaching. The award honors 208 teachers from around the country whose work makes them role models for other educators to emulate.

Ms. Taylor's unique philosophy and creative approach to teaching math has touched the lives of many students and impressed the judges of the contest. She believes most students' fears about math manifest themselves early because students are uncomfortable with common teaching methods. Rather than forcing her students to memorize rules, Taylor teaches them to look for patterns in mathematics.

I am certain most adults can remember a teacher from their school days who was a positive influence not only in their school work, but also in their lives. I thank her for being a positive influence to the students in the first district.

Mr. Speaker, I ask that we recognize and thank Judith Taylor for her hard work and dedication in teaching mathematics.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. GUTIERREZ. Mr. Speaker, in the evening of Thursday, July 29, 1999, and the morning of Friday, July 30, 1999, I was unavoidably absent from this Chamber and therefore missed rollcall vote No. 355 (Motion to Instruct Conferees on S. 900), rollcall vote No. 354 (Motion to instruct Conferees on H.R. 1501), rollcall vote No. 353 (the Pitts amendment to H.R. 2606), rollcall vote No. 352 (the Moakley amendment to H.R. 2606) and rollcall No. 351 (the Campbell amendment to H.R. 2606).

I want the Record to show that if I had been able to be present in this chamber when these votes were cast, I would have voted "yea" on rollcall vote 355, rollcall vote 354, and rollcall vote 352. I would have voted "no" on rollcall vote 353 and rollcall vote 351.

CONSTRUCTION INDUSTRY PAYMENT PROTECTION ACT OF 1999

SPEECH OF

HON. PAUL RYAN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1999

Mr. RYAN of Wisconsin. Mr. Speaker, I rise today in support of the Construction Contractors Payment Protection Act of 1999, H.R. 1219. This legislation has been carefully crafted to balance the rights and interests of the parties on projects covered by the Miller Act. The Miller Act requires a performance bond to protect the government for completion of the project and payment bonds to protect certain persons providing labor and materials since these persons are not afforded the protection of mechanics liens on federal projects. Legislation previously proposed did not adequately balance these considerations. I am pleased that twenty-three construction industry groups including the Associated General Contractors of America, the Surety Association of America, American Insurance Association and National Association of Surety Bond Producers were able to agree upon provisions enhancing the current Miller Act.

Bonding is a very important benchmark in the construction industry. This bill preserves that benchmark. Bond capacity represents a company's financial and capacity to complete a project. Bonded contractors expose their companies to rigorous financial and operational evaluation and their officers often pledge corporate and personal financial assets as collateral to the bond.

The Miller Act was designed to protect subcontractors and the government to ensure the timely completion of a construction project. Government contractors have proven to be very reliable. Hundreds of thousands of contracts are entered into annually. The government purchases billions of dollars of construction services.

I commend the gentleman from Virginia, Representative Davis and the gentlelady from New York, Representative Maloney, and the Chairman of the subcommittee, Representative Horn for their extraordinary efforts to reach a consensus agreement by so many in the construction industry.

EXPRESSING THE SENSE OF THE HOUSE WITH REGARD TO SHUTTLE MISSION STS–93, COMMANDED BY COLONEL EILEEN COLLINS, FIRST FEMALE SPACE SHUTTLE COMMANDER

SPEECH OF

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1999

Mr. HOYER. Mr. Speaker, I rise today to recognize the tremendous accomplishments of Air Force Colonel Eileen Marie Collins as the first female space shuttle commander. Col. Collins represents the best in America's space program and I congratulate her and the crew for the successful deployment of the Chandra X-Ray Observatory during the STS–93 Mission aboard the Shuttle *Columbia.* With three missions under her belt, Col. Collins has certainly become one of our most experienced astronauts.

I look forward to seeing the results of the time and resources invested in making the Chandra X-Ray Observatory a reality. The telescope will give scientists an important tool to study phenomena like exploding stars, quasars and black holes.

Chandra and other major projects like Hubble and Landsat are the results of a team effort of NASA scientists, engineers, contractors, educational institutions and the highly trained astronauts who place these satellites and observatories into orbit. While we commend the efforts of this mission and NASA's many previous accomplishments, I am deeply concerned by the $1 billion cut in NASA's overall budget of $13.6 billion and the impact this will have on future programs like Hubble's successor, the Next Generation Space Telescope.

Goddard Space Flight Center is one of NASA's premier research and program management facilities and the facility that will be most impacted by the cuts. The $1 billion dollar cut would adversely impact NASA's Space and Earth Science Programs based at Goddard. These are serious cuts and I am deeply concerned with the impact this will have on the almost 12,000 employees that work either directly as employees or indirectly as contractors.

So as we recognize the success of STS–93 and Col. Collins' tremendous achievement, let us also keep in mind that future programs like Discovery and the Next Generation Space Telescope—programs that will utilize the shuttle program—face an uncertain and unnecessary fate, as a result of these cuts.

JAMAICA'S INDEPENDENCE DAY CELEBRATION

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. TOWNS. Mr. Speaker, I rise today to pay tribute to a remarkable island nation which will be celebrating its 37th year of Independence on Friday, August 6, 1999. This is the island nation of Jamaica. But although independent Jamaica will be celebrating its 37th birthday this Friday, the nation of Jamaica is much older than its 37 years. In fact, this nation was born in 1655, 344 years ago, when the former African slaves established free Maroon settlements after the Spanish colonial power had departed the island. It came to adolescence on August 1, 1834, when slavery was abolished throughout the British Empire. Independence is the culmination of a long period of gestation, growth, and maturity in the life of this nation.

Jamaica has bequeathed a glorious legacy of resistance to human oppression. The Maroon rebellion, led by its freedom fighters, inflicted heavy losses on the British and forced them to recognize the autonomy of the Maroon communities. Among its pantheon of freedom fighters are Cudjoe, Nanny, Johnny, and Accompong.

Jamaica provided leadership during the labor disturbances of 1938, when harsh social conditions forced the working class to take serious industrial action. Among the leaders of the labor revolt were Allen George Coombs, the old Garveyite warrior St. William Grant, and the incomparable William Alexander Bustamante.

Jamaican contribution has not been confined to the island of Jamaica. Jamaicans have contributed to the struggle for human rights in the U.S.A. Among the outstanding Jamaicans who have contributed to our history are John Brown Russwurm, the author of the first black newspaper, Freedom's Journal, Robert Brown Elliot, who served in this Congress from the great State of South Carolina, during the Reconstruction period, Claude McKay, one of the outstanding authors during the Harlem Renaissance, and Marcus Mosiah Garvey, the prophet of Pan African nationalism.

Jamaica has produced more musical genres than any country in the world, except the U.S. Its traditional African rhythms as reflected in the Kumina, Myal and Pocomania cults led to the development of the worksongs, then to the Mento, then the Ska, the Rock Steady and finally the internationally acclaimed Reggae music.

Each of these musical genres has produced its pantheon of superstars. The worksongs produced the acclaimed lyricist, Harry Belafonte, the Mento produced the legendary Lord Flea and Lord Fly, the Ska produced the Skatalites, Rock Steady produced artistes such as Hopeton Lewis and Delroy Wilson, and Reggae produced Jimmy Cliff, Peter Josh, Dennis Brown, and the incomparable Robert Nesta Marley.

This nation has produced more sports heroes than any other nation, with the exception of the U.S. It has produced superstars in the fields of cricket, soccer, netball, hockey, boxing, and athletics. It has created history in such nontraditional sports as bobsled, chess, and baseball. It has contributed to the American past time by producing such superstars as Patrick Ewing of the Knicks, Devon White formerly of the Blue Jays, and Chili Davis of the Yankees.

Mr. Speaker, never in the long history of human achievement has a nation of such modest size, population, and resources produced so many talented individuals in virtually every field of human endeavor—in the struggle against oppression, in the struggle for social justice, in the task of creating an Afrocentric identity, and in the fields of music, drama, and sports.

I wish to conclude by paraphrasing a tribute, which William Shakespeare once paid to another island nation:

This royal throne of Kings, this scepter'd isle,
This Earth of majesty, this seat of Mars,
This other Eden, demi-paradise.
This happy breed of men, this little world,
This precious stone set in a silver sea,
This blessed plot, this Earth, this realm,
This Jamaica.

JANICE USSERY

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the outstanding work of Janice Ussery. She was recently recognized for her community service to Albuquerque, New Mexico.

Janice Ussery volunteers with the Meals on Wheels Association in Albuquerque, New Mexico, which is in the First Congressional District of New Mexico. Recently, the Meals on Wheels Association of America named her their Volunteer of the Year. Janice started volunteering with Meals on Wheels in 1981 as a driver delivering hot meals to clients.

Her campaign for providing quality meals played a major part in the Albuquerque Meals on Wheels obtaining a kitchen of their own. Through her involvement the quality of home cooked meals delivered to the needy improved. The improvements came, not only from the product, but through creating a friendly working environment for staff and volunteers.

Janice Ussery not only brings meals to the needy, she also brings pride to our community. Mr. Speaker, I thank Ms. Ussery for her hard work and dedication and ask that we recognize her.

TRIBUTE TO COLONEL WALTER J. CUNNINGHAM OF HUNTSVILLE, ALABAMA

HON. ROBERT E. (BUD) CRAMER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. CRAMER. Mr. Speaker, I would like to take this opportunity to pay tribute to Col. Walter J. Cunningham of Huntsville, Alabama, on the occasion of his retirement from the U.S. Army Corps of Engineers.

Col. Cunningham has dedicated thirty years of outstanding service to the U.S. Army and this Nation. In his thirty year career, he has held every position available to an engineer office, excelling at each assignment. The numerous awards, distinctions and decorations he has garnered mark his career as among the finest of our Nation's leaders and patriots.

Among his impressive range of accomplishments are the positions of platoon leader in Alaska, project engineer for construction of Ramon Air Base in Israel and Battalion Operations Officer in Louisiana. Recognition by the U.S. House of Representatives is a fitting tribute to one who has provided so much time, so much labor and so much strong leadership towards the defense of our nation.

Col. Cunningham is praised by his colleagues for his innovative and effective management saving taxpayers tens of millions of dollars in military construction projects with the Department of Defense.

I congratulate Col. Cunningham and his wife Phyllis on his richly deserved retirement and I wish him the best in his future years.

As an army veteran, I am proud to have this opportunity to recognize his tremendous service and accomplishments as well as thank him for his extraordinary contributions to Alabama and the defense of the United States.

TRIBUTE TO EDWARD M. WOLIN, M.D.

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Dr. Edward M. Wolin, recipient of the Ahavas Chesed Award, which recognizes individuals for their compassion and dedication to humanity. Dr. Wolin is a clinical oncologist, who has dedicated numerous years toward the prevention and treatment of cancer.

President Kennedy once said. "for those to whom much is given, much is required." Dr. Wolin has been blessed with a brilliant mind and a caring heart, and he has used these assets toward improving the quality of life for so many, not just nationally, but globally.

The prevention and treatment of cancer is one of the most prominent and necessary fields of modern medicine. This year, over 1,400,000 United States citizens are expected to be diagnosed with cancer to curing the most common and lethal cancers, working diligently to curb their degenerative effects.

Dr. Wolin's wonderful practices began after attending Yale University School of Medicine. He subsequently taught on the Washington University School of Medicine staff, and became the Chief of Clinical Oncology Teaching and Research at the Jewish Hospital of St. Louis. In 1981, Dr. Wolin began practicing in southern California, and he later became the associate medical director at the Cedars-Sinai Comprehensive Cancer in Los Angeles, where he is currently engineering innovative efforts toward developing new methods in the prevention and treatment of cancer.

Mr. Speaker, distinguished colleagues, please join me in honoring Dr. Edward M. Wolin. Helping to cure the world of cancer is an honorable deed that merits the utmost respect, for his selfless work is paving the way for a better tomorrow. Dr. Wolin's commitment sets an example for us all.

PERSONAL EXPLANATION

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. KENNEDY of Rhode Island. Mr. Speaker, I was not able to be present for rollcall vote 364. Had I been present, I would have voted "yea."

LOSING THE BATTLE FOR PEACE IN KOSOVO

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. PACKARD. Mr. Speaker, when the House of Representatives considered legislation to approve the use of American forces as part of the NATO coalition against Yugoslavia, many Members of Congress, including myself, cautioned that military strikes would do little to end this centuries-old conflict, and instead might only aggravate tensions.

Mr. Speaker, it has been several weeks since Slobodan Milosevic agreed to withdraw his forces from Kosovo and daily NATO bombings of Yugoslavia ceased. While some were quick to proclaim victory and openly declare that this President's "legacy" had finally been secured, it is now becoming plainly apparent that the bloodshed never really ended.

Milosevic's Serbian forces committed reprehensible human acts not seen in Europe since Hitler's Germany. Actively working to thwart his maniacal and murderous scheme was a noble defense of all humanity. I am proud of our men and women in uniform who acted with courage and patriotism while serving the interests of peace in trying to stop the rapes, killings and ethnic cleansing. Peacekeeping should be an "ethnically blind" operation.

Despite the best of intentions, the cycle of violence in this region of the world continues. Kosovo is still a warzone, and the prospect for peace is no better today than it was when NATO airstrikes began. I remain convinced that this Administration's policies have failed all the people of this region. I firmly believe that more attentive and more skillful diplomacy months and years earlier may have prevented this entire war.

Mr. Speaker, the world needs strong American leadership abroad, and Congress should not hesitate to demand a more coherent strategy from this President to ensure a lasting peace in this war-torn region. Stopping one campaign of hatred and violence only to permit others to kill and maim is hardly a legacy to be proud of.

JOHN RICHMOND, GASTON DEVIGNE AND KATYA HAFICH

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the outstanding work of John Richmond, Gaston DeVigne and Katya Hafich. They are students at Albuquerque Academy, a middle and high school in the First Congressional District of New Mexico.

Recently, these three students won the Toshiba/National Science Teachers Association Explora Vision Awards. Toshiba and the NSTA give the award to students who compete in teams of three to predict how a form of technology will develop in the future and how it will look in 20 years.

Together, these students produced a video predicting the progress of defibrillator technology. They believe the defibrillators of tomorrow, which are used to help stop heart attacks, will be lightweight and portable, and they will have voice command capability.

John, Gaston and Katya displayed the ambition, knowledge and vision to lead America into the 21st Century. These traits helped them to attain success now and will continue to do so throughout their lives. I am honored to be able to congratulate them.

Mr. Speaker please join me in congratulating John Richmond, Gaston DeVigne and Katya Hafich for their achievement.

TRIBUTE TO THE MEMORY OF JUDGE PHILIP E. LAGANA

HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. WEINER. Mr. Speaker, I rise today to invite our colleagues to join me in honoring Judge Philip E. Lagana, a great American, and fellow New Yorker, who spent his life serving the public and our country. Through countless hours of hard work and dedication, Judge Lagana upheld the values and principles of our country's Constitution by fairly, firmly, and compassionately serving as a Justice of the New York State Supreme Court. The following tribute delivered at his funeral service by Joseph Crea, Professor Emeritus at Brooklyn Law School, beautifully captures this man's invaluable contributions to his community.

TRIBUTE TO THE MEMORY OF JUDGE PHILIP E. LAGANA

For me, at this time, it is a privilege and a sadness to speak about a friend, neighbor and associate in the legal profession. I first met Judge Philip E. Lagana more than fifty years ago at the Brooklyn Law School, where I served as Law Librarian and he was a student in his final year. Since 1948 when he graduated law school, our paths were never far apart. I remained in the academic area of the law. Judge Lagana went out into the public area to practice his profession as a lawyer. He began his private practice in the field of Criminal Law. After a short stint of practice, he then diverted his attention to public service, a career which he served until his retirement. Judge Lagana began his public service in the Kings County District Attorney's Office. Where he was appointed an Assistant District Attorney. In that office he initially served as trial attorney and was rapidly promoted to the position of Deputy Chief of the Supreme Court Trial Assistants. He was then charged with setting up a major offenses bureau at the District Attorney's office. Upon completion of this task, Judge Lagana was appointed chief of the bureau. In 1974, Judge Lagana was made President of the New York City Tax Commission by then Mayor Abe Beame, a position he occupied until his election to the Supreme Court of the State of New York in 1975. This was the culmination of years of public service, which the public recognized in electing him to that high office. There was also recognition at his first induction by the presence of many friends, neighbors, relatives and members of public. It was a joyous event. I had the privilege to speak at this his first induction to the judiciary. There was no sadness in the many congratulatory remarks on that occasion.

As a Justice of the Supreme Court, Judge Lagana acted with firmness, but with fairness and compassion. He was not afraid to make difficult decisions, explore new concepts, or develop new theories. Recognition of these actions and qualities found support from the appellate bench which reviewed them. After serving with distinction, Judge Lagana won the support of the public, the lawyers who practiced before him and his associates. This guaranteed him reelection for an additional 14 year term. At age 70, when he was required to step down under the then age law, Judge Lagana was certified to continue on the first of the three 2 year extensions. In 1992, he decided to retire, left the bench and took with him the accolades, the honors and the esteem of many friends, associates and organizations, among which where the Catholic Lawyers Guild; the Columbian Lawyers Association; the Kings County Criminal Bar Association; the Brooklyn Bar Association; the New York State Real Estate Board; the United Jewish Appeal; the Marlboro Memorial Post No. 1437, American Legion and its Women's Club; and the 46 A.D. Democratic Club.

The legacy one leaves is not only embodied in his career as a public servant, it has an individual persona. Judge Lagana was born and spent his lifetime in Brooklyn, New York. He attended Sts Simon and Jude grade school. Upon graduation he was selected for St. Michael's High School (now Xaverian). His performance at St. Michael's gained him entry and a place at Georgetown University. From there it was then Brooklyn Law School and the start of a professional career already documented.

During World War II, Judge Lagana served in the Signal Corps in the China theatre. Following military service, he joined the Marlboro Memorial Post # 1437 and served in many executive positions during his lifetime membership, the last giving many years as Judge Advocate. His commitment on behalf of the veteran is well known. He never lost touch with the veterans's problems and needs.

When called upon, Judge Lagana never refused to serve in a social service or political setting. He loved politics and its many challenges and served his party well. As compassionate as he was as a judge, this quality extended to charitable endeavors as well.

To Josephine, to Francis, to family members, to his neighbors, to his friends and associates, to the public he served, Judge Lagana's passing leaves behind a sadness and a legacy. A legacy of memories—of a public servant, who in his offices acted with dedication; of a decent unpretentious person, who never lost touch with the people and his family circle. He also leaves us the memories of the esteem in which he was held; of the honors bestowed upon him; of service to the community; and loving commitment and dedication to family.

A legacy for a lifetime.

THE FOURTH OF JULY

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to tell my colleagues about the wonderful Fourth of July celebration that was held in the town of Fieldon. This year marked the 45th anniversary of the Independence Day celebration. On Independence Day the town of 350 is a perfect picture of small town America, with the Stars and Stripes flying from white front porches.

"We invite the public to join us in Fieldon for the Fourth of July Celebration," Mayor Betty Duggan said. "There will be games, bingo, good country cooking and fireworks." Fieldon has a rich and patriotic history dating back to before the civil war. When long time resident Hazel Dunham was asked about the event she said, "Fieldon is a patriotic town of people who love the flag of their country." I am extremely proud to represent the people of Fieldon, Illinois, people who possess the pioneering spirit of hard work, moral values, and patriotism.

PERSONAL EXPLANATION

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. GARY MILLER of California. Mr. Speaker, I inadvertently voted "aye" on rollcall No. 365, disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to Vietnam. I ask that the RECORD reflect a "nay" vote on rollcall No. 365.

CONGRATULATIONS TO THE KARBIN FAMILY

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. GUTIERREZ. Mr. Speaker, I am very pleased today to honor two of my neighbors and constituents on a very happy and joyous occasion.

On February 21st, my friends Carolyn and Martin Karbin welcomed to the world a beautiful baby girl. Laura Marie Karbin was born at 8:37 a.m., she was 21.5 inches long and weighed eight pounds, three ounces.

I want to share my good wishes and warmest congratulations with the Karbin family. I know that Laura will receive the best of guidance, support and love from her parents and I wish her a life filled with peace, happiness and good health.

SCHOTT GLASS TECHNOLOGIES ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. KANJORSKI. Mr. Speaker, I rise today to bring to the attention of my colleagues the 30th anniversary of one of America's leading technological enterprises: Schott Glass Technologies of Duryea, Pennsylvania. Schott Glass Technologies will mark its anniversary with a dinner on August 12. I am honored and proud to have been asked to attend and participate in this event.

A wholly-owned subsidiary of Schott Corporation of Yonkers, New York, Schott Glass Technologies now employs 450 people in Northeastern Pennsylvania. The company is a vital component of national efforts to advance America's technological excellence and local efforts to spark the economic revitalization of Northeastern Pennsylvania.

Schott Glass Technologies is currently engaged in a project that will have important local and national repercussions. Schott is creating in Duryea the most advanced production center in North America for high-technology flat panel glass that is used in various electronic devices, from laptop computers to military aircraft. This vitally-important technology is important for our national security and is expected to create up to 100 new jobs in Duryea, many of which will be the high-skilled, high-wage jobs that are essential to boosting our area's economy.

The flat panel display industry is expected to double within six years to nearly $24 billion, but most of this glass is currently produced in Japan or other Asian countries. Schott Glass Technologies has joined forces with Candescent Technologies Corporation to develop an innovative flat panel display technology that is higher-quality and less expensive than the technology currently in use. Schott plans to build a processing plant in Duryea that will produce super-thin glass using "down draw" technology, which allows for thinner glass to be created that requires less polishing. This facility will be the first of its kind in the United States. The super-thin glass will be used in displays for hand-held electronics for the United States Department of Defense ground forces and in avionics displays for military jets. Other uses include displays for laptop computers, work stations, and commercial jet avionics.

By contributing to the economy of Northeastern Pennsylvania and advancing our nation's store of technology, Schott Glass Technologies continues to provide an example of the conscientious entrepreneurship that will support our nation compete in the global economy of the 21st Century. Under the leadership of President Bruce Jennings, Schott Glass Technologies can be expected to continue to grow and develop to meet the challenges of constant technological innovation.

Mr. Speaker, I am glad to have had this opportunity to share with my colleagues the accomplishments of Schott Glass Technologies. I salute the men and women of Schott Glass Technologies for their hard work and devotion.

THE INTERFAITH CONFERENCE OF METROPOLITAN WASHINGTON CELEBRATES 20 YEARS OF BUILDING UNITY AND CELEBRATING DIVERSITY

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Ms. NORTON. Mr. Speaker, I ask my colleagues to join me in celebrating the twenty years of work of the Interfaith Conference of Metropolitan Washington.

Founded in the fall of 1978, the Interfaith Conference has been recognized as "the flagship of interreligious organizations." One of the most remarkable aspects of the Interfaith Conference is the diversity of its members—Islamic, Hindu, Jewish, Latter-day Saints, Protestant, Roman Catholic, and Sikh faith communities. They have come together and achieved great success, especially in dialogue and in joint work on critical issues of social justice.

There is a natural harmony among the faiths and the Interfaith Conference has found it in their work in this city and in this region. The Conference has found a way to act on faith in a spirit that does no violation to faith. The Washington Interfaith Conference has chosen to influence public life, consistent with faith, yet mindful of its purposes and limits.

Mr. Speaker, I ask that this body join me in celebrating. The Interfaith Conference of Metropolitan Washington and thanking its members, individually and collectively, for reminding us of enduring values—such as unfailing help to the needy—and for reinforcing enduring morals, civility in language, and in treatment of others.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, August 5, 1999 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 6

9:30 a.m.

Joint Economic Committee

To hold hearings on the employment and unemployment situation for July.

Room to be announced

SEPTEMBER 14

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1052, to implement further the Act (Public Law 94-241) approving the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.

SD-366

SEPTEMBER 28

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

345 Cannon Building

SENATE—*Thursday, August 5, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rev. Michael Coleman, Park United Methodist Church, Hannibal, MO.

We are pleased to have you with us.

PRAYER

The guest Chaplain, Rev. Michael Coleman, offered the following prayer:

Almighty God, Your justice has shown us that the righteous observance of Your sacred law is necessary for an abiding and purposeful life. Your mercy has taught us that none stand before You in this life free of the influence of sin upon our natures. So today we call ourselves in humble obedience to this Chamber, for this session along with its purpose of caring for the welfare of Your people.

We stand here today, as a government of leaders—as well as a land of various peoples—united under Your Word. May we be inspired by Your words from II Chronicles 7:14: "If my people which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then I will hear from heaven, and will forgive their sin, and will heal their land."

Divine Creator, we humbly request these things, in the spirit of all that is holy, and in the power of Your creative influence. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN ASHCROFT, a Senator from the State of Missouri, led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Virginia.

Mr. WARNER. Mr. President, on behalf of the Senate leader, I shall address the Senate momentarily about the calendar of events for the day, but I see my distinguished colleague from Missouri, Mr. ASHCROFT, who had the great foresight and wisdom to invite the Reverend Coleman as our guest Chaplain.

GUEST CHAPLAIN MICHAEL COLEMAN

Mr. ASHCROFT. Mr. President, I thank the Senator from Virginia. I thank in particular Rev. Mike Coleman, of Hannibal, MO, for coming to this Chamber today to call us to our highest and best. He prayed about justice and he prayed about mercy, he prayed about the components of attitude and spirit that will help us achieve that which the people have sent us to do. The real opportunity we have is to live at the maximums of our existence rather than to perform at the minimums. When we invite the presence of the Almighty as we begin these proceedings, we equip ourselves to point toward the maximums instead of to dwell on the minimums.

So as we approach this day, I thank Rev. Mike Coleman for coming from Hannibal, MO, hometown of Mark Twain. I think it was Mark Twain, the philosopher, who said there is nothing quite so embarrassing as a good example. Well, I do not think the Reverend is embarrassing to us, but he does set a good example as he calls us to our highest and best, and it is the prayer of all of us together with him that today we would serve the people with compassion and dignity and with justice and mercy.

I thank the Chair and I thank the Senator from Virginia for allowing me to make these remarks.

Mr. WARNER. Mr. President, I thank my colleague. It is a great pleasure for those of us who join in the opening of the Senate to have the Pledge of Allegiance to the flag. I have been here 21 years, and at long last this essential and I think necessary practice, which is celebrated all over America every day, particularly in the schools, and so forth, is now observed in the Senate.

The words of our guest Chaplain today were very stirring because this could be one of the final days in our Senate life before we go on a recess, which will enable us to join our families and spend some time with our constituents and others.

I thank the Senator.

Mr. BIDEN. Will the Senator yield for a brief comment?

Mr. WARNER. Yes.

Mr. BIDEN. I would like to welcome the guest Chaplain as well and say, in light of Mark Twain's reputation, Rev. Coleman could have helped him a great deal in his attitude with a little enlightenment in spiritual matters.

I think Hannibal could have used the Reverend back in the time of Mark Twain. It might have been a little bit different. I love Mark Twain, but he was a little wry. And I just want everyone to know I recognize the irony of the guest Chaplain being from Hannibal, MO, the home of Mark Twain.

Mr. ASHCROFT. Will the Senator yield?

Mr. BIDEN. I would be delighted.

Mr. ASHCROFT. It might have been that Mark Twain got that education after he moved out East. He did end up more in the territory of the east coast, but his roots were solid and good, nourished by the right values.

Mr. BIDEN. I have no question about that.

Mr. WARNER. Mr. President, if I may just add a little to that colloquy, it is my recollection that Mark Twain had some fairly pithy remarks on the Congress of the United States from time to time. Perhaps we should include some of those in the RECORD. My mother came from St. Louis, MO, so I feel that I am particularly blessed by the presence of this Chaplain today.

SCHEDULE

Mr. WARNER. Mr. President, by previous order, the Senate will begin 30 minutes of debate on the Holbrooke nomination; that is, the Honorable Richard Holbrooke, to be Ambassador to the United Nations, with a vote to occur at approximately 10 o'clock today. Following disposition of the Holbrooke nomination, the Senate will resume consideration of the Interior appropriations bill with amendments expected to be offered and debated. In addition, when the Senate receives the tax reconciliation conference report from the House of Representatives, it is expected that the Senate will begin consideration of that legislation. Therefore, Senators should expect votes during the day and into the evening during today's session of the Senate.

I thank my colleagues for their attention.

That is from the distinguished majority leader, Mr. LOTT.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. HAGEL). Under the previous order, leadership time is reserved.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

The PRESIDING OFFICER. Under the previous order, the Senate will go into executive session to consider en bloc Executive Calendar Nos. 135 and 140, which the clerk will report.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Richard Holbrooke, of New York, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

The legislative clerk read the nomination of Richard Holbrooke, of New York, to be a Representative of the United States of America to the Sessions of the General Assembly of the United Nations.

The PRESIDING OFFICER. Under the previous order, there now shall be 30 minutes of debate equally divided to be followed with the vote en bloc on the nominations.

The Senator from Virginia.

Mr. WARNER. Now, Mr. President, I thank the Senate leadership with respect to this nomination. It has been a unique one for various reasons. The elements of that uniqueness are well known to my colleagues. I shall not speak in detail about the tradition of "holds" but I think much of the general public is somewhat perplexed about the procedures in the Senate.

There has been discussion as to the procedure on this nomination and the use of what is referred to as a "hold." There is a diversity of views within this body on the use of a "hold," but, in my judgment, it is an important and proper procedure utilized by Senators in conjunction with what I view as the balance of power established by the Constitution in the coequal branches of the Government: the executive branch, the power of nomination by the President, and the Senate and its power of advice and consent.

The use of the hold is an exercise of that balance of power between the two branches. In this instance, I thank the distinguished majority leader and, of course, the minority leader, and others who have worked to bring this nomination to this point where today the Senate will render its advice and consent on this very important nomination.

Mr. SARBANES. Will the Senator yield?

Mr. WARNER. Yes. I thank many other Senators who have worked with me—Senator HAGEL, Senator GRASSLEY, Senator VOINOVICH, and my distinguished colleague from Delaware, Mr. BIDEN who will be speaking momentarily. I yield for the comments of the Senator from Maryland.

Mr. SARBANES. Mr. President, I want to put a question to the Senator on the hold because I have been reading newspaper reports that I think have completely misinterpreted how the hold process operates. These reports have alleged that the Senate rules contain a provision that enables any Member of the Senate, in effect, to hold up action either on a nominee or on legislation and sort of that is that. That is not the case.

Mr. WARNER. Mr. President, the Senator is correct; it is tradition——

Mr. SARBANES. It is a courtesy that is extended to a Member when he places a hold. The leadership can move ahead if the Member is being recalcitrant. Of course, it is up to Members to exercise a hold with some self-restraint. They may get the extra time they need, but, in my judgement, it ought not to be used as a weapon that completely submerges the nomination or the legislation.

I interjected because I am very concerned. I have read a number of newspaper reports that seem to suggest that the rules of the Senate are such that any Member can simply place a hold on a nomination and preclude any action. That is not the case. It is a courtesy that has been extended to Members by the leadership, but the leadership can always move ahead if they determine it is an urgent matter. Of course, they try to work it out so Members are willing to have it come up. That is what has happened in this instance.

I particularly express my appreciation to the distinguished Senator from Virginia for his efforts to try to move this matter forward.

Mr. WARNER. Mr. President, I thank my colleague from Maryland. He is quite accurate in his recitation of the rules of the Senate. This is by tradition. I suggest we not deal too much with what took place in the past on this nomination, but I felt that this RECORD this morning should reflect, for those who are following the nomination, my judgment with regard to the tradition of a Senator seeking a hold.

Again, it is part of that balance of power between the two branches. For example, Senator GRASSLEY, in his case, feels very strongly about the need to protect those individuals who are commonly referred to as whistleblowers. They should be protected. Senator GRASSLEY, after having talked with him many times, recognized the Holbrooke nomination is of importance, but he carefully evaluated his responsibility as one of those leaders in the Senate who have protected the rights of whistleblowers. That is behind us.

Many Senators have worked on this nomination. I express my appreciation again to the leadership and those Senators, particularly the Senator from Delaware.

The facts about this nominee are well known. I have known him personally for a number of years. I have watched his distinguished career, and in the course of the morning, I will add some facts. But I want to yield the floor momentarily to my colleague from Delaware.

The point is that my concern about this nomination and its timeliness is because of the fact that we now have in Kosovo a force under the NATO Command of General Clark, Operation Joint Guardian. While we had hoped that this military operation would have had a smooth operational history, in fact it has encountered many unforeseen problems, problems where our troops and the troops of other nations had to perform all types of diverse duties. Many of these young men and women who are courageously participating in this operation have had no formal training in the military with respect to many of the responsibilities they are now undertaking.

The United Nations, under a force known as United Nations Mission in Kosovo, referred to as UNMIK, has had a very slow start getting organized and into the field to perform duties that are currently being performed by the NATO military.

One of the reasons for working to accelerate the consideration of this nomination is that in knowing Mr. Holbrooke and his forcefulness and his background, he, I believe, is better qualified than anyone else I know of today to take on this important post and to accelerate the functions of the United Nations in this region.

The sooner they get in, the less risk to the men and women of the Armed Forces currently undertaking many missions which they are doing quite well, despite the fact they have had little or no formalized training in operating civil, local governments in the village of Kosovo. Fortunately, this force is under the command of the NATO Commander, General Clark. General Clark and Ambassador Holbrooke have known each other for many years. They have worked together. They participated in the Dayton accords, for which Ambassador Holbrooke deserves great credit, and I will have further comment on that later.

Also, Ambassadors, when they report for their duties, may be fortunate to have a spouse who is quite interested in those duties and perform as a team. This is going to be an extraordinary husband and wife team of Richard Holbrooke and Kati Marton, his wife. She is a noted authoress. She has roots in central Europe. She is a beautifully educated and cultured woman. I have had the privilege of knowing her for a number of years. They will be an extraordinary team in this important post.

Mr. President, I ask unanimous consent to print in the RECORD a biography of Richard Holbrooke.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RICHARD C. HOLBROOKE

Richard C. Holbrooke was the chief negotiator for the 1995 Dayton Peace Accord, which served to bring peace and an end to human rights abuses in Bosnia, while serving as Assistant Secretary of State for European and Canadian Affairs, from September 1994 to February 1996. Beginning June 1997, Holbrooke served as Special Presidential Envoy for Cyprus, and in 1998 he was Special Presidential Envoy for Kosovo. Prior to becoming Assistant Secretary of State, he was U.S. Ambassador to Germany.

President Carter appointed him in 1977 as Assistant Secretary of State for East Asian and Pacific Affairs, a post he held until 1981. During his tenure, among other major events, the United States established full diplomatic relations with China. He is the only person ever to hold two regional Assistant Secretary of State posts.

Holbrooke began his governmental career in 1962, joining the Foreign Service immediately after graduating from Brown University. After studying Vietnamese, he was sent to Vietnam and, in the following six years, served in a variety of posts related to Vietnam—first in the Mekong Delta as a provincial representative working on rural development, for the Agency for International Development (AID), and then as a staff assistant to Ambassadors Maxwell Taylor and Henry Cabot Lodge. In 1966 he was reassigned to the White House, working on the Vietnam staff to President Johnson. During 1967–69, he wrote one volume of the Pentagon Papers, served as a special assistant to Undersecretaries of State Nicholas Katzenbach and Elliot Richardson, and was a member of the American Delegation to the Paris Peace Talks on Vietnam, headed successively by Averall Harriman and Henry Cabot Lodge.

Following these assignments Holbrooke spent a year as a fellow at the Woodrow Wilson School at Princeton University. From 1970 to 1972 he was Peace Corps Director in Morocco. In 1972, he took leave from the Foreign Service to become Managing Editor of the quarterly magazine Foreign Policy, a position he held until 1976. During 1974–75 he also served as a consultant to the President's Commission on the Organization of the Government for the Conduct of Foreign Policy, and was a contributing editor of Newsweek magazine's International Edition. In 1976 he coordinated National Security Affairs for the Carter-Mondale presidential campaign.

In 1981 he move to the private sector, forming a consulting firm, Public Strategies, with James A. Johnson. He became a Managing Director at Lehman Brothers in 1985. As a banker and diplomat, he has traveled to over 100 countries, including over 65 trips to China alone. He covered both domestic and foreign clients at Lehman Brothers, working on a wide variety of transactions.

In 1992 he chaired the Bipartisan Commission on Reorganizing the Government for Foreign Policy.

His most recent position in the private sector has been as Vice Chairman of Credit Suisse First Boston Corporation, based in New York.

Holbrooke has had long involvement in the non-governmental organization community. He is current Chairman of Refugees International; Chairman of the American Academy in Berlin; Chairman of the National Advisory Council of the Harriman Institute, and a member of numerous Boards of directors and committees.

Holbrooke adds the Eleanor Roosevelt Val-Kil Medal to a long list of distinguished awards and honorary degrees already received. He is the author of "To End a War," on his Balkan peacemaking experiences, and co-author of Counsel to the President, the memoirs of Clark Clifford, as well as numerous articles on foreign policy.

Holbrooke was born on April 24, 1941 in New York. He received a bachelor's degree from Brown University. He has two sons, both television producers. He is married to author Kati Marton and lives in New York.

Mr. WARNER. Mr. President, that concludes my opening remarks. I may have further remarks about this nominee, but I want to share the time now with my distinguised colleague from Delaware. I yield the floor.

Mr. BIDEN. Mr. President, I am pleased the Senate is finally considering the nomination of Richard C. Holbrooke to be the United States Representative to the United Nations.

Before stating my reasons why I strongly believe that Ambassador Holbrooke should be confirmed, let me briefly review the process which led us to this day.

In June 1998, the President announced his intention to nominate Ambassador Holbrooke for the job of UN Ambassador. The formal nomination was delayed, however, until February of this year by an investigation into alleged ethical violations by Ambassador Holbrooke.

That investigation culminated in a settlement with the Department of Justice in which Ambassador Holbrooke agreed to pay five thousand dollars in civil penalties.

Once the Senate received the nomination in February, the Committee on Foreign Relations conducted its own inquiry, reviewing in great detail the investigation conducted by the State Department Inspector General and the Department of Justice.

In June, the Committee conducted three separate hearings on Ambassador Holbrooke's nomination, reviewing first the ethical matters, then reviewing issues related to the United Nations and UN reform, and then reviewing Ambassador Holbrooke's involvement in United States policy toward the Balkans.

On June 30 the Committee voted unanimously—on a voice vote—to report Ambassador Holbrooke's nomination to the full Senate.

Since the Committee reported Mr. Holbrooke's nomination, it has been subjected to a variety of reported "holds" by several senators, only one of which, as I understand it, had anything to do with Mr. Holbrooke's qualifications to be ambassador.

This delay is quite extraordinary for a position of this importance. The last two UN ambassadors were confirmed on the same day that the Committee voted, and in the last two decades, the Senate has, on average, voted within four days of the Committee's vote.

But we have now worked through all those and we are here today, for which I am grateful to the Majority Leader and the Chairman.

I believe the Senate should confirm Ambassador Holbrooke for a simple reason: he is highly qualified for the job.

There are few people who have had the kind of diplomatic experience that Ambassador Holbrooke has had.

Ambassador Holbrooke had been in public service since the early 1960s, when he entered the Foreign Service. Since then, he has served in a wide variety of diplomatic positions—in each case with distinction.

In the Carter Administration, he served as Assistant Secretary of State for East Asian and Pacific Affairs. Appointed at the age of 37, at the time he was the youngest person ever appointed as assistant secretary.

In 1993, Ambassador Holbrooke returned to government service as Ambassador to Germany.

In September 1994, he became Assistant Secretary of State for European and Canadian Affairs. Again, Ambassador Holbrooke established a precedent: he became the first person to serve as assistant secretary of state for two different geographic regions.

A key challenge facing him upon his return to the United States was the conflict in Bosnia, which by then had been raging since April 1992.

As Assistant Secretary, Mr. Holbrooke helped design and implement a strategy that culminated in the signing of the Dayton Accords in November 1995, which brought an end to the Bosnian war.

Of course, several people in the U.S. government deserve credit for the success at Dayton. But it cannot be denied that Ambassador Holbrooke—and the creativity and tenacity he brought to the task—was critical to bringing about this diplomatic achievement.

In February 1996, for personal reasons, Ambassador Holbrooke resigned from full-time government service. At the request of Secretary of State Christopher, he remained available to undertake special missions and to advise senior officials in the State Department. In 1997, President Clinton also asked him to become special Presidential envoy for Cyprus.

Throughout the three and one-half year period since leaving full-time government service, Ambassador Holbrooke has never been paid a dime for his efforts.

Mr. President, I daresay that there are few people with the diplomatic experience that Mr. Holbrooke will bring to the job of UN ambassador. He has significant experience at high levels of government. He has deep experience in two regions. And he has recently supervised and managed a major diplomatic conference that culminated in the end of a tragic war.

Let me state it as bluntly as I know how: we need Dick Holbrooke in New York and we need him there now. It has been nearly a year since we have had a UN ambassador.

The agenda facing the next UN ambassador is a long one.

The United Nations is taking the lead in establishing a civilian administration in Kosovo. We need someone with Dick Holbrooke's skill and knowledge to make sure it gets done right.

The United Nations is greatly in need of reform. We have promised the UN that we will pay nearly one billion dollars in back dues if these reforms are made. Ambassador Holbrooke promised that UN reform will be his "highest sustained priority." We need someone with Dick Holbrooke's negotiating skills to help bring them about.

The UN Security Council remains seized with the issue of dismantling Iraq's arsenal of mass destruction. We need someone with Dick Holbrooke's toughness to carry that task forward.

In sum, I believe Ambassador Holbrooke has all the qualities necessary to be an excellent UN ambassador, and I believe that the Senate should confirm him forthwith.

Let me turn briefly to the issues that delayed Mr. Holbrooke's nomination.

Last July, soon after the President announced his intention to nominate Mr. Holbrooke, an anonymous letter arrived in the Office of the Inspector General at the Department of State alleging that Ambassador Holbrooke may have violated ethics laws and regulations.

Spurred by this letter, the Inspector General opened a wide-ranging investigation that took over five months, involved dozens of interviews, and the production of thousands of pages of records.

Earlier this year, while the nomination was pending, the Inspector General opened a second investigation, this time based only on an oped article in the Washington Post.

The first investigation culminated in a civil settlement between Ambassador Holbrooke and the Department of Justice in which Ambassador Holbrooke agreed to pay five thousand dollars to settle allegations that he violated Section 207(c) of Title 18 of the United States Code.

To this day, Ambassador Holbrooke denies that he violated the law, but he settled the matter in order to avoid further delay of the nomination. The second investigation was closed almost as quickly as it was opened, with no punishment imposed against Ambassador Holbrooke.

The Committee obtained the thousands of pages of documents that were produced in the investigations of Ambassador Holbrooke, and has reviewed them independently.

I have reviewed all these matters closely, and I do not believe that they even begin to rise to the level where they should be considered disqualifying.

I do not make this statement lightly. I am a strong supporter of the ethics laws, and believe they must be rigorously enforced. Government employees, as Ambassador Holbrooke stated in his first hearing before the Committee, must maintain the public trust.

I have known Richard Holbrooke for two decades, and am presumptuous enough to call him a friend. I do not believe that he is an unethical person, and I find totally inconsistent with his character any suggestion that he is.

On the contrary: Dick Holbrooke is a dedicated public servant who, as the record compiled by the Committee demonstrates, willingly devoted dozens—if not hundreds—of hours to assisting the government in the past several years, to the detriment of his commitment to his private employer.

Every senator can be assured that the Committee has left no stone unturned.

The Committee sought and received access to every document reviewed by the investigators, and received access to internal documents of the White House, the Department of State, and the Department of Justice, including the memorandum setting forth the reasons why a criminal prosecution of Mr. Holbrooke was not warranted.

Mr. President, my friend from Virginia is very diplomatic. My friend from Virginia is a man of grace and elegance. My friend from Virginia is a man who is able to get things done not merely because of his intellect but because of his style.

I am not as elegant as my friend from Virginia, so I will just say it out loud. This would not have happened without my friend from Virginia. The truth of the matter is, it took a Republican of stature, seniority, and influence in this area to break this loose. He is going to get mad at my saying this, but I think it is a shame that was required, but I thank him for it because he was relentless over the last 5 months in trying to get us to this point today.

I will ruin his reputation here, but the President owes him a debt of gratitude, the Nation owes him a debt of gratitude, the Senate owes him a debt of gratitude, and Mr. Holbrooke, I know, is grateful for his effort. Because as the Senator from Virginia indicated, there is a significant agenda facing our next Ambassador to the United Nations.

Mr. WARNER. Mr. President, if the Senator will yield, I appreciate his thoughtful remarks, but, again, it was a team effort by a number of us, including the Senator from Delaware.

I want to make the point here, the distinguished chairman of the Foreign Relations Committee, Mr. HELMS, and Senator BIDEN's colleagues on that committee held a hearing. There was a unanimous vote, and Mr. HELMS reported this nomination to the floor. It did pass through there with the approval of the committee on which the Senator serves.

Mr. BIDEN. Mr. President, I never had a doubt, nor did any of my colleagues, that if we ever got any forum in which we could discuss the qualifications of Richard Holbrooke, he would win unanimously. We never doubted that. But it took a lot to get it to the Foreign Relations Committee, to get a vote in the Foreign Relations Committee, and once it got to the floor, to move it forward.

I want to say something about these holds. I have been here 27 years. I have been a sitting Senator longer than the Senator from Virginia. There are only seven people who have been in the entire Senate longer than I. We have lost our sense of proportion. Holds have nothing to do with—nothing to do with—the balance of power here when used in the fashion they were used.

Let me explain what I mean by that. It is one thing to say, I am going to hold up that bill from passing because the bill left out two bridges in my State that are critical to the commerce of my State. There is a correlation between the spending of money and the impact on my State—a sense of proportion.

If I say that I am going to hold up the next Director of NASA because I want answers on how the space program is going to work, that is reasonable. There is a sense of proportion. There is a relationship between NASA and the head of NASA.

But when I was chairman of the Judiciary Committee for several years, or were I to become chairman of the Foreign Relations Committee, and I said: By the way—and, by the way, the chairman of the Foreign Relations Committee did not do this—were I to say: You know, I realize the President's nominee for the Supreme Court may be a good guy, or good woman, but I'm going to hold her up because the Dover Air Force Base is being closed, that is no sense of proportion, that is an abuse of power—an abuse of power. That is totally unreasonable.

Let's get straight what this was about. We held up one of the single most important foreign policy personnel decisions to be made by this administration. And not a person in this Senate would disagree with that assertion. Why? Because one Senator wanted someone on the Federal Election Commission whom he did not get, and another Senator thought that some second-tier person who worked at the U.S. mission to the U.N., who in fact was disciplined, should not have been disciplined.

The process in the law that calls for review of that person's case is underway. The person who helped write that process into the law decides that the process isn't working quickly enough or getting the result he wants, so they hold up the Ambassador to the United Nations at this moment in our history.

I respect both the gentlemen who did those things personally, but I respectfully suggest—as we Catholics say, when you are a little kid and you go to confession, they say you learn to examine your conscience. Go examine your conscience and tell me whether there is any sense of proportion.

As I stated earlier, since 1981, in the case of nominations for UN ambassador, the average amount of time—the number of days between the time that nominee was reported by the Foreign Relations Committee and the time that that nominee was voted on in the Senate was 4 days—4 days.

The reason I mention this is, you know what I am afraid of? I say to my friend from Virginia and my Republican colleagues. When the Democratic Party takes control, we are going to learn wrong lessons from you all, we are going to learn the wrong lessons.

I remember when I was chairman of the Judiciary Committee, we had the Clarence Thomas nomination. Before Anita Hill came along we had a vote, and it was 7–7. Guess what. Technically, that means he did not get enough votes to be voted out. I had some very liberal Democrats, hard-edged Democrats, like your hard-right Republicans, say: Mr. Chairman, it's within your power not to report him to the floor.

How responsible would it have been for me, as the chairman of the committee—which I could have done—to prevent the Senate from voting on a Supreme Court nominee? The Republicans would have done that, based on their conduct on this nomination. And guess what. If it happens again, mark my words, Democrats are going to join this place who are going to learn all the wrong lessons from this abuse of power, this lack of proportionality.

I am not going to say any more about it. The reason I am not is that it is done. But I really, truly hope and plead with my colleagues, on both sides of the aisle, have a sense of proportion here. We dodged a bullet here because of the incredible work of Senator HELMS and Senator WARNER on the Republican side and the eventual yielding on the part of others. Reason ultimately prevailed. But this is a bad, bad, bad practice; and this is a good, good, good nominee.

I will conclude, because others want to speak, by stressing two points about Mr. Holbrooke. One, in all my years in the Senate, no one in the Senate who has come before our committee is more qualified to do the job for which he has been nominated than this man—none; not one.

Secondly, this is an ethical man. This man's ethics have been questioned under what I believe to be an aberration. We put in the law—and I voted for inspectors general, but guess what. The law can be triggered by an article in a newspaper. That can hold up a nomination for months and months, requiring intensive investigation. This is the most investigated man we have had for the United Nations, and there is not an unethical drop of blood in this guy's veins.

So I think there are three things we have to do.

Let's put this man in place. Let this incredible energy and intellectual horsepower that this fellow has go to work on behalf of America. Two, let's reexamine whether or not we exercised any proportionality here in holding this up. And three, I would ask my colleagues on both sides of the aisle to consider joining with me and going back and relooking at the way in which the inspector general's office is triggered and worked so we avoid this kind of thing in the future.

Mr. SARBANES. Will the Senator yield me 2 minutes?

Mr. BIDEN. Yes.

Mr. WARNER. If I might just advise my colleagues, the previous order is that the Senate will vote at 10. I ask unanimous consent that that be extended to, say, 10 minutes after 10, to afford other colleagues an opportunity to contribute their remarks. I am sorry, but the leader is very anxious, given the heavy calendar of work today, and I think it is important we proceed to this nomination. So if each of the remaining Senators can take 1 or 2 minutes, that would be helpful.

The PRESIDING OFFICER. Is there objection?

Mrs. HUTCHISON. Yes. I object. Mr. President, I am sorry, but I would like to have up to 5 minutes, and I did not realize I would be shut off.

Mr. WARNER. We will just accommodate the 5 minutes, then. I ask unanimous consent that the Senator from Texas have 5 minutes. What are the requests of the other Senators? Two or three minutes? So I ask unanimous consent that we go to the hour of 10:15, at which time we then, hopefully—have the yeas and nays been ordered, Mr. President?

The PRESIDING OFFICER. Yes, they have.

Is there objection to the unanimous consent request?

Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in strong support of the nomination of Richard Holbrooke to be the United States representative to the United Nations with the rank of Ambassador. Ambassador Holbrooke has rendered superb service to our Nation during the course of his career. His diplomatic experience makes him an ideal choice for this very important position.

We need good, strong leadership at the United Nations. We have been without a permanent representative now for an extended period of time. An able, competent, skillful diplomat can make a big difference in terms of serving the national interests of our country.

Dick Holbrooke has had an illustrious career. He joined the Foreign Service in 1962. He had assignments in Vietnam, where he worked closely with Ambassador William Porter, Ambassador Maxwell Taylor, and Ambassador Henry Cabot Lodge. From the very beginning he was right in the middle of the decisionmaking arena and was recognized for his extraordinary talents. He was the Director of the Peace Corps in Morocco. He then left the Government for a while and was a managing editor of Foreign Policy magazine, one of our leading foreign policy think magazines, where he did an outstanding job. In the mid-1970s, he was senior consultant to the President's Commission on the Organization of the Government for the Conduct of Foreign Policy.

This is a man who has committed his entire career to analyzing and enhancing the foreign policy of the United States in the name of serving our national security interests. He held two assistant secretaryships within the Department of State: Assistant Secretary for East Asian and Pacific Affairs and Assistant Secretary for European and Canadian Affairs. He has also served in a very distinguished way as our Ambassador to Germany.

I have worked closely with him in his capacity as Presidential Special Envoy to Cyprus, where he has striven mightily to try to move that issue forward.

He will do a terrific job at the United Nations. He has done an excellent job in every government position he has held. His commitment and dedication are obvious for all to see. I think the Senator from Delaware was right in saying that there were attacks on Dick Holbrooke's character which were extremely unfortunate and without basis or justification. To his credit, he withstood all of that. A lesser person might have walked away and said: Who needs to put up with this? But he has a driving sense of serving the country and serving the national interest.

Dick Holbrooke has addressed difficult, complex foreign policy issues in an extremely incisive and competent way. We need that skill at the United Nations. That is the skill he will bring. I am relieved that the nomination is finally before us for judgment.

I urge my colleagues to support the nomination of Dick Holbrooke to be our Ambassador to the United Nations. He will serve our Nation and, indeed, the world well in this position.

I yield the floor.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Connecticut.

Mr. DODD. Mr. President, today we consider the nomination of Richard Holbrooke to the position of United States Permanent Representative to the United Nations. I would say that this debate is long overdue.

The United Nations is a very important tool in America's foreign policy arsenal and our ambassador to the U.N. is the key to unlocking that power. For the past ten months, however, that post has stood vacant, thereby degrading our influence at the U.N. Today we have an opportunity to correct that omission and restore some of the United States' leadership in that world body.

There are few things the United States as a nation holds more dear than the ideals our country was founded on nearly 223 years ago. We continue to lead the global fight for freedom, for democracy, for peace, and for respect for human rights. For the past five decades, it has been the United States' strong, clear and persistent voice in both the Security Council and the General Assembly which has convinced other nations to support those same ideals.

Looking back on those fifty years, it is clear that our work at the United Nations has, by and large, been a success. Today, the United Nations is one of the most powerful champions of human rights, freedom and peace around the world. The U.S. has used the United Nations to support our foreign policy in places as far flung as Korea, Libya, Iraq, and Bosnia.

Without the United Nations, the two suspects in the bombing of Pan Am Flight 103 would probably never have faced a judge to account for their actions. Similarly, Saddam Hussein would still be free to terrorize both his neighbors and his own citizens. If it were not for the United Nations sponsored Implementation Force in Bosnia, war, bloodshed and genocide would still rule that nation. Today, the United Nations is engaged in helping to implement certain aspects of the peace settlement in Kosovo—which we all hope and pray will put an end to the bloodshed there as well.

While we are all familiar with United Nations peace keeping efforts in Bosnia and Iraq, we must not forget that men and women wearing the U.N.'s signature blue helmets are keeping the peace in places as disparate as Angola and Tajikistan. In all, there are currently 16 different on-going peace keeping operations on four continents.

As we embark on the next stage of involvement in Kosovo—one in which the United Nations will have an important role—it is tremendously important that we are represented in that world body. We must not allow any additional delay to further erode our leadership.

Last fall, President Clinton tapped an exceedingly qualified diplomat to head our delegation to the United Nations. Richard Holbrooke has served our nation well in a wide variety of posts—from Assistant Secretary of State for two different regions to Ambassador to Germany.

Today, many of our thoughts are focused on the Balkans and this first real chance to bring peace to Kosovo. It is particularly fitting, therefore, that among Ambassador Holbrooke's greatest achievements are the Dayton Peace Accords which ended the civil war and genocide in Bosnia.

Five years ago, it was the war and ethnic cleansing in Bosnia, not Kosovo, that captured the world's attention. Innocent civilians were murdered and raped simply on the basis of their ethnicity. Venturing into the market to buy food entailed the risk of instant death at the hands of snipers or soldiers with a mortar on a nearby hilltop. Each day was a fight for survival.

Today, however, Bosnia is rebuilding. In 1995, talks held thousands of miles away from the battlefields—in Dayton, Ohio—silenced the sounds of gunfire and ended the massive human rights abuses. The man who brought the Serbs, Bosnians and Croatians together for those talks and fought hard to reach a settlement is sitting before us today.

As Ambassador Holbrooke well knows, it is often easier to wage war than to make peace. In spite of the daunting odds, however, Ambassador Holbrooke did make peace and for that he deserves our praise.

Following his return to the private sector in 1996, Ambassador Holbrooke continued to serve his country. Without any compensation from the government, Ambassador Holbrooke focused his efforts on trying to end the dispute on the island of Cyprus and the bloodshed in Kosovo.

The success or failure of the Kosovo agreement it will be determined by whether the United States, our NATO allies and Russia stay the course together. The job of bringing this broad coalition together and keeping it together will not be an easy one, but it is one with which Ambassador Holbrooke has experience—experience we need at the United Nations at this critical juncture.

It is important to mention the other critical issue which is damaging our reputation and effectiveness at the U.N.: our failure to pay our dues. The funds we owe the U.N. are formal treaty obligations, not optional contributions. Today, we are in grave danger of losing our vote in the General Assembly. Imagine the irony if the United States, one of the founders of the United Nations, loses its vote in that organization's primary decision making body. The compromise Chairman HELMS and Senator BIDEN worked out with respect to our dues will go a long way to repairing the damage if we are able to convince our colleagues in the House to refrain from attaching poison pills to this bill. We already missed one opportunity to pass that compromise, namely the emergency supplemental appropriations bill. I remain hopeful, however, that the compromise, which is a part of the Senate passed State Department Authorization bill and now in conference with the House will become law before the end of this session of Congress.

Now is the right time to confirm a new ambassador to the U.N. He has the requisite experience for the job and, even more importantly, is a proven peacemaker.

Mr. President, in conclusion I add my voice to those who have already spoken expressing their gratitude to Senator HELMS and Senator BIDEN, who are the chair and ranking member of the Senate Foreign Relations Committee, for the leadership that my friend and colleague from Virginia, the chairman of the Armed Services Committee, has shown on this nomination, and for many others who have spoken on behalf of Richard Holbrooke, in many cases, not because they agree with the politics of Richard Holbrooke or necessarily agree with every position he has taken on various public matters, but because there is an understanding that in our country, regardless of administration and politics, we need good, talented people, who analyze issues well and bring an energy and a passion and a commitment to public policy.

For those reasons, I am particularly grateful to our friends on the other side who may not agree with Richard Holbrooke but understand he is a talented human being.

I underscore the point that Senator SARBANES made. Too often we discourage good people in this country from serving their Nation because we have created a gauntlet that one has to go through prior to confirmation that will discourage other people from even thinking about going through this process. What you expose yourself and your family to to take on positions to serve your country is becoming far too much. I think as a body we ought to take a closer look at what we ask people to go through whom we ask to serve their Nation.

Richard Holbrooke has a distinguished career, as Senator SARBANES and Senator WARNER and others have pointed out, going back more than 30 years. He has been through an awful lot over the last year and a half, almost 2 years now.

I particularly am concerned about the inspector general at the State Department, as my colleagues on the Foreign Affairs Committee know. I have written an amendment, which was adopted, that requires that those people in the State Department who are accused of wrongdoing have a right—I know this sounds like a radical thought—to know what they are accused of and have an opportunity to respond to the accusation before the reports are written. That is not the case today.

Mr. SARBANES. Will the Senator yield?

Mr. DODD. I am glad to yield.

Mr. SARBANES. Does the Senator mean that at the moment you are not permitted to find out what the charges are and the nature of the accusations?

Mr. DODD. That is absolutely correct. In the case of Richard Holbrooke, he was not allowed to find out what the charges were against him for well over a year. A common criminal accused of a felony in this country has that right. It seems to me if we have a system inside our government where a mere accusation of someone can result in months and months of delay or public retribution, not to mention legal costs to defend yourself, something is terribly wrong with that process. We are trying to correct it.

Again, I don't want to spend the time talking about the problems we have but to commend one individual for persistence, who wants to serve his country, who is going to do, in my view, a remarkably fine job for all of us. I am sorry it took so long for him to arrive at this point, but I am grateful he has. Again, for those who made it possible, I thank them and am confident that Richard Holbrooke will serve our Nation well.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Texas is recognized for 5 minutes.

Mrs. HUTCHISON. Mr. President, I will speak about why I am going to vote against the Holbrooke nomination. I start by saying, I have never put a hold on this nomination. I thought the process should go forward in due course. I think Richard Holbrooke is a principled man. I think he is a committed public servant. I admire his tenacity, his dedication. I have nothing personal against Richard Holbrooke.

I am voting against him because I disagree with the policy that he has put forward in the Balkans. I just can't, in good conscience, vote for someone who I think is taking our country in the wrong direction.

This is his policy: that the United States should spend billions of dollars, wear and tear on our equipment and our troops, stretching our military for a goal that I believe is not achievable.

I would commit our military immediately if I thought the goal and the mission were the correct one, but I believe our policy in the Balkans is to force factions to live together in an American model, when the circumstances are different from any we have ever had in our country. I don't think we can put American requirements into the Balkans with any chance to succeed.

We have had a policy that the United States could use force of vast proportions without strategically assessing what would be more proportional responses in line with our own security threat and our other responsibilities in the world. Richard Holbrooke did not allow the United States, through his policies, to lift the arms embargo on one faction in Bosnia, so one group was unarmed against two groups that were armed. I think if we had lifted the arms embargo 3 years before the Dayton accords, those people would have had a fair chance. I don't think we would have seen the mass slaughter of the Moslems that we did. I disagree with that policy.

We never looked at the opportunity for self-determination in the Balkans. We never looked at the opportunity to let these people form governments within their ethnic groups. They are 98 percent in ethnic groups now in Bosnia, but we are still trying to force them to have a coalition government. If we walked out today, I think every expert would agree the fighting would continue.

The Washington Post yesterday had a headline, "NATO Losing Kosovo Battle." This was not a headline 2 months ago. It was yesterday.

The reason is, we have a policy in the Balkans that I think is going to hurt our own national security by overdeploying our military troops, by wear and tear on our equipment, by not having a sense of proportion in looking for other options, not looking at all of our commitments in the world, but instead trying to force an American model that I think is unrealistic today.

I think there are other options to try to help the people in the Balkans create stability with self-determination and then, eventually maybe, they would be able to live closer together in harmony.

Mr. President, I want to say I am only voting against Mr. Holbrooke on his foreign policy principles, not on him as a person. I will say again that I think he is a committed public servant. I think he is tenacious in his beliefs, and I admire that in a person. I just believe that our foreign policy is going in the wrong direction in this country. I think we are going to pay a high price for it, and I think Richard Holbrooke is one of the architects of this policy that I believe is quite erroneous. So, for that reason, I will vote against Richard Holbrooke.

Thank you, Mr. President.

Mr. GRAMS. Mr. President, I have had a chance to discuss the role of the U.S. at the United Nations with the nominee on a number of occasions and I am confident that the President has nominated the right man for the job. Mr. Holbrooke has a reputation for being a tough negotiator and a practiced arm-twister and those are exactly the attributes we need in our next Ambassador to the United Nations.

It's not going to be easy to get the UN to implement the Helms-Biden package even though there is widespread agreement on the need for reform. I believe Ambassador Holbrooke has the skills necessary to leverage our position as the most powerful nation in the world—and as the largest contributor to the UN—to ensure greater transparency and accountability in that organization. That is why I have enthusiastically backed the nomination of Mr. Holbrooke and look forward to working with him in the future.

Mr. KENNEDY. Mr. President, I strongly support the nomination of Richard Holbrooke to be America's Ambassador to the United Nations, and I am pleased that the Congressional delay in reaching this vote has finally ended.

Richard Holbrooke has a long and distinguished record of public service and is an outstanding diplomat. He clearly has the necessary experience, background, and skills to ably represent America's interests at the United Nations.

Richard Holbrooke has served with great distinction in many previous capacities, and all of us who know him have great respect for his ability and judgement. He has served as the President's Special Envoy to Cyprus, as Assistant Secretary of State for European and Canadian Affairs, as U.S. Ambassador to Germany, as Assistant Secretary of State for East Asian and Pacific Affairs, and as a Peace Corps Director in Morocco.

Of his many extraordinary accomplishments, he is best known for his skillful work in presiding over the long and difficult negotiations to achieve the Dayton Peace Accords in 1995, which ended the war in Bosnia.

The United Nations is a complex institution involving many international interests, and I'm confident that Richard Holbrooke will represent our country well. Our representative must be an exceptional negotiator. Richard Holbrooke is a skilled negotiator with the ability to articulate clearly our country's ideals and persuade other members of the international community to support these ideals as well. He's an outstanding choice for this very important foreign policy position, and I'm proud to express my strong support.

Mr. SPECTER. I am pleased to vote for the confirmation of Ambassador Richard Holbrooke to be United States Ambassador to the United Nations and even more pleased to see the Senate vote on this important nomination in advance of the August recess so that Ambassador Holbrooke can start on his important assignment.

Ambassador Holbrooke brings unique qualifications to this position. He began his government career in 1962 joining the Foreign Service after graduating from Brown University. Among the many posts he has held are Special Presidential Envoy for Cyprus in 1997, Assistant Secretary of State for European and Canadian Affairs, Assistant Secretary of State for East Asian and Pacific Affairs, Peace Corps Director in Morocco and U.S. Ambassador to Germany. Ambassador Holbrooke was the chief negotiator for the Dayton Peace Accord in Bosnia.

I had occasion to evaluate Ambassador Holbrooke's work in some detail when I served as Chairman of the Intelligence Committee which undertook a detailed investigation of the sale of Iranian arms to Bosnia. Ambassador Holbrooke was involved in a complex, highly sensitive matter and he discharged his duties with professionalism.

In undertaking the complex negotiations on Bosnia, Ambassador Holbrooke again performed a great service for the United States. His last minute negotiations with Yugoslavia's President Milosevic, while unsuccessful, showed his unique talents which will be put to good use for our national interest in his new capacity as U.S. Ambassador to the United Nations.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Connecticut is recognized.

Mr. LIEBERMAN. I thank the Chair. I believe the Senator from Virginia yielded a couple minutes to me earlier.

Mr. WARNER. Mr. President, I yield 2 minutes to the Senator from Connecticut, and also to Senator HAGEL, who has been very helpful in this nomination. At the conclusion of his remarks, the vote will occur.

Mr. LIEBERMAN. Mr. President, I first thank those who have finally brought the nomination of Richard Holbrooke to the floor of the Senate, particularly the senior Senator from North Carolina and the senior Senator from Virginia, Mr. WARNER, who have done yeoman's work here in the national interest.

Secondly, I wanted to say this about the nominee himself, who I have been privileged to come to know. In my opinion, Richard Holbrooke is one of America's great natural resources. Certainly, he is one of our great diplomatic resources. He has had a career that has been described in detail here that puts him at the top ranks of those who have served America in the international arena. He is a person of principle, purpose, intellect, and enormous energy and talent. He combines the sense of American purpose, which, incidentally, is reflected in his work on behalf of the policy of the United States, representing the Commander in Chief of the United States in regard to the Balkans, about which my friend from Texas has just spoken. He combines that sense of American principle and the continuing vitality of America's morality in the world with extraordinary, tough-minded, practical, and interpersonal diplomatic skills.

We are fortunate to have a person of this talent willing to serve our Nation. I am confident that he will advance our national security and principled interests in the United Nations. I am proud to support the nomination.

I thank the Chair and yield the floor.

Mr. HAGEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, I rise to strongly support the nomination of Richard Holbrooke to be this country's Ambassador to the U.N. I was thinking the other day when we were engaged in the Foreign Relation Committee's fourth hearing on Mr. Holbrooke —four hearings on Mr. Holbrooke. We looked rather closely and thoroughly at his policies, his background, his professional and personal life. He did not come up short in all of those areas. But I was thinking, I don't know if there has been an individual who has been more probed and investigated for this very important position than Mr. Holbrooke.

I have believed for a long time that the President of the United States deserves his team. As he nominates his team for the Senate to pass judgment on, give advice and consent, as constitutionally is our responsibility, if that individual possesses the high moral quality and qualifications, and the high professional standings, qualifications, and experience, then the President needs his team.

I echo much of what has been said this morning about how important it is that we get our Representative of the United Nations. Now, we have differences of opinion in philosophy and policy, and I appreciate that. Every Senator has his or her own position, as it should be. But I will say this as my last comment about Mr. Holbrooke. I hope and I believe he will make every effort to bring some bipartisanship to foreign policy. It seems to me that we have allowed bipartisanship in foreign policy and national security affairs to erode and come undone to the point where it is dangerous.

I believe both sides are responsible. I think the President hasn't reached out enough, and I think we in the Congress have made foreign policy and national security affairs a more brittle, raw political dynamic. If we don't come back together, as bipartisanship needs to be sewn back together in these very important issues for the future of our country and stability of the world, we will pay a high price. I hope that Mr. Holbrooke will lead that effort.

I yield the floor.

Mr. WARNER. I thank the distinguished Senator. He has been very helpful throughout the nominating process.

The PRESIDING OFFICER. All time having expired, the question is, Will the Senate advise and consent to the nomination of Richard Holbrooke, of New York, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations, and the nomination of Richard Holbrooke, of New York, to be a Representative of the United States of America to the Sessions of the General Assembly of the United Nations during his tenure of service as Representative of the United States of America to the United Nations, en bloc.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

Mr. REID. I announce that the Senator from Louisiana (Ms. LANDRIEU) is necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana (Ms. LANDRIEU) would vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 81, nays 16, as follows:

[Rollcall Vote No. 259 Ex.]

YEAS—81

Abraham
Akaka
Ashcroft
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Burns
Byrd
Campbell
Chafee
Cleland
Cochran
Collins
Conrad
Coverdell
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Feingold
Feinstein
Fitzgerald
Frist
Gorton
Graham
Grams
Grassley
Hagel
Harkin
Hatch
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lugar
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Reed
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Schumer
Shelby
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—16

Allard
Bunning
Craig
Enzi
Gramm
Gregg
Hutchinson
Hutchison
Inhofe
Kyl
Lott
Mack
Nickles
Roberts
Sessions
Smith (NH)

NOT VOTING—3

Crapo
Helms
Landrieu

The nominations, en bloc, were confirmed.

The PRESIDING OFFICER. The motion to reconsider is laid upon the table. The President will be immediately notified.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now resume legislative session.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative assistant read as follows:

A bill (H.R. 2466) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

Pending:

Gorton Amendment No. 1359, of a technical nature.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. LOTT. Mr. President, before I yield the floor to the distinguished chairman of the Interior Appropriations subcommittee, I confirm again we are going back to the Interior appropriations bill. We hope to and plan to have debate on amendments beginning right away. We could have a recorded vote on one of the amendments within the next 15 to 30 minutes. We will continue working on the Interior appropriations bill until we get an agreement as to exactly when to proceed to the reconciliation conference report.

I will not propound a unanimous consent request at this time, but it is my hope we can get an agreement to begin at 1 o'clock on the consideration of a reconciliation conference report, and we debate it for 6 hours, of course, equally divided in the usual form, and the vote then would occur around 7 o'clock.

We do not have that worked out yet. If we require more time, if we have to be in later, then of course the vote would go later in the night, perhaps 8 o'clock or, if we cannot get that worked out, we will go however long we need to go tonight and we would vote on Friday morning sometime. But we hope to get an agreement where we could complete that and have a vote around 7 o'clock tonight.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Washington is recognized.

Mr. GORTON. Mr. President, in just a moment I will have several agreed-upon amendments to propound and hopefully they will be agreed to very quickly.

Then Mr. SMITH of New Hampshire is here with the first contested amendment. I hope we can finish as many as three amendments that are likely to require rollcalls between now and 1 o'clock. After the Smith amendment that deals with the National Endowment for the Arts, I hope we will have an opportunity to go to an amendment by Mr. GRAHAM of Florida and Mr. ENZI, relating to Indian gambling. While I have not found the Senator yet, I would like, after that, to go to an amendment by the Senator from Nevada, Mr. BRYAN, on forest roads. Others may intervene.

We also have a number of amendments that will be agreed upon from time to time. My own reading of our list of amendments is that they are reasonably limited, even at this point. Several require votes. I hope none will require a long and extensive debate. The majority leader wants, as early as possible, to get an agreed-upon list of amendments. I suspect we will be asking for unanimous consent to say all amendments must be filed by, say, sometime this afternoon. So Members who have amendments about which they have not notified the managers are encouraged to do so as promptly as possible.

I believe the majority leader wishes to finish this bill, as well as the reconciliation bill on taxes, before the recess begins sometime tomorrow.

AMENDMENT NOS. 1563 THROUGH 1568, EN BLOC

Mr. GORTON. Mr. President, I ask unanimous consent that the pending amendment be set aside and that we consider six amendments en bloc which I send to the desk. I will explain each of these amendments, sponsored by a Senator and relating to projects within that Senator's State or the two Senators' State, and simply shifts money among projects within the States.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes amendments numbered 1563 through 1568, en bloc.

Mr. GORTON. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 1563

(Purpose: To Increase Funds in the Bureau of Indian Affairs Tribal College account by $700,000 with offset from Forest Service land acquisition on the San Juan National Forest)

On page 27, line 22, strike "$1,631,996,000" and insert "$1,632,696,000".

On page 65, line 18, strike "$37,170,000" and insert "$36,470,000".

AMENDMENT NO. 1564

(Purpose: To provide additional funding to the United States Fish and Wildlife Service for activities relating to the Preble's meadow jumping mouse, with an offset from Forest Service Land Acquisition (Continental Divide Trail) in Colorado)

On page 10, line 15, strike "$683,518,000" and insert "$683,919,000".

On page 10, line 23, before the colon, insert the following: ", and of which not less than $400,000 shall be available to the United States Fish and Wildlife Service for use in reviewing applications from the State of Colorado under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), and in assisting the State of Colorado by providing resources to develop and administer components of State habitat conservation plans relating to the Preble's meadow jumping mouse.".

On page 65, line 18, strike "$37,170,000" and insert "$36,770,000".

AMENDMENT NO. 1565

(Purpose: To make unobligated funds available for the acquisition of land in the Ottawa National Wildlife Refuge, for the Dayton Aviation Heritage Commission, and for the preservation and restoration of the birthplace, boyhood home, and schoolhouse of Ulysses S. Grant, Ohio)

On page 62, between lines 3 and 4, insert the following:

SEC. 1 . FUNDING FOR THE OTTAWA NATIONAL WILDLIFE REFUGE AND CERTAIN PROJECTS IN THE STATE OF OHIO.

Notwithstanding any other provision of law, from the unobligated balances appropriated for a grant to the State of Ohio for the acquisition of the Howard Farm near Metzger Marsh, Ohio—

(1) $500,000 shall be derived by transfer and made available for the acquisition of land in the Ottawa National Wildlife Refuge;

(2) $302,000 shall be derived by transfer and made available for the Dayton Aviation Heritage Commission, Ohio; and

(3) $198,000 shall be derived by transfer and made available for a grant to the State of Ohio for the preservation and restoration of the birthplace, boyhood home, and schoolhouse of Ulysses S. Grant.

AMENDMENT NO. 1566

(Purpose: To transfer $700,000 in land acquisition funds from the San Juan National Forest (Silver Mountain) CO to the Patoka River National Wildlife Refuge, IN)

On page 13, line 8: Strike "$55,244,000" and insert "$55,944,000".

On page 65, line 18: Strike "$37,170,000" and insert "$36,470,000".

AMENDMENT NO. 1567

(Purpose: To provide funding for construction of the Seminole Rest facility at the Canaveral National Seashore, Florida, with an offset from the J.N. Ding Darling National Wildlife Refuge, Florida)

On page 13, line 8, strike "55,244,000" and insert "$54,744,000".

On page 17, line 19, strike "$221,093,000" and insert "$221,593,000".

AMENDMENT NO. 1568

(Purpose: To provide $150,000 for the U.S. Fish and Wildlife Partners for Fish and Wildlife Program within the Habitat Conservation Program. This funding will support the Nevada Biodiversity Research and Conservation Initiative for migratory bird studies at Walker Lake, Nevada. The increase in $150,000 for the Nevada Biodiversity Research and Conservation Initiative is offset by a $150,000 decrease in the Water Resources Investigations Program of the U.S. Geological Service of which $250,000 was directed for hydrologic monitoring to support implementation of the Truckee River Water Quality Settlement Agreement (Senate Report 106–99, page 43))

On page 10, line 15 strike the figure "$683,519,000" and insert in lieu thereof the figure "$683,669,000" and on page 20, line 18 strike the figure "$813,243,000" and insert in lieu thereof the figure "$813,093,000".

Mr. GORTON. Mr. President, the amendments are these:

Senator BURNS: Transfers $700,000 to tribal colleges with an offset from a land acquisition in his State.

Senator CAMPBELL: $400,000 for a habitat conservation program with an offset in his State.

Senator DEWINE: Redirecting various projects within the State of Ohio.

The two Senators from Indiana, Senators LUGAR and BAYH: $700,000 for a land acquisition and a wildlife refuge offset by another land acquisition in that State.

The two Senators from Florida, Senators MACK and GRAHAM: A very similar land acquisition offset.

And Senator REID of Nevada: A shift of $150,000, again, within the State of Nevada.

I ask unanimous consent that all six amendments be considered en bloc and accepted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 1563 through 1568) were agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The distinguished Senator from New Hampshire is recognized.

AMENDMENT NO. 1569

(Purpose: To eliminate funding for the National Endowment for the Arts)

Mr. SMITH of New Hampshire. Mr. President, on behalf of myself and Senator ASHCROFT, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to laying aside the pending amendment? Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from New Hampshire [Mr. SMITH], for himself and Mr. ASHCROFT, proposes an amendment numbered 1569.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 94, strike lines 3 through 26.
>
> On page 106, beginning with line 8, strike all through page 107, line 2.
>
> On page 107, lines 3 and 4, strike "National Endowment for the Arts and the National Endowment for the Humanities are" and insert "National Endowment for the Humanities is".
>
> On page 107, lines 8 and 9, strike "for the Arts and the National Endowment".
>
> On page 107, lines 11 and 12, strike "for the Arts or the National Endowment".
>
> On page 108, beginning with line 12, strike all through page 110, line 11.

Mr. SMITH of New Hampshire. Mr. President, my amendment to the Interior appropriations bill is a very simple one. It eliminates all funding for the National Endowment for the Arts. This amendment has been considered by the Senate in the past, unfortunately unsuccessfully. I know where the votes are, but I believe it is important we make a statement about this because I do not believe the Federal Government should be spending money for this.

This amendment does not try to reform the agency. This amendment does not try to restructure the agency. It simply shuts it down in fiscal year 2000.

I want to take a little different tack on this. Many who have spoken in the past on the National Endowment for the Arts, as far as elimination of funding, have focused heavily on some of the reprehensible and repulsive, frankly, types of material that has been displayed and called "art." I am not going to do that this morning. Most Members are fully aware of the kinds of things that have been funded by this agency.

I remind every Member that we took an oath to support the Constitution. All of us at one point stood right where the pages are now sitting and said that we would bear true faith and allegiance to the Constitution of the United States of America. I certainly believe that every Member took that oath seriously. That is why I am hopeful I might be able to persuade my colleagues to support this amendment because, frankly, whatever opinion you may have of it, is unconstitutional to have the National Endowment for the Arts funded by the Federal Government. I can prove that.

A constituent challenged me on this one time and wrote:

> Where in the Constitution of the United States does it say that the Federal Government is authorized to fund art?

Let me repeat:

> Where in the Constitution of the United States does it say that the Federal Government is authorized to fund art?

I challenge any of my colleagues to show me that in the Constitution, and I will reconsider my amendment.

I offer this amendment because I have not been able to find this in the Constitution. The authors of our Constitution envisioned a government of limited powers, and if it does not say you do it in the Constitution, then it is reserved to the people and the States. If the State or the people want to fund a State endowment for the arts, I would not have a problem with that. That is entirely within their parameters.

The framers made it clear—very clear—that unless the Constitution explicitly granted a power to the Federal Government, that power would be reserved to the States, to the localities, to civil society, or to the people.

I know there are many—and this is the frustrating part for me—too many in this body who reject that vision. I have been here going on 9 years, and it is very frustrating for me to watch the Constitution of the United States being trampled time after time. Just a week or so ago, we passed more gun controls and sent it to conference. Gun control, however you may feel about the need for gun control, is unconstitutional because we have a second amendment that says we have the right to keep and bear arms. Whatever you may feel about that issue, we did not come here to pass laws about our personal beliefs. We came here to pass laws that support the Constitution of the United States of America.

When we swear to uphold that document, we agree to live by that vision whether we like it or not. Whether we disagree or agree, we should live with that vision. Regretfully, we do not always do that here.

This amendment is my effort—just a small effort—to move a little closer to the founders, move a little closer to that vision of limited constitutional government. It is interesting that I have to say move a little closer. Why do we have to move closer to the vision of the founders when we are supposed to uphold the Constitution and enforce that vision, not move a little closer to it. We should be there.

It is a bad idea. Whether it is constitutional or unconstitutional, it is a bad idea to use taxpayers' funds to subsidize art. But it is unconstitutional. Whether it is a good idea or bad idea, it is unconstitutional, and that is the point I am making.

Most of my colleagues will recall the controversies in which this agency has been embroiled. I referenced them briefly in the beginning of my remarks. I am not going to get into all of it because we have heard it before. But funding the exhibition of sadomasochistic photographs, funding the exhibition of a photograph of a crucifix submerged in human waste, funding the exhibition of a performance "artist" who smeared chocolate across her naked torso, or how about the other NEA funding artist who exposed his audience to HIV-infected blood—all of these things were funded by the taxpayers of the United States in the name of art.

Let me repeat that. Funding of sadomasochistic photographs, funding of a photograph of a crucifix submerged in human waste, funding of a so-called performance artist who smeared chocolate across her naked torso, and a man who exposed his audience to HIV-infected blood, all funded by the taxpayers of the United States of America.

I ask you to reflect, if you are a taxpayer, on the fact that you work pretty hard for those dollars, and when you pay those taxes every April 15 to Uncle Sam, you probably hope it is used to preserve and protect and defend the United States of America, perhaps to promote education or some positive thing. But do you really want your money to go to this kind of so-called art?

The question is, some people may say this is art, but there are people out there who will disagree. There are people who will say: If I want to put a crucifix in urine and call that art, I have a right to do that; it is a free country. You do. I will fight to my death to say you have a right to do that. I may not agree it is art, but that is your position and you have a right to it.

But the question is, Is it constitutional to fund art? Even more so, Is it constitutional to fund this kind of stuff? Do you want your taxpayer dollars being spent for this? The sad part about this—we have seen this in debate after debate, in amendment after amendment, year after year, as we tried to stop this. Senator HELMS has been involved in this many times, to his credit, as a leader in trying to expose this agency. Senator ASHCROFT, who is my original cosponsor, has also been involved in this and has been a leader on this.

But the defenders of the NEA, the National Endowment of the Arts, always tell you—you will hear it after the vote on this amendment, I am sure, if not before—that they believe these outrages are a thing of the past, that all of the things I just cited about the crucifix in human waste, and so forth, are all in the past: We have cleaned up the agency. It is not happening anymore. It is old news. We heard you. We listened, and we made the changes.

I am sorry to tell you, that is not true. I will prove that in a few moments. Once you really understand the NEA, you will not be surprised to learn that the outrages continue, and not only do they continue, they are all too common in this agency.

Let me illustrate the point about a grant that made news earlier this year. The events surrounding this grant were described in an article in the New York Times.

Mr. President, I ask unanimous consent that this New York Times article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 10, 1999]

U.S. CANCELS GRANT FOR CHILDREN'S BOOK WRITTEN BY MEXICAN GUERRILLA

(By Julia Preston)

MEXICO CITY.—A macaw with scarlet and violent plumes soars across the cover of a book called "The Story of Colors," inviting children to read a folk tale about Mexican gods who took a gray world and filled it with brilliant hues.

There are a few surprises, though, in this eye-catching bilingual children's book just published by a small publisher in El Paso, Texas, which won a grant from the National Endowment for the Arts.

Its author is Subcomandante Marcos, the political mastermind and military strategist of the Zapatista guerrillas of southern Mexico. On the inside flap, he appears in a photo with a black ski mask hiding his face and bullet-laden ammunition belts slung across his chest.

On Tuesday, the chairman of the Endowment, William J. Ivey—who is working to rebuild the agency after its recent reprieve from a death sentence issued by congressional Republicans—abruptly canceled the grant for the book. Ivey overruled a multilayered, year-long grant approval process, acting within hours after the book was brought to his attention by a reporter's phone call.

He said he was worried that some of the Endowment's funds might find their way to the Zapatista rebels, who led an armed uprising in 1994 against the government of Mexico.

Ivey's decision stunned the Cinco Puntos Press, a shoestring operation that had laid out $15,000 to print 5,000 copies of the book, half of which was to be paid by the Endowment grant. The books are ready to be distributed and carry the Endowment's logo on the last page, together with an acknowledgment of "generous support" from the agency.

"This is spineless," said Bobby Byrd, a poet and editor of books on border issues who runs the publishing company with his wife and daughter from their home in El Paso. "This book is essentially about diversity and tolerance, everything the NEA is supposed to stand for, and they just don't have the courage to publish it."

"The Story of Colors" reflects a literacy, sometimes whimsical side that has distinguished Subcomandante Marcos, the only non-Indian among the Zapatistas' highest leaders, from other steely Latin American guerrilla commanders. (His real name is Rafael Sebastian Guillen Vicente, and he is a former university graphics professor.)

In the text, the masked rebel leader describes himself as lighting up his pipe, one of his hallmarks, and sitting down on a jungle pathway to hear a tale from an Indian elder named Antonio. The old man recounts how mythical gods grew bored with the universe when it was tinted only in grey, and went about inventing colors one by one. In the end they pin all the colors on the tail feathers of the macaw.

The bird "goes strutting about just in case men and women forget how many colors there are and how many ways of thinking, and that the world will be happy if all the colors and ways of thinking have their place," the text concludes.

The illustrations are bright, broad-stroked paintings of gods with horns and bug-eyes done by Domitila Dominguez, a Mexican Indian artist.

Spun in the sensuous tradition of Latin storytelling, the tale includes elements that might be controversial in the mainstream American children's book market. As the story opens, the text reads, "The men and women were sleeping or they were making love, which is a nice way to become tired and then go to sleep."

The double-page illustration shows a reclining naked woman in a sexual embrace with a figure that appears to be a male god.

There are no references to the Zapatistas' cause or their military tactics, but in a cover blurb, Amy Ray, a member of the Indigo Girls, a Grammy-winning American song duo, says, "This beautiful book reminds us that the Zapatista movement is one of dignity that emanates from the grassroots of the indigenous people of Mexico."

"The most important thing is that it is a beautiful book," said Byrd, whose press specializes in bilingual children's books. "A lot of our stories in the United States have been cleaned up with a politically correct sentiment, and so much detail has been washed away."

He added, "I can imagine how someone would rewrite this for an Anglo audience," referring to non-Hispanic Americans. "There wouldn't be anybody smoking or making love."

"The Story of Colors" was originally published in Spanish in 1997 by a press in Guadalajara, Mexico called Colectivo Callejero, which supports the Zapatistas' cause.

Byrd said that he provided a copy of the original to the Endowment when he applied for the grant to translate it in March 1998. His first request, for $30,000 to translate a total of five books, passed two levels of review at the agency but the funds were cut back to $15,000. Byrd said he conferred repeatedly with literature experts at the Endowment when he chose to leave "The Story of Colors" in a revised grant request he presented to translate only two books. Cinco Puntos Press (the name means Five Points in Spanish) received a written notice in February that the funds had been approved. The only step left was for the agency to send the money.

Ivey, the Endowment chairman, said that he was not concerned about the book's contents and had not seen the finished printed book. When he went over the grant records Money night, he said, he became worried about rights payments, which the El Paso press had contracted to make to the publishing group in Mexico.

"There was an uncertainty about the ultimate destination of some part of the funds," Ivey said. "I am very aware about disbursing taxpayer dollars for Americans' cultural life, and it became clear to me as chairman that this just wasn't right for the agency. It was an inappropriate use of government funds."

An Endowment official, who spoke on the condition of anonymity, said that it is very unusual for the chairman to step in at the last moment to override the work of several review committees, including the 26-member National Council on the Arts, which includes six federal lawmakers.

Byrd said he had made it clear in his grant proposal that no part of the grant would go to the author, Subcomandante Marcos, because the guerrilla leader has declared he does not believe in copyright and formally waived his rights in talks with the Mexican press. Byrd said that rights would be paid to the Guadalajara Press for the use of the artwork.

When Republicans gained control of the Congress in 1995, they were frustrated with the Endowment's support for art works they regarded as offensive and vowed to eliminate the agency. But the House moderated its views under election year pressures and voted overwhelmingly in July 1998 to keep the agency alive.

Mr. SMITH of New Hampshire. This grant had to do with a grant to a publisher for a children's book. Listen carefully, a children's book. This was a grant to a publisher for a children's book, paid for by the taxpayers under the National Endowment of the Arts, at a time—recently—when we had been told that the agency had cleaned up its act and that this was no longer prevalent; no longer do they do these terrible things I just mentioned.

The grant that I am referring to for this children's book had been approved at every level of the NEA's review process. It was canceled at the last minute by the agency's chairman.

Somebody might say: Well, there you go. It worked. They stopped this grant for a children's book; it wasn't appropriate for children. So what is your argument, Senator?

Let me finish. Why did they cancel at the last minute? Because the Chairman of the NEA found out that the book's author was a Mexican guerrilla leader. The chairman was afraid that the royalties would benefit the Mexican guerrillas. So the reason for the grant cancellation was because of the Mexican guerrilla group, not because of the content.

Let's take a look at the content. The New York Times reported that this children's book contained sexually explicit illustrations and text; in other words, this children's book, with sexual content, would have received the NEA support this year—not 10 years ago; this year—if there had not been the other issue about royalties going to Mexican guerrillas.

I submit there is an inherent flaw in the peer review process that led to this circumstance, and all the other outrages over the years. The peer review process does not reflect the values of the decent, hard-working, tax-paying Americans who fund this agency.

Let me just find the article from the New York Times, which I have entered into the RECORD.

I want to remind you, again, that this grant was canceled because the money would go to a Mexican guerrilla group, and there was no reference whatsoever to the content.

This is a children's book. I would ask my colleagues and the American people to ask yourselves whether you want your tax dollars to go for this kind of stuff for a children's book:

> The illustrations are bright, broad-stroked paintings of gods with horns and bug-eyes done by [a man by the name of] Domitila Dominguez, a Mexican Indian artist.
>
> Spun in the sensuous tradition of Latin storytelling, the tale includes elements that might be controversial in the mainstream American children's book market. As the story opens, the text reads, "The men and women were sleeping or they were making love, which is a nice way to become tired and then go to sleep."
>
> The double-page illustration shows a reclining naked woman in a sexual embrace with [a] figure that appears to be a male god.

We could go on and on and on.

This is a children's book. It was canceled because the money went to Mexican guerrillas, not because of the content. So you see, the agency has not cleaned up its act. They have been getting away with this year after year after year. And why do they get away with it? They get away with it very simply because we won't stop the funding. We don't have the courage to stop the funding.

Again, the business about censorship—this is about the Constitution of the United States of America, which we are sworn to uphold and defend. Show me in the Constitution where the National Endowment of the Arts should be funded and why it should be funded. Show me.

When we try to say anything about it, we are always accused of censorship. The Smith amendment solves that problem by allowing the public to support the art works they wish voluntarily. You want to support a children's book that shows a naked woman and a naked man in a sexually explicit embrace? Go ahead. You want to show that to your children? Be my guest. You want to raise your children and teach them to read and show them the pictures? Be my guest. But it is not constitutional. And it ought not to happen in the Senate by funding this kind of stuff. We should not be funding art at all, let alone this kind of art.

So that is how it was done in America for the first 189 years of our history: Voluntarily you support the arts. Voluntarily you look at what you want to look at. You show your children what you want to show them. But you do not fund it by taking money from the rest of us to do it.

Let me just pause here for a moment to make a point. We could go through a litany of items that are unconstitutional that we pass on this floor almost literally every day—certainly every week.

I just ask the rhetorical question to the people of America: When are we going to wake up? We saw it time after time. We saw it with the Clinton impeachment: As long as my 401(k) and my retirement account is doing well, and as long as I am making money, as long as I have a job and 3 or 4 weeks of vacation, and everything is going fine, I don't care about the morality of this country. I don't care that the Commander in Chief did what he did. It is OK with me. Poll after poll after poll said just that.

Let me tell you. That is the same thing. Time after time after time, year after year after year, we vote to fund the National Endowment of the Arts. We are told every year that all this stuff that I just referred to has been cleaned up and it does not happen anymore. It does.

Yet why does it happen? Don't blame the National Endowment of the Arts. I don't blame them. I don't blame the Chairman. I don't blame the board. I don't blame any of them for this.

I blame the Senate, the House, and the President of the United States because we pass it and he signs it. We have been doing it year after year after year. They are going to keep right on spending your money as long as you keep giving it to them.

So don't blame them; don't direct your anger at them. You should direct it right here to the people who vote that money. Sooner or later, as the frog in the pot boils slowly and then is cooked before he realizes it, the Constitution of the United States is going to slip through the fingers of all of us.

It is happening. We are going to continue to let it happen by these kinds of votes. If we want to take seriously what we stood there and took the oath to do, to protect and defend the Constitution of the United States of America, we ought to vote against funding the National Endowment for the Arts.

So that everybody understands, there are essentially two major political parties in the United States right now, some smaller parties. Here is the Democratic Party on the NEA. This is a quote right out of their platform:

> We believe in public support for the arts, including the National Endowment for the Arts. . . .

That is the 1996 Democrat platform; "Responsible Entertainment." It is an honest statement. They have made it very clear they support this. It doesn't necessarily mean they are implying that they support the kinds of things I have said, but it does mean that as long as you continue to fund it and you don't stop it, those kinds of things are going to continue to be funded.

What we have in the Democratic platform is a statement that is unconstitutional. It is totally unconstitutional. To support the arts, including the National Endowment for the Arts, with taxpayer dollars is unconstitutional. But I think Members will find, when they see the votes taken on my amendment in a few minutes, that most of the members of the Democratic Party will support their platform. They will vote, I think, probably overwhelmingly, probably 90–95 percent—maybe 100 percent, I am not sure—in favor of the National Endowment for the Arts and against my amendment. They will live up to their platform. I personally believe they are taking an unconstitutional vote, but that is their right. They can do it. They were elected just as I was, and they can vote any way they want to. I respect that right.

Let us look at the Republican Party platform. The Republican Party platform on the NEA, same issue:

> As a first step in reforming government, we support . . . defunding or privatization of agencies which are obsolete, redundant, of limited value, or too regional in focus . . . [one of the] agencies we seek to defund or to privatize [is] the National Endowment for the Arts.

That is the 1996 Republican platform: "Changing Washington from the Ground Up." We are going to change Washington from the ground up. I support that statement because it is unconstitutional not to support it. The Government should not be funding, under the Constitution, the National Endowment for the Arts. If one sees that statement and realizes that is the position of the party, then one could logically conclude that 90–95 percent of Republicans will vote to support their platform and vote to eliminate the National Endowment for the Arts. We will see. Don't bet on it.

That is the platform. So when the votes come, it will be interesting for the public to look to see who supports their platform. Will the Democrats support their platform, albeit unconstitutional in my view, on this issue, or will the Republicans support their platform? Let us see where the votes fall.

Let me issue a challenge to anyone listening: Take a look at the votes after it is all over. See who the Republicans are, see who the Democrats are, and see who supports the Republican platform and see who supports the Democrat platform.

This amendment takes out the entire funding, which is about $99 million. People will say that is not a lot of money. I guess around Washington it is not. But it sure was a lot of money around a little town called Allentown, NJ, where I grew up before I moved to New Hampshire. That was a whole lot of money. I know a whole lot of people who worked real hard—farmers, merchants, teachers—for those dollars. For this kind of money to be spent from them, I think it is wrong. It is wrong morally, philosophically, and, as I said before, it is unconstitutional.

Mr. President, seeing no other speaker on my behalf at this time, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SMITH of New Hampshire. I yield the floor and appreciate the chairman's consideration in offering the amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, my friend, the distinguished Senator from New Hampshire, argues for his amendment striking the appropriation for the National Endowment for the Arts, as I have listened to him, on two grounds. The first ground is that the appropriation is unconstitutional. The second ground is that it is undesirable.

I agree with the Senator from New Hampshire that Members of the Senate of the United States have a responsibility, just as do sworn members of the judiciary of the United States, to consider carefully the constitutional implications of all of the work they do. I disagree with the Senator from New Hampshire, however, on what seems to me an easy question to answer: the constitutionality of an appropriation of this nature. In fact, I think the Senator from New Hampshire implied or illustrated the weakness of his own argument when he said, just a few moments ago, why should the people of the United States be paying for an activity of this sort as against paying for the education of our children, among other items that he listed.

The education of our children is no more mentioned in the Constitution of the United States than are the arts or any other cultural activity. Yet it is clearly constitutional, as well as appropriate, for the Congress of the United States to support the education of our children and, for that matter, our young people through college and through graduate school, and we do so with increasing enthusiasm in each and every year.

The same interpretation of the Constitution of the United States that allows and encourages us to do that for education allows us to do so for cultural activities, including the National Endowment for the Arts. If support for the National Endowment for the Arts is unconstitutional, so is support for the Library of Congress—I see nothing about a library in the Constitution of the United States—so is support for the National Gallery of Art, for the Smithsonian Institution, and for the Air and Space Museum, for all of the other cultural activities enthusiastically and, I may say, appropriately supported by the Congress of the United States.

No, there is no precedent and no serious legal argument against the constitutionality of our support, modest as it is, for the National Endowment for the Arts. There has been, however, a considerable argument during the course of the last decade or perhaps two decades over the appropriateness of the support for the arts or, alternatively, over the way in which the National Endowment for the Arts spends its money. Again, I think a vast majority of the Members of both Houses of Congress think, in the abstract, that it is appropriate to spend a modest amount of money on the arts.

From the very beginning of the Republic, we have decorated this building with all kinds of works of art that are not necessary for the functioning of the Congress of the United States. I don't think anyone has ever challenged either the appropriateness or the constitutionality of the use of Federal money for the arts in that respect.

But climaxing in 1995, there was widespread criticism of a significant number of grants made by the National Endowment for the Arts—criticism that I think was totally valid—and some of those specifics the Senator from New Hampshire has illustrated here once again.

In 1995, when this debate was at its height, the proponents of the arts severely restricted the ability of the National Endowment for the Arts to make individual grants, and many of these highly criticized expenditures were to individuals rather than to groups and organizations. Overwhelmingly, today, money for the National Endowment for the Arts goes to States' arts agencies and through grants to a wide range of cultural institutions, many of them, fortunately—more than was the case in the past, though perhaps not quite enough—to organizations in the smaller communities of the United States, outside of major metropolitan areas, either to bring various forms of music, dance, theater, the visual arts to those smaller communities, or to support the creation of such art in those communities in a way that I think is highly enthusiastic. And it becomes increasingly difficult for the critics of the Endowment to say that the moneys we appropriate here are used on matters that are not artistic or are totally and completely inappropriate.

The present Chairman of the Endowment and the predecessor Chairman of the Endowment have worked diligently and, I think, quite successfully in seeing to it that that was not the case. We created congressional nonvoting members of the National Endowment. The Senator from Alabama, who is one of those members, is here on the floor. He has expressed to me his frustration frequently with the way in which some of his advice has been ignored. But I think his very presence has a salutary effect on the way in which the Endowment is managed.

As a consequence, there was a bitter division between the Senate and the House of Representatives in which the House, on at least one occasion—and I think two—did defund the National Endowment and it was rejected by a substantial majority in the Senate. This year, it has disappeared. The House of Representatives has funded the Endowment. If my memory of the bill is correct, there is only a $1 million, or 1-percent, difference between this bill and the bill that passed the House of Representatives.

For me, perhaps the most significant and weighty argument in favor of this appropriation is an argument I have made on behalf of a number of other programs that involve partnerships among the Congress of the United States, State governments, and the private sector. That is the fact that I do not believe there is a single arts group or institution in the United States of America that receives all of its funding from the National Endowment for the Arts.

As a matter of fact, there may not be any that receives 10 percent of the amount of money that they spend from the National Endowment for the Arts. Overwhelmingly, its grants are modest in amount. They are sought eagerly by far more applicants than can possibly receive those grants, because the very fact that the National Endowment for the Arts has given $20,000, or $30,000, or $100,000 to a particular organization adds a degree of prestige and imprimatur to the activities of that organization that make its efforts to secure private funding—and in almost every case, the great majority of the funding of these organizations comes from the private sector—makes securing that funding easier. Whether it is right or not, contributors seem far more likely to contribute to an organization that has been recognized by the National Endowment for the Arts than they are willing to do so with respect to the thousands of other arts organizations and groups that don't receive such funding.

So the appropriation here is considerably less than 1 percent of the money in this appropriations bill that goes to the National Endowment for the Arts and multiplied many times over by support from the private sector. This is true in other areas in my bill, and one I am very interested in, funding for the renewal of salmon runs in the State of Washington. We have money here that will go to a foundation that guarantees that it can double or triple the amount of money actually getting into the field for this purpose, instead of taking on something that would otherwise be wholly and completely a responsibility of the Government of the United States.

So, Mr. President, I believe the serious debate over the future of the National Endowment for the Arts has passed. I think it has passed because the National Endowment is reformed. I think it has passed because they are now doing what I believe the Endowment was originally intended to do, and doing it in almost every case with a remarkable degree of thoughtfulness and good sense. What we come up with here, representing only a tiny percent of what goes in the arts activities in the States, is nevertheless very important in that support and vitally important in securing the private sector support for the arts, and that has been in the past and will be in the future a primary source of the money.

Regrettably, I oppose the amendment of the Senator from New Hampshire in this connection. If he wishes to speak again, I am going to yield the floor now. I note the presence of the Senators from Florida and Wyoming, and I know the Senator from Missouri, Mr. ASHCROFT, wants to speak on this issue. So we are not going to bring it to a vote now. When the Senator from New Hampshire has made his comments, I will ask unanimous consent to go on to the next amendment.

Mr. SMITH of New Hampshire. Was the Senator from Florida seeking to respond to the amendment?

Mr. GORTON. Mr. President, he is here on his own amendment.

Mr. SMITH of New Hampshire. Mr. President, I have just a few brief responses to my colleague.

I believe it would be a fallacy to equate Government funding, its own activities, legitimate functions of the Government, to fund those activities such as the Library of Congress and the Smithsonian, which obviously are document preservation, artifacts, and historical matters—that is legitimate, in my view; but to equate that with the Government funding of private activities is where I have my differences. I think that is the difference—the Government funding its own activities versus the Government funding private activities.

I believe that art, in terms of the examples I gave, is and should be funded privately because there is a matter of what is art and what is not art, which is a matter of personal opinion. I don't believe taxpayers should fund somebody else's view of what art is or is not. I also think it is wrong for us to act without explicit constitutional authority, whether it is in the arts, or education, or anything else.

The Senator from Washington is correct. I misspoke when I said education. I should not have used that term because, also, the Federal Government, in my view, does not have a legitimate role in determining the education of our children. I believe that is a local matter that ought to be done by the States, the local communities, and parents.

Finally, to say it is a good thing for a Federal agency to provide a "seal of approval" for the arts so that the private sector will know what to support, that is a threat to art.

I think that threatens the legitimate issue of art in that government has no business telling people what good art is or what bad art is. I don't think there is any room for the government in art.

Frankly, it is very interesting when you pick out the platform of the Republican Party and read it. Some don't believe we should read our platforms. But I happen to believe we should.

In the 1996 Republican Platform, there is a quote of Senator Bob Dole of March 10, 1995, in which he said:

> On November 8, 1994, the American people sent a message to Washington. Their message is my mandate to rein in government, reconnect it to the values of the American people, and that means making government a whole lot smaller, a lot less arrogant and getting it out of matters best left to the States, cities, and families across America.

That is all I am trying to do. What I am trying to say is if there is some family out there—I can't believe there would be, but there may be—who would like to have a children's book shown to their children showing a naked man and naked woman embracing in the act of sex, if they want to show that to their children, as I said before, I guess that is up to them, but I don't think we ought to be funding it.

Furthermore, finally, what the Republican Platform said at that time was:

> As a first step in reforming government, we support the elimination of the departments of Commerce, Housing and Urban Development, Education, Energy, and the elimination, defunding, or privatization of agencies which are obsolete, redundant, of limited value, or too regional in focus. Examples of agencies that we seek to defund or to privatize are the National Endowment for the Arts, the National Endowment for the Humanities, the Corporation for Public Broadcasting, and the Legal Services Corporation.

I am quoting out of the platform. Finally:

> In addition, we support Republican sponsored legislation that would require the original sponsor of proposed Federalization to cite specific constitutional authority for the measure.

If you are going to offer something as an amendment or a bill which ultimately may become law, then cite constitutional authority for it because, after all, we are here to protect and defend the Constitution.

That is the only point I am trying to make. I understand that the votes have never been here to eliminate this agency. I don't expect them to be here this time.

I don't mean to argue, other than to say that I ask my colleagues to try to move back to the constitutionality issue because I believe that is what this is all about. If you make an exception, even if this was art that was pleasing to me, if it was art that I liked, that I approved of, it would be the same argument—that it has no business being funded. It is not constitutional. I don't believe that we should be funding it.

I see my colleague from Missouri. I know he is an original sponsor of this amendment.

Mr. President, at this time I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I rise today in support of this amendment offered by Senator Bob SMITH of New Hampshire.

This amendment, which eliminates the $99 million appropriated to the NEA, gives Senators the opportunity to decide whether the Federal Government should be in the business of judging and funding art.

There are only two ways a Federal government could be involved in funding art: either by judging it or by funding it randomly. I don't think either of those is a good alternative for the Federal Government.

I hope a majority of my fellow Senators will agree with me that the Federal Government should resign from its role as a national art critic—telling us what to enjoy or what not to enjoy, and spending our money to tell us that this is good or that is bad.

It seems to me that to have the Federal Government as an art critic to determine what type of art is superior to another type of art is not something that a free nation would want to encourage. Government should not be in the business of subsidizing free speech, putting its so-called "Good Housekeeping Seal of Approval" on certain pieces of so-called art.

When the government funds art, it will always have to make value judgments on what is art and what it is not. I don't think that is an appropriate function of government. The only way to get out of this business is to stop government from funding art.

I guess you could fund art randomly—spin the wheel, and whichever artist's name comes up, give them the money. But you would have to decide who got to be part of the lottery.

For those who say this is an issue of free speech, my view is that speech is not free if government funds it. As a matter of fact, it is funded speech, and not free speech.

When we tax people, we take their dollars coercively. We simply say that if you do not give us the money, you go to jail. Try not paying your taxes and find out whether it is enforced or not. You will find out that the IRS can be very convincing and very persuasive because they have this independent capacity to coerce the dollars.

Government subsidies, even with the best intentions, are dangerous because they skew the market toward whatever the government grantmakers prefer. The National Endowment for the Arts grants place the stamp of official U.S. Government approval on funded art. This gives the endowment enormous power to dictate what is regarded as art and what is not.

A number of art critics and people in the arts community, have observed this.

Jan Breslauer, Los Angeles Times art critic said in 1997 that,

> [T]he endowment has quietly pursued policies rooted in identity politics—a kind of separatism that emphasizes racial, sexual and cultural differences above all else. The art world's version of affirmative action, these policies . . . have had a profoundly corrosive effect on the American arts—pigeonholing artists and pressuring them to produce work that satisfies a politically correct agenda rather than their best creative instincts.—The Washington Post, March 16, 1997.

I would like to call myself an artist because I like to engage in musical performances. I like to engage in the writing of music, and the writing of poetry. But I feel a little below par, so I can't really call myself an artist. There have been some who have said that some of my stuff might qualify for art. But I have never qualified for a grant, and I don't want a grant. My wife always teases me, saying: You can't sell it. You can't even give it away.

But the idea of government funding art means that we would begin to bend the artist away from true expression towards something for which the government was providing a subsidy. That is the point that Jan Breslauer makes—that this subsidy has had "a profoundly corrosive effect on the American arts"—taking people away from the true expression of art, "pigeonholing artists and pressuring them."

The concept of pressure and art is a very difficult concept to reconcile. I think of Michelangelo painting on the Sistine Chapel and the Pope demanding one thing and another. I don't know if it is true, but it is said that in response to that pressure, Michelangelo painted certain people in hell as a way of indicating that he would resist the pressure.

Joseph Parisi, editor of Poetry Magazine, the nation's oldest and most prestigious poetry magazine, has said that disconnecting "artificial support systems" for the arts, such as cuts in NEA funding, has had some positive effects. Parisi has said that cuts in federal spending for the arts are causing "a shake-out of the superficial. The market demands a wider range, an appeal to a broader base. Artists and writers are forced to get back to markets. What will people buy? If you're tenured, if the government buys, there's no response to irrelevance."—Atlanta Constitution, Nov. 8, 1996.

In short, the government should not pick and choose among different points of view and value systems, and continuing politicizing the arts. Garth Brooks fans pay their own way, while the NEA canvasses the nation for politically correct "art" that needs a transfusion from the Treasury. It is bad public policy to subsidize free speech.

Why I should pay full freight to go see a country star, and the Mercedes limousine set should get a subsidy to go to the ballet, I don't know.

On this point I refer Senators to section 316 on page 106 of the Senate bill, which makes a case for elimination of the funding of NEA. It says the NEA can only fund those individuals who have received a "literature fellowship, a National Heritage Fellowship or"—I am still quoting—an "American Jazz Masters Fellowship."

I know very little about music, but I spend a lot of time in music. I know and appreciate that jazz is a great form of American music. But for the life of me, I cannot understand why the Federal Government believes it has the wisdom to use taxes paid by a hard-working plumber or a policeman or a painter to decide which jazz master should be subsidized and which jazz master should not be subsidized. Even if we could subsidize all jazz masters, is it fair to fund jazz masters and not pay stipends to a master classic pianist, a composer, a struggling rhythm and blues artist, or a rock-and-roller?

The fact that the Federal Government does not have infallible wisdom to serve as the Nation's art critic underscores the brilliance of our Founding Fathers who, in writing the Constitution, specifically voted against provisions calling on the Federal Government to subsidize the arts. This is not a new request. The founders considered this and rejected it.

Although funding for the NEA is small in comparison to the overall budget, elimination of this agency sends a message that Congress is taking seriously its obligation to restrict the Federal Government's actions to the limited role appropriately envisioned by the framers of the Constitution. Nowhere in the Constitution is there a specific threat of authority that could reasonably be construed to include promotion of American jazz masters as compared to or in contradistinction to classical pianists or ordinary guitar pickers.

During the constitutional convention in Philadelphia in 1787, Delegate Charles Pinckney introduced a motion calling for the Federal Government to subsidize the arts in the United States. Although the Founding Fathers were cultured individuals who knew first-hand of various European systems for public arts patronage, they overwhelmingly rejected Pinckney's suggestion because of their belief in limited constitutional government.

Accordingly, nowhere in its list of powers enumerated and delegated to the Federal Government does the Constitution specify a power to pick jazz masters over guitar pickers.

It is noteworthy what the Constitution does provide. Article I, section 8, states:

> The Congress [of the United States] shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Rights to their respective Writings and Discoveries;

We can protect the work of artists from unlawful and inappropriate appropriation by those who would steal those works and profit from them. In other words, our Founding Fathers established the noble goal of protecting intellectual property of those who are involved in science or the arts. The Founding Fathers did not think the way to protect the rights was to subsidize them or contaminate them or to prefer one or another. Instead, they believe Government protection should extend to protecting their initiative, their creativity, and their discovery.

Some have taken comfort in the recent Supreme Court decisions that have upheld the Federal statute directing the NEA to take into consideration "general standards of decency and respect for the diverse beliefs and values of the American public" in making grants.

While some have said this ruling will appropriately address the concerns over the type of art the NEA will fund, I don't think that is the case. Moreover, in response to the Finley decision, Chairman Ivey said the ruling was a "reaffirmation of the agency's discretion in funding the highest quality of art in America" and that it would not affect his agency's day-to-day operations. That was a quote from the New York Times.

These court cases do nothing to solve the underlying issue of whether Government should fund and decide what is art. Suffice it to say the time has come to end the Federal Government's role of paying for and thereby politicizing art. Art should be pure, not politics, and it shouldn't ever become pure politics; it can, when art is elicited, shaped, and coerced in order to comply with Federal guidelines.

I thank the Senator from New Hampshire for offering this amendment. I urge my colleagues to join me in supporting this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I rise in opposition to this amendment. In a way, I am grateful this amendment has come to the floor. I think this Senate should go on record: Will we decide to go on the course suggested by Senator ASHCROFT of Missouri and Senator SMITH of New Hampshire and say there will be no funding of the arts in America, that we have decided now at this moment in our history that we will walk away from governmental assistance to the artists across America who are starting out and trying to develop their own skills?

I think that is an important question. I know as well as those listening to the debate that over the last 10 or 12 years there has been a lot of controversy about the National Endowment for the Arts. There have been some controversial grants, grants for art projects which I personally found reprehensible.

The bottom line is, it is as wrong to condemn the National Endowment for the Arts because of one or two grants as it is to condemn any Member of the Senate for one or two votes. Each Member can make a mistake. Each Member can do something unpopular. Each Member can do the wrong thing in the eyes of the public. Yet to condemn Members as individuals is just not fair, just, or American. Nor is it fair for Members to condemn the National Endowment for the Arts for things that were done many years ago.

Over the last several years, it has been my good fortune to be a nonvoting member of the National Council of the Arts, meeting every 6 months to review the applications for assistance to the NEA. Several Members of the Senate and the House of Representatives have shared in that responsibility. It has been an eye-opener to sit as I have with men and women from across America and to consider those who come to the National Endowment for the Arts asking for assistance.

Listening to the speeches on the floor, one would think that these are people who come in with some grand political agenda or they are looking for some big government seal of approval. That is not the case at all. By and large, these are creative people looking for an opportunity. Some of the opportunities which they have presented as a result of the National Endowment for the Arts are amazing in their scope.

Think of the impact if we eliminate the National Endowment for the Arts. Let me tell Members about one particular program. I am sorry the Senator from Missouri cannot hear this because I think he would appreciate it since he was born in the city of Chicago. I think he would understand the importance of this program.

In my home State of Illinois there is a program called the Merit Music Program. The Merit Music Program is an exceptional effort inspired by one lady who decided that she would try to reach down to the poorest schools in the city of Chicago and find those kids who had music potential. What she has done over the years is to literally bring in hundreds of kids each year who learn how to play a musical instrument. These are kids who live in some of the poorest housing in Chicago, and their most prized possession will be a violin, a clarinet. They will develop musical skills.

Each year, I try to attend their recital on Saturday while kids from kindergarten on up play their musical instruments. It is an amazing performance from kids who come from the poorest families. It is a performance that is made possible by the National Endowment for the Arts.

These kids get a chance to learn to play a musical instrument. One might say, well, that is a nice hobby; what can it mean? When we follow these kids through their music education, what do we find? Every single one of these kids goes to college. These kids, given a chance at artistic expression, not only have wonderful fulfillment, they have ambition. They decide they can rise above what they have seen around them in their neighborhoods. That is what art and music can do.

I am almost at a loss for words—which is something to say for a Senator—when I hear those on the other side of the aisle stand and say: Well, what good is this? Why would we do this? Why would we encourage this?

In downtown Chicago we have a block that has become known as Gallery 37. In the Loop in Chicago it stands out. It is ultimately going to be developed by some big company, I am sure. Over the last several years, we have decided that Gallery 37 will be an artistic opportunity for kids all across Chicago, kids who can show their artistic wares, who can learn skills in art, and perhaps even be trained for jobs in art. It really has become a magnificent undertaking of that community that reaches out all across Chicago. The rich, the poor, the black, the white, the brown, all come together—Gallery 37, National Endowment for the Arts.

If you go home to your community in your State, whatever it might be, I guarantee you will find the recipients of the grants from the National Endowment for the Arts are not some people living in these ivory towers but, rather, the folks living in your community. Does your city have a local symphony orchestra? My guess is, if not this year, then at some year in the past, the National Endowment for the Arts has helped that symphony orchestra. Does your school system have an art program that encourages kids and moves them along? Many of those programs across America receive assistance from the National Endowment for the Arts.

The National Endowment for the Arts last year received $98 million out of a Federal budget of about $1.7 trillion. We took $98 million to give to the National Endowment for the Arts. That is a lot of money; I will concede that point. In the context of the big Federal budget, though, it is a very tiny piece. But it is a piece of Federal spending that is used to encourage artistic creation and expression.

Of what value is that expression to those of us who are simply art consumers? Let me tell you a personal story. My mother was an immigrant to this country. She came at the age of 2 from Lithuania with her mother and grew up in East St. Louis, IL. She made it to the eighth grade, and that is when she had to stop and go to work as a switchboard operator at a telephone company. She raised me and my two brothers, and she was a woman who was always trying to learn and to appreciate things. I would like to tell the Senator from Missouri, Mr. ASHCROFT, she used to put us in the family car on a Sunday afternoon and we would go across the bridge to the St. Louis Art Museum, and my mother and I would walk through there looking at paintings. Frankly, she had no knowledge of art, but she knew what she liked and appreciated. How many Sunday afternoons we walked through there and I looked at those paintings. As a kid, I was totally bored. As I got a little older, I came to appreciate them. But here she was, a simple woman, immigrant woman, a blue-collar worker, who thought it was important her son see art and what it stands for.

So when I hear the arguments made that this is unfair to blue-collar workers across America, to ask them to take a tiny fraction of their Federal taxes and devote it to the arts, I think those critics miss the point. Visit museums on The Mall here in Washington or in any city across America, and I guarantee you will see a cross-section of American life, the rich and the poor, the educated and the uneducated, all appreciating what art can bring to our lives. This is not something for which we should apologize. It is something we should be proud of. The legacy we will leave in America for future generations is not just a legacy of concrete and steel; it is a legacy of art as well.

Those who visit countries around the world, wherever they may be, usually stop first at the art museums because they want to see the collections. It says something about the value of art when it comes to civilization. To think we would take a step backwards on the floor of the Senate today and decide we will no longer, after years and years, provide assistance and money for the arts is unthinkable. It is unthinkable. In a way, I appreciate the opportunity to have this amendment. Let's have a record vote. Let's see how many people here want to join a group which basically says that the United States of America, with all of its richness, with all of its diversity, cannot afford $98 million to encourage the arts.

Let me tell you about another art project that received a decoration, an award from the National Endowment for the Arts. It is called Street Level Art, and it is an amazing thing. It is in the city of Chicago again. Two young men who worked for advertising agencies decided they just didn't quite like going to work 9 to 5 every day. They wanted to do something more. So they gathered together equipment from people who were getting new versions of computers and videotape machines and the like. They put it in a little storefront on Chicago Avenue, and they invited kids from junior high and high school across Chicago to come after school to learn how to make documentary films and to do animation for cartoons.

I met a young lady there who lived on the south side of Chicago who literally had to take three buses after school to get to the Street Level Art Program, but she was so excited at the prospect of developing her skills, her creativity in art. This is another group that received an award from the National Endowment for the Arts. For Senators to come to the floor and say get Government out of this business is to basically say do not get the seed money to Street Level, don't give the seed money to Gallery 37, don't give the seed money to Merit music. If we did, if we said we are going to close the door and turn out the lights on Government involvement for the arts, would we be a better nation for that? I do not think so.

I think, frankly, the National Endowment for the Arts has done an excellent job. It has learned some valuable political lessons over the last several years. It is unfortunate the sponsors of this amendment do not concede that point and they cannot join the other Members of the Senate to come with me to these meetings twice a year to see what is involved because not only education programs but children's festivals, literary programs, orchestras, museums, dance companies, all receive a helping hand from this National Endowment for the Arts.

I see Senator SESSIONS from Alabama on the floor here. He has joined me at meetings of the National Endowment. The President has proposed a program. It is called "Challenge America." A point made by Senator SESSIONS at one of our meetings, and a valid one, was that the National Endowment for the Arts should reach out into communities which have not traditionally been served and helped by the National Endowment, and they are doing that. I think that is the right thing to do because we can encourage artistic expression in the rural areas of Alabama and the rural areas of Illinois. I think we will be better for it.

Unfortunately, this bill does not provide a great deal of funding for that, but the bottom line is that it is a concept we should pursue in this country. As it stands, this is still in the concept stage, but it is an important concept, particularly when it comes to educating and reaching out to young people at risk of dropping out of school or becoming delinquent or abusing drugs.

We spend so much time here on the floor wrestling with problems that American families are worried over, not the least of which was the shooting at Columbine High School in Littleton, CO. We are trying to read and study and speak among ourselves and say: What is going on in the minds of these children that they would become so violent, grab a gun, and shoot at their classmates?

Even though I am a parent and proud of the three children my wife and I raised, and our grandchild, I do not consider myself a specialist in this area. But I do remember from my own life experience, watching my kids grow up, if you give a young person a chance for fulfillment, that young person sometimes will show you that chance has not been squandered and will make something good of it. Some of them will be the best students in the class. Others may not be great when it comes to grades, but they may turn out to be excellent artists or excellent musicians.

If we close down the NEA and turn out the lights, as this amendment suggests, we are turning out the lights on a lot of young children in America who just need an opportunity to express themselves, to prove themselves. Without that opportunity, they will certainly be frustrated; I hope not worse. But it really would be a loss for this Nation.

I sincerely hope this amendment is defeated, and I hope it is defeated overwhelmingly because I believe, in defeating this amendment, we will make it clear that when it comes to freedom of expression and encouragement of arts, even though our investment is relatively small in terms of the larger Federal budget, it is still important because it says what we are about in America. We are about encouraging diversity of opinion, encouraging artistic expression, encouraging our young people to fulfill themselves.

I hope my colleagues will join me in defeating this amendment, and I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GORTON. Will the Senator from Minnesota yield for just a moment?

Mr. WELLSTONE. I will not yield my place in the floor but——

Mr. GORTON. No. But simply for the benefit of all Members, if the Senator from Minnesota could give us some kind of estimate as to how long he will speak? Because we are going to another matter soon. When his remarks are over, I will move to table the Smith amendment. We will ask for the yeas and nays.

I misled my colleagues from Florida and Wyoming, who have an amendment that I think can be disposed of relatively quickly and I trust without a rollcall vote. But because of the lunch hour, I hope we can get to a vote on this amendment without disrupting everyone.

Does the Senator from Virginia wish to speak on this amendment?

Mr. ROBB. Not on this amendment, Mr. President, but I would like to make a statement at the appropriate time on this legislation.

Mr. WELLSTONE. Mr. President, I say to my colleague, I will be relatively brief. I will try to keep my remarks under an hour.

Did the Senator hear what I said? I was kidding. I said I would keep my remarks under an hour. Was that the Senator's approval? In 10 minutes I will be able to say what I need to say.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, without his losing his right to the floor, I would like to make a few brief remarks on this amendment also.

Mr. GORTON. Then I will certainly wait.

Mr. BYRD. I thank the Senator.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, my colleague from Florida says I cannot do it in 10 minutes, but I am going to prove him wrong.

I do not know whether I can add that much to the remarks of Senator DURBIN. I have heard the Senator speak quite often. I actually think that was one of the strongest statements. Really. I wish I were not following him.

I say to all my colleagues, Democrats and Republicans alike, this will be a healthy vote because we ought to vote on how we view the National Endowment for the Arts. As a Senator from Minnesota, I think the most important thing we can do as Senators is to do our work every day in such a way that we can assure equal opportunity for every child. That is the way I approach this topic, I say to my friend from New Hampshire.

Senator DURBIN's point was well taken. What you want to do with children, starting at a very early age, is you want to take that spark of learning that all children have—they are so eager—and we need to ignite it. Different children are good at different things. Some are really good at academics, at least the way we define formal academics; some are athletes; some are musicians; some are artists.

The National Endowment for the Arts has done an absolutely fabulous job of funding some of the most wonderful community arts partnerships you ever want to see in the State of Minnesota, by the way, rural as well as urban. There is some great work with at-risk kids, some great work with all the children in Minnesota—white us, black us, brown us—all of us. It is united. It is wholesome.

There have been mistakes made. I agree with Senator DURBIN, Jane Alexander understood that and did a great deal to correct some of the mistakes that had been made. I do not think that has been properly acknowledged in this amendment that my colleagues bring to the floor.

Overall, it is so enriching and it is so exciting to see what is done with these community arts partnerships.

I did not get a chance to hear the remarks of my colleague from Missouri, so it would not be fair to him—he is not here—for me to even try to respond to what I think he may have said based upon what Senator DURBIN said.

I have had a chance to visit with the arts community. I have had a chance to see some of these projects take hold in Minnesota, in our neighborhoods, in our communities, urban, rural, and suburban, and I am especially focused on children and kids.

This does not have a thing to do with blue collar, white collar, high income, low income, middle income. This has really been some wonderful, nurturing, enriching work with children in Minnesota, some of whom have really come into their own as a result of the way in which the NEA grants and good art work and artists have reached them. Some of the things that these kids do, some of the ways in which they are creative and express themselves, some of the ways in which they, in turn, contribute to community, based upon the nurturing and the support from the NEA grants—it is just a marvelous thing to see.

Yes, mistakes have been made, but I call on Senators to be our own best selves. I do view this as a vote that has a whole lot to do with children, a whole lot to do with kids, a whole lot to do with the importance of community arts partnerships. I hope this amendment will be defeated with a resounding vote.

I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from West Virginia.

Mr. BYRD. Mr. President, I am opposed to the amendment that is being offered by the Senator from New Hampshire, my good friend Mr. SMITH. He and I serve together on the Armed Services Committee. I have great respect for him and certainly for many of his viewpoints. But on this matter, I will oppose his amendment.

I am a product of the Depression as well as the days and some of the years ante-Depression. When I graduated from high school in 1934, which was 65 years ago now, I was the valedictorian of the class. Of course, we only had 28 in the class. If there had been 29, I might not have been the valedictorian. But I was very fortunate in going to the Mark Twain High School and grade school in a coal mining community in southern West Virginia.

Mark Twain High School had a faculty that probably would have matched the faculty of a junior college in these days. Teachers did not get paid much, but they were highly dedicated teachers.

The principal of the high school was a man by the name of William Jennings Bryan Cormany. And his wife, Marguerite Cormany, was an excellent music teacher. Mr. Cormany was a strict disciplinarian. He was the kind of high school principal we should have all across this country these days. We paid attention in his class. He taught physics. He was an excellent teacher.

His wife organized a high school orchestra and a band. She wanted me to be in the band. I was the bass drummer. The bass drum was larger than I was, but I was the bass drummer. She also talked me into taking lessons on the violin. My foster father was a coal miner, and through the sweat of his brow, he bought me a violin. I can remember the Saturday afternoon when we piled into a large flat-bed truck and went from Stotesbury to Beckley, about 15 miles away.

I went back home that night. I had a violin case tucked under my arm with a violin in it. My dad paid all of about $28 or $29 for this violin, violin bow, and violin case. I went home that night and had visions of becoming a Schubert or a Chopin. I could see myself being one of the great artists. Those were dreams.

How great it is to believe the dream
As we stand in youth at the starlit stream,
But greater still to live life through
And find at the end that the dream is true.

I dreamed of being a great musician. My natural father was a musician. He was not an educated man. He never took a music lesson in his life. I never knew him very well. I only lived with him about a week in my life. He was my natural father.

I lost my mother when I was less than a year old. She died with the influenza in 1918. But she wanted my father, if she died with the influenza, to give me to one of his sisters who had married a Byrd. She died the next day or so after she came down with the flu.

My father just had a natural talent for many things. When he went out to pick the beans in the garden, he would be memorizing chapters from the Bible. He could play almost any instrument he ever put his hands on—the organ, the banjo, the guitar, the Autoharp, and so on. He had a natural talent for music.

I inherited some of that talent for music. I loved it. And so my coal miner dad, who was my uncle, bought this violin for me. I started taking lessons when I was in the 7th grade in school. When I graduated, of course, I was still in the orchestra and in the band.

By that time, I had also learned to play many of the old mountain tunes. My music teacher, Mrs. Cormany, did not take that very well. She was not very happy that I would go out behind the schoolhouse and play "Old Joe Clark" on my fiddle or "Arkansas Traveler" or "The Mississippi Sawyer" or "The Chicken Reel." She did not approve of that. But I did it nevertheless. So, I came to learn to play "by ear," as they say.

Well, now, my boyhood without that music would have been an empty boyhood. I started out in life where the bottom rungs in the ladder were not there. They were missing. There was not the first rung or the second rung. As I say, I grew up in the Depression, which was a hard, hard life at best.

But the music did something for me. It did for me what David's music did for Saul when he appeared before King Saul. Music through the ages has come from the depths of the soul of man. It has been an inspiration to him Michelangelo and the Sistine Chapel; Leonardo da Vinci and the Mona Lisa; Phidias, who was a great sculptor at the time of Pericles. Pericles lived in the latter half of the 5th century. I remember the Peloponnesian Wars lasted from 431 to about 404 BC. Phidias was a great sculptor at that time.

All through the ages, men have had this desire to use their talents. We read about seeing the forms of animals or persons carved into the caves of ancient mankind and on the obelisks in Egypt. We know about the cuneiform writings, the Sumerians, the Hittites, the ancient Chinese. The ancient peoples drew word pictures before they learned to write.

There is something about man that is above the animal. Do not tell me that man is an animal. I know they teach that in school, but they are all wrong. They are 100 percent wrong. Man is not an animal. An animal cannot draw a picture. An animal cannot paint a picture. An animal cannot play a violin. An animal cannot memorize the multiplication table. Man is not an animal.

God created man out of the dust of the ground, and breathed into his nostrils the breath of life. There is a spark of the divinity in man. A man is a little above the beasts of the field, a little lower than the angels, but there is that spark of divinity. There is something in mankind that tends to lift his spirit in the lofty flights of song and poetry. Music is one of those talents that is ingrained in the genes of man.

I can certainly understand the feelings of Senators with respect to some of the recipients of funds from the National Endowment of the Arts in years gone by. They were absolutely foolish, stupid to make those awards. It was colossal stupidity on the part of the Endowment to award grants to people who had such motives and objectives as a few of them had. But they were a tiny few. I think it would be a very serious mistake here to strike this from the bill.

Who knows, there may be a little Michelangelo, there may be a little Benjamin West. Benjamin West said that one day he took to his mother some childish drawings of birds, and his mother took him up on her knee, kissed him, and said: "Son, you will grow up to be a great painter." Benjamin West said that it was a mother's kiss that led him to become a great painter. The encouragement that his mother gave him after seeing the childish drawings and paintings that he had made caused him to aspire to do greater things.

I can remember that my dad was very poor, the man who raised me. At Christmastime, he never gave me a cap buster or a cowboy suit. In saying this, I do not denigrate those things. But he gave me a watercolor set or a drawing tablet or a book. He did not want me to be a coal miner, as he had been.

So here we are today. In a sense, we can feel that in passing this legislation, as we are passing it, and providing funds—and funds are hard to come by—but we are in a sense providing a little watercolor set or a drawing tablet—we can put it down to that level—to some talented, ambitious, deserving achieving person.

I close with this poem, if I can recall it, which tells the story. Who knows, out of these funds there may not be just one, but there may be many masters—masters—as they develop the talents that are borne within their genes. Many people have those talents and never have the opportunity to develop them. So, where we can, I think, provide the opportunity and the encouragement, we ought to do it. That is a side of life—a side of our culture that is uplifting. We should not attempt to dampen it down, or discourage or put it beyond the reach of those who cannot otherwise afford it.

'Twas battered and scarred, and the auctioneer
Thought it scarcely worth his while
To waste much time on the old violin,
But held it up with a smile:
"What am I bidden, good folks," he cried,
"Who'll start the bidding for me?"
"A dollar, a dollar"; then, "Two!" "Only two?
Two dollars, and who'll make it three?
Three dollars, once; three dollars, twice;
Going for three——" But no,
From the room, far back, a gray-haired man
Came forward and picked up the bow;
Then, wiping the dust from the old violin,
And tightening the loose strings,
He played a melody pure and sweet
As a caroling angel sings.
The music ceased, and the auctioneer,
With a voice that was quiet and low,
Said: "What am I bid for the old violin?"
And he held it up with the bow.
"A thousand dollars, and who'll make it two?
Two thousand! and who'll make it three?
Three thousand, once, three thousand twice,
And going, and gone," said he.
The people cheered, but some of them cried,
"We do not quite understand
What changed its worth." Swift came the reply:
"The touch of a master's hand."
And many a man with life out of tune,
And battered and scarred with sin,
Is auctioned cheap to the thoughtless crowd,
Much like the old violin.
A "mess of pottage," a glass of wine;
A game—and he travels on.
He is "going" once, and "going" twice,
He's "going" and almost "gone."
But the Master comes, and the foolish crowd
Never can quite understand
The worth of a soul and the change that's wrought
By the touch of the Master's hand.

Let us defeat this amendment and reject it overwhelmingly let us continue to make it possible for some future masters to lay their talented hands upon the culture of our own civilization and thereby benefit all of posterity.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the only reason I sought recognition is to speak before the motion to table is made. I apologize to my friend, the manager of the bill, recognizing how badly he wants to move on. I feel inclined to speak on this amendment.

I say to the Senator from West Virginia, my friend, I have had many inspirational times on the Senate floor, and most of them have been directly attributable to the Senator from West Virginia. If what we just listened to, was not inspirational, then someone wasn't listening.

I had the honor a week ago to participate in a parliamentary exchange with the British Parliament. I was able to meet with a small group of British parliamentarians, with a number of Senators in West Virginia. The hosts of that event were Senators BYRD and STEVENS. It was a wonderful weekend where we talked issues.

One evening we were able to meet and have a social event in a place called Kate's Mountain in West Virginia. I had been there only once before. I came to realize, on my first trip to West Virginia at Kate's Mountain, what that song, those West Virginia hills where I was born, means to someone from West Virginia because Kate's Mountain is part of those West Virginia hills. I appreciate those hills, even though I wasn't born in those West Virginia hills. Part of the entertainment that night, just a few days ago, was a blue grass band playing. Senator BYRD participated in the entertainment. He took the microphone and proceeded to sing. It was a wonderful, fun, entertaining evening.

Well, Mr. President, I can't sing. I can't play a musical instrument. But there is no one in the world that enjoys music more than I enjoy music. I have tried to play music. I have tried to sing. I can remember as a young man in high school, I wanted to sing. I went to try out for the choir at Basic High School in Henderson, NV. I can still remember the choir director, Chapman Wooten, a wonderful man, but he could understand talent when he saw it. He didn't see it in me. He said I should continue playing football and baseball and pass on the choir.

I didn't make the choir. In fact, I only was there a few minutes. But I still love music. I can't paint a picture. I have tried. My grandchildren paint better than I do. But I love to see people paint pictures, and I love to see the finished product. I have in my home paintings that may not be very valuable, but they are valuable to me. They are paintings I have bought because I loved those paintings. I can remember the first painting I ever bought. I was just out of law school. I went to the Tropicana Hotel in Las Vegas and a man by the name of McCarthy had an exhibit there. I don't know if he has ever made a living painting, but I gave him $75 for a painting that I still have. If you come in my home, there is the first painting that I ever bought. I bought that painting because it reminded me of my wife. It is a painting of a woman. I love that picture.

I was born and raised, as most of you know, in a little place called Searchlight, NV. We had very little entertainment in Searchlight. There wasn't a church to go to. I never went to a church until I went to high school. There wasn't one to go to. In the whole town there was one person who played a piano. I don't know how well she played it, but she played the piano for Christmas programs. That is about all I can remember. She was a woman of some note. She was not noted for playing her piano. She had been married 14 times. I know that because she was married to a few of my uncles. But she played the piano. She was our music in Searchlight. Any program we had, she was part of it.

I am sure in that little town of Searchlight there were people who could have played, if there had been someone there to give them a lesson, someone who could paint a picture, if there was someone who could teach them how to paint a picture. In the entire time that I was growing up in Searchlight, I don't remember a single person playing a musical instrument because they didn't play one. I don't remember a single person painting a picture because they didn't paint a picture. There was no one there to help us, to encourage us.

The National Endowment for the Arts is a program that I envision as helping kids like HARRY REID growing up in rural America, rural Nevada. It also helps kids in urban America, but I think of it as to what I can relate to. The National Endowment for the Arts is a program that is important for people in this country.

I can remember first becoming acquainted with the National Endowment for the Arts because Senator BYRD allowed me to conduct some of the hearings when he was chairman of the Interior Subcommittee of the Appropriations Committee. I conducted the hearings. I loved doing that. We conducted hearings relating to the National Endowment for the Arts. I became so impressed with the work that they do that I have been a fan ever since.

In Elko, NV, we benefit from the National Endowment for the Arts and the National Endowment for the Humanities. There is a great program; it is world famous now. It is called the Cowboy Poetry Festival. It took years to get off the ground. A man by the name of Cannon got it started. He started off in Utah, and he did everything he could because he had this idea that there was cowboy poetry that should be preserved and perpetuated. He couldn't get it off the ground. He went to private foundations. He did everything he could. They didn't think his idea was very good. He went to Elko, NV, and luckily the National Endowment for the Humanities, the National Endowment for the Arts helped him get this program started. Now it is world famous. You can't find a motel or a hotel room when this festival is occuring. People recite poetry. There are books on western American history that are written and talked about and presentations made. It is because of these programs, the National Endowment for the Arts, National Endowment for the Humanities.

In Nevada, we benefit all over. There are so many things. I have a spate of papers here talking about how great these programs are. One from Delores Nast. She doesn't teach art. She is not a teacher. She loves art, though. She writes: Many Nevadans believe strongly that part of our tax dollars should be directed towards support of our Nation's cultural and educational initiatives.

What an understatement. The most powerful Nation in the entire world can't spend a few dollars on helping kids from Searchlight, NV, learn to paint a picture or play a musical instrument. Yes, we can do that. We must do that.

I am not going to, as I say, hold up the manager of this bill. I only want to say that we in Nevada believe in the National Endowment for the Arts. There are some people who criticize it, but they criticize anything dealing with government. I am proud of supporting the National Endowment for the Arts. I am proud of supporting a motion to table this amendment. It should be tabled overwhelmingly because we, the most powerful Nation in the world, need to spend more, not less, on the arts.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Mr. President, I understand the Senator from Vermont has a quick unanimous consent request.

CHANGE OF VOTE

Mr. JEFFORDS. Mr. President, on roll call No. 258, I was recorded as voting "nay." I ask unanimous consent to change my vote to "yea." This will in no way change the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. ROCKEFELLER. Mr. President, I take this opportunity to voice my support for the Arts in general, and specifically for the National Endowment for the Arts. I also want the Senate and my constituents to know that I would have demonstrated this support with my vote if I had not been engaged in an important meeting at the White House while the vote was taking place.

This meeting today concerned the future of the steel industry and the Administration's commitment to work with Congress, the industry and labor to ensure that unfair and illegal imports are returned to pre-crisis levels. As my colleagues and constituents know, my commitment to the future stability and viability of our domestic steel industry—which is critical to the economic well-being of West Virginia—is unwavering, and for that reason I felt it necessary to remain at the White House for this important meeting.

Unfortunately, the vote on the Smith Amendment was called earlier than anticipated, and I missed the vote. I would have voted against the Smith Amendment if I could have been in the chamber because I believe in funding for the arts, including the National Endowment for the Arts. I take comfort in the fact that the lopsided margin meant that my vote was not necessary to ensure funding for the NEA. I understand that some have challenged NEA's funding decisions in recent years, but I believe the agency has done an admirable job in modifying its policies and decision making process to respond to concerns. Thanks to these efforts, the NEA is a stronger organization. The arts and the NEA contribute greatly to our culture, and it is a valuable investment in my view.

Mr. ROBB. Mr. President, I add my voice in support of the National Endowment of the Arts, and in opposition to Senator SMITH's amendment. The NEA continues to provide valuable seed money to support a range of worthy endeavors, such as orchestras, inner-city arts outreach programs and efforts to preserve vanishing American cultural institutions. In addition, the NEA plays a strong role in promoting private investment in the arts and helps to bring culture to those Americans who are ordinarily unable to afford access to the arts. As a country, we ought to continue to support these efforts. I urge my colleagues to oppose this amendment.

Mr. GORTON. Mr. President, I compliment both the Senator from Nevada and the Senator from West Virginia on very thoughtful and fascinating statements on this matter.

I move to table the Smith amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1569.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) and the Senator from Colorado (Mr. ALLARD) are necessarily absent.

Mr. REID. I announce that the Senator from Louisiana (Ms. LANDRIEU) and the Senator from West Virginia (Mr. ROCKEFELLER) are necessarily absent.

The result was announced—yeas 80, nays 16, as follows:

[Rollcall Vote No. 260 Leg.]

YEAS—80

Abraham
Akaka
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Bryan
Burns
Byrd
Campbell
Chafee
Cleland
Cochran
Collins
Conrad
Coverdell
Craig
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Enzi
Feingold
Feinstein
Frist
Gorton
Graham
Grams
Grassley
Gregg
Harkin
Hatch
Hollings
Hutchison
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McConnell
Mikulski
Moynihan
Murkowski
Murray
Reed
Reid
Robb
Roberts
Roth
Santorum
Sarbanes
Schumer
Shelby
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—16

Ashcroft
Brownback
Bunning
Fitzgerald
Gramm
Hagel
Helms
Hutchinson
Inhofe
Kyl
Mack
McCain
Nickles
Sessions
Smith (NH)
Thurmond

NOT VOTING—4

Allard Landrieu
Crapo Rockefeller

The motion was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY S. 1429

The PRESIDING OFFICER (Mr. BUNNING). The majority leader.

Mr. LOTT. Mr. President, I ask unanimous consent that at 1:06 this afternoon the Senate begin consideration of the reconciliation conference report, notwithstanding the receipt of the papers, and there be 6 hours for debate to be equally divided in the usual form with the vote to occur at the conclusion or yielding back of the time.

The PRESIDING OFFICER. Is there objection?

Mr. ROBB. Reserving the right to object, may I ask a question of the majority leader.

Is it the majority leader's intention to return to the underlying bill, the Interior appropriations bill, at the conclusion of consideration of the tax bill today?

Mr. LOTT. Mr. President, to respond to the Senator's question, it is. When we complete reconciliation, at the conclusion of this 6 hours or yielding back time, which theoretically could occur, then when that is completed our intent is to go back to the Interior appropriations bill.

The agreement we had last week was that this week we would try to complete these two appropriations bills, Agriculture and Interior, complete the reconciliation conference report, and try to get as many nominations confirmed as we could get cleared on both sides.

We are still assiduously pursuing that goal.

Mr. ROBB. Mr. President, continuing to reserve the right to object, I ask the majority leader, without specifically asking for an additional unanimous consent request, that if it is his intention to proceed, those of us who have been waiting through two sessions to either raise points of order, offer amendments, or whatever the case may be, to the Interior appropriations bill, might be able to do so tonight after conclusion of this bill. I am in full agreement with the expedition of a number of matters that have been pending on this floor, particularly some of the appointments. While I may not favor the tax bill that will be taken up this afternoon, I am in favor of moving the trains.

With that, if the majority leader is prepared to give that verbal understanding his concurrence, I will not object.

Mr. LOTT. Mr. President, I give my concurrence in that. We intend to return to the Interior appropriations bill. I believe the distinguished manager of this legislation would be glad to agree we would go to this issue immediately upon return, with a vote if one is required.

Mr. GORTON. If the majority leader will yield, I would be delighted to have the first item to be dealt with, with respect to the Interior appropriations bill, immediately after the vote on the tax bill, be the point of order the Senator from Virginia wishes to raise.

Mr. ROBB. Will the majority leader include that particular provision in his unanimous consent request?

Mr. LOTT. I am glad to make that additional request in my unanimous consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

WATER RESOURCES DEVELOPMENT ACT OF 1999—CONFERENCE REPORT

Mr. LOTT. Mr. President, to my absolute surprise and delight, I understand the water resources development bill has been completed in conference. I extend my hearty congratulations to the managers and to the distinguished chairman of the committee, Senator CHAFEE, for his efforts in getting that conclusion.

I yield the floor to him for a consent request with regard to that conference report.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent the Senate now proceed to consideration of the conference report to accompany S. 507.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 507), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

There being no objection, the Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of today.)

Mr. CHAFEE. Mr. President, I ask unanimous consent that the conference report be agreed to, the motion to reconsider be laid upon the table, and any statement relating to the conference report be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The conference report was agreed to.

Mr. CHAFEE. I thank the majority leader for moving this legislation along, and I thank all concerned.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, as a member of the minority who had the honor to be a conferee, may I say that this legislation of great importance could not have happened in the absence of our chairman. Our chairman did a superb job, never an easy one with the other side. But here it is before us and he is to be congratulated. I, for one, am deeply grateful.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I thank the distinguished Senator from New York. He has headed many of these conferences. I particularly recall some of the transportation conferences he has headed in which he did landmark work. Having kind words coming from him and praises is doubly important to me. I greatly appreciate them. I thank the Chair.

Mr. President, today the Senate is considering the conference report to accompany S. 507, the Water Resources Development Act of 1999. This measure, similar to water resources legislation enacted in 1986, 1988, 1990 and 1992, is comprised of water resources project and study authorizations, as well as important policy initiatives, for the U.S. Army Corps of Engineers Civil Works program.

This bill was introduced by Senator WARNER at the beginning of this year. In previous years, the Senator from Virginia had been the chairman of the Transportation and Infrastructure Subcommittee of the Senate. In that role he guided a similar bill through the Senate during the previous Congress. We are very grateful for his hard work on this legislation and sticking with the project considering the new demands on his time as chairman of the Armed Services Committee.

Unfortunately, the House was unable to pass a companion measure last year because of a dispute over flood control and water supply in the State of California. So, this WRDA bill is somewhat overdue.

This year, S. 507 was adopted unanimously by the Senate on April 19, 1999. On April 29 of this year, the House of Representatives adopted its version of the legislation by a vote of 418 to 6.

Since that time, we have worked together with our colleagues from the House of Representatives and the administration to reach bipartisan agreement on a sensible compromise measure. Because of the numerous differences between the Senate- and House-passed bills, completion of this conference report has required many hours of negotiation.

To ensure that the items contained in this legislation are responsive to the nation's most pressing water infrastructure and environmental needs, we have adhered to a set of criteria established in previous water resources law.

Mr. President, let me take a few moments here to discuss these criteria—that is—the criteria used by the Senate Environment and Public Works Committee to determine the merit of proposed projects, project studies and policy directives.

In 1986 Congress enacted and President Reagan signed a Water Resources Development Act that broke new ground. Importantly, the 1986 Act marked an end to the sixteen-year deadlock between Congress and the executive branch regarding authorization of the Army Corps Civil Works program.

In addition to authorizing numerous projects, the 1986 Act resolved longstanding disputes relating to cost-sharing between the Army Corps and non-federal sponsors, waterway user fees, environmental requirements and, importantly, the types of projects in which federal involvement is appropriate and warranted.

Each flood control, navigation, environmental restoration, or other project requires a local cost share that is applied uniformly across the nation.

Second, projects are not authorized until various reports and studies have been completed to assure that the projects are justified from economic, engineering and environmental perspectives.

Third, projects must fit within the traditional mission of the civil works program of the Army Corps. That mission includes flood control, improvements to navigation, shoreline protection, and environmental restoration.

These are the precepts that we have applied to the provisions contained in the pending conference report. Although there are special circumstances that justify exceptions to every rule, I believe that this bill does a good job of adhering to the fundamental purposes and principles of the WRDA program.

Water resources legislation has been enacted on a biennial basis since 1986, with the exception of 1994.

The bill we are bringing back from conference today includes scores of projects with a total federal authorization of approximately $4.3 billion. Importantly, more than $1.5 billion of this amount will go toward environmental mitigation and restoration and water cleanup projects for sewage discharges, stormwater retention, and the control of combined sewer overflows.

A bill like this takes hard work by many parties. I would like to salute our Senate conferees, Senators SMITH, BAUCUS, MOYNIHAN, VOINOVICH, and BOXER. As I said earlier, Senator WARNER has been the key player on this bill as its author, manager and member of the conference committee.

Senate staff playing a key role on this bill included Ann Loomis for Senator WARNER and JoEllen Darcy for Senator BAUCUS. On my staff, first Dan Delich and, after he left us, Abigail Kinnison and Chelsea Henderson, have worked many long hours to make this bill possible.

On the House side, the chairman of the Transportation and Infrastructure Committee, Congressman SHUSTER, and committee members, Congressman OBERSTAR and Congressman BOEHLERT deserve high praise for their work. We thank them very much for the spirit of compromise they brought to the conference and for their efforts to complete this task before the recess.

I am pleased to bring this conference report to the Senate. I trust that those who every day depend on the fine work of the Corps of Engineers to protect their lives and their livelihoods will benefit greatly from the legislative work that has been done.

Mr. BAUCUS. Mr. President, I rise today to support the adoption of the Conference Report to accompany S. 507, The Water Resources Development Act of 1999, WRDA.

As we all know, the Water Resources Development Act of 1998 passed this Chamber last year, but was never enacted. This Conference Report builds upon the work done on that legislation and includes some additional projects and programs for the Army Corps of Engineers. With the adoption of this conference report, we wrap up some unfinished business from the 105th Congress and are back on course for development of a Water Resources Development Act for 2000.

S. 507 authorizes projects for flood control, navigation, shore protection, environmental restoration, water supply storage and recreation, as well as several studies which will be the basis for future Corps projects. The projects have the support of a local sponsor willing to share the cost of the project with the Federal Government.

Many of the projects contained in this bill are necessary to protect the nation's shorelines, along oceans, lakes and rivers. Several of the navigation projects need timely authorization in order to keep our ports competitive in the global marketplace. The projects will be reviewed by the Army Corps of Engineers and must be in the federal interest, technologically feasible, economically justified and environmentally sound in order to go forward. In other words, these are projects worthy of our support.

Furthermore, the bill authorizes studies, including a comprehensive, cumulative impact study of the Yellowstone River in my home state of Montana, that need to get underway so that we can make informed decisions about the future use and management of these precious resources.

In addition, the conference report contains a new continuing authorities program, known as Challenge 21. This program, proposed by the Administration and supported by the conferees, emphasizes non-structural flood damage reduction measures and riverine and wetland ecosystem measures that conserve, restore and manage the natural functions and values of the floodplain. We hope that this new program will integrate needed flood damage reduction with the ecosystem in a more natural way than traditional brick and mortar. Programs like Challenge 21 will help move the traditional Corps' mission into the next century.

I am pleased the conference report has been approved.

Mr. WARNER. Mr. President, I am pleased that the Senate today will enact the Water Resources Development Act of 1999. This important legislation continues the Corps of Engineers civil works critical mission to provide flood control, hurricane protection, river and harbor navigation improvements, environmental restoration of our nation's waterways and other water resource infrastructure improvements.

Since 1986 when the Congress and the Executive Branch reach agreement on landmark cost-sharing principles that apply to the preparation and construction of these projects, the Congress has endeavored to enact this reauthorization bill on a two-year cycle.

As the former Chairman of the Environment and Public Works Subcommittee on Transportation and Infrastructure, the Congress enacted a water resources reauthorization bill in 1996. Regrettably, due to the complexities involving a project to provide flood protection for the Sacramento, California area, the House and Senate were unable to resolve the differences concerning this project in 1998.

Today, the conference report before the Senate includes those projects in last year's bill along with other construction projects that the Corps of Engineers has reviewed and judged to be in the national interest. Through a comprehensive process to study and analyze the scope of individual projects, the Chief of the Corps of Engineers has found the 45 authorizations for new construction projects to be technically sound, economically justified and environmentally acceptable.

Mr. President, this simply means that the Federal taxpayer will receive a higher return on the economic benefits resulting from construction of these projects compared to the individual construction costs. Also, for these projects, a state or local government will provide from 35 percent to 50 percent of the costs of construction.

The Corps civil works program provides significant protection to lives and property from flooding and coastal storms. The maintenance of our river and harbor navigation channels are critical for us to maintain a competitive edge in a "one-world" economic market.

The value of water resource projects is well-documented. In 1997, Corps flood control projects prevented approximately $45.2 billion in damages. The Corps continues to support the navigation channel deepening projects so that the larger class of cargo ships and super coal colliers can call on our commercial water ports. The value of commerce on these waterways totaled over $600 billion in 1997, generating approximately 16 million jobs.

Mr. President, the conference report also contains very important provisions to strengthen and expand the Corps new focus on environmental restoration of our nation's waterways. We have established a new program, known as "Challenge 21", which provides the Corps with the direction to work with local communities to developed non-structural flood control projects. This is an initiative that will hopefully produce less-costly flood control options. This program will be important to financially-strapped communities who may not be able to afford to provide the 35 percent local costs for a traditional flood control project. Also, this program will foster the preservation of sensitive ecosystems that provide vital flood protection in the floodplain.

Challenge 21 also has the potential to produce significant savings in the reduction of flood damages and Federal flood damage assistance costs.

Mr. President, since the enactment of the 1986 water resources bill which established cost-sharing requirements for the construction of water projects, I have been committed to applying these requirements to projects authorized in subsequent bills. I applaud my Senate colleagues for enacting Senate legislation that adhere to these rules. The cost-sharing requirements have been successful in leveraging non-Federal funds and they have ensured that only those projects with the greatest merit, economic benefit and local support move forward.

It was my view, along with Chairman CHAFEE and the Ranking member, Senator BAUCUS, that we must insist on the cost-sharing requirement for projects authorized in this bill. I regret, however, that the conference report does not apply the cost-sharing principles in all cases.

I would just ask my House and Senate colleagues to remember the 10-year stalemate that existed between the Congress and the Executive Branch from 1975 to 1986. At that time no water resource projects moved forward because the Executive Branch insisted on some level financial contribution from those who would benefit from these projects. By 1986, the Congress and the Administration reached agreement on a fair allocation of costs and since that time there has been an orderly process for planning, designing and constructing water resource projects.

We must not abandon cost-sharing rules, or else there is the very real possibility of again triggering a halt to Federal funding for these important projects. I will continue to work to follow the requirements of the 1986 bill and stand ready to work with my colleagues on this issue.

Mr. President, this legislation, which was three years in the making, involved a great deal of staff time and commitment. I want to express my appreciation to the staff of the Environment and Public Works Committee—Jimmie Powell, the Staff Director, Dan Delich, Abigail Kinnison, Chelsea Henderson, Jo-Ellen Darcy, Ellen Stein and Peter Washburn for all of their efforts. Also, the professional expertise of the Corps of Engineers was invaluable. I particularly want to thank Larry Prather, Gary Campbell and the many dedicated professionals at the Corps of Engineers Headquarters for their technical evaluation of the many projects that came before the Committee for consideration.

Mr. President, I urge the adoption of the conference report.

THE SAVANNAH HARBOR DEEPENING PROJECT

Mr. COVERDELL. Mr. President, I rise to request that the Chairman of the Senate Environment and Public Works Committee help me to clarify the intent of the Savannah Harbor Expansion Project that appears in Section 102 of the 1999 Water Resources Development Act. It is my understanding that this legislation authorizes a project to deepen the Savannah River channel to a depth of up to 48 feet subject to a favorable report by the Chief of Engineers and a favorable recommendation of the Secretary by December 31, 1998.

Mr. CHAFEE. The senior Senator from Georgia is correct.

Mr. COVERDELL. It is my understanding as well, that both the Chief of Engineer's Tier I Environmental Impact Statement and Feasibility Report provide for the establishment of a stakeholders' evaluation group which will have early and consistent involvement in the project, and as part of the process, the EIS requires the development of a mitigation plan to fully and adequately address predicted and potential adverse impacts on, among other things, the Savannah National Wildlife Refuge; striped bass population; short-nose sturgeon; salt water and fresh water wetlands; chloride levels; dissolved oxygen levels; erosion; and historical resources. Is that correct?

Mr. CHAFEE. That is correct.

Mr. COVERDELL. It is my further understanding that before this project is carried out, the Secretary, in consultation with affected federal and non-federal entities, must develop a mitigation plan addressing adverse project impacts and that the plan must be implemented in advance of or concurrent with project construction and must ensure that the project cost estimates are sufficient to address all potential mitigation alternatives. Is that correct?

Mr. CHAFEE. That is correct.

Mr. COVERDELL. I thank the Chairman for his assistance and look forward to working with him on this important matter.

Mr. CLELAND. Will the Chairman yield for two additional questions on this project?

Mr. CHAFEE. I would be happy to answer any questions the Senator may have.

Mr. CLELAND. As the Senator recalls, during the Senate's consideration of the Water Resources Development Act in the 105th Congress, we discussed the matter of whether the bill authorized the Secretary or the Georgia Ports Authority to proceed with construction of the project without the respective department heads concurring on an appropriate implementation plan and mitigation plan and that it was our understanding that the bill did not provide such authority. In this current version, is this still your understanding?

Mr. CHAFEE. The Senator's understanding is correct.

Mr. CLELAND. Further, is it still the Senator's understanding that any funds to be appropriated by Congress for the project must be allocated in a manner that ensures that project impacts are fully and adequately mitigated and are otherwise consistent with the mitigation plan developed by the Secretary and the stakeholder evaluation group?

Mr. CHAFEE. That is correct.

Mr. CLELAND. I thank the Chairman for the opportunity to clarify these understandings.

HOWARD HANSON DAM

Mr. GORTON. Mr. Chairman, I want to thank the Committee for its efforts to help resolve several very important and contentious issues affecting the Howard Hanson Dam project in Washington state.

I applaud the Howard Hanson provision in the Managers Statement accompanying this legislation, which recognizes the ongoing negotiations between the Corps of Engineers and the National Marine Fisheries Service with respect to the Corps' responsibilities under the Endangered Species Act for the protection of threatened Puget Sound Chinook Salmon. These fish runs are directly impacted by the Corps of Engineers' operation of Howard Hanson Dam and, as a consequence, the Corps will be asked to bear responsibility for these impacts under the ESA.

I appreciate the Committee's acknowledgment that the requirements of ESA might force a revision of the cost allocation for the Howard Hanson project. Given the urgent need to have mitigation measures in place as soon as possible to protect salmon runs in the Puget Sound region, is it the Committee's intent that the Corps provide a proposal for a cost reallocation to the Committee for consideration in the Water Resources Development Act for the year 2000?

Mr. CHAFEE. It is the Committee's intent to urge the Corps and the National Marine Fisheries Service to complete their ESA consultation expeditiously so that a cost share adjustment can be considered by the Committee in a timely manner.

Mr. GORTON. I thank the Chairman.

AMERICAN RIVER WATERSHED PROJECT

Mrs. BOXER. Mr. President, I ask my colleagues on the Committee on Environment and Public Works, and Senator VOINOVICH, Chairman of the Subcommittee on Transportation and Infrastructure, and my ranking member, Senator BAUCUS, a question on the Water Resources Development Act of 1999 as we prepare to give approval to the conference report.

Mr. VOINOVICH. I will be happy to respond to the Senator from California.

Mrs. BOXER. Mr. President, I first thank the leadership of this distinguished committee and its members for their perseverance in working to finally pass the Water Resources Development Act, WRDA, an effort that has taken about a year. I also want to say how I appreciate Senator VOINOVICH's leadership as our new chairman of the subcommittee.

Despite our hard work and achievements, I am disappointed at the outcome in conference on the American River Watershed project. We failed to include the Senate program for providing a 170-year level of flood protection for the City of Sacramento in the American River Watershed. The Senate bill represented the local consensus agreement to increase in the level of flood protection for our state capital, Sacramento. Sacramento's 400,000 residents, 130 schools and 5,000 businesses are located in the flood plain at the confluence of the Sacramento River flowing from the north and the American River, which cascades from the High Sierra mountains, from the east. The most likely cause of a flood would be a breach in the American River levees which could inundate 55,000 acres.

The damages from even a 100-year flood would be comparable to the 1989 Loma Prieta earthquake which caused 63 deaths, almost 4,000 injuries and $8 billion in direct property damage. Sacramento has one of the highest levels of risk and one of the lowest levels of protection.

There was a year-long effort to pressure this Congress to link extraneous water supply projects to this flood control measure, despite the fact that by unanimous vote in the Senate and a 418-to-6 vote in the House, WRDA bills were approved with no special set aside for water supply projects in California that would override the water agreements and planning processes that have taken years of sweat, blood and tears to put into place. We were able in this conference to stop inclusion of those water supply projects, and we achieved an increase in the level of protection for Sacramento from 90-year to 140-year level of protection. However, this level is unacceptable. It still puts 400,000 people at too high a risk of disaster.

I would like to ask the leadership of the Environment and Public Works Committee Subcommittee on Transportation and Infrastructure if they believe as I do that this conference report reflects only an incremental step in our efforts to increase protection for Sacramento and that more needs to be done to remove this risk.

Mr. BAUCUS. I look forward to working with the Senator on more improvements for flood protection for Sacramento in subsequent WRDA bills.

Mr. VOINOVICH. The Senator from California is correct. We have provided important improvements for the flood protection for Sacramento. However, we can do better, and I think we should consider increased protection in the future.

Mrs. BOXER. I thank my colleagues. I do note that, while I am disappointed at the outcome on the American River, this bill does provide numerous benefits for my state of California. The new dredging project for the Port of Oakland will enhance international trade and the regional economy and enable new efficiencies at the port to be undertaken with the new intermodal terminal. In addition, the dredge spoil will help restore wetlands in Marin County where a portion of the former Hamilton Army Airfield is being used for environmental restoration. We have new flood protection plans authorized in Santa Clara, the Yuba River Basin, Sacramento area, the City of Santa Cruz, and Fresno County. We have priority designations throughout the state for the new riverine ecosystem restoration program to encourage natural flood control systems and we have assistance for important new water reclamation projects in the San Ramon Valley and the South Bay area of Los Angeles.

But more work needs to be done to protect Sacramento, and we will address those needs in the next WRDA bill. I yield the floor.

Mr. SARBANES. Mr. President, I rise in support of the conference agreement on the Water Resources Development Act of 1999 which provides for the development and improvement of our Nation's water resources infrastructure. This legislation authorizes water resource projects of vital importance to our nation's and our states' economy and maritime industry as well as our environment.

I am particularly pleased that the measure includes a number of provisions for which I have fought to ensure the future health of the Port of Baltimore and of Maryland's environment.

First the bill authorizes nearly $28 million for needed improvements to Baltimore Harbor Anchorages and Channels. Many of the existing anchorages and branch channels within Baltimore Harbor were built in the first half of this century and are no longer deep enough, wide enough or long enough to accommodate the vessels now calling on the Port of Baltimore. Many of the larger ships must now anchor some 25 miles south of Baltimore in naturally deep water, resulting in delays and increased costs to the shipping industry. Also, the narrow widths of some of the branch channels result in additional time for the pilots to maneuver safely to and from their docking berths. In June 1998 the Chief of Engineers approved a report which recommended a number of improvements including: (1) widening and deepening Federal anchorages 3 and 4; (2) widening and providing flared corners for state-owned East Dundalk, Seagirt, Connecting and West Dundalk branch Channels; (3) dredging a new branch channel at South Locust Point; and (4) dredging a turning basin at the head of the Fort McHenry Channel. The report identified the project as "technically sound, economically justified and environmentally and socially acceptable." This project has been a top priority of mine, of the Maryland Port Administration and of the shipping community for many years and I am delighted that this legislation will enable us to move forward with this important project.

Second, the legislation directs the Corps of Engineers to make critically needed safety improvements to the Tolchester Channel in the Chesapeake Bay. The Tolchester Channel is a vital link in the Baltimore Port system. It was authorized in the River and Harbor Act of 1958 and aligned to take advantage of the naturally deep water in the Chesapeake Bay, along Maryland's Eastern Shore. This alignment, which is shaped like an "S," has posed a serious navigation problem and safety risks for vessels. Ships must change course five times within three miles, often beginning a new turn, sometimes in the opposite direction, before completing a first turn. With vessels nearly 1,000 feet in length, it is difficult to safely navigate the channel, particularly in poor weather conditions. The U.S. Coast Guard and the Maryland Pilots Association have expressed serious concerns over the safety of the area and have long recommended straightening of the channel due to the grounding and "near misses" which have occurred in the area. The cost for straightening the Tolchester "S-turn" is estimated at $12.6 million with $1.3 million coming from non-federal sources. This authorization enables the Corps to proceed expeditiously with these improvements and address the serious concerns of those who must navigate the treacherous channel. With $5.8

million already included in the fiscal 2000 Energy and Water Appropriations bill, this provision will ensure that these improvements will be undertaken in the near future.

Mr. President, the Port of Baltimore is one of the great ports of the world and one of Maryland's most important economic assets. The Port generates $2 billion in annual economic activity, provides for an estimated 62,000 jobs, and more than $500 million a year in State and local tax revenues and customs receipts. These two projects will help assure the continued vitality of the Port of Baltimore into the 21st Century.

In addition to port development and improvement projects, the measure contains a provision which will help significantly to enhance Maryland's environment and quality of life and help achieve the goals and vision of the Potomac American Heritage River designation.

It authorizes $15 million for the U.S. Army Corps of Engineers to modify the existing flood protection project at Cumberland, Maryland to restore features of the historic Chesapeake and Ohio Canal adversely affected by construction and operation of the project. Mr. President, the C&O Canal is widely regarded as the Nation's finest relic of America's canal building era. It was begun in 1828 as a transportation route between commercial centers in the East and frontier resources of the West. It reached Cumberland in 1850 and continued operating until 1924 when it succumbed to floods and financial failure. In the early 1950's, a section of the Canal and turning basin at its Cumberland terminus was filled in by the Corps of Engineers during construction of a local flood protection project. Portions of the Canal were proclaimed a national monument in 1961 and it was officially established as a national historical park in 1971. Justice Douglas described the park "* * * not yet marred by the roar of wheels and the sound of horns. * * * The stretch of 185 miles of country from Washington to Cumberland, Maryland, is one of the most fascinating and picturesque in the Nation."

The National Park Service, as part of its General Management Plan for the Park, has long sought to rebuild and re-water the Canal at its Cumberland terminus. The NPS entered into a Memorandum of Agreement, MOA, with the Corps to undertake a study of the feasibility of reconstructing the last 2200 feet of the canal to the terminus, through and adjacent to the Corps' flood protection project. The Corps completed this study in July 1995 and determined that "it is feasible to re-water the canal successfully; the canal and flood protection levee can co-exist on the site without compromising the flood protection for the City of Cumberland; re-construction and partial operation of the locks is feasible; and, based on the as-built information available, underground utility impacts can be mitigated at reasonable cost to allow construction of the canal and turning basin in basically the same alignment and configuration as the original canal." A subsequent Re-watering Design Analysis estimated the total project cost at $15 million. This authorization will enable the Corps to proceed with restoring a 1.1 mile stretch of the C&O Canal and revitalize the area as a major hub for tourism and economic development.

The conference agreement also authorizes the U.S. Army Corps of Engineers to undertake a study for control and management of waterborne debris on the Susquehanna River. The Susquehanna River is the largest tributary of the Chesapeake Bay, draining an area of about 27,500 square miles. It is also one of the most flood prone river basins in the nation. The U.S. Army Corps of Engineers operates several reservoirs for flood control and other purposes and there are three large hydroelectric dams on the lower Susquehanna. During high flow events, enormous amounts of debris, including trees, branches and manmade materials, are carried downstream and ultimately into the Chesapeake Bay. Most recently, the flood waters of January 1999 deposited tremendous amounts of debris as far as Anne Arundel County, Maryland, creating hazards to navigation, damaging boats and bulkheads, aggravating flooding and clogging beaches and shorelines. This legislation will enable the Corps of Engineers to evaluate the economic, engineering and environmental feasibility of potential measures to control and manage the amount of waterborne debris as well as determine if new and improved debris removal technologies can be utilized in the Susquehanna.

Finally, the conference agreement includes several other provisions which will help address important water resource needs in Maryland and nearby communities including the flood protection project for the District of Columbia, and the studies for the West View Shores Community of Cecil County, Welch Point and Chesapeake City, MD.

I want to compliment the distinguished chairmen of the Committee and the Subcommittee, Senators CHAFEE and WARNER, and the ranking member, Senator BAUCUS, for their leadership in crafting this legislation, and I urge my colleagues to join me in supporting this measure.

TAXPAYER REFUND AND RELIEF ACT OF 1999—CONFERENCE REPORT

Mr. ROTH. Mr. President, I submit a report of the committee of conference on the bill (H.R. 2488) to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The Legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2488), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report. (The conference report is printed in the House proceedings of the RECORD of August 4, 1999.)

Mr. ROTH. Mr. President, the fundamental question before Congress these past few weeks, as we have debated the Taxpayer Refund Act of 1999, is quite simple: Is it right for Washington to take from the taxpayer more money than is necessary to run the Government?

The issue of tax relief is not any more complicated than that, and the outcome of the conference between the Senate and House makes it clear that we believe Government is not automatically entitled to the surplus that is, in large part, due to the hard work, thrift, and risk-taking of the American people.

Individuals and families are due a refund, and that is exactly what we do with this legislation. We give the people a refund. We do it in a way that is fair, broad based, and empowering. We do it in a way that will benefit nearly every working American, a way that will help restore equity to the Tax Code, and provide American families with the relief and resources they need to meet pressing concerns.

This tax refund legislation will help individuals and families save for self-reliance in retirement. It will help parents prepare for educational costs. It will give the self-employed and underinsured the boost they need to pay for health insurance, and it will begin to restore fairness to the Tax Code by addressing the marriage tax penalty.

How do we accomplish all of this? We begin by reducing our marginal income tax rates by a point. In other words, the 15-percent tax bracket will drop to 14 percent, and the 39.6-percent top rate will drop to 38.6 percent. The new 14-percent bracket will be extended upward to include millions of Americans who are now paying taxes in the 28-percent bracket.

These changes will benefit individuals and families across the economic spectrum. For example, an individual with $40,000 of income will save over $700. An individual earning $50,000 will save over $800. Under this bill, a taxpayer with $70,000 of income will save over $1,000.

This is significant tax relief. When fully phased in, a middle-class family of four with an adjusted gross income of $80,000 will save almost $3,000 a year. This is real savings, money that can be used by individuals and families to meet their pressing needs and objectives.

To restore equity to the Tax Code, this legislation also meets a bipartisan objective by providing relief for the marriage tax penalty, and it does this by doubling the standard deduction and the 15-percent tax bracket for married couples filing jointly.

We can all agree on how important this is. For too long, husbands and wives who have worked and paid taxes have been penalized by their dual incomes. This plan will address that inequity by giving working American couples greater relief.

Let me give an example. Two individuals, each making $35,000 a year, face a penalty of almost $1,500 when they marry. Under this legislation, that penalty will be addressed in two ways: first, by doubling the standard deduction and, second, by doubling the 15-percent tax bracket to include their combined income.

The marriage penalty relief offered in this bill retains the Senate position on the amount of relief received, and it even provides relief for people receiving the earned income tax credit.

To help families with their education expenses, the legislation before us allows taxpayers to increase their contributions to education IRAs, or what will—under the provisions of this bill—be called education savings accounts. Allowable contributions will rise from $500 to $2,000 annually.

And these funds will be available to meet expenses for all students, from kindergarten through college. Beyond increasing the level a family can save for education, this Tax Relief Act also makes interest earned on qualified State and private school higher education tuition plans tax free—a most important development, in my judgment. It also extends employer-provided educational assistance for undergraduate studies, and it repeals the 60-month rule on student loan interest deductions. This will allow individuals to claim tax deductions on interest that they pay on their student loan, without the imposition of a time limit.

To help families meet health care and long-term care needs, this legislation provides a 100 percent above-the-line deduction for those who pay more than 50 percent of their health insurance premiums. This, of course, includes the self-employed. The plan also provides an additional personal exemption for those who care for an elderly relative in their home.

As you can see, this legislation is, indeed, empowering; it addresses concerns that are vitally important in the lives of our families, coast to coast. It provides across-the-board tax relief. It addresses the marriage tax penalty.

It makes education more affordable for all students—kindergarten through college. And it helps our families meet their health care and long-term care needs. But it doesn't stop here; it does much more.

The legislation before us phases out the alternative minimum tax. It provides capital gains tax relief, simplifying the rate structure, and reducing the individual capital gains tax rate from 20 percent to 18 percent, beginning with the current 1999 tax year. For those individuals taxed at the lowest individual rate, their capital gains tax rate is reduced from 10 percent to 8 percent.

In addition, the tax basis of certain assets may be increased by an "inflation adjustment," so that any capital gain attributable to inflation is not subjected to tax. Also, we have maintained the 2 percent capital gains rate differential that is imposed on long-term capital gains from depreciable real estate, by reducing that rate from 25 percent to 23 percent.

Another very important measure is the treatment of estate taxes. This legislation completely phases out and ultimately repeals the Federal estate, gift, and generation skipping taxes. It also corrects technical problems in the House provision.

Each of these will be a powerful tool in the hands of taxpayers and families who will use these changes—their relief—to meet the needs that are unique to their situation. However, a couple of major provisions in this bill that I would like to outline in some detail will—like the across-the-board tax rate cut—benefit everyone, enabling individuals and families to prepare for self-reliance and success in retirement. These, of course, include the expansion of individual retirement accounts and pension programs.

Under the bill, IRA contribution limits will be increased over the next 7 years until they reach $5,000. And taxpayers who are close to retiring will be allowed to make catchup payments in their plans. These changes will in my judgment, be incredibly beneficial. For example, an individual without an employer-provided pension plan, who contributes the maximum amount allowable, as it increases over the next 7 years—with the magic of compounding interest—will be able to put away over $31,000 for retirement. In year 7 and beyond, he or she will be able to put away the full $5,000 annually.

With the catchup provision—applicable for people over the age of 50—if those 7 years pass just prior to the taxpayer's retirement, the amount, for example, he or she could save in those 7 years under this bill would be over $44,000. This bill also increases the income threshold for those who can take full advantage of Roth IRA accounts up to $200,000 for a couple filing jointly.

For employer-provided plans, this bill increases the maximum amount an individual can contribute to a 401(k) plan, a 403(b) plan or a 457 plan. Starting next year, an employee may contribute up to $11,000 to his employer's 401(k) plan In each year thereafter, he could contribute increasing amounts to his 401(k), and in 2005, he will be able to contribute a full $15,000. To show you how empowering this is, if John, a 35-year-old, contributes the maximum amount allowable over the next 30 years, his 401(k) plan benefit at retirement would increase by over $1.2 million.

In addition, if John's employer established a newly added Plus Account program under its 401(k) plan, that amount would be nontaxable when John receives it at retirement. The Plus Account program—as addressed in this bill—lets an employer establish an account which has the same tax treatment as a Roth IRA. That means that John would have over $1.2 million in nontaxable income.

Finally, this bill gives small businesses a new incentive to establish a retirement plan for their employees. The contribution limits for a SIMPLE plan—a defined contribution plan only for small businesses—have been increased in this bill to encourage small business owners to establish such plans. The incentive to establish a SIMPLE plan is easy to understand. Small business owners who offer SIMPLE plans will be able to save up to $10,000 in the plans they establish.

This will be a great benefit to them, but in order to save their own money—as part of the SIMPLE plan—they will have to provide their employees with a contribution to their own plans of up to 2 percent of their salary.

At the same time, under this plan the employees could also receive a matching contribution from their employer of up to 3 percent of compensation if they decide to contribute to the SIMPLE plan.

Now, I believe this is good policy. It will encourage Americans to take advantage of these opportunities and provide for their retirement future. As with almost every provision in this Taxpayer Refund Act, the catalyst is the individual and the family, using tax relief to meet their needs. Every measure I have outlined as part of the Taxpayer Refund Act of 1999 is important, as each rightfully returns resources that Americans can use to meet their current needs, and the refund being offered comes from surplus funds. In other words, this broad-based tax relief package can be passed, signed into law, and, indeed, still leave sufficient resources in Washington to take care of Social Security, Medicare reform, and other necessary Government obligations.

Let me repeat that: This broad-based tax relief package can be passed, signed into law, and still leave sufficient non-Social Security funds available to address comprehensive Medicare reform, including a prescription drug benefit. We can offer this relief and still pay down the debt and keep the budget balanced. We can do all of this for one very simple reason: The work, the investment in job creation achieved by Americans everywhere, has succeeded in creating long-term economic growth. As I have said before, it is not right that the reward for this success is that today our taxes are the highest percent of our gross national product of any time in postwar history.

After paying for the Government programs for which Congress has planned and budgeted, a refund from the surplus must now be returned to the American taxpayer.

I know there is wide agreement that Americans deserve relief. This is the bill that will give them relief. We must and should support it.

We must keep in mind that major tax cuts must be done through the reconciliation process. This is, indeed, a lengthy, time-intensive process. We have successfully completed it. I am proud to say that this conference report, as it stands today, carries no provision that was not in either the House or Senate bill. In other words, nothing extraneous was added in conference. It is clean and representative of the direction received by those who crafted the Senate and House bills.

Frankly, this is a first in tax history. It represents a tremendous amount of work by our colleagues, Members of the House, and the staff in both Chambers. Those who believe we may be coming back to do this again in September are mistaken. This is the tax bill for this year. We won't have a second chance on this. When we come back after recess, our time and attention will be focused on Medicare reform, a vital issue that concerns us all.

For those who are concerned that this major relief package may be too big, please be reminded that there are important trigger mechanisms included in this bill. If we don't continue to reduce the payment on the interest on the national debt—let me repeat that—if we don't continue to reduce the payment on the interest on the national debt, then the tax relief included here will be reduced to compensate accordingly.

Well, the bottom line is that this is tax relief in which we can have confidence. It meets the criteria we established before we began. It is fair. It restores equity to the Tax Code and makes education more affordable. It helps taxpayers prepare for self-reliance and retirement. This legislation will help families keep their homes, their farms, and businesses safe from death taxes. It makes health care more affordable.

I believe these are objectives that are shared by everyone. They are objectives that can be embraced by Senators and Congressmen on both sides of the political aisle.

Mr. President, I encourage my colleagues to vote for passage, and I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, might I begin on a general point with which our revered chairman has just concluded, which is the reservation of the Social Security surpluses of the next decade for purposes of retiring the debt. This is a fact easily unobserved because we are not arguing about it. There is agreement here. What we will do, we will cut the national debt by more than half, the publicly held debt, and the interest costs accordingly.

Just a few years ago interest costs had become the third highest item in our budget. It is not noticed because we don't debate it. We don't decide how much we will pay in interest costs; it is automatic. But this has now happened. There has been a great recovery of American Government finances from a grim moment in 1992 when we had a fiscal year with a $290 billion deficit.

I will point simply to this morning's New York Times and the lead story, sir. I will just read the headline, "Government Plans to Buy Back Bonds and Save Interest: Would retire some debt using the surplus to replace high-interest securities at lower rates"—a complex proposal being worked out in Treasury under Secretary Summers. Also, in the business section of this morning's New York Times, there is another story, "The Dwindling Market in U.S. Treasury BONDS," discussing how the market is going to respond to the bond buy back. And there is this:

> "This is a sea change," said James M. Keller, senior vice president and portfolio manager for Treasury securities at Pimco Advisors, an asset management firm. "I was struck by the Treasury's observation that the last time there were two back-to-back years of budget surpluses was in 1956 and 1957. I wasn't alive then, so this is a new thing for me."

Indeed, it is a new thing and hugely to be welcomed.

I might also say that the chairman stated that this bill, which we will vote on at 7:06 this evening, is a clean bill; there is no provision in it that was not in either the House or the Senate proposals. But now I have to say to the Senate, with the utmost deference to my friend—I say to the Senators from Nebraska, Florida, Minnesota, Senator BINGAMAN—we have the word of the chairman, and his word is absolutely bondable in this body. If he says it, it is so. But that is the only way you would know it is so because we just received a copy of the bill this morning, and certainly have not been able to review all 589 pages.

This is not the way to handle the second largest tax decrease in history. There was no conference on this matter. We met formally for 20 minutes, and the negotiation was entirely between party leaders of the majority. It is an age-old practice of the Congress to, at the end of a conference, distribute the signature papers that the conferees sign or do not sign. I was the conferee for this side of the aisle; no signature paper came to me.

There was no participation of any kind from this side of the aisle. I think that would be true in the House as well as in the Senate. That is something we have to watch in terms of our procedures. It was not the way the Senate conducted itself in such a matter when I first came here and became a member of the Finance Committee.

During the debate last week on the Senate version of the reconciliation bill, I attempted to put the debate in a "doctrinal perspective," as I put it. I traced the development from the 1960s of an intellectual movement which holds that the only way to restrain the growth of Government is to deliberately create a protracted fiscal crisis. This was disarmingly put by then President-elect Reagan. It was just 16 days before his inauguration in 1981. He said:

> There were always those who told us that taxes couldn't be cut until spending was reduced. Well, you know, we can lecture our children about extravagance until we run out of voice and breath. Or we can cut their extravagance by simply reducing their allowance.

So in 1981 to 1983, the allowance of the Federal Government was reduced. While other intervening events—a sharp recession in 1981-82—impacted on revenues, nonetheless, there was a precipitous drop in revenues from 19.0 percent of GDP in 1980 to 17.5 percent of GDP in 1983. Simultaneously, the recession and defense buildup conspired to increase outlays from 20.2 percent of GDP in 1979 to 23.6 in 1983. The result, a huge gap—6 percent of GDP—between revenues and outlays, and deficits of $200 billion or more "as far as the eye could see," to quote the former Director of OMB, David Stockman, and with this huge gap, the national debt quadrupled from under $1 trillion to $4 trillion between 1980 and 1992.

In August of 1993, with a deficit of $290 billion, we chose to confront that, to raise taxes and reduce outlays by a little more than a half trillion dollars. More recently, the Office of Management and Budget estimated that "the total deficit reduction has been more than twice this—$1.2 trillion." In 1997, a bipartisan measure was passed. We are now in a situation of reasonable surplus, reasonable expectation. But there is no reason to act on a surplus that does not yet exist.

Here we are, with unemployment at 4.3 percent, near zero inflation, real economic growth at 4 percent, and an economy in the ninth year of an expansion. All the economists—the ones we care much about—are saying: Not now. Alan Greenspan suggested, speaking before the Senate and House Banking

Committees just last month, the most effective means that we can have to regenerate the economy and keep the long-term growth path moving higher is if we hold tax cuts until we need a stimulus. Contrariwise, to stimulate when you don't need it is to invite inflation—inflation, which is a tax on anyone when interest rates go up. Anybody who pays a car loan and has a credit card or a mortgage pays it.

Dale Jorgenson described this persistent interest in cutting down the size of Government by reducing revenue "fiscal disaster" in his 1995 testimony before the Finance Committee. Yet it persists as a conviction. There is very little testing of the proposition.

I won't go on too long in this doctrinal discourse, but back in 1973, Herbert Kaufman of the Brookings Institution published a small book called "Are Government Organizations Immortal?" He reported that of 175 organizations he could identify in the Federal Government in 1923, no less than 148 were still there a half century later, and of the others, most of their functions had just been moved to different organizations.

Recently, the Cato Institute, a conservative group here in Washington, looked at the half dozen organizations which the 1995 House Contract With America targeted for extinction—$75 billion worth of programs, out. Sir, not one of them is out. Indeed, the appropriations for them have gone up by $2 billion.

Mr. President, I ask unanimous consent that a table prepared by the Cato Institute and printed in the Washington Post be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 3, 1999]

GROWING BACK

In 1995, the House GOP's "Contract With America" targeted $75.3 billion worth of programs for extinction. Now the government spends $77 billion on those programs. Here are some of the targeted agencies and programs for which spending has risen, in millions of dollars.

Program	1995	1999
Department of Commerce	$3,401	$4,767
Department of Education	31,205	34,360
School-to-work grants	82	503
Goals 2000	231	507
Manufacturing Extension Partnerships	40	128
Aid to East Europe and Baltic states	332	450
Economic Development Administration	350	438
Adult education	299	400
Star Schools	25	45
Summer youth employment and training	867	871
Bilingual and immigrant education	225	386
Trade adjustment assistance	268	307
Intelligent transportation system	143	185

Source: Cato Institute analysis of federal budget

Mr. MOYNIHAN. Somehow we have to come to terms with this whole assumption. Perhaps something like the Hoover Commission on the organization of the executive branch needs to be done. Some of us have the assumption that we really aren't that serious. As that brief ceremonial meeting of our conferees this week opened, our respected friend—and we have known each other for a quarter century—BILL ARCHER said in his opening remarks:

> We don't need full-time Government and part-time families; we need part-time Government and full-time families.

In no way to cast any suggestion that he is anything but absolutely sincere, I don't think the proposition would survive close inquiry. I asked him: Sir, do you think we could settle for "a part-time Marine Corps, or a part-time Federal Bureau of Investigation?" No, you don't mean that.

I, for one, very much share the view that the Federal Government has taken on too many matters and needs to be cleared out a very great deal. Our Federal system makes that possible, and the world situation in which we now find ourselves makes it necessary but not through the illusion that it will happen simply by reducing revenues.

I wish to make the point that we can't afford this tax cut. We may want one in 5 years time or in 3 years, but not at this time. That is why the fate of this measure has already been settled.

According to the Joint Committee on Taxation, tax expenditures are projected to cost about $672 billion in 2003. While we have not yet had time to adequately scour the conference report for all of its provisions, a cursory review indicates that, the bill we are asked to vote on today would increase annual tax expenditures by about $19 billion in 2003.

Under the Congressional Budget and Impoundment Control Act of 1974, a tax expenditure is a revenue loss:

> . . . attributable to provisions of the Federal tax laws which allow a special exclusion, exemption or deduction from gross income or which provide a special tax credit, a preferential rate of tax, or a deferral of tax liability.

The problem is that we continue to use tax expenditures as a way of funding programs that we do not seem to have the will to finance with outlays—a problem made all the more severe by the caps on discretionary spending alluded to earlier.

On a more global scale, 40 years ago Walter Heller, Chairman of the Council of Economic Advisers in the Kennedy-Johnson Administration spelled out the criteria for evaluating tax expenditures—criteria which most tax expenditures fail to meet. In testimony before the House Ways and Means Committee Heller stated that Federal fiscal policy relies on income taxes for three central roles: (1) Placing resources at the Government's disposal in a non-inflationary way; (2) Offsetting fluctuations in the private economy; and (3) Bringing the distribution of income more closely into line with public preferences.

Heller then argued that the use of the tax code to promote other objectives should be subject to stern tests, which can be summarized as follows:

Is the tax preference for a legitimate public purpose?

Is the tax preference the most effective way to achieve that purpose?

Is the preference targeted?

In Heller's view most tax preferences fail the test. Yet, he noted we persist in expanding tax preference because:

> The back door to Government subsidies marked "Tax Relief" is easier to push open than the front door marked "Expenditures. . . ."

Besides, tax expenditures need not be reviewed annually through the appropriations process.

This bill also adds to the complexity of the tax code. I have long been concerned that today's tax system is so complex that ordinary taxpayers have difficulty following the rules. For example, under the bill capital gains are indexed. The Senate Finance Committee held hearings on February 16, 1995 regarding the enormous new record keeping burdens that would be required to calculate the gain or loss on common transactions. The New York State Bar Association stated that:

> Congress should reject any proposal to adjust or "index" the basis of capital assets for inflation. [A]n indexation regime would create intolerable administrative burdens for taxpayers and administrators as well as offer numerous tax arbitrage and avoidance opportunities for aggressive tax planners.

The Joint Committee on Taxation wrote at that time that "[i]ndexing would involve a significant amount of record keeping" and that it "would substantially increase the number of calculations necessary to calculate taxable gain for many common transactions."

Even if this bill did not risk a return to protracted fiscal crisis, and even if its 589 pages did not add to the complexity of the code, it should be rejected because most of the benefits accrue to those already well-off.

My colleagues on the other side of the aisle argue that the bill justifiably provides most of the tax relief to those who pay most of the taxes. But their analysis is incomplete since it is based solely on the distribution of income taxes. For example, taxpayers earning less than $50,000 pay 36 percent of payroll taxes; while those earning over $200,000 pay only 7 percent of payroll taxes.

The conclusion is very different if the analysis is based on the distribution of all federal taxes—income, excise, and payroll. Those earning less than $50,000 pay almost a quarter of the taxes, which is the same percentage as those earning over $200,000. So, why is it that the Republican tax bill before us today only provides 14 percent of the tax cut to those earning less than $50,000 while providing 78 percent of the tax cut to those earning over $80,000? Even worse, why does 45 percent of the tax cut go to the top 5 percent of income earners, those earning over $155,000? Should we not provide a more equitable tax cut?

We might also consider heeding the advice of Herbert Stein, Chairman of the Council of Economic Advisers in a Republican Administration. In an op-ed in yesterday's Wall Street Journal Mr. Stein had this to say:

> . . .I [have] come to the conclusion that we should not make a large tax cut at this time. But my purpose here is not to sell that conclusion. What I am trying to do is to sell the idea that we need a more systematic, explicit and thorough public discussion of the tax vs. debt reduction issue and to illustrate what some of the elements of such a discussion would be.

We have not had that debate.

I see that my learned friend, the gallant Senator from Nebraska, is here, and I think he would like to speak.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Nebraska.

Mr. MOYNIHAN. Mr. President, I yield such time as he may require to Senator KERREY.

Mr. KERREY. I thank the Senator from New York very much.

I am sorry I didn't wear the same necktie that he did. Other than that, we are deeply matched.

Mr. President, first I want to compliment Chairman ROTH. I believe all through the Finance Committee deliberations and last week on the Senate floor he held true to two ideas that I share.

The first is that we can cut taxes. The second is we must do so fairly. Indeed, the net effect of cutting taxes by nearly $800 billion over ten years is to give the American people an $800 billion increase in their after-tax income. I believe we can do it safely. We have $3 trillion in surpluses forecast over the next ten years. And I don't believe that cutting taxes will generate inflation if done correctly.

In his original package, the Chairman held true to the idea that some standard of fairness need be applied in how the income tax cuts would be distributed. He attempted to do that. Doing that caused him a little grief on his side of the aisle. I appreciate very much what the chairman attempted to do with his original tax cut package.

Accordingly, I voted for the package enthusiastically on the floor. I believe it was a good proposal. I may have written it a little differently if I were the one who was doing the writing. But I thought it was a balanced proposal and a good proposal, and I was fully supportive of it. I was one of four Democrats to do so.

Thus, I come to the floor with some regret. I say to my friends on the other side of the aisle that you should know that people like me took a position that said we were prepared to vote for a tax cut of $800 billion. The Chairman's original package received 57 votes on this floor. I understand the other side has been working all night to get the votes to pass the package we have before us and I suspect the most votes this package will receive is 52. So I say to my friends on the other side of the aisle, if you are trying to get a piece of legislation passed to try to change the law and give Americans an income tax cut, you are going in the wrong direction. With the President threatening to veto the bill, it seems to me that a better approach would have been to try to get more votes, not fewer.

I am here, regrettably, to say that I will not only change my vote from an enthusiastic "aye," but I will now change and be voting enthusiastically "no." Let me tell my colleagues why.

First of all, I want to identify some things that are in this package that I think would be good. I appreciated very much the chairman fighting for them and getting them into the bill, and I am fully supportive of them.

Eliminating the marriage penalty is terribly important. There are new provisions in here which will make it more likely that Americans will save and will have the resources they need for retirement. There are provisions in here which will make it more likely that Americans will have health insurance, and that will make it more likely that Americans will be able to afford the cost of higher education.

I do not object at all to eliminating the inheritance tax. I cosponsored legislation to do that. I am not going to take a great deal of time explaining why, as a Democrat, I reached that conclusion. I am prepared, if anybody is interested, in debating it at a later time.

I am not ideologically opposed to lowering the capital gains tax.

There are many things in this proposal that I, in short, like or don't have strong objections to. It is this test of fairness which I believe was applied to the Senate version that I find lacking in the conference report.

Let me take the one provision that is the most important provision in the Senate version.

The provision that cut the lowest tax rate on income from 15 to 14 percent that was in the Senate finance bill would have cut taxes for families in Nebraska with an income of $46,000, for a family of four, by $440. It would have cut taxes on a U.S. Senator with a spouse and two kids by $440 as well. That was the idea.

I am not interested in engaging in class warfare. I have no quarrel with upper-income Americans or upper-income Nebraskans. Quite the contrary. In Nebraska, there were 775,000 federal income tax returns in 1996. Of that, 6,500 had adjusted gross incomes of over $200,000. That is a relatively small number. But they paid almost a third of all the $3.6 billion in federal taxes paid by Nebraskans.

So I am not here to say that upper-income people don't deserve a tax break. I think it is very important for us to take a look at America and try to discern which taxpayers are most in need of help. It is, it seems to me, a fair question for us to ask. And to try to apply a standard of fairness, it seems to me, is something we ought to be doing.

Under last week's proposal, a single Member of Congress, I would have gotten a $260 tax rate cut, just as a single person with $26,000 of income. But under this proposal, by decreasing the taxes for everyone at higher rates as well, a Member of Congress, a single Member such as myself, I am going to get a tax cut of $1,185. I get over $900 more under this proposal. And if I got married, I would do even better.

I can make an argument that because I am paying more taxes I ought to get more of a tax cut. But look at households. A family of four with $46,000 worth of income probably ought to have a larger tax cut than I do. At the very least, I should not receive more than they do. That is what I mean when I say that this bill, when it passed here last week, met the minimal standard of fairness.

I say to my friends on the other side of the aisle that if you are trying to figure out how to get more votes and not fewer, you have now figured out how to get fewer. You had 57 votes on this side last week. The high water mark today, in my view, is likely to be 52. I understand that the conference report had to be reopened in the later hours of yesterday evening and some provisions had to be put in to woo some votes for a bare majority. I know there were some concerns that the Vice President might be sitting up there at the end of business today and there might be no more than 50 votes for this legislation. All of that should be a sign. You had 57 votes. Yesterday you did not have 50. Something is going in the wrong direction.

I believe a majority of Democrats and Republicans in chamber, want to apply a standard of fairness. The distinguished junior Senator from Texas, offered an amendment on this floor last week that would increase the standard deduction for a married couple. Why did she want to eliminate the marriage penalty for people who are using the standard deduction? It got a lot of Democratic votes and a lot of Republicans votes. Indeed, I think it was the only amendment that actually broke the 60-vote requirement. That is a clue. That was a fairness issue and the junior Senator wanted that fairness applied to married people who take the standard deduction, people who do not itemize, people who are generally not in the upper reaches of income in this country.

I'm not talking about crafting a social engineering package. What I am talking about is applying a standard of fairness.

As I said, I have great respect for the chairman of the Finance Committee. I believe he attempted to apply a standard of fairness, and, in my judgment, his package of last week passed that test. I voted for it enthusiastically. But the conference committee report does not pass that test. It does not pass the test of fairness.

So I enthusiastically and confidently will vote "no" on it. I do so regrettably because I believe there was an opportunity this year not just to do this but to get a bipartisan solution on Medicare and to get a bipartisan solution on Social Security. The package before us today does not bode well for future bipartisan efforts to come up with those solutions.

This bill had 57 votes last week. As I said, were it not for the sort of last-minute work to try to have some changes to get some additional votes, it might not have even 50 votes later today when we will have a vote on final passage.

I say to my Republican friends, if you want to cut Americans' taxes, listen not just to what Democrats are saying but also listen to what Republicans are saying. They want a standard of fairness applied. It is a legitimate concern.

I don't know how many Members of the Senate believe that $800 billion is too much. I believe the distinguished occupant of the Chair does. He fought very hard as mayor and Governor, and I think he is coming to this Congress saying we ought to be careful not to spend the surplus and lose all the progress that we have made. Fine. Make that argument.

But for the majority of us who believe that $800 billion is not too much, if we want to persuade our reluctant colleagues to support cutting taxes for American families, then you have to apply a standard of fairness, a test of fairness. You may not like doing it. You may believe your ideology tells you that you should do something else. But if you want to change the law and get this done, you had darned sure better do it, because not only will you not get the strong majority you will need but you will never, in my judgment, get the President of United States to sign a piece of legislation that doesn't attempt to measure and apply some test of fairness.

Again, I appreciate very much the work that the distinguished chairman did, Senator ROTH of Delaware, as well as the ranking Democrat, Senator MOYNIHAN. I appreciate very much the leadership of both of them. Senator MOYNIHAN led the Democrats in the committee to come up with a $300 billion tax cut proposal. It had a very key component in there, which was to increase the standard deduction for individuals. That takes a number of people off the income tax rolls, reduces the top tax rate for many and simplifies tax filing for millions.

I suggest to my Republican colleagues on the other side of the aisle that if you want to get a bill, that is the kind of proposal that you should have included in this package and it is unfortunate that you did not. It is unfortunate that the centerpiece of the tax proposal that we voted for last week—the reduction of the 15 percent tax rate to 14 percent—was not left alone. If there is a second chance to consider a tax bill this year, I hope we will work harder to pass a bill that will get significant support from this side of the aisle and the way to do that is to ensure a bill meets a basic standard of fairness.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. ROTH. I yield 10 minutes on behalf of the minority to the distinguished Senator from Minnesota.

Mr. WELLSTONE. I thank the Senator from Delaware. Let me start out by saying I also appreciate the work of Senator ROTH as the chair of the Finance Committee. However, I am in profound disagreement with this reconciliation bill, this tax cut bill, that comes before the Senate—$792 billion in tax cuts, aggregate amount.

According to Citizens for Tax Justice, the top 1 percent of taxpayers would receive 42 percent of the benefits, while the bottom 60 percent would receive only 7.5 percent of the benefits. Regarding distributional effect, my colleague from Nebraska talked about a standard of fairness: 60 percent of all taxpayers would get an average tax cut of $65; the wealthiest 10 percent would get an average tax cut of $1,322; the wealthiest 1 percent would get an average tax cut of $5,281.

This tax cut bill that the Republicans bring to the floor of the Senate is "Robin Hood in reverse" economics. Even worse, I think it represents a politics of illusion.

Not that long ago others, I think former President Bush, talked about voodoo economics. He was referring to a set of proposals in the early 1980s that said we could have massive tax cuts, increase Pentagon spending, make the investments we needed to make as a nation, and continue to reduce the deficit. That is not what happened.

It is pretty simple, I say to the people in Minnesota, and to the the people in the Nation. We are in agreement, I hope, that of the $3 trillion of surplus, $2 trillion is Social Security. It is not touched. It is to make sure that system will be solvent. Of the other $1 trillion, three-quarters of it is in assumed cuts—assuming we have the economic growth in discretionary domestic spending.

With this proposal before the Senate that the Republicans bring to the floor of the Senate, not only do we have tax cuts and benefits to people in inverse relationship to need, a "Robin Hood in reverse" economics, but we have a politics and an economics of illusion. We are going to explode the debt. We are going to build the debt up again. In addition, we are not going to be making the investments that we in our speeches on the floor of the Senate say that we are for.

I heard my colleague from Delaware talk about health care, talk about education, talk about children, talk about tax cuts. One more time, to use the old Yiddish proverb: "You can't dance at two weddings at the same time."

We are not going to be able to have this amount of tax cuts, $792 billion in tax cuts, and at the same time continue to pay down the debt and make the kind of investments we need to make. We are going to see, America, is cuts in Head Start, cuts in low-income energy assistance, cuts in community policing, cuts in environmental protection, cuts in veterans' health care, and cuts in Pell grant programs. We are not going to make any of the investments to which we say we are committed.

I think this tax cut legislation before the Senate is in many ways more serious than bad economics. And it is bad economics. It is bad economics because it will build up the debt rather than pay down the debt. It is bad economics because it could very well lead to higher interest rates. It is bad economics because it is the last thing we ought to do in an expanding economy. In addition, it is bad economics because we are not going to be able to make the investments that my colleague from Delaware says we are committed to at the same time we are doing all these tax cuts.

It is also an illusion. It will put this country in a straitjacket where we are not going to be able to do one positive thing to make sure we have equal opportunities for every child in this country. We are not going to increase Head Start benefits; we are going to cut them. We are not going to increase health care benefits for our citizens; we are going to cut them. We are not going to do anything about the acute shortage of affordable housing; we are going to cut housing programs. We are not going to get it right for veterans in health care; we are going to cut. We are not going to do anything about the shameful statistic of right now providing benefits for only 1 percent of the kids who would benefit from Early Head Start in our country; we are going to cut.

There is not one Senator who can come to the floor of the Senate and debate me on the argument I have just made. That is exactly what we are going to do.

This is also an ideological debate. If Members believe—and maybe this is what my colleagues now believe, let me now give credit—when it comes to the most pressing issues of people's lives in the United States of America, or Minnesota, that there is nothing that the government can or should do, if you don't think we should be making any of these kinds of investments in Pell grants, or affordable child care, or Head Start, or community policing, or veterans' health care, or health care, or affordable housing, then you would be for this conference report. What this will do is put this country in a straitjacket where any kind of an investment that any Senator will talk about to expand opportunities for our citizens will be, by definition, fiscally irresponsible because we won't have any of the revenue.

I conclude this way. The political argument behind these tax cuts is a pretty effective argument if you listen to it only up to a point. The argument is that we built up the surpluses—maybe, assuming the economy continues to perform. Let's give it back to the citizens; it is your money. People in Minnesota, it belongs to you.

I maintain, as a Senator from Minnesota, it doesn't belong to me; it doesn't belong to adults. It belongs to our children, and it belongs to our grandchildren. Whatever surplus there is ought to be used to pay down the debt. We put it on their shoulders. Whatever surplus there is ought to be used to make sure their Social Security and Medicare is there, just as it will be there for us. It ought to be used to make sure there are opportunities for children so that our children and our grandchildren have the same opportunities that we have had.

The Presiding Officer, the Senator from Ohio, is committed to early childhood development. The Presiding Officer, the Senator from Ohio, came to the Senate with a commitment to children. I know that. That is his passion, and he will make an enormous difference. I don't care whether he is Republican or not. I know what he cares about, and I know he is an effective Senator.

With this measure of tax cuts, if this legislation passes, we will not only not be making any additional investments in the way we should in early childhood development, such as Early Head Start or Head Start, much less what we really should be doing for child care, much less nutrition programs, much less affordable housing programs, we will be cutting those programs.

That is shameful. That is unconscionable. That is exactly what we will be doing. I say to the President of the United States of America, Mr. President, you should veto this legislation. Let's not get into Washington, DC, bargaining where we say $500 billion or $600 billion is a reasonable compromise. If that is what we do, we still will not be in a position to make any of these investments. We still will see cuts in discretionary spending to the tune of hundreds of billions of dollars. Let's pay down the debt. Let's make sure we make a commitment to Medicare and Social Security. More than anything else, I would rather see more of the emphasis on an investment in children. I believe when we pay down our debts, the most important debt we can pay off is the debt we would leave our children.

What we owe our children is to make sure that every child in the United States of America—regardless of color of skin, regardless urban or rural, regardless high income or low income or middle income—has the same chance to reach his and her full potential. These tax cuts will make that impossible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, just so the record is clear, we have 6 hours, 3 hours to a side. The two managers have agreed we will go back and forth from one side to the other when people are present. But that is not the case now. So I yield 15 minutes on behalf of the minority to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this is an editorial that appeared in the New York Times on August 2. It says: "Here we go again." That is exactly what this tax bill is all about. Here we go again.

> Back in 1980 Ronald Reagan assured one and all that he could cut taxes sharply, increase defense spending substantially and balance the Federal budget.

That is the promise he made. It did not work out that way. The deficits exploded. George Bush at the time:

> . . . famously derided Mr. Reagan's supply side fantasies as "voodoo economics."

We all remember that. The veteran Washington Post reporter Lou Cannon, in his book "President Reagan, the Role of a Lifetime" described the reaction of James Baker, Mr. Reagan's own chief of staff, to the transformation of economic fantasy into national policy. He wrote:

> Though not particularly well-versed in economics, Baker suspected there was something screwy about the idea that massive tax cuts would increase government revenues. Later, he would privately express regrets that the deficits had 'gotten away' from the administration and wished he had paid more attention to the consequences of the tax cuts.

Here we go again. Again, we have the fantasy being held out to the American people that somehow you can have a massive tax cut, you can have a big defense buildup, domestic needs will not be hurt, and somehow it is all going to add up. The problem with it is it is highly unlikely to happen. Let's just check the record. It shows very clearly what happened in the Reagan administration when they had this fantasy that they were going to cut taxes dramatically, have a big defense buildup. Somehow it was all going to add up. It did not add up and this plan does not add up.

This is what happened back then. President Reagan inherited a deficit of just under $80 billion and he promptly shot it to $200 billion. That is what happens when we just put our head in the sand and get wedded to an ideology and do not care about the economic results, or the economic fallout. This plan is a disaster. I do not know how else to say it. It is risky; it is radical; it is reckless. We would make a profound mistake to pass it today.

We then went into the Bush administration and the deficits went up, up, and away again. It went up to $290 billion in 1990.

In 1993, President Clinton came into office and we passed a 5-year budget plan to cut spending and, yes, raise income taxes on the wealthiest 1 percent. That plan worked. Each and every year of that 5-year plan the deficit came down until finally we have achieved a balanced budget. Why would we ever want to go back? Why would we ever want to repeat the incredible mistakes this country made in the 1980s that threatened the economic security of this country, that put this country's economy in a ditch, that led to recession, that led to job loss, that led to an extinguishment of economic growth? Why would we want to repeat that tragic mistake? Yet here we are. "Here we go again." Goodness knows, don't we have more common sense than this?

This is not just my view. This is the view of economist after economist who has looked at this proposal. Mr. Samuelson, the columnist, wrote:

> The wonder is that the Republicans are so wedded to a program that is dubious as to both policy and politics.

He went on to say:

> As Federal Reserve Chairman Alan Greenspan noted the other day, tax cuts might someday be justified to revive the economy from a recession or to improve the prospects of a sweeping program of tax simplification. But there is no case for big tax cuts based merely on paper projections of budget surpluses.

That is what this is. These are plans based on projections of what might happen over the next 10 years. What a risky way to run the economy. What a reckless way to run economic policy, to run out here and shovel $800 billion out the door before the money is collected. That puts this entire economy at risk. That puts this entire period of bringing down the deficit at risk. That puts this entire successful economic policy of improving economic growth, reducing unemployment, reducing inflation at risk. It is a mistake we should not make.

This columnist points out:

> Suppose that spending exceeds projections by one percentage point of national income

> and that tax revenues fall below projections by the same amount. In today's dollars, these errors . . . not out of line with past mistakes . . . would total $170 billion annually. Most of the future surpluses would vanish.

That is the reality. We are betting the farm on projections of what is going to happen over the next 10 years. Does anybody believe these projections are going to come true?

I used to be responsible for projecting the income of the State of North Dakota. That was my job. I can tell you, projecting 5 years out is very risky. Frankly, it is hard to project 1 year out. Projecting 10 years out is a total crapshoot and we are basing the economic security of this country on a 10-year projection? Are we really going to do that?

I ask my colleagues, are we really going to do that? Is this what you are seriously proposing for the United States, after the economic success we have enjoyed by reducing the deficits, by reducing debt?

Some of the very same people who said the 1993 plan would not work are here today, advocating this risky scheme. The 1993 plan, as I showed, worked. That 5-year deficit reduction plan, in fact, reduced the deficit each and every year. But when we passed it in 1993, the other side said it would crater the economy; it would ruin us.

This is what Senator GRAMM, who is on the Budget Committee and on the Finance Committee, said back in 1993:

> I want to predict tonight that if we adopt this bill the American economy is going to get weaker and not stronger, the deficit 4 years from now will be higher than it is today and not lower. . . .When all is said and done, people will pay more taxes, the economy will create fewer jobs, government will spend more money, and the American people will be worse off.

That is Senator GRAMM in 1993 when we passed the plan that did just the opposite. Let's look at the record. We passed that plan in 1993, and here is what happened: Unemployment went down to the lowest level in 41 years.

Senator GRAMM and the advocates of opposition to the 1993 plan, who are the very ones who are the advocates of this plan today, were wrong. They said it was going to increase unemployment. They were wrong. We have the lowest unemployment in 41 years. They said that that economic plan would increase inflation. They were wrong. That plan reduced inflation to the lowest level in 33 years.

Mr. President, it does not stop there. Look at the economic growth. They said the 1993 plan would retard economic growth. They were wrong. Look at the record. We have the strongest economic growth during the last 6 years of any administration going back to the administration of Lyndon Johnson.

Friends, people who are listening across the country, let's think a minute: Is the economy in good shape or is the economy in bad shape? I think every one of us knows we have the strongest economy in anyone's memory. That was built on a plan of reducing the deficits, relieving pressure on interest rates, making America more competitive, reducing home interest loans, reducing car loans, reducing student loans, because there was less deficit, less debt. Now we are on the brink of completely changing that policy and going back to the bad old days of deficits and debt and decline. Are we really going to turn back the clock to those days? I hope not. I hope we do not make as foolish a mistake as that.

Because of the 5-year plan put in place in 1993, not only have we gotten the lowest unemployment, the lowest inflation in decades, the strongest economic growth in decades, we have also seen welfare caseloads decline dramatically. That is the record. That is the fact.

The other side says: Oh, but wait a minute. Taxes are the highest they have been in 20 years.

They are not telling the whole story. Here is what has happened. Remember when we had deficits, we had a gap between the revenue of the United States and the spending of the United States. The blue line is the spending; the red line is the revenue.

Go back to 1993. There was the gap. That was the deficit, $290 billion. We cut the spending line, and we raised the revenue line. That is how we balanced the budget. We cut spending; we raised the revenue line.

When they say the taxes are the highest they have ever been, again, they are not telling the whole story. Revenues are strong because the economy is strong, but individual taxpayers are not paying more in taxes; most are paying less. That is not the Senator from North Dakota speaking, that is the respected accounting firm of Deloitte & Touche. They analyzed the tax burden, including payroll taxes and income taxes, of a family earning just under $20,000 a year. They looked at 1979, and they looked at 1999.

In 1979, that family was paying 8.6 percent of their income in taxes—payroll taxes and income taxes. That burden has been reduced to 5 percent. Why? Because when we raised taxes on the wealthiest 1 percent in the 1993 plan, we also cut taxes on 28 million Americans by increasing the earned income tax credit. So we reduced taxes for individuals.

The same is true for a family of four earning $35,000 in 1999. Again, the respected accounting firm of Deloitte & Touche went out and looked at their tax burden: 1979, 11.2 percent. That has been reduced to 10.5 percent in 1999. It is also true of a family earning $85,000 a year. In 1979, they had a total tax burden of 17 percent; in 1999, 16.3 percent.

Does that mean there should not be any tax relief? No. We should have tax relief, but we ought to have a responsible package of tax relief, not one that threatens to put us back in the economic ditch of deficits and debt. Unfortunately, that is what the Republican plan does.

On the question of the fairness of this proposal, if this is fair, I do not understand fairness. They are going to give to the top 1 percent in this country with an average income of $837,000 a $46,000 tax cut. They are going to give to the bottom 60 percent of the income earners in this country, the vast majority of people on average, a tax reduction of $138. That does not strike me as very fair.

Let's check their math. We have heard over and over they are just giving 25 percent of the money that is available in surplus back in a tax cut. That is interesting math they are using. Let's check it.

The total surplus is $2.9 trillion. That is the CBO estimate.

I ask for 3 additional minutes.

Mr. ROTH. I yield 3 minutes on behalf of the minority.

The PRESIDING OFFICER. The Senator has 3 more minutes.

Mr. CONRAD. Look at what CBO is projecting—and I emphasize projecting—as the surplus over the next 10 years, $2.9 trillion. But $1.9 trillion of that is Social Security. If you take that out, you have $1 trillion left. Republicans are proposing nearly $800 billion of tax cuts. When you do that, you add interest costs of $141 billion. That only leaves $63 billion left for debt reduction, for strengthening Medicare, for domestic needs. They are using not 25 percent of what is available; they are using 94 percent of what is available, because we have all agreed that none of the Social Security money is available.

The only way they get this number of 25 percent being used for a tax cut is when they include Social Security in the base. Are they proposing we are going to use 25 percent of the Social Security money for a tax cut? No. So they are using phony statistics. They are applying this 25 percent to two-thirds of the money that is Social Security money. They are taking 94 percent of the money that is truly available for this risky tax cut.

Here are the choices: Republicans say $800 billion of tax cuts; nothing to strengthen Medicare; nothing for domestic needs; they have $63 billion unallocated.

Our proposal in the Senate was balanced. We said save every penny of Social Security for Social Security and then one-third for tax relief; one-third to strengthen Medicare—and, by the way, this money is not needed immediately so it can be used for the next 15 years to pay down debt—and one-third of the money for high-priority domestic needs, such as education, defense, and agriculture.

That leads our friends on the other side to say: There go the Democrats again; they just want to spend money.

Let's examine that notion. This blue line shows constant buying power of what we do with Federal spending now for domestic needs. That is what would happen if we had constant buying power. The Democratic plan is represented by this red line. It is a cut from current buying power. Here is the Republican plan down here. They have a massive cut, $770 billion over the next 10 years from what current buying power would permit.

They do not want anybody to talk about this, but the reality is, they are advocating deep cuts in education, in defense, in agriculture, and in all the rest—parks, law enforcement—because there is no way to avoid this mathematical reality. They came to this Chamber with a chart that said, yes, you could accommodate this tax cut if you froze all domestic spending for 10 years. It has never been done. What is amazing about it is that it is not what they are doing in the Appropriations Committees that meet every day. They are spending additional money.

I ask for 1 additional minute.

Mr. ROTH. On behalf of the minority, I yield 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator is yielded 1 minute.

Mr. CONRAD. I thank the Chair.

Mr. President, let's be honest with the American people. This plan does not add up. It threatens to take us back to a period of growing debts. It fails to meet high-priority domestic needs such as education and agriculture and defense. It does not do anything to secure Medicare for the future. It is not real. It is not balanced. It is not responsible. This plan is not conservative.

It is radical; it is risky; it is reckless. It ought to be rejected.

Mr. DORGAN. Mr. President, I ask unanimous consent that the Senator from North Dakota be granted 2 additional minutes from the minority time so he might be able to respond to a question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I think Senator CONRAD makes the most compelling presentation in the Senate on these budget matters. The charts he has used today have been extraordinary in their description of the folly here with respect to this plan.

I want to ask the Senator to go back to a couple charts with respect to those who made predictions some years ago because I thought that was very telling. The practice of augury in old Roman times was that the high priest would read the flights of birds and the entrails of cattle in order to evaluate the future.

We have some folks who are practicing augury in the Senate. They are the prophets who have described to us how wonderful this plan is. I know the Senator used, a bit ago, the same kind of descriptions from these same prophets 7, 8 years ago.

Could the Senator refer to that again, because I think that is most telling who brings this plan to the Senate, and what were their predictions previously?

Mr. CONRAD. I remember so well. I remember being on the floor of the Senate the day we passed the 5-year plan that got us back on track. I remember Republican leaders saying if we passed the plan, it would crater the economy. I remember Republican leaders telling us if we passed the plan it would increase unemployment, it would increase inflation, that it would cost jobs, that it would wreck the economy. They were wrong, and they were wrong on every single count. They said: If you raise taxes on the wealthiest 1 percent, and you cut spending, it is going to create a nightmare. They were wrong. They were absolutely wrong.

Maybe we are not reminding people enough. Maybe we are not learning the lessons of the past, but we have to because we should not go back to the days of deficits and debt that put this economy in the ditch.

So I am very hopeful we will learn from the past and we will recognize that to come out here, based on a projection over the next 10 years, to justify a massive tax-scheme giveaway that blows a hole in the budget, blows a hole in the deficit, leads us back to the path of debt and is a profound mistake.

It makes us all feel good. I would love to have a tax cut. I have two kids in college, and it is expensive. But I care more about their long-term future. I care about them inheriting a world that is less debt-laden than what we have done to them so far. Because our generation—and here it is—has taken the debt from 1980, and here we are today. This is what we have done with the national debt. We have run up the debt from less than $1 trillion to nearly $4 trillion.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CONRAD. I ask unanimous consent for 1 final minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. That is what we have done in our generation. We have taken this national debt of less than $1 trillion and run it up to nearly $4 trillion. That is the publicly held debt. Gross debt is even higher. But this is publicly held debt.

Is that the legacy we want to leave, that we ran up the debt on our watch? I do not think so. This is what could happen if we stay the course. This is what the Congressional Budget Office tells us could happen if we stay the course. We could actually eliminate publicly held debt over the next 15 years. But it will not happen with this plan because we apparently all have our hand out. We want to take care of ourselves first and forget about the future. I hope that is not the legacy we leave.

I thank the Chair, and I thank my colleagues, and I yield the floor.

Mr. ROTH. On behalf of the minority, I yield 20 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. I thank the Chair and thank my colleague, the chairman.

Mr. President, last year we learned a very satisfying and important lesson. That is that there are rewards for fiscal discipline. After almost three decades of deficits and mounting national debt, we finally were able to eke out a small surplus. The very prospect of that small surplus has been a major contribution to one of the longest and most expansive periods of economic growth in our Nation's history. This fiscal discipline helped us to create favorable economic and fiscal conditions to address our long-term national challenges, especially our long-term commitments in Social Security and Medicare.

This, frankly, is a time of national celebration. The question is, What kind of celebration? Will it be a prudent and patriotic celebration of our success where we will channel our justified enthusiasm for our accomplishment into positive national family and individual goals or will it be a wanton and reckless celebration? Because our success, our opportunity to celebrate, did not give us license to return to the free spending, free period of increased indebtedness of the recent past. No. We owe it to our children and our grandchildren to save this money, to save this money until we have dealt with our future obligations to them.

Unfortunately, several major legislative actions in the 105th, now the 106th, Congress have made a mockery of our promise to maintain fiscal discipline. As an example, in February of this year, the Senate passed a military pay bill, with great enthusiasm and with great acclamations among those who would be particularly benefited and who hoped that it would strengthen our national security. The problem is, we did not provide a means of paying for it. So we were, in essence, saying we will pay for it out of our surplus.

If last February's legislation was just an aberration, a momentary lack of judgment, an inadvertent haste to turn from impeachment to legislation, it might have been forgiven. Sadly, it cannot be so characterized. It, in fact, was part of a pattern of a continued lack of fiscal discipline. It was the second time, in fact, within 8 months that we had proven ourselves unwilling to take the hard decisions and too willing to sacrifice the well-being of future generations on the altar of expediency.

It was in October of 1998, in the waning hours of last fall's budget negotiations, that we passed a $532 billion omnibus appropriations bill. Included in that bill was $21.4 billion in so-called emergency spending. Since that $21.4 billion of emergency spending could be approved without the necessity of finding any way to pay for it, that funding came right out of the surplus. It took $3 billion out of the fiscal 1998 surplus. It took $13 billion out of the 1999 surplus. It will take $5 billion out of this year's surplus.

The action would have been even mildly palatable had all of the supposed emergency funds been allocated to true emergencies. But, in fact, many of the items that were funded out of the $21.4 billion were items which had in the past been considered normal, regular obligations of the Federal Government, not the necessary, sudden, urgent, unforeseen, temporary needs that are supposed to be the hallmarks of real emergencies.

In June, we made our third raid on the Social Security surplus, a supplemental appropriations bill that again cloaked many nonemergency spending items in emergency designation under the title of Kosovo. With all the negative public attention that had been focused on our previous raids, one would have thought that we might have at least been embarrassed back into fiscal responsibility. But, again, I am sorry that was not the case. So another $4 billion was taken out of the surplus through emergency spending for 1999 and $7 billion will be taken out in the year 2000.

What have we done thus far? We started with a total surplus for 1999 of $137 billion, of which $124 billion was Social Security. But after we had taken $13 billion for the emergency of 1998 and $4 billion for the emergency of 1999, we have reduced our surplus down to $120 billion. So we have spent every penny of the off-budget surplus, and we have spent $4 billion of the Social Security surplus to fund these emergencies.

Now, what is the chart for the year 2000? We started out with a total surplus of $173 billion, of which $147 billion was Social Security. We have the $5 billion from 1998, we have the $7 billion bloated Kosovo emergency expenditure, and just last night, we voted yet another emergency expenditure of $8 billion for agriculture. Today we have on the floor a tax bill that will cut the revenue for the year 2000 by $5 billion. So what started off as a $173 billion surplus has already shrunk to $148 billion. Every dollar of that surplus is Social Security save $1 billion, which, as I will point out in subsequent remarks, is highly in danger.

The action yesterday relative to agriculture represents the difficulty of the dilemma. Certainly American farmers are facing distressful circumstances. I happen to be an American farmer. I think I understand something of their plight. But the way to deal with this problem is not by temporary emergency fixes. The way to deal with this problem is to look at the underlying causes, which might be that we haven't been adequately dealing with fundamental issues such as crop insurance reform or that we have not been sufficiently aggressive in our trade policy in order to ensure there are open markets for American agricultural goods. Those are some of the ways in which we ought to be directing our attention, not through emergency spending to deplete our surplus.

The budget resolution says that emergency spending must meet five criteria. It must be necessary, sudden, urgent, unforeseen, and it must not be permanent. I suggest that many of these expenditures we have made over the last 2 years fail to meet those standards of emergency.

Our fiscal irresponsibility, however, is not limited just to emergency appropriations. We have defined the surplus as the difference between estimated revenue and estimated expenditures. Yet in arriving at those estimated expenditures, we have used unrealistic standards. We have created expenditure expectations that no one in this Congress believes are, in fact, going to be met; thus, the necessity to resort to these kinds of emergency measures. While we are doing that, we are also fundamentally deceiving the American people as to what our Federal Government's policies will be.

Let me use one example.

I ask unanimous consent at the end of my remarks to have printed in the RECORD an article from the New York Times of July 25, "National Parks, Strained by RECORD Crowd, Face a Crisis."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GRAHAM. There is no better time than in early August to talk about the state of our national parks, because this is a time of the year when hundreds of thousands of our fellow citizens are taking advantage of one of America's great treasures—its national park system. But it is a treasure which we have been systematically looting through indifference. It is stated in this article that in an assessment made last year, the Park Service estimated it would cost $3.54 billion to repair maintenance problems at national parks, monuments, and wilderness areas, maintenance that has been put off for decades, in some cases, because of lack of money.

Mr. President, while we may deceive ourselves into the statement that we have this significant surplus, it is a surplus which is being derived by a systematic underfunding of important national priorities, priorities which we know eventually are going to be met, but which we are now deceiving ourselves into the false illusion that there is an unrealistic surplus, a surplus which we can now use to fund these massive tax cuts.

The time is now to provide some honest leadership for the American people, not hollow statements and false promises. I am afraid that that leadership and honesty are not to be found in the tax bill before us today.

What I think we need to do is to put first things first. As Ecclesiastes says: There is a time for all things. There is a season to plant and there is a season to harvest.

What is the season today, in this time of national celebration of the results of fiscal discipline? I suggest the season for today is to deal with the challenges of our children and our grandchildren, starting with two critical national programs.

We should provide for the solvency of Social Security for our children and our grandchildren, and we should strengthen Medicare and bring it into the 21st century by providing it with the tools necessary, not just to deal with illness but to do what Americans want—to provide for their health and well-being. We should be funding those medical services that will prevent disease and illness, that will maintain our American people in their highest state of health. Unfortunately, when we have spent the resources that would be necessary to fund this tax cut before having dealt with Social Security and Medicare, there will be no money left to deal with Social Security and Medicare.

The statement will be made that Social Security is off the table; we have already dealt with it; that by placing all of the Social Security surplus into a lockbox to protect it for Social Security, we have discharged that responsibility. Well, first, I say that we have a very leaky lockbox. Willie Sutton was once asked: Why do you rob banks? The answer was: That is where the money is. Well, the lockbox assumes the money has already gotten to the bank. But Jesse James figured out that if he could rob the train before the box got to the bank, he could get the money before it could be placed in the vault. That is essentially what this emergency spending loophole is allowing us to do. We are looting the lockbox before the money arrives.

Even if we put the full amount of the Social Security surplus into the Social Security program, we would only have extended its solvency for our children to the year 2034.

The Greenspan Commission of the early 1980s had recommended that we ought to fund Social Security on a three-generational program, which would mean through the year 2075. We have not completed our task if the only thing we have done is to secure the solvency of Social Security to the year 2034.

Mr. President, we have an opportunity to lead the Nation in the way in which I believe thoughtful Americans wish to go. They wish to be prudent at this time. They wish to celebrate the successes of fiscal discipline and to continue those successes. They want to take care of today's season of business first. They do not want us to embark upon a reckless course which would dissipate our ability to deal with our future needs and place us in the precarious position of depending upon unrealistic estimates of future revenues and a totally unrealistic expectation of future national needs.

So the issue is not the details of this tax proposal, although I believe an examination of that detail would indicate this plan is woefully lacking in basic principles of fairness and equity to all Americans. But the fundamental deficiency of this tax bill is its lack of timeliness. We should not be considering any tax cut until we have taken care of priority business—protecting Social Security for three generations and strengthening Medicare. We should not be considering any tax measures until we are certain the projections of revenue and the estimates of future needs are based on realistic, not political, assessments.

After we have carried out those first tasks, then if there are funds left available—and I suggest there probably will be —then we could consider what would be an appropriate form of returning that measure back to the American people through a tax cut. But, for today, the answer must be no to the measure that is before us. I hope that soon we will be answering yes to the responsibility we have to do America's first business first.

Thank you, Mr. President.

EXHIBIT 1

[From the New York Times, July 25, 1999]

NATIONAL PARKS, STRAINED BY RECORD CROWDS, FACE A CRISIS

(By Michael Janofsky)

YELLOWSTONE NATIONAL PARK, WY—In growing numbers that now exceed 3.1 million a year, visitors travel here to America's oldest national park to marvel at wildlife, towering mountains, pristine rivers and geological curiosities like geysers, hot springs and volcanic mudpots.

Yet many things tourists may not see on a typical trip through Yellowstone's 2.2 million acres spread across parts of Idaho, Montana and Wyoming could have a greater impact on the park's future than the growl of a grizzly or spew of Old Faithful.

For all its beauty, Yellowstone is broken. Hordes of summer tourists and the increasing numbers now visiting in the spring, fall ad winter are overwhelming the park's ability to accommodate them properly.

In recent years, the park's popularity has created such enormous demands on water lines, roads and personnel that park management has been forced to spend most of Yellowstone's annual operating budget, about $30 million, on immediate problems rather than investing in long-term solutions that would eliminate the troublesome areas.

Yellowstone is not the only national park suffering. With the nation's 378 national park areas expected to attract almost 300 million visitors this year, after a record 286 million in 1998, many parks are deferring urgently needed capital improvements.

For instance, damaged sewage pipes at Yellowstone have let so much ground water from spring thaws into the system that crews have had to siphon off millions of gallons of treated water into meadows each of the last four years.

And with budget restraints forcing personnel cutbacks in every department, even the number of park rangers with law-enforcement authority has dropped, contributing to a steady increase in crime throughout Yellowstone.

"It's so frustrating," Michael V. Finley, Yellowstone's superintendent, said. "As the park continues to deteriorate, the service level continues to decline. You see how many Americans enjoy this park. They deserve better."

Over the last decade the annual budget of the National Park Service, an agency of the Interior Department, has nearly doubled, to $1.9 billion for the fiscal year 1999 from $1.13 billion in 1990, an increase that narrowly outpaced inflation.

But in an assessment made last year, the park service estimated that it would cost $3.54 billion to repair maintenance problems at national parks, monuments and wilderness areas that have been put off—for decades, in some cases—because of a lack of money.

The cost of needed repairs at Yellowstone was put at $46 million, the most of any park area in the system. But the park service report shows that budget limits have forced virtually all national parks to set aside big maintenance projects, delays that many park officials say compromise visitor enjoyment and occasionally threaten their health and safety.

Senator Craig Thomas, a Wyoming Republican who is chairman of the Subcommittee on National Parks, and Bob Stanton, director of the park service, negotiated a deal this week to spend $12 million over the next three years for Yellowstone repairs.

Other parks may have to wait longer. The Grand Canyon National Park depends on a water treatment system that has not been upgraded in 30 years, a $20 million problem, park officials say. Parts of the Chesapeake and Ohio Canal National Historical Park along the Potomac River are crumbling, another $10 million expense. The Everglades National Park in South Florida needs a $15 million water treatment plant.

Even with a heightened awareness of need among Federal lawmakers and Clinton Administration officials, money to repair those problems may be hard to find at a time when Congress is wrestling over the true size of a projected budget surplus and how much of it will pay for tax cuts. If billions were to become available for new spending, the park service would still have to slug it out with every other Federal agency, and few predict that parks would emerge a big winner.

It is a disturbing prospect to conservationists, parks officials and those lawmakers who support increased spending to help the parks address their backlog of maintenance problems.

"It's kind of like a decayed tooth," said Dave Simon, the Southwest regional director for the National Parks and Conservation Association, a citizens' group that is working with Yellowstone to solve some of the long-term needs. "If you don't take care of it, one day you'll wake up with a mouthful of cavities."

The parks' supporters like Representative Ralph S. Regula, an Ohio Republican who is chairman of Appropriations Subcommittee on the Interior, concede that budgetary increases as well as revenue from new programs that allow parks to keep a greater share of entrance fees and concession sales have been offset by inflation, rising costs and daily operational demands that now accommodate 8.9 percent more people than those who visited national parks a decade ago.

With few dollars available for maintenance programs, the parks suffered "benign neglect," Mr. Regula said, adding: "It's not very sexy to fix a sewer system or maintain a trail. You don't get headlines for that. It would be nice to get them more money, but we're constrained."

Denis P. Galvin, the deputy director of the National Park service, noted that only twice this century, in the 1930's and in 1966, has the Federal Government authorized money for systemwide capital improvements, and he said he was not expecting another windfall soon.

"Generally," Mr. Galvin said, "domestic programs come at the back of the line when they're formulating the Federal budget, and I just don't think parks are a priority."

Perhaps no park in America reflects the array of hidden problems more than Yellowstone, which opened in 1872, years before Idaho, Montana and Wyoming became states.

Park officials here say that the longer problems go unattended, the more expensive and threatening they become.

The budget restraints have meant reducing the number of rangers who carry guns and have the authority to make arrests.

Rick Obernesser, Yellowstone's chief ranger, said the roster had dwindled to 112 from 144 over the last 10 years, which often means leaving the park without any of these rangers from 2 A.M. to 6 A.M.

Next year, Mr. Obernesser said, the park will have only 93 of these rangers, about 1 for every 23,000 acres compared with 1 for every 15,000 acres when his staff was at peak strength.

That has not only led to slower response times to emergencies, like auto accidents and heart attacks, he said, but also to an increase in crime. Since the peak staffing year of 1989, he said, the park has experienced significant increases in the killing of wildlife, thefts, weapons charges against visitors and violations by snowmobile drivers.

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Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I ask the Senator from Delaware to yield me 20 minutes.

Mr. ROTH. I am happy to yield 20 minutes to the distinguished Senator from Oklahoma.

Mr. NICKLES. Mr. President, first, I wish to compliment my colleague, the chairman of the Finance Committee, Senator ROTH, for his leadership in bringing the bill to the floor. In addition, I compliment Senator LOTT and Senator DOMENICI because they helped make this happen.

The Senate, earlier this year, passed a budget resolution that says let's use most of the surplus that is projected to pay down the national debt. As a matter of fact, let's use over two-thirds of it to pay down the national debt. I have heard complaints from colleagues on the Democrat side saying we don't do enough. Frankly, we pay down the national debt more than the Democrats have proposed and more than the President has proposed. Maybe that is not enough for them, but it is more than they have proposed.

I compliment Senator DOMENICI and Senator LOTT, as well as Senator ROTH, for laying the groundwork to say let's take at least one-fourth of the surplus projected and let the people keep it. Some people say give it back to them. Well, I don't think they should ever have to send it to Washington, DC, in the first place; it is their money.

That is the issue. Are we going to allow the taxpayers to keep one-fourth of the surplus, or are we going to insist on that money going to Washington, DC, and Washington spending it? Obviously, there is no limit on the number of demands we have on spending other people's money. We can spend it all just like that. It is quite easy, in fact it is the easiest thing to do. Now, we finally have an opportunity, as a result of the significant surplus, to allow people to keep more of it.

We do that in this bill. We have come up with a bill that I believe is fair, balanced, and I think is a good tax bill, a tax bill for taxpayers. I will go into some of the benefits. First, I want to repudiate some of the comments that were made against it. One Senator said it was too much. It is one-fourth of the surplus.

I don't think that is too much. We have given tax cuts in the past when we didn't even have a surplus. I happen to have supported those. We passed a tax cut in 1997—a strong majority of Congress passed it. We didn't have a surplus then. I think it was the right thing to do. We gave a tax cut because, in some cases, rates were too high. We said if we have a tax cut, it will stimulate the economy and raise more money. Guess what. That is what happened.

We cut the capital gains tax both in 1995 and in 1997. The President vetoed it in 1995. He signed it in 1997. When I say "we," I am talking about Republicans because we didn't have any support in 1995 from our Democrat colleagues—maybe with one or two exceptions. We passed it in 1997. We cut capital gains from 28 to 20 percent. It helped the economy and raised a lot of money. It beat the expectations by the CBO and the Treasury Department. Why? We reduced the tax on transactions by about 230 percent and ended up having more financial transactions. As a result, you have more income and more taxes. It helped the economy. Many of us said that would happen, that it would have a very positive impact.

Let me touch on one other thing. A couple of colleagues said you can't have this tax cut because it benefits high-income people. Heaven forbid, somebody making $500,000 is going to get a greater benefit than somebody making $10,000. Let me just step back a little bit. Is this tax cut too high, too generous for high-income people? I don't think so.

Let me talk about rates. I believe marginal rates impact on whether or not somebody is going to do extra work. I have been in the private sector. I used to have a janitorial service, and marginal rates kept me from doing more work. I had a situation where I was making enough money to combine income and Social Security taxes. I was working about 40 percent of the time for the Government, and I said that is enough. I am not going to work more if the Government is going to take almost half of everything I make. It denied the advancement and expansion of my business—a small business.

I might mention, that small business is where most additional new employees are starting. Somebody says, wait a minute, this tax cut is unfair, it benefits the high income bracket. Look at what we do for high income. We reduce every single income bracket by 1 percentage point. The low end is 15 percent and we reduced it to 14 percent. The high income is 39.6 percent, and we reduced it to 38.6 percent, and so on. There is a 28 percent bracket; we move that to 27.

Somebody says, that benefits the high income. Wait a minute. We reduce it in every single bracket by 1 percentage point. It so happens that for the 15-percent bracket, to move down 1 point, that is a 7-percent reduction. If you move a 39.6 percent down to 38.6, that is a 2.6-percent reduction—less than half of a percentage reduction of the 15-percent taxpayer, or the lower income taxpayer. So I don't think this is tilted in any way. If anything, if one really looks at this, it makes the system more progressive.

So the argument that this benefits upper income doesn't fly, and it doesn't fly with history. Look at what the tax cut rates were when President Clinton was sworn into office. The maximum rate in 1992 was 31 percent. After the Clinton tax increase—or maybe I should say the Democrat tax increase because it only passed by Democrats, with the Vice President breaking the tie vote twice in this Chamber—it increased the maximum rate from 31 to 39.6 percent. Actually, it went higher than that because they also took the cap off the Medicare tax and said you have to pay Medicare tax on all income, all salary, and all wages. So you have payroll taxes and Federal income taxes and Social Security taxes, and no limit, no base, no cap on Medicare taxes.

Medicare tax is 1.45 percent of payroll, plus your employer's contribution; that is 2.9 percent. So a person in the maximum bracket pays actually 39.6, plus 2.9 percent Medicare. That is a total of 42.5 percent. When Bill Clinton was sworn in, the maximum rate was 31 percent. One year later, it was 42.5 percent on all income, all wages, on everybody in the country.

That is a massive tax increase. That is a 37-percent increase.

What are we doing in this bill? We are reducing that by one point. We reduce it from 39.6 to 38.6; 38.6 is a whole lot more than 31.

So, the tax cut that we are proposing is just a small fraction of the tax increase President Clinton and the Democrats passed in 1993—a small fraction. Yet some of my colleagues are saying we can't do that. It might deny us the ability to spend more money. We have a whole laundry list of people parading to Washington, DC, saying: Give me some more money because we want to spend it. We want more of your money because we can spend it better than you can.

Finally, I want to address the comments of one of our colleagues who says we favor a tax cut, but we don't believe now is the time to do it. Wait a minute. When are you going to do it, if not now?

We have estimates of a $3 trillion surplus over the next 10 years. And we are not going to do it now? Will we only give you a tax cut if it is $4 trillion, or $5 trillion? At what point would our colleagues say it is time to let people keep more of their own money? We are taking too much from them. If my colleagues are not going to agree to a tax cut that is only one-fourth of the surplus, they will never agree to one.

It absolutely amazes me how our Democrat colleagues all marched in step in 1993 and said: We are going to support this tax increase because Bill Clinton wants it.

You might remember that Bill Clinton shortly after that said, Oops, surprise, I agree with the business community. We increased taxes too much. He actually admitted to that. A lot of Democrats were mad, but he admitted to it anyway and then he went ahead and vetoed our tax cut in 1995.

Then in 1997, he eventually agreed to a tax cut and everybody seemed to favor it. I guess whatever Bill Clinton says the Democrats march in line to.

I don't know. But we cut taxes in 1997. We reduced capital gains from 28 to 20 percent—very positive things. They might think that was a bad thing to do. No one offered an amendment saying let's bring capital gains back up to 28 percent saying that it was terrible. A lot of people debated against it in 1997. But it was the right thing to do.

We cut taxes for families in 1997. We passed a $500 tax credit for each child in 1997. Bill Clinton campaigned for it in 1992. He didn't deliver in 1993. As a matter of fact, in 1993 he increased taxes. That tax cut didn't happen until 1997. Republicans passed it. The President vetoed it. We passed it in 1997 and he eventually signed it.

A family of four with an income of less than $80,000 has $2,000 per year that they can keep. A family with four kids gets to keep $2,000 more per year because Republicans in Congress said we are going to pass it. We promised to and we did.

We established the ROTH IRA.

We did some good things in 1997. Guess what? We didn't have the projected surplus in 1997 that we have in 1999. Now we have trillions of dollars of anticipated surplus. Let's give one-fourth of it back to the American people. Let's let them keep it. They shouldn't have to send that much to Washington, DC. Their taxes are too high.

I will go through a couple of examples that we correct in this bill to show why their taxes are too high and what we do about it. There are too many people who send too much to Washington DC. Let me address a couple of those examples.

I mentioned a self-employed person. A self-employed person, an individual, makes $25,000. They are taxed at the marginal bracket of 15 percent on everything they make up to $25,000. Above that they are taxed at 28 percent. If somebody has a painting service in rural Delaware, and paints houses and works for himself, that individual has a taxable income of $25,000, and probably is not considered wealthy by most people's standards. Any additional contract that person makes, any additional income that person makes, is taxed at 28 percent. He also has to pay Social Security and Medicare tax. That is 15.3 percent on top of the 28 percent. Add those two together, and it is 43.3 percent. He has to pay State income tax. In my State that is 6 or 7 percent. For any additional dollar that individual makes painting houses, fifteen cents of it goes to the government.

That is too high. That is far too much.

For a married couple right now that makes $43,000, it is the same thing. For any additional dollar they make, half of it goes to the government, if they are self-employed.

That is too high. So we cut that.

We provide marriage penalty relief and several other positive things. Let me go through some more of the changes.

I mentioned that we cut all brackets by one percent. That benefits the lower more than the upper brackets. The lower brackets get a seven-percent reduction and the upper brackets get a 2.8 percent reduction. That is not stacked towards the higher income people. It is a tax cut for all taxpayers, and it benefits, percentage-wise, the lowest income taxpayers first. The lowest income taxpayer gets the break first.

Again, for somebody who says this is weighted towards the wealthy, it is absolutely totally and completely false.

We widen the 15 percent bracket. We make it 14 percent. Then we widen it. We ship $3,000 more of income into the 14-percent bracket instead of the 28-percent bracket.

That is a very positive change for an individual with an income up to $25,750. That means they get to save $390. That is fairly significant. I think that is very significant.

For a couple you are talking about double that amount. So they get to save a significant amount as well.

Marriage penalty relief: What did we do? Some people do not understand what we did. We said we would double the bracket by increasing the standard deduction—basically doubling the standard deduction for an individual. If you look at the income tax forms, and say you are filing as individuals, or joint. If you file as married, you don't get twice the individual deduction. So, frankly, it would be better off if a married couple filed as individuals. They are penalized for filing jointly.

Does it make any sense for our Tax Code to penalize people for being married to the tune of $1,400 per family? That is wrong. This bill eliminates that for most couples.

What do we do? We said, Let's double the standard deduction. It should be twice as much for those who are married as it is for individuals.

We do that with this legislation because the biggest hit is on married couples, and the marriage penalty is that individually they are taxed at 15 percent. For joint income tax they are taxed at 28 percent—almost twice as high. We move those rates to 14 and to 27 percent. We are saying for all of the income that is taxed up to 14 percent they should have twice that bracket amount for a couple. That is not the way the tax code is right now.

Let me explain it.

Individuals today are taxed at 15 percent up to $25,000. You say, OK. That is for an individual, and it would make sense for a couple then to be taxed at 15 percent up to $50,000. But that is not the present law. The present law says above $43,000 they are taxed at 28 percent. So they have $7,000 that they are taxed at a higher rate, twice the rate as what they should be. We eliminate that. We double the 15 percent bracket for married couples.

So if it is $25,000 at 15 percent for an individual, it would be $50,000 for a couple.

What does that mean in savings to a couple that makes $50,000? It means $980 a year that they will be able to keep. We are not going to penalize couples because they happen to be married and because they happen to file joint returns.

I want to compliment the chairman, because he has worked very hard in supporting this.

We have $100 billion in tax relief for married couples by eliminating the marriage penalty in this legislation—that is one eighth of this bill.

When we debated this legislation on the floor of the Senate last week, no one said take out the marriage penalty.

The marriage penalty tax elimination is one of the most important aspects of this bill and we are going to make it happen.

The upper rate reductions that I mentioned move one percent down.

That may not happen, because we have a trigger mechanism that says if we don't meet the deficit reduction targets the tax cut doesn't happen.

That is not the case for marriage penalty relief.

I encourage my colleagues. If you believe in getting rid of the marriage penalty, you had better vote for this bill. It is one of the most significant reforms that we have in this legislation.

What else did we do? Why should somebody be in favor of this?

We eliminate the death tax.

We changed the current unified credit into an exemption.

What does that mean? Right now everybody knows that we have a unified credit that says if you have a taxable estate above $650,000, you don't have to pay a death tax. If you pass away, your survivors and kids won't have to pay any death tax.

We changed that unified credit into an exemption.

What does that mean? Once you have to pay the tax, you start paying at 39 percent.

By making an exemption, you start out at a lower rate. So any taxable estate will be taxed at an 18 percent rate.

The beginning rate of a taxable estate will be 18 percent instead of 39 percent. We will be helping out estates that are just over the threshold, estates that are $1 million or $1.5 million. That is a very positive change.

Eventually, in 9 years, by the year 2009, we eliminate the death tax. At that point, estates should be taxed when the property is sold—not in the event of death but when the property is sold. If your kids inherit a business or ranch, they don't have to pay inheritance tax until they sell it; if they sell it, then they are taxed capital gains. And they have to pay tax on the base, going back to the original base. That is how it should be. If they sell, they should pay capital gains; if they don't sell, they shouldn't be hit.

I learned the hard way. This inheritance tax makes people sell businesses all the time. It makes people sell farms, ranches, homes—just name it—to cover estate taxes. That is wrong. If they should choose to sell it, then let them pay the tax on the gain. That is what we do here and that is a very significant provision in this bill.

What else do we do in this bill? We reduce capital gains taxes. We have proven time and time again, going back to the time of John F. Kennedy, reduce taxes and we generate more money to Government, particularly with marginal rates and capital gains rates. We reduced the capital gains rate in 1997 from 28 to 20 percent, and it raised a lot of money for the Federal Government. In this bill, immediately going back to January 1 of this year, we reduce the capital gains rate from 20 percent to 18 percent.

Beginning January 1 of next year we index capital gains. What does that mean? It means we will quit taxing inflation. If someone has a home and that home is escalating in price through inflation, they won't have to pay taxes on that inflated gain because the home really hasn't increased in value, it is just staying up. That is a very positive provision and I compliment the authors of the bill for their hard work.

We increase IRA deductions from $2,000 to $5,000. We haven't increased it since we passed IRAs many years ago. That is another significant provision, so people are saving and are not so dependent on an employer or the Federal Government.

We allow self-employed persons to deduct 100 percent of their health care costs. Right now they can deduct 45 percent. This measure affects nearly 16 million taxpayers. It is a very positive provision. We allow 100-percent deductibility of health insurance for workers without generous employers. If you do not work for a generous employer, you can deduct your health care costs.

We increase child care tax credits.

We have AMT reforms so people don't get stuck paying an alternative minimum tax just because they are taking tax credits that Congress has already passed.

We allow small businesses to be able to expense up to $30,000 a year. We increase that from $19,000. This is a provision that will benefit thousands and thousands of businesses, small businesses, all across the country.

I say to my colleagues, this bill is a good tax bill, it is a fair tax relief bill. It allows small business, individuals, and married couples an opportunity to keep more of their own money instead of sending it to Washington, DC.

I urge my colleagues on behalf of the taxpayers all across America to vote "yes" on this bill later this evening.

Mr. President, I ask unanimous consent to have printed in the RECORD a couple of tables showing the distributional effects. Changes that we are making will show the greatest percentage of reductions are certainly pushed towards the lower income. For example, on married filing jointly, the rate reduction is 7 percent but the biggest reduction actually is for incomes of $40,000 to $60,000, receiving significant reductions, up to 17 and 22 percent, because of the marriage penalty relief that we have added.

I ask unanimous consent to have these tables printed in the RECORD.

There being no objection, the material ordered to be printed in the RECORD, as follows:

IMPACT OF RATE REDUCTION & BRACKET EXPANSION

Taxable Income	Current law						GOP tax cut						Change	
	Taxable @ 15%	Taxable @ 28%	Taxable @ 31%	Taxable @ 36%	Taxable @ 39.6%	Total tax	Taxable @ 14%	Taxable @ 27%	Taxable @ 30%	Taxable @ 35%	Taxable @ 38.6%	Total tax	Amount of change	Change as % of taxes
MARRIED FILING JOINTLY														
10,000	10,000	0	0	0	0	1,500	10,000	0	0	0	0	1,400	(100)	−7
20,000	20,000	0	0	0	0	3,000	20,000	0	0	0	0	2,800	(200)	−7
30,000	30,000	0	0	0	0	4,500	30,000	0	0	0	0	4,200	(300)	−7
40,000	40,000	0	0	0	0	6,000	40,000	0	0	0	0	5,600	(400)	−7
50,000	43,050	6,950	0	0	0	8,404	50,000	0	0	0	0	7,000	(1,404)	−17
60,000	43,050	16,950	0	0	0	11,204	57,500	2,500	0	0	0	8,725	(2,479)	−22
70,000	43,050	26,950	0	0	0	14,004	57,500	12,500	0	0	0	11,425	(2,579)	−18
80,000	43,050	36,950	0	0	0	16,804	57,500	22,500	0	0	0	14,125	(2,679)	−16
90,000	43,050	46,950	0	0	0	19,604	57,500	32,500	0	0	0	16,825	(2,779)	−14
100,000	43,050	56,950	0	0	0	22,404	57,500	42,500	0	0	0	19,525	(2,879)	−13
110,000	43,050	61,000	5,960	0	0	25,382	57,500	46,500	5,950	0	0	22,404	(2,979)	−12
120,000	43,050	61,000	15,950	0	0	28,482	57,500	46,550	15,950	0	0	25,404	(3,079)	−11
130,000	43,050	61,000	25,950	0	0	31,582	57,500	46,550	25,950	0	0	28,404	(3,179)	−10
140,000	43,050	61,000	35,950	0	0	34,682	57,500	46,550	35,950	0	0	31,404	(3,279)	−9
150,000	43,050	61,000	45,950	0	0	37,782	57,500	46,550	45,950	0	0	34,404	(3,379)	−9
160,000	43,050	61,000	54,500	1,450	0	40,955	57,500	46,500	54,500	1,450	0	37,476	(3,479)	−8
170,000	43,050	61,000	54,500	11,450	0	44,555	57,500	46,550	54,500	11,450	0	40,976	(3,579)	−8
180,000	43,050	61,000	54,500	21,450	0	48,155	57,500	46,550	54,500	21,450	0	44,476	(3,679)	−8
190,000	43,050	61,000	54,500	31,450	0	51,755	57,500	46,550	54,500	31,450	0	47,976	(3,779)	−7
200,000	43,050	61,000	54,500	41,450	0	55,355	57,500	46,550	54,500	41,450	0	51,476	(3,879)	−7
250,000	43,050	61,000	54,500	91,450	0	73,355	57,500	46,550	54,500	91,450	0	68,976	(4,379)	−6
300,000	43,050	61,000	54,500	124,600	16,850	91,961	57,500	46,550	54,500	124,600	16,850	87,083	(4,879)	−5
350,000	43,050	61,000	54,500	124,600	66,850	111,761	57,500	46,550	54,500	124,600	66,850	106,383	(5,379)	−5
400,000	43,050	61,000	54,500	124,600	116,850	131,561	57,500	46,550	54,500	124,600	116,850	125,683	(5,878)	−4
450,000	43,050	61,000	54,500	124,600	166,850	151,361	57,500	46,550	54,500	124,600	166,850	144,983	(6,379)	−4
500,000	43,050	61,000	54,500	124,600	216,850	171,161	57,500	46,550	54,500	124,600	216,850	164,283	(6,879)	−4
10,000	10,000	0	0	0	0	1,500	10,000	0	0	0	0	1,400	(100)	−7
20,000	20,000	0	0	0	0	3,000	20,000	0	0	0	0	2,800	(200)	−7
30,000	25,750	4,250	0	0	0	5,053	28,750	1,250	0	0	0	4,363	(690)	−14
40,000	25,750	14,250	0	0	0	7,853	28,750	11,250	0	0	0	7,063	(790)	−10
50,000	25,750	24,250	0	0	0	10,653	28,750	21,250	0	0	0	9,763	(890)	−8
60,000	25,750	34,250	0	0	0	13,453	28,750	31,250	0	0	0	12,463	(990)	−7
70,000	25,750	36,700	7,550	0	0	16,479	28,750	33,700	7,550	0	0	15,389	(1,090)	−7
80,000	25,750	36,700	17,550	0	0	19,579	28,750	33,700	17,550	0	0	18,389	(1,190)	−6
90,000	25,750	36,700	27,550	0	0	22,679	28,750	33,700	27,550	0	0	21,389	(1,290)	−6
100,000	25,750	36,700	37,550	0	0	25,779	28,750	33,700	37,550	0	0	24,389	(1,390)	−5
110,000	25,750	36,700	47,550	0	0	28,879	28,750	33,700	47,550	0	0	27,389	(1,490)	−5
120,000	25,750	36,700	57,550	0	0	31,979	28,750	33,700	57,550	0	0	30,389	(1,590)	−5
130,000	25,750	36,700	67,550	0	0	35,079	28,750	33,700	67,550	0	0	33,389	(1,690)	−5
140,000	25,750	36,700	67,800	9,750	0	38,667	28,750	33,700	67,800	9,750	0	36,877	(1,790)	−5
150,000	25,750	36,700	67,800	19,750	0	42,267	28,750	33,700	67,800	19,750	0	40,377	(1,890)	−4
160,000	25,750	36,700	67,800	29,750	0	45,867	28,750	33,700	67,800	29,750	0	43,877	(1,990)	−4
170,000	25,750	36,700	67,800	39,750	0	49,467	28,750	33,700	67,800	39,750	0	47,377	(2,090)	−4
180,000	25,750	36,700	67,800	49,750	0	53,067	28,750	33,700	67,800	49,750	0	50,877	(2,190)	−4
190,000	25,750	36,700	67,800	59,750	0	56,667	28,750	33,700	67,800	59,750	0	54,377	(2,290)	−4
200,000	25,750	36,700	67,800	69,750	0	60,267	28,750	33,700	67,800	69,750	0	57,877	(2,390)	−4
250,000	25,750	36,700	67,800	119,750	0	78,267	28,750	33,700	67,800	119,750	0	75,377	(2,890)	−4
300,000	25,750	36,700	67,800	152,900	16,850	96,873	28,750	33,700	67,800	152,900	16,850	93,483	(3,390)	−3
350,000	25,750	36,700	67,800	152,900	66,850	116,673	28,750	33,700	67,800	152,900	66,850	112,783	(3,890)	−3
400,000	25,750	36,700	67,800	152,900	116,850	136,473	28,750	33,700	67,800	152,900	116,850	132,083	(4,390)	−3
450,000	25,750	36,700	67,800	152,900	166,850	156,273	28,750	33,700	67,800	152,900	166,850	171,383	(4,890)	−3
500,000	25,750	36,700	67,800	152,900	216,850	176,073	28,750	33,700	67,800	152,900	216,850	170,683	(5,390)	−3

Policies as fully phased in applied to 1999 tax brackets.
Provided by Senator Don Nickles, 08/05/99

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Arizona.

Mr. KYL. Mr. President, I begin by commending the chairman of the Finance Committee, Senator ROTH, and our leadership, Senators LOTT and NICKLES, for their tremendous work on this bill. Members have heard Senator NICKLES discuss the details of the bill, the many things that have been included in this bill. Through his leadership, a lot of the things that Members of the Republican Party and people I represent who have talked to me about tax policy wanted in this bill have gotten included in the bill. I think they did a tremendous job in ensuring that the tax relief for taxpayers became a part of this tax package.

I won't go over the details of the bill as Senator NICKLES has just done, but I want to note that this is, as he said, the largest middle-class tax cut since Ronald Reagan was President. It is based on the same kind of progrowth, broad-based policies that will let all taxpayers keep more of their hard-earned money.

Mr. NICKLES. Will the Senator yield?

Mr. KYL. I am happy to yield to the Senator.

Mr. NICKLES. I want to take a minute to congratulate and thank my friend and colleague from Arizona for his leadership in the entire tax reduction effort, but particularly in estate taxes. The Senator from Arizona has been principal sponsor of a bill to reduce and eliminate the estate taxes. We have incorporated most all of that provision in this bill.

I want to compliment him because I am confident eventually—maybe this bill will be vetoed; I hope not; I hope the President reconsiders—we will pass a bill to eliminate the death tax. The Senator from Arizona deserves great accolades and credit for being a principal player in making that happen.

Mr. KYL. I thank the distinguished assistant majority leader. I agree that by including the repeal of the estate tax, sometimes called the death tax, in this legislation, we have laid down a marker and pretty well ensured that sooner or later it is going to be repealed.

Obviously, for the time being, we may have to pay it down a little bit and find it is repealed in maybe the ninth or tenth year. Hopefully, by virtue of the fact we have agreed that it has to go eventually, we will repeal it, and hopefully it will be sooner rather than later because some of my friends have kidded, saying: You know, it is fine you get this repealed 9 years from now, but that means I have to hang on for another 9 years. I am not sure that is possible. Besides that, I have to do the expensive estate planning in the meantime.

We prefer to get that eliminated sooner rather than later. I think it is a testament to the leadership of Senator NICKLES, majority leader Senator LOTT, and Senator ROTH, as well as our friends in the House who were in agreement that the death tax had to go. That important provision was included in this election.

Rather than describe the specifics of this program, let me note, when I turned on the television this morning I heard a report on CNN. Reporters had gone to Orange County in California. They found the average citizen on the street there really didn't like this tax relief that much.

They said: Why do we need to do it? After all, shouldn't we be saving the Social Security surplus for paying down the debt or for Social Security?

I say as plainly and clearly as I can: That is exactly what we do. We are not spending the Social Security surplus. Every dime of the Social Security surplus is set. It is not the subject of this tax bill.

There are two kinds of surplus. First, FICA taxes fund the Social Security payments to seniors. We collect more in FICA taxes than current beneficiaries require under Social Security. So there is a surplus. We don't use that for the tax cut.

Now, there are all of the other tax payment provisions of the code. We have to pay income tax, the estate tax, the capital gains tax, these other taxes. They, too, are producing more revenue than we need. We are not spending as much as we are collecting. That is the surplus we are talking about for tax relief.

As Senator NICKLES said a moment ago, out of the entire surplus, only 25 cents of it is going for tax relief. When some of our friends on the other side of the aisle or the President say we can't afford tax relief; we should be saving the Social Security surplus, they are fooling the American people. The truth is, the Social Security surplus is not being used for this tax relief—not a penny of it.

As a matter of fact, those people who say we should pay down the national debt should understand that both under the President's plan and under our plan, any amount of the Social Security surplus that isn't necessary for Social Security is used to do what? Pay down the national debt. That is what the Social Security surplus is being used for.

Let's not be confused. There are good reasons for a tax cut. The money for the tax cut is not coming out of the money for Social Security or for paying off our national debt. That is the fundamental point I wanted to reiterate.

Different provisions of the bill stress the point that Senator NICKLES made, which is that finally we have achieved in law—we will by the time we vote for this—that the death tax is going to be repealed. I think that sends a very important message as we continue to craft tax legislation. Should the President veto this bill, that will permit us to include that principle in whatever eventually is sent to the President and, hopefully, signed into law.

The Taxpayer Refund and Relief Act, which is really the largest middle-class tax cut since Ronald Reagan was President, is based upon the kind of broad-based, pro-growth policies that will help all taxpayers and keep our nation's economic expansion on track.

Mr. President, this measure really represents a departure from the kind of targeted tax cuts that we have seen in the past. Taxpayers will not have to jump through hoops, or behave exactly as Washington wants, to see relief. If you pay taxes, you get to keep more of what you earn. It is as simple as that. The marginal income-tax rate reductions in this bill refund to all taxpayers a share of the tax overpayment that has created our budget surpluses. Those in the lowest income-tax bracket will see a seven percent reduction in their taxes. Those in the highest tax bracket will see a reduction of about half that size. I would have preferred an across-the-board reduction that helped everyone more than this. But recognizing the constraints imposed on the Finance Committee by the budget resolution, I think this is a very good product.

In addition to marginal rate reductions, the bill would eliminate two of the most egregious taxes imposed on the American people: the marriage-tax penalty and the death tax. There is simply no reason that two of life's milestones should trigger a tax, let alone the steep taxes that are imposed on people when they get married and when they die. Eliminating them is the right thing to do.

To eliminate the marriage penalty for most taxpayers, the standard deduction for joint returns would be set at two times the single standard deduction, and the new 14 percent income-tax bracket would be adjusted to two times the single bracket, phased in over the life of the bill. This will solve the problem for most taxpayers, but we need to make clear that, although we have devoted fully 50 percent of the relief in this bill to broad-based and marriage-penalty relief, we will not have eliminated the marriage penalty entirely. We will still need to come back and address the problem for taxpayers who choose to itemize.

The bill also phases out the death tax over the next several years, so that by 2009 it is completely eliminated. I would ask Senators to carefully review the details of what is proposed here, because I believe they will find that the bill offers a way for those on both sides of the aisle to bridge our differences with respect to how transfers at death are taxed.

The beauty of the proposal is that it takes death out of the equation. Death would no longer be a taxable event. It would neither confer a benefit—the step-up in basis allowed under current law—nor a penalty—the punitive, confiscatory death tax.

The provisions are based upon the bipartisan, Kyl-Kerrey Estate Tax Elimination Act, S. 1128, which would treat inherited assets like any other asset for tax purposes. A tax on the capital gain would be paid, the same as if the decedent had sold the property during his or her lifetime, but the tax would be paid only if and when the property is sold.

If the beneficiaries of an estate hold onto an asset—for example, if they continue to run the family business or farm—there would be no tax at all. No death tax or capital-gains tax. It is only if they sell and realize income from the property that a tax would be due, and then it would be at the applicable capital-gains rate.

This simple and straightforward concept attracted a bipartisan group of cosponsors, including Democratic Senators KERREY, BREAUX, ROBB, LINCOLN, and WYDEN, and about a dozen Senators from the Republican side. If the President makes good on his threat to veto this tax-relief bill, our bipartisan initiative provides a blueprint for how we should deal with the death tax in future tax legislation.

Mr. President, another important feature of this tax bill is its capital-gains tax-rate reduction. It will reduce capital-gains tax rates another two percent, so that the top rate is only about two-thirds of where it was just a few years ago.

Why is another capital-gains reduction important? Let me quote President John F. Kennedy, who answered that very question: "The present tax treatment of capital gains and losses is both inequitable and a barrier to economic growth." He proposed excluding 70 percent of capital gains from tax, which, if you applied the same concept today, would result in a top rate of about 11.88 percent. That is lower than the top rate of 18 percent proposed in the bill we have before us.

President Kennedy explained that "[t]he tax on capital gains directly affects investment decisions, the mobility and flow of risk capital from static to more dynamic situations, the ease or difficulty experienced by new ventures in obtaining capital, and thereby the strength and potential for growth of the economy."

In other words, if we are concerned about whether new jobs are being created, whether new technology is developed, whether workers have the tools they need to do a more efficient job, we should support measures that reduce the cost of capital to facilitate the achievement of all of these things. Remember, for every employee, there was an employer who took risks, made investments, and created jobs. But that employer needed capital to start.

President Kennedy recognized that. He recognized that our country is stronger and more prosperous when our people are united in support of a common goal—and that we are weaker and more vulnerable when punitive policies divide Americans, group against group, whether along racial lines or economic lines.

While some politicians may employ divisive class warfare to their political advantage, President Kennedy had the courage to put good policy ahead of demagogic politics. I am with him, and I support the capital-gains reduction in this bill.

There are several other provisions that I want to mention briefly, because they, too, will help keep the economic expansion going: the increase in the IRA contribution limit, the alternative minimum tax relief, and the increased expensing allowance. These are things that will encourage the capital formation needed to help keep the United States competitive in world markets, producing jobs and better pay for our citizens.

The bill addresses the critical issue of health care as well, providing an above-the-line deduction for prescription-drug insurance, and a 100 percent deduction, phased in over time, for health-insurance costs for people not covered by employer plans.

We encourage savings for education by increasing the amount that individuals can contribute to education savings accounts. Funds in these accounts could be used for elementary and secondary education expenses, in addition to higher education. The exclusion for employer-provided educational assistance would be extended, and the 60-month limit for deducting interest on student loans would be repealed.

Mr. President, a few final points before closing. Providing the tax relief in this bill will not require us to use any of the Social Security surplus in any year. In fact, all of the Social Security surplus will be reserved for Social Security. In all, about 75 percent of anticipated budget surpluses over the next decade would still be set aside for Social Security, Medicare, and other domestic priorities, including debt reduction.

It is only the remaining 25 percent of the available surplus that would be refunded to American taxpayers. In other words, we are proposing to refund just 25 cents of every surplus dollar back to the people who sent it to Washington. It is a sensible and a modest initiative.

Remember, the $792 billion in tax relief would be provided over a 10-year period. If you include enough years in the calculation, of course, the amount sounds large, but we are really only talking about an average of $80 billion a year.

To put that into perspective, the federal government will collect $1.8 trillion this year alone. It will collect $2.7 trillion by the end of the 10-year period, in 2009. The amount of tax relief we are considering is very modest—not risky, not irresponsible at all, as the President would have us believe.

Even accounting for the proposed tax cut, the debt would be reduced substantially. The Budget Committee chairman gave us the numbers last week. Publicly held debt would decline from $3.8 trillion to $900 billion by 2009. Interest costs are forecast to decline from more than $200 billion annually to about $71 billion a year. In fact we reduce debt and debt-service costs more than the President would in his budget, because President Clinton would spend nearly $1 trillion on new initiatives. According to the Congressional Budget Office, part of the President's new spending would even be funded out of the Social Security surplus.

To the extent that there is any surplus in the non-Social Security part of the budget, it is because we will have already taken care of the core obligations of government—things like education, health care, the environment, and defense. It is true that we may not launch some new initiatives, or fund lower priority programs, but I believe it is appropriate to refund part of the tax overpayment to hard-working taxpayers before funding new endeavors.

Mr. President, if a corner business did what the federal government is doing, it would be accused of gouging. We are charging the taxpayers too much, taking more than the government needs to fund its obligations. We ought to return this overpayment to the people who earned it, instead of thinking up new ways to spend it in Washington.

Mr. President, again I commend the leaders who were able to put this package together. I intend to vote for it and encourage my colleagues to do so.

I yield whatever time is remaining to the Senator from Delaware.

Mr. ROTH. I yield 7 minutes to the distinguished Senator from Kentucky.

Mr. BUNNING. Mr. President, I rise in strong support on conference report on the Taxpayers Refund and Relief Act of 1999 and urge my colleaguess to support it. I congratulate Senator ROTH and his staff on getting such a great bill to the floor of the Senate. I urge the President of the United States to reconsider his threat to veto it.

It is a good bill. It is responsible in its timing. It is responsible in its provisions. And it is definitely responsible to let the American taxpayers keep a little more of their own money.

On the basis of fact, it is difficult to dispute the fairness or the timing for a tax cut in general.

Federal tax rates are at an all-time, peace-time high, consuming more than 20.6 percent of the Nation's economic output. That is a higher tax rate than any year except 1944 at the height of World War II when Federal taxes consumed 20.9 percent of the gross domestic product.

At the same time, we are anticipating record budget surpluses. The economists tell us that over the next 10 years, the Federal Government will take in nearly $3 trillion more than it needs. Even if we set aside $1.9 trillion of that surplus to safeguard Social Security and pay down the public debt, the Federal Government will still have $1 trillion more than it needs over the next 10 years.

It is hard to imagine a more opportune or reasonable time to cut taxes. Tax rates are at record highs—budget surpluses are at record highs. What more do you need?

In a similar vein, it is difficult to dispute any of the major provisions in this bill on the basis of fairness. It does a lot of good things.

It reduces each of the personal income tax rates, which currently range from 15 percent to 39.6 percent by 1 percentage point so that low- and moderate-income taxpayers receive a larger real cut than those in higher income brackets.

It reduces the capital gains tax moderately and indexes capital gains to account for inflation. It encourages savings by increasing IRA contribution limits from $2,000 to $5,000.

It would eliminate the odious death tax which destroys family businesses and farms. Point by point, it is difficult to portray any of these provisions as radical or unfair.

It is also difficult to question the fairness of the bill's provisions which try to eliminate the marriage penalty that exists under current tax law and which forces 20 million married couples to pay about $1,400 a year more in taxes than unmarried couples.

In an effort to eliminate this inequity, the Taxpayer Refund Act increases the standard deduction and raises the upper limit of the 14-percent bracket for married couples.

The individual provisions in the tax cut bill are reasonable and fair.

Still, the President insists that a $792 billion tax cut is irresponsible and reckless. Even though our Republican plan sets aside $1.9 trillion to secure Social Security and pay down the public debt—even though it reserves another $277 billion to pay for Medicare reform or other essential services—even though the tax cuts are phased in slowly over 10 years, the President claims it is reckless and irresponsible.

It is easy to understand why. He wants to spend more.

He says cutting taxes $792 billion is reckless but he didn't have any qualms about proposing 81 new spending programs that would cost $1.033 trillion in his budget proposal this year.

He clearly believes that the money belongs to the Federal Government—not the taxpayers. And he clearly plans to find ways to spend that surplus if given the chance. That is the big question that faces the Nation right now. Whose money is it and is it more responsible to give some of it back to the taxpayers than it is to spend it?

I have heard a lot about Federal Reserve Board Chairman, Allen Greenspan's recent testimony before a Senate Committee on which I serve and, admittedly, he was not overly enthusiastic about cutting taxes right now.

He would prefer that we use all the budget surplus to pay down the debt. But, he also made it clear that the worst thing we could do is to spend the surplus on new programs. He made it clear that cutting taxes would be preferable to expanding Federal spending. Our tax bill already pays down the debt more than the President's plan and if we don't cut taxes now, make no mistake about it, the President will find plenty of ways to spend the rest of that surplus.

This bill simply says that when tax rates are at record highs and the Government has more money than it needs to protect Social Security and Medicare and to pay down the debt, the responsible thing to do is to give some of that money back to the people who pay the taxes.

There is nothing reckless about the Republican tax cut. It protects Social Security and Medicare. It reduces the debt more than the President's plan.

It reserves several hundred billion to pay for essential services or to pay the debt down even more. The timing is right. The provisions are fair. It simply allows the Nation's taxpayers to keep a little more of their own money.

I urge my colleagues to vote for it.

Mr. ROTH. I now yield 5 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank the Senator from Delaware and commend him for his outstanding work in respect to this piece of important legislation. The Republican plan is a good plan for several reasons, the first of which is that the Republican plan protects every single cent of the Social Security surplus. None of it is to be consumed in the tax cut or in tax relief. Every penny of money from the Social Security trust fund is to be protected—$1.9 trillion over 10 years.

When the President presented his budget earlier this year he said we should protect 62 percent of the Social Security trust fund. There is an important distinction. We would protect every cent. The President proposed spending $158 billion of the Social Security benefits over the next 5 years. We said zero. I am happy to say he went back to the drawing board. He still comes back with a plan that spends $1 trillion more in 10 years, including about $30 billion of the Social Security surplus, but it is closer to the Republican plan which protects Social Security. It is very important to understand the Republican plan does not invade Social Security in order to have a tax cut.

Since Congress took Social Security off budget in 1969, the Democrats have never protected every dime of Social Security surpluses, and frankly neither have we until this year.

In addition to protecting Social Security, the Republican plan pays down the national debt. What is important is that over the next 10 years we will pay off almost half of the national debt. That is responsible. Most homeowners do not pay off half their mortgage in 10 years. On a 30-year mortgage, it takes about 15 years to get halfway through the process.

Mr. President, $1.9 trillion of the $3.6 trillion in publicly held national debt will be paid off. We will reduce the national debt from 41 percent of the gross domestic product to only 14 percent of the gross domestic product.

On the other side, in contrast, they want to spend more money and leave Americans with a higher national debt. President Clinton's plan provides $223 billion less in debt reduction than does ours.

The Republican plan also saves more money for Medicare. Over the next 10 years, the Republican plan sets aside $90 billion for fixing Medicare, in contrast to President Clinton's new Medicare entitlement that provides only $46 billion for additional funding over that period.

After attending to all these priorities, after setting aside Social Security, after attending to and making sure we pay down half the debt, running it down from 41 percent of the gross domestic product to 14 percent of the gross domestic product, the Republican plan cuts taxes for every taxpayer; it cuts taxes for married couples, for savings in IRAs, for college education, for health care, cutting the bottom rate and every other rate by 1 percent.

In addition, the Republican plan reduces the marriage penalty for couples, thanks to the outstanding work of Senator HUTCHISON of Texas. I was pleased to have joined her, along with Senator BROWNBACK of Kansas, in accelerating that kind of relief in our effort. The Republican plan will make the standard deduction for married couples double that for singles. We will also increase the rate bracket for married couples, making it possible for them to become married couples without paying a penalty. In contrast, the President's plan and the Democratic plan would spend more money on Government, leaving less money for our families.

If your faith is in government and in bureaucracy and your faith is not in families and in our communities, then you want to sweep resources to Washington and spend it here. If you believe the greatness of America is in the families and the hearts of the American people, then leaving some of their resources, which they have earned, with them is wise policy.

President Clinton's plan calls for $1 trillion more in spending over the next 10 years. The American people did not balance the budget just so they could be the victims of more spending. Out of approximately $3 trillion in total surpluses over the next 10 years, our plan devotes only $792 billion, less than a quarter of the entire total surplus, to tax cuts. The Republican plan protects Social Security, cuts the publicly held debt in half, and provides needed relief to every taxpayer while protecting the opportunity to reform and address the needs of Medicare.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH. Mr. President, I yield 5 minutes to Senator HAGEL.

Mr. HAGEL. I thank the Chair.

Mr. President, first I add my thanks and appreciation to the chairman of the Senate Finance Committee, Senator ROTH, for the leadership he has provided in getting a very fair, responsible, realistic, reasonable tax cut this far. It has been a rather remarkable achievement. It is the right thing for America.

I rise to state my strong support for this bill. We have heard a lot of talk about standards of fairness, is this right, does it help everyone. That is a good question, an appropriate question.

I ask these questions: What can be more fair than an across-the-board reduction in marginal tax rates? Everyone who pays Federal income tax benefits.

Let's put some perspective on this. This tax cut bill is focused on those who pay taxes. It might be a revelation for some, but actually it is true and we acknowledge that right from the beginning. This is about tax relief for those who pay Federal income taxes.

Another relevant question is: What is more fair than ensuring people do not pay more in taxes just because they are married? Was it fair that we penalized married couples? No. This tax bill addresses that issue, and we do something about it. In fact, we make it fair.

Are only rich people married? I don't think so. I think a lot of middle-class people are married. I think a lot of people at the bottom of the economic structure who pay Federal income taxes are married. Surely, they will benefit from this tax bill.

Another question: What is more fair than making sure farmers—we have been talking about farmers all week—and small businesspeople, the engine of economic growth in America, don't have to sell their farms or their businesses in order to pass them on to their children so they, in fact, can keep farming?

That is fair. Are there people in the middle-class economic structure of America who so fit? I think so.

Another question: What is more fair than making sure self-employed individuals have the same opportunities as big corporations when it comes to deducting the cost of health insurance? I think that is rather fair.

What about this: What is more fundamentally fair than giving back to the American people their money when they are paying too much in taxes, say, over $3 trillion more in taxes projected over the next 10 years?

This bill does that. It does it fairly; it does it reasonably; it does it realistically; and it does it responsibly.

We have heard in this Chamber over the last few minutes some of my colleagues talk about Social Security. My goodness, all responsible legislators, all responsible Americans would not dare take Social Security surpluses and use those for tax cuts. We are not talking about that. If the American public gets a sense that there is just a hint of demagoguery in this, they might be right and they actually might be on to something because the fact is, this plan does not do that.

All Social Security surpluses are laid aside. We do not cut Medicare. We do not cut into spending. We provide for the adequate national defense requirements and, in fact, increase national defense spending over the next 10 years, veterans' benefits, and education benefits. That is where every 75 cents of this $1 overpayment goes. The other 25 cents goes back to the taxpayer.

This is not theory or some abstract debate. You either favor tax cuts or you do not. We can all dance around this and we can confuse each other and say: It's not fair and it's not reasonable.

In the end, this place is about decisionmaking, hard choices. It is about hard choices, and you either agree that we should cut taxes or you do not. That is what we are going to vote on today. There are two clear choices: Give the American people a tax cut or keep the money in Washington where it surely will be spent.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HAGEL. Mr. President, I appreciate the opportunity to register my strong support and yield the floor.

Mr. ROTH. I yield 5 minutes to the Senator from Pennsylvania.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair and thank the chairman for yielding me time.

I, too, rise, as the Senator from Nebraska just did, in strong support of returning to the American public what they have overpaid. And that, to me, is good business practice. If a business gets overpaid, we think they would be honest enough to see that they have been overpaid and give back the money to the person who paid more money than was needed for what they were buying. In fact, if business did not do that, you would think they were ripping you off.

It is somewhat incredible to me to imagine how the American public, when they see they are overpaying their taxes—we have more money than is needed to pay for the needs of Government, which are immense; $1.9 trillion, some pretty big need—the American public, at least through the polls, are saying: Well, keep it. We really don't need it. We don't really need a tax cut. At least that is what the polls would have you believe. I do not believe that.

I do not believe it is good business for the Government to keep money that it does not need because what the Government will do is what a business would do. They will take it and use it to benefit themselves, not benefit the customer.

I think that is what we are seeing happen already this year in Washington with the surplus projected for next year to be some $14 billion. People are just banging down the door to spend that money. We spent half the surplus last night. The projected surplus is half gone. If we pass the Ag appropriations bill in the form it passed last night, it will be half gone. My guess is the House, and others, will want to pass even more than that.

So what my big concern is—I think the Senator from Nebraska hit the nail on the head—if we leave the money here, it will be spent. It will not be spent to benefit the broad economy. It will not be spent to benefit the average taxpayer in America. It will be spent to benefit those who are loud enough or politically powerful enough to get that money set aside for them.

That is not the way things should operate when, you, the taxpayer have paid more than you should, that we are going to take that money and give it to someone who screams the loudest to get that money here in Washington, or who has the political clout to get that extra money here in Washington. No.

What we have done in this modest tax relief package—everyone says how big this tax relief package is. This is modest tax relief. This is incremental tax relief. This phases in over a 10-year period of time. This is tied to meeting our surplus targets. In other words, if our debt payments do not go down as projected, guess what. Most of this tax cut, or a big portion of it, does not even happen in the future years.

So what is being talked about is this calamitous idea that we are going to give all this money—this horrible thing—back to the people who overpaid it. And at the same time, many are standing up saying: Look, we need this money to spend on all this. We need it here. Of course, the American public doesn't need it. You have more money than you need back home.

As someone who is raising four children, and one due in a month and a half, I can tell you that raising a family is very expensive. I am not too sure anybody would, if you think about it, mind having a couple extra hundred dollars to be able to do some things to help them and their family.

That is what we are talking about. It is not a huge tax cut. I wish it were. I wish we could reduce taxes more, give more surplus back. I wish we could cut Government spending, pare down the growth of this Government. But we are not even talking about that. We are talking about letting Government continue to increase its spending, letting the entitlement programs continue to flourish, and just giving a little bit of what is overpaid back.

I am excited about this particular package. There are lots of goods things in this package—reductions in rates, the marriage penalty tax relief, and one particular provision I want to speak about for a minute or two is the American Community Renewal Act.

The American Community Renewal Act was not in the bill that passed in the Senate. I entered into a colloquy with Senator ROTH, and he agreed he would look at what was included in the House package. He did. And included in this bill out of conference is a bill that does not just provide tax relief, which is what we talked about, but a provision that helps those people in poor inner-city and rural communities who are not being lifted by the rising tide of this economy with incentives, such as the zero capital gains tax within these renewal communities.

One hundred of them would be designated. Twenty percent of them at least would have to be in rural areas, with a zero capital gains rate to help businesses start in those communities; to provide help for home ownership; expensing of businesses would be increased; wage credits; real powerful incentives for employment opportunities to happen within these communities, housing opportunities to happen within these communities, to see a real transformation, using, again, the private sector, not public-sector programs, not the Department of Housing and Urban Development, but, in fact, private sector incentives for private sector development and home ownership, which is the real key to success in America.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SANTORUM. I thank the chairman for including that in the bill today.

Mr. ROTH. Mr. President, I yield 6 minutes to the Senator from Minnesota.

Mr. GRAMS. I thank the Chair.

Mr. President, in a few hours we are going to cast a very important vote to return tax overpayments to working Americans. The passage of the conference report of the Taxpayer Reform Act will signal a clear victory for all Americans. I commend the Senate Republican leadership and especially Chairman ROTH for their strong commitment to major tax relief in this Congress.

We promised to return to American families the non-Social Security tax overcharges they paid to the Government, and today we are going to fulfill that solemn promise. We can now proudly declare that: promises made are promises kept.

The proposed tax relief significantly reduces taxes for millions of American families and individuals and immediately eases working Americans' tax burden and allows them to keep a little more of their own money, again, for their own family's priorities.

The American people have every reason to celebrate this victory because they are the winners in this debate on tax cuts.

This tax relief is a victory for all Americans, particularly the middle-class, who will receive a $800 billion tax refund over the next 10 years.

It is a victory for millions of Minnesotans because each family in my state of Minnesota is expected to receive $8,000 in tax relief over 10 years.

It is a victory for the 22 million American couples who will no longer be penalized by the marriage penalty tax, because we completely eliminate this unfair tax.

It is a victory for millions of farmers and small business owners because this tax relief enables them to pass their hard-earned legacies to their children without being subject to the cruel death tax.

It is a victory for millions of self-employed and uninsured because health care is made more affordable to them with full tax benefits.

It is a victory for millions of baby-boomers because the pension reform allows them to set aside more money for their retirement.

It is a victory for millions of entrepreneurs and investors because the capital gains tax is reduced to stimulate the economy.

It is also a victory for millions of parents, students, teachers, and workers because higher and better education will be available and affordable with a variety of tax benefits included in this package.

By any standard, the working men and women of this country are the winners, not Washington.

Moreover, in my judgment, this tax relief plan is a highly sensible, responsible and prudent one. It reflects American values and is based on sound tax and fiscal policy. It comes at the right time for working Americans.

We must recall that Americans have long been overtaxed, and millions of middle-class families cannot even make ends meet due to the growing tax burden. They are desperately in need of the largest tax relief possible.

The budget surplus comes directly from income tax increases. These overpaid taxes are taken from American workers and they have every right to get it all back.

This tax relief takes only a small portion of the total budget surplus. In fact, only 23 cents of every dollar of the budget surplus goes for tax relief.

After providing this 23 cent tax relief, we have reserved enough budget surplus to protect Social Security and to reform Medicare, including prescription drug coverage for needy seniors. We further reduce the national debt and reserve funding for essential federal programs.

Contrary to Mr. Clinton's rhetoric that tax relief will cause recession, cutting taxes will keep our economy strong, will create jobs, increase savings and productivity, forestall a recession and produce more tax revenues. Somehow, he believes that if Americans spend the money, it is bad, but if it is left here for Washington to spend, it is good. History has proved again and again that tax cuts work. It will prove this tax relief is a sound one as well.

I am also pleased that this tax relief does not come at the expense of seniors. We have locked in every penny of the $1.9 trillion Social Security surplus over the next 10 years, not for government programs, not for tax cuts, but exclusively to protect all Americans' retirement.

We have been working hard to reform Medicare to ensure it will be there for seniors. Prescription drug coverage for the needy will be part of our commitment to seniors to protect their Medicare benefits. Had the White House and Democrats cooperated with us, we could have fixed Medicare by now. The President discounted his own commission on Medicare reform.

In any event, we will continue our effort to preserve Medicare as Chairman ROTH reveals his Medicare bill in the near future.

We have reduced the national debt and will continue to dramatically reduce it. Debt held by the public will decrease to $0.9 trillion by 2009. The interest payment to service the debt will drop from $229 billion in 1999 to $71 billion in 2009. We will eliminate the entire debt held by the public by 2012.

As I indicated before, we have not ignored spending needs to focus on tax cuts as has been charged. We not only have funded all the functions of the government, but also significantly increased funding for our budget priorities, such as defense, education, Medicare, agriculture and others.

In fact, we set aside over $505 billion in non-Social Security surplus to meet these needs. This proves we can provide $792 billion in tax relief while not ignoring other important priorities.

This major tax relief does not come at the expense of seniors, farmers, women, children or any other deserving group.

On the contrary, it benefits all Americans and keeps our economy strong. And most importantly, this tax relief will give every working American more freedom to decide what's best for themselves and their families.

Mr. President, let me conclude my remarks by citing President Reagan who once said: "Every major tax cut in this century has strengthened the economy, generated renewed productivity, and ended up yielding new revenues for the government by creating new investment, new jobs and more commerce among our people."

President Reagan was right. This tax relief will do the same.

Now, Mr. President, we have done our job, and it is up to President Clinton to decide if he wants to give back the tax overpayments to American families or spend them to expand the government.

In Buffalo, NY, earlier this year, the President said: If we give the money back to the American people, what if they don't spend it right? In other words, the President looked down his nose at working Americans and said they are too dumb to spend their money right. They are smart enough to earn it, not smart enough to spend it. I hope the President will trust the American people and make the right decision.

Mr. ROTH. Mr. President, I yield 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Wyoming.

Mr. ENZI. I thank the Senator.

Mr. President, I rise in strong support of the Financial Freedom Act of 1999. This bill represents the third prong in our plan to restore financial security to America's families. Along with saving Social Security and reducing the national debt, the Financial Freedom Act of 1999 marks another significant chapter in our continuing effort to bring stability to our national budget and financial discipline to Congress.

I congratulate the chairman of the Finance Committee, Senator ROTH, for his unwavering determination to provide greater financial freedom to America's families. Let there be no doubt about what we are debating today. We are debating whether we should return part of the overpayment by the taxpayers to the taxpayers, true overpayment. As an accountant, I am particularly concerned with that. We need to return the overpayment to the people who made the overpayment.

Or should we keep it in Washington to fund President Clinton's new bureaucracies and unproven Government programs? I am not talking about funding adequately the ones we have. I am talking about brand new ones that will require continuing additional funds. The choice is between tax relief and new spending, plain and simple.

I, for one, believe it is time to reward the ingenuity and hard work of our taxpayers by allowing Americans to keep more of what they earn. The Financial Freedom Act provides tax relief over the next 10 years with cutoffs if the surplus doesn't materialize. By phasing those tax cuts in over 10 years, this demonstration assures the American people that the money dedicated to Social Security will only be used for Social Security. Moreover, by making the majority of the broad-based across-the-board tax reduction contingent on reducing the national debt, this bill makes a real commitment to reducing the Federal debt and forces Congress to live within its means.

This legislation not only reduces the overall tax burden but reduces all the marginal income tax rates, beginning with the lowest rate and increasing the ceiling on the new 14-percent bracket. This plan will reduce much of the damage imposed by President Clinton's mammoth tax hike of 1993 and by the bracket creep that millions of Americans have experienced as a result of job and wage growth over the past 10 years. This broad-based reduction, which is the backbone of the act, would provide tax relief for all taxpayers. Let me repeat that: Anyone who now pays Federal income tax will see their bill go down as a result of the 1-percent marginal rate decrease in each and every marginal tax rate.

Moreover, this tax cut is especially aimed at the middle class. By increasing the income limits of the new 14-percent bracket by $2,000 for single filers, millions of Americans will see their tax bill reduced by $400 per year by this provision alone.

In addition to reducing all the marginal rates for taxpayers, the Financial Freedom Act eliminates one of the most egregious effects of our current Tax Code—the marriage penalty. We have heard a lot of talk about supporting the fundamental institution of marriage. This bill allows us to put our money where our mouths are by doubling the standard deduction and doubling the income limits of the new 14-percent tax bracket, bringing our tax policy in line with the rhetoric. If you are serious about helping the financial needs of millions of married couples across the country, you will support this legislation.

It also reforms our Tax Code and our tax policy by eliminating the infamous death tax. We encourage savings and thrift, and we provide much-needed relief for millions of ranchers, farmers, and small businessmen around the country, people who at the time of death will have to end their family business. As a small businessman who worked with my wife and three children selling shoes to our neighbors and friends in several Wyoming towns, I know firsthand how difficult the choices can be when you have to make that kind of a decision. The current tax on death punishes countless small businesses and farm and ranch families.

I congratulate, again, the people who have put together this, the cooperation there has been between the House and the Senate, the outstanding work of providing a balanced picture of tax relief to the American people while assuring that we can save Social Security, help Medicare, and pay down the national debt.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the distinguished chairman of the committee for giving us tax relief for the hard-working American family.

We have heard a lot of debate in this Chamber in the last few hours, but it comes down to a very simple issue, and that is whether we are for giving the people who earn the money the right to decide how to spend it. It comes down to one basic issue. We are for tax cuts, and I think the question is, Is the President for tax cuts? He campaigned saying he was for tax cuts for middle-income people, but the President has not supported tax cuts yet.

In fact, the major area of tax policy that the President gave us was the largest increase in the history of America. We are trying to cut back on those tax increases because we have a surplus and because we believe that the surplus should be shared with the people who gave it to us in the first place.

A lot has been said about Social Security and whether we are going to maintain the stability of Social Security. The answer is emphatically, we are; $2 trillion will come in over the next 10 years in Social Security surplus. The Republican plan that is before us today totally keeps that $2 trillion for Social Security stability.

The other $1 trillion in surplus over the next 10 years is in income tax surplus, withholding surplus, people's hard-earned money that they have sent to Washington in too great a quantity. It is that $1 trillion that we are talking about. We are talking about giving 25 cents per dollar of that trillion back to the people who earn it, and we think that is not only fair; it is required.

I worked very hard with Senator ASHCROFT and Senator BROWNBACK to eliminate the marriage tax penalty. This bill does it. We double the standard deduction so that people will not have a penalty because they get married. And, most of all, the people who need it the most are going to have total elimination of the tax on marriage. That is the schoolteacher and the nurse who get married and all of a sudden are in a double bracket, from 15 percent to 28 percent. One earns $25,000, the other earns $33,000, and together they go into the 28-percent bracket today. This bill eliminates that from the Tax Code forever, period—gone.

The President has said he is going to veto that tax relief, and I don't understand it.

Let me talk about what it does for women. Of course, the marriage penalty tax hurts women. But we also know that women live longer and they have smaller pensions. They have smaller pensions because women go in and out of the workplace, and they lose the ability to have that growth in geometric proportions in their pensions. That has been an inequity for women in our country. We eliminate that in this bill, or at least we try. We help by allowing women over 50 who come back into the workplace to be able to set aside 50 percent more in their pensions to start catching up. So where most people—all of us—have a $10,000 limit on a 401(k), a woman over 50 who comes back into the workforce after raising her children will be able to have a $15,000 set-aside in her 401(k). We also give help on IRAs.

It is very important to a woman who is going to live longer to have equal pension rights because she is more likely to have children, raise her children, maybe through the 1st grade or maybe through the 12th grade. We want to make sure we equalize that and recognize it. We have done that. Yet the President says he is going to veto this bill.

We have tax credits in this bill for those who would take care of their elderly parents, or an elderly relative, because we know one of the hardest things families face is how to take care of an elderly relative who doesn't want to go into a nursing home. Families would like to keep them. Sometimes they don't even want to do that, but long-term care is so expensive that they can't afford it. So we have credits for long-term care insurance, and we have credits for those who would care for their elderly parents.

So this bill lowers capital gains, lowers the death tax; it gives a benefit to everyone. The working people of this country deserve it. I hope the Senate will pass it. I hope the President will sign it and make good on all of our pledges to give the working people of this country relief.

Thank you, Mr. President.

Mr. ROTH. Mr. President, I yield 5 minutes to the Senator from Kansas.

Mr. BROWNBACK. Mr. President, I thank the chairman, the Senator from Delaware, for his excellent work on crafting this compromise package and putting it together. I think it is a substantial bill of support for the American public. We need to give this money back to the American public for overpaying their taxes.

I rise in strong support of the conference report being considered today. This important bill provides broad-based tax relief to America's families and returns their tax overpayment to them in the form of a tax reduction. It is important that Congress return this money to the American people and allow them to do with it what they see fit.

I am particularly pleased to join in this effort on the elimination of the marriage penalty. The Senator from Texas, Mrs. HUTCHISON, has led this effort, along with Senator ASHCROFT. This bill does important work on eliminating the marriage penalty tax and reducing that pernicious impact on our society. The American people need to get this rebate. I think we can do more and better with it than the Government can.

The conference report before us takes important steps, as I stated, toward eliminating the marriage penalty. It doubles the standard deduction, as well as widening the tax brackets, which does much to alleviate that terrible impact that the marriage penalty has on America's families. It impacts nearly 21 million American couples in this country.

Doubling the standard deduction helps families. Our families certainly need help. I am, therefore, pleased that the conferees kept this provision, and I am hopeful that the President will sign the conference report and provide America's families with this important tax relief which they clearly deserve and clearly need.

Congress has drafted a tax bill. Now it will be up to the President. This session, Congress utilized its opportunity to provide for comprehensive tax relief. It has done that. Now the President must make use of this unique opportunity to help eliminate the marriage penalty.

It affects so many couples in our country—21 million—by forcing them to pay, on average, an additional $1,400 in taxes a year. The Government should not use the coercive power of the Tax Code to erode the foundation of our society.

We should support the sacred institution and the sacred bonds of marriage. Marriage in America certainly is in enough trouble the way it is, and it doesn't need to be penalized by the Government. According to a recent report out of Rutgers University, marriage is already in a state of decline. From 1960 to 1996, the annual number of marriages per 1,000 adult women declined by almost 43 percent.

Now, when marriage as an institution breaks down, children do suffer. The past few decades have seen a huge increase in out-of-wedlock births and divorce, the combination of which has substantially had an overall impact on the well-being of our children in many ways. It has affected every family in this country. People struggle, and they try to help to support the family and the children as much as they can. But this institution of marriage has had great difficulty. In my own family, there has been difficulty as well. The Government should not tax marriage and further penalize it. There is a clear maxim of Government that if you want less of something, tax it; if you want more of something, subsidize it. Well, we don't want less of marriage. We should not tax it.

Study after study has shown that children do best when they can grow up in a stable home environment, with two loving, caring parents who are committed to each other through marriage. Newlyweds face enough challenges without paying punitive damages in the form of a marriage tax. The last thing the Government should do is penalize the institution that is foundational in this civil society.

This year we change that. The new budget estimates, from both the Office of Management and Budget and CBO, show higher-than-expected surplus revenue, even after accounting for Social Security. Of course, for some, this is no surprise. We have known all along that growth does work. It helps and it works. Of course, the surging surplus is as a result of nonpayroll tax receipts. It is really a tax overpayment to the Government in personal income and capital gains tax. We must give the American people the growth rebate they deserve and return the overpayment. I believe we can, and must, start—and start now—to rid the American people of the marriage tax penalty. I look forward to working with the Chairman, as well as other colleagues, to make sure we get this job done.

In closing, this is a day we should celebrate. We are able to do something that sends a strong signal of support to families across this country, which is critically important to do. Yes, this has an impact overall, but I think it is a very positive impact to send that sort of signal to our struggling young families across this country. I think we clearly should do that.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I have the pleasure to yield 15 minutes to the distinguished Senator LAUTENBERG, my neighbor and friend from New Jersey, followed by 5 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I ask whether or not the Senator from South Dakota would like to go first.

Mr. JOHNSON. I say to the Senator that I am certainly prepared to go at this time. But I would accommodate my friend.

Mr. LAUTENBERG. I suggest that he go first.

Mr. MOYNIHAN. Mr. President, I reverse my request.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. JOHNSON. I thank my friend from New Jersey.

Our Nation deserves a thoughtful tax and budget plan from Congress that places an emphasis on paying down our existing accumulated national debt, while protecting Social Security and Medicare, and investing in key domestic priorities and providing targeted tax relief for middle-class and working families.

On the marriage penalty, for instance, most families in America get a marriage tax bonus, not a penalty. But for those who are penalized, we can address that in the Democratic plan while approaching this in a balanced fashion. But, sadly, the radical tax cut bill being considered by congressional Republicans could be described as simply "foolish," were it not so seriously dangerous to the future prosperity and security of every American family.

There are obvious reasons why even leading Republican economists so vigorously are condemning this irresponsible bill, and why it has become the butt of so much ridicule.

First, the bill assumes that a $964 billion surplus over that needed for Social Security will absolutely materialize over the coming decades while our budget estimators in the past haven't even been able to estimate the economic growth over a year much less over 10 years. Common sense tells us that we should be careful about committing to use money that we do not yet have and may never have.

Second, this plan fails to use even a cent of the supposed $1 trillion surplus above Social Security to help pay down the $3.7 trillion public debt that our Nation currently owes. Paying down our debts would do more to keep the American economy growing than any other single thing the Government could do.

Third, in order to find room for a $792 billion tax cut, we would have to not only pay down the accumulated debt but we would have to cut defense buying power by 17 percent and domestic programs, meaning law enforcement, VA, health, education, school construction, medical research, national parks, and so on by 23 percent over the coming 10 years. If we decline to cut defense, under this plan we then would have to cut these domestic initiatives by an outrageous 38 percent. What is even worse is that this tax bill is cynically constructed so that the drain on the Treasury will explode and triple in cost during the second decade after passage.

Fourth, economic experts all over the country tell us that this tax package would cause interest rates to go up. At the current time, the Federal Reserve is raising interest rates and warning us that putting one foot on the gas and one foot on the brake is not a sensible economic policy for our country.

The small tax cut that most Americans would receive would be negated through higher costs for financing everything from a house, to a car, to college education, to business expansion, and farming and ranching operations. If this bill becomes law, our middle-class families will wind up with fewer and not more dollars in their pockets.

Fifth, this bill does absolutely nothing to prolong the life of Medicare much less provide for drug coverage payment reform that hospitals and clinics and medical institutions all over our country are in dire need of securing.

Specifically, this legislation outrageously provides an average $22,500 tax cut for the wealthiest 1 percent of Americans. But a typical American family—a family in my State of South Dakota with an income of $38,000—would get a couple of bucks a week while paying higher interest costs for everything they buy.

Wouldn't it make more sense to use a large portion of any surplus that actually materializes to pay down the accumulated national debt and then provide for targeted tax relief for middle-class and working families, protect Social Security and Medicare, and make some key investments in education, in the environment, infrastructure, and the things that we need to continue the economic growth in America?

I yield the remainder of time that I may have to my colleague from New Jersey, Senator LAUTENBERG.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I obviously oppose this Republican tax bill. I am going to explain why in a minute.

But I would like to start off by using an expression that we heard kind of invented around here, and that is: There they go again. There they go again. Or: There you go again.

The party that claims that its mission is fiscal responsibility has, once again, resorted to tax cuts to establish its role in fiscal management.

I find it shocking. I must tell you that we suddenly wanted to distribute a tax cut, which everybody likes to do. Make no mistake about it. I heard the President this morning say: After we finish securing Social Security and securing some extra longevity for Medicare, then we ought to distribute some tax cuts to people.

But if you ask anybody who has a mortgage—and most people I know have one—whether they would like to get rid of the mortgage before they do anything else, if they had a choice, they would take the mortgage relief. I will tell you that. They would say: Look, that is the one thing that bedevils us, and especially if the mortgage lives on beyond their existence on Earth, and it passes on to their children and their grandchildren. They would say: Look, let's get rid of that mortgage.

That is what we are talking about. We are all mortgagees in common when it comes to the national debt. We owe it. My kids owe it. My grandchildren will owe it if we don't get rid of that debt.

What is proposed by the Democrats is that we pay down the debt, that we have a target of 15 years to get rid of all the public debt. It would be unheard of in contemporary terms, and maybe in historical terms as well, because I don't think there is any country in the world that has any advancement that would find itself without significant debt outside the government. But that is what is being proposed.

Here we are. We want to give a tax break. And it works like this: The top 1 percent of wage earners who average $800,000-plus a year would get a $45,000 tax cut—just under $46,000. The person who works hard and struggles to keep their family intact, who struggles to keep opportunity available for their children's education and training and earns $38,000 a year, is going to get about 40 cents a day in tax relief. This fellow who earns over $800,000 is going to get a $45,000 tax break.

I have heard my colleagues on the other side say, well, they pay most of it; why shouldn't they get most of it? Why? Because what difference does it make in the life of someone earning $800,000 and some a year whether they get a $45,000 tax cut? I am not saying they shouldn't get anything, but it sure doesn't compare with the impact that it has when you take $157 and you give it to someone earning $38,000. It doesn't do much for them at all.

It permits this guy to buy a new boat, maybe even to make a downpayment on a second home. But to the other people who are struggling, often two-wage earners in the family, struggling to manage the future, it is impossible if you make $38,000 a year and you have a couple of kids.

The Republican plan is now stripped down to its bare essentials. It says to raid Social Security if we must to give this tax cut, and don't pay any attention to Medicare, while people all over this country worry about their health care. Over 40 million of them have no health insurance at all. We are talking about Medicare and the sensitivity of appropriate health care for people who are in their advanced years.

Our Republican friends are saying: Don't worry about Medicare. Maybe we will find a way to take care of it one day. Or Social Security: Well, if it expires—I guess that is what they are saying—we will have to deal with it.

Just think. With all of this robust economy and the surpluses that we have, the Republican tax plan says this: That in a mere 6 years we will be dipping into the Social Security surplus—6 years. With all the promises about the $2 trillion that is going to go into Social Security because it is earned there, it will start to be decimated within 6 years under the Republican tax plan.

I hope the message that goes out of here is that we are two different philosophies on how we ought to treat our treasure trough because we have been smart but we also have been lucky. We are lucky that we live in a country that is as rich in resources and talent and opportunity as is America. But, at the same time, it took a lot of work to plan for this. It took President Clinton's leadership when he arrived in office. Deficits were $290 billion a year—much of that attributed to the leadership of President Reagan who made a decision, in all due respect, that tax cuts were the most important thing in the world and cut taxes all over the place while he borrowed from the public to finance it. What was the result? Inflation out of sight, and a lot of joblessness as well. We don't want to do that again. We should have learned. We are smart enough to have learned it the first time we saw it.

What will happen now? Beginning 6 years hence in 2005, Social Security starts to decline at a time when a lot of baby boomers arrive at retirement age. It could force inflation upon us and cost more for borrowing. Whether for a house mortgage, an automobile, appliance, people would be paying more.

One of the most astounding things I find, all Members hover around Alan Greenspan because he has been so clever in the way he has managed his share of the economic policy in this country. We listen to every word. I know him well. He used to be on the board of my company when I was chairman of the company. We would listen carefully to his advice because it was so profound, so deep, so insightful. The Republican message is, ignore what Alan Greenspan says about the timing not being right; forget that he has warned Members in the Budget Committee—and I am the senior Democrat on the Budget Committee—that tax cuts are not the best way to go. He said rather than having an outright spending binge, maybe tax cuts, the best thing to do is pay down the debt.

The message rings loud and clear. I am shocked that the wise heads who exist on the other side of this aisle don't understand that the risk they are taking is our economy at large. When we look at the projections and we hear what the Republicans are using to finance this tax cut—almost $800 billion direct in higher costs as a result of the interest on the remaining debt—it just doesn't make economic sense. It is not fair to our citizens to see the guys at the top, the people at the top who make all the money, get these incredible bonuses in tax cuts while the person who struggles to keep food on the table and a roof over their head gets a measly 40 cents a day in their tax cut.

What will happen? What will happen is, tax cuts will come along if things go as they are, unless the President has the courage to step up and say, no, the American people don't want this; that is not their preference. Everybody wants to pay less in tax, but they want a stable society, a stable economy. They don't want their kids saddled with obligations in the future.

This tax cut will also mean we will cut deeply into programs. We will cut education by 40 percent. Will we cut veterans' programs? The veterans now are screaming in pain because they are not being taken care of as they should be or as we promised they would be when they were recruited.

Cut the FBI by 40 percent? Thank goodness we have trained FBI people. It is hard enough to recruit. Now we are talking of cutting 40 percent while we still have a significant crime problem in our country, despite prosperity? I don't think so.

Will they cut border guards? Are we going to try to hold back the tide of illegal immigration, with fewer people to do it? That is what the result will be.

The truth of the matter is, they are talking about a surplus that is largely imaginary. It is forecasting; it is anticipated; it is hoped for. That, enacted into legislation, will make an enormous difference. Once the tax cut plan is in place, that is mandatory. However, the surpluses are hoped for, anticipated.

We have to alert the public what is going on. It will be a tax cut that will be talked about as a Republican accomplishment. I make a prediction—and I wish we could look inside everybody's thinking—that the Republicans know very well that this tax cut cannot go through, but what they want to do is have a speaking platform. They want politics, not policy. They want everybody to believe they are the only ones who are thinking about the average working person. The fact is, they are thinking about themselves because they know the President is committed to veto this. They know the economy could not stand this kind of a cut.

Imagine cutting those programs and saying to the American people: We have to take 40 percent from various programs, and we will not do a thing to extend the solvency of Social Security, not do a thing about Medicare; when it dries up, it dries up, friends, in 2015. If you are at an age when Medicare will be important to you, don't count on it. You had better save your money because you will have to take care of yourself on that score.

In Medicare, the cuts would exceed $10 billion a year. Medicare cuts are squeezing many hospitals and other health care providers.

In sum, the game is over. We will be voting at a later time today. We have the disadvantage of being in the minority. It is not my preferred position, but the facts are there. The President is our last hope because the Republicans have decided that no matter what, they are going to give a tax break. No matter what the advice is, no matter what the inequity is, no matter what programs are cut, no matter what we do to veterans' care, no matter what we do to Head Start, no matter what we do to education generally, it doesn't matter.

They say a tax cut is the most important thing on our agenda. The numbers are there, and the votes are there. We will lose this one. I believe it is possible some of our Republican friends will see the light and say, this is no time to do a roughly $800 billion tax cut, but it is time to continue to pay down our debt, improve our financial condition, and help preserve Medicare and Social Security for future generations.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I congratulate the Senator from New Jersey on a forceful argument.

I now have the pleasure to yield 10 minutes to the Senator from North Dakota and 10 minutes to the Senator from Connecticut.

Mr. DORGAN. Mr. President, I am happy to allow the Senator from Connecticut to go first.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Mr. President, I thank my colleagues.

I rise to oppose this conference report and the $800 billion tax cut it contains. I do not rise reflexively. In fact, my reflex, similar to most of my colleagues, is to support tax cuts, not to oppose them.

I was proud just 2 years ago to be a lead cosponsor, for instance, of the cut in the capital gains tax and to support so many of the initiatives of the chairman of the Finance Committee in encouraging savings. However, I am going to oppose this tax cut as I would tax cuts at any time when they were not needed to help our economy, not justified by the availability of money to support the tax cut. These are similar arguments I made against the reconciliation bill, this tax cut, when it was before the Senate last week.

It reappears as a conference report. It is essentially the same. The chairs have been shuffled on this Titanic, but the fact remains that this big luxury liner of a tax cut is headed for an iceberg. It may well take the American economy down with it. The iceberg here is the cold, hard reality that there is no surplus to pay for the cut that this enacts. In fact, this Congress, in an act of legislative schizophrenia, is on one side saying there is a surplus, beginning with next year, that justifies this tax cut; on the other side, through fictional emergency appropriations, through double counting, through overspending, is spending more than the surplus projected for next year. So that the reality is that "there is no there

there." There is no surplus there to pay for this tax cut.

My colleagues cite the Congressional Budget Office saying there will be, for instance, a $14 billion surplus next year and almost $1 trillion over the 10 years. But, as has been said on the floor, CBO, after making those surplus projections, also issued a report which makes very clear that they are based on Congress exercising self-control, the kind of self-control over spending we are showing each day of this session we are unable to exercise.

If you take the $1 trillion surplus the Congressional Budget Office estimated and then simply assume that Congresses over the next 10 years spends only the amount of money to operate our Government that we are spending this year, in 1999, adjusted only for inflation—real dollars—then that projected surplus of $1 trillion suddenly becomes $46 billion. What does it require to hold the $1 trillion surplus? Cuts in spending that we all know are untenable. They are not going to happen. This Congress, and no Congress over the next decade, would enact them.

I am privileged to serve on the Senate Armed Services Committee. I think in that capacity I have learned some about the needs of our national security and our military, our defense. To achieve the $1 trillion surplus and live within the caps that currently exist would require cuts in defense spending over the next decade of approximately $200 billion. We cannot fulfill our constitutional responsibility to provide for the common defense of the United States of America over the next decade with $200 billion in cuts.

I have too much confidence in my colleagues who serve today, as well as those who will serve over the next decade, to believe we would ever so jeopardize our security. It is just another way of saying the surplus projections are not real, and therefore enacting a tax cut which will not be backed up by available revenue will take America back down the road to a deficit before we hardly have had a chance to even appreciate the possibilities of a surplus.

Let us remember also a $1 trillion surplus estimate is based not only on a capacity in Congress to cut spending that we have clearly shown already in this session we do not possess because it is based on a projection of continued 2.4-percent growth in our economy over the next decade, extending what is already the longest peacetime growth in an economy in our history. Just look at the news in the last week or two and consider the probability that we will continue to grow over this next 10 years, unimpeded by the world and events in the world. The value of the dollar has weakened in recent weeks, creating great alarm in other industrialized democracies, particularly in Europe and Japan, our close allies, for fear of what that will do to their economies, and also for fear of what that will do to the foreign dollars that are currently invested in our economy that may be withdrawn and the consequences that would have for our economy.

Have you been following the stock market in recent days and watching the extraordinary gyrations in the American market which show underlying unease? Do we want to put into that situation a large tax cut, a tax cut of this immense size that will further threaten inflation and instability in our economy? Why? Why take the risk? Fiscal responsibility helped to bring our economy to the point it is today: An unprecedented combination of high growth, low unemployment, low inflation. Why risk it all for a tax cut that is not needed to stimulate the economy and not demanded by the people of the United States of America?

I think we have to be conscious of how our fiscal actions affect the very global economy which helps to give us our strength. We are the only G–7 country running a budget surplus today. We are the only leading industrial economy that is positioned to deal with the global demographic challenge of retiring baby boomers, if we discipline ourselves. As Asia and South America struggle through economic difficulties, we must remember that any sign of economic instability here could trigger an economic crisis there that will come back to bite us. We must have a strong economy. We have one now. Why jeopardize it? Why encumber it with debt? Why not save this money, pay down the debt, store it up to weather any economic crisis that may come our way?

There are times when I think of the famous Biblical story where Joseph advised Pharaoh in good times to put some away because good times would not last forever. I think we are in such a time now so we dare not let the cows and corn absorb themselves, as occurred in Joseph's dream.

The result, I fear, is by passing a major tax cut, one paid by an imaginary surplus, we would incur sizable debts for years to come. Besides the effects on the financial markets and on our economy, we would leave little or no money available for building the solvency of Medicare and Social Security and thus raise the specter of a major tax increase down the line when we will least be able to afford it to compensate for our profligacy now.

Finally, as has been said, I think anybody who has been following what Chairman Greenspan has been saying does not have to pick at the tea leaves. It has been very clear. If we cut taxes to this size now, the Federal Reserve will increase interest rates soon after. That will help to depress the economy and also hit average working Americans literally where they live, driving up the cost of their mortgages, their car payments, their credit card bills, and student loans to the point it would dwarf any tax benefit they might receive from this conference report.

I present as evidence an analysis done for Business Week magazine by Regional Financial Associates of West Chester, PA, which says that wiping out the debt, the national debt, by 2014 would raise the economy's growth rate by more than one-quarter of 1 percent at the end of the 15 years, and that real annual household income would grow by $1,500. That is more than three times, this study shows, what a tax cut of this size would boost the GDP and household income. A tax cut such as the one passed in the House, according to this study, would raise household income by $400; whereas paying down the debt would raise household income by $1,500.

So I will vote against the conference report and say when the President vetoes this bill he will not just be making another smart partisan political move in a political chess game; he will be saving the American economy from real damage.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from North Dakota is recognized for up to 10 minutes.

Mr. DORGAN. Mr. President, I wanted to come and visit on the proposal on the floor briefly. I was trying to think of a word to describe all of this, and I was thinking of a story I had heard about Daniel Boone, who was a great Kentucky backwoodsman.

He was most at home in the backwoods and known for his long hunts, traipsing through the backwoods of Kentucky without a compass. He was asked once if he had ever been lost. Daniel Boone said: No, I can't say I was ever lost, but I was bewildered once for 3 days.

I thought of that term "bewildered." I cannot think of anything that better describes my reaction to conservatives bringing a plan to the floor of the Senate that is so unconservative and so risky for this country. It is enough to bewilder the entire country, to see people who say they are conservatives decide that it is not their intent to help pay down the national debt during good economic times, it is not their intent to try to conduct the business we need to conduct to deal with the big challenges of Social Security and Medicare and the demographic time bombs that exist in those programs, it is not their intent to do that. Their intent is to package up a nearly $800 billion tax cut before we have had the first dollar of surplus and say for the next 10 years they are going to have this sort of riverboat gamble with this fiscal policy.

Let's talk just for a bit about where we are and then where we have been.

What is happening in this country? First of all, the country has an economy that is the envy of the world. Unemployment is down, inflation is down, home ownership is up, personal income is up, the welfare rolls are down, crime is down, economic growth is up, and the budget deficit is about gone.

Go back about 8 years. What was happening in this country then? A $290 billion annual deficit that was continuing to rise and economists predicted they would see these deficits rise forever into the future. We had a Dow Jones Industrial Average that had barely reached 3,000. We had a sluggish, anemic economy; job growth, 1988 to 1992 was one of the worst 4-year periods in history; unemployment rates, 7.1 percent annually from 1981 to 1992; median family income fell by $1,800 in a 4-year period; real wages were falling; welfare rolls were increasing.

Have things improved in this country? You bet they have improved in this country. They have improved because we passed a new fiscal policy, passed a plan in the form of legislation in 1993. Some of our colleagues predicted it would throw this country into kind of a train wreck and ruin the economy. The economy was in big trouble back then. It is much improved now. We all understand that.

In fact, today's newspaper is really interesting. A tiny little article on page 5 says:

> Treasury plans to buy back debt.

My Lord, that ought to be on the front page with 3-inch headlines:

> Treasury plans to buy back debt.

This country has $5.7 trillion in debt, and when we started with this plan we had a $290 billion deficit in that year alone, and it was expected to continue to grow. Now we have a balanced budget, and the Treasury is beginning to buy back debt.

If we have surpluses that economists say they can see well into the future, what do we do? During tough economic times, it seems to me, a country always borrows money. How about during good economic times? Does a country pay it back? Does this country say, in giving that rare gift to the young people in this country: We will reduce the Federal debt; we ran it up during tough times, but in good times when we have a surplus, we will reduce the Federal debt? No, that is not what the majority party says. The majority party says: Here are our choices. Big tax cuts, most of it going to the upper-income folks; nothing for Medicare extension; nothing for education and other key investments; nothing for Social Security solvency; nothing for debt reduction. They say big tax cuts.

How big are the tax cuts? Here are the pie charts. The top 1 percent of income earners in this country get a $46,000 tax cut, and the bottom 20 percent get $24. Is that surprising? No. It is the same tired, chronic problem that always is brought to us in the Senate when the majority party writes a tax bill.

This is a bar graph. You can barely see the bottom 60 percent. They only get $138; the top 1 percent, $46,000.

How about this Social Security issue? This plan also raids the Social Security program after the first 5 years. That is a plain fact.

What are our choices? The enduring truth of this country's existence for a number of decades has been two things: One, a cold war with the Soviet Union; and, two, a budget deficit that seemed always to grow worse. For four or five decades, that was the enduring truth that was overhanging all of our choices. Now the Soviet Union does not exist, the cold war is over, the budget deficits are gone, and everything has changed.

Economists predict surpluses well into the future, and I said before these are economists who cannot remember their home phone numbers or addresses and they are telling us what is going to happen 3 years, 5 years, 10 years into the future. God bless them, maybe they are right, maybe not. Forty of the forty-five leading economists the year prior to the last recession predicted it would be a year of economic growth. So economists do not always hit the mark. Economics, as you know, is psychology pumped with a little helium, an advanced degree, and then they give us projections. Our friends on the other side say just projections, that is enough, just projections alone will compel us to pass a bill that will take $800 billion and put it in the form of tax cuts, the substantial majority of which will go to the wealthiest Americans, and they will decide to take that gamble with the American economy.

It is their right. They have the votes. We do not weigh them here, we count them. And when you count up the votes, they win. But it is a risky riverboat gamble for this country's economy. Those who have been giving us the most advice about this plan of theirs and how wonderful it is for our country are the very same people who were so fundamentally wrong 8 years ago.

Now they say: We have a new plan. I say: What about your old one? It seems to me what we ought to do is make rational, thoughtful choices. Yes, there is room for a tax cut if we get the surpluses that the economists predict.

The first choice, it seems to me, ought to be, during good economic times you pay down part of the Federal debt. That is the best gift we could give the children of this country, and that would also stimulate lower interest rates and more economic growth.

The second choice for us to decide as a country is, we are going to confront a demographic time bomb in Medicare and Social Security, and we must confront it; let's use some of these surpluses to do that.

Third, let's also make sure our investments that make this a better country and better place in which to live are provided for. Yes, education, health care. Does anybody really believe it is going to help this country to have massive cuts in a program such as WIC, the investment we make in low-income pregnant women and children? Does anybody think massive cuts in those kinds of programs or massive cuts in Pell grants for poor students to go to college are going to help this country? I don't think so. That is where this plan leads us.

Our choices, in my judgment, are use this projected surplus when it exists to make a real dent in this country's debt and, second, let's have some targeted tax cuts, but after we have committed ourselves to extend the solvency of Social Security and extend the solvency of Medicare. Then let's make sure those programs that invest in human potential really do work; those programs in education and health care that make this a better country, let's make sure those programs are provided for as well.

To develop a plan that implicitly assumes—and, yes, it does, no matter how much they decry that is not part of what they are doing—that implicitly assumes you are going to have 20-, 30-, and up to 40-percent cuts in programs that we know in this country work, that strengthen this country and improve this country and invest in the lives of people in this country in a very positive way, makes no sense at all.

My colleagues have used charts to describe this tax proposal. There is, it seems to me, no chart that is better than this chart, which is where we were and where we are going. I hope we will decide to vote against this tax cut and have a more sensible fiscal policy as we go forward.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. GRAMM. Mr. President, I yield myself 20 minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized for 20 minutes.

Mr. GRAMM. Mr. President, I have been called many things, some not always so flattering or nice, but I have never been called unconservative because I thought we ought not to let Government spend working people's money rather than giving it back to them.

There have been a lot of issues raised, and I want to go through and answer each and every one of them. Let me start with the rhetoric of our dear Democrat colleagues about, let's pay down this debt; don't give this money back to working people; we don't know what they are going to do with it; they might waste it; they might use it in an unwise way. Let Government keep it and we will pay down the debt, our Democrat colleagues say. But the problem with that rhetoric is it does not comport with the facts. Our problem is what they are doing speaks so loudly on this issue that we cannot hear their words.

I have here a chart. I know this chart is hard to read because my mama saw it on television and could not read it. But believe me, I can read it, and I am going to read it to you.

Both sides tend to claim we are right about figures. But to make Government work, we have a nonpartisan organization called the Congressional Budget Office that is made up of experts, accountants, economists, that basically serve as a reality check on both Democrats and Republicans.

They just completed what they call their Mid-Session Review, where in the middle of the year they looked at the President's budget, which our Democrat colleagues are supporting, and they looked at our budget resolution, which included our $792 billion; and they reported to the Congress and the American people about these two competing programs and what they would mean in terms of the Government budget.

If you listened to our Democrat colleagues, they are trying to tell you it is a bad idea for us to give back roughly 25 cents out of every dollar of the projected surplus to working people. They say: Let us pay down debt.

But when the Congressional Budget Office looked at the President's budget, they found that the President is proposing, over the next 10 years, in his budget, to spend $1.033 trillion on increases for 81 Government programs. They found that the President proposes spending $1.033 trillion on 81 programs as an alternative to our tax cut, and since our tax cut under the Republican budget is $792 billion, we actually pay off $219 billion more in debt than the President does. They talk about this money being used to pay down debt, but the President not only spends every penny of the non-Social Security surplus, he has to plunder the Social Security trust fund in 3 of the 10 years just to pay for all of his new spending.

So when you hear one of our Democrat colleagues say: Oh, it is a terrible idea to give working people back roughly 25 cents out of every dollar of the surplus because wouldn't it be better to use it to buy down debt? Please remember that the budget they support, written by President Clinton, spends every penny of the non-Social Security surplus, plus roughly $29 billion. So while they say: Let us buy down debt. Their program is to spend every penny of that money on increasing 81 government programs.

The reason this is so important that people understand is, this is not a debate between buying down debt and tax cuts. In fact, as the nonpartisan Congressional Budget Office has shown, after you look at all the spending the President wants to do, he would buy down debt $1.959 trillion. Our budget, with this tax cut, would buy down debt $2.178 trillion, or $219 billion more.

The debate is not between buying down debt—in fact, we pay off more debt than the Democrats do. The debate is between spending the money on these 81 Government programs versus letting Americans keep more of what they earn.

If we were going to have a totally honest debate, it would be our Democrat colleagues standing up and talking about these 81 Government programs and the $1 trillion they would spend, and asking working Americans tonight to listen to what they say; listen to our tax cut; and then sit down around their kitchen table and ask themselves a question: Can Government in Washington, with President Clinton's programs, spend this money to help our family more than we could if we got to keep the money to spend on our own family? Can they do a better job spending our money than we can?

Obviously, that is a very different debate. Our colleagues do not want to have that debate. But their budget would spend every penny of the non-Social Security surplus.

So when people are saying: Don't give this tax cut. Let us buy down debt, their budget spends every penny of this money, plus plundering some of the Social Security trust fund.

So the debate is about whether we let the American people have the money and save it or spend it or invest it or whether they want to let Government spend it.

Our colleague said: Let's put some money away in case the good times don't last. Who is better to put money away in case the good times don't last? Working people, with their own money, or Government? When is the last time anybody remembers the Government putting money away for a rainy day?

I don't remember it. We are already $21 billion over the spending totals that the President and the Congress agreed to. We are not putting any money away here in Washington.

Yesterday, we had the adoption of a farm bill that spent another $7.4 billion, taking every penny of it right out of the surplus. So this money is being spent, is the first point, and that is the debate.

The second point is, some of our colleagues have said: Well, boy, this is a huge tax cut, and we don't need this tax cut.

And so I have two sets of figures I want to ask you to look at. The first is very interesting to me. These are the 7 years in American history where the tax burden on the American people has been at its highest level. One of my staffers, clever as he is, summed this up by saying, the "Causes of Record Taxes: War and Clinton." Because if you look at the record tax burdens in American history, out of the six highest, four of them are Clinton years, and two of them are World War II—Harry Truman and Franklin Roosevelt—when defense was 38 percent of the economy and 37 percent of the economy. Now it is less than 3 percent.

The only other year where we have had a tax burden even approaching the one we have now was the year Ronald Reagan became President, and we were debating cutting taxes across the board by 25 percent.

Our colleagues say: Well, it was just a terrible thing to do. We should have never cut taxes when Ronald Reagan was President.

A couple making $50,000 a year, had we not had the Roth-Kemp tax cut, would have been paying $12,626 a year now in income taxes instead of paying $6,242. Our Democrat colleagues think that would be great. We thought it was a bad idea. So in the Reagan budget we cut taxes. The economy started to grow. We rebuilt defense. We won the cold war. We tore down the Berlin Wall. A lot of good things happened.

But this is the most telling chart of all. You hear all this stuff about: Oh, this is a huge tax cut, and many of the writers and many of the columnists are beginning to pick this up. But nobody goes back and looks at the facts.

Mr. DURBIN. Would the Senator yield for a question?

Mr. GRAMM. I will be glad to yield when I get through if I have time.

Now here are the facts. If you take revenues over the next 10 years that are projected, our tax cut is less than 3.5 percent. In other words, our tax cut cuts taxes, in terms of projected revenue, by under 3.5 percent. That is this huge tax cut we are talking about.

But this chart is really telling. The day Bill Clinton became President, before we raised taxes—or President Clinton raised taxes—many of our colleagues have pointed out that not one Republican voted for that tax increase; and I am proud to say that is true—before he raised taxes in 1993, the Government was taking 17.8 cents out of every dollar earned by every American in Federal taxes.

Today the Federal Government is taking 20.6 cents out of every dollar earned by every American in Federal taxes. That is the highest peacetime level of government taxes in American history, the second highest tax burden, second only to 1944 in American history. If we took the whole $1 trillion non-Social Security surplus—and I note that we are taking less than $800 billion—if we took all of it and cut taxes, we would still be taking, when the full tax cut is in effect 10 years from now, 18.8 cents out of every dollar earned by every American in Federal taxes.

Why is that important? It is important because what is being called a huge tax cut actually leaves taxes substantially above where they were the day Bill Clinton became President. So what is being called a huge, irresponsible, riverboat gamble—I was thinking Senator BREAUX might want to defend riverboat gambling—what is being called a huge gamble, we are simply talking about giving back some of this huge tax increase. By the way, the President said later, at a fund-raiser, that he raised taxes too much in 1993. Our tax cut would still leave the tax burden substantially above where it was when Bill Clinton became President.

Let me address the issue very briefly about rich people getting this tax cut. You need to understand when our Democrat colleagues speak that they have a code. The code is, every tax increase is on rich people; every tax cut is for rich people. So you don't ever want to cut taxes because it helps rich people. You always want to raise them because it hurts rich people. You are not for rich people.

The problem is, when that argument was made on the President's tax increase in 1993, they taxed gasoline, and gasoline is bought by both the rich and the poor. They taxed Social Security benefits on incomes of $25,000 or more. That is hardly what we call rich.

When we debated this issue when it first came to the Senate, one of our colleagues got up and said: The Roth tax bill gives 60 percent of the tax cut to the top 25 percent of income earners in America. Can you imagine that this tax cut gives 60 percent of the benefits to the top 25 percent of income earners? But nobody bothered to point out that the top 25 percent of income earners pay 81.3 percent of the taxes. The truth is that the Roth tax cut, in terms of the rate cut, actually makes taxes more progressive, even though it reduces everybody's taxes. It reduces lower-income people's taxes more.

Actually, I wanted it to be cut across the board. You have heard many people say: Some 30 percent of Americans under this tax cut get no tax cut. Can you imagine a tax cut where almost 30 percent of the people get no income tax cut? That sounds crazy until you realize that roughly 30 percent of Americans pay no income taxes. Most taxpayers don't get food stamps. They don't get TANF. They don't get Medicaid because they are not poor. Those programs are not for them.

Tax cuts are for taxpayers. If you don't pay taxes, you don't get a tax cut. It is not because we don't love you. It is not because there is something wrong with you. It is just that tax cuts are for taxpayers. So we are cutting income taxes. If you don't pay income taxes, you don't get a tax cut. Remember that when you hear all this business about rich people and poor people.

Quite frankly, I think we do our country an injustice when we keep trying to pit people against each other based on their income. The plain truth is, if we could calculate this out, the Roth tax cut, the parts of it that we have enough data on in this short period of time to look at, it probably makes the tax code a little more progressive than it is. I don't think we ought to be doing that. I don't have any problem in saying, if you don't pay any taxes, you don't get a tax cut. If you pay a lot of taxes, you get a lot of tax cut.

If we had a 10-percent across-the-board cut—unfortunately, we don't quite get that; I am proud of what we got—but if Senator ROCKEFELLER makes 10 times as much money as I do, he would get 10 times as big a tax cut. Some people get upset about that, but I don't get upset about it.

Alan Greenspan has become, his utterances at least, almost like a bible. Everybody quotes him to make their point. Generally the people quote him to make points that are 180 degrees out of sync. If you listen to the quotes by many of our Democrat colleagues, you would believe that Alan Greenspan has said: Never, ever, ever, under any circumstance, should we give anybody a tax cut. The reality is, what Alan Greenspan has said is very clear. His first preference would be to not spend any of the surplus and to not give any of it back in taxes. But Alan Greenspan says:

> If you find that as a consequence of those surpluses they tend to be spent, then I would be more in the camp of cutting taxes, because the least desirable outcome is using those surpluses for expanded outlays.

I submit that is exactly where we find ourselves when we look at the fact that we are spending the surplus as quickly as we can spend it, and the President has proposed spending $1 trillion of it over the next 10 years.

The final point I will make, before summing up, is that several of my colleagues have been joshing me—and boy, it is legitimate. When I was in economics, I never made predictions that would either prove true or false within 100 years. And then I didn't worry about it.

It is true that when President Clinton submitted his economic program, as we debated it in those first 2 years, I said some awfully unkind things about it—not things you couldn't print in the paper, but they weren't generous. I suggested that if it was adopted, we would have a recession.

Our colleagues have said: Well, look at the wonderful economy we have.

In my final, major points, I will, as Paul Harvey, give you the rest of the story. To listen to our colleagues today, they would have you believe that all of the Clinton program was just a tax increase. But there were two other parts of it. If we are going to be fair to my quote, we need to be fair in saying there were two other parts of the Clinton program in those first 2 years. It certainly did raise taxes. I certainly was against it, and I still believe the economy would be better off if we had not done it. But the other two parts our Democrat colleagues want to forget. The first was a major spending program that spent $17 billion in the first year.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator's time has expired.

Mr. GRAMM. I ask for 5 additional minutes.

Mr. ROTH. I yield 5 additional minutes.

Mr. GRAMM. The second part of the program that everybody doesn't talk about is a proposal to spend $17 billion to "stimulate the economy." Our colleague from Oklahoma remembers it because we discovered, in one of the happiest discoveries in recent political history, that when you looked at that program, it was going to spend money on programs off a list submitted by communities, and on that list was an Alpine slide in Puerto Rico and an ice-skating warming hut in Connecticut. We had endless good times about that and, in the end, while we had a Republican minority and a Democrat majority, we actually filibustered and killed the $17 billion of spending.

I don't have my copy of the Clinton health care plan here, and that is probably good because if I picked it up, I might get a hernia. The third part of the program was for the Government to take over one-eighth of the economy by having one giant HMO—I think it was called a health care purchasing collective, or something—and all the doctors would work for the Government and the Government would run the health care system. So if we are going to be fair in quoting my statement, let's remember that the plan had three parts; we killed two of the three.

The final thing—and I probably ought not do this, but we are getting ready to go on recess, so why not. "Bill Clinton balanced the budget and made everything wonderful." We have all heard that. We heard it right before I got up to speak. But I have in my hand President Clinton's budget for fiscal year 1996. This was the budget that the new Republican Congress got in January of 1995. I do remember this. One of my staff provided me with these unkind remarks, when I said in 1993, regarding this Clinton health care bill, "If we pass it, we will be hunting Democrats down with dogs all over America." Well, we didn't pass it, but we did elect the first Republican majority in both Houses of Congress since 1952.

In any case, to finish my point, when this new Republican Congress got here, this was the budget the President had sent them. This budget, right on page

2, projected a deficit of roughly $200 billion through the year 2000. The new Republican majority took this budget and threw it into the trash can, and we adopted a new budget.

On this chart, here is the Clinton deficit projected in 1996. This is what we achieved with the Republican majority. Now, did we really do all that? No. Did Clinton do all that? No. The plain truth is that we had basically a stalemate, and we stopped virtually all new spending. In fact, with all this talk about the gloom and doom, we were able to control spending a little bit. The economy took off and we balanced the Federal budget.

So let me sum up by simply saying this. I want to congratulate our chairman, who has put together a tax bill that is as good a tax bill as you can write in the Senate and get 51 people to vote for. I want to congratulate him for his leadership. If you trust the American people and their ability to spend their own money better than the Government, vote for this tax cut. If you believe the Government can spend it better and will make America richer, freer, and happier by spending it, rather than letting them have it, then you ought to vote against it. That is the choice.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I point out that 80 percent of non-retired American adults pay more in Social Security taxes than income taxes. That is a point we are not dealing with much.

I have the honor and privilege to yield 5 minutes to my friend from Louisiana.

Mr. BREAUX. Mr. President, I thank the Senator from New York and also the distinguished chairman of the full committee, the Senator from Delaware. They are both distinguished gentlemen.

I just make a note that when we use the term "distinguished gentleman," we use it sometimes lackadaisically in the Senate. In this case, I think it is important for us to note that there are probably no two finer gentlemen in this body today than the Senator from Delaware, the chairman of the committee, and the Senator from New York, the ranking member of our committee. They are gentlemen in the sense of how they have had to conduct the affairs of bringing this conference report and this tax bill to the American public. Although they have had differences in what they thought the ultimate product should look like, both of these two distinguished Senators have conducted themselves in the finest sense of being a gentleman, and they have worked together in a fashion that I think has kept our committee together. I congratulate them for that.

Let me say a couple of words about where we are. Unfortunately, the debate we are hearing on the floor today is about something that is not going to happen. We are spending all of this time talking about something that is not going to become law; it is not going to occur because none of this will, in fact, become legislation. It will only be something about which we have talked. Many colleagues on this side of the aisle are talking about how bad the provisions are in the conference report, and many colleagues on that side of the aisle are talking about how wonderful the provisions in the bill are.

The bottom line is we are talking about something that is not going to happen because it is very clear to everybody in America, and everybody in Washington knows, that when this bill gets down to the President in this form, it is going to be vetoed. The veto will not be overridden.

All of this exercise today, while I am sure it is important to make our political points, is not talking about what is going to benefit the people of our country. As a result of where we are, there will be no reduction in the marriage penalty. It is not going to be fixed. It is not going to be addressed by this product. There will be no reduction of income rates from 15 percent to 14 percent. That is not going to become law. There is not going to be any increase in the standard deduction for hard-working Americans. The standard deduction is not going to go up. The marriage penalty is not going to go down. Estate taxes are not going to be repealed. Estate taxes are not going to be reduced. It will be the same after this bill is disposed of. Child care credits are not going to go up. Health care credits for people who don't have health care will not be assisted because all of the things we have in these various pieces of legislation that we tried to get into a package that could be signed will, in fact, not be signed into law.

In many ways, this is an exercise in futility—in the sense that we know it will never become law. This debate, however, I think is still important. It is important to point out some of the things that are in the bill, which I find sort of interesting. I know my colleagues have looked at this list. It is a list of all of the things that are in the bill that are going to be sunsetted. We have more sunsets in this bill than they had in the movie "South Pacific." The broad-based tax relief is going to be sunsetted. The marriage penalty will be sunsetted. The AMT relief, the capital gains reduction, and the individual retirement accounts, which Senator ROTH has worked so hard on, will be sunsetted. Assistance for distressed communities will be sunsetted. There is a sunset on every page. It is enough to put us to sleep. The problem is that all of these things we have are not going to become law.

But I think the debate we have is important because I always remain optimistic. I guess when I lose my optimism, I will lose my interest in serving in this esteemed body; and I haven't reached that point yet. I think it is important to have this debate. It is unfortunate that we only have 10 hours. It is unfortunate that we had 20 hours for 100 Senators to debate a major reform in the Tax Code of this country. I think we have to recognize that the system in which we bring tax bills to the Senate floor for open debate needs to go back to that old system where we have open debate on something as important as tax policy. We used to do it and produce good bills. The distinguished ranking member and the chairman remembers those days. We need to go back to the process whereby we have open and complete debate on tax laws in this country.

The final point I will make is that I hope sometime when we come back—after we have had the veto ceremony and the response to the veto ceremony, and everybody has gotten it off their chests, we can come back in September, as the chairman has said, and address the real issue of Medicare, try to look at what amount of money we really need in Medicare. We have a plug number in the Democratic bill of $320 billion. We don't need that much. I don't think we can spend $320 billion more in Medicare and make it any better than it is today. But we can reform it; we can figure out how much money we do need because we do need more money.

We can figure out how to craft a program that brings Medicare into the 21st century. It was a great program in 1965. This is approaching the 21st century, and the model of 1965 does not fit what we need to do for the 21st century. We need to reform it and figure out how much money we need for a good, solid prescription drug program, particularly one with catastrophic protection, and try to combine that legislation with a realistic tax bill.

I recommend that we also consider doing something on Social Security—certainly a lockbox, a temporary protection, but we need real reform for that program as well. We need to look at the private sector to help increase the return on Social Security investments from what we have right now as part of any real reform effort.

I hope that sometime late in September we will have an opportunity to look at trying to combine the business recommendations from all of our Members on Social Security reform and on true Medicare reform, and figure out what we actually need to put into a tax bill that would give real relief to all of these things we are sunsetting right and left, and come up with something that helps people who need the greatest help.

I voted for this bill in the Finance Committee to keep the process going forward. I voted for it when it passed the Senate the first time to keep the process going forward. Unfortunately, at this stage the process has now gone backwards. What we have before the Senate is more reflective of the House-passed bill, which I think does not really direct the limited tax help to those who need it the most.

It is interesting to note that, with all the trigger mechanisms, it looks like a shooting gallery as far as all the triggers that have to go into effect before the tax bill goes into effect. Add the sunset provisions with the trigger mechanisms, and I doubt that anybody in this body can tell you what the real tax benefits are going to be for the American people. Is it going to be $800 billion, or $545 billion, which is sort of pretty close to what a centrist group recommended of $500 billion. I suggest that we have, at best, a mishmash of differing recommendations and viewpoints about what the tax bill ought to look like.

I am not sure, with all the sunsets and everything else we have in here, that anybody can really describe exactly what we are presenting to the American public other than a political issue. We are going to have a great political debate on this from both sides of the aisle. We are going to criticize everything coming from our opponents from both perspectives, but we are going to ultimately be talking about what we didn't do. We are going to be talking about failure, and we are going to talk about whose fault it is that we didn't accomplish anything. That is really unfortunate.

I happen to think the American people would much prefer for us to have a debate on success: You did it. We did it. No. You did it. But at least we would be talking about success. We would be talking about something we did instead of debating failure and whose fault it was that we weren't able to come together.

We have a divided government. The President is a Democrat. He is going to be there until the next election. And who knows what after that?

I conclude by saying that I congratulate our two leaders. They did a terrific job. I greatly respect them for it. Hopefully, we can come back and do it later in a better fashion.

Mr. MOYNIHAN. Mr. President, I hope we have listened carefully to what the Senator from Louisiana has said. He is generous and optimistic, and it might just turn out to be true.

I yield the floor.

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank the chairman for yielding. Let me thank him for the tremendous work he has done in the last several months to produce a tax package that is here on the floor.

Let me turn to my colleague from Louisiana first. I wish the President would follow that Senator's leadership, for if he had followed his leadership, we would have a Medicare package and be working on it right now. But the President chose to politicize Medicare and to walk away from his Democratic colleagues whom he placed onto the Commission to do the work that they did so well in a bipartisan way.

And we are here today without a fix for Medicare because the President did not awaken to the responsibility he had in that regard and the opportunity that the Senator from Louisiana and the Senator from Nebraska had helped create in the Medicare Commission. I wish the President had awakened, but he chose not to.

We are here today debating a tax relief bill for the American people, a relief bill that, in my opinion, is responsible, reasonable. In all fairness, given the total picture of our budget and our projected revenues, it is, in fact, modest tax relief.

Some would be surprised by that statement on the modest size of this tax relief package if they were to listen to the rhetoric from the other side of the aisle. But that is the truth. It is responsible tax relief, within the responsible budget plan which we passed earlier this year.

Under this plan, we use three-fourths of the total budget surplus to pay down the public debt by nearly one-half over 10 years and completely protect the Social Security system. For the first time in the history of our Government, our budget commits us to reserving all of future Social Security surpluses and all future Social Security revenues exclusively for Social Security beneficiaries. That is a first for all of us; it is an important and responsible first.

If we continue to hold the line on new spending, that discipline plus some of the leftover surplus funds, also will allow us to accommodate prudent Medicare reforms, meet emergencies, and address additional priorities that we may face, also all within that three-fourths of the surplus that we are setting aside.

This tax relief bill draws on the remaining one-fourth of the total surplus. This is hardly not reckless, like some have said. It is responsible, reasonable, and modest to take just one-fourth of the total surplus and return it to the American people.

These facts seem to go unrecognized on the other side of the aisle. After we safeguard Social Security, meet the true and real responsibilities of Government, account for Medicare and other priorities, what we do in this bill is say to those whom we have overcharged, those who have overpaid their income taxes, we are going to refund to you a little of your own money.

Too many in Government and the press seem to miss this fundamental question: Who earns the money in the first place? Whose money is it? I am always fascinated by the debate on taxes when the other side seems to think that nearly everything the working person owns is the Government's. And if we are providing tax relief, somehow in our generosity, we are turning to them and smiling, and saying: We are going to give you back just a little.

Are we, to quote some on the other side, "spending" this money on a tax cut? Are we giving it back? No. We are saying it belongs to the worker who earned it, and that he or she should be able to keep a little more of the fruits of his or her own labors.

What we are suggesting is that we don't take so much in the first place—that we have enough right now to fund Government in a responsible way, and we ought to recognize that it is the working person out there we are taking it from, and we ought to return the overcharge.

This tax relief is phased in, meaning future Congresses will have plenty of time to react if the economic conditions of our country change. That is also part of the argument why this bill is responsible.

The bill represents only a 3.5-percent tax cut. That is modest, especially for the most heavily taxed generation in American history.

Some of the future tax relief won't even kick in unless the national debt is in fact being reduced. I think that is responsible. Yet we hear the mantra again of, pay down the debt, pay down the debt.

If you would read the facts of this tax relief bill we have put together, and the budget it implements, we are paying down a very substantial part of the debt—more than one-half of it. In fact, we already have paid down $142 billion in the public debt in the last 2 years.

Under our budget, and on top of this tax relief, we will pay down over $200 billion in debt more than the President's budget called for, even though he is one of those out there talking about debt reduction at this moment.

Let me make you a deal, Mr. President. You say you are going to veto the tax cut. Well, if you veto the tax cut, why don't you bring to us a lockbox proposal that puts all of the surplus in a lockbox to pay down the debt? A lockbox that makes a binding guarantee that not one cent of the surplus will go to new spending. You are not about to do that, Mr. President. But if you would, I would support you in it because debt reduction is important. It would help the economy of this country.

But one has to wonder if the President just flat isn't speaking with all of the truth that he ought to be. Look at his budget this year—tax increases and new spending. In fact, his own budget this year calls for spending the entire non-Social Security surplus, and then raiding the Social Security trust funds for some more new spending. I am sorry, Mr. President. What you say and what you do don't come together—they don't add up. What you say about new spending in your budget doesn't match what you say about debt reduction when you oppose this tax relief.

I don't think I would have to eat my hat on that kind of a promise to the President—that I would be willing to support him if he would take all of the surplus and put it in a fund to pay down the debt, because that is just not about to happen.

No, the real issue here is not tax relief versus paying down the debt.

The real issue is tax relief versus spending. We all know that. We were spending money yesterday. Frankly, I was helping spend some of it. That spending used some of the surplus and is going to relieve the current crisis circumstance in producing agriculture today across this country. I supported that agriculture appropriations bill because our farm families are facing an emergency. But I also know if we leave all the taxpayers' money in Washington, DC, all the surplus, it will get spent, and not just on emergencies. If we send it back to the people who earned it and own it, then it won't get spent by government. At least then, we would have to go back to the people and ask them for the right to spend more, by changing the tax structure to increase future revenues.

Who believes if Government takes in $3 trillion in surplus revenue over the next 10 years, that Government won't spend it? We know they will spend it.

The National Taxpayers Union Foundation does a little thing called "Bill Tally." They tally up all of the new bills introduced by Members of Congress every year and what those new bills will represent in new and increased government spending. Mr. President, 84 of 100 Senators—that means Democrat and Republican alike—last year introduced new legislation that would lead to an additional $28 billion in spending per year, on average. Not over the next 10 years but in one alone—Democrat and Republican alike. New ideas, new bills, new spending. It is the habit of Government. Of course, we know that. That represents about a $232 increase in spending from every American taxpayer that is already on the wish list of most of the Senate.

I hope and believe we can resist the temptation to spend the three-fourths of the surplus we reserve to pay down the debt, save Social Security, and reserve some for other future priorities. That is what we ought to be doing with it. That is what we promised in the Congressional budget we passed earlier this year. Yet, the temptation will be there to spend the remaining one-forth, and part of that three-fourths, as well.

The choice is very simple. The debate today is about bigger Government versus bigger household budgets—private citizen household budgets. I hope helping those American household budgets is what this Senate ultimately will support. I hope over the course of August we can convince this President that he really ought to be more on the side of the American taxpayer than on the side of ever-bigger Government.

This tax relief bill is fair. Yes, it is fair. I know we have heard the debate about tax cuts only going to the rich. The Senator from Texas did a marvelous job a few moments ago talking about how the folks on the other side of the aisle think it only goes to the rich. I am amazed and, frankly, frustrated that every time we talk tax relief, immediately Democrats run to the microphones and say it is for the rich, the rich are going to get the benefit of a tax relief proposal.

That just "ain't" so in this bill. The chairman of the Finance Committee in the Senate deserves a lot of credit for focusing this bill right on middle America, right at husbands and wives, working and trying to raise a family out there in the market place, wage-earners who are paying the bulk of these taxes.

Every American who pays income taxes will receive some benefit from this bill. The middle class Americans who pay most of the income taxes will get, by far, most of the income tax reduction. That is the way it ought to be.

What we are actually doing in this proposal is making the tax code a little more progressive. Middle-income taxpayers will receive proportionately more relief, for the taxes they pay, than upper-income taxpayers. But everyone who pays income taxes gets income tax relief.

This bill is fair because it shows compassion for the most heavily taxed generation in American history.

Several of my colleagues have come to the floor to talk about that tax burden. But I am amazed my Democrat friends and colleagues don't seem to recognize it. Surely they do. In fact, somehow, they actually are allowing their President to propose more taxes, which he did in his budget proposal this year.

That heavy tax burden has hurt people. It has robbed a whole generation of the opportunity to plan their retirement. It has forced families into adding a second and third income, rather than spending time taking care of children or elderly parents. It has robbed Americans of a major part of their freedom.

Today's baby boomer family is paying, on average, 50 percent more in taxes at all levels, as a portion of income, then their parents did when they were raising their families.

Only one year in history, 1944, at the height of the largest war in the history of the world, requiring incredible financial sacrifice, saw the federal government take in taxes a larger share of the national income than we are now paying.

This tax relief bill will help real people with real needs. There are two ways we can help people: We can create bigger government, with more bureaucrats, with more programs and red tape, regulating more behavior, and hope we produce some more government checks for some beneficiaries. Or we can let Americans keep a little more of their own money and meet their needs without Uncle Sam as the middle man. We can provide broad-based tax relief. We can provide targeted tax relief and incentives for folks to use for specific, beneficial purposes.

If we really care about people, we care about helping them in the most direct, most effective way possible.

Here's some of how we do that in this tax relief bill:

Marriage penalty relief: It just isn't fair to force two individuals to pay hundreds of dollars more in taxes simply because they get married.

Death tax relief: It just isn't fair that working families sometimes have to sell part or all of the family farm or the family business just to pay taxes. I've seen family farms carved up because of the death tax. The other side would have us believe that this is a debate about the so-called "estates" of rich people. It's not.

Help for families with children:

It would allow more parents to afford child care, both because it increases and expands the child care tax credit.

It allows more modest- and middle-income families to make full use of the child tax credit we enacted in the 1997 Tax Relief Act.

It expands the tax exclusion for foster care payments.

Help for individuals and families with education:

It would make education more affordable and available to individuals and families.

It includes tax-free, qualified tuition plans; extends the employer-provided tuition assistance; makes our 1997 education tax credits more fully available to modest- and middle-income families, by taking it out of the Alternative Minimum Tax calculations; and includes the Coverdell-Torricelli education savings account.

Help with health care, long-term care, and eldercare:

It increases the affordability of prescription drug insurance; health insurance for those who aren't covered by a corporate plan; long-term insurance, both for those who must pay for their own and those with cafeteria plans.

Farmers, small businesses, and workers will benefit from making the self-paid health insurance deduction 100 percent deductible.

Help for farm families: America's farm families are in a period of economic crisis today.

It provides for increased expensing, to $30,000; create FARRM Accounts—Farm and Ranch Risk Management Accounts; and protect income averaging from the Alternative Minimum Tax.

Help for folks who need retirement security: It includes expanded IRAs, 401(k) plans, and other provisions too numerous to mention, that especially will benefit folks over age 50.

Help for disadvantaged individuals seeking work: The Work Opportunity tax credit is reinstated.

Help for charities and charitable giving: 70 percent of taxpayers receive no recognition of charitable giving—because they don't itemize their deductions. This bill would reward and encourage those middle-class taxpayers who benefit their community, help the less fortunate, and promote the social good, with an above-the-line deduction for charitable donations.

This bill is needed by the American people.

When the facts are known, I am confident they will send one message back to Washington, DC: Please Mr. President, sign this bill into law. Let us keep one-fourth of the surplus for our families, our communities and our future financial security, instead of confiscating it for more big government.

I conclude by saying this is a fair tax proposal. In all fairness, compared with the total size of the Federal budget and the Federal government tax burden, it is modest. I close by once again recognizing the chairman of the Finance Committee for the tremendous work he has done to build that balance and fairness into this bill.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I have the great pleasure to yield 10 minutes to my good friend and colleague on the Finance Committee, the Senator from Montana.

Mr. BAUCUS. I very much thank my good friend from New York.

In a couple of years when the Senator is no longer here, we will miss him very much. I know of no Senator more provocative, in the best sense of the term, in forcing Members to think. That is something which too often is in short commodity on the floor of the Senate. I very much thank my friend.

This is a strange debate. I heard earlier my good friend from North Dakota, Senator DORGAN, say he is bewildered. I myself have referred to this debate as surreal. My friend from Louisiana, Senator BREAUX, asked: What are we talking about? Why are we here?

Those are apt comments in many ways.

One, because we know this bill will be vetoed. We know this tax cut that has been proposed is not going to happen. Yet both those who favor the tax cut and those who favor a veto are trying to score political points with the American people. There are a lot of games being played around here. I don't think that is any news to the American people. They know what is going on. They are pretty smart.

It is similar to President Lincoln saying you can fool some of the people some of the time but you can't fool all the people all the time.

The American people are smarter than the Congress thinks they are.

Let me go through some of the reasons. First, the assumptions behind this big tax cut are unrealistic and we all know they are unrealistic. I daresay that many on the other side of the aisle would agree privately with our public statements on this side of the aisle that the assumptions are unrealistic. There is no way in the world the Congress will jeopardize national defense by cutting national defense a couple hundred billion over the next decade. There is no way in the world the Congress is going to hurt veterans by dramatically cutting veterans' benefits. There is no way in the world the Congress is going to cut education and do all that is assumed behind this tax cut. Yet virtually the entire projected surplus we are spending in this bill is based upon exactly these things happening. That is one reason this is a surreal, unrealistic, illusionary, and strange debate. It is not based upon facts.

As others have pointed out, much more persuasively than I, the numbers of this tax cut as proposed do not add up. There is no way in the world we will be able to cut taxes $800 billion, pay the additional interest on the debt, and provide for a modicum of services that people need. Some have suggested—and nobody has disputed this number—that this tax cut will require about a $600 billion cut in spending over the next 10 years. It is unrealistic. It is not right. It is wrong to attempt to fool the American people that these levels of cuts are good for the country.

Beyond that, this bill is based upon such ephemeral, illusionary projections, it baffles me that anybody could stand on the floor and say it is necessarily going to happen—that we will have a $1 trillion budget surplus from tax revenues over the next 10 years. Past projections have been so far off the mark that it is foolish to assume this projection will be accurate.

On average, our projections are about 13 percent off the mark over 5 years. This is a 10-year projection. I point out that CBO, the agency on which we base our projections, stated in January of this year they were off $200 billion when they came up with their mid-course review in July of this year. The projections were $200 billion off over a period of just 6 months. Who knows how far off a 10 year projection could be? If we are honest with ourselves, we know most people are concerned that the economy is now overheated, rather than underheated, and therefore the projections will probably fall off and we will have much less of a budget surplus than we assume.

I point this out because it defies common sense that we lock in law tax cuts far out in the future based on these very flimsy assumptions. Why are we doing that? Most people wouldn't do that. Most people, putting their family budgets together, wouldn't do that. Certainly no business would do that. No business would assume that its revenues 10 years out were going to be absolutely a certain amount and therefore they are going to spend all this money today. You just cannot make that assumption. You have to be prudent.

I talked to the CEO of a major company just last week. I asked him how their company makes projections.

He said: We cannot. We try to make a 5-year projection, but we are always way off. The best we can do is we put together a 5-year plan and try to anticipate what the future is going to be like, but we are constantly modifying it because times are changing so quickly.

I think that probably makes sense. That is what we should be doing. We should not lock in tax cuts so far out. Rather, if we think tax cuts make some sense, they should be modest, to leave room for corrections if we have made a mistake.

Times do change very much. So, again, I say this bill is reckless. It is based on an illusion. It is just not prudent. I say to the American people, I hope you understand how imprudent all this is.

I must also make another point, and this point saddens me. We are in this strange, surreal situation, in part because there is so much partisanship in this body as well as in the other body. When I first came to the Senate about 20 years ago, I must say there was much less partisanship then than there is now. It is just too partisan now.

By that I mean the other side of the aisle is totally controlling and secretive in what they are doing. They have put together their tax bill on their own; behind closed doors. No Democratic Senators were allowed. The same with the conference report; behind closed doors, on their own, with no Democratic Senator allowed.

Not too many years ago when the Democrats were in the majority, both sides were included in drafting bills, both Republicans and Democrats. I think that is what the American people want. They want us to work together. They really do not care whether we are Republicans or Democrats; they really care that all 100 of us sit down, do the best we can, and recognize this is a democracy with different States, and different people who have different points of view, but achieve some rough justice and rough common sense.

I think there is a reason for the secrecy. There is a reason for the closed doors; that is, they can do things they know are not right, things that could not stand the light of day. If the doors were open and if both sides of the aisle were included, we would not have such phony budget projections. By "phony" I mean in the last couple of weeks, the other side directed CBO to come up with some new numbers based upon their own new assumptions to fit the conclusions they wanted.

What was the conclusion they wanted? The conclusion they wanted was to show we could cut taxes by $800 billion and still come up with $400 billion or $500 billion in spending revenue.

CBO said, "No, you cannot do that," before. So the other side said, "Just change some assumptions around so you can reach that conclusion." That is what they did. They did it privately. In fact, they distributed that chart on their side. They didn't even distribute it on this side because they knew, if we looked at it, we could probably find out how erroneous it was, how fallacious it was. We finally did.

I very much lament the secrecy and partisanship which is producing this product. I guess what bothers me most is, when I ran for the Senate and I think when most of us sought this office and were privileged enough to get elected, we came here because we wanted to address the major, big problems facing this country. We are not doing that. We are poised to move into the next century, the next millennium. Who are we as Americans? What do we want? What is our role in the world?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAUCUS. I ask for an additional 2 minutes.

Mr. MOYNIHAN. Of course.

Mr. BAUCUS. I thank my friend.

Who are we? How much do we want to spend on defense? What is our role in the Far East? Who are we as a country? What about countries like Bosnia and Yugoslavia? How much should we spend there? What is our role there? What is the proper role of Government? Not the false debate that is set up here—turn the money back or don't turn the money back. That is a vacuous, vacant, insipid argument. It is so simple-minded. That argument avoids asking the real questions. Questions like what is the proper level of government, what taxes should be collected from where, how and when should we stimulate the private sector? Let's have a real honest debate on policy, not a phony debate on politics.

This has been a phony debate on politics, this last week, on this tax bill. It has not been an honest debate on public policy, on what is right, on what the right levels of spending should be. It is not based upon the same set of numbers, the same facts. Everybody comes up with his own charts, his own different facts.

You know the old saying: Liars figure and figures lie. We cannot even agree on the same baseline. We can't agree on the same facts. By definition, we are just talking past each other. I guess that is what bothers me most and that is why I think this whole debate is most unreal and why it is sad. It is, in a large sense, not only a waste of time because we are not addressing the points that should be addressed, but it is a disservice to the American people.

I very much hope in the next month, in September and next year, the leadership on both sides of the aisle will work harder to put politics aside and the Senators themselves will work hard to put politics aside. I know that might sound like a political statement, but it is what I believe. In every ounce of my body, I believe it because that is why we are here and that is what we should be doing.

I very much hope after the President vetoes this bill, either there is no bill so we can start all over again, or we can come together in some appropriate way so we can get down to the real issues that face this country.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from New York.

Mr. MOYNIHAN. Mr. President, we now have a sense of why the Senator from Montana is an appreciated treasure in this body.

Now I yield 5 minutes to my friend from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President I thank the distinguished ranking member. I share the affection and feeling expressed by the Senator from Montana, about how much we will miss the remarkable insightfulness and stewardship of the Senator from New York.

Let me also associate myself with his praise of the Senator from Montana. That was a very thoughtful and very honest statement about what has happened in the Senate. I haven't been here quite as long as the Senator from Montana. I have been here 15 years. But I have never seen this body as polarized, as personalized, and as partisan as it is at this moment. I think it is very dangerous. It is dangerous for the country; divisive and difficult for the institution itself. I find it very hard, frankly, to understand.

I guess I can understand it in macro terms. I find it hard to understand in the context of why we all run for the Senate and what we are in politics to try to achieve. There is something more than just winning elections. There are some people around here who do not believe that, but I am convinced the American people believe that. Indeed, I think an adherence to that notion is what has made us different from other countries, and the best moments of the Senate have been when we have tried to adhere to that notion.

This is not a bill. This is not a tax bill. This is a political statement, a raw, fundamental, basic political statement. The statement is essentially one that seeks to say: Democrats want to spend money. Republicans want to give you back your money. That is the political statement. But it is not real when you look underneath it because the Republicans will join in September and October in spending the money because none of them are going to go back and tell the citizens of their State they are going to cut veterans hospitals, they are going to cut the Coast Guard, they are going to cut the FBI, and a host of other programs. None of them are going to do that. They are positioning themselves to say to their electorate: Gee, Clinton made me do it, but I wanted to give you back your money, even though the money wasn't there to give back.

It is one of the great posturings and one of the great frauds of recent time from the very people who brought you Gramm-Rudman that fell on its face, the very people who built the great deficits of the early 1980s when they adopted the Stockman philosophy of how to create crisis in Government and undo Government itself, the very people who predicted in 1993 that if we passed the 1993 Deficit Reduction Act there would be economic chaos, unemployment lines, massive economic failure.

The results are, here we are today with the best economy we have ever had in this country, with unemployment at record low rates, with the stock market at high rates, with the greatest sustained period of growth, and the very same people who brought you those three great failures are now trying to sell this snake oil to the American people.

Let's look at it as a political statement. That is what it is. It is a political statement. It is a political statement in which they are prepared to take the House tax bill that was worse than the Senate bill and bring most of it back so that their political statement is: 60 percent of American taxpayers get 14 percent of the tax break that won't happen. On the other hand, their political belief is that the top 10 percent of income earners in America ought to get 47.6 percent of the benefits of their tax statement that won't happen. So they can run around and say: Gee, we tried to service those who service us the best in the process of campaign financing. But the reality is, it is just a political statement.

The conference report remarkably delays the Senate's marriage penalty tax relief for earned-income tax recipients. I cannot tell you how many times we heard people on the other side of the aisle saying: Oh, my God, marriage is being destroyed in America; we have a disincentive for marriage, particularly among the poor in this country.

We heard it all through the welfare debate. We heard it from the Republicans year after year. Many of us say we ought to get rid of the marriage penalty. We voted to get rid of the marriage penalty, but they come back and delay for working people the capacity to get rid of the marriage penalty. In exchange for delaying getting rid of the marriage penalty, what do they think is more important?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. KERRY. Can I have a couple minutes?

Mr. MOYNIHAN. Of course, 2 minutes because we are running down on time.

Mr. KERRY. They eliminate the alternative minimum tax that guarantees that the wealthiest of Americans will pay some kind of tax. So they trade off: Don't give the marriage penalty to the working poor, but give the wealthiest of Americans an exemption from the alternative minimum tax that guarantees fairness.

That is not all they do. They wipe away the tax relief for child care. They dropped the Senate provision. They provide additional capital gains tax relief for investors, but they provide no tax relief to the people who pay most of their taxes through the payroll tax in America, which is the vast majority of Americans.

There are many other egregious transfers to the wealthy at the expense of the average American. So let's take this as the political statement it is. It is a political statement that makes clear the priorities of their party, and it makes clear that they are prepared to even risk the high-technology boom we have been through, because when you give a tax cut of this level without sufficient money to pay for it at a time when the economy is doing well, as Alan Greenspan and countless Nobel laureates and economists have said: You are going to reduce capital formation and increase interest rate costs and, in effect, may even reverse some of the plus side that has given us this option.

It is a political statement that I think ultimately will come back to haunt them because Americans know better. There is no American in this country who does not appreciate the vast commitment we have had to children, to education, to higher education, to technology creation, transfers, to a host of things which make this country what it is: a better country and, in fact, an extraordinary country measured against all the other nations of the world in today's economy. I do not think we should put it at risk, and I hope colleagues will join in rejecting this political statement and in rejecting this irresponsible direction they seem prepared to adopt.

I thank my friend for the time.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Massachusetts for a forceful and needed statement. It was not easy to hear. It is true.

I am happy to yield 5 minutes to my friend from Virginia, known in the Finance Committee as "commandant."

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. I thank the Chair. Mr. President, I thank the distinguished ranking member of the Finance Committee, the Senator from New York, and mentor to us all. His presence, at the end of this Congress, will be missed in ways I do not think any of us fully appreciate.

First of all, I want to fully agree with the comments made by the Senator from Montana and the Senator from Massachusetts. I will try not to repeat those comments. My particular frustration in dealing with the bill before us today is that we are considering this huge tax cut, one which would normally be designed to stimulate the economy, and yet no economist I am aware of has suggested that such a stimulus is needed at this particular moment.

In fact, what is truly needed is not being done. This bill does nothing to address the two most pressing structural systemic problems, Social Security and Medicare. Instead of trying to bring about some responsible changes to the Social Security system and the Medicare system, we are taking a projected surplus we hope will occur, but may or may not occur, and spend it in a way that provides a stimulus to those who least need a stimulus at this particular time. Indeed, it is very hard to find someone who represents the group who will be most benefited by this bill who is actually asking at this time that we provide them with a huge tax cut or an economic stimulus. We just do not need it.

If we are going to enact a tax cut, it is my view that it should be in some targeted areas we know we are going to have to take care of anyhow. For example, we should have a permanent extension of the R&D tax credit, not cutting it back. Instead, we go through the same charade we go through each year, which makes it difficult for those who must make decisions about investing in research and development to make the kinds of decisions they need to make. The bill also fails to target tax credits for investment in information technology training, which is so clearly the cutting edge of our economy today. We are not making those investments in this bill.

What we are doing is making a huge tax cut available to those who are disproportionately in the middle- and upper-income brackets in this country, and not providing the basic investment in infrastructure.

My personal preference is to not have a tax bill at this point. If we cannot do better than the one we have, I would rather have nothing, notwithstanding some of the good things upon which both sides agree, and simply begin to pay down the debt. We are in such a hurry, however, to deliver the good news that we are going to give money back to you that ought to be yours in the first place, even if we are only going to give you $4 billion of it back in the year 2000. Even though it is only $4 billion, those who support this bill are attempting to take credit for full $792 billion, the lion's share of which will not be until the end of the next decade. This bill is going to lock in statutorily those changes which will make it very difficult for those who serve in succeeding Congresses and succeeding administrations to make the corrections they may well be called upon to make.

I am certain we will hear a scream from those on the other side of the aisle if we even think about what could be scored in any way, shape, or form as a tax increase, even though it would only be correcting a tax cut that most people who have common sense and have some sense of fiscal responsibility view as a mistake today.

I will not extend the debate. I will only observe that even though I disagreed with the original proposal, there were a small number from this side of the aisle who were willing to go along in the hope that some sort of compromise could be reached. And we took a bad bill and made it worse, and drove off the Democrats who were prepared to participate in a bipartisan solution.

So it does go to what the Senator from Massachusetts just suggested. It is a political bill. It is regrettable because we have an opportunity, for the first time in a long time, to do something really fiscally responsible in terms of the kinds of obligations that we have in this body and the other body, in concert with the White House at the other end of Pennsylvania Avenue.

I regret we are in a situation that we cannot act in a fiscally responsible manner and address the true pressing needs, such as Social Security and Medicare, instead of what we are doing.

I know the time has expired.

With that, I urge my colleagues to oppose this particular measure, and to work eventually with those on the other side of the aisle to come up with a constructive, fiscally responsible measure to meet our legitimate needs.

With that, I thank the distinguished Senator from New York, as well as praise, although I am not in agreement with, the distinguished chairman of the committee, the Senator from Delaware.

I yield the floor.

Mr. MOYNIHAN. Mr. President, it would appear that the force of the argument on this side of the aisle has silenced our friends on the other side, in which case I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

Mr. MOYNIHAN. I am happy to yield 5 minutes to my friend from Massachusetts.

Mr. KENNEDY. Mr. President, in just a few moments we are going to be casting an extremely important vote that will in many ways have a dramatic impact on the economy of this country.

I had the opportunity to be here in 1981 when we had a Republican proposal on a tax program. At that time there were 12 of us who voted in opposition to that program. But it passed, and we saw our Federal debt grow from $400 billion to close to $4 trillion over the period of the next years because of the economic forces that were put in place by that tax program.

It had a very dramatic impact, particularly in terms of the allocations of wealth and the distribution of wealth here in the United States. Those that had resources benefited enormously, but for the great majority of the Americans, they had to work longer and harder just to hold on.

Then in 1993, the Democrats passed a very important tax measure. The implications of that tax program, which took some belt tightening, so to speak, had a very dramatic impact in terms of our economy. That policy, more than any other single action we have seen, has had a more positive impact on our economy than any other action that has been taken by the Government. The point is that a tax bill of this magnitude has enormous impact on our economy as well as in relation to the issues of distribution. We now have before us, in 1999, a third rather dramatic proposal.

Mr. President, very few decisions we make in Congress will have more impact on the long-term economic well-being of our nation than how we allocate the projected surplus. By our vote today, we are setting priorities that will determine whether the American economy is on firm ground or dangerously shifting sand as we enter the 21st century. This vote will determine whether we have the financial capacity to meet our responsibilities to future generations, and whether we have fairly shared the economic benefits of our current prosperity. Sadly, the legislation before us today fails all of these tests. We should vote to reject it.

A tax cut of the enormous magnitude proposed by our Republican colleagues would reverse the sound fiscal management which has created the inflation-free economic growth of recent years. That is the clear view of the two principal architects of our current prosperity—Robert Rubin and Alan Greenspan. Devoting the entire on-budget surplus to tax cuts will deprive us of the funds essential to preserving Medicare and Social Security for future generations of retirees. It will force harsh cuts in education, in medical research, and in other vital domestic priorities. This tax cut jeopardizes our financial future—and it also dismally flunks the test of fairness. When fully implemented, the Republican plan would give 80% of the tax cuts to the wealthiest 20% of the population. The richest 1%—those earning over $300,000 a year—would receive tax breaks as high as $46,000 a year, while working men and women would receive an average of only $138 a year—less than 40 cents a day.

Republicans claim that the ten year surplus is three trillion dollars and that they are setting two-thirds of it aside for Social Security, and only spending one-third on tax cuts. That explanation is grossly misleading. The two trillion dollars they say they are giving to Social Security already belongs to Social Security. It consists of payroll tax dollars expressly raised for the purpose of paying future Social Security benefits. Clearly, these dollars are insufficient to achieve our goal of protecting Social Security for future generations. Yet, Republicans are not providing a single new dollar to strengthen Social Security. They are not extending the life of the Trust Fund for even one day. It is a mockery to characterize those payroll tax dollars as part of the surplus.

That leaves the $964 billion on-budget surplus as the only funds which are available to address all of the nation's unmet needs over the next ten years. Republicans propose to use that entire amount to fund their tax cut scheme. Since CBO projections assume that all surplus dollars are devoted to debt reduction, the $964 billion figure includes over $140 billion in debt service savings. The amount which is available to be spent—either to address public needs or to cut taxes—is only slightly above $800 billion. As a result, the $792 billion Republican tax cut will consume the entire surplus. It will inevitably usher in a new era of deficits—just as the baby boom generation is reaching retirement age.

Most Americans understand the word "surplus" to mean dollars remaining after all financial obligations have been met. If that common sense definition is applied to the federal budget, the surplus would be far smaller than $964 billion.

We have existing obligations which should be our first responsibility. We have an obligation to preserve Medicare for future generations of retirees, and to modernize Medicare benefits to include prescription drug assistance. The Republican budget does not provide one additional dollar to met these Medicare needs.

The American people clearly believe that strengthening Social Security and Medicare should be our highest priority for using the surplus. By margins of more than two to one, they view preserving Social Security and Medicare as more important than cutting taxes.

We should use the surplus to meet these existing responsibilities first, in order to fulfill the promise of a retirement with both financial security and health security. If we do nothing, Medicare will become insolvent by 2015. The surplus gives us a unique opportunity to preserve Medicare, without reducing medical care, or raising premiums for senior citizens, or raising the retirement age. The Republican tax cut would take the opportunity away. It would leave nothing for Medicare. In fact, this legislation will actually force additional cuts over the next five years. Under existing budget rules, which Republicans have refused to modify, the enactment of this tax bill will force a sequester of Medicare funds.

Senate Democrats have a realistic alternative. We have proposed to use one-third of the surplus—$290 billion over the next ten years—to strength Medicare and to assist senior citizens with the cost of prescription drugs. The Administration's 15 year budget plan provides an additional $500 billion for Medicare between 2010 and 2014. Enactment of the Republican tax cut would make this $800 billion transfer to Medicare impossible. If we squander the entire surplus on tax breaks, there will be no money left to keep our commitment to the nation's elderly.

Unless we use a portion of the surplus to strengthen Medicare, senior citizens will be confronted with nearly a trillion dollars in health care cuts and skyrocketing premiums. We know who the people are who will carry this enormous burden. The typical Medicare beneficiary is a widow, seventy-six years old, with an annual income of $10,000. She has one or more chronic illnesses. She is a mother and a grandmother. Yet the Republican budget would force deep cuts in her Medicare benefits in order to pay for this exorbitant tax out

The Republican tax cut, if enacted, will also make it impossible for us to assist Medicare recipients with the high cost of prescription drugs. That is one of the choices each of us will make when we vote on this bill.

The cost of prescription drugs eats up a disproportionately large share of the typical elderly household's income. Too many seniors today must choose between food on the table and the medicine they need to stay healthy or to treat their illnesses. Too many seniors take half the pills their doctor prescribes, or don't even fill needed prescriptions—because they cannot afford the high cost to prescription drugs. Too many seniors are ending up hospitalized—at immense costs to Medicare—because they are not receiving the drugs they need. Pharmaceutical products are increasingly the source of medical miracles—but senior citizens are being denied access to the full benefit of these new drug therapies. Remedying these inequities should be our priority. Instead, with these enormous GOP tax breaks, we are ignoring the basic needs of the elderly.

The Republicans claim that their tax bill provides a prescription drug benefit for the elderly—but it is a meaningless provision which few if any seniors will ever be able to use. The provision is contingent on a whole series of other legislative actions that may not occur. Thus, it may never take effect. Even if it takes effect, it provides an above the line tax deduction for private insurance premiums which can only be used by the small percentage of more affluent senior citizens who itemize deductions. The vast majority of elderly taxpayers will never be able to use this provision.

The projected surplus also assumes drastic cuts in a wide range of existing programs over the next decade—cuts in domestic programs such as education, medical research and environmental cleanup; and even cuts in national defense. We have an obligation to adequately fund these programs. If existing programs grow at the rate of inflation over the next decade—and no new programs are created and no existing programs are expanded—the surplus would be reduced by $584 billion. That is the amount it will cost to merely continue funding current discretionary programs at their inflation-adjusted level.

In other words, the Republican tax breaks for the wealthy would necessitate more than a twenty percent across the board cut in discretionary spending—in both domestic programs and national defense—by the end of the next decade. If defense is funded at the Administration's proposed level—and it is highly unlikely that the Republican Congress will do less—domestic spending would have to be cut 38% by 2009. No one can reasonably argue that cuts that deep should be made, or will be made.

We know what cuts of this magnitude would mean in human terms by the end of the decade. We know who will be hurt.

375,000 fewer children will receive a Head Start.

6.5 million fewer children will participate in Title I education programs for disadvantaged students.

14,000 fewer biomedical research grants will be available from the National Institutes of Health.

1,431,000 fewer veterans will receive VA medical care.

These are losses that the American people will not be willing to accept.

The Democratic alternative would restore $290 billion for such domestic priorities, substantially reducing the size of the proposed cuts. A significant reduction would still be required over the decade. One thing is clear—even with a bare bones budget, we cannot afford a tax cut of the magnitude the Republicans are proposing.

Our Republican colleagues claim that these enormous tax cuts will have no impact on Social Security, because they are not using payroll tax revenues. On the contrary, the fact that the Republican budget commits every last dollar of the on-budget surplus to tax cuts does imperil Social Security.

Revenue estimates projected ten years into the future are notoriously unreliable. As the Director of the Congressional Budget Office candidly acknowledged: “Ten year budget projections are highly uncertain.” Despite this warning, the Republicans tax cut leaves no margin for error. If we commit the entire surplus to tax cuts and the full surplus does not materialize, or if we have unbudgeted emergency expenses, Social Security revenues will be required to cover the shortfall.

The vote which we cast today—the choices which we make—will say a great deal about our values. We should use the surplus as an opportunity to help those in need—senior citizens living on small fixed incomes, children who need educational opportunities, millions of men and women whose lives may well depend on medical research and access to quality health care. We should not use the surplus to further enrich those who are already the most affluent. The issue is a question of fundamental values and fundamental fairness.

Unfortunately, Republicans returned from the Senate-House Conference with a substantially more regressive bill than the one the Senate passed last week. The current bill contains a costly reduction in capital gains tax rates which was not in the Senate bill. The current bill completely eliminates the estate tax, providing enormous new tax breaks to the richest few. It also provides more than twice as much in tax cuts for multinational corporations as the Senate bill did. Yet, the permanent extension of the research and development tax credit—the provision which would do the most to help many of those businesses whose innovations have created jobs and fueled our prosperity—was not included in this legislation. Instead, only a brief extension of the credit was provided. How extraordinarily shortsighted. In order to plan this research efficiently, the companies need to know what the rules will be in future years. The permanent extension of the research and development tax credit is the type of tax cut we should be passing. Unfortunately it is not before us.

Democrats believes in tax cuts which are affordable and fairly distributed. The Democratic alternative, which I support, would provide $290 billion in tax relief over the next decade. That is an amount the nation can afford without endangering the economic progress we have made and without ignoring our responsibilities to Medicare, to Social Security, to education, and to other vital programs. We oppose the $792 billion Republican tax bill because it would poison our prosperity and lead to a crippling rise in interest rates. We oppose the Republican bill because it would consume the entire surplus, and distribute the overwhelming majority of it to those who already have the most.

That is not the way the American people want to spend their surplus. I urge my colleagues to reject the bill. The American people deserve better than this.

Mr. MOYNIHAN. May I say to my friend from Massachusetts that the Office of Management and Budget has computed exactly what those sequesters would be, and they are horrendous.

Mr. KENNEDY. I thank the Senator.

Mr. MOYNIHAN. I yield the floor.

Mr. ROTH. I yield 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH of Oregon. I thank the Chair, and I thank the chairman and his committee for the work they have done on this bill.

I rise to encourage my colleagues to vote yes when this vote is taken. I have had the privilege of sitting in that Chair, Mr. President, for a good part of this debate and have seen, with very clear eyes, two different philosophies on the floor of the Senate. One is a philosophy that says that Government spends money better than people can. That philosophy would grow Government. The other philosophy says we trust people; we don't trust Government as much. That philosophy, which trusts people, says let's grow families. Let's trust them to spend it for their needs because they can do it better than we can imagine it here inside the beltway.

As I look at this plan that has been produced by our Finance Committee, and through this conference process, my conditions for voting for this have been met. I see both sides allocating the same amount to Social Security. I see both sides allocating the same amount to Medicare, save that we do not expand Medicare, but we dedicate a great deal of money to Medicare.

I see both sides making the same commitment to debt reduction. In fact, this Republican proposal conditions the tax cuts upon the actual realization of the surpluses. So people that say we are spending the surplus or spending it without it actually being realized, we will not do that. We will not spend it in the sense of tax cuts if, in fact, these surpluses are not realized.

So the question really becomes, Who is going to spend the surplus? Our friends on the other side would do it to grow this Government. We, on this side, would spend it to grow families because we trust people more than we trust Government to spend it wisely.

I tell you, as I look at the things that are provided in this tax package, I like what I see. When I look at reducing estate taxes, I say yes because, as a philosophical matter, I do not believe that it is the Government's business to tell you and me how we allocate our estates when we die. It is about redistribution of economics, which is what they are proposing, which is the law. I don't think that is the Government's role. I think we should trust people to distribute their money as they see fit.

I look at the marriage penalty reduction. I don't think there should be a bias in our Tax Code against people marrying. I think it is terribly unfair when you have two working spouses, one has a high income, and the other may have a lower income; one is a corporate executive, the other is a schoolteacher; but the schoolteacher, the one with the lower income, gets taxed at the higher rate. What is fair about that? That is wrong. That is a bias against marriage that we should eradicate. If President Clinton wants to veto that, I will let him justify it.

I look at the reduction of capital gains taxes, and I wonder, frankly, why we are taxing this capital twice. We should not be taxing it. We should be reinvesting it.

That brings me to an important point. I am extremely frustrated every time I hear President Clinton or any other politician take credit for creating jobs. You and I, as politicians, as public servants, do not create jobs, unless we own the stock or unless we buy a bond, unless we invest in the free enterprise system that allows labor to go to work. When you hear President Clinton or any other politician claim they have created jobs, the predicate of that claim is that we are a centrally planned economy. And we are not. We are a free market republic.

I think if my party has any contribution to make to this country, it is to make sure we do not become a socialistic, democratic welfare state, because if we become that, we will suffer the kinds of economic consequences that, frankly, our friends in Europe and Asia are suffering, which is little or no growth, high inflation, high interest rates, enormous unemployment rolls. That is the kind of system I don't want to be part of creating.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SMITH of Oregon. If I may have 1 final minute.

Mr. ROTH. I yield 1 more minute.

Mr. SMITH of Oregon. I think that is what is at stake. What kind of an America do we want? Whom do we trust? Are we the party of government or are we the party of the people?

It is a question of whom you trust. It is a question of how you spend the money. When it comes to the essential programs, our programs are the same. When it comes to spending, we spend it differently. One does it for government; the other does it for families.

I urge my colleagues to vote yes on this important piece of legislation.

Mr. ROTH. Mr. President, I yield 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. I thank the Chair.

Mr. President, I have been on and off the floor all day. We have been at this for about 6 hours. I suspect most everything has been said, but we all, of course, haven't said it.

I rise in support of what we are attempting—for the idea that we can do the things that are essential for the Federal Government to do and at the same time return substantial amounts of money to the people who own money, the taxpayers.

I have been amazed at all the discussion that has gone on. We are talking about a fairly simple thing—tax relief. Yet I hear from the other side of the aisle how damaging that is to the economy. That is hard to imagine, isn't it, that returning money to people who have paid it in is going to damage the economy.

We have tax relief based on our best estimate, provided by those who do professional estimating, that we will have a $3 trillion surplus over the next 10 years. Will it happen? Who knows. No one can guarantee it. But that is the way you have to plan any enterprise, by the best estimates you can make. We find ourselves now, of course, paying the highest taxes as a percentage of gross national product of any time since World War II. Surprising, isn't it, in this large of an economy. It certainly means one thing; that is, that the Government continues to grow.

I think it is interesting to see the polls. When they ask, what is your highest priority? Do you like Social Security? Do you like Medicare? Do you like tax reduction? Tax reduction generally is the third one. That is not the point. We are setting aside Social Security before we do tax reduction. We are sustaining enough money to take care of Medicare. So that is not the choice.

The better poll would be: What do you do after you have taken care of Social Security? What do you do when you have taken care of Medicare? Should you return the money? I think so.

I saw somebody use an example of the simplest way to look at it, suggesting that you have three dollar bills in your hands, each representing $1 trillion. You say: I am going to set aside two of these dollars to do something with Social Security because that is where the surplus comes from. I am going to spend part of the third one for Medicare and the other costs that will be there. And about two-thirds of the last one we are going to give back to the people who sent it in because it is an overpayment of taxes. It is a fairly simple thing.

We have, of course, in this case, as we do in many, a pretty strong difference of philosophy. We have on that side of the aisle people who prefer more government, more spending, more taxes. That is the philosophy. I understand that. I don't happen to agree with it.

Our party, on the other hand, is one that says we ought to slim down the Federal Government; we ought to move more and more government towards the States and the counties, leave more and more money in the hands of the people. That is the philosophy, a difference of philosophy. That is so often the basis of our disagreement on many things. I understand that. It is perfectly legitimate. But if you want more government, that is fine. If you want the Government to spend more money, that is fine. That is a philosophy, one that has, through the years, been on that side of the aisle. It is not really a surprise.

People say, of course, how is it going to affect me? Well, it affects us in very real ways:

Estate taxes: I have a lot of people who farm and ranch in Wyoming who are very concerned about that. Capital gains taxes: More and more people are investing their money. The capital gains tax needs to be changed. Insurance deductions for health insurance, that people pay their own premiums, to be deducted, that is a reasonable thing to do. The marriage penalty, we have talked about that—a very reasonable thing to do.

So we often get lost in the details when we say, as taxpayers, what does this do for us? I think it does a great deal for us. I think we should move forward. I am sorry we don't have agreement with the gentleman at the other end of Pennsylvania Avenue, but that ought not to keep us from doing what we think is right, and that is the thing we ought to do.

I urge that my associates do the right thing.

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Arizona.

Mr. McCAIN. Mr. President, the American people want us to save Social Security. They want us to fix Medicare. They want us to give them more control over their children's education. They want us to cut back the size of the bloated Federal bureaucracy and pay down the debt. Those are the clearly stated priorities of the people we represent, those whose interests we are pledged to protect.

The Congress has tried to do something about the impending insolvency of the Social Security system, but we have been blocked by the President's disingenuous statements about the kind of lockbox legislation he could support. The President rejected the recommendations of the bipartisan commission that was created to provide a basis for preventing the bankruptcy of Medicare. The President has put politics ahead of the needs of the people, but, unfortunately, so have we.

The American people want, need, and deserve tax relief. They want us to reform and simplify our overly burdensome 44,000-page Tax Code that unfairly benefits special interests and overtaxes American families.

Yet, here we are debating the merits, or not, of an $800 billion tax relief bill that we know for a fact the President will veto.

Mr. President, let's be honest and acknowledge what's going on here. This bill is going nowhere. When it comes back to the Congress after the President's vetoes it, we should be prepared to set aside pure politics, and instead focus on producing results that benefit the American people.

Mr. President, there are some very good provisions in this bill that help American taxpayers keep more of their hard-earned money. But most of these very important tax provisions for average Americans are put off for the future, while many of the perks for big business and special interests take effect immediately. This bill delays meaningful tax relief for the average taxpayer until 2001 or later, yet it complicates the tax system with a raft of new and renewed exemptions, exceptions, and carve-outs for special interests that go into effect immediately.

Just under $6 billion of the entire $792 billion in tax relief in this bill is effective next year. Just 77 of the 180 provisions in this bill provide any tax relief at all in the year 2000. More than 80 percent of the tax cuts are delayed until 2005 or later. And after phasing in the most important provisions over a 10-year period, the whole tax cut package sunsets after 2009, when we would presumably revert to the burdensome and overly complex tax system with which we are struggling today.

I firmly believe we should repeal, once and for all, the disgraceful tax penalty that punishes couples who want to get married. This bill does provide relief from the onerous marriage penalty, but these important provisions do not even begin to take effect until 2001 and then they are phased in over a period of four or five years.

Income tax rate reductions don't start to phase in until 2001, and then only the lowest bracket sees a half-percent rate cut, while other rate cuts are delayed until 2005. In fact, according to an informal estimate I was given, an American family making $65,000 per year would get just $47 in tax cuts based on the income tax rate reductions in this bill in 2002.

We should also slash the death tax that prevents a father or a mother from leaving the hard-earned fruits of their labor to their children. There is absolutely no relief from the onerous death taxes in 2000. Estate tax reductions would be phased-in over a 9-year period until completely eliminated in 2009, but then this entire tax cut package would terminate and the death tax would be fully reinstated.

At the same time, poultry farmers get an immediate tax break, totaling $30 million over 10 years, to convert chicken manure into electricity. Small seaplane operators don't have to collect tickets taxes, starting immediately, giving them a break of $11 million. Manufacturers of fishing tackle boxes get an immediate excise tax break, so that they can more competitively price their tackle boxes to compete with the tool box industry. And the people who make and sell arrows for hunting fish and game get an immediate cut in their taxes.

Why are we giving a big break to chicken farmers when American families get not a dime in tax relief? Why don't people flying on seaplanes have to pay ticket taxes like people flying on other commuter planes? What compelling reason is there to give fishing tackle box manufacturers a tax break, while family-owned businesses get no relief from the confiscatory death taxes for quite some time?

Many of the other provisions in this bill that provide tax relief for education, health care, and other issues important to American families are implemented gradually or simply delayed for several years. Likewise, some of the provisions that benefit small businesses and tax-exempt organizations do not take effect for a number of years. Yet most of the provisions that give even more tax breaks to the oil and gas industry, financial services companies, high tech industry, insurance companies, and defense industry take effect early. The priorities in this bill are seriously skewed in the wrong direction.

In addition, this bill does nothing to fundamentally reform our unfair and overly complex tax code. For years, and this bill is no exception, we have compounded the tax code's complexity and put tax loopholes for special interests ahead of tax relief for working families. The result is a tax code that is a bewildering 44,000 page catalogue of favors for a privileged few and a chamber of horrors for the rest of America—except perhaps the accountants and lawyers.

The special interest set-asides and carve-outs in this bill merely exacerbate the complexity of the tax code. This bill adds new loopholes, new schemes, new ideas to keep lawyers and accountants busy.

It is not right to pay back special interests ahead of American families. It is not fair to give more tax incentives and exemptions and cuts to big business, when individual taxpayers get no relief.

If this bill had any chance of becoming law, perhaps it would have been prioritized somewhat differently.

Mr. President, this tax bill is based on the premise that we will have nearly $3 trillion in the federal budget surplus over the next 10 years. Let's look at the priorities for those surplus funds.

Our first priority must be to lock up the Social Security Trust Funds to prevent Presidential or Congressional raids on workers' retirement funds to pay for so-called "emergency" spending or new big government programs. Most Americans don't share the view that dubious pork-barrel projects, such as millions of dollars in assistance to reindeer ranchers and maple sugar producers, should be treated as emergencies to be paid for with Social Security, but that is exactly what Congress did earlier this year.

That leaves nearly $1 trillion in non-Social Security revenue surpluses. I believe a healthy portion of the projected non-Social Security surplus should be returned to the American people in the form of tax cuts. I also believe we have a responsibility to balance the need for tax relief with other pressing national priorities.

After locking up the Social Security surpluses, I would dedicate 62 percent of the remaining $1 trillion in non-Social Security surplus revenues, or about $620 billion, to shore up the Social Security Trust Funds, extending the solvency of the Social Security system until at least the middle of the next century. The President promised to save Social Security, but he failed to include this proposal anywhere in his budget submission. In fact, he has since proposed or supported spending billions of dollars from the surplus on other government programs, depleting the funds needed to ensure retirement benefits are paid as promised.

I would also reserve 10 percent of the non-Social Security surplus to protect the Medicare system, and use 5 percent to begin paying down our $5.6 trillion national debt.

With the remaining $230 billion in surplus revenues, plus about $300 billion raised by closing inequitable corporate tax loopholes and ending unnecessary spending subsidies, I believe we could provide meaningful tax relief that benefits Americans and fuels the economy.

The bill before the Senate includes provisions that are similar to some of the proposals I would include in such a plan, which are targeted toward lower- and middle-income Americans, family farmers, small businessmen and women, and families.

I believe we should expand the 15% tax bracket to allow 17 million Americans to pay taxes at the lowest rate, and this bill reflects a similar focus. The bill also increases the income threshold for tax-deferred contributions to IRAs, although delayed, and very gradually increases the amount that employees can contribute each year to employer-sponsored retirement plans. We should make these increases effective immediately to encourage more Americans to save now for their retirement. And this bill takes several steps to provide meaningful tax relief for American families by at least starting to eliminate the onerous marriage penalty and provide relief from confiscatory estate taxes.

What the bill before the Senate does not do is provide much-needed incentives for saving. Restoring to every American the tax exemption for the first $200 in interest and dividend income would go a long way toward reversing the abysmal savings rate in this country.

Most important, the bill does not eliminate immediately the Social Security earnings test. This tax unfairly penalizes senior citizens who choose to, or in many cases, have to work by taking away $1 of their Social Security benefits for every $3 they earn. There is no justifiable reason to force seniors with decades of knowledge and expertise out of the workforce by imposing such a punitive tax. And in our modern society, when many seniors have to work to survive, we should not keep this Depression-era relic in law.

This is the kind of package that I believe could form the basis of a tax cut bill that properly balances national priorities and provides fair tax relief to average Americans and their families without further complicating our tax code. It would be a better step in the right direction toward economically sound and equitable tax relief and provide incentives to undertake real reform of our tax system.

Mr. President, I will vote for the Taxpayer Refund and Relief Act because I believe it reflects a commitment to provide relief from a system that taxes your salary, your investments, your property, your expenses, your marriage, and your death. We must send a message to the American people and to the President that we must repeal the onerous marriage penalty and estate taxes that burden America's families.

This bill is not acceptable to me. Special interests get the biggest breaks, and they get them right away. All the American families get are the leftovers. My problem with this bill is not with the size of the tax cuts, but who benefits.

However, its passage and subsequent veto represent our only hope for meaningful tax relief for those working families who need it most. If this bill were to die today, so would the possibility of achieving meaningful tax relief this year. By passing this bill and forcing the President to address tax issues, I believe we hold open the possibility of entering into negotiations between the Administration and the Congress to provide meaningful tax relief for the benefit of all Americans.

The sad reality is that this bill will not give a single American family even one extra dollar in their pockets, because it will be vetoed as soon as it arrives at the White House. But after this bill is vetoed by the President, our responsibility to the people we represent must be to work to address their priorities. We must save Social Security, fix the Medicare system, and return to the people more control over their lives and the lives of their children and families.

At the same time, we can start to work on crafting a meaningful tax relief bill that truly benefits the American people—a tax bill that even President Clinton could not refuse to sign into law. That is what the American people want and need.

Mr. MOYNIHAN. Mr. President, I am happy to yield 5 minutes to my learned friend from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank the Chair, and my good friend from New York.

This bill before us is unfair and it is unwise. It is unwise because the projected surplus that the bill uses for the tax cut is based on our abiding by spending limits that have already been breached and which would require huge cuts that we cannot make and should not make in veterans' programs, education programs, criminal law enforcement, and other important programs for the people of this Nation.

If the surplus to this extent materializes, in fact we should then reduce the national debt that has been built up, particularly over the last 20 years. That would be the greatest gift of all that we could make for the American people, the reduction of that debt, because that would be a reduction in the interest rates which people pay on their mortgages and cars and credit cards, and that would truly be a contribution to the well-being of our constituents.

The American people also sense that the tax program before us is unfair and not just unwise; they know—this has not apparently been contested—that 40 percent goes to the upper 1 percent of our people. The highest income 1 percent get over 40 percent of the tax benefits in this bill. More than 80 percent of the tax benefits in this bill go to the upper 20 percent of our people.

It is, in fact, true that we are dealing with the people's money. It has frequently been said here that what we are talking about is whether or not to give back to at least some of the people their own money. It is true. This money—this surplus—belongs to the American people. But the economy belongs to the American people as well. The Social Security system belongs to the American people as well. The Medicare system belongs to the American people as well. The Head Start program belongs to the American people. Veteran hospitals belong to the American people.

It is important that we consider what to do with a projected surplus—that we deal with this surplus as what it is, the people's money, but look at all of what we do here as hopefully carrying out the people's business.

This bill takes us down the wrong road—the road back toward the deficit ditch that we are finally beginning to climb out of. It has taken us fewer years than expected. But, nonetheless, it has taken us about 6 years to get out of the ditch which we got ourselves into, particularly during the decade of the 1980s.

Now that we are finally out of that ditch, we should stay out of that ditch. We should use any real surplus—not projected surplus but any real surplus—to protect Social Security and Medicare, and have a prescription program, and to do what is vitally necessary to invest in our people, particularly through their education, but then to pay down that national debt and to give back to the people what they truly want, which is a sound economy on a long-term basis and low interest rates on a long-term basis. That is what would be guaranteed if, in fact, we apply any real surplus beyond Social Security and Medicare prescription needs, beyond the investment in education, if we take that surplus, if it is real, and pay down the national debt.

Instead, this bill takes us down a different road, a road which will deliver a huge tax cut mainly for those among us who need it the least and who are, for the most part, not even asking us for it. This bill represents an imprudent and unfair step, and we should not take it.

I yield the floor.

I thank the Chair.

Mr. MOYNIHAN. Mr. President, may I say to my friend from Michigan that, as he well knows, we are in the second year of a budget surplus, the first such sequence since the 1950s. Let's not spoil it.

Mr. President, I yield the floor.

Mr. ROTH. Mr. President, I yield 10 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank my friend, the chairman.

Mr. President, fellow Senators, I want to talk for 10 minutes about why this is a good deal for the American people and why it is high time we set in motion a series of tax cuts which will give them back the money they are paying into the Government that we don't need.

First of all, everybody talks about the fact that tax reduction comes in over a decade, and it comes in 1 year at a time. Almost everybody who is critical of that says at the same time they want to save Social Security.

The truth of the matter is there is $3.3 trillion in accumulated surpluses over the next decade. In order to make sure you are protecting Social Security, each and every year of that 10 years, a substantial portion of that money belongs to the Social Security trust fund. So you can't have tax cuts that use up the Social Security trust fund. Anybody who says we are is ignoring the facts.

The reason we have to have a phased in tax cut is because we are saving every single penny that belongs to Social Security for Social Security. Then we come along and say, let's have a tax cut, and let's phase it in each and every year.

People can come to the floor and be critical of how slow it is and how long it takes to get the marriage tax penalty totally eliminated. But the truth of the matter is when you pass this tax bill tonight, and if the President were to sign it, you have put into law a change in the Tax Code which will get rid of the marriage tax penalty and many of the other onerous provisions in this law. Still, after you have done that, even though some of our best money crunchers in America have it wrong, there is $505 billion—not zero, as some people have said, $505 billion—off a freeze which you can spend where you want over the next decade, be it for defense, be it for discretionary programs such as education, or you can use $90 billion to $100 billion of it, or as much as you want, to make sure you fix Medicare, if that is your goal.

So for starters, there are so many people out there with wrong numbers and attacks on this proposal, who have the wrong facts, that I merely want to answer that part. We take care of Social Security regardless of what the President of the United States says. There is money in this budget for Medicare reform, if you choose to do it. There is money in this budget plan to pay for defense and to pay for education, and other high priority items, and to take care of the needs of this country.

What we set out to do was to say we shouldn't keep more than we need, and we shouldn't set billions of dollars around in places up here in the National Government assuming that one way or another it will be there when it is time to give a tax cut.

I submit that if you believe that you really do believe in the tooth fairy because, as a matter of fact, if you set that much money around up here and it is not used, it will be spent.

We ask the question: Do you want to use this surplus to grow the pocketbooks of Americans, or do you want to increase their savings accounts, or would you like to spend it? That is the issue before us today. It is a blessing that we have this surplus.

First, we should set aside enough for Social Security. We have done that. The bill then provides for our taxpayers to get some relief. It preserves and expands the child care credit. It protects various education credits, foster care tax credit, the alternative minimum tax—a fancy name. But what it means is that the way the Tax Code is written today, we give average Americans, middle-income Americans, credits and the like in the Tax Code. Then we take it away under the alternative minimum tax—like we give you a benefit and we take it away. We call it an alternative minimum tax, as if you are so rich you shouldn't get these credits.

Do you know that if we do not pass this tax bill, 7 out of 10 American taxpayers will lose some of their credits to the AMT by the year 2008, just about the time that we wiped out the AMT?

Please, Mr. President, sign this bill. The bill provides tax relief for health care, long-term care, and has small business incentives. It is a bill that is good for farmers, for working men and women, and families. Overall, it is a very good bill.

I also say, Mr. President, please sign this bill. The final tax plan is an excellent tax plan that moves toward slower, flatter, and simpler tax and moves toward taxing income that is consumed, not income that is saved, earned, and invested.

On the business side, it moves closer to allowing business to deduct the cost of investments in the year they are made, thereby making them more competitive.

This bill overall moves toward tax equity so everyone will get a break for health care regardless of where they work—a big company, small company, or a ma-and-pa one-stop shop. People who need health coverage say: Mr. President, please sign this bill.

The bill focuses on generational equity. There are child care credits and long-term credits for the elderly. The President asks, be sure to take care of our senior citizens. We have taken care of them. Senior citizens, we are taking care of your children and your grandchildren who are interested in being helped because they pay more taxes than they should. On behalf of the seniors in the country, and their daughters, sons, and grandchildren, Mr. President, sign this bill.

The bill takes the best part of the House and Senate bill and attempts to make it law. Broad-based tax reduction is fair. It cuts the tax rate in the lowest bracket first. Lowering of the 15-percent bracket happens before any other brackets are lowered. This sequencing recognizes that 98 million Americans are the people most urgently in need of a tax cut. Lowering the 15 percent to 14 percent is a 7-percent cut. Widening the lower bracket does two important things: It returns millions of Americans to the lowest brackets, fighting back "bracket creep." In my own State of New Mexico, 151,000 New Mexicans will be returned to the lowest bracket; another 83,000 will see taxes cut.

Talking about the marriage penalty for a minute, which everybody has spoken to—I won't be as eloquent as some—it is absolutely preposterous that the United States of America would punish by way of taxation a man and a woman who are married and both working, as opposed to a man and woman who are single. The marriage penalty is the wrong thing for America today. It was the wrong thing when we passed it. We ought to get rid of it.

In behalf of millions of married couples who are begging Congress to be fair with them and get rid of this penalty on their marriage, please sign this tax bill.

Because of the progressive rate structure in our tax code, Americans in the 28, 31, 36, and 39.6 tax brackets will all see their taxes cut.

The marriage penalty relief in this bill is overdue and well done. There is roughly $117 billion in marriage penalty relief. Fully fifty percent of the bills resources go to a broad-based and marriage-penalty tax relief.

The bill also phases in a doubling of the standard deduction to finally eliminate the marriage penalty. In addition to lowering federal income taxes by eliminating the marriage penalty for 567,170 New Mexico families, it will also save New Mexicans $72.4 million in New Mexico income taxes as well! Getting married would no longer be a taxable event.

The bill increases the child care credit. It increases the credit for families with AGI incomes under $30,000. By 2006, the credit will be 40 percent. This means that 29,042 New Mexican families will get more help with their child care expenses and this is a real helping hand because child care can cost as much as $3,133 to $5,200 a year per child. These 29,042 families with child care expenses say, "Mr. President, please sign this bill."

This bill improves tax treatment for education 7 ways. The 331,815 public school students in New Mexico would be benefitted if this bill were to become law, so I say, "Mr. President, please sign this bill."

This bill provides a deduction for prescription drug insurance, provides an extra exemption for the caretaker of elderly and infirm parents and grandparents, and provides a deduction for long term care insurance.

43 percent of all Americans will need long term care at some point in their lives and 25 percent of all families are caring for an elderly relative today. It

is an emotional and financial commitment. The long term care deduction can help make it less of a financial burden. For the 19 million Americans expected to need long term care, I say, "Mr. President, please, please sign this bill."

This bill cuts taxes by $43.9 billion by providing tax relief to families facing health care costs.

The bill expands the deduction for health insurance so that everyone is treated the same regardless of whether they work for a big corporation with a fancy health insurance benefit plan, or whether they work for a small business that does not provided health insurance. This provision could help 43 million uninsured plus the 10.2 million who have access to health insurance but decline to participate because of the cost and it should help the 1.4 million children of self-employed who lack health insurance.

In New Mexico this provision could have a big impact and make a big difference. We have 340,000 uninsured New Mexicans who belong to families where some in the family works.

On behalf of all these people with no health insurance or with unaffordable health insurance, I ask, "Mr. President, please sign this bill."

I have talked about why this bill is good for the American family. But there are two provisions that are good for the economy.

Lowering the capital gains rate is the best economic policy and I am pleased that this bill lowers the top rate to 18 percent. I am also pleased that the bill increases expensing from $19,000 to $30,000.

This bill also phases in a reduction of rates and then repeals the estate tax. The estate tax is perceived as one of the most confiscatory taxes of all time and it is one that disrupts small business and farms. I am pleased that the bill gets rid of the death tax. Dying should not be a taxable event.

For all of the constituents who have written me about the unfairness of the death tax I say, "Mr. President, please sign this bill."

The bill increases the amount that can be contributed for all IRAs. It is phased in so that eventually $5,000 a year could be contributed. The bill also increases eligibility for those who can participate in Roth IRAs and includes "catch-up" contribution limits for people aged 50 and over.

For the 15 million people who would be helped by these retirement security provisions, I say, "Mr. President, please sign this bill."

The bill also does some things that really need doing. First it extends the R&E credit for five years. It also includes some desperately needed tax relief for the oil and gas industry.

I am very pleased with this bill. It is fair, it is the right thing to do and it should be done before the money get spent on more government.

I close today by saying I have been working on budgets for a long time. I have heard criticisms of budgets that we produced, and we have criticized budgets that the opposite side produced.

The criticism of this tax cut, phased in over 10 years, is beyond anything I could ever have imagined. With surpluses of this size, for the White House and those who oppose it to be inventing numbers and accusations that are, totally unfounded is something I never expected. As a matter of fact, there is even concern about the moderate economic assumptions in this budget. We grew at 6 percent the year before last, 4½ percent last year, over 2 percent this year, and we plan the next decade to grow at 2 to 2.3 percent, a very modest growth. We even plan two recessions in there, and we still get these surpluses.

Frankly, I think they are fair projections. At least they are fair enough to make sure we don't risk them being spent. All we are saying is, over the next decade set this much aside, just don't collect it. We are not going to cut taxes. We are just not going to collect it. It will stay with the American people. It is going to be phased in.

Fellow Americans, it will take a while for some of them, but maybe we should ask the question for the other side and the White House who are critical that it takes too long for them to come in, When will their taxes come in? When will their tax reductions come? Perhaps never.

Mr. MOYNIHAN. On behalf of the distinguished Republican chairman and manager of the bill, I yield 10 minutes to the Senator from Florida.

Mr. MACK. I thank my distinguished colleague for yielding me that time.

Mr. President, the vote on our tax relief bill is nothing less than a vote of confidence, reaffirmation of our belief in the wisdom of the American people and of our faith in the capitalist system. It all boils down to one basic, fundamental question: who has first claim on the income of Americans—does it belong to the government or to the individual families who create the income through the sweat of their brows and the genius of their (brains?)

The President and the vast majority of our friends on the other side of the aisle act like the money belongs to the government. They reject our tax relief bill as "too big," as if taxpayers earn income at the sufferance of the government. Under this view, Uncle Sam does not live under a budget he sets the budget for every American family, which must be content with the table scraps after the enormous appetite for spending in Washington has been satiated.

Two and one-quarter centuries ago, the rejection of this arrogant, government-comes-first theory of taxation was the impetus for the founding of our Nation. Our political forefathers would not stand for the notion that Americans were mere pawns of a distant court, which could raid their purses and pocketbooks at any whim. America was founded not on concepts that divide peoples, such as race, or geography, but on the American Idea that brings us all together: the inalienable right to liberty.

From our Nation's very conception, this idea has served as a beacon for people of all creeds and colors seeking refuge from he heavy hand of meddlesome government. In America, the government serves the people, and must necessarily trust the people to do what is right by and for themselves. The government should not try to do it all. We provide a safety net for the least fortunate, those who cannot help themselves, but everyone else is trusted with the responsibility of providing for their own financial security.

And by all accounts, this combination of liberty for our citizens and restraint on the part of the public sector has, in fact, succeeded. By the end of the 19th Century, America was in the forefront of the Industrial Revolution. By the mid-20th Century, despite the MIRE of a worldwide depression, the United States was able to mobilize its industries and its men to rout one own of the twin evils of tyranny in the Second World War. And by the close of this Century, we succeeded in defeating the other Soviet Communism, by the force of our will, the commitment of a strong Commander-in-Chief, Ronald Reagan, and the power of our competing idea of liberty. Our Nation is President Reagan's shining city on a hill, the economic envy of the world and the destination of all who yearn for freedom.

But this President and his supporters in the Congress just don't get it. The tax burden on our citizens is at an all time, peacetime high—20.6 percent of the economy. Meanwhile, the federal government will be overcharging the taxpayers by more than $3 trillion over the next 10 years. A Nation that trusted its people, that protected their liberty, would not flinch from the right thing to do: cut taxes so that our families can enjoy the fruits of their labors, instead of greedy Washington programs. This tax bill does just that, leaving $792 billion in the hands of the people to whom it belongs.

This tax cut is a measured, balanced response to the surpluses that will be flowing into the capital. It leaves 75% of the surpluses to be used to retire debt, and finance important priorities like Medicare and national defense. Every penny in the Social Security trust fund is left in a lockbox to be used to shore up the retirement security of our citizens. And the tax cuts are phased in over time, so the bulk of the cuts are in the last 3 years of the coming decade, when surpluses would otherwise skyrocket and tempt a government spending spree.

But voices are raised in opposition to the tax cut. It is said that the government cannot afford a tax cut of this size. But that is exactly backwards: our taxpayers cannot afford to continue to shoulder a record-high tax burden. Back in 1993, without the vote of a single Republican member of Congress, President Clinton pushed through a tax increase totaling $241 billion over 5 years. The rationale for this tax increase was the need to reduce our budget deficit. Well, the budget deficit is gone and we now have surpluses as far as the eye can see. The on-budget, non-Social Security surpluses will exceed $1 trillion over the next decade. We propose to let the American people keep $792 billion of these overpayments. Is that too much?

Not when you consider that the 5-year tax cut of $156 billion pales in comparison to the Clinton tax hike, imposed on what was then a much smaller economy. According to my Joint Economic Committee staff, the 1993 Clinton tax increases will take some $900 billion from the American people over the next decade. Our tax cut of $792 billion does not even offset the lingering ill effects of that tax hike. Are we being too generous? Or have the taxpayers been too generous for too long?

It is hard to find fault with the specifics of our tax cut package. Is it right that we should double-tax business investments, so our innovators lack the resources for research and development? Is it wrong to extend the R&D tax credit, to liberate our scientists and engineers? Is it right that people should pay higher taxes just because they are married? Do we want people to build their own nest eggs for retirement security, or do we want to force everyone to rely exclusively on the Social Security system?

This tax relief package helps everyone. We make health and long-term care insurance fully deductible, and allow a dependent deduction for elderly family members. Education is more affordable through enhanced savings vehicles—IRAs and pre-paid tuition plans. Tax rates are lowered across-the-board. We eliminate the marriage penalty for taxpayers in the lowest tax bracket and repeal the Alternative Minimum Tax for individuals.

Most significant is what this tax relief does for our future. As we enter the 21st Century, America needs a tax policy that will facilitate, not smother, innovation and new technology. Our tax relief bill improves the environment for pioneers in new products and services. The R&D tax credit is extended for 5 years—the longest extension ever, so business can count on it. The R&D credit will continue to fuel innovation in new technologies, leading to health and safety breakthroughs, and enriching our quality of life.

Capital gains tax rates are also cut to their lowest levels in 58 years. Lower taxes on capital gains will help our entrepreneurs find the seed capital they need to launch new businesses, create new jobs and provide new products and services. And capital gains are indexed, eliminating the tax on phantom gains due to inflation—ending the government raid on the savings of long-term investors, particularly retirees.

We also eliminate the most unfair tax of all, the estate and gift tax. No longer will business owners be discouraged from reinvesting their hard-earned profits because the specter of the federal death tax is hovering, waiting to swoop down and scoop up 55 percent of the increased value of the business. By eliminating the death tax, cutting the capital gains tax, and expanding IRAs, some of the largest barriers to capital formation are pulled down, and the result should be a rising tide of investment that carries our economy through the coming Century of Knowledge.

I want to commend Chairman ROTH, and all of the conferees, for producing a balanced, thorough, and fair tax cut that benefits all taxpayers. High taxes are an infringement on the liberty of our families, who should not be struggling to make ends meet while their Federal servants hoard the wealth our families have created. When the question comes down to whether we trust the Federal Government or the family to use money wisely, I choose the family every time. I urge my colleagues to do the same, to side with the people, not the bureaucracy, and vote for the conference report.

I yield the floor.

Mr. STEVENS. Mr. President, I am pleased that the Conference Report of the Taxpayer Refund Act of 1999 contains tow amendments I authored to extend the same tax benefits that farmers have to fishermen. The original version of the Taxpayers Refund Act of 1999 included provisions to create farm and ranch risk management (FARRM) accounts to help farmers and ranchers through down times and to coordinate income averaging with the alternative minimum tax. The FARRM accounts would be used to let farmers and ranchers set aside up to 20 percent of their income on a tax deferred basis. The money could be held for up to five years, then it would have to be withdrawn and taxed at that time. Interest would be taxed in the year that it is earned.

Encouraging farmers and ranchers to set some money aside for downturns in their markets makes sense. However, I felt this provision should have been expanded to include fishermen and I offered an amendment that would do just that.

I also authored an amendment to expand income averaging to include fishermen and to coordinate averaged income with the AMT I am proud to say that both measures had broad bi-partisan support, and I want to thank those who cosponsored my amendments.

Allowing fishermen to elect income averaging and coordinating that election with the AMT is important to the overall issue of tax fairness under the tax code. Under my amendment, a fisherman electing to average his or her income would owe AMT only to the extent he or she would have owed alternative minimum tax had averaging not been elected.

In previous years Congress has responded to fishing disasters with Federal assistance under the Magnuson-Stevens Act. We do the same for farmers when crop disasters occur. Allowing fishermen, like farmers, to establish risk management accounts, is a responsible way to let them help themselves and preserve the proud self-reliance that marks their industry.

Fishermen are the farmers of the sea. Fishermen and farmers share seasonal cyclical harvest levels and fishermen should not be left behind in the tax code because of this. While these amendments are modest steps toward equal treatment for our fishermen, they are an important part of ensuring the long-term sustainability of our fishing industry.

In addition to the provisions in this bill for America's fishermen, I, along with my colleague, Senator MURKOWSKI, included a measure to allow Eskimo whaling captains to deduct up to $7,500 dollars of their expenses incurred during whaling hunts. This provision allows whaling captains to continue the tradition of sharing whale meat with Alaska villages.

It is the custom that the captain of a whale hunt make all provisions for the meals, wages and equipment costs associated with the hunt. In return, the captain is repaid in whale meat and muktuk, a consumable part of a whale. The captain is then required, by tradition, to donate a substantial portion of the whale to his village. This provision will allow the captains to deduct for the costs involved since they do not recoup the actual costs from their share of the whale meat. This provision is important to the heritage and traditions of the Alaskan Eskimos, and I am pleased that it was included in this bill.

This tax refund plan is just that—a tax refund for every tax paying American. Every American would see a reduction in their Federal income taxes in the form of a refund. When you are overcharged for an item in a store, you march back in and demand the difference between the actual price and the amount you were charged. The American taxpayers cannot march up the front steps of the Treasury demanding a refund of their overpayments to Uncle Sam. We in Congress must do that for them.

Some would not like to see this measure pass because they feel it does not reduce our national debt. However, this bill contains provisions to ensure that the goal of debt reduction is met. The debt triggers included in this package would halt any future refund measures under this bill until our debt reduction goals are achieved. This is a good balance because it allows us to send money back to the American people while reducing our debt load. Under this bill, one cannot happen without the other.

I urge my colleagues to support this meausre and I thank the leadership of chairman ROTH and the members of the Finance Committee in organizing and authoring this sweeping tax refund bill.

Mr. GORTON. Mr. President, I rise to express disappointment in the way this tax legislation takes a piecemeal approach toward electricity issues. It deals with only one of the three major provisions that need revision if this industry is going to meet the requirements of all citizens and ratepayers in an era of emerging competition.

The electricity industry is in transition. Wholesale competition between utilities and suppliers is becoming a vibrant and competitive market, although there is still work to be done to make this market work more effectively. Consumers have benefited from lower prices and increased supply although the benefits have been invisible to many retail consumers. And nearly half of the states have moved to develop their retail electricity markets to give more consumers the chance to shop for their power provider.

But the federal tax provisions that affect this industry were written for a monopoly era. This has the real effect of keeping many utilities from participating in competitive markets due to the penalties they would incur solely because of outdated tax provisions. If these utilities are somehow forced to respond to competition without the needed changes, rates would rise only because of laws written for a time before competition was imagined.

This bill addresses only one of these tax problems, the taxation of nuclear plant decommissioning funds. This benefits the investor-owned utilities interested in buying or selling nuclear plants. Two other areas need to be addressed to prevent other consumers from being penalized: the private use restrictions on municipal and public power systems, and the restrictions on electric cooperatives when costs or revenues are incurred during the transition to more extensive competition.

In my state we have a healthy mix of suppliers of electricity: investor-owned utilities, cooperatives, municipalities and public utility districts. These three major sectors of the industry should have their tax problems addressed at the same time.

I hope Chairman ROTH and Chairman MURKOWSKI will keep their commitment to hold a hearing in the tax-writing committee in September, with an eye toward resolving these tax issues as expeditiously as possible.

Mr. DASCHLE. Mr. President, as we approach final passage of the reconciliation conference report, I would like to put what we are about to do in proper perspective. Although some have characterized this process as politics as usual or political posturing, I do not see it that way. What the House has done, and the Senate is about to do, is serious business, not a political game.

We are about to vote on legislation that affects this nation's economic and fiscal health and well-being. It will affect the live of millions of Americans for decades to come. The stakes could not be higher.

And when you boil away all the rhetoric heard during this debate, what you really have is a tale of two paradigms. The Republican plan is an old and familiar one. Republicans would take us back to 1981 and the failed economic policies of that era. These policies can best be characterized as wishful thinking that led to a fiscal disaster.

The Democratic position is that we should follow the model Democrats put in place in 1993 and continue to pursue to this day. Our plan turned record deficits into record surpluses and halted the skyrocketing growth of federal debt. At the same time, we have experienced the longest peacetime economic expansion in our history. The Democratic plan is one of fiscal responsibility and economic prosperity.

In addition to giving us the strongest economy in a generation, the politically difficult vote cast by Democrats nearly 9 years ago provided something else. It provided this Congress with an historic opportunity—sustained economic health and the possibility of actual budget surpluses.

The question facing this Congress at this time is, which road will we take—the fiscally responsible path or the fiscally dangerous one? Will we opt to build on our success or put our nation's fiscal health at risk yet again?

As I have listened to many of my colleagues on the other side of the aisle, I am struck by how familiar many of their arguments sound. I am hearing some of the same dangerous rhetoric and false rosy scenarios that I heard last decade.

And as I look at their bill, I see many of the same special interests disproportionately benefitting from their actions. Make no mistake about it. When it comes to irresponsible tax cuts tilted to the wealthy, the Senate bill was bad, and the conference bill is much worse. Let me cite a few examples.

Under the terms of the bill before us, the bottom 60 percent of taxpayers would receive an average tax cut of just $138. That's about 25 cents a day, not even enough for a cup of coffee. At the same time, Republicans feel it is appropriate to provide the top 1 percent of taxpayers, people with incomes over $300,000, an average tax cut of over $46,000. A cup of coffee for most, $46,000 for a few.

To further highlight the skewed nature of this cut, people earning over $300,000 would receive more than 40 percent of the $792 billion in tax relief provided by this bill. Meanwhile, people making between $38,000 and $62,000, the heart of this country's middle class, would receive 10 percent of the tax cuts in this bill. Once again, much for a few, and little for many. It's hard to see how anyone could characterize this as fair.

While providing these huge tax cuts for a few, the Republicans opt to set aside nothing for prescription drugs for Medicare beneficiaries.

In order to generate the surpluses necessary to pay for their monstrous tax breaks, Republicans require drastic cuts in education, veterans' health, defense and agriculture. If our military were funded at the level requested by the President, the Republican budget would force across-the-board domestic discretionary cuts of 38 percent below their level today. If defense were fully funded and Republicans followed the plan laid out by Chairman DOMENICI, these cuts would grow to 50 percent.

A final consequence of Republican recklessness is that they would force $90 billion in cuts to Medicare, student loans, veterans' benefits and many other programs on top of cuts I just described. The budget rules are clear on this. If tax cuts are not budget-neutral, the law requires across-the-board cuts in many mandatory programs. The Republican plan would require $32 billion in Medicare cuts over the next 5 years. And starting in 2002, the Republican plan would eliminate the Commodity Credit Corporation, crop insurance, child support enforcement, and veterans' education benefits.

As I said earlier, we have this historic opportunity, and this is how the majority responds. They fail on at least three counts. First, Republicans would set out on an irresponsible fiscal policy. As history has painfully proven, their tax cuts would inevitably lead to bigger deficits and more debt.

Second, they are pursuing an irresponsible national policy. Their tax cuts would explode just as baby boomers retire, eating up scarce resources that will be needed if the government is to keep its commitments on Medicare and Social Security.

Third, as Republicans have known from the outset, engaging in this reckless and risky course will only produce one outcome—a Presidential veto. The President has been clear: he will veto this bill. And I am confident that the vote on final passage will show equally clearly that this veto will be sustained.

Instead of wasting Congress's and the American people's time with this vainglorious pursuit, we should be working together on a fiscally responsible plan that protects the entire Social Security surplus, strengthens and modernizes Medicare by extending its solvency and providing a prescription drug benefit, pays down the debt, provides targeted tax relief for working Americans, and invests some of the non-Social Security surplus in critical priorities such as defense, education, veterans' health, and agriculture.

The size of the projected surpluses are sufficient to permit all of this. Yet, the Republicans insist on pursuing a course that neglects all but the tax cuts and is certain to produce a veto.

We have seen this course before. On juvenile justice, on the Patients' Bill of Rights, on gun control, on their overall budget plan, and on this bill. Time and again the Republican Congress has opted to follow a path outlined by ideological extremists. A path that focuses attention on special interests instead of the nation's interests. A path that wastes precious time and fails the American people when it comes to truly addressing their concerns.

When we return from the August recess, this Congress will have about 30 working days until our target adjournment date in October. I hope that when we come back in September, we can focus our limited time on the people's business. I ask that my colleagues reject this bill today, and begin that process immediately.

Mr. CHAFEE. Mr. President, the Taxpayer Refund and Relief Act contains many provisions which I support, as well as some which I would not vote for if considered on their own merits.

Let me just highlight some of the more commendable provisions in the bill which I hope will be included in any final tax legislation the President may sign:

I am pleased the bill includes reforms to the Alternative Minimum Tax (AMT). This tax was never intended to apply to families, nor to be triggered by the number of exemptions they might claim.

In the health care area, this bill includes some important changes. First, it provides a health insurance deduction to individuals whose employers provide no subsidy, regardless of whether or not the individual itemizes. In addition to this deduction, the bill includes a similar deduction for the purchase of long-term care insurance that will help aging Americans pay for the care they need.

This bill includes a number of provisions which would strengthen retirement security, both by encouraging more private savings and by reforming and simplifying our pension laws. These reforms would eliminate many of the administrative burdens which discourage businesses from offering their employees pensions, and would also provide for higher contribution limits.

The bill includes a repeal of the 4.3 cent per gallon diesel fuel excise tax which railroads (including Amtrak) and inland barge operators have been required to pay toward deficit reduction. This change would enable these modes of transportation to compete more effectively by reducing their costs.

By making the Dependent Care Tax Credit available to more families, this bill would help to make child care affordable for more families. In addition, the bill includes a provision to extend the adoption tax credit and to strengthen the credit for the adoption of special needs children.

The bill proposes to extend the Work Opportunity Tax Credit, a program I have long championed, which encourages employers to hire and train disadvantaged and unskilled workers.

The marriage penalty relief provisions in the bill are aimed at moderate income families and those eligible for the Earned Income Tax Credit.

The bill also includes provisions which will improve the deductibility of student loan interest, and which will help families save for college.

The bill includes an expansion in the conservation easement rules to encourage more Americans to donate land for the preservation of open spaces.

The bill also contains a deduction to encourage the restoration of historic residential properties. I would have preferred that the credit, as included in the Senate bill, had prevailed rather than the deduction, but this is a good start.

Importantly, some of the income tax rate reductions contained in the bill are made contingent upon progress toward debt retirement. Failing such progress, up to $200 billion of tax cuts would not take place.

While I will vote for this measure to keep the process moving toward an expected presidential veto and final budget negotiations with the White House, I would much prefer a smaller bill, such as the $500 billion bipartisan compromise plan which I—along with Senators BREAUX, JEFFORDS and KERREY—pressed during Finance Committee and floor deliberations on the tax bill.

Because of the uncertainty of projecting budget surpluses over a ten-year period, and given all of the other priorities we face, I am simply not comfortable with an $800 billion tax cut. In my judgment, cutting taxes is only one of several important priorities toward which our budget surplus should be directed. Others include reducing the national debt; modernizing Medicare and adding a prescription drug benefit; strengthening Social Security for the long-term; and, ensuring adequate funding on an annual basis for important discretionary programs.

Clearly, there are provisions I had trouble with.

The bill includes a provision to encourage the establishment of Individual Education Savings Accounts to subsidize the cost of private school tuition for children in grades K–12.

This bill would redirect revenues from the Leaking Underground Storage Tank Fund to the Superfund program. As Chairman of the Environment and Public Works Committee, I strongly opposed inclusion of this provision.

Reducing the capital gains tax rate from 20 to 18 percent for individuals, as this bill proposes, seems unnecessary because this rate reduction was scheduled to happen in the near future.

In sum, Mr. President, I am hopeful that negotiations between Congress and the Administration will begin in earnest after the President vetoes this bill in September. In my judgment, in addition to providing needed tax relief, those negotiations should also produce other critical benefits, including provisions to reduce our national debt, strengthen Medicare, and to fund discretionary programs.

Mr. DODD. Mr. President, I rise this afternoon to regrettably oppose the conference report to the Year 2000 Budget Reconciliation legislation.

With this conference report, the majority has succeeded in making a bad bill worse. Rather than using this conference to come together and attempt to develop a reasonable package, all of the objectionable features of the Senate-passed bill have been exaggerated, rather than moderated.

First, the conference report further skews the benefits of its tax cuts towards those who need them least, and away from working families. We now have before us a conference report that includes a 1 percent across-the-board tax cut for all income tax brackets. We are led to believe that this provision is the center-piece of a package that constitutes broad-based tax relief. However, upon closer inspection, this clearly is not the case. Under this proposal, the bottom 60 percent of taxpayers receive only 7.5 percent of the total tax cut benefits, while the top 10 percent of income earners receive nearly 70 percent of the bill's tax cut benefits. Mr. President, I would not consider this broad-based tax relief.

Perhaps the clearest example of how this conference report heaps its tax cut largesse on those who least need it is that it spends nearly 60 billion dollars for the complete repeal of the estate tax. Again, the inclusion of full repeal of the estate tax within this conference report is a clear indication that its proponents do not wish to direct their tax cuts toward hard-working families who need and deserve a break. I believe in estate tax relief for farmers and small businesses of modest means where it is necessary and appropriate. However, the beneficiaries of this provision are overwhelmingly not of modest means. They are the very, very affluent leaving estates worth millions of dollars. Mr. President, I fail to see how this specific tax cut helps the average family struggling to find affordable child care or to meet rising college tuition costs.

Secondly, this conference report fails to meet critical domestic and military priorities upon which our nation's long-range prosperity and security depend. In order to accommodate the costs of a $792 tax cut, extensive cuts of nearly $511 billion will be necessary in domestic spending. If defense is funded at the President's request, cuts to domestic spending would reach almost 38 percent. As a result, over 430,000 children would lose Head Start services, 1.4 million veterans would be denied much needed medical services from VA hospitals, and almost 1.5 million low-income people would lose HUD rental subsidies, forcing many into homelessness.

Perhaps the clearest example of the conference report's failure in this regard is what the conferees have done to child care. Senator JEFFORDS and I offered an amendment to provide an additional $10 billion over the next 10 years to the existing Child Care and Development Block Grant—almost doubling the children that would be served. It passed the Senate by voice vote. So it was surprising, not to mention disappointing, that this provision was summarily eliminated in conference. I intend to continue to work to see that Congress honors the commitment it made in the Budget Resolution to significantly expand funding for quality child care this year and in the years to come.

Third, the conference report, like the Senate-passed bill, continues to pose an increased risk to our current economic prosperity. Federal Reserve Chairman Alan Greenspan testified before the House and Senate Banking Committees just days ago, urging caution about implementing a $792 billion tax cut at a time when the economy is performing so well. Chairman Greenspan stated that it would be better to hold off on an immediate tax cut because it is apparent that the current surpluses are doing a great deal of good to the economy. Moreover, he warned that Congress must also be prepared to cut spending significantly should the surpluses, upon which the tax cuts are based, not materialize. It is ironic to me that so many of our colleagues, who otherwise have had high and vocal praise for Chairman Greenspan's economic leadership, can so readily ignore his clear and repeated warnings about the consequences of their unrealistic and irresponsible tax plan.

I have also noted with particular interest the comments of the esteemed Majority Leader in this week's newspapers where he has stated that an acceptable alternative to the Republican tax plan would be to "put the money in place so that the debt can be retired." This sentiment has also been echoed by the House Majority Leader. These are stunning admissions of the flawed nature of the conference agreement before the Senate today.

Their "all-or-nothing" statements reasonably raise the question of how committed the majority is to this tax cut plan. Perhaps they are more committed to having a political issue than to giving working families a reasonable tax cut while also meeting our responsibilities to preserve and strengthen Medicare, Social Security, defense, and education. I fear that the Senate has been engaged in a fruitless political exercise.

Mr. President, I worry that the majority has again squandered a unique opportunity to first maintain our current economic prosperity and then to address the legitimate needs of working families in this country. This legislation neglects to make much-needed investments in Social Security and Medicare, debt reduction, and critical defense and domestic priorities. The President has promised repeatedly to veto this legislation. We should have no doubt about his resolve to do so. Then I hope that congressional leaders will get serious about working in a bipartisan fashion to craft a reconciliation bill that is sensible and responsible. We have worked too hard in this decade to rectify the wretched budgetary excess of the last decade. Now is the time for prudence and caution.

Mr. REED. Mr. President, here we are again, debating a conference report on a ten year, $800 billion tax cut.

This tax cut works on the assumption of a budget surplus that has not been realized yet—a surplus that is generated in no small part by already unattainable budget caps which will lead to a significant, 23% to 38% reduction in essential programs, including Pell Grants, special education, community policing, and drug enforcement.

In my home state of Rhode Island, my constituents stand to lose $15.9 million in Title I education funding and $11 million in Special Education funding. In addition, more than 17,000 Rhode Island students would be denied Pell Grants, and more than 2,000 children would be cut from Head Start programs. At a time when one in five children lives in poverty, can we really bear cuts of this magnitude?

At a time when we are asking the government to respond quicker and perform better, particularly with respect to domestic and international crises, we are considering legislation that trades away the essential services that the American people count on in exchange for speculative tax cuts whose benefit will be fleeting.

This legislation is also a threat to the future of Medicare. Indeed, at the point that Medicare teeters at the brink of insolvency in the next ten to twenty years, the cost of this tax cut could balloon to $2 trillion.

We know that we must take steps as soon as possible to shore up Medicare and Social Security. A responsible use of the surplus would be to make a reasonable allowance for essential programs, address the long-term solvency of Social Security and Medicare, and pay down the federal debt. Then, we should consider a targeted reductions for America's working families.

Of course, everyone realizes that we cannot continue to live under the spending caps. In May, a group of eight House Republicans wrote the President, stating, "A rational compromise is needed to adjust the caps and maintain them for future years at achievable levels." If the most ardent architects of the caps are now having second thoughts, there is little reason to expect they can be observed in the future.

But, we are already breaking the caps with "emergency" appropriations—appropriations that do not count against the caps.

What is an "emergency" appropriation exactly? Apparently, it is anything the Majority wants it to be. Just the other day, the House passed legislation designating part of the funding for the 2000 Census an "emergency". As conservative columnist George Will noted, we have known about next year's Census since 1790. How could it be an "emergency"? Mr. President, since the end of fiscal year 1998, Congress has approved approximately $35 billion in "emergency" spending. One wonders how many other "emergencies" like the decennial census are looming.

Beyond the massive cuts to essential domestic initiatives, this tax bill depends on the performance of the economy. But, Mr. President, after the longest peacetime economic expansion in history, can we continue to count on a robust economy for another year, for another five years, for another ten years? The bill before us depends on this sort of gamble.

Ironically, this tax cut could be just the thing that stalls our economic growth. Recently, fifty economists, including 6 Nobel Laureates, wrote that this tax bill will stimulate the economy at precisely the wrong time.

Even Federal Reserve Chairman Alan Greenspan, usually a strong supporter of tax cuts, has taken a cautionary view toward these tax reductions. The New York Times reported of his testimony on the Hill last week.

> The subject [of tax cuts] came up several times, and Mr. Greenspan's message was stern: Don't do it. "I'm saying hold off for a while," Mr. Greenspan said . . . "And I'm saying that because the timing is not right."
>
> Mr. Greenspan urged Congress to pay down the debt and delay any tax cut until the

economy begins to turn down. "The business cycle is not dead," he warned, telling lawmakers that whenever an economic slowdown hits, "a significant tax cut" may be needed to ward off recession.

In all respects, this legislation lacks proportionality. Fortunately, this bill, even if it passes the Senate and is sent on to the President, will be vetoed. It is regrettable that we have wasted so much time on this bill, when, instead, we could have focused on truly important issues like preserving Social Security and Medicare. Now that the political play has been made, I hope that we can return to substantive work on issues that really matter to the American people.

Mr. HATCH. Mr. President, today we are considering a bill to return a portion of the surplus that is projected to be $2.9 trillion over the next ten years. This bill represents a balanced package that takes into account the problems as well as sharing in the good times. The bill will provide fiscally responsible tax relief over the next ten years while reducing the public debt and still save the $1.9 trillion Social Security surplus.

Many of my colleagues have argued that $792 billion in tax cuts is too much—that we should save this money for Medicare and other spending. I strongly disagree. It is important that we not forget those who are responsible for the surplus—hard-working, overpaying taxpayers. After all, what is a surplus—it is excess revenues over the amount needed to fund government operations.

The $2.9 trillion surplus is large enough to balance our priorities. This Conference Report shows that we can provide meaningful tax cuts, provide for Medicare reform, and reserve the Social Security surplus.

I also marvel at how much we have recently heard from my colleagues on the other side of the aisle about debt reduction. I never knew the depth of their convictions on this, particularly since they fought the balanced budget amendment so hard. The balanced budget amendment would have once and for all imposed spending restraints on Congress. The majority of my colleagues on the other side of the aisle argued vigorously against such constitutional restraints, implying that they wanted unlimited access to the government checkbook.

In my view, if we have a surplus, and we do not have a tax cut, the temptation of Congress to spend that surplus will be too great. I made this point many times during debate on the constitutional amendment to balance the budget, and I will make it again. If we have a surplus, this money will burn a hole in Congress' pocket.

This conference report provides tax cuts for everyone by cutting tax rates 1% across-the-board. This may not sound like much, but it represents real tax cuts for each and every taxpayer. In addition, couples filing married returns will see their marriage penalty eliminated. It is sending the wrong signal to American taxpayers when a couple in Utah faces a higher tax bill when they marry than they do as singles. The bill also helps our families struggling to finance a quality education for themselves and their children.

The bill also addresses the need for enhanced retirement security. It makes IRAs more widely available and improves retirement systems to increase access, simplify the rules, increase portability and provide small business incentives.

We have all heard about the challenge that providing adequate health care that is facing American families. This bill provides meaningful help for those who are struggling with the costs of insurance.

This bill also contains provisions that would help keep economic growth strong. There is a package of international tax relief that provides simplification and helps American companies which have operations overseas remain competitive and continue to grow. The expiring tax credits are extended.

I am disappointed that the research and experimentation tax credit was not made permanent. I still believe that our American research engine would be helped significantly by relieving the uncertainty that a sunsetted credit imposes. Nevertheless, the 5-year extension in this bill is a step in the right direction. I hope that we can revisit this issue in the future and provide for a permanent tax credit for research and experimentation.

This conference report contains some important improvements over the Senate bill. I am particularly heartened to see the full repeal of the estate tax and capital gains tax relief as part of this bill.

The "death tax" is unfair and inefficient. For every dollar that we collect, roughly 65 cents is spent complying and collecting this tax. This is the wrong way to use up our resources.

This bill also accelerates the capital gains tax rate cuts we passed in 1997. In addition, it will shorten the required holding period of assets from 5 years to 1. This will provide significant simplification for those taxpayers struggling to determine which capital gains rate applies and how long they have held their assets. This is true simplification and real relief. And, let's make no mistake: these tax changes will benefit more Americans than just the wealthy. These estate tax and capital gains tax provisions will benefit every American who owns a home, business, or family farm. It will benefit the increasing number of Americans who are investors in mutual funds and other securities.

It is easy for us to get lost in the debate over numbers and how we should spend the surplus. However, we must keep in mind who sent us the revenue that created the surplus. We are talking about families struggling to make ends meet, provide an educations for their children, or save for their retirement. They are the family funning the corner grocery store or landscaping business. They are bus drivers, day care providers, carpenters, and students.

This conference report is a balanced tax cut package that provides relief for middle class taxpayers. It gives American families a well-deserved tax break, simplifies the tax code, and provides pro-growth incentives to help keep the economy strong and growing. This $792 billion bill is the biggest tax cut since the Ronald Reagan presidency. Yet, it still represents a rebate of only one-quarter of the surplus dollars that the federal government has collected. I hope that the President can agree that we owe the American taxpayers that much and sign this legislation.

Mr. MURKOWSKI. Mr. President, I rise to speak in strong favor of the Conference agreement that will provide every single American a well deserved refund of the taxes they are now overpaying as the government runs a surplus.

I especially want to commend Chairman ROTH for the extraordinary work he did in what must be record time to produce this Conference report. My colleagues should recollect that barely 6 days ago today that the tax bill was adopted on the floor of Senate.

And now we are here with a completed conference report. The work of the Chairman, Finance Committee staff and the Joint Tax Committee staff is to be applauded. They all labored long hours and the result is a bill that I am proud to support.

The Congressional Budget Office (CBO) projects that the total budget surplus over the next 10 years will be $2.9 trillion. Nearly a trillion dollars ($996 billion) of that surplus ($996 billion) comes from overpayments of income and estate taxes.

What this tax bill does is return barely 25 percent of the surplus tax payments and return that money to the American taxpayer. All of the $1.9 trillion Social Security surplus will be used solely for preserving Social Security. And, as a result of this bill, we have more than $200 billion available for saving Medicare and paying down part of the debt.

Mr. President, yesterday, President Clinton reiterated that he will veto this bill because he believes the tax refund is too large.

The fact is that what the President wants to do is not provide a tax refund to the American public, but instead he wants to use the surplus to finance $1 trillion in new federal spending. And despite his claim that he wants to cut taxes by $300 billion, CBO scored the

President's budget as actually raising taxes by $100 billion over the next 10 years.

In other words, at a time when we are running real surpluses in the hundreds of billions, the President comes along and wants to impose even higher taxes on the American people so he can finance more big government.

The bill before us should not be vetoed because it provides a tax refund to every single American who pays taxes. The lion's share of the tax cut—nearly $400 billion—results from cutting the 15 percent rate to 14 percent and the near elimination of the marriage penalty.

Is that what President Clinton objects to—reducing the tax rate paid by the lowest income taxpayers? Or does the President object to elimination of the marriage penalty? That must be the case Mr. President, because if the President had his way and we cut taxes by $300 billion, we could not eliminate the marriage penalty; we could not cut the rate paid by the lowest income earners.

The bill also provides rate relief for all bracket taxpayers over the next 10 years. A modest 1 percent reduction in all tax rates is surely something we can afford with a trillion dollar surplus. I find it hard to believe that the President would object to such a modest change.

The conference report also contains the Senate provisions that up the limit on contributions to Individual Retirement Accounts (IRAs) to $5,000. Moreover, it retains the provision in our bill that allows increased contributions by people over 50.

In recent months, we have seen that the American savings rate is actually a negative number. These incentives could well serve to increase our savings rate. Is that what President Clinton objects to—enhancing retirement savings incentives?

Or does the President object to the health care provisions in this bill. Health care changes that bring a much needed level of equity to the tax code?

Allowing the self employed to deduct 100 percent of the cost of health insurance finally brings small business to parity with large corporations.

And for the first time in our history, employees who pay for more than half of their own health insurance will be able to take an above-the-line deduction for those costs.

I thought the President was so concerned about the uninsured? Why would he veto a tax bill that finally provides health equity to employees and small business owners?

The conference report will also serve to continue the flow of money into equity markets by cutting the capital gains rate to 18 percent for all transactions that took place after January 1, 1999. I believe the capital gains rates should be even lower, but with the resources at hand this is an appropriate change.

One of the most important changes in the conference report is the phase out and ultimately, in 2009 the elimination of the estate tax. This onerous tax punishes the hard work of many Americans and the death of this tax is long overdue. Confiscatory estate tax rates of 55 percent should, if this bill becomes law, finally be a relic of history.

This conference report will be sent to the President when we return in September. He has one month to reconsider his reckless veto threat. The American people deserve a tax refund. This conference report provides very modest and long overdue relief. I urge my colleagues to support this bill and I ask the President to reconsider his veto threat.

Mr. LEAHY. Mr. President, Congress went on a tax cut binge in the 1980s and left the bill for our children. Now that we have surpluses, we have a chance and an obligation to pay off that debt. The last thing Congress should be doing right now is to put our strong economy at risk by passing a tax scheme as risky as the Republican plan.

Some of my fellow colleagues in Congress have gone off again on a binge of irresponsible tax cutting that puts our strong economy in jeopardy. Projections of budget surpluses in the future have gone straight to their heads—as if projected budget surpluses were like hard cider. It is time for my colleagues in the House and Senate to splash some cold budget reality on their faces and return to their economic senses.

A sound economy rests on a solid foundation of balanced revenue and spending policies. For the past seven years, the President and Congress have build this solid foundation by reducing the deficit and restraining spending. Just as we Vermonters restrained spending and put Vermont's state budget in the black, Yankee thrift was alive and well in Washington, as it is in Vermont.

President Clinton inherited a deficit of $290 billion in 1992 and his administration and Congress have steadily cut it down. For the first time since 1969, we now have a balanced budget.

I am proud to have voted for the 1993 deficit reduction package, which was a tough vote around here, and has brought the deficit down. I am also proud to have voted for the 1997 balanced budget and tax cut package—tax cuts that were fully paid for by offsetting spending cuts. These balanced policies have kept interest rates down and employment up. In fact, over the past seven years, this deficit reduction has produced $189 billion in interest savings on the national debt, or roughly $2,700 in savings for every American family.

Republicans and Democrats can rightfully claim their shares of the credit for getting the nation's fiscal house in order. The important thing is to keep our budget in balance well into the 21st century and keep our economy growing.

That dose of Yankee fiscal discipline has paid off for Vermonters. Since 1993: Vermont's unemployment rate has been cut in half, from 5.8% to 2.9%; 20,000 new jobs have been created; Vermonter's average income has increased 25 percent; crime in Vermont has dropped by 15 percent; and the stock market has soared by 300 percent.

Instead of keeping on this path of prosperity, the huge tax cut bill that Congress just passed veers from our successful fiscal discipline. It cuts taxes by $792 billion and pays for these sweeping cuts out of projected budget surpluses over the next 10 years. These surpluses are not real. They are just projections. What happens if we suffer a recession in three years or a depression seven years from now? These tax cuts are paid for by Monopoly money.

But fooling with our strong economy is not a game. Passing risky tax cuts based on wishful thinking will have real consequences for Vermonters. It is estimated that paying for these huge tax cuts would: force more than 13,000 Vermont veterans to lose health care benefits; prevent any Medicare reform and new prescription drug coverage for senior Vermonters; drop 3,699 Vermonters from the WIC program; close off 2,116 Vermont students from Pell grants to help make college more affordable; and serve 11,127 fewer school lunches to Vermont children.

Instead of this fiscal folly, I believe Congress should follow three basic principles to continue our strong economy and provide targeted tax relief. First, we must continue to keep our fiscal house in order and pay down the national debt. The national public debt stands at $3.6 trillion—that is a lot of zeros. Like someone who had finally paid off his or her credit card balance but still has a home mortgage, the federal government has finally balanced its annual budget, but we still have a national debt to pay down. Indeed, the Federal government pays almost $1 billion in interest every working day on this national debt.

It makes a lot more sense to pay off the national debt as our first priority, because nothing would do more to keep the economy strong. Paying down our national debt will keep interest rates low. Consumers gain ground with lower mortgage costs, car payments, credit card charges with low interest rates. And small business owners can invest, expand and create jobs with low interest rates.

Alan Greenspan, head of the Federal Reserve, recently testified before Congress that: "I would prefer that we keep the surplus in place and reduce the public debt." I agree with Mr. Greenspan and I believe most Vermonters do too.

Second, we should put aside some of the surplus in a rainy day fund for Medicare and Social Security reforms. Just as we set aside extra revenue in a rainy day fund in Vermont, Congress should do the same on a national level. We all know that Congress must reform Social Security and Medicare for the future costs of the baby boom generation. This rainy day fund should also permit Medicare to cover prescription drug coverage for our seniors.

One of the toughest and most important challenges that we face—right now—is to make sure that Social Security and Medicare will continue to be there for those who retire decades from now. The number of Social Security beneficiaries will rise by 37 percent from now until 2015, and Medicare runs into problems even earlier than that. Protecting Social Security and Medicare will not be easy, but these projected surpluses make it easier to keep both programs strong for future generations.

Third, tax cuts should be fair and targeted to help all Vermonters, not just the wealthy. According to a Treasury Department analysis, the Senate-passed tax plan provides 67 percent of its tax breaks to the wealthiest 20 percent of Americans—those making more than $81,000 a year—while the poorest 60 percent of families would reap only 12 percent of the Senate-passed tax cuts. That is not fair.

This conference report is even more tilted in favor of the wealthy. According to an analysis by the Citizens for Tax Justice, the top 10 percent of taxpayers would receive 69 percent of the benefits under this bill while the bottom 60 percent would receive only 7.5 percent of the benefits from the conference agreement. That means the average tax cut would be $138 for the bottom 60 percent of taxpayers while the top one percent of taxpayers would receive a tax break of $46,389. Again, that is not fair.

Tax cuts that are targeted— such as eliminating the marriage tax penalty, permitting the self-employed a full tax deduction for their health insurance and estate tax relief for family farmers and small business owners—also don't break the bank. I supported a more responsible alternative package of $290 billion in targeted tax cuts that would still leave room in the budget for Congress to make key investments in veterans, education and crime-fighting programs. I believe this targeted approach is far more prudent than the Republican tax cut plan.

The enormous budget surplus that the Senate leadership claims is available to pay for nearly $800 billion in tax cuts is achieved only by unrealistic economic assumptions and deep cuts in programs that will never be attained. That is why I cosponsored an amendment filed by Senator ROCKEFELLER that assumes there will only be a $100 billion surplus over the next ten years. This projected surplus is consistent with estimates by the Concord Coalition, Center for Budget and Policy Priorities, former CBO director Robert Reischauer and the Citizens for Tax Justice. The Rockefeller-Reed-Leahy amendment is a prudent and fiscally responsible approach that balances tax relief with reducing our debt and maintaining obligations to existing programs such as NIH research, veterans health, Head Start and the environment.

I call upon President Clinton to follow through on his pledge to veto this irresponsible tax scheme. He should send Congress back to the drawing board to do it right. And the next time, Congress should apply a stout measure of Yankee thrift.

EXPLANATION OF ABSENCE

● Mr. CRAPO. Mr. President, due to the wedding of my oldest daughter, Michelle Crapo, I will be unable to participate in the debate and vote on the Conference Report for H.R. 2488, the Taxpayer Refund and Relief Act of 1999. Had I been present, I would have cast my vote in favor of the measure.

The Taxpayer Refund and Relief Act of 1999 is good news for America and will give individual income taxpayers the long-overdue tax relief they deserve. I am most pleased by the one percent across-the-board income tax cut for all individual tax rates and the marriage penalty relief provisions contained in the report. These provisions alone will go a long way towards reducing the tax burdens of the average Idaho family.

I am also encouraged to see that the Conference Report eliminates the estate tax, provides alternative minimum tax relief, increases the annual contribution limits for individual retirement accounts and education savings accounts, and reduces individual capital gains tax rates.

The Conference Report for the Taxpayer Refund and Relief Act of 1999 is good for income taxpayers, the economy, and the nation. I urge my colleagues to support the report.●

SECTION 1317

Mr. BREAUX. Mr. President, will the distinguished chairman of the Finance Committee yield for a question?

Mr. ROTH. Mr. President, I will be glad to answer the distinguished Senator's question.

Mr. BREAUX. Mr. President, the conference report for The Taxpayer Refund and Relief Act of 1999 states that section 1317 of the Senate amendment regarding prohibited allocation of stock in an S corporation ESOP was not included in the conference agreement. Is that report language correct?

Mr. ROTH. Mr. President, that report language is not correct. The conference agreement adopted section 1317 of the Senate amendment without modification.

Mr. BREAUX. Mr. President, I thank the distinguished Chairman for this clarification.

TAX TREATMENT OF COMMISSIONS PAID TO ENROLL CELLULAR TELEPHONE CUSTOMERS

Mr. MURKOWSKI. Mr. President, the Senator from Louisiana, Mr. BREAUX, the assistant majority leader, Senator NICKLES, and I would like to engage Chairman ROTH in a brief colloquy on an issue that several members of the Finance Committee have become involved in over the past several months.

I refer to the fact that in some cases the IRS has taken what I believe is an unreasonable and unrealistic position regarding the tax accounting of sales commissions paid by providers of commercial mobile telephone service for enrolling customers. In the cases I refer to, IRS has contended that these costs should be capitalized and amortized over the average customer life, rather than deducted.

Mr. BREAUX. I have been very concerned about this issue, as well. It seems to me that commissions paid by cellular telephone companies are like any other marketing expenses incurred by telephone companies—or any other companies—and are deductible under current tax law.

Mr. NICKLES. I want to lend by voice to the positions expressed by both Senator MURKOWSKI and Senator BREAUX. It does not make sense to me that sales commission/costs can be anything but deductible.

Mr. MURKOWSKI. This issue is not addressed in the pending tax bill because the Treasury Department has indicated to the Finance Committee that it is in the process of reviewing the IRS's position. We have been assured by Treasury officials that they plan to resolve the issue this year.

The Treasury apparently agrees that the IRS may have gone too far.

Mr. BREAUX. The IRS position would be difficult or impossible to administer. The position will lead to years of litigation, as companies and the IRS battle out whether commissions should be capitalized or deducted. That will drain resources from both sides for no productive reason.

Mr. MURKOWSKI. We would like to ask Chairman ROTH for his views on how this issue can be resolved expeditiously and efficiently.

Mr. ROTH. I agree that this is an issue of concern to Finance Committee members. The cellular telephone industry is a high-growth, job-creating, industry. It is clear to any observer that the industry is frenetically competitive. Companies incur substantial marketing expenses, including sales commission, to attempt to sign up new customers and to entice customers to move from other carriers.

I have little doubt that the IRS's position requiring companies to capitalize the sales commissions may lead to years of litigation. The Treasury Department has made the decision to review the IRS's position. The agency included the issue in its 1999 Priority Guidance Plan and has advised the Committee that they plan to deal with the issue this year.

I strongly support the quick resolution of this issue by the Treasury Department. Sales commissions are a basic cost of doing business for cellular telephone companies, and I believe that the Treasury should be able to reach a sensible resolution of this issue.

Mr. MURKOWSKI. I very much appreciate the chairman's thoughts and look forward to working with him and the Treasury to see this issue dealt with.

Mr. BREAUX. I also appreciate the chairman's views on this. We are confident that the Treasury can resolve this issue satisfactorily, and we will be following events at the Treasury closely.

Mr. NICKLES: I thank the chairman for sharing his views on this important issue. I hope it can be expeditiously resolved.

Mrs. BOXER. Mr. President, this bill is a reckless tax plan. As a way to summarize my opposition, the following are my top ten reasons I oppose this bill.

One, it is unfair to the middle class and the working poor. The average tax cut for a person who makes $30,000 per year is $311, compared to a tax cut of almost $46,000 for someone who makes more than $800,000 per year.

Two, it threatens low interest rates. Alan Greenspan testified before the Senate Banking Committee last week—and I quote—"It's precisely that imprecision and the uncertainty that is involved which has led me to conclude that we probably would be better off holding off on a tax cut immediately, largely because of the fact that it is apparent that the surpluses are doing a great deal of positive good to the economy in terms of long-term interest rates." If interest rates go up just one percentage point on a $100,000 mortgage, the increased monthly cost is $70—in essence a tax increase on every homeowner.

Three, there is not a dime in it for Medicare. As the Baby Boom generation begins retiring in 10 years, the Medicare situation will get larger, not smaller. This plan, by ignoring the issue, just compounds the problem we all know is coming.

Four, there is nothing in it for debt reduction. Because the Democratic plan saves Medicare, it has the added benefit of reducing the debt. We have a historic opportunity to ensure that our children will not be saddled with huge interest costs, which currently total over $600 million a day.

Five, it contains special-interest goodies, such as repealing an excise tax for a few companies that make tackle boxes and providing a $4 billion tax break on foreign oil and gas income.

Six, it will require huge and unsustainable cuts in discretionary spending. Because the Republicans are assuming a freeze on discretionary spending at fiscal year 1999 levels—something they will violate in the next few months—the reality is that this plan would force cuts of an enormous size in education, law enforcement, environmental protection, and the military. This is completely unrealistic given inflation and the needs we have as a country.

Seven, it relies on long-term surplus projections, which is very risky. Any businessman will tell you that even projecting out five years is unreliable at best. This bill tries to predict the economy over the next 10 years.

Eight, it ties our hands in the event of a recession. The country is in a tremendous economic rebound, and we do not need a broad-based economic stimulus. But if we go into a recessionary period, that is when a tax cut would be needed—to help us get out of the recession. This plan precludes that option.

Nine, it risks going back to the dark days of dramatic deficits. We have finally balanced the annual budget after 30 long years of red ink, and this plan turns right around and goes back to those times.

Ten, it is totally partisan. The Republican leadership rejected compromising with Democrats—and no Democrats were even in the room when this plan was put together. That is no way to write important legislation that affects every American.

I urge the President to fulfill his promise to veto this dangerous legislation, which jeopardizes the most remarkable economic recovery in history.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I now yield 5 minutes to the Senator from New Jersey, who will be our last speaker.

Mr. TORRICELLI. Mr. President, I ask at the end of 4½ minutes I be notified the time has expired.

The PRESIDING OFFICER. The Senator will be notified.

Mr. TORRICELLI. Mr. President, in life you can extend your hand, but to make any real progress someone has to grasp it. For these several weeks, many of us have worked to try to find some reasonable middle ground in the cause of reducing taxes on the American people. It was a worthwhile effort. I believe, indeed, taxes on middle-income Americans are too high and it is the American people who worked hard and paid their taxes who have produced this extraordinary American surplus. They deserve a dividend for the American economic performance.

But a tax reduction is not all the American people deserve. They also deserve to know their children are getting educated in quality schools with good teachers. I am for tax reduction, but I want a tax reduction that allows teachers to reduce class size and the rebuilding of crumbling American schools. I am firmly committed that tax reductions for the middle class are required and should be enacted by this Congress. But I also believe the American people must have a health care system that provides for prescription drugs through Medicare for elderly Americans.

My point is simply we are at a time when the Nation can both afford and requires multiple objectives. In the bipartisan tax reduction plan of $500 billion, Senator BREAUX, Senator KERREY, and I, working with our Republican colleagues, fashioned a plan where we believed we could reduce taxes on savings to encourage the American people to invest in the new economy by reducing or eliminating capital gains taxes on modest investments and by eliminating taxes on interest on modest savings accounts so all Americans save for their own future for security for their own families.

In our plan we expanded by 4 million families the number of people from the 28-percent tax bracket to the 15-percent tax bracket because this Government has no right to tax at 28 percent the modest incomes of families who earn $50,000, $60,000, and $70,000, raising one and two children. Indeed, at this point in our history it is something we can afford—to allow people to keep that money for their own needs.

Perhaps it was always going to be so, but that bipartisan tax plan was not enacted. But I am not a man who is discouraged easily. When the bipartisan plan was introduced, we described it as the October plan because there are tax plans that are presented because they have political value and communicate a political message, and there are tax plans enacted because they can be attained and they change the law. This was never going to be a brief process and perhaps it was never going to consist of a single phase. Tonight, the first phase is concluded. A message is being sent to the President and to the American people by both political parties. The Democratic Party is committing itself to middle-class tax relief after protecting Social Security and allowing for national objectives of Medicare and education.

The PRESIDING OFFICER. The Senator has consumed 4½ minutes.

Mr. TORRICELLI. Thank you, Mr. President.

I believe that is still a worthwhile objective and I join with my party in doing so. It is, however, my hope that we can accelerate this process. This bill can be passed tonight, the President can exercise his judgment, and we can return.

Therefore, I ask unanimous consent if the conference agreement passes, the bill be enrolled within 5 days and sent the following day to the President.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. TORRICELLI. Mr. President, I regret that will mean the process will have to continue longer than otherwise required. I hope we can return in the fall and pass a reasonable tax cut that accommodates other national objectives on a bipartisan basis.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I ask there be printed in the RECORD a statement "Sequester Impact of Tax Bill," prepared today by the Office of Management and Budget. I will read two sentences:

> Beginning in 2002, Medicare would be cut by 4 percent each year. * * *
>
> In 2002, the $28 billion cut in mandatory savings resulting from a sequester would still be $6 billion less than the cost of the tax bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Sequester Impact of Tax Bill

If the Conference Agreement on the Republican Tax bill were to be enacted in its present form, it would result in a sequester of mandatory programs in each year beginning in 2000. Mandatory spending would be cut by $2.4 billion in 2000. Beginning in 2002, Medicare would be cut by 4% each year. Mandatory programs subject to a full sequester would be eliminated, including CCC, child support enforcement, social services block grants, immigration support, crop insurance, mineral leasing payments and veterans education and readjustment benefits.

The costs of the tax bill in 2002 and subsequent years exceed the savings that could be achieved by a sequester of mandatory programs. In 2002, the $28 billion cut in mandatory savings resulting from a sequester would still be $6 billion less than the costs of the tax bill.

MEDICARE

Medicare spending would be cut by $2 billion in FY 2000 and by $9.2 billion or 4% in FY 2002. Medicare payments to all providers (e.g., hospitals, physicians, home health agencies, skilled nursing facilities) would be reduced proportionally by the sequester.

Any reduction in current Medicare spending will increase the pressure to "undo" the BBA and increase Medicare spending. It also will make it difficult to garner support for the reforms included in the President's Medicare reform plan, which includes important new initiatives (e.g., the prescription drug benefit) as well as justifiable reductions in spending.

VETERANS READJUSTMENT BENEFITS

The Readjustment Benefits account provides education benefits and training to more than 450,000 veterans, reservists, and dependents through the Montgomery GI Bill and the Vocational Rehabilitation and Counseling Programs.

The elimination of Readjustment Benefits in FY 2002 would mean that these veterans, reservists, and dependents would lose entitlement to the education and training programs many were promised (and paid into) when they enlisted. Programs like the GI Bill are the most potent recruitment and retention tools the military services have. Further, service members transitioning to civilian life would no longer be afforded retraining through college programs, work-study, or on-the-job training.

If eliminated, the Vocational Rehabilitation and Counseling program, which helps 50,000 disabled veterans overcome employment handicaps sustained on active duty, would no longer assist veterans in finding jobs and becoming productive members of society again.

CCC FARM PROGRAMS AND CROP INSURANCE

The Senate has just passed a bill that provides over $7 billion in FY 2000 emergency assistance to the Nation's farmers and ranchers, to help them through these times of nationwide low commodity prices and regional droughts that are withering crops and livestock. Simultaneously, this bill would cut assistance to farmers funded through the Commodity Credit Corporation, through a small FY 2000 sequester, at a time when many farmers are hurting.

The effect on farm programs in the outyears starting in FY 2002 would be catastrophic, and cause thousands of farmers and ranchers to go out of business. Farm income and price support programs would be devastated, and if today's commodity prices were to continue into the outyears, the "family farm" would become a historic relic. In addition, with U.S. agriculture heavily dependent on exports, such an outyear sequester would end USDA's export credit programs that guarantee billions of dollars of farm exports a year.

Starting in FY 2002, the Agriculture Department's crop insurance program would shut down, and without insurance most farmers and ranchers could not secure the financing from banks needed to operate their farms and ranches.

STUDENT LOANS

Guaranteed and Direct Student Loan Program borrowers would have their origination fees increased by one-half of a percentage point beginning in 2000.

The average student loan borrower would pay an additional $28 in origination fees. A graduate student taking out the maximum $18,500 loan would pay an additional $93 in fees. A college junior or senior taking out the maximum $10,500 loan would pay an additional $53 in fees.

Over 5.5 million beneficiaries would be affected.

CHILD SUPPORT ENFORCEMENT

New Federal funding for Child Support Enforcement would be eliminated beginning in 2002 and many States would no longer be able to continue this critical program. In FY 1998 this program collected $14.3 billion on behalf of children and families, and helped many low-income families move from welfare to work.

SOCIAL SERVICES BLOCK GRANTS (SSBG)

Beginning in FY 2002, SSBO would be eliminated. SSBG provides funding to States to support a wide range of programs including child protection and child welfare, child care, as well as services focused on the needs of the elderly and handicapped. The inherent flexibility of this grant permits States to best target funds to meet the specific needs in their communities.

IMMIGRATION SUPPORT

Mandatory funding for immigration programs pays for the costs administering laws related to admission, exclusion, deportation and naturalization of aliens. These costs are funded principally from fees paid by aliens. Sequestering this entire amount in FY 2002 and subsequent years would bring the immigration services program to a halt, leaving millions of legal aliens stranded in the immigration process and stopping all new immigration actions. This untenable situation would have the further effect of stopping all new fee revenue collections, thereby increasing overall mandatory spending.

MINERAL LEASING ACT PAYMENTS

The impact of a 100-percent outyear sequester starting in FY 2002 on Mineral Act Leasing payments would be devastating to many States. Under current law, these payments are made by the Interior Department to States as a percentage of Federal receipts received from the leasing and development of mineral resources (oil, gas, coal,) on Federal lands in those States. Most of the payments are made to the western States and to Alaska. The States, in turn, generally use these payments to help finance local elementary and secondary schools. Some of the lowest-income States would have outyear funding to schools substantially reduced as a result of such a large sequester.

PAYGO SEQUESTER CALCULATION

[Dollar amounts in millions]

	2000	2001	2002	2003	2004
PAYGO Net Deficit Increase	2,388	245	34,531	51,935	61,700
Excess above total PAYGO sequester baseline	0	0	6,332	23,410	32,193
Sequester amount (constrained to baseline)	2,388	245	28,199	28,525	29,507
Programmatic Sequester Amounts:					
Special rules:					
ASI	24	38	39	40	41
GSL and Foster Care	180	191	203	215	228
Medicare	1,981	15	9,247	9,993	10,567
All other (across-the-board sequester):					
CCC	76	0	5,047	4,309	4,327
Child Support Enforcement	12	0	3,148	3,381	3,649
Social Services Block Grants	22	0	1,441	1,435	1,435
Immigration Support	14	0	1,319	1,319	1,319
Crop Insurance	14	0	1,642	1,708	1,786
Mineral leasing Act payments	6	0	630	644	656

PAYGO SEQUESTER CALCULATION—Continued

[Dollar amounts in millions]

	2000	2001	2002	2003	2004
Veterans Educ & Readj. Benefits	8	0	1,041	1,039	1,057
All other	50	0	4,443	4,443	4,443
Total, across-the-board seq. amounts	203	1	18,711	18,278	18,671
Sequester total	2,388	245	28,199	28,525	29,507

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I yield back such time as remains.

Mr. President, would you believe there is one more Republican speaker?

The PRESIDING OFFICER. The Chair would believe that statement.

THE TAXPAYER REFUND & RELIEF ACT OF 1999—THANKS TO THE STAFF

Mr. LOTT. Mr. President, tonight we are passing a fantastic piece of legislation. The Taxpayer Refund and Relief Act of 1999 will return $792 billion of tax overpayments to American taxpayers over the next 10 years. It will cut income tax rates for all Americans. It contains dramatic cuts in the marriage penalty. It cuts capital gains tax rates and indexes capital gains for inflation. It eliminates death taxes. It expands retirement opportunities, educational opportunities, and health care choices. This, Mr. President, is a superb bill, and I am proud to have been a part of the process that developed it.

I want to thank the following staff for their dedication, intelligence, long hours, and commitment to Republican principles. The most important of these are Chairman BILL ROTH's staff. Chairman ROTH provided the leadership, and these people did all the hard work to back them up. From Senator ROTH's Committee on Finance, I want to thank Frank Polk, Joan Woodward, Mark Prater, Brig Pari, Tom Roesser, Bill Sweetnam, Jeff Kupfer, Ed McClellan, Tara Bradshaw, Ginny Flynn, Connie Foster, and Myrtle Agent. They are the tax counsels and policy experts who help us understand the intricacies of tax policy and legislation. We rely upon them every day for advice, and we have leaned on them for support during the past month. They are professional, patient, intelligent, and dedicated. I also want to thank John Duncan and Bill Nixon from Senator ROTH's staff for their leadership.

One person in particular deserves special mention. Mark Prater, Chairman BILL ROTH's chief tax counsel, was the principal Senate staff architect of this bill. Mark is an enormously valuable resource to the entire U.S. Senate. Mark's knowledge of tax policy and the tax code are unsurpassed. His dedication to good tax policy is unmatched. While we all worked hard to craft this legislation, Mark has given his days, nights, and weekends to this bill for several months. And his patience, professionalism, and easygoing demeanor make it a pleasure to work with him. I know that I speak for all of my colleagues, and for their staff, when I say thank you to Mark Prater for his work on this bill.

I want to thank all of the Joint Tax Committee staff for their excellent, professional staff work. Under the leadership of Lindy Paull, and two of her deputies, Rick Grafmeyer and Mary Schmitt, the Joint Tax staff did an incredible job turning around legislative language and scoring faster than we thought possible. They said we couldn't conference two $792 billion bills in less than a week. Thanks to the leadership of BILL ROTH and BILL ARCHER, and to the lightning speed of the Joint Tax staff, we proved them wrong.

The staff for the Republican members of the Finance Committee also deserve special recognition: Kathleen Black from Senator CHAFEE's staff, Kolan Davis from Senator GRASSLEY's staff, Judy Hill from Senator HATCH's staff, Alexander Polinsky from Senator MURKOWSKI's staff, Hazen Marshall from Senator NICKLES' staff, Ginger Gregory and Keith Hennessey from my staff, Dick Ribbentrop, Steve McMillin, and Mike Solon from Senator GRAMM's staff, Jeff Fox and Ken Connolly from Senator JEFFORDS' staff, Vic Wolski and Shelly Hymes from Senator MACK's staff, and Rachel Jones and Libby Wood from Senator THOMPSON's staff.

Much of this debate centered on questions that are normally considered in a budget resolution, rather than a reconciliation bill. So I also want to thank Senator DOMENICI's excellent Budget Committee staff, who, as always, did top-notch work. In particular, I want to highlight the efforts of Bill Hoagland, Cheri Reidy, Beth Felder, Jim Capretta, Amy Smith, Sandra Wiseman, and Andrew Siracuse. And we can't forget the Budget Committee "masters of spin," Bob Stevenson and Amy Call.

I offer my profound thanks to all of these dedicated Senate staff. Without their hard work, we would not be enjoying today's success.

I believe then Senator SPECTER will be the final speaker.

Mr. ROTH. I yield 3 minutes to the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, in my view, the underlying issues on the conference report on the tax cut bill present a close question. There is much to be said for the basic proposition of returning a portion of the surplus to the taxpayers so that they, instead of Congress, can decide where to spend the money.

The competing view is that the projected surplus over a 10-year period is highly speculative and that great care must be exercised to be sure Social Security and Medicare are solvent. The projected surplus also requires adherence to caps or limitations on spending which both the Congress and the President now admit to be unrealistic. The projected surplus also does not take into consideration emergencies, such as the multibillion-dollar Agriculture appropriations bill which passed the Senate last night.

In addition, there is substantial merit to using any surplus to pay down the national debt, thus reducing the $293 billion in annual interest charges on the $5.6 trillion debt. On balance, on a close question, I believe the Nation's interest will be best served by rejecting the $792 billion tax cut, leaving open the possibility at a later time of a more modest $500 billion tax cut as proposed by a group of centrists.

In reality, the vote on the conference report may well be meaningless in light of the President's repeated statements that he will veto the bill. This bill is probably just another step in the complex negotiations involving pending appropriations bills, including mine as my capacity as chairman of the Subcommittee on Labor, Health and Human Services, and Education.

I voted against the tax bill when it was before the Senate last week, and I am opposed to the tax bill tonight. At the urging of the majority leader, Senator LOTT, I have agreed to consider a live pair with my colleague, Senator MIKE CRAPO, who is in Idaho for his daughter's wedding. As of early this morning when I talked to Senator CRAPO, there were no commercial flights which would return him to Washington in time to vote. If he returned by charter aircraft, he would miss his daughter's wedding ceremony and disrupt the family's wedding celebration.

I have decided to agree to that live pair, which means that during the rollcall, if it is necessary, if it turns out Senator CRAPO's vote is indispensable, I will say that if Senator CRAPO were here, he would vote aye for the bill and I would vote nay against the bill. His absent aye vote would be paired then with my nay vote which would not be cast.

I am concerned, candidly, that this live pair being inside the beltway would be widely misunderstood, but I believe it is preferable to compelling Senator CRAPO's return to Washington or to have the will of the Senate exclude the vote of Senator CRAPO who could not be here unless he returned by charter jet and missed his daughter's wedding.

As I say, I voted against this bill last week, and I am opposed to it today. I intend to vote no unless the live pair with Senator CRAPO is indispensable for the reasons I have just outlined.

I thank the Chairman and yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself such time as remains. I think it is 2 minutes.

As I said this morning, the fundamental question before Congress these past few weeks, as we have debated the Taxpayer Refund Act of 1999, is quite simple: Is it right for Washington to take from the taxpayer more money than is necessary to run Government?

The issue of tax relief isn't anymore complicated than that, and the outcome of the conference between the Senate and the House makes it clear that Government is not automatically entitled to the surplus that is, in large part, due to the hard work, thrift, and risk taking of the American people. Individuals and families are due a refund. That is exactly what we do with this legislation. We give the people a refund, and we do it in a way that is fair, broad based, and empowering.

Mr. President, I am ready to yield back the remainder of time.

Mr. MOYNIHAN. Mr. President, I believe we have yielded back the remainder of our time.

Mr. ROTH. I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 261 Leg.]

YEAS—50

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Chafee
Cochran
Coverdell
Craig
DeWine
Domenici
Enzi
Fitzgerald
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—49

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Byrd
Cleland
Collins
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Schumer
Snowe
Specter
Torricelli
Voinovich
Wellstone
Wyden

NOT VOTING—1

Crapo

The conference report was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROVIDING FOR CONDITIONAL ADJOURNMENT OR RECESS OF BOTH HOUSES OF CONGRESS

Mr. LOTT. Mr. President, there is a concurrent resolution at the desk calling for the conditional adjournment of Congress. I ask unanimous consent that the resolution be considered agreed to and the motion to reconsider be laid upon the table, all without any intervening action or debate. This has been cleared on the Democratic side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 51) was agreed to, as follows:

S. CON. RES. 51

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, August 5, 1999, Friday, August 6, 1999, or Saturday, August 7, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Wednesday, September 8, 1999, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, August 5, 1999, Friday, August 6, 1999, or Saturday, August 7, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 10:00 a.m. on Wednesday, September 8, 1999, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

UNANIMOUS CONSENT AGREEMENT—H.R. 2466

Mr. LOTT. Mr. President, I ask unanimous consent that all first-degree amendments in order to the Interior appropriations bill, other than the managers' amendment, must be filed at the desk by 8 o'clock this evening and one amendment be allowed for each leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST—H.R. 2084

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 181, H.R. 2084, the Transportation appropriations bill.

Mr. REID. Objection.

The PRESIDING OFFICER. Objection is heard.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—MOTION TO PROCEED

CLOTURE MOTION

Mr. LOTT. Mr. President, I move to proceed to Calendar No. 181 and send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report the motion.

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Transportation appropriations bill:

Trent Lott, Pete V. Domenici, Paul Coverdell, Thad Cochran, Pat Roberts, Jesse Helms, Judd Gregg, George Voinovich, Ted Stevens, Slade Gorton, William V. Roth, Jr., Bob Smith of New Hampshire, Craig Thomas, Michael Crapo, James Inhofe, and Frank Murkowski.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote on the Transportation appropriations bill will occur on Thursday, September 9.

I ask unanimous consent that the cloture vote occur at 9:30 a.m. on Thursday, September 9, and that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I now withdraw the motion to proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. LOTT. Mr. President, there will be no further votes tonight. I would like to update the Members as to votes tomorrow. The Senate will resume the Interior appropriations bill for consideration of amendments. However, no further votes will occur this evening. If votes are ordered, those votes will be postponed to occur on Wednesday, September 8. I hope Senators who have amendments to the Interior appropriations bill will stay after the vote and further debate the amendments. I see that the manager of the bill is here.

Because of the agreement we reached and because of the good work that has been done, even though we haven't completed Interior, we are now going to have a finite list from which to work. In view of that, there will not be a session tomorrow. The next votes will be on Wednesday, September 8. I urge Senators to be here on the 8th because there will be votes, perhaps on the bankruptcy bill, or amendments to Interior. Members should expect votes on that Wednesday. In addition, there will be the cloture vote on Thursday.

I particularly thank the manager of the Tax Relief Act, Senator ROTH, who did an excellent job, and the ranking member, Senator MOYNIHAN, and a lot of the dedicated staff who put in long hours to make it possible. I appreciate the cooperation of all of our Senators to get this work done so we can have this period to go home and work our States during August. I hope everybody has a very prosperous, healthy, and enjoyable State work period. I appreciate the cooperation.

I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I ask unanimous consent to speak for 3 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. THURMOND pertaining to the introduction of S. Res. 178 are located in today's RECORD under "Submissions of concurrent and Senate resolutions.")

AMENDMENT TO THE AGRICULTURAL ADJUSTMENT ACT OF 1938

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1543 introduced earlier today by Senator MCCONNELL for himself and others.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1543) to amend the Agricultural Adjustment Act of 1938 to release and protect the release of tobacco production and marketing information.

There being no objection, the Senate proceeded to consider the bill.

Mr. GORTON. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD:

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1543) was considered read the third time and passed, as follows:

S. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TOBACCO PRODUCTION AND MARKETING INFORMATION.

Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following:

"SEC. 320D. TOBACCO PRODUCTION AND MARKETING INFORMATION.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may, subject to subsection (b), release marketing information submitted by persons relating to the production and marketing of tobacco to State trusts or similar organizations engaged in the distribution of national trust funds to tobacco producers and other persons with interests associated with the production of tobacco, as determined by the Secretary.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—Information may be released under subsection (a) only to the extent that—

"(A) the release is in the interest of tobacco producers, as determined by the Secretary; and

"(B) the information is released to a State trust or other organization that is created to, or charged with, distributing funds to tobacco producers or other parties with an interest in tobacco production or tobacco farms under a national or State trust or settlement.

"(2) EXEMPTION FROM RELEASE.—The Secretary shall, to the maximum extent practicable, in advance of making a release of information under subsection (a), allow, by announcement, a period of at least 15 days for persons whose consent would otherwise be required by law to effectuate the release, to elect to be exempt from the release.

"(c) ASSISTANCE.—

"(1) IN GENERAL.—In making a release under subsection (a), the Secretary may provide such other assistance with respect to information released under subsection (a) as will facilitate the interest of producers in receiving the funds that are the subject of a trust described in subsection (a).

"(2) FUNDS.—The Secretary shall use amounts made available for salaries and expenses of the Department to carry out paragraph (1).

"(d) RECORDS.—

"(1) IN GENERAL.—A person that obtains information described in subsection (a) shall maintain records that are consistent with the purposes of the release and shall not use the records for any purpose not authorized under this section.

"(2) PENALTY.—A person that knowingly violates this subsection shall be fined not more than $10,000, imprisoned not more than 1 year, or both.

"(e) APPLICATION.—This section shall not apply to—

"(1) records submitted by cigarette manufacturers with respect to the production of cigarettes;

"(2) records that were submitted as expected purchase intentions in connection with the establishment of national tobacco quotas; or

"(3) records that aggregate the purchases of particular buyers.".

PERMISSION FOR TEMPORARY CONSTRUCTION ON THE CAPITOL GROUNDS

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 167, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 167) authorizing the Architect of the Capitol to permit temporary construction and other work on the Capitol grounds, and for other purposes.

There being no objection, the Senate proceeded to consider the concurrent resolution.

AMENDMENT NO. 1608

(Purpose: To amend H. Con. Res. 167, authorizing the Architect of the Capitol to permit temporary construction and other work on the Capitol grounds, to provide that health and safety requirements, including access for the disabled, be observed)

Mr. GORTON. There is an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for Mr. MCCONNELL, proposes an amendment numbered 1608.

Page 1, line 4, delete all through line 7 on page 2 and insert the following:

"The Architect of the Capitol may permit temporary construction and other work on the Capitol Grounds as follows:

"(a) As may be necessary for the demolition of the existing building of the Carpenters and Joiners of America and the construction of a new building of the Carpenters and Joiners of America on Constitution Avenue Northwest between 2nd Street Northwest and Louisiana Avenue Northwest in a manner consistent with the terms of this resolution. Such work may include activities resulting in temporary obstruction of the curbside parking lane on Louisiana Avenue Northwest between Constitution Avenue Northwest and 1st Street Northwest, adjacent to the side of the existing building of the Carpenters and Joiners of America on Louisiana Avenue Northwest. Such obstruction:

"(i) shall be consistent with the terms of subsections (b) and (c) below;

"(ii) shall not extend in width more than 8 feet from the curb adjacent to the existing building of the Carpenters and Joiners of America; and

"(iii) shall extend in length along the curb of Louisiana Avenue Northwest adjacent to the existing building of the Carpenters and

Joiners of America, from a point 56 feet from the intersection of the curbs of Constitution Avenue Northwest and Louisiana Avenue Northwest adjacent to the existing building of Carpenters and Joiners of America to a point to 40 feet from the intersection of the curbs of the Louisiana Avenue Northwest and 1st Street Northewst adjacent to the existing building of the Carpenter and Joiners of America.

"(b) Such construction shall include a covered walkway for pedestrian access, including access for disabled individuals, on Constitution Avenue Northwest between 2nd Street Northwest and Louisiana Avenue Northwest, to be constructed within the existing sidewalk area on Constitution Avenue Northwest adjacent to the existing building of the Carpenters and Joiners of America, to be constructed in accordance with specifications approved by the Architect of the Capitol.

"(c) Such construction shall ensure access to any existing fire hydrants by keeping clear a minimum radius of 3 feet around any fire hydrants, or according to health and safety requirements as approved by the Architect of the Capitol."

On page 3, line 4, add the following new subsection:

"(c) No construction shall extend into the United States Capitol Grounds except as otherwise provided in section 1."

Mr. GORTON. Mr. President, I ask unanimous consent that the amendment be agreed to, and the resolution, as amended, be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1608) was agreed to.

The concurrent resolution (H. Con. Res. 167), as amended, was agreed to.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—CONTINUED

Mr. GORTON. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The order is to recognize the Senator from Virginia, Mr. ROBB.

Mr. GORTON. Is the Interior bill the subject?

The PRESIDING OFFICER. The Interior bill is the pending business.

The Senator from Virginia.

Mr. ROBB. Thank you, Mr. President.

Mr. President, in discussions with the manager of the bill, the majority leader, and the Democratic leader, and understanding that the matter that I was going to raise would require fairly extensive debate and then a vote, thus delaying the departure of Members for the August recess—and remembering how fond Members have been of not bothering Members of this body when they were the last obstacle between leaving on the August recess and making one last vote—I have agreed with the distinguished manager of the bill, the Senator from Washington, not to offer the amendment. He has agreed to recognize me first when the bill is next before the Senate.

With that in mind, and knowing that many of our colleagues are, as I speak, heading for the airports, I will not offer the amendment I had planned to offer this evening. I will offer it when we next take up the Interior appropriations bill.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I thank the Senator from Virginia.

I had expected that we would have a vote on a point of order with respect to the section of the bill to which he refers tonight. He prefers, as is his right, to introduce a motion to strike this particular provision. That is, of course, a debatable motion and a motion that would be debated with some seriousness.

The majority leader has said the floor is available to debate amendments tonight with the exception of the Senator from Virginia.

I don't see anyone here who I believe really wants to introduce and debate an amendment tonight. We will leave a resolution or any recorded vote until Wednesday, September 8.

One Senator, Mr. SMITH from Oregon, I know, wishes to debate the Senator from Virginia. If we can find him in the next 5 minutes or so, so that there could be a real debate, then I would be delighted to have the Senator from Virginia introduce his amendment. But I think we ought to have someone on both sides here in order to do it.

In the meantime, for a few minutes at least, we are searching around to see if there are any agreed-upon amendments that I can simply introduce and have offered and passed.

I also notice the presence of the Senator from Wyoming who waited patiently this morning with the Senator from Florida for a debate on a particular amendment which might possibly end up being determined by a voice vote.

I ask the Senator from Wyoming whether his partner from Florida is available this evening.

Mr. ENZI. We are checking.

Mr. GORTON. Mr. President, I am going to suggest the absence of a quorum while we see whether or not in the next few minutes we can gather people together for at least one debate on one amendment before we adjourn for the recess.

With that, for the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I rise in strong support for S. 1292, the Interior and Related Agencies Appropriations bill for FY 2000.

As a member of the Interior Appropriations Subcommittee and the full Appropriations Committee, I appreciate the difficult task before the distinguished Chairman and Ranking Minority to balance the diverse priorities funded in this bill—from our public lands, to major Indian programs and agencies, energy conservation and research, and the Smithsonian and federal arts agencies. They have done a masterful job meeting important program needs within existing spending caps.

The pending bill provides $14.0 billion in new budget authority and $9.15 billion in new outlays to fund Department of Interior agencies, including the National Park Service, the U.S. Fish and Wildlife Service, the Bureau of Land Management, the Bureau of Indian Affairs, the U.S. Geological Survey, and the Minerals Management Service, and the U.S. Forest Service, the Indian Health Service, the fossil energy and energy conservation programs of the Department of Energy, the Smithsonian, and federal arts and humanities agencies.

When outlays from prior-year budget authority and other completed actions are taken into account, the bill totals $14.0 billion in budget authority and $14.3 billion in outlays for FY 2000. The Senate Subcommittee is $1 million in both budget authority and outlays below its revised 302(b) allocation. The bill is $35 million in BA above, and $104 million in outlays below, the bill recently passed by the House. The bill is $1.1 billion in BA and $0.7 billion in outlays below the President's budget request in large measure because the President's offsets to increased discretionary spending are not within the jurisdiction of the Appropriations Committee.

I commend the Subcommittee Chairman and Ranking Member for bringing this important measure to the floor within the 302(b) allocation. I urge the adoption of the bill, and I ask unanimous consent that the Budget Committee scoring of the bill be printed in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

S. 1292, INTERIOR APPROPRIATIONS, 2000 SPENDING COMPARISONS—SENATE-REPORTED BILL

[Fiscal year 2000, in millions of dollars]

	General purpose	Crime	Mandatory	Total
Senate-reported bill:				
Budget authority	13,922	....	59	13,981
Outlays	14,250	....	83	14,333
Senate 302(b) allocation:				
Budget authority	13,923	....	59	13,982
Outlays	14,251	....	83	14,334
1999 level:				
Budget authority	13,800	....	59	13,859
Outlays	13,994	....	59	14,053

S. 1292, INTERIOR APPROPRIATIONS, 2000 SPENDING COMPARISONS—SENATE-REPORTED BILL—Continued

[Fiscal year 2000, in millions of dollars]

	General purpose	Crime	Mandatory	Total
President's request				
Budget authority	15,046	....	59	15,105
Outlays	14,992	....	83	15,075
House-passed bill:				
Budget authority	13,887	....	59	13,946
Outlays	14,354	....	83	14,437
SENATE-REPORTED BILL COMPARED TO:				
Senate 302(b) allocation:				
Budget authority	(1)	....	....	(1)
Outlays	(1)	....	....	(1)
1999 level:				
Budget authority	122	....	....	122
Outlays	256	....	24	280
President request				
Budget authority	(1,124)	....	....	(1,124)
Outlays	(742)	....	....	(742)
House-passed bill:				
Budget authority	35	....	....	35
Outlays	(104)	....	....	(104)

Note—Details may not add to totals due to rounding. Totals adjusted for consistency with scorekeeping conventions.

MATERIALS R&D

Mr. BYRD. Mr. President, I wish to engage the Chairman in a brief colloquy regarding materials research and development efforts funded through the energy programs in the Interior appropriations bill.

Mr. GORTON. I will be happy to join the Ranking Member of the Interior Appropriations Subcommittee in such a colloquy.

Mr. BYRD. I thank the senior Senator from Washington. Much of the progress we have made as an industrialized society has been the result of remarkable advances in materials. Improvements in commonplace and necessary items—cars, planes, computers, medical equipment—all are intricately tied to enhancements to the materials from which they are constructed. The same is true of our energy sources and energy production. Our power plants—the turbines, boilers and pollution controls that supply the electricity that powers our economy—are only as effective and reliable as the materials we use to build them.

Mr. Chairman, you and the Committee have done an admirable job in fashioning a budget that points this Nation toward new technologies for generating electricity in the 21st Century. The Committee's proposal supports a new concept for power generation called "Vision 21." This "Vision 21" initiative excites our imagination over the possibility of a pollution-free power plant. But the success of "Vision 21"—or, for that matter, any advances in tomorrow's energy technologies—will depend on the development of stronger, more durable, and more reliable materials.

Your support, Mr. Chairman, has been critical in ensuring that funding for materials research and development is included in this bill. Should the Department of Energy reassess its funding needs and priorities in order to move this research effort forward, would you give consideration to a request from the Department to redirect a portion of its funding to further this effort?

Mr. GORTON. I thank the distinguished Senator from West Virginia for his endorsement of this aspect of energy research. As the Senator mentioned, we have included a modest increase in materials research in the fossil energy budget for this bill above the enacted level. I am aware of the excellent research being done in the Senator's home state—at the Federal Energy Technology Center—as well as in other Energy Department laboratories. It is the intent of the Committee to continue to work with the Department of Energy to seek opportunities to enhance and strengthen this important area of research in balance with the other high-priority research. In this regard, the Committee would certainly give careful consideration to such a reprogramming request of the Department of Energy.

GLEN ECHO PARK CONSTRUCTION FUNDS

Ms. MIKULSKI. I rise with my colleague from the State of Maryland to engage the Chairman and Ranking Minority Member of the Interior Appropriations Subcommittee in a colloquy regarding the funds included in the Senate bill for Glen Echo Park, a unit of the George Washington Parkway in Maryland.

Mr. GORTON. I would be pleased to join with the Senior Senator from West Virginia in a colloquy with the esteemed members of the Senate delegation from Maryland regarding Glen Echo.

Ms. MIKULSKI. I thank the Chairman. Senator GORTON and Senator BYRD, is it the intent of the Appropriations Committee that the funds provided in the bill for Glen Echo Park in the construction account of the National Park Service be used for rehabilitation and replacement of facilities at Glen Echo Park?

Mr. GORTON. Yes, it is.

Mr. BYRD. I concur with the Chairman.

Ms. MIKULSKI. I thank the Chairman and Ranking Member.

Mr. SARBANES. Senator GORTON and Senator BYRD, is it also the intent of the Appropriations Committee that the funds provided for Glen Echo Park in the construction account of the National Park Service represent the first phase of an estimate $18 million restoration effort, whose total costs will be shared equally by the National Park Service, the State of Maryland and Montgomery County?

Mr. GORTON. Yes it is.

Mr. BYRD. I concur with the Chairman.

Mr. SARBANES. I thank the Chairman and Ranking Member.

OPERATIONAL EXPENSES AT OUR NATIONAL PARKS

Mr. HOLLINGS. Mr. President, I rise today to discuss a project that the Senate has been working on for over two decades, the Congaree Swamp National Monument. When this National Monument was established in 1976, its purpose was to educate present and future generations. Mr. President, through the leadership of the Chairman and Ranking Member of the Interior Appropriations Subcommittee, we have come a long way. In FY'98, funding was provided to build and pave a new entrance road and with FY'99 funds, the park's first visitor facility, a 10,300 sq. ft. education and administration facility is near completion. The total estimated cost for these two projects was $5.814 million. Through a partnership with the National Guard, Richland County, and a local non-profit organization these projects will be built for a total cost of $2.16 million. That is a savings of $3.65 million to the American tax payer.

Now that a new administration facility is close to being completed, we face the difficult task of providing adequate staffing levels at the Congaree National Monument. Increased staffing levels are needed at this monument to ensure safety and to provide education to the increasing number of park visitors. While I know earmarking operational funds for specific park sites is not the best course of action, I do want to bring to light the problem that this National Monument will be facing in the near future. In 1996, an on-site operations review by seven Atlantic Coast Cluster Superintendents concluded that "the [park's] staffing level is inadequate to provide minimum resource protection and visitor services". The report continued with the statement that "the park staff, with considerable support from an excellent volunteer cadre, is doing a valiant job of operating the park to the best of their ability, but lack the same breadth of resources and facilities in other National Park Service sites. * * *" More than 300-school group program requests were denied last year because of the lack of staff. A large percentage of park visitors leave without learning the significance of the park due to the lack of programs. The shortage of staff will become even more critical with completion of the new infrastructure and increased visitation.

Mr. GORTON. I am well aware of the shortfall when it comes to operation expenses, not only at the Congaree Swamp National Monument, but at many National Park Service sites. When crafting the FY 2000 Interior Appropriations bill, we took staffing needs and operation expenses into account and provided $1,355,176,000, which is an increase of $69,572,000 over the fiscal year 1999 enacted level.

Mr. HOLLINGS. With an additional $69.5 million, is there any funding provided that would help the Congaree Swamp National Monument in its attempt to address the need for additional staff?

Mr. GORTON. While the distinguished Senator from South Carolina alluded to the problem of earmarking specific operational expenses earlier, I will say that of the total amount provided, $27,035,000 is for a park operations initiative focused on parks with critical health and safety deficiencies, inadequate resources protection capabilities and shortfalls in visitor services.

Mr. HOLLINGS. If the Congress Swamp National Monument is deemed to have critical health and safety deficiencies, inadequate resources protection capabilities or shortfalls in visitor services, can a portion of this $27 million be used to hire additional staff?

Mr. GORTON. I understand that the National Park Service has already targeted these funds for specific park sites.

Mr. BYRD. Mr. Chairman, I also understand the frustration that arises when National Park Service sites are under staffed. In fact, a number of National Park Service sites in West Virginia have unmet operational and staffing needs. I can assure the distinguished Senator from South Carolina that if the National Park Service deems the Congress Swamp National Monument to be in need of additional staff to carry out its stated mission the Committee would give careful consideration to providing additional funds in the future to increase staffing levels at this site. It is important that visitors to all our National Park sites come away with the education and appreciation that these sites deserve.

Mr. HOLLINGS. I thank both the Chairman and Ranking Member for everything they have done in support of our National Parks. I also want the National Park Service to work with the Congress Swamp National Monument, as well as other park sites, to make sure that they are adequately staffed to carry out their stated missions.

FOREST SERVICE RESEARCH

Mr. BYRD. I rise with my colleagues on the Appropriations Committee from Wisconsin and Vermont to engage the Chairman of the Interior Appropriations Subcommittee, the Senior Senator from Washington, in a colloquy regarding Forest Service research and the intent of the Committee on Appropriations.

Mr. GORTON. I would be pleased to enter into a colloquy with the Ranking Member of the Interior Subcommittee and with the distinguished Senators from Wisconsin and Vermont who also serve on that Subcommittee to provide further guidance and clarification as to the Committee direction included in the fiscal year 2000 Interior appropriations bill and accompanying report.

Mr. BYRD. Mr. Chairman, S. 1292, a bill making appropriations for the Department of Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes, includes a net reduction of $10,000,000 below the fiscal year 1999 enacted level (from $197,444,000 to $187,444,000). Is this the total decrease included in the bill for this program?

Mr. GORTON. While the overall reduction is $10,000,000, within the total funding level the Committee has provided increases above the fiscal year 1999 level of (1) $1,130,000 for the harvesting and wood utilization laboratory in Sitka, Alaska, (2) $2,000,000 for forest inventory and analysis, (3) $500,000 for hardwood research and development at Purdue University, (4) $600,000 for the development of the National Center for Landscape Fire Analysis at the University of Montana, and (5) $700,000 for the CROP program. Therefore, other activities of the Forest Service research are to be reduced by a total of $14,930,000 below the enacted level.

Mr. BYRD. What guidance has the Committee provided the Forest Service with respect to how the Forest Service should reduce its other research activities by $14,930,000?

Mr. GORTON. The report accompanying S. 1292, Senate Report 106–99, stresses the concern of the Committee that the research program of the Forest Service has lost its focus on its primary mission—forest health and productivity—and directs the Forest Service to reduce those areas not directly related to enhancing forest and rangeland productivity. There are existing research programs outside the agency that have greater expertise and objectivity than the Forest Service; especially beyond the disciplines of forest health and productivity.

Mr. BYRD. I am concerned that without further elaboration on this matter the Forest Service may misinterpret the Committee's intent and take reductions that are not in keeping with the expectations of the Committee. It would be useful to expand upon the guidance provided in the report in order to avoid any misunderstandings as to the will of the Senate.

Mr. GORTON. Your point is well taken, and I welcome the opportunity to provide additional information. The expectations of the Committee are that the Forest Service will not provide any increased funding for activities not expressly stated as increases in Senate Report 106-99. In other words, the Committee has not provided any increased funding for the climate change technology initiative or for global climate research. Nor has the Committee provided any increased funding in this account for Forest Service research on invasive species, fire science, watershed science, inventory and monitoring, or recreation, wilderness and social science. The Committee also has denied any increases for fish and wildlife habitat research programs, for the application of mathematical programming and computer simulation tools in national forest planning, and for forest health monitoring research.

Beyond disallowing any of these increases, the Committee expects reductions in research funding to be targeted in those research areas that are not directly related to its core mission of forest health and productivity. In addition to social science and recreation research, which are well outside the expertise and core mission of the Forest Service, research not directly related to forest health and productivity includes, but is not limited to, research on wildlife, fish, water, and air sciences; global climate change and wilderness research. Beyond these research areas, other funding projects that the Committee feels are appropriate for reductions include the administrative costs of the Washington office (funded at $11.261 million in fiscal year 1999) and support for so-called "national commitments" (funded at $5.744 million in fiscal year 1999).

Mr. BYRD. I thank the Chairman for explaining the expectations of the Committee regarding forest service research. Based on this clarification, is it the Committee's intent that the Forest Service will maintain funding at the fiscal year 1999 level for projects NE-4557 (Disturbance, Ecology and Management of Oak-Dominated Forests), NE-4751 (Forest Engineering Research—Systems Analysis to Evaluate Alternative Harvesting Strategies), NE-4353 (Sustainable Forest Ecosystems in the Central Appalachians), NE-4701 (Efficient Use of the Northern Forest Resources), NE-4803 (Economics of Eastern Forest Use), and NE-4805 (Enhancing the Performance and Competitiveness of the U.S. Hardwood Industry)? All of these projects are in West Virginia and contribute directly to forest health and productivity.

Mr. GORTON. Yes, it is the intent of the Committee that these projects be funded for fiscal year 2000 at their fiscal year 1999 funding levels.

Mr. LEAHY. In that same vein, is it the Committee's intent that the Forest Service will maintain funding at the fiscal year 1999 level for project NE-4103 (The Role of Environmental Stress on Tree Growth and Development)? This project is conducted at Burlington, Vermont, and provides information directly related to forest health and productivity.

Mr. GORTON. Yes, it is the intent of the Committee that this project be funded for fiscal year 2000 at its fiscal year 1999 funding level.

Mr. KOHL. Mr. President, I am pleased that the distinguished Senators from Washington and West Virginia have brought up the issue of Forest Service research. As they have noted, there is some significant research being conducted by the Forest Service, vital to forest health management and forest productivity that the Committee supports. Am I correct in my understanding that it was the Committee's intention in its discussion of Forest Service research in the Committee's report to maintain for fiscal year 2000 the forest products utilization research and supporting research activities conducted at the Forest Products Lab in Madison, Wisconsin, at the fiscal year 1999 funding level?

Mr. GORTON. The Senator from Wisconsin is correct.

Mr. KOHL. Cutting these research programs would dramatically decrease the Nation's ability to conserve scarce forest resources. It would eliminate work on major research issues in western softwood forests and in eastern hardwoods. Forest products research defrays forest management costs, increases fiber availability to meet the Nation's need for wood and fiber, speeds the acceptance of new and more efficient utilization technologies, and enhances the development of technologies that will restore economic vitality to forest-dependent communities. Curbing forest product research would also eliminate technical expertise on wood use, particularly in the area of housing.

Mr. GORTON. I want to thank Senator KOHL for highlighting the vital work of the Forest Products Lab and reiterate the Committee's support for its research program.

NATIONAL PARK SERVICE CONCESSION REVIEW

Mr. STEVENS. Will the distinguished chairman of the subcommittee yield for a question?

Mr. GORTON. I would be happy to yield.

Mr. STEVENS. As the Senator from Washington is aware, the National Park Service is responsible for the management of much of the land along the Georgetown waterfront in the District of Columbia. As a regular visitor to this area, I have been disappointed with the condition and appearance of much of the land under the management of the National Park Service, particularly the area surrounding Thompson's boathouse, the boathouse itself, and the nearby lands that are currently used for boat storage. These lands are adjacent to the confluence of Rock Creek and Potomac River, making their care and maintenance critical to the protection of the watershed.

I understand that upkeep and maintenance of the boathouse is the responsibility of the concessioner that manages the boathouse. Does the Chairman of the Subcommittee feel that it would be appropriate for the National Park Service to review the concession contract for the boathouse, and the performance of the concessioner under that contract, to determine whether the concessioner should be compelled to make a greater effort to maintain and rehabilitate the boathouse and appurtenant lands?

Mr. GORTON. I agree that such a review would be appropriate.

Mr. STEVENS. Does the Chairman also agree that, to the extent appropriate in meeting its responsibilities and obligations, the National Park Service should review the maintenance and rehabilitation needs for this area and strongly consider allocating additional resources to make any needed improvements?

Mr. GORTON. In the past several years, the Committee has provided the Service with a substantial amount of additional funds of repair and rehabilitation of park facilities and properties. I agree that it would be appropriate for the Service to consider allocating a portion of these resources for the purposes noted by the Senator from Alaska.

Mr. STEVENS. I thank the Chairman of the Subcommittee.

MAGGIE WALKER NATIONAL HISTORIC SITE

Mr. ROBB. Mr. President, I like to take a few moments to express my concern about funding for the Maggie Walker National Historic Site in Richmond. While construction funding was included in the budget submitted by the National Park Service, funding was not included in the Interior appropriations bill before us today. I want to make sure that the managers of this legislation are aware of just how important the Maggie Walker project is to both the Richmond community and to our nation. I would also like to urge them to provide this funding.

Maggie Walker, who lived in Richmond from her birth in 1867 until her death in 1934, epitomized triumph in the face of adversity. In an era that glorified male achievement, and in a part of the nation that did not encourage African American leadership, she stood out as a very successful member of society despite the fact that she was both female and African American.

Ms. Walker both succeeded within the system and pushed for change. She established a newspaper. She organized a student strike to protest unequal graduation ceremonies. She founded a bank and was the first woman in the nation to serve as president of a bank. She was also actively involved in founding the Richmond chapter of the NAACP, and throughout her life, Maggie Walker championed humanitarian causes.

The Maggie Walker National Historic Site in Richmond is comprised of the Walker home, and several adjacent support buildings. The Walker residence itself was built in 1883 and purchased by the Walker family in 1904. The residence served as Ms. Walker's home untile the year of her death. The Walker family sold the home to the National Park Service in 1979. Furnishings throughout the home are original family pieces.

The National Park Service budget request is necessary to literally protect the site from destruction, as well as for safety and historic preservation. Funding will support a fire suppression system for the main Walker home, and will restore the exteriors of the adjacent support buildings. These structures will be used for interpretive and education facilities, and for museum storage.

Mr. WARNER. I join my colleague in this effort. Mr. President, the construction funding request by the National Park Service budget would help protect and expand the facility to provide a better legacy for our children. Educational programs for all children, especially the children of Virginia, will serve as a living reminder of the prejudice that took place in our country at the turn of the century, and Maggie Walker's life will provide a strong role model for present and future generations seeking to overcome adversity.

Maggie Walker urged women to work together to advance their place in society. She said, "If our women want to avoid the traps and snares of life, they must band themselves together, organize, acknowledge leadership, * * * and work * * * for themselves." Maggie Walker also stressed the empowerment of minorities in the business field. She recognized the "need of a savings bank, chartered, officered, and run by the men and women of this [community] * * * Let us have a bank that will take the nickels and turn them into dollars." The Maggie Walker House symbolizes the persistence of an individual in the face of prejudice. For citizens in Richmond, the life of Ms. Walker, and her National Historic Site, are a daily inspiration.

I hope the construction money allotted to the Maggie Walker National Historical Site in the National Park budget and approved by the President will be provided. I thank my colleagues for considering this matter, and I'd appreciate hearing the managers' views on this project.

Mr. GORTON. I agree with the Senators from Virginia that the life of Maggie Walker is indeed an inspiration. While we're facing tough funding constraints and did our best to meet National Park Service needs in the State of Virginia. I will work with the senior senator from West Virginia to see what can be done for the Historic Site.

Mr. BYRD. I agree with the Senator from Washington that this project is important, and I will do what I can to the extent that funds become available.

VIRGINIA BEACH MINERALS MANAGEMENT SERVICE

Mr. ROBB. Mr. President, the senior Senator from Virginia, Senator WARNER, and I would like to bring to the Managers' attention a serious concern involving the City of Virginia Beach and the Minerals Management Service of the Department of Interior. In my view, the city has been unfairly treated, and I hope we can rectify this matter during conference negotiations on the Interior Appropriations Bill.

Mr. WARNER. I support the view of my colleague. We wish to briefly review the issue for the Managers and explain why we believe that an injustice has been done to the City of Virginia Beach.

For past 25 years, the U.S. Army Corps of Engineers, in conjunction with the City, has been working to complete the Sandbridge Beach Erosion Control and Hurricane Protection Project, one of the region's highest priorities. Early in 1998, several Nor'easters struck the east coast and literally demolished Sandbridge Beach, which is a very important barrier island that provides protection for the Back Bay National Wildlife Refuge. Forty homes were lost to the storms, and more than 300,000 cubic yards of protective beach sand were washed away. As a result, there was an immediate, critical need to replenish the beach. Although the Corps has the responsibility of annual renourishment of Sandbridge, as it is a federally-authorized project, the City advanced the money to replenish the beach because it was in a state of emergency.

I wish to emphasize that point. Instead of waiting for the Congress to appropriate the funds to the Corps, the City spent $8.1 million of its own money for the Sandbridge Beach Renourishment, which is an option Congress allowed the City under the Water Resources Development Act.

The Minerals Management Service (MMS) became involved when the Corps selected a location to mine the sand for Virginia Beach. The location selected, the bottom of the ocean three miles off the coast, is an area legally designated as the "outer continental shelf." Pursuant to the 1994 amendments to the Outer Continental Shelf Lands Act (OSC), the MMS negotiates agreements for the right to extract minerals from the outer continental shelf. Under this authority, the MMS made a decision, which we believe to be both unfair and poor policy, to charge the City of Virginia Beach for the sand mined.

The MMS has the authority to change its decision, and I believe this would be the right thing to do. First, with respect to the discretion of the MMS, the MMS's own Proposed Policy and Guidelines state that:

> The new law provides that the Secretary may assess a fee. This affords discretion not to assess a fee on a case-specific basis.

Mr. GORTON. So it's clear that the MMS could have opted not to charge the City of Virginia Beach?

Mr. ROBB. That's right. More important, we believe that not charging the city would have been the best policy decision. First, the sand paid for by the city protected federal land. MMS guidelines state that "when OCS sand is used for protection of Federally-owned land (e.g. for military bases, national parks, and refuges), a fee would not be assessed." That is the case in this instance.

Sandbridge beach is crucial to protecting the Back Bay National Wildlife Refuge, which is federally owned. The fragile beach acts as a barrier island as the fresh water/brackish environment is three feet lower than the ocean adjacent to Sandbridge. If this beach is not maintained, an inlet could form, changing the ecology to a salt water estuary causing great harm to the Refuge and also disrupting one of the potable water sources for the City of Chesapeake. Additionally, the project is directly adjacent to the Dam Neck Fleet Combat Training Center. The beach at this Center was recently renourished with an 850,000 cubic year nourishment project. Sandbridge acts as a feeder beach for the Dam Neck area and also provides protection to the flank of the training Center. In short, the City of Virginia Beach used its own funds to protect federal property. Compensation is only fair.

I'd like to add that fair compensation is something the City of Virginia Beach had assumed in good faith would be forthcoming. The City acted in an emergency to protect the beach. This beach is a Congressionally-authorized project and is being constructed by the U.S. Army Corps of Engineers led the city to believe that it would be compensated. In fact, the Corps has already used approximately 2 million of its federal dollars to design the project, is acting as construction manager, and considered this renourishment to be the first phase of this project authorized by Congress in the 1992 Water Resources Development Act.

In addition, the City of Virginia Beach was assessed a free by the MMS for mining the sand used to construct the federal project at Sandbridge solely because the City, not the federal government, fronted the cost of the construction.

Mr. GORTON. What is the regulation the MMS used to assess this fee?

Senator WARNER. There is only a guidance document, which was drafted in October 1997 by the MMS under the title "Proposed Policy and Guidelines on Fees for Outer Continental Shelf Resources Used in Shore Protection and Restoration Projects". There have been no further rules promulgated since that time, and the City of Virginia Beach is the first public body and only public body to be assessed this fee subsequent to the issues of the "Proposed Policy".

Mr. GORTON. My understanding is that the purpose for establishing fees for mineral extraction from the outer continental shelf was to assure that the citizens were compensated for allowing the use of public resources by profit-seeking endeavors.

Mr. ROBB. My colleague is correct. But I wish to stress that this case was not a profit-seeking endeavor, but an emergency situation to replace sand on a federally-authorized beach that was washed away during a severe storm.

Mr. BYRD. Are there any instances of the MMS waiving the fee?

Mr. WARNER. Yes, there are. The MMS waived the fee for two other requests for use of OCS sand for shore protection projects sponsored by the corps. One was in Duval County, FL, and the other in Myrtle Beach, SC. For these two cases, the MMS ruled that project-related activities had progressed to the point that an "assessment of a fee for the OCS sand resources could have delayed or prevented project construction". The MMS therefore determined that waiving the fee would be in the best interest of the public in those two cases. In the case of Sandbridge Beach, we believe that it was in the best interest of the public for the MMS to waive the fee as it not only is a Congressionally authorized project, but it also protects a federally owned wildlife refuge, the Back Bay National Wildlife Refuge.

Mr. GORTON. What was the nature of the fee assessed to the City by the MMS?

Mr. ROBB. The City of Virginia Beach was assessed a fee of $0.18 per cubic yard, and they were forced to enter into a lease agreement with MMS before being allowed to obtain critical sand for the emergency beach erosion project. The money paid in MMS fees, which totaled $198,000, would have allowed the City to place an additional 40,000 cubic yards of sand on this badly eroded beach.

In conclusion, we hope our colleagues agree that the MMS should have utilized their option to waive the fee for sand replenishment in this emergency situation, and as a result, the City should be reimbursed for protection Sandbridge Beach. Not only did the MMS assess a fee on a federally-authorized project which protects federal land, but they took advantage of the City during an emergency situation. Under the time constraints the City had no other alternative to find sand elsewhere, and was forced to pay the fee. It is for these reasons that my colleague and I believe that the MMS has an obligation to reimburse the City of Virginia Beach for this incorrectly assessed fee.

Mr. GORTON. I am sympathetic to our colleague' request. I am also aware that language authorizing repayment of the fee charged to the City of Virginia Beach is included in this year's Water Resources Development Act. We are facing very tough funding constraints this year, but if the senior Senator from West Virginia agrees, we'll work together to help the city if possible.

Mr. BYRD. I am also sympathetic to the request, and I will support that effort.

Mr. WARNER. I thank the Senator from Washington and the Senator from West Virginia. Senator Warner and I want to reemphasize that this is a situation of basic fairness, and action is needed to correct an injustice imposed by the federal government. We ask that if funds become available during the House-Senate Conference, that the Managers provide $198,000 to reimburse the City of Virginia Beach. We thank our colleagues.

CUMBERLAND ISLAND

Mr. CLELAND. I rise to engage the Chairman and Ranking Member of the Interior Appropriations Subcommittee in a colloquy regarding Cumberland Island National Seashore, which is located just off the coast of Georgia. As Senator GORTON and Senator BYRD are aware, the Congress recently provided funding for an important land acquisition for Cumberland Island, which will ensure the protection of lands on Cumberland Island for generations to come. In conjunction with this land acquisition, I worked with the National Park Service, residents of the island, and members of the historic and environmental communities to reach a unanimous agreement on the management of Cumberland Island National Seashore. The agreement provides a framework for the proper management of the cultural and wilderness resources on the island. I strongly supported the development of this agreement and am committed to ensuring that this agreement is followed regarding the management of Cumberland Island National Seashore. Do the Chairman and Ranking Member of the Interior Appropriations Subcommittee share my strong support for the implementation of the agreement?

Mr. GORTON. I was pleased that the Georgia delegation, the Administration and a variety of local interests were able to reach agreement with regard to the preservation of lands and historic properties on Cumberland Island, and am pleased that we were able to provide a considerable amount of funds to implement the first phase of the agreement. Your leadership has been instrumental in this matter, and I appreciate your efforts to provide for the lands and management of the Cumberland Island National Seashore. I look forward to working with you to the extent additional funds are necessary to implement the agreement, recognizing the difficult fiscal limitations under which the Committee must operate.

Mr. BYRD. I concur with the Chairman and would support Congressional efforts to provide additional compliance actions regarding the agreement, if necessary. Your involvement in Cumberland Island has been critical in protecting and preserving these precious resources in a manner that balances National and local interests.

Mr. CLELAND. I thank the Senators for their support and kind words.

VERMONT AGENCY OF TRANSPORTATION ELECTRIC VEHICLE LEASE

Mr. JEFFORDS. Mr. President, I thank the Subcommittee on Interior, and particularly Chairman GORTON, for his excellent work on the FY 2000 Interior and Related Agencies Appropriations bill. I would especially like to thank the Chairman for encouraging the Department of Energy to consider the Vermont Agency of Transportation electric vehicle lease proposal. I would just like to clarify that the committee's recommendation refers to a request for $400,000 from the Vermont Agency of Transportation to develop an electric vehicle program, including the purchase and demonstration of electric vehicles, the creation of charging stations, reports documenting vehicle use, and the collection of experiential data, for the State of Vermont and its municipalities.

Mr. GORTON. I thank the Senator from Vermont for his kind remarks. Within available funds, the Committee encourages the Department of Energy to provide funding for the Vermont Agency of Transportation Vehicle Lease Program.

PONCA TRIBE OF NEBRASKA USER POPULATION

Mr. KERREY. Mr. President, I am concerned the Ponca Tribe of Nebraska funding for health services is not adequate to provide these services to tribal members. As the Chairman may know, the Ponca Tribe was terminated in 1962 and restored as a federally recognized Tribe in 1990. At the time of restoration, the Tribe's user population was estimated at 654 and was allocated a $1.2 million budget.

In January 1998, the Ponca Tribe established the Ponca Health and Wellness Center in Omaha, Nebraska. This clinic provides quality medical, dental, pharmaceutical, and community outreach health services to members of all federally recognized Tribes. As a result of this new clinic, the user population has increased to over 2000 users without a budget increase to address the larger population. Does the distinguished Senator from Washington agree this problem must be addressed?

Mr. GORTON. I understand the concerns of the Senator from Nebraska regarding the need for resources to address the increase in user population for the Ponca Tribe Health and Wellness Center. It is important the Ponca and other Tribes be able to continue providing quality health services for its members. I believe the IHS should examine this issue and identify ways to help the Ponca and other Tribes, which have experienced unusual increases in user populations.

Mr. KERREY. Clearly, the Ponca Tribe needs resources in order to meet the health needs of an increased user population. It is my hope the Indian Health Service (IHS) will address this unusual increase with its resources. I encourage the IHS to provide increased funding to any Tribe that has experienced an increase in the user population of 50 percent or more over fiscal years 1996–99 to the extent possible within existing resources.

MARI SANDOZ CULTURAL CENTER $450,000 FUNDING REQUEST

Mr. KERREY. Mr. President, I wish to ask the distinguished floor manager a question.

Mr. GORTON. Certainly. I am happy to respond to my colleague from Nebraska.

Mr. KERREY. I realize that this year, you and Ranking Member BYRD are facing a challenging appropriations season with tight budgetary constraints. I appreciate your hard work and all that you have done. However, I wanted to bring to your attention a very important project for the State of Nebraska, especially the western part of the state, the Mari Sandoz Cultural Center at Chadron State College in Chadron, Nebraska. Mari Sandoz wrote extensively about the Great Plains—about fur traders and homesteaders, about cattlemen and grangers; about the Cheyenne and Oglala Sioux. She captured in her writings a special time and place. Chadron State College and the Mari Sandoz Society are developing a cultural center to preserve, protect and exhibit a collection that is associated with Mari Sandoz's life and work. I had hoped that we would be able to find $450,000 to assist with this project.

Mr. GORTON. I am aware of the Senator's interest in this project and its importance to Nebraska's history and heritage. We were unable to include funding for one of the accounts where this project might be supported. However, I will work with the Senator to see if we can identify funds for this project in the future.

Mr. KERREY. I thank the Chairman for his assistance. I appreciate the consideration of this important project, and I know the people of Nebraska, especially western Nebraska, will also be more appreciative.

FOREST SERVICE RECONSTRUCTION AND MAINTENANCE

Mr. KOHL. I rise to engage the Chairman of the Interior Appropriations Subcommittee, the Senator from Washington, Senator GORTON, in a colloquy on an item in the Forest Service budget which needs some clarification. The fiscal year 2000 budget justification submitted by the administration included $300,000 for planning and design of a new facility at the Forest Products Lab in Madison, WI, to accommodate a move of the Forest Service's regional office from Milwaukee to Madison. However, on April 15, 1999, during a hearing in the Appropriations Committee on the Forest Service budget Mike Dombeck, the Chief of the Forest Service, reiterated what the Forest Service has told me in the past: The

Forest Service has withdrawn the proposal to move its Milwaukee office. The idea of moving the regional office from Milwaukee first came up in response to concerns about the rent in Milwaukee. Since then General Services Administration (GSA) has indicated that by fiscal year 2000, the rent in Milwaukee will be reduced by 18 percent, eliminating the need for the move.

During the Appropriations Committee's markup, we inadvertently included $300,000 for the proposed move in the Forest Service's reconstruction and maintenance budget. Since the Forest Service and GSA have confirmed that the move will not and should not go forward, the Committee is directing the Forest Service to use the $300,000 in this account at the Forest Products Lab to expand the planned heat, ventilation and air conditioning work already scheduled to occur at the lab. The funding should be used to replace air conditioning equipment for buildings 33 and 34. The current equipment is more than 30 years old and is in poor condition, lacking automated controls so overtime staffing is needed to operate the equipment on weekends. Replacement of the air conditioning chillers in these buildings will be more energy efficient and will reduce overtime costs.

Mr. GORTON. I appreciate the Senator from Wisconsin raising this issue. Leaving the regional office in Milwaukee will save the Forest Service $4.5 million slated for future years spending to build a new facility in Madison. The Committee agrees that using the $300,000 in the fiscal year 2000 budget to improve the HVAC systems at the Forest Products Lab is a far better use of these funds.

Mr. KOHL. I appreciate the Senator from Washington's courtesy and look forward to working with him in conference to ensure that this money is spent as the Committee intended.

GRAND STAIRCASE-ESCALANTE NATIONAL MONUMENT

Mr. BENNETT. Mr. President, there are several provisions in this bill that result directly from the establishment of the Grand Staircase-Escalante National Monument. First, we have identified $300,000 within the amount allocated for the monument planning and decision making process. In FY 1999, $500,000 was provided to the two counties, and we anticipate that there will be funds available from the fee demonstration program that could return them to the FY 99 level.

Additionally, we provided $100,000 to implement the "Garfield-Kane County Partnership Action Plan." This action plan is the result of a process that began last year to help the counties and communities that have been most impacted by the monument designation. This is not a welfare program; this is to help them with reorganization leading to economic self-sufficiency. The Department of Interior, to its credit, has supported this effort and provided funds for a conference that was held in Kane County earlier this year. The conference was mediated by the Sonoran Institute. The conference report is the basis for the funding.

The regional entities have formed a planning commission, the Partnership Task Force, and are talking with the Utah Five County Association of Governments (AOG) to establish a new and independent entity within that organization, which will provide administrative support and organization. Direction will come from a board composed of elected county and city officials from Kane and Garfield Counties and from portions of the Arizona Counties (Coconino and Mohave), which are north and west of the Colorado River. This also includes the Kaibab Paiute Indian Reservation.

It is my understanding that the BLM will fund the Partnership Task Force through the Five County AOG and will cooperate in developing recommendations for the partnership action plan and specific programs. I would ask the Chairman if it is his expectation that the agency will periodically report on the progress being made?

Mr. GORTON. It is, indeed, my expectation that the Department will work with the organization in getting started and will provide a progress report after ninety days, and a full report at the end of the fiscal year.

Mr. BENNETT. I thank the Chairman for his support.

EVERGLADES FUNDING ASSURANCES

Mr. MACK. Mr. President, I rise today with my colleague from Florida, Mr. GRAHAM, to address briefly the issue of Everglades restoration and land acquisition funding. We had joined with the President in requesting slightly more than $100 million for land acquisition in Everglades National Park, state assistance grants, infrastructure investment, and modified water deliveries to the Park and Florida Bay. This funding is critical to keep the restoration effort on budget, on schedule, and consistent with the Congress' commitment in 1997 to fully fund Everglades restoration.

Mr. GRAHAM. Mr. President, following on the comments of my colleague from Florida, the Committee did not see fit to appropriate the full amount of these requested funds due to several concerns outlined in the Committee's report. First, the report addressed the $40 million in unobligated balances at the Department of Interior that have already been appropriated by Congress for the Everglades restoration effort. Further, the Committee echoed concerns raised in a recent GAO report regarding a more expedient dispute resolution mechanism and an integrated strategic plan. I would ask the distinguished Chairman of the Subcommittee if this—in general—reflects the concerns of the Subcommittee as outlined in the report?

Mr. GORTON. That is correct, I also note that the Subcommittee's 302(b) allocation was more than $1.1 billion below the Presidents request, which compelled the Subcommittee to provide lower funding levels for land acquisition in order to protect core operating programs.

Mr. MACK. Mr. President, the reservations of the Subcommittee are valid ones and my colleague from Florida and I are willing to be helpful however we can in addressing these concerns. I would say to the Chairman that we are making progress on these issues. The Department of the Interior tells me it is working closely with the State of Florida to remove the barriers to allocating the unobligated land acquisition and restoration balances. The Department assures these funds will be obligated by the end of this fiscal year.

Mr. GRAHAM. If I may, let me follow on by saying the Department further assures us they are making good progress on the concerns raised by the GAO report and echoed by the Committee. In fact, on July 1 of this year, the administration released the Everglades Restudy—which is an extremely detailed 20-year plan for restoring the Everglades—to the Congress.

Mr. MACK. I would ask the Chairman of the Subcommittee if he would be willing—given the movement toward resolving his concerns since release of the Committee's report—if he would be willing to work with us in Conference to increase the overall Everglades funding from the levels currently in the bill?

Mr. GORTON. I thank my friends from Florida for their comments. Clearly the Everglades restoration effort is an important national priority. I can anticipate that funding for these accounts will likely be discussed further during the Conference with the House. I can assure my friends that I will take a close look at actions taken by the Department in response to the Committee's concerns and will work to ensure the funding levels are adequate to keep the restoration effort on track for the next fiscal year.

Mr. MACK. I thank my colleague for his response and assurances on this important issue. I would also like to mention briefly the funding level for the South Florida Ecosystem Restoration Task Force. It is my understanding the Task Force's funding has been kept steady at $800,000 since it was statutorily authorized in 1996. I want to bring this matter to the Chairman's attention because of the restraints this low funding ceiling is placing on the Task Force's ability to carry out its mission in South Florida.

Mr. GRAHAM. I would continue by adding that the Task Force is the entity responsible of implementing the recommendations of the Committee with respect to the dispute resolution mechanism and the strategic plan. Further, cost of living adjustments are forcing staff layoffs and seriously eroding the Task Force's ability to do its job. I would ask the Chairman to consider increasing the Task Force's budget to the requested $1.3 million during the Conference with the House.

Mr. GORTON. I thank my friends from Florida for bringing this matter to my attention. I will take a look at the funding levels for the Task Force as we proceed to Conference.

Mr. MACK. I thank my friend from Washington and yield the floor.

TROUT BROOK VALLEY

Mr. LIEBERMAN. Mr. President, I rise to offer a few remarks on an amendment I have at the desk. The amendment, which I intend to withdraw, would provide a $2 million increase in funding for the Parks Service Account. This money would be used to help a dedicated coalition of Connecticut citizens, conservation groups, and local and state government acquire 668 acres in the Trout Brook Valley.

The Trout Brook Valley, like much of the remaining open space in Connecticut, is currently under threat of development and the Aspetuck Land Trust is trying to save it. They are not asking the Federal Government to foot the entire bill in the effort to preserve this countryside for the enjoyment of future generations. Far from it, the locally-led effort to save Trout Brook Valley is convinced that they can and will raise $10.5 million of the $12.5 million dollars that the property will cost. My amendment would have provided Federal matching funds equal to less than one-sixth of the total cost of acquiring this land for conservation.

I am deeply disappointed that the current Interior Appropriations bill allocates no funding to the stateside portion of the Land and Water Conservation Fund. The Trout Brook Valley project represents an excellent example of why we need to appropriate adequate resources for stateside portion of the Land and Water Conservation Fund, which tragically has gone unfunded since 1995. I am encouraged to learn, however, that an agreement to appropriate funds to the stateside LWCF account is currently under discussion. Am I correct in that understanding?

Mr. GORTON. That is correct. I point out that this project is not authorized as a federal acquisition project. In addition, stateside Land and Water Conservation Fund projects are determined at the State level, so if funds for state grants are included in the bill, it still will not be possible to secure dedicated funding for this project.

Mr. LIEBERMAN. I understand that, and respectfully withdraw my amendment.

LAND ACQUISITION AND STATE ASSISTANCE FOR NATIONAL PARK SERVICE

Mr. KOHL. Mr. President, I want to take a moment to engage the distinguished chairman of the Interior Subcommittee, Senator GORTON, on a matter relating to the Land Acquisition and State Assistance account for the National Park Service.

I was pleased to see that the Committee chose to provide funding for the Ice Age National Scenic Trail in this account. One of eight National Scenic Trails in the United States, the Ice Age Trail meanders through 31 Wisconsin counties, generally following the terminal moraine. As I noted in my request to the Subcommittee, the depth of commitment to the Ice Age Trail in the state of Wisconsin is impressive. Many volunteers, local governments, and private organizations have contributed to the development of the trail. The state of Wisconsin has also provided essential matching funds to the trail's many partners. One of the most compelling aspects of this request for funding was the commitment from the State of Wisconsin to match the federal funding we are providing for Ice Age Trail land acquisition.

Mr. GORTON. The Senator is correct. The Committee notes the commitment of partners like the state of Wisconsin to provide matching funds for the establishment of our national trails when we make our determinations for funding. The Committee urges partners to honor their commitments as the prospects for future appropriations may be looked upon more favorably.

Mr. KOHL. I thank the Senator from Washington for his remarks.

WEATHERIZATION ASSISTANCE PROGRAM

Mr. BINGAMAN. I rise in the hope that the Chairman of the Energy and Natural Resources Committee, the gentleman from Alaska, will engage in a colloquy with myself, Senator JEFFORDS and the Chairman of the Interior Appropriations Subcommittee, the gentleman from Washington, on the Weatherization Assistance Program provision in the bill passed by the other body.

Mr. Chairman, as you are aware, the other body passed its version of the FY 2000 Interior appropriations legislation on July 14. That bill included a provision mandating States to provide a 25 percent state cost share, or state match, in order to receive their FY 2000 Weatherization Assistance grants.

Despite the potential ramifications of implementing a State match, no hearings have been held, and no input has been solicited from the States to determine if cost sharing is realistic or necessary for this program.

As many Senators are aware, state legislatures across the country simply cannot meet this deadline with such short notice. In fact, some legislatures are about to adjourn and will not meet again for another year or even two.

Currently, the only data we have regarding the impact of the proposed State match comes from an informal survey undertaken this month by the National Association of State Community Services Programs; it indicates that 25 states definitely cannot provide matching funds in FY 2000; another five large states are uncertain whether they can meet the requirement, and less than ten States currently provide state-appropriated funds to Weatherization and would be able to comply immediately.

It seems to me that consideration of such a fundamental change in the distribution of state Weatherization Assistance grants falls squarely under the jurisdiction of the authorizing committee. Wouldn't the Chairman agree?

Mr. MURKOWSKI. That is certainly true. The Committee currently has no analysis of the need for such a cost share nor of the state-by-state or national impact of such a requirement.

Although the State of Alaska has established a state "Trust Fund" to contribute a significant amount to the State's Weatherization efforts, it would be imperative that we ascertain the ability of other States to undertake such commitments before deciding on a change that could bring an end to Weatherization services throughout the nation.

Of course, a federal program that can leverage non-federal funds and attract other partners always has a stronger case for appropriations. Is the Senator from New Mexico informed as to whether any states have many such resources in their Weatherization program?

Mr. BINGAMAN. I am told that, nationally, Weatherization leverages about a 50 percent add-on from non-federal sources—but there is no study of this and it probably varies widely among states. In fact, the same informal state survey I just mentioned reported that many of the states have private partnerships between the utilities and the local community action Weatherization programs, brokered in many instances by the Weatherization programs, and that these partnerships are growing as utility restructuring moves forward. Many building owners in low-income communities also chip in for these services.

Further, I am told many states have excellent coordination among the federal low-income energy and the low-income housing and community development programs. However, the fact is that most of the states reviewed the terms of the match in the House bill and said they don't believe these public-private efforts would qualify under that terminology.

I believe we would really have to look into any requirement that didn't encourage private investment in these local programs; I hope the distinguished chairman of the Energy Committee would concur in opposing the inclusion of language authorizing a State match for Weatherization in the Interior appropriations bill or Conference Report.

Mr. JEFFORDS. Mr. Chairman, the Weatherization Assistance Program is an investment. Its success is unparalleled—as a way to upgrade housing, increase energy efficiency, and assist low-income Americans.

Weatherization enables very low-income people—including families with children, older Americans, and individuals with disabilities—to experience savings of 30 percent on their energy bills. For every federal dollar invested in this program, $2.40 in energy, health, safety, housing, and other measured benefits are achieved.

The mandate that States provide a 25 percent state cost share contained in the bill passed by the other body may endanger states' use of this program. This provision causes great concern to me and other Senators of the Northeast-Midwest Senate Coalition, which I co-chair with Senator MOYNIHAN. Such a fundamental change in the distribution of state Weatherization Assistance grants falls squarely under the jurisdiction of the authorizing committee.

Mr. MURKOWSKI. I certainly agree that if we're going to make any major changes to the program, we need to do so in a way that encourages more private investment and that we had better make sure we consult with the Governors and utilities and get it right.

I would certainly oppose making such fundamental changes in the pending bill. I hope the floor managers can give us assurance that the Senate Conferees will convey our concerns to their House counterparts and reject this language in Conference. I would like to ask the Chairman of the Interior Appropriations Subcommittee if the Senate conferees on this legislation will keep in mind the concerns of the Energy and Natural Resources Committee in mind and move to strike the House language?

Mr. GORTON. As the distinguished Chairman is aware, the bill before us does not include any language requiring a state match. I will certainly keep the objections of the Energy and Natural Resources Committee and the Northeast-Midwest Senate Coalition in mind as we move to conference.

Mr. MURKOWSKI. I thank the Chairman.

MARBLED MURRELETS

Mr. GORTON. Mr. President, last year, we enacted the Intestate 90 Land Exchange Act authorizing a large land exchange in Washington between Plum Creek Timber Company and the Forest Service. The land exchange was scheduled under the Act to be closed on July 19. Just prior to closure, however, Plum Creek discovered Marbled Murrelets on two sections of Forest Service land scheduled under the Act to be transferred to Plum Creek.

The discovery of Marbled Murrelets occurred after the appraisal was completed and signed by the Secretary of Agriculture. Plum Creek and the Forest Service agree the two sections of land containing murrelets should remain in federal ownership. The legislation, however, did not contemplate or provide for the deletion of these lands or for the need to adjust the appraisal after it had been approved by the Secretary. We are working with the Forest Service and Plum Creek on a solution to this problem.

The land exchange is vital because it substantially resolves a decades old conflict created by the checkerboard ownership pattern in central Washington. It places into public ownership thousands of acres of mature timber and essential wildlife habitat, dozens of miles of streams and riparian corridors and some of the most popular recreational lands in Washington.

Mrs. MURRAY. Mr. President, I join my colleague in his remarks about the Plum Creek exchange. We worked very hard last year to enact this exchange. I also share a concern about the implications of the discovery or marbled murrelets on the lands scheduled to be exchanged to Plum Creek. I agree these lands should be left in federal ownership. I would like to ask Senator GORTON does one senator understand legislation is needed to allow the Forest Service to keep the two sections in question?

Mr. GORTON. Yes. The Forest Service and Plum Creek have been working on an amendment that would allow these two sections to be dropped from the exchange and for the appraisal to be adjusted accordingly. It is my intention to continue to work with the Forest Service and Plum Creek to draft an amendment to include in the conference report.

Mrs. MURRAY. I thank the Senator. I look forward to continuing to work with you, the Forest Service, Plum Creek, and other interested parties as the legislation is developed.

THE UNDERGROUND RAILROAD

Mr. DEWINE. Mr. President, I thank Senator GORTON and Senator BYRD, the Chairman and Ranking Member of the Subcommittee on Interior Appropriations for their hard work. As they both know, last year I sponsored the authorizing legislation for the National Underground Railroad Network to Freedom. This new law directs the National Park Service to review hundreds of Underground Railroad sites in Ohio and around the country, identify the most notable locations, and produce and disseminate appropriate educational materials. I believe the history of the Underground Railroad is a part of the American story that we should be proud of. Last year, the Chairman and Ranking Member worked with me to fully fund the program in Fiscal Year 1999. I made a similar request this year. I would like to ask for clarification of some language contained in the Committee Report. Specifically, the Committee provided $1,245,891,000 to the National Park Service for park management. Is it the Chairman's intent that this figure includes $500,000 for the implementation of the National Underground Railroad Network to Freedom?

Mr. GORTON. I thank my colleague from Ohio. The Senator is correct. The funding for National Park Service park management will fully fund the implementation of the National Underground Railroad Network to Freedom.

Mr. DEWINE. I appreciate the clarification from my colleague from Washington and thank him and Senator BYRD for their continued support for this program.

BENJAMIN FRANKLIN NATIONAL MEMORIAL DISABLED ACCESS IMPROVEMENTS

Mr. SANTORUM. Mr. President, I have sought recognition to speak about the need for the federal government to share in the cost of much-needed disabled access improvements at the Benjamin Franklin National Memorial in Philadelphia, Pennsylvania. As my colleagues may know, this National Memorial was designated as a National Park Service Affiliated Area by Public law 92-551.

The Benjamin Franklin National Memorial is located in the rotunda of The Franklin Institute Science Museum in Philadelphia, Pennsylvania. The Memorial Hall was opened in 1938 and features a 20-foot high marble statue of Ben Franklin sculpted by James Earle Fraser, as well as many of Franklin's original possessions.

Mr. President, I was very appreciative earlier this year when the distinguished Chairman of the Interior Subcommittee, Senator GORTON, joined me in a visit to The Franklin Institute to see first-hand the need for disabled access improvements in the National Memorial Hall. I believe that he saw for himself that the 1938 design of the facility does not lend itself to easy access for anyone in a wheelchair or with other disabilities. The legacy of Benjamin Franklin is one that should be treasured and understood by all Americans, which is why I salute the Franklin Institute for embarking on a major capital development campaign to pay for, among other things, some of the costs associated with these renovations.

To date, the Institute has spent over $6 million of its own funds in the ongoing maintenance of the Memorial Hall. Since Congress bestowed national memorial status on this facility, and since it is important to ensure that all Americans, regardless of physical ability, can benefit from learning more about Benjamin Franklin, I want to encourage Chairman GORTON to continue working with me to providing funding for this purpose. I am advised that in Fiscal Year 2000, $1 million in federal funds would be a significant first step toward meeting the anticipated $6 million cost of rehabilitating and updating the National Memorial and its exhibits.

Mr. GORTON. Mr. President, I want to thank my friend, the Senator from Pennsylvania, for his comments. He has truly shown leadership with respect to the funding needs of the Benjamin Franklin National Memorial, and I was pleased to participate in a tour of this facility when I visited Philadelphia this Spring.

I commend The Franklin Institute for seeking nonfederal sources of funding to defray a substantial portion of the anticipated costs of the improvements. As my colleagues are aware, we face tight budget constraints in this legislation. I will continue working with my colleague from Pennsylvania in the coming weeks, however, in an effort to identify sources of funding that may be available and appropriate for this purpose.

REHABILITATION OF THADDEUS STEVENS HALL

Mr. SANTORUM. Mr. President, I have also sought recognition to express my support for a project of historical, academic, and economic importance at Gettysburg College in Gettysburg, Pennsylvania. I believe that this project is a perfect candidate for funding under the Save America's Treasures grant program.

Stevens Hall, named for prominent Gettysburg citizen Thaddeus Stevens, was the fourth major building erected on the campus of Gettysburg College, in 1867. The building currently serves as a dormitory for undergraduate students. Renovation of the structure is necessary to preserve the building's exterior and modernize the electrical and fire prevention systems.

Gettysburg College plans to restore and rehabilitate Thaddeus Stevens Hall and transform the building into a center for the study of history and the Civil War era. Stevens Hall will eventually house the College's Civil War Institute. Located adjacent to Eisenhower House and just blocks from the Gettysburg National Military Park, this project will not only restore a distinguished example of 19th century architecture, but will attract students of the Civil War nationwide. The College has already committed substantial resources to this important project, securing $2.5 million in private funding for preservation work.

I understand that the committee did not include funding for the Save America's Treasures program; however, federal funding is crucial to the timely completion of restoration work on this historical structure. I urge the Chairman of the Subcommittee, Senator GORTON, to continue to work with me to identify appropriate federal funding for this important preservation initiative.

Mr. GORTON. I thank the Senator from Pennsylvania for his comments, and I look forward to continuing to work with him on this request. I am well aware of the importance he places on this project, and more broadly, on his involvement in Gettysburg. I will work with my friend from Pennsylvania to fund the restoration and rehabilitation of Thaddeus Stevens Hall.

AMENDMENT NO. 1576

Mr. MCCAIN. Mr. President, I will offer an amendment to H.R. 2466, the FY 2000 Interior Appropriations bill, to authorize the Disabled Veterans' LIFE Memorial Foundation to establish a memorial on Federal land in the District of Columbia to honor all disabled American veterans. This legislation is not controversial, costs nothing, and deserves immediate consideration and passage.

As a Nation, we owe a debt of gratitude to all Americans who have worn their country's uniform in the defense of her core ideals and interests. We honor their service with holidays, like Veterans Day and Memorial Day, and with memorials, including the Vietnam Wall and the Iwo Jima Memorial. But nowhere in Washington can be found a material tribute to those veterans whose physical or psychological well-being was forever lost to a sniper's bullet, a landmine, a mortar round, or the pure terror of modern warfare.

To these individuals, we owe a measure of devotion beyond that accorded those who served honorably but without permanent damage to limb or spirit. For these individuals, a memorial in Washington, D.C. would stand as testament to the sum of their sacrifices, and as proof that the country they served values their contribution to its cause.

We cannot restore the health of those Americans who incurred a disability as a result of their military service. It is within our power, however, to authorize a memorial that would clearly signal the Nation's gratitude to all whose disabilities serve as a living reminder of the toll war takes on its victims.

Under the terms of this legislation, the Disabled Veterans' LIFE Memorial Foundation would be solely responsible for raising the necessary funding. Our amendment explicitly requires that no Federal funds be used to pay any expense for the memorial's establishment.

I urge my colleagues to join me and Senators DASCHLE, COVERDELL, CLELAND, and KERREY in support of this legislation. America's disabled veterans, of whom Senator CLELAND himself is one of our most distinguished, deserve a lasting tribute to their sacrifice. They honored us with their service; let us honor them with our support today.

ITM SYNGAS PROGRAM

Mr. SPECTER. Mr. President, I thank the Senator from Washington, The Chairman of the Senate Interior Appropriations Subcommittee, for adding $1.4 million to the Department of Energy's competitively awarded, cost-shared ITM Syngas program, specifically the "Engineering Development of Ceramic Membrane Reactor Systems for Converting Natural Gas to Hydrogen and Synthesis Gas for Liquid Transportation Fuels" project. This important high-risk, high-impact gas-to-liquids research and development project will convert domestic remote and off-shore natural gas to synthesis gas, resulting in lower cost production and cleaner alternative fuels. This program also promises to create new markets for U.S. domestic resources and extend the useful life of the Alaskan North Slope oil fields and the trans-Alaskan pipeline system.

The ITM Syngas research and development effort is a complex, high risk undertaking by the Department of Energy and its industry, national laboratory and university partners. As with any complex technological undertaking, the Department of Energy and its ITM Syngas team have had to increase the scope of the initial phase of the program and add a university partner to ensure the project's long-term success.

This $1.4 million is in addition to the budget request for fiscal year 2000 of $2.5 million that is in the Fossil Energy, Gas, Emerging Processing Technology Applications and the Energy Supply, Hydrogen Research program. The total DOE funding for the ITM Syngas program in fiscal year 2000 is $3.9 million.

The addition of $1.4 million in fiscal year 2000 will allow approximately $600,000 to be allocated to the first phase of this project to fund activities that could not have been anticipated when the program commenced last year. The remaining $800,000 will allow the second phase of the ITM Syngas to be accelerated, allowing future costs to be avoided.

This program brings together the Department of Energy, U.S. industry—large and small—our national laboratories and research universities. Again, I want to thank the Senator from Washington for his efforts to ensure that from the earliest phases of this important research and development effort, ITM Syngas is a success.

Mr. GORTON. Mr. President, there do not seem to be any amendments to the bill that are ripe for debate and for disposition at this point.

Did the Senator from Virginia have any further comments?

Mr. ROBB. Mr. President, I thank the Senator from Washington for his offer. Given the absence of other Senators who I know want to debate this particular issue, I look forward to resuming that debate when the Senate returns to session on September 8.

Mr. GORTON. Mr. President, I don't think there is any further business in connection with the interior appropriations bill.

MORNING BUSINESS

Mr. GORTON. Mr. President, I therefore ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REORGANIZATION OF THE DEPARTMENT OF ENERGY

Mr. KYL. Mr. President, I would like to speak for just a moment to alert my fellow Senators and others about an important development this evening which I think we categorize as another piece of good news, in addition to the adoption of the conference report on the tax reform just concluded by the Senate.

Even though the conference report is in the process of being signed and has not yet been filed, I think I can advise my colleagues that later on this evening the House and Senate Armed Services Committees will have concluded their conference report, including the important revisions of the Department of Energy which follow generally along the lines of the so-called Rudman report recommendations and the amendment that Senators MURKOWSKI and DOMENICI and I filed earlier in this session to reorganize the Department of Energy.

The House and Senate had both passed versions of that reform of the Department of Energy. The matter was concluded today in the House-Senate conference report of the Armed Services bill, and that is the vehicle by which the reorganization of the Department of Energy will occur.

Just to recapitulate a little bit about how this came about, if you will recall, as a result of the espionage that resulted in the Chinese receiving significant secrets about nuclear weapons of the United States and the possibility that some of that information had come out of our National Laboratories, there was a great deal of study of the security at our National Labs and in the weapons program generally of the Department.

The President's own Foreign Intelligence Advisory Board, the so-called PFIAB, headed by former Senator Warren Rudman, issued a report, really a scathing indictment of the Department of Energy, its past security policies or lack of security, and its inability to reorganize itself notwithstanding Secretary Richardson's efforts to begin to reorganize the Department. What it said was the Department of Energy was incapable of reorganizing itself. They reiterated a long list of things which the Department had failed to do, which it had failed to put into place, and described the whole situation at the Department as such that it was impossible to expect them to be able to do this on their own.

Therefore, the Rudman commission recommended strongly the Congress do this reorganization by legislation. That is when Senators DOMENICI, MURKOWSKI and I reoriented our amendment to follow closely the Rudman commission recommendations and introduced that as an amendment before this body.

It was originally introduced to the Armed Services bill. It was later put on the Intelligence bill instead. But the Armed Services Committee took the amendment and has worked it now in the conference committee, as I said. As a result of their agreement tonight, there will be a reorganization of the Department, assuming the President signs the Defense authorization bill, which I am sure he would want to do.

Reorganization was agreed to in principle by Secretary Richardson, although there were many things he wanted to change in the detail of it. But what it will do in a nutshell is to establish within the Department of Energy a semiautonomous agency that will have the accountability and the responsibility for managing our nuclear weapons and complex including the National Laboratories. It will be headed by a specific person, an Under Secretary, who will be responsible to the Secretary directly and to a Deputy Secretary if the Secretary so desires.

While, of course, the Secretary of Energy remains in general control of all of his Department, including the semiautonomous agency, on a day-to-day basis it is anticipated this agency will be operated by the Under Secretary, who is responsible for its functions. It will involve security, intelligence, counterintelligence, all of the different weapons, the Navy nuclear program and the other things at the laboratory that relate to our nuclear weapons. To a large extent it will remove the influences of other parts of the Department of Energy over the nuclear weapons program.

One of the things the Rudman commission found was that there were too many people with their fingers in the pie; that the laboratories and the weapons program people were having to get too many sign-offs from too many other people around the Department to work efficiently and effectively. The input of the field offices made it very difficult to know who was responsible, and it was hard to find out in some cases who you even had to get sign-offs from in order to get anything done. They said, in effect, it was no wonder the left hand didn't know what the right hand was doing and that is why they recommended a very clear chain of command, a very clear line of authority with accountability and responsibility with one person at the top and a bunch of people answerable to him and only him—as well as the Secretary, of course.

The net result of that should be we will have a much tighter organization run much more efficiently. We will not have the influences of these other disparate people within the Department. Security can be carefully monitored and controlled and, in fact, maintained and in some cases even established. Therefore, the security of the nuclear weapons program generally and the laboratory specifically can be enhanced and we will not have the kind of espionage problems we have had in the past.

That is a summary of the problem, the recommendation of the Rudman report, the recommendations Senators DOMENICI, MURKOWSKI, and I introduced, and the action of the House-Senate Armed Services Committee today in approving this particular plan.

I thank some people specifically involved in developing this. In addition, of course, to Senator DOMENICI, who was the primary mover behind this idea, and Senator Rudman and the members of his panel; Senator MURKOWSKI added a great deal as did Senator SHELBY, the chairman of the Intelligence Committee, and Senator WARNER, the chairman of the Armed Services Committee in the House.

Specifically, I thank Senator WARNER for his patience for working with a lot of people who had different ideas about what ought to be done, bringing this to a near successful conclusion, from my point of view, and which will enable us to move forward very quickly with this reorganization.

There are also some special staff people who, as always, make these things happen. In the Senate, the staffs of Senators DOMENICI and MURKOWSKI; Alex Flint, Howard Useem, and John Rood did a great deal of work on this and should be complimented. Two Members of the House of Representatives, who were very active in making this work, Congressman DUNCAN HUNTER and Congressman MAC THORNBERRY were really the key movers and shakers on this.

So as we get ready to leave here this evening, I think it is important for us to acknowledge the work of these people and the leadership of Senator WARNER and the conclusion which I hope can soon be announced, as the successful completion of the conference, at least in this one important area, making a great stride toward ensuring the security of our weapons programs and our National Laboratories.

The PRESIDING OFFICER. The distinguished Senator from Virginia.

Mr. WARNER. Mr. President, I wish to thank our distinguished colleague, together with Senators DOMENICI and MURKOWSKI and their respective staffs. Indeed, the staff of the Senate Armed Services Committee and the House Armed Services Committee all collaborated to try to make this a constructive, constitutional, and balanced approach.

But if I could ask the Senator a question, so those persons who have not had the opportunity to follow as closely as he the progress of this legislation, does the Senator think the product created by the House-Senate conference represents a piece of legislation that is stronger, in terms of creating this concept of a separate entity within the DOD, than was the bill passed by the Senate at 93–1?

Mr. KYL. Mr. President, I think it is. I think the Senate passed a good bill almost unanimously. The House of Representatives had a somewhat different approach. I am sure they considered it an even stronger bill. As the chairman knows better than any of us, compromise is required in that kind of situation. I think each body moved somewhat toward the other. So inevitably I think the product, as good as it was out of the Senate, is even strengthened by some of the ideas that came out of the House of Representatives.

I might ask the chairman a question, if I could.

Mr. WARNER. Yes.

Mr. KYL. One of the things that animated us in the Senate was the need to get on with this project, get the Department reorganized, and to begin dealing quickly with these security problems so we did not have any more problems. Reorganization of a Department, obviously, will take a lot of work and some time. Of course, time will be required to appoint the various officials who will be running it.

But I ask the chairman this, just to get his ideas. There are different dates by which things are required to be done under the legislation. What is our intent with respect to moving this legislation forward and accomplishing its objectives as soon as is possible?

Mr. WARNER. Mr. President, to use an old naval phrase, "with all deliberate speed."

I know the Senator's concern about the insertion of a date in March with regard to the final achievement by, presumably, the current Secretary; if Secretary Richardson will carry this through. Certain sections, however, of this legislation are quite clear that he should start the day after the President, hopefully, affixes his signature to this piece of legislation.

It is a phasing process. We looked at the date of March, and it should not, in my judgment, be interpreted as any lack of resolve by the Congress. To the contrary, it is a recognition that a major reorganization of this proportion will require a period of time within which to achieve it.

The opposite side of the argument of those who say we should not have had that date would be, if you did not put in a recognition that it would take time, then presumably 1 week after the President affixes his signature, we could haul the Secretary of Energy up here and say: You haven't achieved this in 1 week's time, 2 week's time or 30 days' time.

We had to strike a balance. I know that has been of great concern to my distinguished colleague.

Mr. KYL. If I may add, I know the chairman and I share the same view that "all deliberate speed" means we need to get about it as soon as we can. I ask the chairman this: Is that more to be considered as a deadline for having achieved this rather than a time to begin? Time to begin, of course, when the President affixes his signature.

Mr. WARNER. Mr. President, certainly it is to be viewed the time within which to be completed. Given the certain constructive steps the current Secretary, Secretary Richardson, has taken, I presume he will have achieved the reorganization in a time shorter than that. But I must say to my colleague, you cannot satisfy everybody.

This is my 21st year on the Armed Services Committee, and as we file tonight the signatures of those members of the respective committees, House and Senate, who have approved the conference report, it is my understanding that no Democrat member of the Armed Services Committee in the Senate will be signatory. That comes as a personal disappointment to me as chairman in my first year.

I met with the committee this afternoon. There was representation of probably seven or eight members on the Democrat side. The ranking member let me know beforehand of his concern, and I understood him throughout. We tried as best we could to work with the minority on our committee on this issue, as we do all issues. It is a matter of deep regret that we were not able to reconcile the differences that apparently were very significant between the Democrat approach to this and the Republican majority approach.

I will accept the consequences. I am the captain of this ship now, and I accept full accountability. I do note, however, that my understanding is, as of this hour, most, if not all, the Democrat Members of the House have signed, of course, the identical conference report.

Mr. KYL. If I may interrupt for one other comment, I thank the chairman of the Armed Services Committee for his courtesies in allowing three Senators who are not members of the committee—Senators DOMENICI, MURKOWSKI, and myself—to be significantly involved in discussing this and proposing suggestions and passing on suggestions that came from the other body. That is a good example of how people in different committees—in my case, the Intelligence Committee—working across jurisdictional lines can help shape the legislation. I personally appreciate that very much.

I will add this with respect to our friends on the other side of the aisle. I do not know if I can assign a percentage to it, but it still seems to me that about 90 percent of this bill is the Senate bill we passed. I do not know of a single concept that deviates from the concepts within the Senate bill, even though some of the language is different.

I think we protected the Senate legislative concepts very well, and I hope that in the end our Democratic colleagues will continue to work with us and certainly with Secretary Richardson to implement the legislation.

I know as we go forward there are going to be hearings in different committees. The chairman's committee will have primary jurisdiction, I understand, and we will be able to continue to work on this because something as significant as the reorganization of the Department is not going to be done in one fell swoop. It will have a lot of fits and starts and oversight and ways of working together. I am sure with the chairman's leadership we will all be able to make this work in the way we intend.

Mr. WARNER. Mr. President, one last observation, if the Senator will remain for a moment, and that is, I think we should acknowledge in this RECORD tonight the work of the Intelligence Committee, the Governmental Affairs Committee, the Energy Committee, and the Armed Services Committee. There were four committees that worked diligently.

Our distinguished majority leader would have periodic meetings of the chairmen, and others such as yourself, who had an interest. Senator DOMENICI attended all of those meetings. On this side of the aisle, from our top leadership down through the committee chairmen and others, we worked together as a team to address this national, if not international, crisis of the leakage of information from these magnificent laboratories. Our national security is absolutely dependent on their work product and the security of that work product today and tomorrow and for the indefinite future.

I thank all chairmen. They had a number of hearings. My estimate is that we in the Senate, among the four committees, must have had 25 hearings on this subject.

Mr. KYL. May I add one more thing? I know it sounds like a recapitulation, but when the Senator mentioned Senator DOMENICI and the fine work our National Laboratories do, I was moved to think about how many times during these negotiations Senator DOMENICI, who represents two of those laboratories, Sandia and Los Alamos, made absolutely sure that the work of those laboratories was well understood by everyone and appreciated by everyone. He was very zealous in assuring that nothing in the legislation would ever detract from their operation or their success, that they could reach out and engage in new missions, that they would be protected in terms of environmental protection and funding.

He was a zealous advocate for those laboratories and all the great work they can do. His leadership in that regard is one of the reasons we were able to achieve such a balanced piece of legislation.

I thank the Chair.

Mr. WARNER. Mr. President, the Senator is correct. I also observe, yes, but he was very objective about the seriousness of this problem. Throughout his deliberations, whether in Senator LOTT's office or the hearings or in our consultations together, he was always very objective, and he put national interests first at every step. So the Senator is correct.

I conclude with one sentence to my friend. I do not think if we recalled William Shakespeare from the grave that this provision on reorganization could have been written on the Department of Energy to satisfy everyone. That is the reason I have such deep regret about my colleagues on the other side of the aisle. Many times we consulted them right down to the word and the comma and the like. We just did the very best we could, and I am proud of the work our committee did. I pay tribute to the respective staffs and my colleagues who worked on it.

We are fully accountable for the effectiveness, and we, as a committee, perhaps with other committees, will hold a hearing very early next fall to determine the progress, assuming this is signed, within a period of, say, 2 months after the President's signature is affixed.

I thank my distinguished colleague.

HIGHLIGHTS OF THE DEPARTMENT OF DEFENSE APPROPRIATIONS CONFERENCE REPORT

Mr. WARNER. Mr. President, I want to make a few more comments regarding the conference of the House and the Senate. Quite apart from the DOE provision, we are very pleased that we made major strides in this legislation on behalf of the men and women of the U.S. military.

We have an authorized funding level of $288.8 billion, which is $8.3 billion above the President's budget request. And that is in real terms. This is the first time in 13 years that there has been a real—I repeat—real increase in the defense budget.

Our distinguished Presiding Officer is a member of the Senate Armed Services Committee. He actively participated in structuring this piece of legislation. We have approved a 4.8-percent pay raise for military personnel, reform of the military pay tables, and annual military pay raises 0.5 percent above the annual increases in the Employment Cost Index.

We provide military members with a wider choice on their retirement system. We allowed both Active and Reserve component military personnel to participate in thrift savings. There is nothing more important. Indeed, the tax legislation just passed —always, certainly, on this side of the aisle we are trying to seek ways to increase savings in our United States. I am pleased now we give wider opportunity to the men and women of the Armed Forces.

Strategic forces: We authorize a net increase of $400 million for ballistic missile defense, a program that finally has achieved recognition under our distinguished colleague, Senator COCHRAN of Mississippi, in passing here a week ago, the important legislation, which the President has now signed, to take another step forward in protecting America against the likelihood that possibly some accidental firing or limited attack could be launched against this country. We have a long way to go, but through the leadership of Senator COCHRAN, and others, we have finally forged, I think, another, should we say, 10 yards on this lengthy ball field.

We authorize an increase of $212 million for the Patriot PAC-3 system, again missile defense.

Seapower authorized a $1 billion increase to the procurement budget request of $18 billion and a $251 million increase to the research, development, test, and evaluation budget request of $3.9 billion for the Seapower Subcommittee under the chairmanship of Senator SNOWE.

Very able work was done on behalf of Senator SNOWE and the ranking member, Senator KENNEDY, for the Navy and the Marine Corps and a limited number of Air Force programs under their jurisdiction.

We extended the multiyear procurement authority for the DDG-51 procurement and authorized advance procurement and advance construction for the LHD-8. We authorize construction of three DDG-51 Arleigh Burke class destroyers, two LPD-17 San Antonio class amphibious ships, and one ADC(X), the first of a class of auxiliary refrigeration and ammunition supply ships.

We authorize advance procurement for 2 SSN-774 Virginia class attack submarines, and $750 million for the CVN-77, the last of the Nimitz class aircraft carriers currently in planning. We will, however, go on with another class of carriers, and that is the subject of research and development.

In the readiness, we increase funding for military readiness by $1.5 billion. It provides for the protection of the military's access to essential frequency spectrum. That was a highly contested issue in our legislation. The private sector had concerns that the Pentagon would absorb a proportion of the spectrum beyond its needs. But in consultation with Congressman BLILEY, the chairman of the House committee with jurisdiction, Senator MCCAIN, a distinguished member of our committee, as well as chairman here of the Commerce Committee, we reached this compromise, which I hope all will find satisfactory.

In the Airland area, we had an additional $1.5 billion for critical procurement requirements and an additional $400 million for research and development activities above the President's request. We fully authorized the development and procurement budget request for the F-22 Raptor.

It is with some regret that the House did not adequately fund that program, in my judgment. That is a subject that is actively before the two Appropriations Committees. But both the House and the Senate authorizing committees fully funded that program.

Lastly, upon assuming the chairmanship of this committee from my distinguished predecessor, Senator THURMOND, I decided to establish a new subcommittee entitled "Emerging Threats." That committee, under the great leadership of Senator ROBERTS, moved out, and here are some of the initiatives taken by that subcommittee.

We authorize and fully fund 17 new National Guard Rapid Assessment and Initial Detection—commonly known as RAID—Teams to respond to terrorist attacks in the United States—12 more than the administration request.

It was my judgment, and Senator ROBERTS' and the members of the committee, that this is the greatest threat poised at the United States today—the proliferation of weapons of mass destruction, whether they be biological, chemical, or possibly the incorporation of some crude weapon involving fissionable material. We have to move out on that. Progress was made by this new subcommittee.

Further, we required the department to establish specific budget reporting procedures for its Combating Terrorism Program. This will give the program the focus and visibility it deserves while providing Congress with the information it requires to conduct thorough oversight of the department's efforts to combat the threat of terrorist attack both inside and outside the United States.

We authorize $475 million for the Cooperative Threat Reduction Program to accelerate the disarmament of the former Soviet Union—now Russia—strategic offensive arms that always threaten the United States. That was commonly referred to as the Nunn-Lugar program for a number of years.

We establish an Information Assurance Initiative to strengthen DOD's information assurance program and provide for an additional $150 million to the administration's request for information assurances programs, projects, and activities.

In cyberspace today, with the rapid research and development—indeed, achievement—of many technical initiatives, the whole area of cyberspace is threatened by an ever-growing number of sources of invasion and compromise, and indeed, disabling of the systems themselves.

I thank my colleagues for indulging me to speak to this important piece of legislation which will be filed tonight in the House and, of course, automatically in the Senate.

I shall now inquire of our staff as to the desire of other Members to speak, as well as the wrap up for the evening.

(Mr. KYL assumed the Chair.)

I yield the floor, Mr. President.

Mr. SESSIONS. Mr. President, I note the Senator from Kansas would like to be recognized, but I ask if I could just make a few comments about the remarks that Senator WARNER has just made.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I have been honored to join the Armed Services Committee this year. Senator WARNER just took over as its new chairman. Some said we did not do anything the first part of the year, but even before the impeachment hearings came, Senator WARNER knew that we had a crisis in our defense circumstances.

He has served as Secretary of the Navy. He loves this country, and he loves our men and women in uniform. He decided early that we had to send a signal to reverse this 13-year trend of cutting our defense budgets, and he did that with great leadership.

We have now a very healthy pay raise this year for our men and women, a guaranteed pay raise in excess of the inflation rate for the next 5 years for our men and women in the services.

We want to send them a message that we are concerned about the rapid deployments that they are undergoing and the amount of time they spend away from their families. And we want to continue to monitor that.

I want to say how much I have enjoyed serving with the Senator. Members of both parties respect him and enjoy working with him.

Mr. WARNER. If the Senator would yield?

Mr. SESSIONS. Yes.

Mr. WARNER. I thank the Senator very much for his kind comments. But the Senator has brought to mind the fact that our majority leader, Senator LOTT, made a decision to support our committee in putting through S. 4, I think the earliest bill in the Senate, which brought about the pay raises and retirement adjustments, which, hopefully, will increase our readiness by encouraging more young men and women to join the Armed Forces—our recruiting having fallen off—and retaining the skilled personnel that we now have.

Also, it was the Joint Chiefs of Staff that on two occasions came before our committee—in September of last year and again in January of this year—and unequivocally stated, in their best professional judgment, the need for additional dollars, and how best those funds could be expended by the Congress, and putting particular emphasis on the pay and allowances, which is always the top priority of the Chiefs for their men and women of the Armed Forces.

I thank my colleague.

Mr. SESSIONS. I want to say how much I respect our chairman. I believe this bill, this appropriations report, represents a commitment by our Nation to reverse the trend of decline. The chairman has supported the President when he is right. He has been prepared to oppose him when he is wrong. As to those who disagree with our firm commitment, that I know the Senator in the chair supports, to reform our nuclear labs and to bring an end to this absolute disaster of security that we have had, I am disappointed that they have not yet gotten the message that serious fundamental reform is needed. They say those words, but when we come down with a good bill that does it, they draw back and again have excuses. I hope we can work this out and the bill will pass.

Mr. WARNER. Mr. President, if the Senator will yield, I have just been informed, much to my great pleasure, that two members of the minority, two Democrats on the Armed Services Committee, have now decided to sign our conference report, and there is a likelihood of one or more additional ones. I depart the floor far more heartened than when I entered about 40 minutes ago.

Mr. SESSIONS. I thank the chairman. I also appreciate his leadership and those who are signing this report. I think it is a good one.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

CHEMICAL WARFARE IN SUDAN

Mr. BROWNBACK. Mr. President, I stated my support for my distinguished colleague from Virginia who chairs the Armed Services Committee. He did a wonderful job with that. This is such an important topic, even though we tend to think of the world as a stable place where we don't have to worry about it. I am glad he is worried about it and is so focused on it.

That is what I would like to draw the body's attention to right now, a situation that was reported this week in the reporting organizations of Reuters, the Associated Press, and the New York Times. This is a very troubling situation. It is in a part of the world that has experienced a great deal of trouble, but nonetheless, I want to point it out to this body.

On July 23, 22 bombs were reported dropped on two villages in Sudan—Lainya and Kaaya—resulting in internal hemorrhaging, miscarriages, animals dying among the villages. Several days later, after the bombs had fallen on this one village, United Nations relief workers with World Food Programme visited the town of Lainya and immediately fell ill with strange symptoms. They were consequently evacuated to Kampala, Uganda, for testing even as they continued to physically suffer.

This, in turn, precipitated the beginning of a United Nations investigation into the use of chemical weapons, as reported this week by those three news organizations, chemical weapons that the chairman of the Armed Services Committee was just noting, that the biggest threat we are facing in the future is weapons of mass destruction. We are seeing here this week, reported in the newspaper, what has taken place in the Sudan, the symptoms of chemical weapons being reported.

We can't at this time jump to conclusions that they were actually used, but the evidence points clearly to the use of chemical weapons by the organization, by the government in Khartoum against its own civilian population in the southern part of that country.

This is also a government in Khartoum that is sponsoring terrorists around the world, where Osama bin Laden stayed and was hosted by them up until 1997 in Khartoum. They are trying to expand in three adjacent countries, saying we want to take our view of how the world should be organized into these countries and we are willing to do it by any means. We are even willing to use any means against our own people, against our own people.

They have killed in their own country 2 million people. They have pushed out and dislocated an additional 4 million people. Last year alone, they forced into starvation 100,000 people by denying our food aid to go where these people were located. They said: You cannot fly your relief planes to feed these poor people. Now they continue to bomb their civilian population, even with, if the evidence this week is proved true, chemical weapons.

I think this is so horrifying. I wanted to draw the attention of the Senate to what has been reported by these three news organizations this week and to call on the nation of Sudan to stop bombing its own civilian population, to refuse to do that, to call upon the U.N. to, with as much speed and haste as possible, conduct a full investigation of what has been reported this week as having happened to the civilian population, and call on U.S. authorities to investigate this as fully as we can to see what actually took place. If true, this is truly horrifying, that weapons of mass destruction such as these chemical weapons would be used against their own civilian population. I think it is just absolutely unconscionable, virtually unbelievable.

This is also a government that continues to allow slavery to be conducted on in its country. There have actually been thousands of people purchased back from their slave masters. As we approach the new millennium, one would think that at least the institution of slavery would be gone from the world. It is not. One would think the use of chemical weapons would be gone from the world today, but it is not.

These things must be investigated to the fullest extent, and if chemical weapons were, indeed, used, the Government of Sudan must be brought in front of the international bodies, the international court of shame, and put in that pariah nation category. They currently, of course, are one of the seven terrorist nations in the entire world that the U.S. Government lists as a terrorist nation. But the possible use of chemical weapons, as reported this week, takes this to an unbelievable level against its own population. That is why, even though this is a late hour, I draw this to the attention of this body.

Mr. President, with that, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SESSIONS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO CARL BIERSACK, LEGISLATIVE DIRECTOR FOR THE SENATE MAJORITY LEADER

Mr. LOTT. Mr. President, I take this opportunity to recognize and bid farewell to my loyal and trusted advisor, Carl Biersack. Carl is leaving my staff to enter into retirement after 27 years of Federal service, including more than 9 years of outstanding service on my staff.

It is difficult to pay adequate tribute to a man who has done so much for me, for my staff, and for the State of Mississippi and the Nation. Those of you who know Carl know that he gives 110 percent of himself every day, inspiring those around him to do the same.

He is the son of a career U.S. Army officer, Carl graduated from the Virginia Military Institute in 1971. He received his commission as a second lieutenant and served on active duty for over 7 years. So how did I get so lucky, you ask, to add this VMI alumnus to my staff? Yes, VMI is where Sigma Nu was founded, but no, this is not the reason!

Mr. President, in 1988, the U.S. Army made Carl the recipient of the prestigious Pace Award. This award, which was named after a former Secretary of the Army, is given out annually to one civilian and one member of the military who have demonstrated outstanding service on the Army staff to their nation.

As if receiving the coveted Pace Award was not tribute enough, the award included an opportunity to study at Harvard for a year. Because of family considerations, Carl decided to forgo a move to Boston and instead asked to spend a year as a Capitol Hill fellow. He thought he would learn more useful skills here than at Harvard. He was right. The Army agreed, and he was hired as a fellow in my personal office by my then-Chief of Staff, John Lundy; former Legislative Director Sam Adcock; and Susan Butler, now Chief of Staff for Congressman Chip Pickering.

That's right, Mr. President—I was Carl's second choice. Carl is quick to say he is an accidental staffer. Someone who did not aspire to work on the Hill. I believe this was one of his strengths.

He brought the honor and integrity he learned at VMI, the discipline and dedication of his Army service, and the work ethic of a DOD civil servant to my office.

After his first year, I asked Carl to stay as a permanent member of my staff. Fortunately for me and Mississippi, he did. Now, looking back at his nine years worth of accomplishments, I am amazed. In fact, I had grown so accustomed to his daily presence, when asked, I said Carl worked for me for 13 years. Even people downtown think his tenure was about 15 years. His presence and contributions cast a long shadow.

Carl has covered a broad range of issues during his tenure on the Hill ranging from telecommunications to energy, from environment to fish, from oceans and roads to bridges and aviation. While Carl has never sought the limelight, many of my colleagues recognize his vital role in enacting important legislation. He was a fearless negotiator who frequently found consensus through incremental changes. Often his work was ratified by unanimous consent actions.

During Carl's tenure, he successfully shepherded roughly 25 public laws through the legislative process: Many of these laws moved key industries to competition, such as the Telecommunications Act of 1996, and the Ocean Shipping Reform Act of 1998. Some reformed the way the Government regulates and supports certain industries, such as the ICC Termination Act of 1995, the Maritime Security Act of 1996, and the Amtrak Reform Act of 1997.

Some will shape our Nation's high-tech economy, such as the Y2K Act and the Internet Tax Freedom Act. Others, such as the National Invasive Species Act of 1996, and the Accountable Pipeline Safety and Partnership Act of 1996, protect life, property, and the environment from harm.

Then there were bills, like TEA-21, which were vital to maintaining and improving our Nation's infrastructure. And let me not forget Carl's role in facilitating Congress' basic responsibility: authorizing and appropriating funds for Executive departments and agencies.

Carl was able to accomplish so much as a Senate staff member because of his willingness to work out inclusive solutions to problems. His success can also be attributed to his efforts to remain an anonymous staffer who avoided the spotlight. He concentrated on results, not personal credit.

Staff on both sides of the aisle were comfortable working with him. He admitted his errors, said he didn't know when he was unsure, and was generous with his praise for others. He read the material provided by constituents and advocates, returned phone calls, and was accessible. He was the consummate staffer.

Both Senators and staff knew Carl would deal with their concerns fairly, honestly, and professionally. A deal was a deal. His word was respected. This was true both on the Hill and downtown.

Carl was determined to learn all there was to know about Mississippi. He made trips back to the state to visit our catfish farms, pulp and paper plants, national forests and universities. He saw small towns, courthouse squares, topnotch telecommunications headquarters and military bases. Carl knew that learning about the lives of Mississippians was important to effectively represent the state and its citizens.

Although Carl is from Virginia—often referring to himself as my token non-Mississippian—he was an ardent defender of Mississippi's interests and people. Mississippians have grown to trust and respect Carl's devotion to ensuring that Mississippi's issues and concerns were recognized and often included. His adamant support of my home state's interests has not gone unnoticed by its citizens. Carl was named an honorary citizen of Mississippi and he proudly displayed the certificate.

For years, Carl willingly and voluntarily assumed the role of mentor to new staff members who needed help navigating the complex legislative world. As Legislative Director, he challenged staff to achieve their fullest potential, take risks and learn from their mistakes. There is no doubt that his influence spurred the professional growth made by young, eager staffers, resulting in talented and enthusiastic team players. Carl was always willing to share the lessons he learned the hard way.

There is no overstating how Carl's selflessness has enhanced the professional and personal lives of the generations of staffers who were privileged enough to work with Carl. He lived by the motto on his VMI class ring—"honor above self."

I know that I am losing a brilliant and effective legislative director, but others tell me that I am losing the man who is teacher, parent and sometimes counselor to those around him. I am quite sure that the rest of my staff will miss him as much as I will.

Carl's memos and notes were always timely, informative, and accurate. They were frequently entertaining, and sometimes caustic, but his daily paper trail ensured I had the necessary information to deal with the issues and events surrounding legislation. He was not afraid to tell bad news, but he always proposed solutions.

Carl was the king of metaphors. He used them to make a point, to negotiate, and to educate. Still, he was eager to dig into issues and legislation. His knowledge of bills was his credibility. I do not think I ever saw him without reading material.

Mr. President, it saddens me to see a man of Carl's caliber depart my staff. He certainly leaves big shoes to fill. For Carl's talent, loyal service and dedication to me and the state of Mississippi, I am very grateful.

He is a man who was defined by his family. He always had his priorities straight and he never forgot his family as he fulfilled his commitments to the Senate and Mississippi. His wife, Ann, and his daughters, Katie, Sarah, Olivia, Allyson, and Rebecca, have reason to be proud. I wish Carl Biersack good luck in all of his future endeavors and pray that God may continue to richly bless him and his family.

REINSTATEMENT OF WEST VIRGINIA STATE COLLEGE'S ORIGINAL 1980 LAND-GRANT STATUS

Mr. BYRD. Mr. President, West Virginia State College in Institute, West Virginia, was designated by Congress as one of the original 1890 land-grant schools under the Second Morrill Act. The college was the first 1890 land-grant school to be accredited and has been accredited longer than any other public college or university in West Virginia.

West Virginia was one of six states to establish a new land-grant college under state control. West Virginia State College faithfully met its duties to the citizens of West Virginia as a land-grant college in an outstanding manner.

However, on October 23, 1956, the State Board of Education voted to surrender the land-grant status of State College (effective July 1, 1957). Historical data suggests that this action was taken in an effort to enhance State College's ability to accommodate veterans returning home with GI benefits. In addition, the decision to surrender the land-grant status preceded explicit funding by Congress for land-grant institutions.

For thirty-three years, West Virginia State College has sought to regain its land-grant status. On February 12, 1991, Governor Gaston Caperton signed a bill into law that provided redesignation authority for land-grant status from the State of West Virginia. On March 28, 1994, then U.S. Department of Agriculture Secretary Mike Espy informed West Virginia Governor Caperton that State College would receive a partial land-grant designation that would entitle the college to $50,000 annually under the Second Morrill Act.

It has become clear that funding is the issue that must be addressed to reinstate West Virginia State College's land-grant status. I authored an amendment to the FY 2000 Agriculture Appropriations bill that will provide $2 million in additional funds for 1890 Institution entitlements to be used for base line funding for West Virginia State College. This amendment does not grant full 1890 land-grant funding privileges to State College, but provides a $2 million entitlement. The amendment does not cut into the current 1890 entitlement accounts. It adds additional funding with an offset from the National Research Initiative account.

My amendment provides fair treatment to West Virginia State College, an original 1890 land-grant school, and I thank my colleagues for supporting this provision.

COMMUNITY AND OPEN SPACES BONDS ACT

Mr. HATCH. Mr. President, I rise today as an original cosponsor of the community and Open Spaces Bonds Act (COSB). This bill provides assistance to our local communities in their continuous efforts to improve the quality of life through flexible, zero-cost financing options for protecting open spaces.

As the acreage of open space in this country continues to decline, we find ourselves in a battle of time against widespread urban sprawl. The American citizens have spoken out, demanding that this body take the action necessary to protect the remaining open spaces and outdoor recreational opportunities that they have enjoyed since the founding of this great nation. The America Farmland Trust estimates that we have been losing farmland at approximately 3,000 acres per day since 1970. This growth is not only damaging to the agricultural industry, but all those who wish to enjoy this nations natural bounties.

'I believe it is our obligation to respond to and remedy this situation. For this reason, I would like to thank my colleague Senator BAUCUS for taking the initiative in proposing legislation that provides incentives to those private land owning citizens who wish to protect our valuable open spaces. Our proposal makes available up to $1.9 billion annually for five years in bonding authority to state, local, and tribal governments. This voluntary approach allows the local community to lead the charge in projects that will improve the quality of life of its citizens, while the Federal government simply plays a supporting role. I think that is the way to do it.

These community based projects will be supported through proceeds from the sales of the bonds. The issuers would repay the principal at the end of 15 years, but the Federal government would pay the issuers' interest or borrowing costs through the tax credit during that period. As an incentive, the holder of the bond would get an annual tax credit equal to the corporate average AA bond rating, as posted by the Treasury, multiplied by the face amount of the bond.

This bill will spur even greater innovation than we already see at the local level in dealing with growth and urban sprawl issues. The flexibility of this proposal creates many opportunities in an often limiting system to raise funding for land purchases. We simply want to give communities a system that is entirely local driven, unlike that currently offered by the Federal government. The most dynamic aspect of this bill is that it restores to local governments the power to influence the future of their communities.

The Community Open Space Bonds Act can help respond to the need to protecting our beautiful lands and precious water supply, and I strongly urge my colleagues to join in this fight against the raging war of time. Action must be taken now, so that our children will enjoy the natural wonders we have come to love.

HOLD UP OF FINAL PASSAGE OF THE MISSING, EXPLOITED AND RUNAWAY CHILDREN PROTECTION ACT

Mr. LEAHY. Mr. President, as I stand here today, we are hours away from beginning a month long recess and we have yet to reauthorize a critically important piece of legislation that protects our nation's youth. It has been over two months since both the House and Senate have passed S. 249, The Missing, Exploited and Runaway Children Protection Act, and we have still not voted on final passage.

There is no good excuse for why the Senate has not passed and sent to the President this noncontroversial piece of legislation. I had some minor concerns with the House amended version of S. 249, but after receiving some clarification and assurances on these concerns, I decided that these House add-on could be dealt with at later time and should not keep this important piece of legislation from passing. I have cleared the differences on our side of the aisle, but I am afraid I cannot say the same for my colleagues on the other side who continue to hold up final passage of this bill.

The Missing, Exploited, and Runaway Children Protection Act of 1999 reauthorizes programs under the Runaway and Homeless Youth Act and authorizes funding for the National Center for Missing and Exploited Children. Both programs are critical to out nation's youth and to our nation's well-being.

In addition to providing shelter for children in need, the Runaway and Homeless Youth Act ensures that these children and their families have access to important services, such as individual, family or group counseling, alcohol and drug counseling and a myriad of other resources to help these young people and their families get back on track. As the National Network for Youth as stressed, the Act's programs "provide critical assistance to youth in high-risk situations all over the country."

The National Center for Missing and Exploited Children provide extremely worthwhile and effective assistance to children and families facing crises across the U.S. and around the world. In 1998, the National Center helped law enforcement officers locate over 5,000 missing children. The National Center serves a critical role as a clearinghouse of resources and information for both family members and law enforcement officers. They have developed a network of hotels and restaurants which provides free services to parents in search of their children and have also developed extensive training programs.

S. 249 should be passed today. There is absolutely no reason to stall on this legislation, but as we get down to the wire to begin August recess, it looks like we will once again face another delay. We will return to our states and to our constituents who run these crucial programs and we will be unable to tell them that we have protected the programs that allow them to ensure children and families access to their services by reauthorizing the Runaway and Homeless Youth Act. I am frustrated once again at the inaction of the Republican majority on this matter and believe that The Missing Exploited, and Runaway Children Protection Act should be passed immediately.

INCREASING SATELLITE AND CABLE COMPETITION

Mr. LEAHY. Mr. President, more than 3 years ago, I started raising serious concerns about the need to increase competition between cable and satellite TV providers and the need to allow satellite dish owners to receive local network stations. I felt then, and I feel now, that the best way to reduce the cable and satellite rate increases and to protect satellite dish owners is to have satellite television compete on a level playing field with cable.

I was thus very pleased when, finally, on May 20, the Senate passed a bill that I sponsored, without objection, which protects satellite dish owners and would offer them more television stations. I worked on this bill with the Chairman of the Judiciary Committee, Senator HATCH, and several other Senators.

The bill would restore satellite TV service to those who lost it, and it would prevent thousands of additional cutoffs.

Also, over time, it would permit satellite carriers to offer many more stations to home satellite dish owners. Unfortunately, even though the Senate passed the bill on May 20, we have been unable to set up a Conference with the other chamber. On June 8, the Senate approved the list of Senators—the Conferees—to negotiate the final bill with the House of Representatives.

The August recess is about to start. Thousands of Vermonters, and I am one of them, will continue to get minimal TV service because this bill was not able to be presented to the President for signature. I want to assure Vermonters that I will continue to work to get this bill before the President.

I also have been meeting with satellite company officials representing companies that will be able to offer a whole range of local stations, movie channels, sports, weather, history, PBS, superstations, and the like, to Vermonters via satellite. I want to make sure that Vermonters will be offered the full range of TV service over satellite once we can negotiate the final bill.

I am in the same situation as many Vermonters. At my home in Middlesex, Vermont, I only receive one local network channel clearly with my rooftop antenna.

I was very worried three years ago that satellite dish owners would start losing their ability to receive distant network signals. Unfortunately, my fears have come to pass. Many other Members of Congress have also been concerned about this issue.

The Satellite Home Viewers Improvement Act, S. 247, which I sponsored with the Chairman of the Judiciary Committee, Senator HATCH, the Chairman of the Commerce Committee, Senator MCCAIN, the ranking member of our antitrust subcommittee, Senator KOHL, and the Majority Leader of the Senate, Senator LOTT, offered the way to promote head-to-head competition between cable and satellite providers—and lower rates and provide more services for consumers.

In November of 1997, we held a full Committee hearing on satellite issues. I agreed with Chairman HATCH to work together on a bill to try to avoid needless cutoffs of satellite TV service while, at the same time, working to protect the local affiliate broadcast system and increase competition.

In March of last year we introduced a bill but were unable to get it to the President for signature. That version was reported out of the Judiciary Committee unanimously on October 1, 1998. That bill, as with the bill I am trying to get to the President's desk this year, was also designed to permit local TV signals, as opposed to distant out-of-state network signals, to be offered to viewers via satellite; to increase competition between cable and satellite TV providers; to provide more PBS programming by also offering a national feed as well as local programming; and to reduce rates charged to consumers.

In the midst of all these legislative efforts, a federal district court judge in Florida found that PrimeTime 24 was offering distant CBS and Fox television signals to more than one million households in the U.S. in a manner inconsistent with its compulsory license that allows them to offer distant network signals. This development further complicated the situation.

Under a preliminary injunction, the satellite service of CBS and Fox networks was to be terminated on October 8, 1998 for thousands of households in Vermont and other states who had signed up after March 11, 1997, the date the action was filed.

I was pleased that we worked together in the Senate Judiciary Committee to avoid these immediate cutoffs of satellite TV service in Vermont and other states. The parties agreed to request an extension which was granted until February 28, 1999. This extension was also designed to give the FCC time to address this problem faced by satellite dish owners.

In December, I sent a comment to the FCC and criticized their proposals on how to define the "white area"—the area not included in either the Grade A or Grade B signal intensity areas. My view was that the FCC proposal would cut off households from receiving distant signals based on "unwarranted assumptions" in a manner inconsistent with the law and the clear intent of the Congress. I complained about entire towns in Vermont which were to be inappropriately cut off when no one could receive signals over the air.

The Florida district court filed a final order which also required that households signed up for satellite service before March 11, 1997, be subject to termination of CBS and Fox distant signals on April 30, 1999, if they lived in areas where they are likely to receive a grade B intensity signal and are unable to get the local CBS or Fox affiliate to consent to receipt of the distant signal.

In the meantime, further Court and other developments have resulted in cutoffs of thousands of satellite dish owners. This situation is unacceptable, and I will continue to work to fix this problem.

END THE CYCLE OF VIOLENCE IN KOSOVO

Mr. LEVIN. Mr. President, the news out of Kosovo concerning the commission of atrocities against Serbs and Gypsies is deeply troubling.

According to a report released on Tuesday by Human Rights Watch "for the province's minorities, and especially the Serb and Roma (Gypsy) populations, as well as some ethnic populations perceived as collaborators or as political opponents of the Kosovo Liberation Army (KLA), these changes have brought fear, uncertainty, and in some cases violence." The report adds that "The intent behind many of the killings and abductions that have occurred in the province since early June appears to be the expulsion of Kosovo's Serb and Roma population rather than a desire for revenge alone."

Mr. President, the massive atrocities committed against the ethnic Albanian population of Kosovo pursuant to Slobodan Milosevic's ethnic cleansing policy have been appropriately condemned by the international community. The United States and our NATO allies have invested a great deal of resources and put their sons and daughters at risk to stop the atrocities and to reverse the ethnic cleansing. But they did not do so to allow the former victims to commit atrocities against or seek to ethnically cleanse the Serbs and Gypsies.

When I visited Kosovo in the first week of July along with Senators REED, LANDRIEU and SESSIONS, we met with Hashim Thaci, political leader of the KLA and Colonel Agim Ceku, the KLA military commander. We condemned the violence being perpetrated against the Serbs and asked them to speak out against the mistreatment of the Serbs. They stated to us they have publicly called for the Serbs to stay and for those who have left to return provided they had not previously committed atrocities.

Mr. President, words are important but deeds are more important. I realize that the KLA is not a highly-disciplined organization and that there are extremists within the KLA who do not answer to either Mr. Thaci or Colonel Ceku. I also realize that not all those who are presently committing atrocities are members of the KLA. But Mr. Thaci and Colonel Ceku and other Albanian leaders must do more to bring an end to the cycle of violence in Kosovo.

According to the UN High Commissioner for Refugees, more than 164,000 Serbs have left Kosovo during the seven weeks since Yugoslav and Serb forces withdrew and KFOR entered Kosovo, and the number continues to rise. The military troops of the NATO-led KFOR are not trained to be policemen and the enforcement of day-to-day law and order is not and should not be their mission. The United Nations has only deployed about 400 civilian police to Kosovo. The deployment of the international civilian police force to Kosovo must be accelerated. The cycle of violence in Kosovo must stop.

I visited with the ethnic Albanian refugees in the camps in Macedonia and was sickened at their horrific stories of their mistreatment at the hands of the Serbs. I was a strong supporter of the NATO air campaign against Serbia and of the deployment of the NATO-led KFOR. I support the reconstruction of Kosovo and the creation of an autonomous multi-ethnic Kosovo. But none of us, no matter what position we took on other issues involved in NATO's action in Kosovo, can accept criminal acts against Serbs and Gypsies in Kosovo.

President Clinton and the leaders of our NATO allies won the support of their citizens for the NATO air campaign and subsequent peacekeeping mission in part because it was the humane thing to do. Americans and Europeans alike were deeply upset at the plight of the ethnic Albanian refugees. That support will dissipate if the cycle of violence in Kosovo does not stop.

I call on NATO, the United Nations, the leaders of the ethnic Albanian community in Kosovo, particularly Mr. Thaci and Colonel Ceku, and the law abiding citizens of Kosovo, to act and act now to show their rejection of lawlessness and violence. The cycle of violence must stop.

PESTICIDES AND CHILDREN'S HEALTH

Mr. KENNEDY. Mr. President, this week, the Environmental Protection Agency announced the first major steps under the Food Quality Protection Act of 1996 to protect children from overexposure to two widely used pesticides. Organophosphate chemicals, such as these two pesticides, kill insects by disrupting nerve impulses. Unfortunately, these chemicals have the same effect on humans, and children are especially vulnerable because of their developing bodies and the high proportion of fruits and vegetables in their diets. Effective protection against these two pesticides is an important step in implementing the Act as Congress intended.

These steps by EPA to comply with the law are critical to ensure the health and safety of the nation's children. These actions are welcome, and EPA must continue to carry out its important mission to assess tolerance levels for pesticides that pose the highest risks to children. Much work remains to be done.

Timely and complete implementation of the Act is essential, but we need to know more to assure that all children are protected from the harmful effects of pesticides. I have asked the General Accounting Office to evaluate the technologies used to assess immune, reproductive, endocrine, and neurotoxic effects of pesticides on children. GAO will also report on current research on links between pesticides and child health and disease. In particular, I have asked the GAO to evaluate whether the Act is being implemented adequately to protect the health and safety of the nation's children.

Our children are our greatest natural resource. The goal in passing the Act was to set a strong public health standard to protect them, and EPA has a clear responsibility to implement the Act in accord with that standard.

LET'S SEEK BALANCE IN REFUGEE FUNDING

Mr. FEINGOLD. Mr. President, I rise today to bring my colleagues' attention to the plight of refugees in Africa. Just last week we have been reminded yet again of the disparity in the resources provided to assist those in need on the African continent compared to those in Europe. At a briefing to the U.N. Security Council on July 26, United Nations High Commissioner for Refugees (UNHCR) Sadako Ogata outlined some of the desperate problems facing the over 1.5 million refugees the agency currently counts in Africa. These problems are aggravated by a serious shortfall in international funding for UN refugee efforts. By some accounts, only 60% of the UNHCR's $137 million budget for general programs for Africa has been funded to date. The total UNHCR funding for all of Africa for 1999, including the general program, special programs, and emergencies, is only $302 million. That compares to $520 million set aside just for special programs and emergencies for the Former Yugoslavia.

The international response to the refugee crisis in Africa remains woefully inadequate. The situation is made even worse by the disparity between the donations offered to assist European refugees and those offered to support African refugees. As Mrs. Ogata so succinctly noted on July 26, "Undeniably, proximity, strategic interest and extraordinary media focus have played a key role in determining the quality and level of response." While this may explain why Kosovo has received far greater refugee assistance than have the multiple crises in Africa, it can not justify that imbalance. The suffering of a family driven from its home or a child wrenched from its family by war is no less because it happens in Africa, away from the media glare and the familiar sources of conflict in Europe.

While I understand that there are necessary limits to the resources available for the millions of refugees in the world, I believe we should render our precious contribution to humanitarian assistance in a fair and balanced manner. As I have said many times on this floor—why Kosovo and not Sudan or Sierra Leone or Rwanda? To those who will cite our "strategic" interests in Europe, I respond that I believe our "moral" interests are also critically important to this nation's standing in the world.

I appreciate the State Department's announcement of an additional mid-year $11.7 million contribution to the UNHCR's general program, of which $6.6 million was designated for Africa. This is a good start, but it still falls far short of what Africa needs and what Europe gets. It does not please me to have to highlight the regional disparity in refugee assistance. But I believe it is important for the Senate to be on record in strong support of a fair and balanced effort to meet the needs of refugees throughout the world.

STATE SOVEREIGN IMMUNITY FROM INTELLECTUAL PROPERTY LAWSUITS

Mr. SPECTER. I was surprised by the three decisions of the Supreme Court of the United States on June 23, 1999 which drastically reduced the Constitutional power of Congress and even more surprised by the lack of reaction by Members of the House and Senate to this usurpation of Congressional authority. [*College Savings Bank* v. *Florida Prepaid* 1999 U.S. LEXIS 4375, *Florida Prepaid* v. *College Savings Bank* 1999 U.S. LEXIS 4376 and *Allen* v. *Maine*, 1999 U.S. LEXIS 4374.]

Even though ignored by the Congress, these decisions have been roundly criticized by the academicians. Stanford University historian Jack Rakove, author of "Original Meanings", a Pulitzer Prize winning account of the drafting of the Constitution, characterizes Justice Kennedy's historical argument in *Alden* v. *Maine* as "strained, even silly".

Professor Rebecca Eisenberg of the University of Michigan Law School, in commenting on Florida Prepaid Post-secondary Education Expense Board versus College Savings Bank, said:

> "The decision makes no sense", asserting that it arises from "a bizzarre states' rights agenda that really has nothing to do with intellectual property."

Harvard Professor Laurence Tribe commented:

> "In the absence of even a textual hint in the Constitution, the Court discerned from the constitutional 'either' that states are immune from individual lawsuits." (These decisions are) "scary". "They treat states' rights in a truly exaggerated way, harking back to what the country looked like before the civil war and, in many ways, even before the adoption of the Constitution."

In addition to treating the Congress with disdain, the five person majority in all three cases demonstrated judicial activism and exhibited what can only be viewed as a political agenda in drastically departing from long-standing law. Former Solicitor General Walter Dellinger described these cases as: "one of the three or four major shifts in constitutionalism we've seen in two centuries."

A commentary in The Economist on July 3, 1999 emphasized the Court's radical departure from existing law stating:

> The Court's majority has embarked on a venture as detached from any constitutional moorings as was the liberal Warren Court of the 1960's in its most activity mood.

In its two opinions in College Savings Bank versus Florida Prepaid and Florida Prepaid versus College Savings Bank, the Court held that the doctrine of sovereign immunity prevents states from being sued in Federal court for infringing intellectual property rights. In reaching these decisions, the Court discussed and dismissed two laws passed by Congress for the specific purpose of subjecting the states to suits in Federal Court: the Patent Remedy Act and the Trademark Remedy Clarification Act.

These decisions leave us with an absurd and untenable state of affairs. Through their state-owned universities and hospitals, states participate in the intellectual property marketplace as equals with private companies. The University of Florida, for example, owns more than 200 patents. Furthermore, state entities such as universities are major consumers of intellectual property and often violate intellectual property laws when, for example, they copy textbooks without proper authorization.

But now, Florida and all other states will enjoy an enormous advantage over their private sector competitors—they will be immune from being sued for intellectual property infringement. Since patent and copyright infringement are exclusively Federal causes of action, and trademark infringement is largely Federal, the inability to sue in Federal court is, practically speaking, a bar to any redress at all.

The right of states to sovereign immunity from most Federal lawsuits is guaranteed in the Eleventh Amendment to the constitution, which provides that:

> The Judicial Power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any foreign state.

It has long been recognized, however, that this immunity from suit is not absolute. As the Supreme Court noted in one of the Florida Prepaid opinions, the Court has recognized two circumstances in which an individual may sue a state:

> First, Congress may authorize such a suit in the exercise of its power to enforce the Fourteenth Amendment—an Amendment enacted after the Eleventh Amendment and specifically designed to alter the federal-state balance. Secondly, a state may waive its sovereign immunity by consenting to suite.—College Savings Bank versus Florida Prepaid at 7.

Congress' power to enforce the Fourteenth Amendment is contained in Section Five of the Fourteenth Amendment, which provides that "The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article." One of the provisions of the Fourteenth Amendment, Section One, provides that no State shall, "deprive any person of . . . property . . . without due process of law." Accordingly, Congress has the power to pass laws to enforce the rights of citizens not to be deprived of their property—including their intellectual property—without due process of law.

Employing this power under Section 5 of the Fourteenth Amendment, Congress passed the Patent Remedy Act and the Trademark Remedy Clarification Act in 1992. As its preamble states, Congress passed the Patent Remedy Act to "clarify that States . . . are subject to suit in Federal court by any person for infringement of patents and plant variety protections." Congress passed the Trademark Remedy Clarification Act to subject the States to suits brought under Sec. 43 of the Trademark Act of 1946 for false and misleading advertising.

In Florida Prepaid versus College Savings Bank, the Court held in a 5 to 4 opinion that Congress did not validly abrogate state sovereign immunity from patent infringement suits when it passed the Patent Remedy Act. In an opinion by Chief Justice Rehnquist, the Court reasoned that in order determine whether a Congressional enactment validly abrogates the States' sovereign immunity, two questions must be answered, "first, whether Congress has unequivocally expressed its intent to abrogate the immunity . . . and second whether Congress has acted pursuant to a valid exercise of power."

The Court acknowledged that in enacting the Patent Remedy Act, Congress made its intention to abrogate the States' immunity unmistakably clear in the language of the statute. The Court then held, however, that Congress had not acted pursuant to a valid exercise of power when it passed the Patent Remedy Act. The Court wrote that Congress' enforcement power under the Fourteenth Amendment is "remedial" in nature. Therefore, "for Congress to invoke Section 5 it must identify conduct transgressing the Fourteenth Amendment's substantive provisions, and must tailor its legislative scheme to remedying or preventing such conduct." Florida Prepaid versus College Savings Bank at 20.

The court found that Congress failed to identify a pattern of patent infringement by the States, let alone a pattern of constitutional violations. The Court specifically noted that a deprivation of property without due process could occur only where the State provides inadequate remedies to injured patent owners. The Court then observed that:

> Congress, however, barely considered the availability of state remedies for patent infringement and hence whether the States' conduct might have amounted to a constitutional violation under the Fourteenth Amendment * * *. Congress itself said nothing about the existence or adequacy of state remedies in the statute or in the Senate Report, and made only a few fleeting references to state remedies in the House Report, essentially repeating the testimony of the witnesses.—Florida Prepaid versus College Savings Bank at 27–28.

Accordingly, the Court concluded that:

> The legislative record thus suggests that the Patent Remedy Act does not respond to a history of widespread and persisting deprivation of constitutional rights of the sort Congress has faced in enacting proper prophylactic Section 5 legislation. Instead, Congress appears to have enacted this legislation in response to a handful of instances of state patent infringement that do not necessarily violate the Constitution.) Florida Prepaid versus College Savings Bank at 31–32.

Not only is the result of this opinion troubling—that states will enjoy immunity from suit—but so is the reasoning which supports this result. Here we have a Chief Justice of the Supreme Court choosing to ignore an act of Congress because he has concluded that Congress passed the legislation with insufficient justification. In essence, the Chief Justice is telling us we did a poor job developing our record before passing the Patent Remedy Act. As we all know, however, many of us support legislation for reasons that don't make it into the written record. The record is an important, but imperfect, summary of or views. This is why past Courts have been reluctant to dismiss Congressional motives in this fashion.

In College Savings Bank versus Florida Prepaid, the Supreme Court decided in a 5 to 4 opinion that Trademark Remedy Clarification Act (the "TRCA") was not a valid abrogation of state sovereign immunity. The Court, in an opinion by Justice Scalia, noted that Congress passed the TRCA to remedy and prevent state deprivations of two types of property rights: (1) a right to be free from a business competitor's false advertising about its own product, and (2) a more generalized right to be secure in one's business interests. The Court contrasted these rights with the hallmarks of a protected property interest, namely the right to exclude others.

Justice Scalia reached the surprising conclusion that protection against false advertising secured by Section 43(a) of the Lanham Act does not implicate property rights protected by the due process clause so that Congress could not rely on its remedies under Section 5 of the 14th Amendment to abrogate state sovereign immunity. If conducting a legitimate business operation with protection from false advertising is not a "property right", it is hard to conceive of what is business property. That Scalia rationale shows the extent to which the Court has gone to invalidate Congressional enactments.

The Court then discussed whether Florida's sovereign immunity, though not abrogated, was voluntarily waived. Here, the Court expressly overruled its prior decision in *Parden* v. *Terminal R. Co.* 377 U.S. 184 (1964) and held that there was no voluntary waiver. In Parden, the Court had created the doctrine of constructive waiver, which held that a state could be found to have waived its immunity to suit by engaging in certain activities, such as voluntary participation in the conduct Congress has sought to regulate. Since Congress has sought to regulate interstate commerce, then a state which participated in interstate commerce by registering and licensing patents would be held to have voluntarily waived its immunity to a patent infringement suit. By overruling Parden, however, the Court held that a voluntary waiver of sovereign immunity must be expressed. Florida made no such express waiver of its sovereign immunity.

In other relatively recent cases, the Court has gone out of its way, almost on a personal basis, to chastise and undercut Congress. The case of *Sable* v. *FCC*, 492 U.S. 115 (1989) provides a striking example of this trend. In Sable, the Court struck down a ban on "indecent" interstate telephone communications passed by Congress in 1988. In rejecting this provision, the Court focused on whether there were constitutionally acceptable less restrictive means, short of a total ban, to achieve its goal of protecting minors. The Court then declared, in unusually dismissive and critical language, that Congress had not sufficiently considered this issue:

> * * * aside from conclusory statements during the debates by proponents of the bill . . . that under the FCC regulations minors could still have access to dial-a-porn messages, the congressional record presented to us contains no evidence as to how effective or ineffective the FCC's most recent regulations were or might prove to be.
>
> The bill that was enacted . . . was introduced on the floor. . . . No Congressman or Senator purported to present a considered judgement with respect to how often or to what extent minors could or would circumvent the rules and have access to dial-a-porn messages.

If a member of the Congress made a judgement, by what authority does the Supreme Court superimpose its view that it wasn't a "considered judgement"? A fair reading of the statements from the floor debate on this issue undercuts the Court's disparaging characterization of this debate. For example, Representative TOM BLILEY of Virginia gave a rather detailed and persuasive discussion of how he concluded that a legislative ban was necessary. Mr. BLILEY noted that in 1983, Congress first passed legislation which required the FCC to report regulations describing methods by which dial-a-porn providers could screen out underage callers. Mr. BLILEY then walks us through the repeated failure of the FCC to pass regulations which could withstand judicial scrutiny. Finally, Mr. BLILEY notes that:

> . . . it has become clear that there was not a technological solution that would adequately and effectively protect our children from the effect of this material. We looked for effective alternatives to a ban—there were none.

The Court repeats its critique of Congressional action in the case of *Reno* v. *ACLU*, 521 U.S. 844 (1997). Here the Court struck down the Communications Decency Act, which prohibited transmission to minors of "indecent" or "patently offensive" communications. In this opinion, the Court again discusses whether less restrictive means were available and again concludes that Congress had not sufficiently addressed the issue. The opinion notes that:

> The Communications Decency Act contains provisions that were either added in executive committee after the hearings [on the Telecom Act] were concluded or as amendments offered during floor debate on the legislation. . . . No hearings were held on the provisions that became the law.

The Court in Reno later notes that, "The lack of legislative attention to the statute at issue in Sable suggests another parallel with this case."

Once again, if Congress passes a law, by what authority does the Supreme Court conclude that we did not devote sufficient legislative attention to the law? In the Reno opinion itself the Court noted that some Members of the House of Representatives opposed the Communications Decency Act because they thought that less restrictive screening devices would work. These members offered an amendment intended as a substitute for the Communications Decency Act, but instead saw their provision accepted as an additional section of the Act. In light of this record, how can the Court say that Congress did not consider less restrictive means?

A recent trend in Supreme Court decisions, highlighted by these three cases, shows an activist court with a political agenda determined to restructure political power in America away from Congress and to the states. What is Congress to do? We could exercise greater care in the confirmation process, but that is hardly the answer. Supreme Court nominees in Senate confirmation hearings routinely promise to respect Congressional authority and not to make new law. Once on the Court, many of the justices ignore those commitments.

The decision in Florida Prepaid versus College Savings Bank leaves a slight opening for Congress to legislate again under Article 5 of the 14th Amendment to narrowly tailor a legislative approach to satisfy the Court. Given the intensity of the Court's agenda and its inventive and extreme rationales for declaring Congressional actions unconstitutional, it is highly doubtful that anything the Congress does will satisfy the Court in its current campaign.

Congress may have to initiate a constitutional amendment to re-establish its legitimate authority. Before these three cases, it was unthinkable that Congress' authority over trademarks, patents and copyrights would have been undercut by a doctrine of state sovereign immunity. How could that be in the face of the provisions of Article 1, Section 8 granting the Congress express authority over trademarks, patents and copyrights by its enumerated power:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries

These important issues merit immediate and extensive consideration by the Congress. Perhaps a constitutional amendment is the only way to reinstate the balance between the authority of the Congress and the usurpation by the Supreme Court.

RECOGNIZING THE WORK OF THE NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

Mr. KENNEDY. Mr. President, with the announcement of his proposal to modernize and strengthen Medicare, President Clinton has demonstrated that we can achieve needed Medicare reform without compromising our clear commitment to the fundamental principles of that basic and highly successful program. Our goal is to preserve and strengthen Medicare, so that it effectively meets the needs of all senior citizens in the years ahead, as it has done so well for the past thirty-four years.

Above all, we must reject any proposals that undermine the ability of senior citizens to obtain the health care they need, or that attempt to transform Medicare into a voucher program, as the Medicare Commission's recommendations and other premium support plans do. Such proposals are risky schemes. They abandon Medicare's successful social insurance compact, and current guarantee of a defined benefit. Premium support proposals could price conventional Medicare out of reach and force senior citizens to join HMOs. They threaten to compromise the quality of care and reduce access to care. That is unacceptable to senior citizens, and it should be unacceptable to members of Congress.

There are a number of hard-working organizations dedicated to the well-being of senior citizens. I welcome this opportunity to comment on one such group—a distinguished public interest organization that works effectively to protect the interests of senior citizens and ensure fairness in Medicare reform. The National Committee to Preserve Social Security and Medicare is a major leader in the national effort to protect and strengthen both Social Security and Medicare. I commend the Committee and its members for their commitment and their leadership, and I look forward to working closely with them in the critical weeks and months ahead to achieve the great goals we share.

THE EMERGENCY STEEL LOAN GUARANTEE AND EMERGENCY OIL AND GAS GUARANTEED LOAN ACT OF 1999

Mr. BYRD. Mr. President, last night, the U.S. House of Representatives passed the conference report to H.R. 1664, the bill containing the Emergency Steel Loan Guarantee and Emergency Oil and Gas Guaranteed Loan programs, by a vote of 246 yeas to 176 nays. H.R. 1664 was passed by the Senate on June 18, 1999.

The steel and oil and gas loan guarantee programs will provide qualified U.S. steel producers and small oil and gas producers with access to a $1.5 billion GATT-legal, revolving loan guarantee fund to back loans through the private market. A board of the highest caliber—consisting of the Chairman of the Board of Governors of the Federal Reserve System, who will serve as the Chair, the Secretary of Commerce, and the Chairman of the Securities and Exchange Commission—will oversee the programs. These distinguished board members will ensure careful analysis of the guarantee award process, including actions needed by U.S. steel mills and oil and gas producers to secure a financial recovery along with a reasonable prospect for repayment of the federally guaranteed loans. The loan guarantee programs are written to provide the board members with the flexibility necessary to offer the maximum benefit to U.S. steel and oil and gas businesses and the maximum protection to the taxpayers.

The passage of H.R. 1664 is a vital measure for both the U.S. steel industry and the oil and gas industry, and it was a personal pleasure for me to work with the fine Senator from New Mexico, Mr. DOMENICI, on this important legislation. I authored the steel loan guarantee provisions, while my good friend Senator DOMENICI authored the provisions for oil and gas. After several long nights, some tough negotiations, and countless consultations, H.R. 1664, a bill that joined our two programs, will deliver critical assistance to hard working Americans. H.R. 1664 is, indeed, a "buy American bill." But, more importantly, the passage of H.R. 1664 is a vote of confidence for American workers and American families.

Passage of H.R. 1664 is an important statement by this Congress in support of the men and women in the U.S. steel industry. These workers have played by the global trade rules only to find themselves cheated by our trading partners who ignore the rules in order to maximize their own profits. Illegal steel trade has created exceedingly difficult finanical circumstances for the U.S. steel industry, and the U.S. steel industry deserves the benefits provided under H.R. 1664. Those benefits simply will provide essential loan guarantees to address the cash flow emergency created by the historic surge of cheap and illegal steel. They are vital to the future viability of many, many steel jobs.

The historic level of illegally dumped imported steel is a national crisis. The record levels of these foreign imports have caused over 10,000 thousand U.S. steelworkers to experience layoffs, short work weeks, and reduced pay. American steel companies have suffered from reduced shipments, significant drops in orders, price depression, lower profits, and worse. Already, at least six U.S. steel manufacturers have filed for Chapter 11 bankruptcy protections, jeopardizing employees, families, and entire communities. This steel loan guarantee program can help to prevent further bankruptcies, and provide vitally important support for the survival of small- and medium-sized steel manufacturers.

Steel communities are proud of their role throughout this nation's history. Through the work of men and women in places like Weirton, West Virginia, and Pittsburgh, Pennsylvania, the backbone of this nation was forged. Steel has always been a driving force in the growth and prosperity of our nation.

I applaud the action by this Congress in passing H.R. 1664. It was the right thing to do. I urge the President to quickly sign the bill into law. These loan guarantee programs will operate through the private market to help sustain good-paying jobs, support our national security, and save taxpayers millions of dollars from lost tax revenues and increased public assistance payments.

Mr. DOMENICI. Mr. President, I say to Senator BYRD, in both the steel and the oil and gas loan guarantee programs, the legislation provides that loan guarantees may be issued upon application of the prospective borrower (section 101(g) for the Steel Loan Guarantee Program and section 201 (f) for the Oil and Gas Loan Guarantee Program). Ordinarily, the applicant for a loan guarantee is the prospective lender. Am I correct in assuming that that would be the case under these programs, and that the true intent of the language in the legislation is that the prospective lender is the applicant?

Mr. BYRD. Yes, the Senator from New Mexico is correct in that assumption. It will be the lender that obtains the direct benefits of a loan guarantee, and it is the prospective lender that will be required to submit necessary application materials for the guaranty. The prospective borrower will, of course, also have to submit information and other material as part of the application for a loan guarantee, but under each program it is the lender with whom the Loan Guarantee Board will have its legal relationship. Therefore, it is the prospective lender that will be required to apply for assistance under these programs.

Mr. DOMENICI. It is possible that under each of these programs there may be many, many eligible firms—more under the Oil and Gas Loan Guarantee Program, but potentially a high number under the Steel Loan Guarantee Program, as well—particularly as there is no "floor" or minimum amount of loan that may be guaranteed. Would the Loan Guarantee Boards have the discretion to establish priorities and criteria for the consideration of applications and award of guarantees, so that projects could be considered in an orderly manner, and there could be a proper mix of loan risks, to maximize the effectiveness of the programs within the amount appropriated for program costs?

Mr. BYRD. The Loan Guarantee Boards would absolutely have that discretion. The clear intent of this legislation is to effectuate the guarantee of up to $1.5 billion of loans under the two programs. There is no requirement for first-come, first-served among applicants. The Boards may impose additional reasonable requirements for participation in the programs. It is, indeed, our intent to look to the judgment and expertise of the administering agencies, the experience and competence of professional advisors, and the wisdom and common sense of the Loan Guarantee Boards themselves to make these programs run effectively. It is not our intent to hamstring the Boards in determining their priorities and procedures; rather, we expect the Boards to implement these programs as to ensure the fulfillment of the Congressional purpose.

Mr. DOMENICI. I note that the legislation requires the Loan Guarantee Boards to establish procedures, rules and regulations, but appropriates money to the Department of Commerce to administer the programs. Am I correct in assuming that this is because the Boards themselves are not expected to actually administer the programs, but only to adopt rules and procedures, and approve guarantees and amendments? And am I correct in further assuming that, subject to the direction of the Loan Guarantee Boards, the Department of Commerce is expected to prepare proposed rules and procedures for the Boards' consideration; on behalf of the Boards, publish regulations in the Federal Register; process applications for guarantees; and undertake the day-to-day administration of the programs?

Mr. BYRD. Yes, those are correct assumptions. While the Boards will have the ultimate decision-making responsibilities, and will take the actions directed by the legislation, as a practical matter they are not expected to handle the day-to-day work of administering loan guarantee programs. That will be handled through the Department of Commerce, using its own staff, contracting for the consultants and other services, or through agreements with another agency or agencies.

Mr. DOMENICI. Many qualified steel companies are currently in bankruptcy, or have existing debt with covenants in those investments that provide for seniority for such existing debentures. In determining loan security, is it not the intent of this legislation to give the Board the discretion to use its professional judgment to determine the nature, kind, quality and amount of security required for a loan guarantee?

Mr. BYRD. That is correct. The Board has the flexibility to use a combination of factors, including prospective earning power, in determining loan security terms and conditions.

Mr. DOMENICI. I note that the legislation in section 101 (j), appropriates $5 million to the Department of Commerce, for necessary expenses to administer the Steel Loan Guarantee Program. Similarly, in section 201 (i), $2.5 million is appropriated to the Department for necessary expenses to administer the Oil and Gas Loan Guarantee Program. In each case, the legislation provides that the appropriation, "may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration." The operative word here is "may." Do I correctly assume that the Secretary of Commerce has the discretion to determine where funds provided for under these programs can be most effectively administered?

Mr. BYRD. That is an accurate assumption. The Secretary is authorized under the legislation to assign administration of the programs as he sees fit, to accomplish their effective administration.

Mr. DOMENICI. I ask whether the full faith and credit of the United States will stand behind the guarantees to be executed by the Loan Guarantee Boards. This is of course an important matter for prospective lenders, determining perhaps at what interest rates a guaranteed loan would be made, or indeed whether a loan would be made at all. Am I correct in my assumption that although the bill does not specifically say so in so many words, the full faith and credit of the United States will in fact stand behind the loan guarantees?

Mr. BYRD. My good friend from New Mexico is correct. Under this legislation, the full faith and credit of the United States will, in fact, stand behind each loan guarantee executed by the Loan Guarantee Board, the same as if the legislation specifically said so. Lenders may participate in this program with confidence, and should therefore offer the borrowers the very best terms—including low interest—on the guaranteed loans.

Mr. DOMENICI. This is indeed important legislation, but I ask whether regulations promulgated to implement the legislation would be a "major rule" as that term is used in the Congressional Review Act (5 U.S.C. 804). Generally, any rule that has a $100 million effect on the economy in a single year is considered to be a major rule, and cannot go into effect until 60 days after the rule is submitted to Congress for review and possible disapproval. But, if the loan guarantee regulations are considered a major rule, delaying their effect would appear to be inconsistent with the language and intent of the legislation. Once regulations promulgated under this legislation are written, cleared by OMB, filed with Congress, and published in the Federal Register, I assume they would go into effect right away. Is this correct?

Mr. BYRD. Yes, that assumption is accurate. Any rule issued to implement this program could be considered a "major rule" under the Congressional Review Act, and subject to the delayed effective date. However, the legislation itself recognizes the urgency of the programs: section 101(l) provides that the Steel Loan Guarantee Board "shall issue such final procedures, rules, and regulations as may be necessary to carry out this section not later than 60 days after the date of enactment of this Act." Identical language appears for the Oil and Gas Loan Guarantee Board, in section 201(k). Due to this urgency, we expect the Administration to apply the provisions of the Congressional Review Act which allow even a major rule to go into effect without delay, consistent with the public interest.

FIFTIETH ANNIVERSARY OF THE DARLINGTON MOTOR SPEEDWAY

Mr. THURMOND. Mr. President, nestled in the flat, hot tobacco country of South Carolina's Pee Dee region is an egg-shaped track that is one of the most revered spots in all of auto racing, the "Darlington Raceway". As anyone even remotely familiar with NASCAR can tell you, for 50 years this September, the Darlington Raceway has not only been home to the most exciting race in motor sports, the

"Southern 500", it has also earned the ominous and accurate nickname as the track "too tough to tame".

For five decades, people from around the world have traveled to this otherwise quiet city in order to be spectators in this contest of driving and mechanical skill. The atmosphere is festive, with the infield and stands packed to capacity with racing enthusiasts who are willing to brave the cruel heat, stifling humidity, and unforgiving sun in order to see which driver is able to prove that his mettle is equal to the asphalt and curves that make-up this 1.36 mile track. In 1950, the year of the first race, 25,000 people turned out as spectators, this year, there will be more than 100,000 race fans at Darlington, and millions more around the globe will follow the action on radio or television. That is a testament to both the popularity of NASCAR and the respect that the Darlington Raceway has among drivers and race fans.

To those who have never made it to Darlington, it might be hard to understand the attraction of this sport, but for those of us who have witnessed this race up close, there is no question why people love to go to this track. There is something truly awe inspiring about standing close to one of the turns at Darlington and watching stock cars engineered and built to the ultimate standards roll past as they race to be the first to finish the 500 grueling miles that must be completed in order to win the "Southern 500". These cars rumble past at well over 100 miles-per-hour with only inches between bumpers, and as they go through one of the four turns of the track, the earth literally shakes under one's feet and the air is thick with the deafening roar of engines and the fumes of high performance fuel. It takes individuals of tremendous mechanical skill to put one of these vehicles on the track, and other men of incredible determination, skill, and grit to compete in these races. One cannot help but come away amazed at the abilities of these drivers and crews, or at the challenge the Darlington Raceway presents to these individuals.

In 1950, I was serving in my final year as Governor of the State of South Carolina, and on September 1st of that year, I had the distinct honor and privilege of cutting the ribbon that opened the Darlington Motor Speedway. Nothing would give me greater pleasure than to be able to celebrate the golden anniversary of the opening of the Speedway in person, but regrettably my schedule does not permit me to be in Darlington early next month. Instead, I have chosen to take to the Senate Floor to salute the vision of Harold Brasington, the man who built the Darlington Speedway. I also want to salute Jim Hunter, President of Darlington Raceway; Bill France, Jr., the President and CEO of International Speedway Corporation, as well as the President of NASCAR; and most importantly, to express my greetings and well wishes to all the drivers, crews, and fans who will descend there on September 5, 1999 to see who will tame this track.

THE FEDERAL RESEARCH INVESTMENT ACT

Mr. KENNEDY. Mr. President, I welcome this opportunity to express my strong support for S. 296, the Federal Research Investment Act, which was introduced earlier this year by Senator FRIST and Senator ROCKEFELLER, and was reported favorably by the Commerce Committee earlier this month. This legislation is important for the future of the nation's economy and our competitive position in the global market-place.

A key ingredient in the continued success and growth of our economy is federal investment in research and development. Much of America's technological leadership today and in the past has been stimulated by federal R&D expenditures, and we need to continue to strengthen these investments as a top national priority.

The results of this public-private partnership are all around us. They include the biotechnology industry, commercial satellite communications, integrated circuitry, the Internet, satellite-based global navigation and communications, and supercomputers.

The Act calls for doubling the federal non-defense science budgets over the next eleven years. As a share of GDP, federal investment in R&D now stands at about half what it was 30 years ago. This share is projected to continue to fall under the current budget caps. Clearly, a strong commitment is needed for investment in R&D funding for basic sciences. Without a strong commitment, the worsening imbalance in R&D funding will have a negative impact on the economy and the nation's competitive position.

I strongly support the effort to double the federal R&D budget. It is one of the most effective ways to ensure the continued prosperity of our nation. It is imperative that we continue making these investments which have made Massachusetts and many other states renowned for their innovative leadership. We must continue and enhance, not cut back, on these needed investments.

I commend Senator ROCKEFELLER and Senator FRIST for their leadership and vision on this critical piece of legislation, and I urge my colleagues to join in supporting this important Act.

Mr. ROCKEFELLER. Mr. President, I would like to join Senators FRIST and LIEBERMAN and other distinguished colleagues to commend the Senate for passing the Federal Research Investment Act. This legislation will set a long-term vision for federal funding of research and development programs so that the United States can continue to be the world leader in the research and innovation upon which our high-tech industry is based.

One only needs to look as far as the front page of the newspaper to see the effect of high-technology on our country. New drugs are becoming available for fighting cancer; new communication hardware is allowing more people to connect to the Internet; and advances in fuel-cell technology are leading to low-emission, high-efficiency alternative fuel vehicles. According to a 1998 National Science Foundation study, over seventy percent of all patent applications in America cite nonprofit or federally funded research as a core component to the innovation being patented. Even at IBM, an industry leader in R&D, only 21 percent of its patent applications were based on company research. People are living longer, with a higher quality of life, in a better economy due to processes, procedures, and equipment which are based on federally funded research.

New technologies and products do not appear out of thin air. They are the result of a basis of knowledge which has been built up by researchers supported by federal funding. American companies draw from this knowledge base in developing the high-tech products which you and I read about in the paper and see on our store shelves everyday.

I view this knowledge base as an investment. The US government puts in modest amounts of funding in the form of support for scientific research. The dividends come from the economic growth which is produced as this knowledge is turned into actual products by American companies.

A large part of the current rosy economic situation is due to these high-tech industries. High-tech companies are responsible for one-third of our economic output and half of our economic growth. Alan Greenspan has said that new technologies are primarily responsible for the nation's phenomenal economic performance, low unemployment, low inflation, high corporate profits and soaring stock prices. If we want continued economic growth, we therefore need to support the fundamental, pre-competitive research critical to these industries, at the necessary levels, and in a stable manner from year to year—and we need to do so now.

Just three years ago, federal science funding was in a serious decline and fewer than half a dozen members of Congress gave it any attention. Now the connection between a healthy research enterprise and our nation's strong economic growth is widely understood. In the last two years the science budget has increased above inflation. In particular, for Fiscal Year

1999, an unprecedented 10 percent increase in civilian R&D funding was appropriated. Yet, somehow we appear to be once again in a situation where the future outlook for R&D funding is either declining, stagnating, or barely keeping pace with inflation. We must not only pass the Federal Research Investment Act, but we must continue our fight to actually implement the R&D budgetary guidelines set forth in this bill.

Finally, let me just say that one of the original reasons that I became involved in technology issues, such as the EPSCoR and EPSCoT programs, was because I believe that technology should be shared by everyone, not just those in Silicon Valley or the Route 128 corridor in Massachusetts. Therefore, this bill should be seen as a means of allowing for diversity in our national innovation infrastructure—research must be allowed to flower in Montana, Alaska, West Virginia as well as the traditional centers of science.

In conclusion, we have put together a long-term vision for federal R&D funding which we hope will lead to real increases in federal funding for research and development. Federally funded research has been, and will continue to be, a driving power behind our economic success. If we are to maintain and enhance our current economic prosperity we must make sure that research programs are funded at adequate levels in a consistent long-term manner.

I thank my colleagues for their support of this bill and ask unanimous consent that both my comments and the news article from the Wheeling News-Register, "Congress Must Act to Ensure That Vital Research Doesn't Lapse in U.S.," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wheeling News-Register, Tuesday, May 11, 1999]

Congress Must Act to Ensure That Vital Research Doesn't Lapse in U.S.

(By Erich Bloch and Charles M. Vest)

Our nation is currently enjoying the longest period of sustained economic growth since World War II. Much of this growth is driven by competition and commercial reward for innovative companies that use new technologies to develop new products and services. These new technologies are possible only because of the nation's investment in research. Basic scientific and engineering research funded by the federal government and conducted at America's public and private universities is of particular importance. University research led to the laser, fiber optics and the Internet, which make the modern computing and telecommunications industries possible. It also discovered recombinant DNA techniques that have fueled the biotechnology industry, and made most of the advances of modern medicine.

The private sector also funds and conducts important research. Indeed, in many instances it took both government and industry funding to achieve the decisive result. The private sector's primary function is to advance technology and translate basic scientific knowledge into commercially useful devices and systems. But here too, the federal government has a critical role: it must provide a policy and regulatory framework that encourages and rewards private investment in research.

Although nearly all analysts agree that our strong economy is driven by research, we are not promoting and investing in new research at an acceptable level, in either the public or the private sector. This puts our future economy at substantial risk. Despite Washington's proclivity for slowing the growth of basic research funding, even in this time of record economic growth and increased tax revenues, this risk is being noted. Last year, for instance, both the House and Senate took major steps towards addressing their obligation in this regard.

The House of Representatives, taking its lead from Rep. Vernon Ehlers, a physicist and vice chairman of the Science Committee, unanimously approved key principles for federal involvement in science research. The Senate unanimously passed a bill promoting federal investment in research and development. These two congressional actions, together with a host of independent reports on investment in research, established a momentum that must be embraced and accelerated by the new Congress.

But Washington memories are short. Many a good idea has gotten buried between the end of one Congress and the start of a new one. Let's make sure this is not happening in this case. Despite the pressure that balancing the budget puts on Congress, we need to stay on the course that has proven to be so effective.

There is plenty of disagreement about the details of how U.S. science and technology policy should move forward. However, we wish to point to four recommendations of the House Science Committee's report that are especially worthy of strong bipartisan support in the 106th Congress.

First, Congress should give high priority to stable and substantial federal funding for fundamental scientific research. Federal support of fundamental research has declined as a percentage of gross domestic product during this decade. It is both ironic and frustrating that our research base has not benefitted from the very economic expansion it helped to create.

Second, the federal government should invest in fundamental research across a wide spectrum of disciplines in science, mathematics, and engineering. The seamlessness of science and technology and the interrelation of their many fields are demonstrated every day. For example, magnetic resonance imaging devices (MRIs), which have become lifesaving diagnostic tools in the medical professions, have their roots in physics, chemistry, mathematics, and electrical engineering.

Third, an increased focus on partnerships is needed. University-industry partnerships, government-industry partnerships, and three-way efforts are required today because of the complicated relationship between research and the needs and constraints of each sector.

Finally, the policy environment for research must be improved. The Research and Experimentation Tax Credit must be strengthened and made permanent. This credit has been on again, off again during the past 15 years, despite its effectiveness in stimulating private industry to invest in R&D.

At this point in the federal budget process, there is real danger that an expanded federal commitment to scientific research—a goal unanimously supported by Congress last year—may fall victim to larger political battles. Congress should ensure that R&D, especially fundamental research, receives the priority it deserves and that partnerships between government, academia, and the private sector are given a chance to succeed.

Mr. LIEBERMAN. Mr. President, I rise to praise S. 296, the Federal Research Investment Act of 1999, legislation designed to reverse a downward trend in the Federal Government's allocation to science and engineering research and development (R&D). S. 296 authorizes a 5.5% increase in funding per year for federally funded civilian R&D programs, through 2010. While the future of individual agencies, such as the National Institutes of Health or the National Science Foundation, remains with the authorizing committees, the bill establishes a long term commitment to sustaining the aggregate research and development portfolio during the annual budget cycle. The bill also puts in place a number of review and accountability measures to assure the public and Congress that, each year, the R&D funds are well spent. I am pleased to report that S. 296 passed the Senate last week, on July 28, 1999, by unanimous consent. It had 41 cosponsors, about equally divided between the two parties, including the Majority and Minority leaders. The magnitude of support for this bill reflects the growing realization that technological progress is the single largest factor, bar none, in sustaining economic growth.

Today we find ourselves in a "New Economy." Everything about it defies conventional wisdom. Our unemployment rate is extremely low, but at the same time, our interest rates are low. The boom itself keeps going, defying expectations. In fact, the current economic boom is soon to be the longest one in our nation's history. Even our national debt has fallen far faster than economists had ever predicted it could. In retrospect, these happy miscalculations reflect a flaw in economic growth theory. Conventional economic wisdom at first underestimated the strength and depth of our New Economy because it ignored the substantial productivity gains generated by advances in technology, in this particular case, information technology. However, had we paid attention to history, we would have known better.

Almost a dozen major economic studies, including those of Nobel Prize laureate Robert Solow, have tracked economic growth over prior decades. These studies found that in every time period studied, approximately half of all economic growth was due to technological progress. The preponderance of the evidence provided by these economic studies has led Alan Greenspan to note in many of his recent speeches that in addition to the traditional forces of labor and capital, a very substantial portion of economic growth is now recognized to be due to technological innovation and the productivity increases it brings to the workplace. That technological innovation is what is sustaining our boom today. Beyond the effects of interest rates and fiscal policy, there are the dot.com's and the gazelle stocks, pushing our nation's technological wunderkind into untold riches, and pulling the rest of the nation along with them.

In an industrialized nation, the technological innovation so necessary for robust economic growth is generated by research and development (R&D). R&D is directly responsible for creation of the new products and processes which account for half or more of the growth in output per person, thereby fueling our economy. The private sector recognizes these connections—earlier this summer, Business Week devoted a entire issue, over a hundred pages, to highlighting the greatest scientific and technological innovations of the past 100 years. As the noted economist Lester Thurow puts it, "The payoff from social investment in basic research is as clear as anything is ever going to be in economics." To drive home the economic impact of scientific R&D, I would like to bring up the specific example of biomedical research, which at least one analysis finds has a rate of return that is greater than $13 for every dollar invested.

This correlation between technology and economic growth is especially compelling today, and not just for the biomedical arena. On a local scale, scores of governors are striving to bring high tech corridors into their states. They know, intuitively, that future economic growth for their states depends on high tech. America's research-intensive industries have been growing at about twice the rate of the average economy over the past two decades. Job opportunities in information technology flood the newspaper want ads, an illustration of the Internet sector's 1.2 million new jobs in 1998. Moreover, high tech wages are 77% greater than the private sector average.

However, we have reached a crossroads in this era of technological growth. We must remember that the ultimate origins of today's high-tech companies, and hence the dramatic economic gains we now see, were a few seminal discoveries made in the mid-1960's. It was at that time that we, as a country, were seriously investing in research and development. Because of the 20–30 year time lag between basic scientific discovery and market product, that substantial federal investment is now bearing fruit in the form of our exceptionally robust economy in the 1990's.

Unfortunately, since the mid-1960's we have not maintained our investment in R&D. As a fraction of the federal budget, the federal government's support of R&D has dropped by ⅔ over the past 34 years. When expressed as a fraction of GDP, federal funding of R&D has declined to half its mid-1960's value. For certain individual disciplines, the future is bleak. A recent report from the National Academy shows that in the years between 1993 and 1997, federal funding for research in mechanical engineering declined 50.4%, that for electrical engineering declined 35.7%, that for physics declined 28.7%, and that for chemical engineering declined 12.9%. These decreases are not just abstract reductions in facilities and personnel at research labs, and students and professors in universities. They represent the very seed corn of our economic prosperity. We no longer have as robust a pool of ideas to germinate into fundamentally new industries; we no longer have the technically trained populace capable of fully cultivating and implementing those ideas. Meanwhile, other countries are stepping in to fill the gap. Thirteen countries now have greater funding for basic research as a fraction of GNP than we do. For non-defense research, Japan spends more than the US, even in absolute dollars.

The problem of declining US R&D funding is especially acute, and demands action now, because of the dynamics of the global economy. In order to compete in the global economy, industry R&D funding has become overwhelmingly (84%) and increasingly concentrated on product development/refinement, i.e, the last stage of R&D. Thus, for new product concepts, industry is correspondingly more dependent on the basic and applied research sponsored by the government. The connection is a direct one. Currently, 73% of all papers cited in industrial patents are the product of government and non-profit funded research. With our declining investment in government-funded R&D, coupled with the increased appetite of industry for new market products and technologically literate workers, the government is stripping US industry of the knowledge base required to derive new products and compete in new industries.

We must also understand that this falloff in R&D will have serious economic repercussions into the future. Our investments in science and technology have an impact which stretches out over a twenty to thirty year horizon. Recognition of this fact is particularly crucial because of the projected dramatic rises in entitlement spending when the baby boom generation retires. To pay for Social Security, for Medicare, for all the hopes and dreams of our country, we will need a healthy economic harvest in years to come. Increasing our commitment to R&D today is the surest way to provide for the robust economy that is essential to our future social commitments. As Judy Carter, President and CEO of Softworks, points out, "Without a growing economy, Americans' standard of living, and our ability to support the needs of our aging population will be in jeopardy. Faced with a static or decreasing workforce as U.S. demographics shift, U.S. lawmakers must focus on encouraging technology development to increase productivity, enabling a smaller workforce to support a growing population of retirees."

We are doing well now economically because of our past R&D investments, but the declining R&D accounts bode poorly for our future. The Council on Competitiveness put it succinctly when it concluded, "the United States may be living off historical assets that are not being renewed." It is time now to renew those investments. With its small but steady increases in the nation's R&D accounts and its commitment to thoughtful planning and review of our R&D portfolio, The Federal Research Investment Act, S. 296, begins the replenishment of our consummate national treasure—our knowledge base.

Mr. FRIST. Mr. President, I would like to take a few minutes to talk about an important, yet often ignored aspect of the federal budget—our investment in research and development (R&D). While I strongly believe that Congress must strive to stay within the budget caps, I also firmly believe that funding for R&D should be allowed to grow in fiscal year 2000 and beyond. Many economists argue that such an investment, through its impact on economic growth, will not drain our resources, but will actually improve our country's fiscal standing.

The Federal Research Investment Act, which I authored with Senators ROCKEFELLER, DOMENICI, and LIEBERMAN, passed the Senate last Monday for the second year in a row. the bill would double the amount of federally-funded civilian research and development (R&D) over eleven year period. This critical federal investment, performed throughout our national laboratories, universities, and private industry, is currently fueling 50% of our national economy through improvements in capital and labor productivity.

Throughout my career in the Senate, I have spent a considerable amount of time advocating for greater funding levels for civilian R&D. Together with many of my colleagues from both sides of the aisle, I have been trying to educate others on the value of the federal government's role in funding merit-based and peer-reviewed programs. One only has to look at the Internet, the foundation of the new digital economy, to find an example of prudent federal investment in R&D.

Current economic expansion and growth, however, cannot be maintained if we do not provide the necessary funds and incentives to perform critical R&D throughout the scientific disciplines. Federal expenditures of both civilian and defense R&D as a percentage of GDP have dropped from 2.2 percent in 1965 to only 0.8 percent in 1999—nearly one third of its value.

We have both a long-term problem: addressing the ever-increasing level of mandatory spending; and a near-term challenge: apportioning the ever-dwindling amount of discretionary funding. The confluence of increased dependency on technology and decreased fiscal flexibility has created a problem too obvious to ignore: not all deserving programs can be funded; not all authorized programs can be fully implemented. We must set priorities.

The Federal Research Investment Act applies a set of guiding principles, established by the Senate Science and Technology Caucus, to consistently ask the appropriate questions about each competing technology program; to focus on that programs' effectiveness and appropriateness for federal funding; and to help us make the hard choices about which programs deserve to be funded and which do not.

The Government plays a critical role in driving the innovation process in the United States. The majority of the federal government's basic R&D is directed toward critical missions to serve the public interest in areas including health, environmental pollution control, space exploration, and national defense. Federal funds support nearly 60 percent of the Nation's basic research, with a similar share performed in colleges and universities.

The Senate passage of the Federal Research Investment Act reflects a consensus that although basic research is the foundation for many innovations, the rate of return to society generated by investments in R&D is significantly larger than the benefits that can be captured by the performing institution.

This legislation sends a strong message to the academic and scientific community—Congress understands the value of pre-competitive, basis research and its impact on the national economy and the standard of living.

I hope that the House will be as courageous as the Senate and embrace this long-term funding strategy.

HUMANITARIAN ASSISTANCE IN KOSOVO

Mr. HATCH. Mr. President, I note today that the international community had a successful first conference on reconstructing Kosovo and southeastern Europe. Nearly 40 leaders met in Sarajevo last weekend. The presence of most of these heads of state, including President Clinton's commendable appearance, demonstrates that the international community will not shirk from the responsibility of rebuilding Kosovo from the inhumane devastation visited upon it by the ultranationalist brutes still in power in Belgrade.

The people of Kosovo have suffered nearly unspeakable brutality, and it is entirely appropriate that the international community—which invested a great deal in forcing the Serbian military, paramilitary, and other gangsters out of Kosovo—now recognizes that long-term stability will not be created until immediate humanitarian needs, as well as medium-term goals of building a functioning economy, establishing institutions to devise and protect the rule of law, and ejecting the ultranationalists in Belgrade, are met.

It is also appropriate, Mr. President, that the European powers shoulder the majority of this cost, as the U.S. shouldered the majority of Operation Allied Force.

When we look at the humanitarian response to the crisis in Kosovo, we must note with appreciation the participation of nongovernmental organizations around the world who rushed to aid the Kosovar victims.

The American Red Cross, for example, has been involved in the Balkans since 1993—more proof that Milosovic has been wreaking havoc in the region for years.

Doctors Without Borders has been addressing a myriad of public health problems and responding to injuries.

These are just two organizations who have responded to the overwhelming needs of these people.

Prominent among these groups were the aid organizations of most of the world's religions.

Again, to name only a few, Catholic Relief Services just last week shipped more than 1400 metric tons of food. It has contributed other supplies and volunteers as well. The Catholic Relief Services have also taken on the project of rebuilding the schools.

Church World Services, the relief arm of a consortium of protestant denominations, has shipped tents, food, bedding, and other supplies.

The American Jewish Joint Distribution Committee, affiliated with the United Jewish Appeal, in addition to food and shelter supplies, has activitied its medical registry of volunteer doctors and nurses to operate clinics in the refugee areas of Albania and Macedonia.

And I would like to highlight the significant efforts by my own church, the Church of Jesus Christ of Latter-day Saints.

In my address to the assembled members of our church last April, President Gordon B. Hinckley said, "At this moment, our hearts reach out to the suffering people of Kosovo." He set in motion our church's efforts to help relieve that suffering.

The Church's initial response to the crisis was timely. On Tuesday, April 6, specific plans were approved to ship family food boxes on a chartered air cargo plane. That night, over 300 Church members in Salt Lake City packed 3,000 boxes with food to feed a family of four for one to two weeks. On Wednesday, the food boxes were loaded on the cargo plane arriving in Macedonia on Friday. Refugee families began receiving the food boxes on Saturday, April 10. A second chartered air cargo plane was sent to Macedonia two weeks later with 26,000 family hygiene kits, 14,000 pounds of soap and 600 additional food boxes.

Other shipments containing blankets, food, and clothing have been distributed to refugees in Macedonia. Also, blankets, food,and clothing have been consigned to the American Red Cross. More hygiene kits have been assembled by Latter-day Saints in Germany, England, California, and Utah for shipment to refugees in June. Student and teacher educational supply kits have been provided to refugee camps in Macedonia. Fresh fruits, vegetables and bread are being purchased locally by the Church in Macedonia and Albania and distributed to refugee camps and host families.

The Church has sent volunteer couples to Macedonia and Albania to coordinate distribution of humanitarian assistance. A third volunteer couple with experience in the helping professions will go to Albania for 3–6 months to assist refugee and host families with social-emotional needs.

To date, the Church of Jesus Christ of Latter-day Saints has provided the following humanitarian aid to Kosovar refugees:

Food—133,000 pounds shipped, plus cash donations of $400,000 for local purchases;

Clothing and shoes—2 million pounds, soap—166,000 pounds, school kits and educational supplies—4,000 pounds;

Family hygiene kits—52,000, blankets—28,000; and

Cash contributions to the German Red Cross and the Mother Teresa Soceity—$110,000

Once all currently planned shipments are completed, the value of assistance rendered by The Church of Jesus Christ of Latter-day Saints will total approximately $5.2 million. The Church stands ready to evaluate and respond to future needs as circumstances may require and resources allow.

The Mormon Church today has as many adherents overseas as there are in this country. It is a global church. Its presence abroad contributes to an awareness of the need for public health, literacy, and development in other nations. But, more than that, it contributes to a greater understanding among nations and cultures.

The people of my state—not only LDS members—have always demonstrated a willingness to pitch in where there is need. Their contributions are obvious at home. But, we do not mention enough that their charitable spirit extends regularly to less fortunate people around the world.

While Utahans are fiscally conservative people and are not tolerant of the financial waste perpetrated in Washington, they are also generous people. I am pleased to highlight their support for the Kosovar relief effort.

It is a tribute to America's generous spirit and sense of goodness that all of these organizations have mobilized to assist people suffering half a world away. There is no doubt that, despite the overwhelming challenge, these organization will collectively make the difference in the lives of these displaced Kosovar refugees and will provide hop for their future.

THE AGRICULTURE APPROPRIATIONS BILL

Mr. FEINGOLD. Senator KOHL, as Senator COCHRAN read through the amendments included in the Managers package of the FY2000 Agriculture Appropriations bill late last night, I noticed that an amendment I had filed was not included. It had been my understanding that my amendment would be accepted during the wrap-up on the Agriculture Appropriations bill.

Mr. KOHL. I am aware of the Senator's amendment. Will the Senator please describe his amendment?

Mr. FEINGOLD. My amendment was a non-controversial sense-of-the-Senate resolution that the U.S. Customs Service should, to the maximum extent practicable, conduct investigations into, and take such other actions as are necessary to prevent, the importation of ginseng products into the United States from foreign countries, including Canada and Asian countries, unless the importation is reported to the Service, as required under Federal law. It merely asks that current law be complied with.

Mr. KOHL. Your amendment, expressing the sense-of-the-Senate regarding ginseng, was inadvertently left off the list for the Manager's amendment. However, it should be noted, that the amendment was not excluded based on its substance, but only because of a regrettable omission.

Mr. FEINGOLD. I thank the Senator and ask his assistance in including my ginseng amendment in the final conference report on the FY2000 Agriculture Appropriations bill.

Mr. KOHL. I would like to assure Senator FEINGOLD that I will work toward inclusion of this provision in the conference report. The Senator is correct that there was no objection raised to his amendment and I will make that point clear to my fellow conferees.

Mr. ROBERTS. I would like to engage the Senators from Wisconsin in this colloquy. Yesterday, when the Senate considered the Agriculture Appropriations Bill, I had offered three amendments regarding the Conservation Reserve Program. It is my understanding that at least one of these amendments had been cleared for approval until just prior to final passage of the bill, and that the Ranking Member and Chairman had been giving consideration to the remaining two amendments. However, the Department of Agriculture had expressed concerns and objections were raised.

Mr. KOHL. That is correct. Will the Senator from Kansas describe his amendments?

Mr. ROBERTS. The first amendment regarding CRP cross compliance is to address a problem we have had in Kansas. In many areas of the state, we have old homesteads that have long been abandoned. As time has passed these old homes have become dilapidated, rundown, and liability risks. Many producers want to remove these old homesteads and incorporate the land into their CRP land, conservation practices, or cropping rotations. But they are unable to do so due to CRP cross compliance rules. Under these rules, producers lose eligibility for CRP payments if they break Highly Erodible land (HEL) into production. Much of the land is considered HEL. Thus most of these homesteads sit on HEL land, and if they are removed, producers have violated the rules and lose payments. This does not seem to make sense and USDA agrees. USDA informed me that they planned to recommend to the Congress the elimination of this program in the next Farm Bill.

The other two amendments involve notices regarding CRP Notices 327 and 338 issued by the Farm Service agency last fall and this spring.

CRP Notice-327 issued by the Farm Service Agency prohibits the use of CRP land for hunting preserves. The notice does not prohibit land owners from leasing hunting rights or charging access fees to hunters. However, it does prohibit hunting preserves. This notice overturns a practice that has been allowed in many areas since the inception of the CRP program. In fact, these hunting preserves operate from the Kansas and Oklahoma areas to the Dakotas. These preserves are strongly regulated in Kansas and they have resulted in an important economic development activity for many rural areas. In Kansas, we have 112 tracts of land designated for use as hunting preserves. 36 of these tracts are in counties designated by USDA as eligible to apply for Round II Rural Empowerment zones under the criteria established by USDA. Basically, to qualify under this criteria, a county must have lost 15 percent or more of its population between 1980 and 1994. These population losses represent a significant erosion of the economic base of these rural areas. Disallowing these hunting preserves would represent a loss of tourism dollars and an economic hit that many of these counties simply cannot afford to take.

CRP Notice 338 prohibits the planting of grass strips on terrace tops for enrollment in the continuous CRP. The notice prohibits the enrollment of grass strips located on the tops of terraces—where erosion is most likely to take place—but allows the enrollment of strips planted between terraces—where crops can actually be grown. Strips planted on terraces provide important environmental functions by reducing both wind and water erosion. Grass strips help to prevent the breakage of terraces that sometimes occurs during torrential rains and they provide important habitat for wildlife. Fifteen groups in Kansas ranging from the State Secretary of Agriculture to the Kansas Audubon Society have asked Secretary Glickman to reverse this ruling. USDA's actions seem directly aimed at a recent brochure prepared by these 15 Kansas organizations that explains how landowners can use these grass strips to improve environmental and wildlife benefits. This amendment tries to return some aspect of local control to these decisions.

I thank the ranking member for taking another look at these amendments, and I would ask the Ranking Member's assurance that he will work with his Chairman and House counterparts to address my amendments on the Conservation Reserve Program in conference as well.

Mr. KOHL. I would like to assure the Senator from Kansas that I will work with Senator COCHRAN, Chairman of the Subcommittee, to make all members of the conference committee aware of the objectives of these three amendments. The Senator also has my assurance that I hope we can overcome any remaining objections to his amendment relating to CRP cross compliance. Further, I would like the Senator to know that I will continue discussions with all parties regarding his other two amendments to see if it will be possible to give them favorable consideration during conference committee action.

Mr. ROBERTS. I thank the Ranking Member for his assistance and all his work on the bill.

Mr. FEINGOLD. I would like to echo that sentiment and also thank Senator KOHL for his assistance and all his work on this very important bill.

CBO COST ESTIMATE

Mr. MURKOWSKI. Mr. President, on August 3, 1999, I filed Report 134 to accompany S. 1330, a bill to give the city of Mesquite, NV, the right to purchase at fair market value certain parcels of public land in the city, that had been ordered favorably reported on July 28,

1999. At the time the report was filed, the estimates by Congressional Budget Office were not available. The estimate is now available and concludes that enactment of S. 1330 "would increase direct spending by about $500,000 over the 2000–2004 period." I ask unanimous consent that a copy of the CBO estimate be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 4, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1330, a bill to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Victoria Heid Hall (for federal costs), who can be reached at 226-2860, and Marjorie Miller (for the state and local impact), who can be reached at 225-3220.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 1330—A bill to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city

S. 1330 provides for the conveyance of up to about 8,000 acres of federal land to the city of Mesquite, Nevada. Because S. 1330 would affect direct spending, pay-as-you-go procedures would apply to the bill. CBO estimates that enacting this bill would increase direct spending by about $500,000 over the 2000–2004 period. S. 1330 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would have no significant impact on the budgets of state, local, or tribal governments, other than the city of Mesquite, Nevada, which would benefit from its enactment.

S. 1330 would give the city of Mesquite, Nevada, the exclusive right to purchase specified parcels of federal land over the next 12 years. According to the Bureau of Land Management (BLM) and the city of Mesquite, these parcels comprise roughly 5,300 acres, depending on the outcome of final surveys. The city would pay fair market value for the acreage. Proceeds from the sale would be deposited in the special account established under the Southern Nevada Public Land Management Act of 1998 (SNPLM), out of which the Secretary of the Interior may expend funds for land acquisitions and other projects in the state of Nevada. Under current law, BLM has no plans to sell the property. Based on information from BLM and the city of Mesquite, we estimate that these sales would result in additional federal receipts of roughly $6 million over the 2000–2004 period and subsequent spending of the same amount. Payments by the city could be in one lump sum or over several years, which could affect the total receipts from the sales. The funds deposited in the SNPLM special account earn interest, which the Secretary can spend. Because a lag between the deposit and spending of sale proceeds is likely, we expect that enacting S. 1350 would result in a net increase in direct spending from the interest. Assuming all the acreage is sold to the city in 2001, we estimate a net increase in direct spending totaling about $500,000 over the 2000–2004 period. Estimated annual budgetary effects are shown in the following table.

	By fiscal years in millions of dollars—					
	1999	2000	2001	2002	2003	2004
CHANGES IN DIRECT SPENDING (including offsetting receipts)						
Estimated Budget Authority	0	−4	2	2	1	0
Estimated Outlays	0	−4	2	2	1	0

In addition, S. 1330 provides that within one year of enactment the Secretary of the Interior shall convey to the city of Mesquite up to 2,560 acres of federal land to be selected by the city from parcels described in the bill. The land would be used to develop a new commercial airport. The bill requires that the conveyance be in accordance with 49 U.S.C. 47125, which permits the Secretary of Transportation to request that a federal agency convey land or airspace to a public agency sponsoring a project such as a new airport. The statute specifies that such conveyances be made only on the condition that the federal government retain a reversionary interest if the land is not used for an airport. Since BLM has no plans to sell the property under current law, conveying the property at no cost to the city would have no net impact on receipts relative to current law.

S. 1330 contains no intergovernmental mandates as defined in UMRA. The city of Mesquite would benefit from enactment of this legislation, which would allow it to obtain needed parcels of land BLM would convey some of this land at no cost. The conveyances would be voluntary on the part of the city, as would any amounts spent by the city to purchase or develop the land. The bill would have no significant impact on the budgets of other local governments, or on state or tribal governments.

The CBO staff contacts are Victoria Heid Hall (for federal costs), who can be reached at 226-2860, and Marjorie Miller (for the state and local impact), who can be reached at 225-3220. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

CHEMICAL DEMILITARIZATION FUNDING

Mr. BINGAMAN. Mr. President, I rise to highlight an issue of growing concern, namely funding for the U.S. chemical demilitarization program. My concern is that the Congress has been cutting the funding required to eliminate our stockpile of chemical weapons and agents, despite the fact that we have a treaty commitment under the Chemical Weapons Convention to destroy that stockpile by April 24, 2007.

Simply put, if we in Congress do not provide the funds needed to meet that treaty commitment in time, we will be forcing the United States to violate an arms control treaty that we in the Senate approved with our vote of advise and consent to ratification.

Mr. President, this is a trend we should not be continuing. In fact, we should be providing the funds needed to ensure that the United States can and does meet its treaty obligations for all treaties to which we are an adherent, including the Chemical Weapons Convention.

Given the Senate's unique constitutional role in providing advice and consent to the ratification of treaties, I would hope this proposition would be self-evident to all our colleagues. Nonetheless, Mr. President, the Conference Report on the Military Construction Appropriations Bill, H.R. 2465, contains significant reductions from the funding requested for military construction of chemical demilitarization facilities needed to meet our treaty obligations.

The program is cut by $93 million dollars in fiscal year 2000 funds, including a reduction of $15 million dollars for planning and design work. This appears to be a technical mistake, Mr. President, since the budget request did not contain any funds for planning and design in the military construction projects for chemical demilitarization. This is deeply disappointing since neither appropriations subcommittee had reduced the military construction funding in their respective bills. On the contrary, each subcommittee had provided full funding of the budget request for military construction for the chemical demilitarization program. The conference, however, chose to ignore that and cut funding.

If, as I suspect, those funding reductions would jeopardize our ability to meet our CWC treaty obligations, I hope the Defense Department will take some remedial action, such as a reprogramming or a supplemental request to ensure that the necessary funds are available to do the work needed to ensure that we remain compliant with the treaty. I also hope that the Defense Appropriations Conference will provide the necessary funding for this program since there are reductions made by both House and Senate subcommittees that I believe are not warranted, and are based on incomplete information.

Mr. President, there was a preliminary assessment conducted by the Defense Department's Comptroller office earlier this year that looked at the rate of obligations and disbursements for the chemical demilitarization program. Unfortunately, before that assessment was completed, an internal DoD memorandum was leaked with preliminary and incomplete information. That internal memo was the basis for much concern among various congressional committees. The problem is that some of the Committees acted on the basis of that incomplete information, and it is now clear that the preliminary information was incorrect. Consequently, Congress cut funds for the chemical demilitarization program based on faulty information.

Since that internal memo was leaked, Congress has been looking into the financial management of the chemical demilitarization program, and we have been provided with more complete and accurate information. This information makes it clear that we should not be cutting the program funding based on the earlier information.

The Armed Services Committee, on which I serve as the Ranking Member of the Emerging Threats subcommittee that has responsibility for this program, asked the General Accounting Office to conduct a preliminary review of the financial management of the program. Their conclusion was that the funds requested are all needed and that there are plans for spending them at a reasonable rate. In other words, Mr. President, the worries about slow obligation or expenditure rates are not justified, and there is a good explanation for why the funds are obligated and expended at their current pace. In my view, this means that Congress should not be cutting the funds based on the incorrect information, but should provide the needed funding.

The General Accounting Office sent the results of their preliminary review to the Armed Services Committee in a letter dated July 29, 1999, and I will ask unanimous consent that the letter be included in the RECORD at the conclusion of my remarks. In addition, Mr. President, the Office of the Comptroller of the Department of Defense conducted a thorough review of the funding status of the chemical demilitarization program to review unobligated and unexpended balances. The results of that review have recently been submitted to Congress. That review indicates that about $88 million dollars could conceivably be deferred until next fiscal year, but that such a deferral would entail risks to our ability to meet the CWC deadline, and "should only be made after serious consideration."

In other words, Mr. President, the Defense Department Comptroller's office did not find the kinds of problems that had been suggested by the earlier preliminary internal review, and did not find excess funds suggested by that partial review. The review noted that "without exception, the budgeted funds are needed to satisfy valid chemical demilitarization requirements. Should any funds be removed from FY 2000, the funds will need to be added back in the future budget."

The Deputy Secretary of Defense, John Hamre, sent a letter to the congressional defense committees dated August 3, 1999, in which he explains the review and includes the executive summary of the Comptroller report. I will ask unanimous consent at the conclusion of my remarks that Secretary Hamre's letter and the enclosure be included in the RECORD.

Mr. President, the only conclusion I can draw from this is that Congress should not cut the funding for chemical demilitarization to the extent the Appropriations Committees did on the basis of the preliminary and partial information contained in the leaked internal memo. Instead, the Congress should work with the Defense Department to determine the correct level of funding needed to comply with the treaty and provide it.

Furthermore, since the completion of the Comptroller's review, the Defense Department has agreed to conduct an evaluation of three additional alternative technologies for chemical demilitarization, as sought in the Senate Military Construction Appropriations bill. This evaluation alone will cost some $40 million in FY 2000 funds, so that means that there is even less money that can be considered for deferral.

Mr. President, I addressed the Senate on the issue of the chemical demilitarization program when the Military Construction Appropriations bill, S. 1205, was before the Senate in June. At that time, I expressed my concern that the Senate bill had restrictions that could jeopardize our ability to meet the CWC deadline. I am glad to say that since then, the Defense Department has reached an understanding with the Appropriations Committee on a plan to evaluate the three additional alternative technologies without blocking or delaying construction activity. I am pleased to see this agreement and I commend all those who helped to achieve it, particularly the senior Senator from Kentucky, Senator MCCONNELL.

Mr. President, I know we take our treaty responsibilities very seriously here whenever a treaty is sent to the Senate for advice and consent to ratification. I know that was the case when the Chemical Weapons Convention was approved by more than three-quarters of the Senate. I hope we will take as seriously our obligation to provide the funds necessary to meet our treaty obligations. In this case, that means providing necessary funds for the chemical demilitarization program.

Mr. President, I now ask unanimous consent that the documents I referred to previously, be included in the RECORD at the conclusion of my remarks and I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPUTY SECRETARY OF DEFENSE,
Washington, DC, August 3, 1999.

Hon. JOHN W. WARNER,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: You are aware, I am sure, of the extensive efforts we have been taking to destroy all of our chemical weapons by April 29, 2007, the date that ensures compliance with the Chemical Weapons Convention (CWC). Our Chemical Demilitarization program, however, has suffered from a lack of programmatic and technical stability.

One result of this instability has been that funds were not used at the rate anticipated at the time budgets were prepared, causing an unexpended balance to accrue. A preliminary review of the current status of this balance was made earlier this year. This assessment indicated the need for a more detailed review, and as a result, the Office of the Under Secretary of Defense (Comptroller) recently conducted a thorough analysis of the unexpended balances.

Enclosed is the Executive Summary of the resulting report, the full details of which have been provided to your staff. At the bottom line, the report indicates that about $88 million could be deferred from the FY 2000 budget to the FY 2001 budget. This action, however, would eliminate some of the program manager's ability to make necessary program adjustments without jeopardizing CWC compliance.

Since the completion of the report, we have agreed to conduct evaluations of the remaining alternative technologies for destruction of chemical weapons. This effort will require an additional $40 million in FY 2000, reducing to about $48 million the amount that could be deferred to FY 2001.

I am sure you share my concern about meeting the deadline for completing destruction of our chemical weapons stockpile, and ask that you carefully consider this report as you complete action on the FY 2000 budget.

A similar letter is being sent to the Chairman and Ranking Member of the other Defense Oversight Committees.

Sincerely,

JOHN J. HAMRE.

Enclosure.

EXECUTIVE SUMMARY

The Chemical Demilitarization (Chem Demil) program includes both an acquisition and an operational component with the goal of destroying a variety of chemical warfare agents residing in weapons (all-up-rounds), storage containers, and at production and storage facilities.

The program's schedule and funding has been driven by the requirement to eliminate the existing stockpile and associated components within the framework of the Chemical Weapons Convention (CWC) treaty. The treaty stipulates that all stockpiled agents must be destroyed by April 29, 2007.

The Chem Demil program has suffered from a lack of programmatic and technical stability, in part due to continuing concern and skepticism about the safety of the incineration process used by the Army to destroy the chemical agents.

As a result, the program office has regularly requested schedule and funding realignments.

Two of the nine planned destruction facilities are operational. Fourteen percent of the stockpiled chemical agents have been destroyed as of June 23, 1999. At this time, no firm plan or decision regarding nonstockpiled buried chemical agents has been made. Furthermore, the final disposition of the destruction facilities has yet to be approved by the Environmental Protection Agency.

There is considerable schedule and cost risk with the Assembled Chemical Weapons Assessment Program at both the Pueblo, Colorado and Blue Grass, Kentucky facilities. The technology to be used to dispose of the chemical agents has not been determined. Three technical proposals for alternative disposal methods have been demonstrated to the program office. Evaluation of the technologies by the government is currently ongoing.

Information provided by the Department of the Army and the Defense Finance and Accounting Service (DFAS) indicated that as of February 1999, approximately $1 billion of current and prior year Operation and Maintenance (O&M), Procurement, and Research Development, Testing & Evaluation (RDT&E) funds were unexpended. A preliminary review of the cause of the large unexpended balances was conducted in February 1999, which suggested a need for a more detailed review.

The current review is based on more complete program execution data (through May 30th) and provides a more accurate assessment of the reasons for the large unexpended balances. Out of the $3.2 billion appropriated between FY 1993 and FY 1999, $845.6 million (26 percent) remain unexpended. However, a detailed evaluation of the program execution history indicates that the low expenditure rates for the most part have been beyond the influence and control of the program office.

Neither review uncovered an instance involving inadequate program management controls, or gross violation of departmental financial regulations.

In this review, the cause of the under execution of the prior and current year program has been categorized into seven causes:

[Dollars in millions]

		Percentage of amount unexpended
Forward Financing	$5.8	1
Accounting Recording Lag	120	
Administrative/In Progress	224.7	44
FEMA/State Processing	26.8	
Awaiting Permit Issuance	331.7	
Technical Restructure Delay	41.1	55
Contracting Delays	95.5	

The majority of the unexpended balance was budgeted to meet schedules that seemed reasonable when the budget was built. Fully 44 percent of the balance is associated with work that either has occurred for which the payment has not been recorded or work that is yet to occur but is on its planned schedule. None of these funds should be considered for deferral.

Only 1 percent is associated with classical forward financing and should be considered for deferral.

The balance of unexpended funds reflect contracting regulatory or technical delays that were largely beyond the control of the program manager. The paper carefully reviews each of these by site. It accepts the contractor's estimate of the cost of work to be performed during FY 2000, because the contractor is in the best position to judge what can be accomplished in FY 2000 and he must be encouraged to accomplish as much as possible if the Department is to achieve the treaty compliance date. The paper then evaluates remaining unexpended balances using a standard established in prior execution reviews.

As one reviews this program, the overriding concern is that the Department do everything in its power to achieve the legislated target date of April 29, 2007, for completion of chemical agent destruction. While this analysis indicates that $87.9 million may be deferrable into FY 2001, such a deferral should only be made after serious consideration because it will take away some of the program manager's ability to take additional steps to meet the treaty compliance date.

It should also be noted that without exception the budgeted funds are needed to satisfy valid chemical demilitarization requirements. Should any funds be removed from FY 2000, the funds will need to be added back in a future budget.

EVENTS SINCE COMPLETION OF THE REPORT

The Department has agreed to conduct evaluations of the three additional alternative technologies (Assembled Chemical Weapons Assessment Program). This will require an additional $40.0 million in FY 2000 and could be financed with funds considered for deferral in this report, which would reduce the total to be considered for deferral from $87.9 million to $47.9 million.

GAO

Washington, DC, July 29, 1999.

Subject: Chemical Demilitarization: Funding Status of the Chemical Demilitarization Program.

Hon. JOHN W. WARNER,
Chairman.

Hon. CARL LEVIN,
Ranking Minority Member,
Committee on Armed Services, U.S. Senate.

Since the late 1980's, the Department of Defense (DOD) has been actively pursuing a program to destroy the U.S. stockpile of obsolete chemical agents and munitions. DOD has reported that this program, known as the Chemical Demilitarization Program, is estimated to cost $15 billion through 2007; approximately $6.2 billion has been appropriated for the program from fiscal year 1988 through fiscal year 1999. Because of the lethality of chemical weapons and environmental concerns associated with proposed disposal methods, the program has been controversial from the beginning and has experienced delays, cost increases, and management weaknesses.

The Chemical Demilitarization Program is funded through operation and maintenance (O&M), procurement, research and development (R&D), and military construction appropriations, with each being available for use for varying periods of time.[1] Concerns were recently raised within DOD that the program had built up significant levels of funding in excess of spending plans. This led to concerns that the program's fiscal year 2000 budget request might be overstating funding requirements. As requested, we reviewed the extent to which the program retains significant levels of prior years' appropriations in excess of spending plans. Accordingly, this report summarizes the results of a briefing we provided to your office on July 23, 1999, in which we reported our preliminary findings concerning (1) amounts of reported unallocated appropriations and unliquidated obligations from prior years' appropriations, (2) the extent to which more obligations have been liquidated than previously reported, (3) primary reasons for the reported unliquidated obligations, and (4) actions that have affected or will affect unliquidated obligations.[2] We except to analyze the program more extensively in a more detailed review. As part of that review, we will examine program costs, spending plans, schedules, and other management issues.

RESULTS IN BRIEF

For the selected Chemical Demilitarization Program appropriation accounts reviewed, we did not find sizable amounts of unallocated appropriations and unliquidated obligations from prior years that appear to be available for other uses. There were sizable unliquidated obligations reported from prior years. However, based on our review of $382.1 million (62.6 percent) of the reported $610.5 million in unliquidated obligations from the Chemical Demilitarization Program for fiscal years 1992–98, we found that $150.6 million (39.4 percent of the sample) had already been liquidated but not recorded in Defense Finance and Accounting Service (DFAS) budget execution reports. Further, the remaining $231.5 million in unliquidated obligations in our sample was scheduled to be liquidated by November 2000. Reported unliquidated obligations were caused by a number of factors such as delays in obtaining environmental permits and technical delays. At the same time, we identified a number of factors that have affected or will have the effect of reducing previously identified unliquidated obligations. The program has a reported $155.7 million in appropriations not yet allocated or obligated to specific program areas. However, nearly this entire amount ($145.2 million) involves current year appropriations that can obligated and liquidated over several years.

BACKGROUND

In 1985, the Congress passed Public Law 99-145 directing the Army to destroy the U.S. stockpile of obsolete chemical agents and munitions. On April 25, 1997, the United States ratified the Chemical Weapons Convention, an international treaty banning the development, production, stockpiling, and use of chemical weapons. The Convention commits member nations to dispose of (1) unitary chemical weapons stockpile, binary chemical weapons, recovered chemical weapons, and former chemical weapon production facilities by April 29, 2007, and (2) miscellaneous chemical warfare materiel by April 29, 2002.[3]

To comply with congressional direction and meet the mandate of the Chemical Weapons Convention, the Army established the Chemical Demilitarization Program and developed a plan to incinerate the agents and munitions on site in specially designed facilities. The Program Manager for Chemical Demilitarization in the Edgewood area of Aberdeen Proving Ground, Maryland, manages the daily operations of the program. The Army currently projects this program will cost $15 billion to implement through 2007; approximately $6.2 billion had been appropriated from 1988 through fiscal year 1999.[4]

Since its beginning, the Chemical Demilitarization Program has been beset by controversy over disposal methods; delays in obtaining needed federal, state, and local environmental permits and other approvals; and increasing costs. We have previously reported on these problems as well as problems with management weaknesses in the program and disagreements over the respective roles and responsibilities among federal, state, and local entities associated with the program. For example, in 1995, we reported that program officials lacked accurate financial information to identify how funds were spent and ensure that program goals were achieved.[5] A list of related GAO products is included at the end of this report.

Concerns over chemical demilitarization financial management issues surfaced again in February 1999, following a quick program review summarized in internal memorandums prepared by an official in the Office of the DOD Comptroller. The memorandums suggested that significant portions of prior years' O&M, procurement, and R&D appropriations obligated by specific Military

Inter-departmental Purchase Requests (MIPR)[6] remained unliquidated, and could be deobligated and reprogrammed for other uses. ●

FUNDING BALANCES FOR THE CHEMICAL DEMILITARIZATION PROGRAM

The Chemical Demilitarization Program budget reports showed $155.7 million in current and prior years' appropriations not yet allocated ($107.1 million) or obligated ($48.6 million) to specific program areas. Nearly this entire amount ($145.2 million) is in current year appropriations. Also, the program currently has approximately $1 billion in unliquidated obligations, of which about 61 percent or $610.5 million are associated with prior years' appropriations for fiscal years 1992–98.

To identify the amounts of unallocated appropriations and unliquidated obligations from prior years, we collected official DFAS budget execution data for the Chemical Demilitarization Program. DFAS is responsible for providing the program office and other DOD organizations' financial and accounting services and information. Table 1 lists the reported budget authority and the unallocated unobligated, and obligated appropriations, along with unliquidated balances for selected appropriations for the Chemical Demilitarization Programs as of May 31, 1999. Budget authority allows agencies to enter into financial obligations that will result in immediate or future outlays of funds.

TABLE 1.—REPORTED BUDGET AUTHORITY AND UNALLOCATED, UNOBLIGATED, OBLIGATED, AND UNLIQUIDATED BALANCES FOR SELECTED APPROPRIATIONS FOR THE CHEMICAL DEMILITARIZATION PROGRAM (AS OF MAY 31, 1999)

[Dollars in millions]

Fiscal year and funding category	Budget authority	Unallocated	Unobligated	Obligated	Unliquidated obligations
1992–98	$3,170.2	$10.3	$0.2	$3159.5	$610.5
Operation and Maintenance	1,821.8	8.9	0	1,812.5	135.8
Procurement	1,119.6	1.3	0.2	1,118.3	444.7
Research and Development	228.8	0.1	0	228.7	30.0
1999	$666.8	$96.8	$48.4	$521.6	$393.0
Operation and Maintenance	428.3	17.2	23.5	387.6	263.1
Procurement	100.3	57.5	2.8	40.0	39.9
Research and Development	138.2	22.1	22.1	94.0	90.0
Total	$3,837.0	$107.1	$48.6	$3,681.1	$1,003.5

Note 1.—The Chemical Demilitarization Program had a reported $3.2 billion in budget authority for fiscal years 1992–98 and $666.8 million in budget authority in fiscal year 1999. The budget authority for fiscal years 1992 and 1993 O&M funds and fiscal year 1992 R&D funds are not included in the table because these funds have been canceled. In addition, the table does not include military construction funds because these funds were not included in this review.

Note 2.—Unless otherwise specifically provided by law, a fixed appropriation account is generally available for adjusting and liquidating obligations properly chargeable to the account for 5 years following its period of availability for obligation. At the end of this 5-year period, the account is closed, and all balances are permanently canceled. O&M appropriations are available for obligation for 1 year, R&D appropriations are available for obligation for 2 years, and procurement appropriations are available for obligation for 3 years.

Note 3.—Numbers not intended to total horizontally.

Note 4.—The program office refers to unallocated funds as unissued funds.

Source: DFAS data provided by the program office.

As shown in table 1, the program office had a reported $10.3 million unallocated balance for fiscal years 1992–98. This balance consisted of funds that were never allocated to a specific project or were returned to this category after allocation. Returned funds include those amounts that were returned to the program office from projects that were terminated or completed for less than the obligated amount. Most of the unallocated funds are no longer available for obligation because their periods of availability for obligation have lapsed. In addition, the program office's unobligated balance for fiscal years 1992–98 was reported to be approximately $200,000. At the same time, the program reported $610.5 million in unliquidated obligations from fiscal years 1992–98.

In addition, as shown in table 1, the program office had a reported $96.8 million in unallocated and $48.4 million unobligated appropriations, and $393 million in unliquidated obligations in fiscal year 1999 funds. However, it is important to note that the R&D and procurement, but not O&M funds, will still be available for obligation for the remainder of this year and 1 or 2 more future years; and the obligations of all three appropriations may be liquidated for several more years beyond that.

MORE FISCAL YEARS 1992–98 OBLIGATIONS HAVE BEEN LIQUIDATED THAN REPORTED

For our preliminary review, we focused our analysis on the status of the unliquidated obligations for fiscal years 1992–98. Based on our review of 28 MIPRs with $382.1 million in unliquidated obligations (or 62.6 percent of the total reported unliquidated obligations), we found that $150.6 million (39.4 percent) had been liquidated.[7] The remaining $231.5 million (60.6 percent) of the reported $382.1 million in unliquidated obligations is scheduled to be liquidated between August 1999 and February 2000 (see table 2).

TABLE 2.—ADJUSTED UNLIQUIDATED OBLIGATIONS FOR 28 MIPRS (AS OF JULY 7 THROUGH JULY 14, 1999)

[Dollars in millions]

Category of funds	Number of MIPRs GAO reviewed	Reported unliquidated obligations[1]	Liquidated funds		Adjusted unliquidated obligations	
			Amount	Percent	Amount	Percent
Operation and Maintenance	8	$79.3	$66.9	84.4	$12.4	15.6
Procurement	16	283.2	74.1	26.2	209.1	73.8
Research and Development	4	19.6	9.6	49.0	10.0	51.0
Total	28	$382.1	$150.6	39.4	$231.5	60.6

[1] Reported as of May 31, 1999, by DFAS.

Note 1.—The MIPRs were for fiscal years 1992-98 funds.

Note 2.—Unless otherwise specifically provided by law, a fixed appropriation account is generally available for adjusting and liquidating obligations properly chargeable to the account for 5 years following its period of availability for obligation. At the end of this 5-year period, the account is closed and all balances are permanently canceled. O&M appropriations are available for obligation for 1 year, R&D appropriations are available for obligation for 2 years, and procurement appropriations are available for obligation for 3 years.

Source: DFAS data provided by the program office.

As shown in table 2, we reviewed eight MIPRs that included a reported $79.3 million in unliquidated O&M obligations. Of this amount, $55.2 million was allocated to the FEMA for the Chemical Stockpile Emergency Preparedness Program (CSEPP). According to FEMA officials and supporting documentation, the total amount has been liquidated but was not timely reported to the program office for input to the finance service records. In addition, another $11.7 million of the reported $79.3 million in unliquidated O&M obligations has been liquidated by the program office and its contractors. The remaining $12.4 million of the $79.3 million amount is scheduled to be liquidated between now and February 2000.

In addition,, as shown in table 2, we reviewed 16 MIPRs that included a reported $283.2 million in unliquidated procurement obligations. Of this amount, $54.2 million was allocated to FEMA for CSEPP projects. According to FEMA officials and supporting documentation, $40.5 million of the $54.2 million in CSEPP obligations has been liquidated but not reported to the program office in time for input to the finance service records. The remaining $13.7 million is still unliquidated but allocated to Alabama for its CSEPP projects. In addition, another $33.6 million of the reported $283.2 million in unliquidated procurement obligations has been liquidated by the program office and its contractors by May 31, 1999, and the remaining $209.1 million is scheduled to be liquidated between now and November 2000.

We also reviewed four MIPRs that included a reported $19.6 million in unliquidated R&D

obligations. Of this amount, the program office and its contractors have liquidated $9.6 million. The remaining $10 million is scheduled to be liquidated between now and September 2000. Our preliminary review of the budget execution reports and MIPRs shows no indication that the program office obligated the same funds to separate projects and contracts in order to reduce its unobligated balances. We plan to complete a more extensive analysis of the potential for such double obligations as part of our future review discussed previously.

PRIMARY REASONS FOR THE UNLIQUIDATED OBLIGATIONS

We identified a variety of reasons for the reported unliquidated obligation balances. Most included procedural delays associated with reporting financial transactions to the finance service. More specifically, they included:

Accounting and procedural delays: According to DOD and Army officials, it can take from 90 to 120 days to process and report liquidation data before liquidations are included in the finance service budget execution data and reports. For example, the program office's projects are large enough to include a primary contractor and several subcontractors. Primary contractors may take several weeks to validate, process, and report liquidation actions by their subcontractors to the program office, which also has its own processes and procedures before reporting to the finance service. Furthermore, the finance service requires time to input and report its liquidation data to responsible DOD and Army officials.

Army and FEMA accounting and procedural delays for CSEPP funds: On the basis of our MIPR sample, CSEPP liquidations were included in the finance service data because FEMA had not reported liquidation actions in a timely manner to the program office.

Environmental permit delays: Program officials found that estimating the time required to obtain environmental permit approvals was much more difficult than expected. For example, permits to construct the Umatilla, Anniston, and Pine Bluff chemical demilitarization facilities took 2 to 3 years more than the program office anticipated. Although funds were obligated for these projects, the program office could not liquidate the obligations until after the respective state approved the construction permit and the demilitarization facilities were constructed.

Technical delays: According to program officials, lessons learned from ongoing demilitarization operations at Johnston Atoll in the Pacific Ocean and Tooele, Utah, resulted in technical and design changes for future facilities that required additional time and resources. While these changes were being incorporated, liquidation of obligated funds proved to be slower than program officials expected.

ACTIONS THAT HAVE AFFECTED OR WILL AFFECT UNLIQUIDATED OBLIGATIONS

Several factors have affected or will affect the program office's unliquidated obligations. First, in fiscal year 1999, the Congress reduced the administration's budget request for the Chemical Demilitarization Program by $75.1 million. Consequently, there were fewer funds to obligate during fiscal year 1999 than planned for the program. A factor that should reduce unliquidated obligations is the 1997 approval of environmental permits for the construction of the Umatilla, Oregon, and Anniston, Alabama, chemical demilitarization facilities. The construction of these facilities should allow the program office to liquidate unliquidated procurement obligations for these locations. In addition, the environmental permits were approved in 1999 for the construction of Pine Bluff, Arkansas, and Aberdeen, Maryland, chemical demilitarization facilities, which should allow the program office to liquidate unliquidated procurement obligations for these locations. At the same time, program officials expect additional procurement costs at the Umatilla and Anniston disposal sites due to design and technical changes to previously purchased equipment.

AGENCY COMMENTS AND OUR EVALUATION

We provided a draft copy of this report to DOD and the Army for comment. Responsible officials stated that they did not have sufficient time to formally review and comment on the report. However, we were provided with various technical comments which were used in finalizing the report.

SCOPE AND METHODOLOGY

To assess the unobligated appropriations and unliquidated obligations for the Chemical Demilitarization Program, we interviewed and obtained data from DOD, Army, and FEMA officials, including officials from the Program Manager for Chemical Demilitarization Program in the Edgewood area of Aberdeen Proving Ground, Maryland; Office of the United Secretary of Defense (Comptroller); Deputy Assistant Secretary of the Army, Chemical Demilitarization; Assistant Secretary of the Army for Financial Management; Army Audit Agency; and Office of Management and Budget. We reviewed DFAS reported budget execution data for selected appropriations for chemical demilitarization program budget authority, unallocated, unobligated, and unliquidated balances for fiscal years 1992–99. We did not attempt to reconcile budget execution data with DOD's financial statements.[8] In addition, we interviewed DOD and Army officials to discuss the (1) requirements for these funds, (2) primary causes for the unliquidated obligations, and (3) actions that have affected or will affect unliquidated obligations.

Because most unallocated appropriations are no longer available for obligations, unobligated balances are relatively small compared to the budget authority and fiscal year 1999 funds are still available for obligation and liquidation for several years, we focused our analysis on the status of the unliquidated obligations for fiscal years 1992–98. We judgmentally selected and reviewed 28 of the program's 63 MIPRs with reported unliquidated obligations of more than $1 million to (1) verify the reported unliquidated obligation, and (2) identify specific requirements and time frames for liquidating the obligations. To verify the reported unliquidated obligations, we interviewed responsible program officials and reviewed supporting documentation from the Army and its contractors and compared these data with the unliquidated obligations reported in DFAS budget execution reports. On the basis of this comparison, we determined the extent to which more obligations have been liquidated than previously reported by the finance service. These liquidated obligations were deducted from the reported unliquidated obligations to determine the revised unliquidated amount. In addition, we interviewed responsible program officials and reviewed supporting documentation from the Army and its contractors to determine the schedules for liquidating the remaining unliquidated obligations.

We conducted our review from July 6 to July 26, 1999, in accordance with generally accepted government auditing standards. We are continuing our review of the Chemical Demilitarization Program. This report represents the preliminary results of our work.

We are sending copies of this report to Senator Pete V. Domenici, Senator Daniel K. Inouye, Senator Ted Stevens, Senator Robert Byrd, Senator Frank R. Lautenberg, Senator Joseph I. Lieberman, and Senator Fred Thompson and to Representative John R. Kasich, Representative Jerry Lewis, Representative C.W. (Bill) Young, Representative David R. Obey, Representative John P. Murtha, Representative Ike Skelton, Representative Floyd D. Spence, and Representative John M. Spratt, Jr., in their capacities as Chair or Ranking Minority Member of cognizant Senate and House Committees and Subcommittees. We are also sending copies of this report to: the Honorable William S. Cohen, Secretary of Defense; the Honorable William J. Lynn, Under Secretary of Defense (Comptroller); the Honorable Louis Caldera, Secretary of the Army; and the Honorable Jacob Lew, Director, Office of Management and Budget.

If you have any questions regarding this letter, please contact Barry Holman or me on (202) 512–8412. Key contributors to this assignment are Don Snyder, Claudia Dickey, and Mark Little.

DAVID R. WARREN,
Director,
Defense Management Issues.

FOOTNOTES

[1] We did not include military construction appropriations in our review.

[2] Unallocated appropriations refer to funds not yet committed to specific projects—the program office refers to unallocated funds as unissued funds. Unobligated balances represents funds committed or allocated to specific programs but pending contract award. Obligations are the amounts of orders placed, contracts awarded, services received, and similar transactions during a given period that require payments. Unliquidated obligations consist of those obligations for which disbursements have not yet occurred.

[3] If a country is unable to maintain the Convention's disposal schedule, the Convention's Organization for the Prohibition of Chemical Weapons may grant a one-time extension of up to 5 years.

[4] This estimated cost excludes funding for the Assembled Chemical Weapons Assessment Program, whose goal is to study the feasibility of disposal efforts for assembled chemical weapons without use of incineration. Separation funding is devoted to this effort.

[5] See *Chemical Weapons Stockpile: Changes Needed in the Management of the Emergency Preparedness Program* (GAO/NSIAD–97–91, June 11, 1997) and *Chemical Weapons: Army's Emergency Preparedness Program Has Financial Management Weaknesses* (GAO/NSIAD–95–94, Mar. 15, 1995).

[6] An MIPR is a DOD financial form that is used by the program office to transfer funds to other government agencies, such as the Federal Emergency Management Agency (FEMA) and the U.S. Army Corps of Engineers, for work or services identified for the Chemical Demilitarization Program. As required by DOD regulations, the program office records these transfers as obligations.

[7] The $150.6 million represents 24.7 percent of the total reported $610.5 million in unliquidated obligations for fiscal years 1992–98, as identified in table 1.

[8] For information on DOD's overall financial status see *Financial Audit: 1998 Financial Report of the United States Government* (GAO/AIMD–99–130, Mar. 31, 1999).

COMMENDING THE "FIGHT FOR YOUR RIGHTS: TAKE A STAND AGAINST VIOLENCE" PROGRAM

Mr. McCAIN. Mr. President, I would like to take a moment to draw my colleagues' attention to a program that, I think, deserves to be commended. It is called "Fight for Your Rights: Take a Stand Against Violence." The purpose of the program is to give our nation's youth information and advice on how to cope with the epidemic of violence that is taking so many of their own.

The Departments of Justice, and Education are participants in the campaign, but what I would like to draw my colleagues' attention to is the role of MTV music television and the Recording Industry Association of America.

The most basic and profound responsibility that our culture—any culture—has, is raising its children. We are failing that responsibility, and the extent of our failure is being measured in the deaths, and injuries of our kids in the school yard and on the streets of our neighborhoods and communities.

Our children are killing each other, and they are killing themselves.

Primary responsibility lies with the family. As a country, we are not parenting our children. We are not adequately involving ourselves in our children's lives, the friends they hang out with, what they do with their time, the problems they are struggling with. This is our job, our paramount responsibility, and most unfortunately, we are failing. We must get our priorities straight, and that means putting our kids first. But, parents need help.

This is an extraordinarily complex problem. However, at its core, is a collapse of the value shaping institutions of our society. Our public schools are restricted from teaching basic morals and values. Stresses on families, the most basic value building institution in our society, the demands of two income households, and the breakdown of the traditional family structure are undermining our ability to raise decent and moral children. The marginalizing of the critical role of religion, of churches and synagogues, in our modern society contributions to a youth culture devoid of moral responsibility and accountability. All of these factors conspire to disconnect our children from humanity, and are turning some of them into killers.

Our homes and our families—our children's minds, are being flooded by a tide of violence. This dehumanizing violence pervades our society: our movies depict graphic violence; our children are taught to kill and maim by interactive video games; the Internet, which holds such tremendous potential in so many ways, is tragically used by some to communicate unimaginable hatred, images and descriptions of violence, and "how-to" manuals on everything from bomb construction to drugs.

With the pressures of this modern society, the emphasis on technology, the demand for performance, the fast pace of events, our children seem to be increasingly isolated from family and peers.

If we are to turn this tide of youth violence, we must examine all of these factors together. We must develop a comprehensive understanding of how these factors interrelate to produce a child capable of the shocking violence unfolding in our streets and school yards.

I have repeatedly joined various of my colleagues in efforts to call the entertainment industry to task for creating and marketing violent products to children. Most recently, I joined in many of my distinguished colleagues, prominent Americans, and concerned citizens in an "Appeal to Hollywood," asking the leaders of the entertainment industry to adopt a voluntary code of conduct exercising restraint from marking violence and smut to our nation's youth. I have also introduced legislation requiring the Surgeon General to complete a comprehensive study to determine the effect of media violence on children. I joined Senator Lieberman in calling for a special Youth Violence Study Commission that will study all of the various complex factors that conspire to generate such youth violence as we have recently witnessed. Earlier this year, I also introduced the Youth Violence Prevention Act, which targeted the various illegal ways by which our nation's children are gaining access to guns. As I have stated, this is a complex problem, and we must press the issue on all fronts.

For this reason, I wish to commend the efforts of MTV and the Recording Industry Association of America. The electronic media dominate much of our children's lives. They are the first generation of Americans to grow up entirely in a digital age. Much of what they see through the media is good. Some of it is both irresponsible and dangerous.

The "Take a Stand Against Violence" campaign represents the positive potential of the television and music industry. It is a positive campaign that engages the various factors that contribute to youth violence, and most important, it does so in a language that young people understand. As I believe the entertainment industry should be held responsible when they peddle violence and smut to America's youth, I equally believe that the industry should be given credit for the many positive things they do.

The epidemic of youth violence in our Nation is a complex challenge. It will only be solved if we all work together. Again, I urge all Americans to get involved in their kids' lives. Ask questions, listen to their fears and concerns, their hopes and their dreams.

Again, I think we should commend entertainment industry leaders when they take positive steps to curb the tide of youth violence. In particular, I want to commend MTV and the Recording Industry of America for the "Take a Stand Against Violence" campaign. It represents a very positive step, and should serve as an example for others in the entertainment field.

Mr. President, I ask that a summary of this program be inserted into the RECORD following my statement.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

FIGHT FOR YOUR RIGHTS: TAKE A STAND AGAINST VIOLENCE

MTV's Emmy Award-winning 1999 pro-social campaign "Fight for Your Rights: Take a Stand Against Violence" gives young people a voice in the national debate on violence and provides them with tactics for reducing violence in their communities. Fight for Your Rights involves special programming, Public Service Announcements, grassroots events, and News special reports.

Both on air and off, MTV's campaign focuses on the three types of violence that most affect its audience: Violence in the Schools, Violence in the Streets (hate violence and gang violence), and Sexual Violence. Through high profile programming events, coverage on MTV News, thought-provoking on-air promos, a 20 college campus tour, and local events involving cable affiliates across the country, the campaign provides ideas beyond curfews and school uniforms. Focusing on solutions, such as peer mentoring, conflict resolution programs, artistic responses to violence and youth advocacy groups, Fight for Your Rights gives young people the tools they need to take a stand against violence.

"Fight for Your Rights: Take a Stand Against Violence" programming includes:

True Life: Warning Signs, an investigation of the psychological factors that can cause a young person to turn violent, produced in conjunction with the American Psychological Association.

Point Blank, a one-hour national debate on the issue of gun control and the role guns play in the lives of young people.

Scared Straight! 1999, MTV's update of the Oscar and Emmy award-winning documentary of the same title.

Rising Hate Crimes Among Youth, an examination of the alarming increase in hate-related incidents.

Unfilered: Violence from the Eyes of Youth, puts cameras in the hands of 10–15 young people to document violence in their lives.

True Life: Matthew's Murder, takes viewers into the heart of young America's shock and confusion about the death of 21-year old college student Matthew Shepard.

Fight Back, a hard-hitting look at the thousands of young women and men who are the victims of sexual abuse each year.

Through partnerships with The US Departments of Justice and Education, as well as the National Endowment for the Arts. MTV developed a 24-page Action Guide/all-star CD that will be distributed throughout the campaign. The CD contains music and comments on the subject of violence from top recording artists such as Lauryn Hill, Dave Matthews, Alanis Morissette, and many others. The Guide outlines five actions aimed at engaging young people in solutions to violence, as well as providing alternative outlets to violence. One million copies of the CD/Guide package will be given away to MTV viewers via a special toll-free number promoted on MTV during PSA's, programming and on-air promotions devoted specifically to the topic of youth violence.

The Recording Industry Association of America (RIAA) graciously donated and manufactured the all-star CD which also contains CD–ROM content focusing on conflict resolution skills produced by the National Center for Conflict Resolution Education.

CONGRESS MISSES THE BUS ON GUN CONTROL

Mr. LEVIN. Mr. President, in less than two weeks, the students of Columbine High School will resume classes and begin their 1999–2000 school year. Since the now infamous Columbine massacre on April 20th, the school has gone through a complete transformation. Sixteen high-definition security cameras have been installed in the school; bullet holes have been patched or covered; the alarm system, which rang for hours during the reign of terror, has been replaced; and new glass windows have been installed to replace broken ones shattered by bullets and home-made bombs. In addition, keyed entry doors have been replaced by high-security electronic doors, a makeshift library has been created out of classrooms, and the school district has hired two additional security guards for protection.

School officials will be making additional changes up until the very day students come back on August 16th, all in an effort to make the Columbine students feel safer when they return to school. Yet, Columbine students were not the only ones affected by last April's shooting. Students and teachers around the nation have lost the sense of safety they deserve to have at school. These students will hardly regain that safety by new landscaping or replaced alarm systems. These students and their families will continue to live in fear until the real issue at hand is addressed: the easy accessibility that young people have to guns.

When school resumes on August 16th at Columbine and around the nation, Congress will have done nothing to prevent young people from purchasing dangerous weapons. Students across the nation will walk into school to begin a new year, while Congress is in a month-long recess, having done nothing to change the same loopholes in the same Federal firearms laws that put the weapons in the hands of minors.

Congress's failure to act is inexcusable. Moderate reforms designed to limit juvenile access to firearms are long overdue. Yet, proponents of even the most modest gun safety legislation have come up against nothing but stonewalling and procedural delays. Sadly, it seems as if action on the juvenile justice bill is only propelled forward by additional tragedies; the Senate bill, having been passed on the day of another school shooting at Heritage High School in Conyers, Georgia, and the final motion to appoint conferees occurring just one day after a mass shooting in Atlanta. I pray that it does not take yet another mass shooting to move this legislation out of Conference Committee and onto the President's desk.

CONGRESSIONAL BUDGET ACT COMPLIANCE

Mr. DOMENICI. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the Record a list of material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

To the best of my knowledge, the conference agreement for the Financial Freedom Act of 1999, H.R. 2488, contains no material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313 of the Congressional Budget Act of 1974.

THE NEW MILLENNIUM CLASSROOMS ACT

Mr. ABRAHAM. Mr. President, I rise today to engage in a brief colloquy with the Majority Leader regarding the New Millennium Classrooms Act. Last week, the Abraham-Wyden New Millennium Classrooms Act amendment the the Taxpayer Refund Act of 1999 was cleared on both sides of the aisle and accepted by the full United States Senate. This bill provided tax incentives for businesses to donate both new and used computers to K–12 schools and senior centers. The Senate's approval of this amendment demonstrates our strong commitment to provide school children—especially those children who live in impoverished areas—access to up-to-date computer technology and the Internet. Unfortunately, despite the Senate's strong support for this measure, I understand that it was opposed by the House conferees to the Taxpayer Refund Act.

Mr. LOTT. The Senator from Michigan is correct. The New Millennium Classrooms Act was not included in the House-passed tax bill, and was later omitted from the final tax conference report at the request of House Ways and Means Chairman Bill Archer. I would say that to the Senator from Michigan that your New Millennim Classrooms Act remains a top legislative priority for our Senate Republican High Tech Task Force. Accordingly, I will continue to work with you to find a way to secure final Congressional approval of this important pro-technology, pro-education initiative.

Mr. ABRAHAM. I thank the Majority Leader for his support.

FORMOSAN TERMITES

Ms. LANDRIEU. Mr. President, I would like to engage into a colloquy with the distinguished Chairman and the senior senator from Louisiana, Mr. BREAUX, about two very important ongoing agriculture research projects relating to Formosan termites, and phytoestrogen research ongoing in Louisiana, which the Appropriations Committee has supported in the past.

For the past two fiscal years, vital funding has been provided to the Southern Regional Research Center in New Orleans to continue "Operation FullStop", which has targeted research and test pilots to find ways to control the Formosan termite. This past, first introduced into the United States from east Asia in the 1940s has spread like a plague through the Southeast, and its range now extends from Texas to South Carolina. In Louisiana, damage is most severe in New Orleans where the total annual cost of termite damage and treatment is estimated at an astonishing $217,000,000. Many historic structures in the French Quarter have been devastated, and now as many as ⅓ of the beloved live oaks that shade historic thoroughfares such as St. Charles Avenue are at risk of being lost to termite damage. To help find appropriate controls for Formosan termites in Louisiana and other states where termites are just being found, it is critical for this research to continue.

Additionally, the Southern Regional Research Center in coordination with Tulane and Xavier Universities in New Orleans have merged their complementary expertise in a unique and powerful collaborative on comparative research of the impact of Phytoestrogens on human health. These natural chemicals in soybeans and other plant substances is only starting to receive attention as dietary substances capable of improving human health. In addition, to showing beneficial health effects for the prevention of breast cancer and other health disorders, this research has developed techniques in molecular biology which could lead to applications that control the development of harmful insects. Researchers are on the verge of harnessing this knowledge and applying it to the possible biological amelioration of Foremosan termite infestations. Thus, continuation of this research funded by a special Agriculture Research Service grant, is needed to build upon the ongoing program and hopefully find answers to how chemicals found in plant products could be used to replace other toxic pharmaceuticals and pesticides.

Mr. BREAUX. Thank you, Senator LANDRIEU. I agree that it is vital that these ongoing agriculture research projects be given much deserved and badly needed attention and consideration by the U.S. Congress. and I join Senator LANDRIEU in my concern about the urgency to control Formosan termite devastation to privately-owned and public property, to historic preservation, to commerce, and to economic development. Research being conducted at the Agriculture Research Service in New Orleans is vital to controlling the Formosan termite. Formosan termites are unique and are capable of inflicting more damage to more plant species than native termite species. In addition, they have unique biological traits which make them more difficult to control, such as being able to avoid traditional termite controlling toxins by building nests above ground. The fundamental research currently conducted in New Orleans will identify vulnerabilities in termite biology or colony development which can be exploited for the development of new detection methods and environmentally-sound control strategies. The structural foundation of New Orleans and other areas all along the coast will benefit from this research.

Also, the ongoing Phytoestrogen research being conducted by the Southern Regional Research Center in coordination with Tulane and Xavier Universities in New Orleans is an exemplary partnership. The Tulane/Xavier Center for Bioenvironmental Research has one of the leading laboratory efforts in the world for the study of estrogenic chemicals, including Phytoestrogens. USDA's Southern Research Center has 54 years of distinguished service to agriculture and science, making this a productive and sensible collaboration. The ramifications of this partnership will be broad-reaching, aiding not only the prevention and treatment of disease in humans, but also the development of safe biological alternatives to conventional pest control. I join Senator LANDRIEU in looking forward to the continuation of these projects.

Mr. COCHRAN. Mr. President, I appreciate very much the comments from my colleagues from Louisiana. Both of my colleagues can rest assured that I will keep these issues clearly in focus as we deliberate the fiscal year 2000 Agriculture Appropriations bill in conference with the other body. Additionally, I am aware of the many other important past and present research projects ongoing at the Southern Regional Research Center. This is an excellent agriculture research center, and funding for its work should be carefully considered by the conference committee.

INTRODUCTION OF THE U.S. HOLOCAUST ASSETS COMMISSION EXTENSION ACT OF 1999

Mr. SMITH of Oregon. Mr. President and Members of the Senate, next week our Nation will pass an important if unnoticed anniversary—the anniversary of one of the first official notifications we were given of the atrocities of the Holocaust.

On August 8, 1942, Dr. Gerhart Reigner, the World Jewish Congress representative in Geneva, sent a cable to both Rabbi Stephen Wise—the President of the World Jewish Congress—and a British Member of Parliament. In it, Dr. Reigner wrote about "an alarming report" that Hitler was planning that all Jews in countries occupied or controlled by Germany "should after deportation and concentration * * * be exterminated at one blow to resolve once and for all the Jewish question in Europe." Our Government's reaction to this news was not our greatest moment during that terrible era.

First, the State Department refused to give the cable to Rabbi Wise. After Rabbi Wise got a copy of the cable from the British, he passed it along to the Undersecretary of State, who asked him not to make the contents public until it could be confirmed. Rabbi Wise didn't make it public, but he did tell President Roosevelt, members of the cabinet, and Supreme Court Justice Felix Frankfurter about the cable. None of them chose to act publicly on its contents.

Our government finally did acknowledge the report some months later, but the question remains: how many lives could have been saved had we responded to this clear warning of the Holocaust earlier and with more vigor? The questions of how the United States responded to the Holocaust and, specifically, what was the fate of the Holocaust victims' assets that came into the possession or control of the United States government, is the focus of the Presidential Advisory Commission on Holocaust Assets in the United States, of which I am a member.

This bipartisan Commission—chaired by Edgar M. Bronfinan—is composed of 21 individuals, including four Senators, four Members of the House, representatives of the Departments of the Army, Justice, State, and Treasury, the Chairman of the United States Holocaust Memorial Council, and eight private citizens.

The Commission is charged with conducting original research into what happened to the assets of Holocaust victims—including gold, other financial instruments and art and cultural objects—that passed into the possession or control of the Federal government, including the Federal Reserve. We are also to survey the research done by others about what happened to the assets of Holocaust victims that passed into non-Federal hands, including State governments, and report to the President, making recommendations for future actions, whether legislative or administrative.

The Commission was created last year by a unanimous Act of Congress, and has been hard at work since early this year. Perhaps the most important information that the Commission's preliminary research has uncovered is the fact that the question of the extent to which assets of Holocaust victims fell into Federal hands is much, much larger than we thought even a year ago, when we first established this Commission.

Last month, at the quarterly meeting of the Commissioners in Washington, we unveiled a "map" of Federal and related offices through which these assets may have flowed. To everyone's surprise, taking a sample year—1943—we found more than 75 separate entities that may have been involved.

The records of each of these offices must first be located and then scoured—page by page—at the National Archives and other record centers across the United States. In total, we must look at tens of million of pages to complete the historical record of this period.

Furthermore, to our nation's credit, we are currently declassifying millions of pages of World War II-era information that may shine light on our government's policies and procedures during that time. But, this salutary effort dramatically increases the work the Commission must do to fulfill the mandate we have given it.

In addition, as the Commission pursues its research, it is discovering new aspects of the story of Holocaust assets that hadn't previously been understood. The Commission's research may be unearthing an alarming trend to import into the United States through South America, art and other possessions looted from Holocaust victims. Pursuing these leads will require the review of additional thousands of documents.

The Commission is also finding aspects of previously known incidents that have not been carefully or credibly researched. The ultimate fate of the so-called "Hungarian Gold Trains."—for example—a set of trains containing the art, gold, and other valuables of Hungarian victims of the Nazis that was detained by the liberating US Army during their dash for Berlin has not been carefully investigated.

In another area of our research, investigators are seeking to piece together the puzzle of foreign-owned intellectual property—some of which may have been owned by victims of Nazi genocide—the rights to which were vested in the Federal government under wartime law.

For all of these reasons and more, I am introducing today with Senators BOXER, DODD and GRAMS the "U.S. Holocaust Assets Commission Extension Act of 1999." This simple piece of legislation moves to December, 2000, the date of the final report of the Presidential Advisory Commission on Holocaust Assets in the United States, giving our investigators the time to do a professional and credible job on the tasks the congress has assigned to them.

This bill also authorizes additional appropriations for the Commission to complete its work. I strongly urge all of my colleagues to join me in support of this necessary and simple of legislation.

As we approach the end of the millennium, the United States is without a doubt the strongest nation on the face of the earth. Our strength, however, is not limited to our military and economic might. Our nation is strong because we have the resolve to look at ourselves and our history honestly and carefully—even if the truth we find shows us in a less-than flattering light.

The Presidential Advisory Commission on Holocaust Assets in the United States is seeking the truth about the belongings of Holocaust victims that came into the possession or control of the United States government. All of my colleagues should support this endeavor, and we must give the Commission the time and support it needs by supporting the U.S. Holocaust Assets Commission Extension Act of 1999.

TRIBUTE TO ARMY SPECIALIST T. BRUCE CLUFF

Mr. HATCH. Mr. President, I rise today to pay tribute to Army Specialist T. Bruce Cluff of Washington, Utah. Specialist Cluff was one of five American soldiers from the 204th Military Intelligence Battalion stationed at Fort Bliss in El Paso, Texas, who perished when their U.S. Army surveillance plane crashed in the rugged mountains of Colombia while conducting a routine counter narcotics mission in conjunction with the Colombian government.

I am deeply saddened by the loss of this fine young man while in the service of our country. This is a greater tragedy by the fact that Specialist Cluff leaves behind a wife, Meggin, and two young children, Maciah and Ryker, with another child yet to be born. My heart and my prayers go out to them as well as to their extended family.

I also acknowledge and extend my sympathies to the families of the other four American soldiers who perished in the crash. I especially hope that Meggin Cluff, her children, and the other families of these soldiers will feel the immense gratitude that we have for the sacrifice of their loved ones.

Indeed, Specialist T. Bruce Cluff and his crew mates are heroes, as are all of the men and women of our armed forces who everyday unselfishly put life and limb at risk to defend our great nation. Specialist Cluff and his Army unit were engaged in a different type of war. Illegal drug trafficking has become the scourge of our society, and we are determined to stop this practice at its very roots.

The men and women of our armed forces assisting in these offshore interdiction efforts will not be deterred by the tragic loss of this aircrew. In fact, I suspect they and their families will be all the more motivated to continue the "war" against drug trafficking. We should all take due notice of the costs associated with this effort, including the first loss of military lives. We should be unrelenting in our opposition to and our pursuit and prosecution of traffickers as well as pushers of dangerous drugs.

May God bless the memories of Specialist Cluff and his fellow crew members, and give comfort and peace to their families. And may we remember and continue to defend the principles for which these brave young people fought and died for. We owe that commitment to them, to their families, and to those who will continue their work.

MICROSOFT

Mr. GORTON. Mr. President, as we approach the August recess, my constituents at Microsoft face the task of battling the Department of Justice, DoJ, as well as their competitors in the courts, while continuing to run one of the most successful companies in one of the most competitive industries in American history. I would like to share some interesting developments that have arisen since I last took to the floor of the U.S. Senate to speak to this issue.

Specifically, USA Today recently reported that the Department of Justice is inquiring as to how a possible breakup of Microsoft could be implemented. According to USA Today, unnamed senior officials at DoJ have requested a complex study, which would cost hundreds of thousands of dollars, to assess where Microsoft's logical breakup points would be.

Mr. President, this seems to be putting the cart before the horse. I would hope that the Department of Justice has more important things on which to spend the taxpayers' money. If not, I am aware of several programs included in the Commerce, Justice, State Appropriations bill that could use additional funding.

To put the premature nature of this action in perspective, the findings of fact that summarize the points that each side made during the testimony aren't even due until next week. After Judge Penfield Jackson has had an opportunity to review these documents, the two sides will present closing arguments. Following the closing arguments, Judge Jackson will issue his "proposed findings of fact." In response, the government and Microsoft will prepare another set of legal briefs to argue how antitrust law applies to the facts. Judge Jackson then will hear additional courtroom arguments, and finally issue his "conclusions of law" around November.

Should Judge Jackson rule against Microsoft, a verdict with which I would vehemently disagree, another set of hearings on possible "remedies" would need to be held. Those proceedings could last several weeks and involve additional witnesses, which would put a final decision off until sometime next spring. Microsoft almost certainly would appeal its case to U.S. Court of Appeals and possibly all the way to the Supreme Court—pushing the time frame out another two years.

Although the timing of this DoJ action is premature, the most intriguing aspect of the July 29, 1999 USA Today article was that the two investment banking firms approached by the DoJ to study the breakup of Microsoft declined the invitation. According to the story, both firms were "worried about the impact of siding with a Justice Department that they say is viewed in the business community as interventionist." If Microsoft were a monopoly, and stifling growth in the Information Technology sector, it seems to me that these technology investment banks would have jumped at the chance to downsize Microsoft in order to open the market to competition, therefore increasing investment opportunities. This is obviously not the case.

Far from being guilty of the charges levied against it, Microsoft is actually winning cases brought by other firms charging anti-competitive behavior. Connecticut-based Bristol Technology Inc., which manufactures a software tool called Wind/U, filed a federal antitrust suit against Microsoft on August 18, 1998. Bristol accused Microsoft of "refusing to deal" because Microsoft wouldn't license the source code for Windows NT 4 under Bristol's proposed more favorable terms. Despite never having made more than $1.5 million in net profits in their best year, Bristol was seeking up to $270 million in monetary damages.

Not unlike the suit brought by the DoJ against Microsoft, the Bristol case seemed to be driven more by those trying to gain competitive advantage than by violation of antitrust law. Bristol hired a Public Relations firm to set out its "David vs. Goliath" PR campaign while supposedly negotiating in good faith with Microsoft. A member of Bristol's Board of Directors went so far as to send an email to the CEO and senior management discussing what Bristol was then referring to as the "we-sue-Microsoft-for-money business plan," which he proposed might be funded by Microsoft competitors.

I see it as a disturbing trend to have litigation used as a get rich quick scheme instead of protecting ordinary citizens from harm. It is particularly disturbing that the United States government aids and abets this distortion of the American legal system. The insistence of the Department of Justice on continuing its case, in the face of overwhelming evidence that consumers have not been harmed, not to mention that the industry is booming, sets a poor precedent for Americans to follow and can only serve to encourage this behavior.

Fortunately, Bristol's hometown jury took less than two days to return a unanimous verdict. Every one of the antitrust charges were dismissed.

As gratifying as the jurors' commonsense decision was in the Bristol case, they did find against Microsoft on one count—and awarded Bristol one dollar in damages. Mr. President [pull out dollar bill?], I would suggest that the Bristol jurors got it exactly right. In fact, I think that's a pretty good precedent to follow in the DOJ case: assess Microsoft one dollar per indecorous email submitted by government lawyers as "evidence" and maybe the total will be a few hundred dollars or so. That wouldn't really give taxpayers much of a return on the estimated $30 to $60 million dollars this lawsuit has cost them, but no matter: what's a few million taxpayer dollars in the pursuit of that most critical of federal mandates, enforcing corporate etiquette?

Mr. President, I ask that an article from the August 5th *Investor's Business Daily* addressing this issue be printed in the CONGRESSIONAL RECORD after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GORTON. Another interesting development that has arisen since my last speech is the controversy regarding instant messaging technology. Instant messaging, which allows people to chat in real-time with a select list of agreed-upon users, has become the hottest new on-line application. With over 100 million users, instant messaging shows how the Internet is changing the dynamic of the Information Technology industry.

Let me give you a brief description of the controversy. AOL, Microsoft, Prodigy, and Yahoo all have developed competing instant messaging technology. Unfortunately, users of these competing versions could not communicate with each other until Microsoft, Prodigy, and Yahoo released versions of this technology that allow their users to talk to AOL users. AOL responded by shutting out the competition and complaining that the competing technology was the equivalent of hacking into the AOL system. This is the equivalent of MCI and Sprint users not being able to place long distance calls to one another.

Over the last two weeks, AOL and Microsoft have been engaged in a duck and parry routine over the ability of competing technologies to access AOL users, with Microsoft creating new versions as fast as AOL could block them. I hope that the two sides can come to an agreement soon on the development of an industry standard which will allow for open competition in the marketplace.

With AOL having a 20–1 advantage over the nearest rival in the field, they must hope that Milton Friedman's admonition regarding the "suicidal tendencies" of some in the industry in supporting the DOJ's intervention doesn't prove prophetic. I hope that the Justice Department does not feel the need to get involved. This industry, which is changing and advancing so rapidly, doesn't need the government to lay down speed bumps in the road. The federal government should be fostering growth and monitoring the progress, allowing the smooth flow of the traffic of commerce to continue unimpeded.

Mr. President, I ask unanimous consent to print a recent Wall Street Journal article in the RECORD that illustrates many of the points I have made regarding the absurdity of the DoJ's case against Microsoft. Once again, I implore my colleagues to join me in denouncing this folly.

There being no objection, the material ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 30, 1999]

(By Holman W. Jenkins Jr.)

The evidentiary phase of the Microsoft lawsuit wrapped up last week, and it's been an education. If Joel Klein were possessed of any public spirit at all, he would drop the case right now.

Yet there he was on Thursday, declaiming on the courthouse steps that Microsoft represents a "serious, serious problem" that only sweeping Justice Department remedies can fix. "If you think that Microsoft's operating system monopoly is going to go away in two or three years," he added, "then we shouldn't have brought this case. But I obviously don't believe that."

That last bit is lawyer-speak meaning "In the real world I don't believe what I'm saying, but in court I believe it." Mr. Klein doesn't want future clients to think he's a dim bulb.

He's got a problem. As a matter of law maybe, but certainly as a matter of doing what's right, the evidence and events outside the courtroom have clearly shown Microsoft's "monopoly" to be more semantic than real. This month Justice rolled out its latest ringer, an IBM manager who testified Microsoft threatened to withhold a Windows license unless IBM made all sorts of concessions not to promote products that compete with Microsoft's office applications, encyclopedia, etc.

Uh-huh. When all the palavering was done, IBM said "no" and got its Windows deal anyway, and a pretty good deal at that.

The same was true of the Apple, Intel and AOL witnesses earlier. That's why the government's case has been built entirely on the premise that Microsoft breaks the law merely by engaging in hard bargaining, never mind what bargains were reached or how events played out.

This might be a good time for Mr. Klein to remember that he works for us, not for Microsoft's competitors. They've been cheerleading for this lawsuit since day one, but they can't afford to mislead the markets the way Justice spins the public. The SEC frowns on CEOs who mislead investors.

Take Larry Ellison. He was on the Neil Cavuto show talking for the umpteenth time about Bill Gates the bullying monopolist. But he hastily drew a line: "I mean he's never bullied Oracle. But I certainly . . ."

When Mr. Cavuto pressed on, suggesting that Oracle must be dead meat now that the "bully" has targeted its flagship database software, Mr. Ellison became indignant:

"Well, let's look at the facts. Right now, the fastest growing segment of my industry is the Internet. Of the 10 largest consumer Web sites, all 10 of them use the Oracle database. In the 10 largest business-to-business Web sites, nine of the 10 use Oracle. None of them use Microsoft. Every single web portal, things like Lycos, Excite, Yahoo!, all use Oracle. None use Microsoft. Microsoft's been in the database business for a decade and they continue to lose. They've been losing share to us at a faster and faster rate over the last several years. In fact, we dominate. We almost have Gates-like share in the Internet and it's the Internet that's driving the business."

OK, Larry.

Moving along to Sun's Scott McNealy: His partnership with AOL and Netscape has figured prominently in court, with the government swearing a blue stream that their plans don't "threaten" Microsoft. That's not what Mr. McNealy told a trade publication, tele.com, in January. What follows is a lot of jargon, but it means Microsoft has a monopoly in nothing:

"We added in Netscape and AOL as distribution channels getting Java 2 into the tens of millions of disks that AOL sends out, so that the world is going to be littered with Java 2, just on the desktop. Then you add in what's going on in Personal Java and Java Card and Java on the server, and all of a sudden we have a very, very interesting, stable volume platform that gives any developer for the telco or ISP community a virus-free, object-oriented, smart card-to-supercomputer scalable, down-the-experience-curve platform that allows you to interoperate with every kind of device you can imagine."

But nobody spins like AOL's Steve Case. In court, the story is that AOL was "bullied" into accepting a free browser from Microsoft (until then, AOL customers had to pay 40 bucks for a Netscape browser). It was "bullied" into accepting free placement on every Windows desktop.

These deals made AOL king of the Internet, dwarfing everybody including Microsoft. Now AOL has bought Netscape, but as Mr. Case will smirkingly tell you, it's up to him to decide when to dump Microsoft's browser and begin promoting Netscape's browser instead.

When will that happen? When he no longer cares whether Microsoft kicks him off the desktop (meaning when Microsoft can no longer hope to gain anything by kicking him off the desktop).

AOL has signed up to provide Internet access on the Palm, using a non-Microsoft operating system. Deals are in the works with various smart-phone makers, again bypassing Windows. Mr. Case has spun the court and gullible journalists by saying "of course" AOL has no intention of competing directly with Microsoft—which works if your understand of the industry is so skimpy that you believe the relevant threat is another PC operating system.

But, hark, AOL is going to compete on the desktop too. Last week we learned about talks with Microworkz to launch an AOL-branded computer, using BeOS and Linux (i.e., no Windows). Gateway is working on its own Internet computer using the Amiga operating system (yep, the same OS adopted by Commodore in the 1980s).

Faster than anyone predicted, the Windows universe is fragmenting. Microsoft built us a common platform by committing itself to a big, bulky, backwards-compatible Windows, and now it's stuck with a platform too big and bulky to be useful for a new generation of devices. These gadgets will run happily on any number of narrowly targeted, code-light operating systems, as long as they speak the common language of the Internet. Even Mr. McNealy predicts Windows will have less than 50% of the market by 2002—that is, in "two or three years."

This was in the cards before Justice ever filed its antitrust suit. We pointed out here three years ago that if "the future of computing is a toaster tied to the Internet," the "death struggle of the operating systems" is over. We're happy to report that Microworkz is calling its non-Windows machine the "iToaster."

Pursuing this case any further would be nothing but a gratuitous favor to companies that don't want Microsoft to be allowed even to compete. It's time to pull the plug.

EXHIBIT 1

[From the Investor's Business Daily, August 5, 1999]

CASE CLOSED: LAY OFF MICROSOFT

(By Paul Rothstein)

The government's antitrust case against Microsoft continues at a snail's pace. A decision by a U.S. judge is not expected until late this year. In the meantime, eight average citizens in Bridgeport, Conn., have already offered their view in the contest of a lesser known but perhaps equally important antitrust case also involving Microsoft.

Bristol Technology is a small Connecticut-based software company that offers a product allowing users to run Windows-based applications in other operating system environments, including various flavors of Unix. Bristol sued Microsoft in federal court last year, asserting 12 claims for relief under state and federal antitrust laws and seeking as much a $263 million in damages.

Like the government, Bristol alleged Microsoft had an illegal monopoly in the PC operating system market. The suit claimed Microsoft had used it to try to monopolize two other markets—operating system software for "technical workstations" and for "departmental servers."

At trial, Microsoft presented a compelling case based on hard facts and evidence illustrating stiff competition from the likes of multibillion-dollar companies like IBM and Sun Microsystems. The competition historically has charged consumers much more than Microsoft does. Microsoft's entry in 1993 with Windows NT actually generated significant cost savings for consumers and increased the level of innovation and competition.

Bristol's hometown jury took less than two days to agree with Microsoft. In a unanimous verdict, the jury quickly dismissed every one of the antitrust charges. It upheld only a minor state claim for which the jury awarded Bristol $1 in "damages."

Although the specific facts are different, basic similarities exist between the Connecticut case and the government's antitrust suit in D.C.

In both cases, the plaintiffs argued that Microsoft possesses an illegal monopoly with its Windows operating system. Bristol claimed Microsoft's control of the operating system market was so strong and so permanent that any company wishing to produce applications that run on operating systems, must necessarily do Microsoft's bidding. The Justice Department charged that this alleged power was used to thwart competition from Netscape

In both cases, Microsoft showed that the volatile computer industry is not and cannot be dominated by a single player, even one whose product appears to enjoy widespread popularity.

Software is so easy to create that anyone with a home PC and a few hundred dollars can enter the market as a viable competitor to IMB, Sun Microsystems, Hewlett-Packard, Compaq and, yes, even Microsoft.

Just ask Linus Torvalds. He's the creator of the increasingly popular server operating system software called Linux. Torvalds created Linux in the early 1990s in his college dorm room at age 19. Today, the latest International Data Corp. data show Linux with nearly 20% of the server software market and growing.

The Connecticut lawsuit couldn't show any harm to consumers or competition. The record supported Microsoft's position—that its efforts to provide Windows NT has increased choice, increased features and dramatically reduced prices for customers seeking to use high-end PCs and servers.

Fortunately for all of us, the jury in the Bristol case recognized that antitrust laws are designed to protect competition, not competitors.

It is unfortunate that the Department of Justice, joined by some state attorneys general, does not share that view. Indeed, another lesson from the Bristol case is that the selective and subjective use of out-of-context e-mail snippets, while perhaps good theater, does not prove an antitrust case.

Seen in this light, the Bristol jury's verdict ought to concern the government. Why? If the Bristol verdict illustrates anything, it's that eight everyday consumers can recognize the intense level of competition that exists in today's software industry and the obvious benefits of low prices and better products for consumers.

Given that reality, the government's long battle against America's most admired company is a waste of taxpayer money. It's a flawed proceeding for which consumers clearly have no use.

By issuing a verdict reaffirming the pro-competitive and pro-consumer nature of today's software industry, the Connecticut jury signaled its support of continued innovation and free-market competition.

Paul Rothstein is a professor of law at Georgetown University and a consultant to Microsoft who has studied antitrust law under a U.S. Government Fulbright grant.

CRANBERRY AMENDMENT TO AGRICULTURE APPROPRIATIONS BILL

Mr. KOHL. Mr. President, I would like to clarify that during the passage of the Agriculture Appropriations bill last night, S. 1233, Senator GORDON SMITH's amendment on cranberry marketing was adopted without the proper co-sponsorship. Mr. SMITH's cranberry marketing amendment, begun by Senator WYDEN, was to be co-sponsored by Senator WYDEN and myself, as well as Senators FEINGOLD, KERRY, KENNEDY, and MURRAY.

Mr. WYDEN. I Thank Senator KOHL. I appreciate the clarification and all his hard work on this issue of importance to cranberry growers across the country. When we go to conference on this bill, I will continue to support this amendment.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT CONFERENCE REPORT

Mr. REED. Mr. President, I rise tonight to express my regret that I am unable to sign the conference repot on the Fiscal Year 2000 Department of Defense Authorization Act.

This was my first year as a member of the Armed Service Committee. I want to commend Chairman WARNER and Senator LEVIN for their leadership and commitment to our nation's defense. The committee provided ample opportunity for me to learn about the issues, participate in the discussion, and express my views. I believe that the process which created this bill was, overall, thoughtful and fair.

This bill has many excellent provisions. It provides for a significant increase in defense spending but allocates the funds wisely. In creases funds for research and development which we must invest in if we are to remain the world's finest fighting force. It adds additional funds to the service's operation and maintenance accounts which should ease the strain of keeping our bases and equipment in good condition. The bill also funds many of the Service Chief's unfunded requirements, items, that are not flashy but are vital to military readiness.

Certainly the most important parts of this bill are those that address the issue of recruitment and retention. This bill provides for a pay increase, restoration of retirement benefits, and special incentive pays. The bill also begins to address some of the problems identified in the military healthcare system. Our men and women in uniform work tirelessly every day to defend the principles of this country and they deserve the benefits that are included in this legislation.

I have grave concerns, however, over the sections of this bill which affect the Department of Energy. A reorganization of the agency which manages our nation's nuclear arsenal should not be undertaken quickly or haphazardly. Yet this conference report contains language which was not considered by any committee or debated on the floor of either the House or the Senate. The ramifications of these provisions are unclear. Regrettably, I am unable to support a report which contains such provisions until I have had the opportunity to study them further.

I hope that further analysis reveals that this reorganization is workable and that ultimately, I am able to vote in favor of this report. However, at this time, I am reserving my judgment and will not sign the conference report.

PET SAFETY AND PROTECTION ACT OF 1999

Mr. KENNEDY. Mr. President, I welcome this opportunity to express my strong support for the Pet Safety and Protection Act of 1999, which will protect pets from unscrupulous animal dealers seeking to sell them to labs for biomedical research.

Animals play a critical role in biomedical research, but we must do all we can to ensure that research involving animals is regulated responsibly. Animal dealers and research facilities must be certain that lost or stolen pets do not end up in a research laboratory.

This bill will guarantee that only legitimate dealers who can verify the origin of their animals will be authorized to sell to research facilities. The Pet Safety and Protection Act of 1999 reaffirms the nation's commitment to safe and responsible biomedical research, while maintaining high ethical standards in the treatment of animals.

ELECTRONIC COMMERCE EXTENSION ESTABLISHMENT ACT OF 1999

Mr. BINGAMAN. Mr. President, yesterday I was pleased to be joined by Senators ROCKEFELLER, SNOWE, and MIKULSKI in introducing the Electronic Commerce Extension Establishment Act of 1999. The purpose of the bill is simple—to ensure that small businesses in every corner of our nation fully participate in the electronic commerce revolution unfolding around us by helping them find and adopt the right e-commerce technology and techniques. It does this by authorizing an "electronic commerce extension" program at the National Institute of Standards and Technology modeled on NIST's existing, highly successful Manufacturing Extension Program.

Everywhere you look today, e-commerce is starting a revolution in American business. Precise e-commerce numbers are hard to come by, but by one estimate e-commerce sales in 1998 were $100 billion. If you add in the hardware, software, and services making those sales possible, the number rises to $300 billion. Another estimate has business to business e-commerce growing to $1.3 trillion by 2003. Whatever the exact numbers, an amazing change in our economy has begun.

But the shift to e-commerce is about more than new ways to sell things; it's about new ways to do things. It promises to transform how we do business and thereby boost productivity, the root of long term improvements in our standard of living. A recent Washington Post piece on Cisco Systems, a major supplier of Internet hardware, notes that Cisco saved $500 million last year by selling its products and buying its supplies online. Imagine the productivity and economic growth spurred when more firms get efficiencies like that. And that's the point of the bill, to make sure that small businesses get those benefits too.

Electronic commerce is a new use of information technology and the Ineternet. Many people suspect information technology is the major driver behind the productivity and economic growth we've been enjoying. The crucial verb here is "use." It is the widespread use of a more productive technology that sustains accelerated productivity growth. It was steam engine, not its sales, that powered the industrial revolution.

Closer to today, in 1987, Nobel Prize winning economist Robert Solow quipped, "We see the computer age everywhere but in the productivity statistics." Well, it looks like the computer has started to show up because more people are using them in more ways, like e-commerce. Information technology producers, companies like Cisco Systems who are, notably, some of the most sophisticated users of IT, are 8% of our economy; from 1995 to 1998 they contributed 35% of our economic growth. There are also some indications that IT is now improving productivity among companies that only use IT.

But here is the real point. If we are going to sustain this productivity and economic growth, we have to spread sophisticated uses of information technology like e-commerce beyond the high tech sector and companies like Cisco Systems and into every corner of the economy, including small businesses. Back in the 1980's, we used to debate if it mattered if we made money selling "potato chips or computer chips." But here is the real difference: consuming a lot of potato chips isn't good for you; consuming a lot of computer chips is.

I emphasize this because too often our discussions of government policy, technology, and economic growth dwell on the invention and sale of new technologies, but shortchange the all important topic of their use. Extension programs, like the electronic commerce extension program in my bill, are policy aimed at precisely spreading the use of more productive technology by small businesses.

With that in mind, the e-commerce revolution creates both opportunities and challenges for small businesses. On the one hand, it will open new markets to them. On the web, the garage shop can look as good as IBM. On the other hand, the high fixed costs, low marginal costs, and technical sophistication that can sometimes characterize e-commerce, when coupled with a good brand name, may allow larger, more established e-commerce firms to quickly move from market to market. Amazon.com has done such a wonderful job of making a huge variety of books widely available that it's been able to expand to CDs, to toys, to electronics, to auctions. Moreover, firms in more rural areas have suddenly found sophisticated, low cost, previously distant businesses entering their market, and competing with them. Thus, there is considerable risk that many small businesses will be left behind in the shift to e-commerce. That would not be good for them, nor for the rest of us, because we all benefit when everyone is more productive and everyone competes.

The root of this problem is the fact that many small firms have a hard time identifying and adopting new technology. They are hard working, but they just don't have the time, people, or money to understand all the different technologies they might use. And, they often don't even know where to turn to for help. Thus, while small firms are very flexible, they can be slow to adopt new technology, because they don't know which to use or what to do about it. That is why we have extension programs. Extension programs give small businesses low cost, impartial advice on what technologies are out there and how to use them.

What might an e-commerce extension program do? Imagine you're a small speciality foods retailer in rural New Mexico and you see e-commerce as a way to reach more customers. But your specialty is chiles, not computers; imagine all the questions you would have. How do I sell over the web? Can I buy supplies that way too? How do I keep hackers out of my system? What privacy policies should I follow? How do I use encryption to collect credit card numbers and guarantee customers that I'm who I am? Can I electronically integrate my sales orders with instructions to shippers like Federal Express? Should I band together with other local producers to form a chile cybermall? What servers, software, and telecommunications will I need and how much will it cost? Your local e-commerce extension center would answer those questions for you. And, you could trust their advice, because you would know they were impartial and had no interest in selling you a particular product.

This bill will lead to the creation of a high quality, nationwide network of non-profit organizations providing that kind of advice, analogous to the Manufacturing Extension Program, or MEP, network NIST runs today, but with a focus on e-commerce and on firms beyond manufacturers. MEP demonstrates that NIST could do this new job well.

Similarly, this bill is modeled on the MEP authorization. It retains the key features of MEP: a network of centers run by non-profits; strict merit selection; cost sharing; and periodic independent review of each center. In addition, it emphasizes serving small businesses in rural or more isolated areas, so that those businesses can get a leg up on e-commerce too. In short, this legislation takes an approach that has already been proven to work.

Practically speaking, if this bill becomes law, I assume NIST would begin by leveraging their MEP management expertise to start a few e-commerce extension centers and then gradually build out a network separate from MEP. I also want to note that this is a new, separate authorization for an e-commerce extension program because it will have a different focus than MEP and because I do not want it to displace MEP in any way.

Mr. President, I hope my colleagues will join me in supporting this important, timely, and practical piece of legislation. Just as a strong agricultural sector called for an agricultural extension service, and a strong industrial sector called for manufacturing extension, our shift to an information economy calls for electronic commerce extension.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, August 4, 1999, the Federal debt stood at $5,615,253,056,263.06 (Five trillion, six hundred fifteen billion, two hundred fifty-three million, fifty-six thousand, two hundred sixty-three dollars and six cents).

One year ago, August 4, 1998, the Federal debt stood at $5,511,741,000,000 (Five trillion, five hundred eleven billion, seven hundred forty-one million).

Five years ago, August 4, 1994, the Federal debt stood at $4,643,455,000,000 (Four trillion, six hundred forty-three billion, four hundred fifty-five million).

Ten years ago, August 4, 1989, the Federal debt stood at $2,811,629,000,000 (Two trillion, eight hundred eleven billion, six hundred twenty-nine million) which reflects a doubling of the debt—an increase of almost $3 trillion—$2,803,624,056,263.06 (Two trillion, eight hundred three billion, six hundred twenty-four million, fifty-six thousand, two hundred sixty-three dollars and six cents) during the past 10 years.

ADVANCEMENT IN PEDIATRIC AUTISM RESEARCH ACT

Mr. KENNEDY. Mr. President, I welcome the opportunity to join Senator GORTON and many other distinguished colleagues as a sponsor of the Advancement in Pediatric Autism Research Act. Autism is a heartbreaking disorder that strikes at the core of family relationships. We need to do all we can to understand the causes of autism in order to learn how to treat this tragic condition more effectively, and ultimately to prevent it. I want to commend Senator GORTON, the Cure Autism Now Foundation, and the many organizations and families in Massachusetts for their impressive leadership in dealing with this important cause of disability in children. In this age of such extraordinary progress on preventing, treating and curing so many other serious and debilitating illnesses, we cannot afford to miss this unique opportunity for progress against autism as well.

Clearly, we can do more to provide support for children and families who face the tragedy of autism. At the same time, I am concerned about certain provisions in the proposed legislation which could inadvertently cause harm to children with autism and to our system of funding research.

One provision allows use of NIH funds for health care and other services that "will facilitate the participation" in research. We must be clear that research dollars should be used only to cover costs that are required to carry out research. Insurance providers should never be able to use participation in research as an excuse to avoid paying for medically necessary health care. In addition, we must be especially careful to protect vulnerable children and families from situations in which financial incentives could affect decisions about participation in research.

I am confident that we can work together to address such issues as the bill moves through Congress. I look forward to working with my colleagues, with the advocacy organizations and with familes to enact the best possible measure to bring hope to the lives of these very special children.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As an executive session the PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting a treaty and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED LEGISLATION "CENTRAL AMERICAN AND HAITIAN PARITY ACT OF 1999"—MESSAGE FROM THE PRESIDENT—PM 55

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying proposed legislation; which was referred to the Committee on Judiciary:

To the Congress of the United States:

I am pleased to transmit for your immediate consideration and enactment the "Central American and Haitian Parity Act of 1999." Also transmitted is a section-by-section analysis. This legislative proposal, which would amend the Nicaraguan Adjustment and Central American Relief Act of 1997 (NACARA), is part of my Administration's comprehensive effort to support the process of democratization and stabilization now underway in Central America and Haiti and to ensure equitable treatment for migrants from these countries. The proposed bill would allow qualified national of El Salvador, Guatemala, Honduras, and Haiti an opportunity to became lawful permanent residents of the United States. Consequently, under this bill, eligible national of these countries would receive treatment equivalent to that granted to the Nicaraguans and Cubans under NACARA.

Like Nicaraguans and Cubans, many Salvadorans, Guatemalans, Hondurans, and Haitians fled human rights abuses or unstable political and economic conditions in the 1980s and 1990s. Yet these latter groups received lesser treatment than that granted to Nicaraguans and Cubans by NACARA. The United States has a strong foreign policy interest in providing the same treatment to these similarly situated people. Moreover, the countries from which these migrants have come are young and fragile democracies in which the United States has played and will continue to play a very important role. The return of these migrants to these countries would place significant demands on their economic and political systems. By offering legal status to a number of nationals of these countries with long-standing ties in the United States, we can advance our commitment to peace and stability in the region.

Passage of the "Central American and Haitian Party Act of 1999" will evidence our commitment to fair and even-handed treatment of nationals from these countries and to the strengthening of democracy and economic stability among important neighbors. I urge the prompt and favorable consideration of this legislative proposal by the Congress.

WILLIAM J. CLINTON.

THE WHITE HOUSE *August 5, 1999.*

MESSAGES FROM THE HOUSE

At 9:36 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announcing that the House agrees to the amendments of the Senate to the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes.

At 2:11 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announcing that the House agrees to the report of the committee of conference on the disagreeing two Houses on the amendment of the Senate to the bill (H.R. 2488) to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000.

ENROLLED BILL SIGNED

At 4:07 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2465. An act making appropriations for military construction, family housing and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4528. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed Manufacturing License Agreement with the Republic of Korea; to the Committee on Foreign Relations.

EC–4529. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles and services under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4530. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or services under a contract in the amount of $50,000,000 or more to Denmark; to the Committee on Foreign Relations.

EC–4531. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or services under a contract in the amount of $50,000,000 or more to the United Kingdom; to the Committee on Foreign Relations.

EC–4532. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or services under a contract in the amount of $50,000,000 or more to Russia; to the Committee on Foreign Relations.

EC–4533. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or services under a contract in the amount of $50,000,000 or more to Italy; to the Committee on Foreign Relations.

EC–4534. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or services in the amount of $50,000,000 or more to French Guiana; to the Committee on Foreign Relations.

EC–4535. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or services under a contract in the amount of $50,000,000 or more to the United Kingdom; to the Committee on Foreign Relations.

EC–4536. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–111, "Service Improvement and Fiscal Year 2000 Budget Support Act of 1999"; to the Committee on Governmental Affairs.

EC–4537. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–114, "Designation of Capitalsaurus Court and Technical Correction Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC–4538. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–115, "Closing of a Public Alley in Square 113, S.O. 97–85, Act of 1999"; to the Committee on Governmental Affairs.

EC–4539. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–120, "Tobacco Settlement Model Temporary Act of 1999"; to the Committee on Governmental Affairs.

EC–4540. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–116, "Closing of a Public Alley in Square 507, S.O. 97–183, Act of 1999"; to the Committee on Governmental Affairs.

EC–4541. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–112, "Alcohol Beverage Control Act Tavern Exception Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC–4542. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–113, "Board of Elections and Ethics Subpoena Authority Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC–4543. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–118, "Bail Reform Temporary Act of 1999"; to the Committee on Governmental Affairs.

EC–4544. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–119, "Redevelopment Land Agency Disposition Review Temporary Amendment Act of 1999"; to the Committee on Governmental Affairs.

EC–4545. A communication from the Deputy Executive Secretary, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Child Support Enforcement Programs', Standards for Program Operations (Case Closure)", received August 3, 1999; to the Committee on Finance.

EC–4546. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare, Medicare, and CLIA Programs; Extension of Certain Effective Dates for Clinical Laboratory Requirements Under CLIA" (RIN0938–AI94), received August 3, 1999; to the Committee on Finance.

EC–4547. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "CLIA Programs; Simplifying CLIA Regulations Relating to Accreditation Exemption of Laboratories Under a State Licensure Program; Proficiency Testing, and Inspection" (RIN0938–AH82), received August 3, 1999; to the Committee on Finance.

EC–4548. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Revenue Procedure 99–32; Conforming Adjustments Subsequent to Section 482 Allocations" (Revenue Procedure 99–32), received August 2, 1999; to the Committee on Finance.

EC–4549. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "1998 Differential Earnings Rate" (Revenue Ruling 99–35), received August 4, 1999; to the Committee on Finance.

EC–4550. A communication from the Acting Regulations Officer, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled "OASDI and SSI for the Aged, Blind, and Disabled: Determining Disability and Blindness; Clarification of 'Age' as a Vocational Factor" (RIN0960–AE96), received August 3, 1999; to the Committee on Finance.

EC–4551. A communication from the Deputy Secretary, Division of Market Regulation, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled "Redesignation of Current Forms BD and BDW as Interim Forms BD and BDW, Amendments to Rules 15b3–1, 15b6–1, 15Ba2–2, 15Bc3–1, 15Ca2–1, 15Cc1–1, under the Securities Exchange Act of 1934 and Delegation of Commission's Authority to Issue Orders under those Rules to the Director of the Division of Market Regulation" (RIN3235–AH73), received July 30, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–4552. A communication from the Deputy Secretary, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled "Rule 15b7–3T, Rule 17Ad–21T, Rule 17a–9 under the Securities Exchange Act of 1934", received July 28, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–4553. A communication from the Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Extension of Grant of Conditional Exception", received July 29, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–4554. A communication from the Bureau of Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Revision of High Performance Computer Licensing Policy" (RIN0694–AB96), received July 30, 1999;

to the Committee on Banking, Housing, and Urban Affairs.

EC–4555. A communication from the Associate Deputy Administrator, Government Contracting and Minority Enterprise Development, Small Business Administration, transmitting, pursuant to law, a report entitled "Minority Small Business and Capital Ownership Development" for fiscal year 1999; to the Committee on Small Business.

EC–4556. A communication from the Deputy Executive Secretary, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Over the Counter Human Drugs, Labeling Requirements" (RIN0910–AA79), received August 3, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–4557. A communication from the Acting Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Tart Cherries Grown in the States of Michigan, etal.; Decreased Assessment Rates" (Docket No. FV99-930-3 IFR), received July 29, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4558. A communication from the Acting Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Rules of Practice Governing Proceedings under the Egg Products Inspection Act" (Docket No. PY–99–003), received August 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4559. A communication from the Acting Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Peanut Promotion, Research, and Information Order- Final Rule" (Docket No. FV–98–702 FR), received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4560. A communication from the Acting Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Almonds Grown in California; Revisions to Requirements Regarding Credit for Promotion and Advertising Activities" (Docket No. FV–99–981 FR), received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4561. A communication from the Acting Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Kiwifruit Grown in California; Changes in Minimum Size, Pack, Container, and Inspection Requirements" (Docket No. FV–98–920 FR), received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4562. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Melons Grown in South Texas; Change in Container Regulation" (Docket No. FV–99–979 FIR), received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4563. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Milk in Iowa Marketing Area; Termination of Proceeding", received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4564. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Texas (Splenetic) Fever in Cattle; Incorporation by Reference" (APHIS Docket No. 96–067–2), received August 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4565. A communication from the Acting Executive Director, Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled "Performance of Certain Functions by the National Futures Association with Respect to Regulation 9.11", received July 29, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4566. A communication from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting, pursuant to law, the report of a rule entitled "Standards of Conduct; Loan Policies and Operations; General Provisions; Regulatory Burden" (RIN3052–AB85), received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4567. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "N-4(4-florophenyl)-N-(1-methylethyl)-2((5-(trifluoromethyl)-1,3,4-Thiadi- azol-2-yl)oxy)acetamide; Pesticide Tolerances for Emergency Exemptions" (FRL # 6091–9), received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4568. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Sodium Chlorate; Extension of Exemption from Requirement of a Tolerance for Emergency Exemptions" (FRL # 6091–6), received August 3, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4569. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Azoxystrobin; Pesticide Tolerances for Emergency Exemptions" (FRL # 6086–9), received July 29, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4570. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Fenbutatin oxide, Glyphosate, Linuron, and Mevinphos; Tolerance Actions" (FRL # 6096–2), received July 29, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4571. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Formaldehyde; Revocations of Exemption from the Requirement of Tolerances" (FRL # 6097–1), received July 29, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4572. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; Revised Format of 40 CFR Part 52 for Materials Being Incorporated by Reference for Rhode Island" (FRL # 6411–3), received August 3, 1999; to the Committee on Environment and Public Works.

EC–4573. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Plans for Designated Facilities; New York" (FRL # 6414–1), received August 3, 1999; to the Committee on Environment and Public Works.

EC–4574. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Lead; Requirements for Lead-Based Paint Activities in Target Housing and Child-Occupied Facilities; Certification Requirements and Work Practice Standards for Individuals and Firms; Amendment" (FRL # 6097–5), received August 4, 1999; to the Committee on Environment and Public Works.

EC–4575. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "NESHAPS: Final Standards for Hazardous Air Pollutants for Hazardous Waste Combustors" (FRL # 6413–3), received August 4, 1999; to the Committee on Environment and Public Works.

EC–4576. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled "Small Equity Compliance Guide-National Volatile Organic Compound Emission Standards for Agricultural Coatings"; to the Committee on Environment and Public Works.

EC–4577. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, a report entitled "A Guide to Preparing Superfund Proposed Plans, Records of Decision, and Other Remedy Selection Decision Documents"; to the Committee on Environment and Public Works.

EC–4578. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; District of Columbia; 15 Percent Plan for the Metropolitan Washington, DC Ozone Nonattainment Area" (FRL # 6412-5), received July 29, 1999; to the Committee on Environment and Public Works.

EC–4579. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Final Authorization of State Hazardous Waste Management Program Revision" (FRL # 6410–1), received July

28, 1999; to the Committee on Environment and Public Works.

EC–4580. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "New Jersey: Authorization of State Hazardous Waste Management Program" (FRL # 6411–2), received July 28, 1999; to the Committee on Environment and Public Works.

EC–4581. A communication from the Director, Office of Congressional Affairs, Division of Fuel Safety and Safeguards, Office of Nuclear Material Safety and Safeguards, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Revision to 10 CFR Part 70, Domestic Licensing of Special Nuclear Material" (RIN3150–AF22), received July 29, 1999; to the Committee on Environment and Public Works.

EC–4582. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "10 CFR Part 31-Final Rule to Amend 10 CFR 31.5, 'Requirements for Those Who Possess Certain Industrial Devices Containing Byproduct Material to Provide Requested Information'" (RIN3150–AG06), received August 2, 1999; to the Committee on Environment and Public Works.

EC–4583. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "10 CFR Part 31-Final Rule to Amend 10 CFR 31.5, 'General Statement of Policy and Procedures for NRC Enforcement Actions, NUREG–1600 Rev. 1'", received August 2, 1999; to the Committee on Environment and Public Works.

EC–4584. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report relative to nondisclosure of Safeguards Information for the calendar quarter April 1 to June 30, 1999; to the Committee on Environment and Public Works.

EC–4585. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation relative to the safety of motor carrier operations; to the Committee on Commerce, Science, and Transportation.

EC–4586. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled "Federal Railroad Safety Enhancement Act of 1999"; to the Committee on Commerce, Science, and Transportation.

EC–4587. A communication from the Director, Minority Business Development Agency, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Identification of Currently Funded Projects Eligible to be Extended for an Additional Year of Funding in Light of MBDA's Intent to Revise Its Client Service-Delivery Programs" (RIN0640–ZA05), received July 29, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4588. A communication from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to amend the Commercial Space Act of 1998; to the Committee on Commerce, Science, and Transportation.

EC–4589. A communication from the Trade Representative, Executive Office of the President, transmitting, pursuant to law, a report relative to responses to recomendations contained in a report entitled "Building American Prosperity in the 21st Century", issued in April 1997; to the Committee on Finance.

EC–4590. A communication from the Deputy Executive Secretary, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Child Support Enforcement Programs 'State Plan Requirements', Standard for Program Operations; and Federal Financial Participation (Paternity Establishment)" (RIN0970–AB69), received August 3, 1999; to the Committee on Finance.

EC–4591. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, the report of a rule entitled "Documentation Requirements for Matching Credit Card and Debit Card Contributions in Presidential Campaigns", received August 4, 1999; to the Committee on Rules and Administration.

EC–4592. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report of the allotment of emergency funds under the Low-Income Home Energy Assistance Act of 1981; to the Committee on Health, Education, Labor, and Pensions.

EC–4593. A communication from the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Schedules of Controlled Substances: Rescheduling of the Food and Drug Administration Approved Product Containing Synthetic Dronabinol [(-)-delta-9-(trans)-Tetrahydrocannabinol] in Sesame Oil and Encapsulated in Soft Gelatin Capsules from Schedule II to Schedule III" (DEA–180F), received August 3, 1999; to the Committee on the Judiciary.

EC–4594. A communication from the Assistant General Counsel for Regulatory Law, Office of Environmental Management, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Radioactive Waste Management; Radioactive Waste Management Manual; Implementation Guide for Use with Radioactive Waste Management Manual" (O 435.1; M 435.1; G 435.1), received August 3, 1999; to the Committee on Energy and Natural Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–290. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the proposed "Estuary Habitat Restoration Partnership Act"; to the Committee on Environment and Public Works.

HOUSE CONCURRENT RESOLUTION NO. 128

Whereas, Louisiana's wetlands and estuaries provide critical habitat and food resources for some of our nation's premier recreational and commercial fisheries; and

Whereas, Louisiana's commercial fisheries are the most bountiful of those of the lower forty-eight states, providing a major percentage of our nation's total catch; and

Whereas, the citizens of this state and nation must be ever vigilant in our stewardship of these vital resources; and

Whereas, within the last fifty years, Louisiana has lost forty square miles per year and has lost an estimated twenty-five to thirty-five square miles per year this decade. These losses represent a loss of barrier islands and wetlands that effect the pattern of salinity gradients in our bays, sounds, and inlets which is the foundation for sustaining biological productivity; and

Whereas, United States Senator John Chaffe and United States Senator John Breaux will be introducing the Estuary Habitat Restoration Partnership Act to encourage the restoration of America's vital estuary resources; and

Whereas, the Estuary Habitat Restoration Partnership Act will use federal dollars to encourage and move state, local, and private resources to restore one million acres of estuary habitat by the year 2010.

Therefore, be it *resolved* That the Legislature of Louisiana does hereby memorialize the United States Congress to enact the Estuary Habitat Restoration Partnership Act.

Be it further resolved, That a copy of this Resolution be forwarded to the presiding officers of the United States Senate and United States House of Representatives and to the Louisiana congressional delegation.

POM–291. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the Federal Migratory Bird Conservation Act; to the Committee on Environment and Public Works.

HOUSE CONCURRENT RESOLUTION NO. 107

Whereas, to provide the public with the convenience of increased availability of hunting and fishing licenses, many states have implemented or are in the process of implementing an electronic system for the issuance of hunting and fishing licenses; and

Whereas, generally those systems for the electronic issuance of hunting and fishing licenses allow for the issuance of all licenses and permits and stamps which are required by the state; however, no system at this time has the authority to include issuance of the federal duck stamp through its electronic system; and

Whereas, the authority to include issuance of the federal duck stamp would enable a citizen to purchase all required hunting and fishing licenses, permits, and stamps all at one time, in one place, without the necessity of going to another place to purchase just the federal duck stamp; and

Whereas, legislation has been prepared which would allow each state the option of devising their own system to issue, recognize, and account for a temporary electronic federal duck stamp until such time as the actual duck stamp is received in the mail.

Therefore; be it: *Resolved*, That the Louisiana Legislature does hereby memorialize the United States Congress to amend the Federal Migratory Bird Conservation Act (16 U.S.C.A. 715) to authorize certain states to issue temporary federal duck stamp privileges through electronic license issuance systems.

Be it further resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–292. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the United States-Asia Environmental Partnership, the Environmental Technology Network for Asia, and the Council of State Governments' State Environmental Initiative; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION NO. 222

Whereas, the United States Agency for International Development established the

United States-Asia Environmental Partnership to address environmental degradation and sustainable development issues in the Asia/Pacific region by mobilizing the environmental experience, technology, and services available in the United States; and

Whereas, the goals of the United States-Asia Environmental Partnership are to foster and disseminate clean technology and environmental management, to develop urban environmental infrastructure, and to establish a policy framework to sustain a "clean revolution" to protect the environment; and

Whereas, the United States-Asia Environmental Partnership promotes the development of less-polluting and more resource-efficient products, processes, and services as well as practical solutions to local environmental problems in the Asia/Pacific region; and

Whereas, along with its many partners, the United States-Asia Environmental Partnership stimulates direct technology transfer, develops networks and long-term relationships, disseminates information, identifies financial assistance vehicles, provides grants and fellowships, and organizes business and technology exchanges; and

Whereas, the United States-Asia Environmental Partnership has opened Offices of Technology Cooperation, in thirteen Asian cities, staffed by experts who identify market opportunities, make contacts, and advocate United States environmental technology and services to Asian companies by matching the problems of Asian companies with the appropriate United States environmental experience and technology to solve them; and

Whereas, the United States-Asia Environmental Partnership and the Global Technology Network of the United States Agency for International Development established the Environmental Technology Network for Asia as a clearinghouse to collect environmental trade leads from the Asia/Pacific region and disseminate them to United States environmental technology and services firms; and

Whereas, the Environmental Technology Network for Asia assists program participants by preparing market trend analyses on participating countries, providing business counseling to United States environmental companies interested in expanding into Asia, developing fact sheets on United States technologies, and disseminating that information to United States government counterparts overseas; and

Whereas, through the Environmental Technology Network for Asia, the United States-Asia Environmental Partnership has created over eight thousand one hundred jobs, generated over four thousand trade leads, and matched those leads with two thousand four hundred environmental companies in the United States; and

Whereas, the Council of State Governments and the United States-Asia Environmental Partnership established the State Environmental Initiative, a matching grant program, to encourage international partnerships in environment and economic development between individual states and Asian countries through the transfer of United States environmental experience, technology, and practice from individual states to Asian countries; and

Whereas, the goals of the State Environmental Initiative are to promote the transfer of environmental expertise and technology, facilitate partnerships that link Asian needs with United States environmental experience, technology, and practice, and to initiate a "clean revolution" in Asia by promoting clean technology and responsible environmental management; and

Whereas, the State Environmental Initiative fosters the export of United States environmental solutions and experience by matching the needs of Asian countries with appropriate environmental technology and state environmental regulatory experience, by informing United States environmental firms about Asian opportunities, and by sponsoring a matching grant program to encourage international partnerships.

Therefore; be it: *Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to continue to support and fund the United States-Asia Environmental Partnership, the Environmental Technology Network for Asia, and the Council of State Governments' State Environmental Initiative.

Be it further resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM-293. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the DeRidder Automated Flight Service Station; to the Committee on Appropriations.

House Concurrent Resolution No. 216

Whereas, flight service stations are general aviation air traffic control facilities that are an integral part of the air traffic control system and are staffed with highly skilled essential government employees; and

Whereas, flight service stations provide pilots with current and forecasted whether at origination, en route, and at destination, and also as necessary suggest appropriate flight routes and levels and alternate routes or destinations, based upon consideration of weather, operating characteristics of the aircraft, navigation aids, and terrain; and

Whereas, flight service stations provide pilot briefings, en route flight advisories, search and rescue services, assistance to lost and distressed aircraft, relay air traffic control clearances, originate notices to airmen, monitor pilot reports, broadcast aviation weather information, receive and process flight plans, monitor navigational aids, take weather observations, issue airport advisories, and advise Customs and Immigration officials of flights crossing national borders; and

Whereas, flight service stations provide up-to-the-minute weather information in pilot briefings by integrating and interpreting weather information from multiple sources such as satellite imagery, upper air charts, and pilot weather reports, to stay abreast of current weather trends; and

Whereas, flight service stations provide en route flight advisories which are timely and pertinent weather information bulletins prepared by specially trained and highly skilled air traffic specialists who interpret and adapt the latest weather information for the type, route, and altitude of a specific en route flight; and

Whereas, flight service stations are valuable resources that monitor flight plans and provide lifesaving search and services by initiating a chain of events using the combined efforts of several federal agencies to find aircraft that become overdue; and

Whereas, flight service stations control airspace by monitoring gliders and parachute jumps and provide emergency security control of air traffic when emergency conditions exist which threaten national security by identifying the position of all friendly air traffic and controlling the density of air traffic operating in airspace critical to air defense operations; and

Whereas, flight service stations began as aviation support facilities known as airway radio stations that provided local weather observations and forecasts for military aircraft in World War I and later for air mail aircraft; and

Whereas, the Air Commerce Act brought airway radio stations under the control of the Department of Commerce, and later the Civil Aeronautics Act transferred aeronautical functions from the Department of Commerce to the newly created Civil Aeronautics Authority, which changed the name of the airway radio station to the airway communication station; and

Whereas, during World War II, airway communication stations provided air traffic control services to military aircraft, and the rapid growth of postwar aviation led to the Federal Aviation Act which merged the Civil Aeronautics Authority with other agencies to create the Federal Aviation Agency; and

Whereas, initially airborne pilots could only get verbatim weather reports and forecasts, but in 1961 flight service station personnel were trained as pilot weather briefers and could summarize and interpret weather charts and reports to provide pilot weather briefings aimed at reducing weather-related aviation accidents; and

Whereas, after a series of fatal aviation accidents, the Federal Aviation Agency was renamed the Federal Aviation Administration and transferred to the Department of Transportation with a focus on upgrading radar and computer equipment to reduce weather-related aircraft accidents; and

Whereas, as a result of increasing traffic loads, the flight service automation system was conceived to upgrade and consolidate air navigation facilities to provide better and more efficient air traffic control services; and

Whereas, in accordance with the flight service automation system, the four hundred flight service stations in the country have been consolidated into just over one hundred automated flight service stations; and

Whereas, it is the policy of the United States that the safe operation of the airport and airway system is the highest aviation priority; and

Whereas, it is the duty of the administrator of the Federal Aviation administration to implement this policy by maximizing the effectiveness of the air traffic control system and insuring that all air traffic control stations are adequately staffed and equipped; and

Whereas, to improve air traffic control services and increase air traffic safety, congress passed the Airport and Airway Improvement Act of 1982, the Aviation Safety and Capacity Expansion Act of 1990, and the Air Traffic Management System Performance Improvement Act of 1996; and

Whereas, flight service station personnel are under a duty to both pilots and their passengers to furnish accurate, complete, and current weather information and to suggest appropriate action to avoid storms and dangerous areas; and

Whereas, flight service station personnel are responsible for the consequences of placing aircraft in a position of a peril by negligently furnishing inaccurate weather information; and

Whereas; because the United States has assumed the duty to provide weather information to aircraft for the protection of air travelers, it can be held liable under the Federal

Tort Claims Act for the negligence of flight service station personnel who provide inaccurate information to aircraft that rely on it to their detriment; and

Whereas; all of the flight service stations in Louisiana have been consolidated into the DeRidder Automated Flight Service Station, thus making its personnel responsible for all of general aviation in the state; and

Whereas; adequate staffing of the DeRidder Automated Flight Service Station is critical to providing general aviation aircraft in Louisiana essential information for safe and secure air travel; and

Whereas; the DeRidder Automated Flight Service Station often services the entire state with only three or four air traffic control specialists to cover five operational positions; and

Whereas; due to the staffing situation, the supervisor of the DeRidder Automated Flight Service Station will often have to eliminate the recorded daily broadcast of general weather information for pilots and the display of critical weather information used by pilot weather briefers; and

Whereas; additional experienced personnel have not been provided to alleviate the shortage, and the current staff will soon begin spending more time training the new employees that are being hired to replace those that are leaving; and

Whereas; when air traffic becomes too great for the staff, the operational procedure is to transfer calls to another automated flight service station, which results in degraded services to the pilots because the pilot weather briefers taking the transferred calls are not area rated for the state of Louisiana; and

Whereas; this degradation of air traffic control services could pose a serious safety risk to the flying public because it weakens a critical link that pilots need to assess weather conditions along their flight route; and

Whereas; considering that approximately half of all general aviation aircraft accidents are weather-related, and that Louisiana has the highest level of helicopter travel in the nation, general aviation air travelers cannot afford to rely on degraded air traffic control services.

Therefore, be it: *Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to adequately fund and staff the DeRidder Automated Flight Service Station.

Be it further resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM-294. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the U.S. Geological Survey's water resource programs; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION NO. 185

Whereas, water, in the form of floods, is a major natural hazard to our country's people, property, and environment, and the United States Geological Survey, the USGS, has long been the source nationwide for reliable and accurate water resources data of importance to many people who make critical decisions daily which affect public health and safety; and

Whereas, with our ever-increasing population and urbanization, there is a growing need to develop programs, plans, and facilities to mitigate the effects of flooding throughout the country; and

Whereas, the most accurate and universally used source of water resources data is the USGS and the stream-gauging network they have set up and operated across the country over the period of several decades, which stream-gauging network collects real-time river stage and discharge data which is transmitted by satellite from more than 4,200 USGS stream-gauging stations to various federal agencies such as the National Weather Service, the U.S. Army Corps of Engineers, and the Federal Emergency Management Agency, where it is used to make critical decisions for which inaccurate or inadequate data would have a devastating impact; and

Whereas, the USGS budget for Fiscal Year 2000 anticipates a ten percent reduction in the Federal-State Cooperative program, within which several Louisiana state departments and local agencies participate, a $2.5 million decrease for the Clean Water Action Plan, and a four percent reduction in the Hydrologic Network and Analysis Program; and

Whereas, these are all critical programs to the accuracy and adequacy of water resources data across the country, and particularly in the state of Louisiana where water is such a large part of our lives, our public planning process, and where river stage and discharge information are of critical importance to the preservation of life, property, and water quality, all at a time when the need for streamflow data is increasing rather than decreasing.

Therefore, be it: *Resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring*, That the United States Congress is hereby memorialized to restore budget cuts to the Fiscal Year 2000 budget for the U.S. Geological Survey Water Resources Programs and particularly its State-Federal Cooperative program.

Be it further resolved, That a copy of this Resolution be forwarded to each member of the Louisiana delegation and to the presiding officer of each house of the United States Congress.

POM-295. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the installation of lighting on Interstate Highway 10 and Interstate Highway 310 in the vicinity of the intersection of Jefferson Parish, Louisiana and St. Charles, Parish Louisiana; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION NO. 56

Whereas, presently there are no lights on Interstate Highway 10 and Interstate Highway 310 at the intersection of Jefferson Parish, Louisiana, and St. Charles Parish, Louisiana; and

Whereas, this major Interstate interchange is in very close proximity to the New Orleans International Airport; and

Whereas, a person's vision is sharply reduced at night; and

Whereas, the absence of any highway lighting presents a very real safety issue for the New Orleans International Airport; and

Whereas, pilots are unable to properly identify this major intersection and entrance to the metropolitan New Orleans area due to lack of roadway lighting; and

Whereas, lighting would provide pilots with an orderly and predictable landmark outlining where the interchange occurs; and

Whereas, such visual landmark would be an enhancement to both pilots and motorists alike.

Therefore, be it *Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to appropriate sufficient funds to install lighting on Interstate Highway 10 and Interstate Highway 310 in the vicinity of the intersection of Jefferson Parish, Louisiana, and St. Charles Parish, Louisiana.

Be it further resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM-296. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the storage and transportation of hazardous materials; to the Committee on Commerce, Science, and Transportation.

HOUSE CONCURRENT RESOLUTION NO. 134

Whereas, Louisiana has more than twenty-five percent of the chemical manufacturing and processing plants in the United States; and

Whereas, this large concentration of chemical plants in this state result in many toxic and hazardous chemicals to be transported and stored in rail cars that are in close proximity to residential areas, schools, and churches; and

Whereas, accidents resulting in leaks and discharges of toxic and hazardous chemicals occur in the rail yards, due in part to the length of time that rail cars are allowed to stay in rail yards; and

Whereas, this proximity to residential areas, schools, and churches creates an unusual and exceptional risk to those persons, which federal laws and regulations do not adequately address; and

Whereas, there is a special need in Louisiana to enact more stringent laws and regulations to protect the health, safety, and welfare of the citizens who live and attend schools and churches in close proximity to rail cars that store and transport hazardous materials.

Therefore, be it: *Resolved*, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to enact legislation which allows Louisiana to impose requirements on the storage and transportation of hazardous materials by rail car that are more stringent than federal requirements.

Be it further resolved, That a copy of this Resolution by transmitted to the presiding officers of the United States Senate and United States House of Representatives and to each member of the Louisiana congressional delegation.

POM-297. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the proposed "Conservation and Reinvestment Act of 1999"; to the Committee on Energy and Natural Resources.

HOUSE CONCURRENT RESOLUTION NO. 159

Whereas, the United States owns valuable mineral resources that are located both onshore and in the Federal Outer Continental Shelf, and the federal government develops the resources for the benefit of the nation, under certain restrictions designed to prevent environmental damage and other adverse impacts; and

Whereas, the development of the resources is accompanied by unavoidable environmental impacts and public service impacts in the states that host this development; and

Whereas, certain local economies of the state of Louisiana have been devastated by the recent crisis affecting oil production and pricing; and

Whereas, United States Senators Landrieu and Breaux and United States Representatives John, Tauzin, McCrery, Jefferson, and Cooksey are sponsoring the Conservation and Reinvestment Act of 1999 in the 106th Congress of the United states which is designed to provide relief to these devastated local economies.

Therefore, be it: *Resolved*, That the Legislature of Louisiana does memorialize the United States Congress to support the efforts of Senators Landrieu and Breaux and Representatives John, Tauzin, McCrery, Jefferson, and Cooksey to enact the Conservation and Reinvestment Act of 1999 which will aid the local economies devastated by the oil crisis.

Be it further resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation

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POM–298. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to school bus drivers who own their own buses and are contract employees of a school system; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 98

Whereas, many school systems around the nation, including several here in Louisiana, depend upon contracts with independent school bus drivers who own their own school buses to provide the necessary transportation of students to and from school; and

Whereas, the current federal tax code does not provide for school bus drivers who own their own school buses to itemize their operational expenses and not pay income tax on reimbursement for these expenses; rather, current federal tax code requires independent owners to pay income taxes on operational expense reimbursement; and

Whereas, in the past, such operational expenses were not taxed and school systems issued contract drivers a W2 form and a separate operational expense form and taxes were not deducted from operational expense reimbursement payments, but recent changes in the federal tax code have increased the financial burden on school bus drivers who own their own school bus, thereby making it increasingly difficult for school systems to find qualified, dependable drivers to safely transport children to and from school; and

Whereas, the reinstatement of such federal taxation procedures would impact the safety of school children and the efficacy of our school systems both in Louisiana and across the nation.

Therefore, be it: *Resolved*, That the legislature of Louisiana does memorialize the United States Congress to take appropriate steps, including enacting legislation, necessary to provide that operational expense reimbursement for school bus drivers who own their own buses will be exempt from federal income taxes.

Be it further resolved, That a copy of this Resolution be transmitted to the President of the United States, to the Speaker of the United States House of Representatives, and to each member of the Louisiana congressional delegation.

POM–299. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to Social Security; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 342

Whereas, recipients of Social Security and other government benefits often must consider their financial status and possible loss of benefits when deciding whether to marry; and

Whereas, although a recipient is allowed to keep his own Social Security benefits from his work history when he marries, if his first spouse dies and he remarries before he turns sixty years of age, he loses any benefits due on his first spouse's work record; and

Whereas, if a recipient is receiving Social Security benefits as a divorced spouse and remarries at any age, he loses benefits on the first spouse's work record; and

Whereas, if a recipient receives an annuity from a divorced or deceased spouse's civil service pension, he may lose such benefits forever if he remarries before age fifty-five; and

Whereas, under certain plans, a recipient receiving Supplemental Security Income can lose benefits if he remarries; and

Whereas, the government should encourage the institution of marriage rather than penalize citizens who choose to remarry.

Therefore, be it *Resolved*, That the Legislature of Louisiana does hereby memorialize congress to take measures which would allow recipients of Social Security benefits and other government benefits to marry or remarry without the fear of losing or experiencing a reduction in such benefits or other adverse financial consequences.

Be it further resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–300. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to Social Security; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 284

Whereas, the term "notch" refers to the difference between social security benefits paid to people born between 1917 and 1921, and those paid to people born before and after that time; and

Whereas, the "notch" is not a plan to give some people less social security than they are due but rather the result of a mistake in the social security benefit formula; and

Whereas, people born between 1910 and 1916 are getting more benefits than the "notchers" due to a windfall caused by the mistake in the benefit formula; and

Whereas, therefore, the "notchers" are receiving less benefits each year than their counterparts through no fault of their own and deserve to be compensated on an equal footing with the citizens born between 1910 and 1916; and

Whereas, since 1981, at least 113 bills to redress the discrepancy in retiree benefits due to the "notch" have been filed in the United States Congress; and

Whereas, a plan to compensate the "notchers" would not put an undue burden on the government as it would only apply to retirees born between 1917 and 1921.

Therefore, be it: *Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to allow people born between 1917 and 1921 to receive the same social security benefits as those persons born between 1910 and 1916.

Be It further resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–301. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the right of state and local governments to operate pension plans for their employees; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 197

Whereas, most Louisiana state and local government employees have been provided pension plans as a substitute for mandatory participation in the federal social security system; and

Whereas, these plans cover hundreds of thousands of different state and local government employees, including employees of school districts, police officers, firefighters, faculty at institutions of higher education, employees of municipalities, as well as thousands of benefit recipients; and

Whereas, Louisiana's state and local government employee pension plans have been carefully developed with the cooperation of the Legislature of Louisiana, employers, and employees to meet the unique needs of such public employees at a reasonable cost; and

Whereas; these pensions plans are being funded on an actuarial basis and the monies in such plans have been appropriately and successfully invested in diversified investments in accordance with modern portfolio theory; and

Whereas; state and local government employees in Louisiana are covered by many different, separate retirement plans, including statewide plans, local plans, defined benefit plans, and defined contribution plans, all of which meet applicable federal standards; and

Whereas, Louisiana fire, police, and state trooper pension plans offer benefits that are designed to address the physical demands and high risks inherent in pubic safety work and that are not available through the federal social security system, including lower retirement ages and comprehensive death and disability benefits; and

Whereas, it is anticipated that federal legislation will be introduced that would include a requirement that state and local government employees hired after a certain date participate in the federal social security system; and

Whereas, current estimates published by the federal Governmental Accounting Office indicate that participation by state and local government employees in the federal social security system would extend the solvency of the applicable trust funds by only two years, after which time benefits payable to retiring state and local government employees would cause a depletion of monies in those trust funds; and

Whereas, the lack of mandatory participation in the federal social security system by state and local government employees in Louisiana has not been a cause of financial problems affecting that system, and Louisiana state and local government employees receive no special or unfair benefits from that system; and

Whereas, if participation in the federal social security system is mandated for Louisiana state and local government employees, then integrating the federal system with existing state and local pension plans would be an extremely complex process that is likely to result in the loss of some benefits to Louisiana state and local government employees; and

Whereas, a federal mandate that Louisiana state and local government employees participate in the federal social security system may not only threaten the integrity of the existing pension plans for such employees, but it may also affect the public safety and general welfare of the citizens of Louisiana.

Therefore, be it *Resolved*, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to preserve the right of state and local governments to operate pension plans for their employees in place of the federal social security system, and to develop legislation for responsible reform of the federal social security system that does not include mandatory participation by employees of state and local governments.

Be it further Resolved, That a copy of this Resolution be transmitted to the presiding officers of the United States Senate and the United States House of Representatives and to each member of Louisiana's delegation to the United States Congress.

POM–302. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to acute health care services in Algiers, Louisiana; to the Committee on Health, Education, Labor, and Pensions.

HOUSE CONCURRENT RESOLUTION NO. 343

Whereas, Tenet Louisiana Healthsystem (Tenet) recently closed JoEllen Smith Medical Center (JoEllen Smith), twenty-four-year-old Algiers, Louisiana, hospital, on May 31, 1999; and

Whereas, before JoEllen Smith ever existed, the residents of Algiers always had excellent acute care services through Dr. LaRocca's emergency clinic, which Algiers relied on to stabilize patients before they were transported to one of the area hospitals, the combination ensuring a continuum of excellent medical care; and

Whereas, in 1975, JoEllen Smith Memorial Hospital opened, bringing emergency services and inpatient care to the Algiers community all in one location; and

Whereas, at the time JoEllen Smith opened its doors, the Algiers community welcomed and embraced the hospital by volunteering time and effort to support JoEllen Smith as its very own community hospital, helping to recruit a strong patient base, and loyalty and enthusiasm from the people of Algiers; and

Whereas, in 1980, National Medical Enterprises acquired Jo Ellen Smith; and

Whereas, in 1984, the citizens of Algiers witnessed the opening of the two-hundred-bed Meadowcrest Hospital by National Medical Enterprises (which changed its name to Tenet) in Gretna, Louisiana, with the help of federal money, even though there was never a market for two hospitals in the area; and

Whereas, eventually, as federal dollars ran dry, National Medical Enterprise began discontinuing vital medical services at JoEllen Smith such as obstetric and gynecological, and more severely, cardiac, and acute care services, and transferring such services, as well as money, efforts, and leadership toward the buildup of Meadowcrest Hospital; and

Whereas, JoEllen Smith was supported by a very loyal, robust Algiers patient base in an area with over sixty thousand residents; and

Whereas, ironically, the Algiers community began with an emergency clinic which later developed into a full service hospital, and now the community is left with neither, both facilities being brought down by greed; and

Whereas, twenty-four years later, the residents of Algiers desperately need acute care services just as JoEllen Smith needed the support of the Algiers community twenty-four years earlier.

Therefore, be it: *Resolves*, That the Legislature of Louisiana does hereby memorialize the United States Congress to take what measures are possible on the federal level to ensure that the Algiers community will not be deprived of accessible acute care services.

Be it further resolved, That the United States Congress is requested to urge Tenet Louisiana Healthsystem to cooperate with any potential procurers of the site of JoEllen Smith Medical Center to facilitate future acute care services for the residents of Algiers at that site.

Be it further resolved, That a copy of this Resolution shall be transmitted to the presiding officers of the Senate and the House of Representatives of the United States Congress and to each member of the Louisiana congressional delegation.

POM–303. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to a recent article in the Bulletin published by the American Psychological Association; to the Committee on Health, Education, Labor, and Pensions.

HOUSE CONCURRENT RESOLUTION, NO. 215

Whereas, the Psychological Bulletin recently published an article which claims that studies on sexual relationships between adults and children suggests that such relationships do not in general provide intensely negative effects in the vast majority of cases, particularly when the sex is consensual; and

Whereas, the study further suggests that child sexual abuse does not cause intense harm on a pervasive basis in the population studied, and that child sexual abuse has no inevitable or inbuilt outcome or set of emotional results; and

Whereas, the authors of the study also suggests that sexual relations between a child and an adult, if the child had a "willing encounter with a positive reaction" might be classified for later research not as sexual abuse but as "adult-child sex"; and

Whereas, the views expressed in this study defy common sense, are contrary to the experience of professionals who work in the child welfare field, and are contradicted by the views of prominent researchers in the field of child sex abuse; and

Whereas, most experts believe that sexually abused children are at increased risk for such negative clinical conditions as depression, vulnerability to drug and alcohol abuse, sex with other children, low self-esteem, guilt, shame, an inability to distinguish sex from love, and a higher risk of suicide; and

Whereas, pedophilia is harmful to the family unit which is the foundation of our society; and

Whereas, the reality is that so-called consensual sexual relationships between adults and children are always harmful; and

Whereas, this reality is reflected in numerous laws enacted by the Legislature of Louisiana, including child abuse laws and criminal laws which forbid the sexual exploitation of children in this way; and

Whereas, the American Psychological Association study threatens to legitimize the sexual exploitation of children in the minds of potential pedophiles by providing them with a rationale for this reprehensible behavior.

Therefore, be it: *Resolved*, That the Legislature of Louisiana condemns and rejects all claims in the aforementioned study which suggest that pedophilia does not produce pervasive and intensely negative effects on the vast majority of children, and the legislature further rejects any suggestion in the study that sexual relations between adults and children are anything but abusive, destructive, explosive, reprehensible, and against the law; and

Be it further resolved, That a copy of this Resolution shall be transmitted to the Honorable Bill Clinton, President of the United States, the Honorable Al Gore, Jr., Vice President of the United States and President of the U.S. Senate, the Honorable Trent Lott, Majority Leader of the U.S. Senate, the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives, the Honorable Mary Landrieu and the Honorable John Breaux, U.S. Senators from Louisiana, the Honorable Mike Foster, Governor of Louisiana, the Honorable Madeline Bagneris, Secretary of the Department of Social Services, and Thomas DeWalt, Executive Officer of the American Psychological Association.

POM–304. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the appellate jurisdiction of the federal courts regarding partial-birth abortions; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION NO. 257

Whereas, Louisiana is one of twenty-five states which has recently prohibited the specific medical procedure termed "partial-birth abortions"; and

Whereas, numerous other states are working this legislative session to enact the same ban; and

Whereas, federal district courts have thus far struck down laws in seventeen different states, effectively declaring that partial-birth abortions cannot be banned; and

Whereas, this intrusion of the federal courts into these state decisions concerning this medical procedure can be remedied only by federal congressional action to limit the jurisdiction of these federal courts; and

Whereas, the United States Constitution does not create or regulate these inferior federal courts, but instead explicitly gives congress the power to do so; and

Whereas, the U.S. Constitution makes the jurisdiction of the federal courts subject to congressional proscription through Article III, Section 2, Para. 2, by declaring that federal courts "shall have appellate jurisdiction both as to law and fact with such exceptions and under such regulations as congress shall make"; and

Whereas, the intent of the framers of our documents was clear on this power of congress, such as when Samuel Chase (a signer of the Declaration of Independence and a U.S. Supreme Court Justice appointed by President George Washington) declared, "The notion has frequently been entertained that the federal courts derive their judicial power immediately from the constitution; but the political truth is that the disposal of the judicial power (except in a few specified instances) belongs to Congress. If Congress has given the power to this court, we possess it, not otherwise"; and

Whereas, Justice Joseph Story, in his authoritative *Commentaries on the Construction*, similarly declares, "In all cases where the judicial power of the United States is to be exercised, it is for Congress alone to furnish the rules of proceeding, to direct the process, to declare the nature and effect of the process, and the mode, in which the judgments, consequent thereon, shall be executed . . . And if Congress may confer power, they may repeal it . . . [The power of Congress [is] complete to make exceptions"]; and

Whereas, this position is confirmed not only by the signers of the Constitution themselves, such as George Washington and James Madison, but also by other leading constitutional experts and jurists of the day, including Chief Justice John Rutledge, Chief Justice Oliver Ellsworth, Chief Justice John Marshall, Richard Henry Lee, Robert Yates, George Mason, and John Randolph; and

Whereas, the United States Supreme Court has long recognized and affirmed this power of congress; to limit the appellate jurisdiction of the federal courts, as in 1847 when the court declared that the "court possesses no appellate power in any case unless conferred upon it by act of Congress" and in 1865 when it declared "it is for Congress to determine how far . . . . appellate jurisdiction shall be given; and when conferred, it can be exercised only to the extent and in the manner prescribed by law"; and

Whereas, congress has on numerous occasions exercised this power to limit the jurisdiction of federal courts, and the Supreme Court has consistently upheld this power of congress in rulings over the last two centuries, including cases in 1847, 1866, 1868, 1876, 1878, 1882, 1893, 1898, 1901, 1904, 1906, 1908, 1910, 1922, 1926, 1948, 1952, 1966, 1973, 1977, etc; and

Whereas, it is congress alone which can remedy this current crisis and return to the states the power to make their own decisions on partial-birth abortions by excepting this issue from the appellate jurisdiction of the federal courts.

Therefore, be it: *Resolved*, That the Legislature of Louisiana respectfully appeals to the Congress of these United States to limit the appellate jurisdiction of the federal courts regarding the specific medical practice of partial-birth abortions.

Be it further *resolved*, That a copy of this Resolution be sent to the Speaker of the United States House of Representatives, the President of the United States Senate, and the Chief Clerical Officers of the United States House of Representatives and the United States Senate.

POM–305. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the Mississippi River Gulf Outlet; to the Committee on Environment and Public Works.

HOUSE CONCURRENT RESOLUTION NO. 266

Whereas, the construction and opening of the Mississippi River Gulf Outlet ("Mr. Go") in 1963 destroyed a 475-foot wide, 37 mile long strip of wetlands and swamps in St. Bernard Parish, and the channel has been further widened to two thousand feet through years of ship traffic wakes eating away at the banks of the channel; and

Whereas, because there are no longer natural levees formed by winding bayous, water from the Gulf of Mexico moves straight up "Mr. Go" unimpeded as though it were a superhighway for storm surges caused by hurricanes and other less severe storms, and such influx of water results in increased flooding in St. Bernard Parish, Orleans Parish, and Plaquemines Parish; and

Whereas, because of the destruction of wetlands and marshes resultant from the construction of the Mississippi River Gulf Outlet, there is increased saltwater intrusion which, in turn, has resulted in increased destruction of marshes and freshwater swamps surrounding Lake Borgne; and

Whereas, because of the saltwater intrusion, the hydrology and animal and plant life of the Lake Pontchartrain and Breton Sound basins have been dramatically altered, "dead zones" have been created, and seafood yields have been drastically reduced; and

Whereas, hurricane impact in addition to the impact from "Mr. Go" make Plaquemines, Orleans, and St. Bernard parishes particularly vulnerable to severe hurricane damage and tropical storms and, in fact, tidal surges have already been measured at speeds of over 18 feet per second; and

Whereas, the increased costs of maintaining the channel, including $35 million spent to dredge the channel after Hurricane Georges swept tons of silt into the channel which blocked the channel to larger ships, an anticipated $7 to $10 million needed each year to maintain the channel, and an anticipated expenditure of another $35 million to rock the north face of the channel, are hardly worth the benefit received by the approximately two ships per day which use the Mississippi River Gulf Outlet; and

Whereas, because of the continued and increased deterioration of the channel and its detrimental impact on the state's wetlands and coastal zone, the state of Louisiana's coastal restoration plan, Coast 2050, calls for the phasing out of the Mississippi River Gulf Outlet:

Therefore, be it *Resolved*, That the Legislature of Louisiana does hereby memorialize the U.S. Congress to appoint a task force to develop a process and plan for the timely closure of the Mississippi River Gulf Outlet.

Be it further *resolved*, That the task force consist of a policy committee and a technical advisory committee and that, within the next twelve months, the task force design and develop a program to phase out the Mississippi River Gulf Outlet with a focus on public safety; maintenance of the economic viability of the St. Bernard Port; and mitigation, preservation, protection, and restoration of wetlands and wetlands habitat.

Be it further *resolved*, That a copy of this Resolution be sent to the presiding officers of the Senate and House of Representatives of the United States Congress, to each member of the Louisiana congressional delegation, and to the U.S. Army Corps of Engineers.

POM–306. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to military service personnel under the age of twenty-one; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTION NO. 157

Whereas, under the direction of President Slobodan Milosevic, the Federal Republic of Yugoslavia has repeatedly violated United Nations Security Council resolutions by ordering the unrestrained assault by Yugoslav military, police, and paramilitary forces on Kosovar civilians, thereby creating a massive humanitarian catastrophe which also threatens to destablize the surrounding region; and

Whereas, hundreds of thousands of people have been ruthlessly expelled from Kosovo by the indiscriminate use of force and stripped of their identity and dignity by the Yugoslav government which is responsible for the appalling violations of human rights; and

Whereas, the repression and humanitarian atrocities supported by the Yugoslav government have escalated the conflict between Serbian military and ethnic Albanian forces in Kosovo; and

Whereas, the North Atlantic Treaty Organization is an alliance based on political and military cooperation of independent countries that are committed to safeguarding the freedom, common heritage, and civilization of their peoples; and

Whereas, the North Atlantic Treaty Organization has transformed its political and military structures to enable it to participate in the development of cooperative security structures for the whole of Europe and peacekeeping/crisis management tasks undertaken in cooperation with countries which are not members of the alliance; and

Whereas, the crisis in Kosovo respresents a fundamental challenge to the principles of democracy, individual liberty, human rights, and the rule of law, for which the North Atlantic Treaty Organization has stood since its foundation fifty years ago; and

Whereas, on March 24, 1999, in response to the deepening humanitarian tragedy unfolding in Kosovo as Yugoslav military and security forces continued their attacks on their own people, the combined military forces of the North Atlantic Treaty Organization began an air combat operation, Operation Allied Force, to force the Milosevic regime to withdraw its forces and facilitate the return of refugees to their homes; and

Whereas, the purpose of Operation Allied Force is to disrupt, degrade, and destroy the Yugoslav military and security forces in order to deter and prevent further military actions against innocent civilians until President Milosevic complies with the demands of the international community; and

Whereas, despite continuous air bombing campaigns, President Milosevic has refused to change his oppressive and criminally irresponsible policy of ethnic cleansing and rejected a political agreement that would bring peace and stability to that region of Europe; and

Whereas, as a result of President Milosevic's continued refusal to cease the oppression of the Kosovar civilians, the leaders of the North Atlantic Treaty Organization are meeting to discuss the possibility of expanding Operation Allied Force by sending military ground troops to continue the fight against Yugoslav military and security forces; and

Whereas, sending military ground troops to fight against Yugoslav military and security forces increases the possibility that young American soldiers will be injured or killed and become casualties of war; and

Whereas, as long as there are restrictions and discrimination and the encouragement and enticement for restrictions and discrimination based on age perpetuated by the federal government and sustained by state governments on persons aged eighteen through twenty years, such persons should not be sent to participate in any combat operations until such restrictions and discrimination and the enticement and encouragement therefor cease to exist; and

Whereas, the young men and women of the United States armed forces are the future military leaders of our nation.

Therefore, be it: *Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to ensure that United States military service personnel under the age of twenty-one are not sent to participate in any compact operations carried out by ground troops in Yugoslavia.

Be it further *resolved*, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–307. A concurrent resolution adopted by the Legislature of the State of Louisiana relative to the compensation of retired military personnel; to the Committee on Armed Services.

HOUSE CONCURRENT RESOLUTION NO. 205

Whereas, many American servicemen and women have dedicated their careers to protect the rights and privileges that the public at large enjoys and, in doing so, many also endured hardships, privation, the threat of death or disability, and long separations from their families; and

Whereas, career military personnel earn retirement benefits based on longevity, which requires a minimum of twenty years honorable and faithful service at the time of retirement and, by contrast, veterans' disability compensation requires a minimum of ninety days active duty service and is intended to compensate for pain, suffering, disfigurement, chemical-related injuries, wounds, and loss of earnings capacity; and

Whereas, military personnel contribute toward their retirement pay with employee contributions which reduces their congress-approved base pay which some assert is lower than their civilian counterparts and which is paid based on a life and career of hardship, long hours without overtime pay and lack of freedom of expression through employee unions; and

Whereas, integral to the success of the nation's military forces are those soldiers and sailors who have made a career of defending our great country in peace and war from the revolutionary war to present day but, notwithstanding that fact, there exists a gross inequity in the federal statutes that denies disabled career military personnel equal rights to receive veterans' disability compensation concurrent with receipt of earned military retired pay; and

Whereas, veterans who are both retired and disabled are denied concurrent receipt of full retirement pay and disability pay, but instead may receive one or the other or must have deducted from their retirement pay an amount equal to the disability compensation being received by such veterans, and no such deduction applies to federal civil service so that a disabled veteran who has held a nonmilitary federal job for the requisite duration receives full longevity pay undiminished by the subtraction of disability compensation pay; and

Whereas, this injustice and discrimination can only be corrected by legislation which, if enacted into law, will ensure that America's commitment to a strong military in pursuit of national and international goals is a reflection of the allegiance of those who sacrifice on behalf of those goals.

Therefore, be it: *Resolved*, That the Legislature of Louisiana does hereby memorialize the United States Congress to amend the United States Code, Chapter 71, relating to the compensation of retired military personnel, to permit full, concurrent receipt of military longevity pay and service-connected disability compensation pay.

Be it further *resolved*, That copies of this Resolution be transmitted to the president of the United States, to the speaker of the United States House of Representatives, to the president of the United States Senate, and to the members of the Louisiana congressional delegation that they may be apprised of the sense of the Legislature of Louisiana in this matter.

POM-308. A resolution adopted by the Georgia Association of Black Elected Officials relative to a pending federal criminal investigation; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S. 720: A bill to promote the development of a government in the Federal Republic of Yugoslavia (Serbia and Montenegro) based on democratic principles and the rule of law, and that respects internationally recognized human rights, to assist the victims of Serbian oppression, to apply measures against the Federal Republic of Yugoslavia, and for other purposes (Rept. No. 106–139).

By Mr. HATCH, from the Committee on the Judiciary:

Report to accompany the bill (S.1255) to protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes (Rept. No. 106–140).

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 97: A bill to require the installation and use by schools and libraries of a technology for filtering or blocking material on the Internet on computers with Internet access to be eligible to receive or retain universal service assistance (Rept. No. 106–141).

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 798: A bill to promote electronic commerce by encouraging and facilitating the use of encryption in interstate commerce consistent with the protection of national security, and for other purposes (Rept. No. 106–142).

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 199: A bill for the relief of Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko.

S. 275: A bill for the relief of Suchada Kwong.

By MR. HATCH, from the Committee on the Judiciary, with an amendment:

S. 452: A bill for the relief of Belinda McGregor.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 486: A bill to provide for the punishment of methoamphetamine laboratory operators, provide additional resource to combat methamphetamine production, trafficking, and abuse in the United States, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 620: A bill to grant a Federal charter to Korean War Veterans Association, Incorporated, and for other purposes.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of a committee was submitted:

By Mr. HATCH, for the Committee on the Judiciary:

Mervyn M. Mosbacker, Jr., of Texas, to be United States Attorney for the Southern District of Texas for the term of four years.

(The above nomination was reported with the recommendation it be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MACK (for himself, Ms. MIKULSKI, Mr. GRAMS, Mr. WELLSTONE, and Mr. GRASSLEY):

S. 1499. A bill to title XVIII of the Social Security Act to promote the coverage of frail elderly medicare beneficiaries permanently residing in nursing facilities in specialized health insurance programs for the frail elderly; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. DOMENICI, Mr. DASCHLE, Mr. KERREY, Mr. INOUYE, Mr. BINGAMAN, Mr. COCHRAN, Ms. MIKULSKI, Mr. BURNS, Mrs. BOXER, Mr. McCONNELL, Mr. BUNNING, Mr. JEFFORDS, Mr. ROBB, Mr. SANTORUM, Mr. DODD, and Mrs. FEINSTEIN):

S. 1500. A bill to amend title XVIII of the Social Security Act to provide for an additional payment for services provided to certain high- cost individuals under the prospective payment system for skilled nursing facility services, and for other purposes; to the Committee on Finance.

By Mr. McCAIN:

S. 1501. A bill to improve motor carrier safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. REED (for himself and Mr. JOHNSON):

S. 1502. A bill to amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes; to the Committee on Rules and Administration.

By Mr. THOMPSON (for himself and Mr. LIEBERMAN):

S. 1503. A bill to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2003; to the Committee on Governmental Affairs.

By Mr. HARKIN (for himself and Mr. SPECTER):

S. 1504. A bill to improve health care quality and reduce health care costs by establishing a National Fund for Health Research that would significantly expand the Nation's investment in medical research; to the Committee on Health, Education, Labor, and Pensions.

By Mr. COVERDELL (for himself, Mr. KYL, and Mr. ABRAHAM):

S. 1505. A bill to amend the Small Business Act to extend the authorization for the drug-free workplace program; to the Committee on Small Business.

By Mr. THURMOND:

S. 1506. A bill to suspend temporarily the duty on cyclic olefin copolymer resin; to the Committee on Finance.

By Mr. CAMPBELL:

S. 1507. A bill to authorize the integration and consolidation of alcohol and substance programs and services provided by Indian tribal governments, and for other purposes; to the Committee on Indian Affairs.

S. 1508. A bill to provide technical and legal assistance for tribal justice systems and members of Indian tribes, and for other purposes; to the Committee on Indian Affairs.

S. 1509. A bill to amend the Indian Employment, Training, and Related Services Demonstration Act of 1992, to emphasize the need for job creation on Indian reservations, and for other purposes; to the Committee on Indian Affairs.

By Mr. McCAIN (for himself, Mrs. HUTCHISON, Mrs. FEINSTEIN, and Mr. MURKOWSKI):

S. 1510. A bill to revise the laws of the United States appertaining to United States cruise vessels, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HARKIN (for himself, Mr. KENNEDY, Mr. DODD, Mr. ROBB, Mr. LEVIN, Mrs. MURRAY, and Mr. DASCHLE):

S. 1511. A bill to provide for education infrastructure improvement, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCAIN:

S. 1512. A bill to provide educational opportunities for disadvantaged children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THOMPSON:

S. 1513. A bill for the relief of Jacqueline Salinas and her children Gabriela Salinas, Alejandro Salinas, and Omar Salinas; to the Committee on the Judiciary.

By Mr. CAMPBELL:

S. 1514. A bill to provide that countries receiving foreign assistance be conducive to United States business; to the Committee on Foreign Relations.

By Mr. HATCH (for himself, Mr. DASCHLE, Mr. CAMPBELL, Mr. BINGAMAN, and Mr. DOMENICI):

S. 1515. A bill to amend the Radiation Exposure Compensation Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. THOMPSON (for himself and Mr. LIEBERMAN):

S. 1516. A bill to amend title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to reauthorize the Federal Emergency Management Food and Shelter Program, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ALLARD:

S. 1517. A bill to amend title XVIII of the Social Security Act to ensure that medicare beneficiaries have continued access under current contracts to managed health care by extending the medicare cost contract program for 3 years; to the Committee on Finance.

By Mr. BAYH:

S. 1518. A bill to amend the Internal Revenue Code of 1986 to provide an income tax credit to long-term caregivers; to the Committee on Finance.

By Mr. BAYH:

S. 1519. A bill to amend the Internal Revenue Code of 1986 to provide that certain educational benefits provided by an employer to children of employees shall be from gross income as a scholarship; to the Committee on Small Business.

By Mr. SMITH of Oregon (for himself, Mrs. BOXER, Mr. GRAMS, and Mr. DODD):

S. 1520. A bill to amend the U.S. Holocaust Assets Commission Act of 1998 to extend the period by which the final report is due and to authorize additional funding; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SANTORUM:

S. 1521. A bill to require the Secretary of Transportation, through the Congestion Mitigation and Air Quality Program, to make a grant to a nonprofit private entity for the purpose of developing a design for a proposed pilot program relating to the use of telecommuting as a means of reducing emissions of air pollutants that are precursors to ground level ozone; to the Committee on Commerce, Science, and Transportation.

By Mr. AKAKA:

S. 1522. A bill to amend the Animal Welfare Act to ensure that all dogs and cats used by research facilities are obtained legally; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. LINCOLN:

S. 1523. A bill to provide a safety net for agricultural producers through improvement of the marketing assistance loan program, expansion of land enrollment opportunities under the conservation reserve program, and maintenance of opportunities for foreign trade in United States agricultural comodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BREAUX:

S. 1524. A bill to amend title 49, United States Code, to provide for the creation of a certification program for Motor Carrier Safety Specialists and certain informational requirements in order to promote highway safety through a comprehensive review of motor carriers; to the Committee on Commerce, Science, and Transportation.

By Mrs. MURRAY (for herself and Mr. INOUYE):

S. 1525. A bill to provide for equitable compensation of the Spokane Tribe of Indians of the Spokane Reservation in settlement of its claims concerning its contribution to the production of hydropower by the Grand Coulee Dam, and for other purposes; to the Committee on Indian Affairs.

By Mr. ROCKEFELLER (for himself, Mr. ROBB, Mr. SARBANES, Mr. KERRY, Mr. KENNEDY, and Mr. DASCHLE):

S. 1526. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities; to the Committee on Finance.

By Mr. REED:

S. 1527. A bill to amend section 258 of the Communications Act of 1934 to enhance the protections against unauthorized changes in subscriber selections of telephones service providers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LOTT (for himself, Mr. DASCHLE, Mr. CHAFEE, Mrs. LINCOLN, Mr. WARNER, and Mr. BAUCUS):

S. 1528. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions; to the Committee on Environment and Public Works.

By Mr. FRIST (for himself and Mr. ROBB):

S. 1529. A bill to amend title XVIII to expand the Medicare Payment Advisory Commission to 19 members and to include on such commission individuals with national recognition for their expertise in manufacturing and distributing finished medical goods; to the Committee on Finance.

By Mr. GREGG:

S. 1530. A bill to amend the Family and Medical Leave Act of 1993 to clarify the Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MOYNIHAN:

S. 1531. A bill to amend the Act establishing Women's Rights National Historical Park to permit the Secretary of the Interior to acquire title in fee simple to the Hunt House located in Waterloo, New York; to the Committee on Energy and Natural Resources.

By Mr. DURBIN (for himself, Mr. LEVIN, Mr. SCHUMER, and Mr. MOYNIHAN):

S. 1532. A bill to amend title 10, United States Code, to restrict the sale or other transfer of armor piercing ammunition and components of armor piercing ammunition disposed of by the Army; to the Committee on Armed Services.

By Mr. KERREY (for himself and Mr. ROBERTS):

S. 1533. A bill to amend the Federal Food, Drug, and Cosmetic Act to require warning labels on certain wine; to the Committee on Commerce, Science, and Transportation.

By Ms. SNOWE (for herself and Mr. MCCAIN):

S. 1534. A bill to reauthorize the Coastal Zone Management Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRAMS:

S. 1535. A bill to amend title XVIII of the Social Security Act to provide for coverage of outpatient prescription drugs under part B of the medicare program, and for other purposes; to the Committee on Finance.

By Mr. DEWINE:

S. 1536. A bill to amend the Older Americans Act of 1965 to extend authorizations of appropriations for programs under the Act, to modernize programs and services for older individuals, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CHAFEE (for himself and Mr. SMITH of New Hampshire):

S. 1537. A bill to reauthorize and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; to the Committee on Environment and Public Works.

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mrs. HUTCHISON, Mr. FEINGOLD, and Mr. MOYNIHAN):

S. 1538. A bill to amend the Communications Act of 1934 to clarify State and local authority to regulate the placement, construction, and modification of broadcast transmission and telecommunications facilities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DODD (for himself and Mr. DEWINE):

S. 1539. A bill to provide for the acquisition, construction, and improvement of child care facilities or equipment, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. JOHNSON:

S. 1540. A bill to amend the Internal Revenue Code of 1986 to correct the inadvertent failure in the Taxpayer Relief Act of 1997 to apply the exception for developable sites to Round I Empowerment Zone and Enterprise Communities; to the Committee on Finance.

S. 1541. A bill to amend the Employee Retirement Income Security Act of 1974 to require annual informational statements by plans with qualified cash or deferred arrangements, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DURBIN:

S. 1542. A bill to amend the Federal Food, Drug, and Cosmetic Act to require any person who reprocesses a medical device to comply with certain safety requirements, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCONNELL (for himself, Mr. HELMS, Mr. BUNNING, Mr. COVERDELL, Mr. EDWARDS, Mr. ROBB, and Mr. WARNER):

S. 1543. A bill to amend the Agricultural Adjustment Act of 1938 to release and protect the release of tobacco production and marketing information; considered and passed.

By Mr. ALLARD:

S. 1544. A bill to authorize the Bureau of Reclamation to provide cost sharing for the endangered fish recovery implementation programs for the Upper Colorado and San Juan River Basins; to the Committee on Energy and Natural Resources.

By Mr. SANTORUM:

S. 1545. A bill to require schools and libraries receiving universal service assistance to install systems or implement policies for blocking or filtering Internet access to matter inappropriate for minors, to require a study of available Internet blocking or filtering software, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. NICKLES (for himself, Mr. Lieberman, and Mr. Hagel):

S. 1546. A bill to amend the International Religious Freedom Act of 1998 to provide additional administrative authorities to the United States Commission on International Religious Freedom, and to make technical corrections to that Act, and for other purposes; considered and passed.

By Mr. BURNS (for himself, Mr. Wyden, Mr. Lott, and Mr. Hollings):

S. 1547. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to preserve low-power television stations that provide community broadcasting, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER (for herself and Mr. Bingaman):

S. 1548. A bill to establish a program to help States expand the existing education system to include at least 1 year of early education preceding the year a child enters kindergarten; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HARKIN (for himself, Mr. Hollings, and Mr. Dorgan):

S. 1549. A bill to inform and empower consumers in the United States through a voluntary labeling system for wearing apparel or sporting goods made without abusive and exploitative child labor, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WELLSTONE:

S. 1550. A bill to extend certain Medicare community nursing organization demonstration projects; to the Committee on Finance.

By Mr. HARKIN (for himself, Mr. Hollings, Mr. Dorgan, Mr. Levin, Ms. Mikulski, and Mr. Kennedy):

S. 1551. A bill to prohibit the importation of goods produced abroad with child labor, and for other purposes; to the Committee on Finance.

By Mr. REID:

S. 1552. A bill to eliminate the limitation on judicial jurisdiction imposed by section 377 of the Illegal Immigration Reform and Immigration Responsibility Act of 1996, and for other purposes; to the Committee on the Judiciary.

By Mr. DURBIN:

S. 1553. A bill establish a program to assist homeowners experiencing unavoidable, temporary difficulty making payments on mortgages insured under the National Housing Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mrs. BOXER (for herself and Mrs. Feinstein):

S. 1554. A bill to provide for the conveyance of certain property from the United States to Stanislaus County, California; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI (for himself and Mr. Kennedy):

S. 1555. A bill to provide sufficient funds for the research necessary to enable an effective public health approach to the problems of youth suicide and violence, and to develop ways to intervene early and effectively with children and adolescents who suffer depression or other mental illness, so as to avoid the tragedy of suicide, violence, and long-term illness and disability; to the Committee on Health, Education, Labor, and Pensions.

By Mr. REED (for himself, Mrs. Murray, Mr. Kennedy, Mr. Harkin, and Mr. Bingaman):

S. 1556. A bill to amend the Elementary and Secondary Education Act of 1965 to strengthen the involvement of parents in the education of their children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERREY (for himself and Mr. Grassley):

S. 1557. A bill to amend the Internal Revenue Code of 1986 to codify the authority of the Secretary of the Treasury to issue regulations covering the practices of enrolled agents; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. Hatch):

S. 1558. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for holders of Community Open Space bonds the proceeds of which are used for qualified environmental infrastructure projects, and for other purposes; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 1559. A bill to amend title 49, United States Code, to enhance the safety of motor carrier operations and the Nation's highway system, including highway-rail crossings, by amending existing safety laws to strengthen commercial driver licensing, to improve compliance, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KYL (for himself and Mr. McCain):

S. 1560. A bill to establish the Shivwits Plateau National Conservation Area; to the Committee on Energy and Natural Resources.

By Mr. ABRAHAM:

S. 1561. A bill to amend the Controlled Substances Act to add gamma hydroxybutyric acid and ketamine to the schedules of control substances, to provide for a national awareness campaign, and for other purposes; to the Committee on the Judiciary.

By Mr. NICKLES:

S. 1562. A bill to amend the Internal Revenue Code of 1986 to classify certain franchise operation property as 15-year depreciable property; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. Kennedy, and Mr. Hagel):

S. 1563. A bill to establish the Immigration Affairs Agency within the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Mr. COCHRAN (for himself, Mr. Stevens, Mr. Roth, and Ms. Collins):

S. 1564. A bill to protect the budget of the Federal courts; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. SARBANES (for himself, Mr. Edwards, Mr. Bayh, and Mr. Kerry):

S. 1565. A bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ALLARD:

S.J. Res. 31. A joint resolution proposing an amendment to the Constitution of the United States granting the President the authority to exercise an item veto of individual appropriations in an appropriations bill; to the Committee on the Judiciary.

By Mr. HUTCHINSON:

S.J. Res. 32. A joint resolution commending the World War II veterans who fought in the Battle of the Bulge, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROTH. (for himself and Mr. Lugar):

S. Res. 175. A resolution expressing the sense of the Senate regarding United States policy toward the North Atlantic Treaty Organization, in light of the Alliance's April 1999 Washington Summit and the conflict in Kosovo; to the Committee on Foreign Relations.

By Mr. HELMS (for himself, Mr. Biden, Mr. Coverdell, Mr. De Wine, Mr. Grassley, Mr. Frist, Mr. Torricelli, Mr. Graham, Mr. Leahy, Mr. Ashcroft, Mr. Hutchinson, Mr. Lugar, Mr. Bennett, and Mrs. Hutchison):

S. Res. 176. A resolution expressing the appreciation of the Senate for the service of United States Army personnel who lost their lives in service of their country in an anti-drug mission in Colombia and expressing sympathy to the families and loved ones of such personnel; considered and agreed to.

By Mr. WELLSTONE:

S. Res. 177. A resolution designating September, 1999, as "National Alcohol and Drug Addiction Recovery Month"; considered and agreed to.

By Mr. THURMOND (for himself, Mr. Cochran, Mr. Chafee, Mr. Sarbanes, Mr. Torricelli, Mr. Cleland, Mr. Hollings, Mr. Robb, Mr. Frist, Mr. Lincoln, Mr. Thompson, Mr. Mack, Mrs. Feinstein, Mr. Abraham Mr. Lott, Mr. Specter, Mr. Edwards, Mr. Coverdell, Mr. Nickles, Mr. Schumer, Mr. Grassley, Mr. Brownback, Mr. Ashcroft, Mr. Dodd, Mr. Lieberman, Mr. Craig, Mr. Lautenberg, Mr. Durbin, Mr. Sessions):

S. Res. 178. A resolution designating the week beginning September 19, 1999, as "National Historically Black Colleges and Universities Week"; to the Committee on the Judiciary.

By Mr. LOTT:

S. Con. Res. 51. A concurrent resolution providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives; considered and agreed to.

By Mr. ASHCROFT:

S. Con. Res. 52. A concurrent resolution expressing the sense of Congress in opposition to a "bit tax" on Internet data proposed in the Human Development Report 1999 published by the United Nations Development

Programme; to the Committee on Foreign Relations.

By Mrs. FEINSTEIN (for herself, Ms. MUKULSKI, Mrs. BOXER, Mr. AKAKA, Mr. BINGAMAN, and Mr. SARBANES):

S. Con. Res. 53. A concurrent resolution condemning all prejudice against individuals of Asian and Pacific Island ancestry in the United States and supporting political and civic participation by such individuals throughout the United States; to the Committee on the Judiciary.

By Mrs. BOXER (for herself and Mr. HELMS):

S. Con. Res. 54. A concurrent resolution expressing the sense of Congress that the Auschwitz-Birkenau state museum in Poland should release seven paintings by Auschwitz survivor Dina Babbitt made while she was imprisoned there, and that the governments of the United States and Poland should facilitate the return of Dina Babbit's artwork to her; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MACK (for himself, Ms. MIKULSKI, Mr. GRAMS, Mr. WELLSTONE, and Mr. GRASSLEY):

S. 1499. A bill to title XVIII of the Social Security Act to promote the coverage of frail elderly Medicare beneficiaries permanently residing in nursing facilities in specialized health insurance programs for the frail elderly; to the Committee on Finance.

MEDICARE'S ELDERLY RECEIVING INNOVATIVE TREATMENTS (MERIT) ACT OF 1999

Mr. MACK. Mr. President, today I am pleased to join my colleagues, Senator MIKULSKI, Senator WELLSTONE, and Senator GRAMS, in sponsoring the Medicare's Elderly Receiving Innovative Treatments (MERIT) Act of 1999.

This legislation ensures that frail elderly persons residing in nursing homes continue to have the opportunity for improved quality of care and better health outcomes provided by the EverCare program. This program is reimbursed by Medicare on a capitated fee basis to managed care organizations that deliver preventive and primary medical care geared to the special needs of this population. Care is given by nurse practitioner/physician primary care teams which also coordinate care when the patient is hospitalized. Ideally, as much care as possible is provided at the nursing home thus preventing the expense of hospitalization. A major goal is to maintain stability in the patients' life by caring for them in their place of residence. The typical patient is over 85, 82 percent are female, 75 percent are on Medicaid and 70 percent have dementia.

The Balanced Budget Act of 1997 (BBA) requires the Health Care Financing Administration (HCFA) to establish a new risk-adjusted methodology for payments to health plans which is to go into effect on January 1, 2000. An interim risk adjusted payment will be based on inpatient hospital encounter data. However, an unintended consequence of this methodology may be a dramatic drop in EverCare payments by more than 40 percent, according to Long Term Care Data Institute study. This would jeopardize the program, which is currently comprised of demonstration and non-demonstration components, since providers could not afford to remain in business. HCFA recognized the possibly of this and did grant an exemption from the interim methodology for one year, 2000–2001. HCFA, however, has not yet presented a methodology that would be fair and adequate to ensure the continuance of EverCare.

This legislation exempts programs serving the frail elderly living in nursing homes from the phased in risk-adjustment payment methodology and continues payments using the current system. It directs HCFA to develop a distinct payment methodology which meets the needs of these patients and to establish performance measurement standards. It also allows the frail elderly to join EverCare on a continual basis without regard to enrollment periods.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare's Elderly Receiving Innovative Treatments (MERIT) Act of 1999".

SEC. 2. MODIFICATION OF PAYMENT RULES.

Section 1853 of the Social Security Act (42 U.S.C. 1395w–23) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking "subsections (e) and (f)" and inserting "subsections (e) through (i)";

(B) in paragraph (3)(D), by inserting "and paragraph (4)" after "section 1859(e)(4)"; and

(C) by adding at the end the following:

"(4) EXEMPTION FROM RISK-ADJUSTMENT SYSTEM FOR FRAIL ELDERLY BENEFICIARIES ENROLLED IN SPECIALIZED PROGRAMS FOR THE FRAIL ELDERLY.—

"(A) IN GENERAL.—During the period described in subparagraph (B), the risk-adjustment described in paragraph (3) shall not apply to a frail elderly Medicare+Choice beneficiary (as defined in subsection (i)(3)) who is enrolled in a Medicare+Choice plan under a specialized program for the frail elderly (as defined in subsection (i)(2)).

"(B) PERIOD OF APPLICATION.—The period described in this subparagraph begins with January 2000, and ends with the first month for which the Secretary certifies to Congress that a comprehensive risk adjustment methodology under paragraph (3)(C) (that takes into account the types of factors described in subsection (i)(1)) is being fully implemented."; and

(2) by adding at the end the following:

"(i) SPECIAL RULES FOR FRAIL ELDERLY ENROLLED IN SPECIALIZED PROGRAMS FOR THE FRAIL ELDERLY.—

"(1) DEVELOPMENT AND IMPLEMENTATION OF NEW PAYMENT SYSTEM.—The Secretary shall develop and implement (as soon as possible after the date of enactment of this subsection), during the period described in subsection (a)(4)(B), a payment methodology for frail elderly Medicare+Choice beneficiaries enrolled in a Medicare+Choice plan under a specialized program for the frail elderly (as defined in paragraph (2)(A)). Such methodology shall account for the prevalence, mix, and severity of chronic conditions among such beneficiaries and shall include medical diagnostic factors from all provider settings (including hospital and nursing facility settings). It shall include functional indicators of health status and such other factors as may be necessary to achieve appropriate payments for plans serving such beneficiaries.

"(2) SPECIALIZED PROGRAM FOR THE FRAIL ELDERLY DESCRIBED.—

"(A) IN GENERAL.—For purposes of this part, the term 'specialized program for the frail elderly' means a program which the Secretary determines—

"(i) is offered under this part as a distinct part of a Medicare+Choice plan;

"(ii) primarily enrolls frail elderly Medicare+Choice beneficiaries; and

"(iii) has a clinical delivery system that is specifically designed to serve the special needs of such beneficiaries and to coordinate short-term and long-term care for such beneficiaries through the use of a team described in subparagraph (B) and through the provision of primary care services to such beneficiaries by means of such a team at the nursing facility involved.

"(B) SPECIALIZED TEAM.—A team described in this subparagraph—

"(i) includes—

"(I) a physician; and

"(II) a nurse practitioner or geriatric care manager, or both; and

"(ii) has as members individuals who have special training and specialize in the care and management of the frail elderly beneficiaries.

"(3) FRAIL ELDERLY MEDICARE+CHOICE BENEFICIARY DESCRIBED.—For purposes of this part, the term 'frail elderly Medicare+Choice beneficiary' means a Medicare+Choice eligible individual who—

"(A) is residing in a skilled nursing facility or a nursing facility (as defined for purposes of title XIX) for an indefinite period and without any intention of residing outside the facility; and

"(B) has a severity of condition that makes the individual frail (as determined under guidelines approved by the Secretary).".

SEC. 3. CONTINUOUS OPEN ENROLLMENT FOR QUALIFIED INDIVIDUALS.

(a) IN GENERAL.—Section 1851(e) of the Social Security Act (42 U.S.C. 1395w–21(e)) is amended by adding at the end the following:

"(7) SPECIAL RULES FOR FRAIL ELDERLY MEDICARE+CHOICE BENEFICIARIES ENROLLING IN SPECIALIZED PROGRAMS FOR THE FRAIL ELDERLY.—There shall be a continuous open enrollment period for any frail elderly Medicare+Choice beneficiary (as defined in section 1853(i)(3)) who is seeking to enroll in a Medicare+Choice plan under a specialized program for the frail elderly (as defined in section 1853(i)(2)).".

(b) CONFORMING AMENDMENTS.—

(1) OPEN ENROLLMENT PERIODS.—Section 1851(e)(6) of the Social Security Act (42 U.S.C. 1395w–21(e)(6)) is amended—

(A) in subparagraph (A), by striking "and" at the end;

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting at the end of subparagraph (A) the following:

"(B) that is offering a specialized program for the frail elderly (as defined in section 1853(i)(2)), shall accept elections at any time for purposes of enrolling frail elderly Medicare+Choice beneficiaries (as defined in section 1853(i)(3)) in such program; and".

(2) EFFECTIVENESS OF ELECTIONS.—Section 1851(f)(4) of the Social Security Act (42 U.S.C. 1395w-21(f)(4)) is amended by striking "subsection (e)(4)" and inserting "paragraph (4) or (7) of subsection (e)".

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act.

SEC. 4. DEVELOPMENT OF QUALITY MEASUREMENT PROGRAM.

(a) IN GENERAL.—Section 1852(e) of the Social Security Act (42 U.S.C. 1395w-22(e)) is amended by adding at the end the following:

"(5) QUALITY MEASUREMENT PROGRAM FOR SPECIALIZED PROGRAMS FOR THE FRAIL ELDERLY AS PART OF MEDICARE+CHOICE PLANS.—The Secretary shall develop and implement a program to measure the quality of care provided in specialized programs for the frail elderly (as defined in section 1853(i)(2)) in order to reflect the unique health aspects and needs of frail elderly Medicare+Choice beneficiaries (as defined in section 1853(i)(3)). Such quality measurements may include indicators of the prevalence of pressure sores, reduction of iatrogenic disease, use of urinary catheters, use of anti-anxiety medications, use of advance directives, incidence of pneumonia, and incidence of congestive heart failure.".

(b) EFFECTIVE DATE.—The Secretary of Health and Human Services shall first provide for the implementation of the quality measurement program for specialized programs for the frail elderly under the amendment made by subsection (a) by not later than July 1, 2000.

By Mr. HATCH (for himself, Mr. DOMENICI, Mr. DASCHLE, Mr. KERREY, Mr. INOUYE, Mr. BINGAMAN, Mr. COCHRAN, Ms. MIKULSKI, Mr. BURNS, Mrs. BOXER, Mr. MCCONNELL, Mr. BUNNING, Mr. JEFFORDS, Mr. ROBB, Mr. SANTORUM, and Mr. DODD):

S. 1500. A bill to amend title XVIII of the Social Security Act to provide for an additional payment for services provided to certain high-cost individuals under the prospective payment system for skilled nursing facility service, and for other purposes; to the Committee on Finance.

MEDICARE BENEFICIARY ACCESS TO QUALITY NURSING HOME CARE ACT OF 1999

Mr. HATCH. Mr. President, I rise today along with the distinguished Chairman of the Budget Committee, Senator DOMENICI, and other colleagues in introducing the "Medicare Beneficiary Access to Quality Nursing Home Care Act of 1999." This bill will help ensure that Medicare beneficiaries will continue to have access to vitally needed nursing home care services.

When Congress passed the Balanced Budget Act of 1997, the BBA, we created a new prospective payment system (PPS) for skilled nursing facilities (SNF). While the industry generally supported the SNF PPS, there clearly have been some unintended consequences as a result of the implementation the new payment system which is now beginning to affect patient care.

We have an obligation to Medicare beneficiaries, and particularly those in nursing homes as well as those who need to gain admission to nursing homes, to correct this problem. This legislation is designed specifically to address the problem with patient access to nursing home care.

The measure we are introducing today is designed to address two significant problems that have occurred as a result of the implementation of the PPS.

First, the bill provides additional monies to care for the so-called high-acuity SNF patients who require non-therapy ancillary services for conditions such as cancer, hip fracture, and stroke.

Second, with respect to the market basket update, the bill closes the gap between the inaccurate inflation market basket estimate and the actual cost increases between fiscal years 1995 and 1998.

It is my understanding that both solutions could be easily implemented by HCFA.

Mr. President, let me focus more specifically on each of the two provisions.

With respect to non-therapy ancillary care, the bill proposes to add-on additional monies under the federal per diem rate for 15 categories of care. We are now finding that high-acuity and medically complex patients are being shortchanged because the current case-mix system does not accurately measure or account for patients with high medical complexities which utilize greater ancillary services.

HCFA has even acknowledged that they do not have accurate data to properly compensate for such non-therapy ancillary care. According to HCFA, they believe that more accurate data reflecting the case-mix for sicker patients should be available in 2001.

Unfortunately, we now know that beneficiaries are having difficulty receiving non-therapy ancillary care today. For some, waiting 2 years for the HCFA data is simply not an option.

Accordingly, the "Medicare Beneficiary Access to Quality Nursing Home Care Act" will provide interim relief until HCFA has developed more complete and accurate data. The bill provides additional funds for 15 RUS III categories, or the so-called resource utilization groups.

These RUGS were chosen because they represent categories of services that closely match the diagnoses for high-acuity patients. Such additional funds would only be provided for a two-year period, or less, until the Secretary of Health and Human Services has corrected the data to properly reflect the costs of non-therapy ancillary care.

It is my understanding that HCFA believes they can implement a new case mix methodology within this time frame.

In response to concerns expressed to me by HCFA over Y2K problems and the difficulty of any systems' changes at this point in the PPS implementation, my bill provides for a simple, temporary add-on federal dollars to the federal per diem component.

Based on informal comments from HCFA officials, the bill should be easy for the agency to implement in time to have an immediate positive impact on patient care.

The second feature in our bill attempts to close the gap between the inflation adjuster—the market basket update—and the actual cost increases. Recent data are now showing that HCFA's market basket increase is well below actual inflation costs for nursing home care.

When Congress passed the BBA, the year 1995 was chosen as the base year for future inflation adjustments because it provided the most recent set of complete cost reporting data for PPS implementation.

HCFA was charged with developing a market basket of nursing home goods and services to trend forward to 1998, which was when PPS was implemented. Unfortunately, it appears that HCFA has underestimated the market basket index by not considering the cost of nursing home services. In addition, the statute requires the inflation adjuster to be market basket minus one, which only makes the estimate worse.

Evidence is now available to illustrate that the market basket estimate is inadequate to properly compensate for nursing home care.

In 1996, HCFA's market basket increase was approximately 2.7 percent, while data now indicates that the actual cost increase was approximately 10.5 percent. Preliminary 1997 cost data reflect similar differences between the HCFA market basket index and the actual change in costs experienced by nursing facilities.

My legislation provides easily implemented relief to nursing homes which are being short changed by inadequate market basket estimates. The bill eliminates the "minus one" from the inflation adjuster for 1996, 1997, and 1998, thereby providing a one-percent increase of the index over three years, compounded.

While there may need to be further modification to the actual market basket, this straightforward legislative solution enables HCFA to implement this provision immediately. This solution will provide meaningful and practical relief to nursing homes so they can continue to provide quality care for the more medically complex Medicare beneficiaries.

Mr. President, many nursing homes are on the verge of filing for bankruptcy and others may be closing their doors due to various PPS implementation problems. As a result, Medicare beneficiaries are finding themselves on long waiting lists to be admitted to a skilled nursing facility. Others are remaining in hospitals for extended stays, while they wait for nursing home availability.

The "Medicare Beneficiary Access to Quality Nursing Home Care Act" is a common sense solution to address these very real problems. It provides two solutions that HCFA can implement today without being mired in Year 2000 compliance efforts.

I would add that I am pleased that the Chairman of the Finance Committee, Senator ROTH, has indicated his interest in moving a bipartisan BBA technical bill following the August recess.

I have written to Senator ROTH asking him to carefully review our skilled nursing facility bill as he develops a BBA technical corrections bill over the next several weeks. I strongly believe this bill serves as a viable option on which to address the PPS problem that so many nursing homes are facing today.

I ask unanimous consent that the complete text of the bill be printed in the RECORD.

Mr. President, I want to express my thanks to my colleague and good friend, Senator DOMENICI, for his valued help in developing the bill with me as well as to the many others Senators who have joined us today as cosponsors.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Beneficiary Access to Quality Nursing Home Care Act of 1999".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Beneficiaries under the medicare program under title XVIII of the Social Security Act are experiencing decreased access to skilled nursing facility services due to inadequate reimbursement under the prospective payment system for such services under section 1888(e) of such Act.

(2) Such inadequate reimbursement may force skilled nursing facilities to file for bankruptcy and close their doors, resulting in reduced access to skilled nursing facility services for medicare beneficiaries.

(3) The methodology under the prospective payment system for skilled nursing facility services has made it more difficult for medicare beneficiaries to find nursing home care. Some beneficiaries are remaining in hospitals for extended stays due to reduced access to nursing homes. Others are placed in nursing homes that are hours away from family and friends.

(4) The Health Care Financing Administration has indicated that the prospective payment system for skilled nursing facility services does not accurately account for the costs associated with providing medically complex care (non-therapy ancillary services and supplies). Due to Year 2000 problems, the Health Care Financing Administration claims that it will be unable to properly account for such costs under such system.

(5) The Medicare Payment Advisory Commission (MedPAC) has indicated that payments to skilled nursing facilities under the medicare program may not be adequate for beneficiaries who need relatively high levels of non-therapy ancillary services and supplies. According to MedPAC, such inadequate funding could result in access problems for beneficiaries with medically complex conditions.

(6) In order to provide adequate payment under the prospective payment system for skilled nursing facility services, such system must take into account the costs associated with providing 1 or more of the following services:

(A) Ventilator care.

(B) Tracheostomy care.

(C) Care for pressure ulcers.

(D) Care associated with individuals that have experienced a stroke or a hip fracture.

(E) Care for non-vent, non-trach pneumonia.

(F) Dialysis.

(G) Infusion therapy.

(H) Deep vein thrombosis.

(I) Care associated with individuals with transient peripheral neuropathy, a chronic obstructive pulmonary disease, congestive heart failure, diabetes, a wound infection, a respiratory infection, sepsis, tuberculosis, HIV, or cancer.

(7) A temporary legislative solution is necessary in order to ensure that medicare beneficiaries with complex conditions continue to receive access to appropriate skilled nursing facility services.

(8) The skilled nursing facility market basket increase over the last 3 years evidences a critical payment gap that exists between the actual cost of providing services to medicare beneficiaries residing in a skilled nursing facility and the reimbursement levels for such services under the prospective payment system. In addition, the Health Care Financing Administration, in establishing the skilled nursing facility market basket index under section 1888(e)(5)(A) of the Social Security Act only accounted for the cost of goods, but not for the cost of services, as such section requires.

SEC. 3. MODIFICATION OF CASE MIX CATEGORIES FOR CERTAIN CONDITIONS.

(a) IN GENERAL.—For purposes of applying any formula under paragraph (1) of section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e)), for services provided on or after October 1, 1999, and before the earlier of October 1, 2001, or the date described in subsection (c), the Secretary of Health and Human Services shall increase the adjusted Federal per diem rate otherwise determined under paragraph (4) of such section for services provided to any individual during the period in which such individual is in a RUGS III category by the applicable payment add-on as determined in accordance with the following table:

RUGS III Category	Applicable Payment Add-On
RUC	$73.57
RUB	$23.06
RUA	$17.04
RVC	$76.25
RVB	$30.36
RVA	$20.93
RHC	$54.07
RHB	$27.28
RHA	$25.07
RMC	$69.98
RMB	$30.09
RMA	$24.24
SE3	$98.41
SE2	$89.05
CA1	$27.02.

(b) UPDATE.—The Secretary shall update the applicable payment add-on under subsection (a) for fiscal year 2001 by the skilled nursing facility market basket percentage change (as defined under section 1888(e)(5)(B) of the Social Security Act (42 U.S.C. 1395yy(e)(5)(B)) applicable to such fiscal year.

(c) DATE DESCRIBED.—The date described in this subsection is the date that the Secretary of Health and Human Services implements a case mix methodology under section 1888(e)(4)(G)(i) of the Social Security Act (42 U.S.C. 1395yy(e)(4)(G)(i)) that takes into account adjustments for the provision of non-therapy ancillary services and supplies such as drugs and respiratory therapy.

SEC. 4. MODIFICATION TO THE SNF UPDATE TO FIRST COST REPORTING PERIOD.

(a) IN GENERAL.—Section 1888(e) of the Social Security Act (42 U.S.C. 1395yy(e)) is amended—

(1) in paragraph (3)(B)(i), by striking "minus 1 percentage point"; and

(2) in paragraph (4)(B), by striking "reduced (on an annualized basis) by 1 percentage point".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to services provided on or after October 1, 1999.

Mr. DOMENICI. Mr. President, I rise today to join with Senator HATCH in introducing the "Medicare Beneficiary Access to Quality Nursing Home Care Act of 1999."

I am convinced that this bill is urgently needed to assure our senior citizens have access to quality nursing home care through the Medicare program.

We can all take a certain amount of pride in the bipartisan Balanced Budget Act of 1997, which contained the most sweeping reforms for Medicare since the program was enacted in 1965. These reforms have extended the solvency of the program to 2015 and brought new health coverage options to seniors throughout the country.

However, it should come as no surprise that legislation as complex as the Balanced Budget Act (BBA), as well as its implementation by the Health Care Financing Administration, has produced some unintended consequences that need to be corrected.

That is exactly the situation in the case of nursing homes. The transition to the Prospective Payment System (PPS) for Skilled Nursing Facilities (SNFs) that was contained in the BBA is seriously threatening access to needed care for seniors all across the country.

In May, 63 Senators joined with me in sending a bipartisan appeal to the Secretary of Health and Human Services urging her to address the growing crisis in the nursing home industry through administrative action. To date, we have received no direct response from the Secretary on this matter, nor has the Health Care Financing

Administration (HCFA) shown any willingness to address the problem.

With time quickly running out on many nursing home operators, I believe Congress must act before it is too late to assure our seniors will continue to have access to quality nursing home care.

Let me note that Congress is not alone in believing there is a problem here. Dr. Gail Wilensky, the Chair of the Medicare Payment Advisory Commission, recently testified before the Senate Finance Committee that some Medicare patients are having difficulty accessing care in skilled nursing facilities. Dr. Wilensky went on to say that the current reimbursement system adopted by HCFA does not adequately account for patients requiring high levels of nontherapy ancillary services and supplies.

In New Mexico, there are currently 81 nursing homes in the state serving about 6,000 patients, and I am convinced that the current Medicare payment system, as implemented by HCFA, simply does not provide enough funds to cover the costs being incurred by these facilities when they care for our senior citizens.

For rural states like New Mexico, corrective action is critically important. Many communities in my state are served by a single facility that is the only provider for many miles. If such a facility were to close, patients in that home would be forced to move to facilities much farther away from their families. Moreover, nursing homes in smaller, rural communities often operate on a razor thin bottom line, and, for them, the reductions in Medicare reimbursements have been especially devastating.

The legislation we are introducing today would go a long way toward restoring stability in the nursing home industry. It would increase reimbursement rates through two provisions.

First, a 2-year period, the bill modestly increases payments for 15 high acuity conditions, like cancer, hip fracture, and stroke. At the end of 2 years, HCFA expects that they will have the data to more properly reflect the high costs of these cases in the payment system.

Second, the bill eliminates the one percentage point reduction in the annual inflation update for all reimbursement rates for skilled nursing facilities.

I look forward to working with Senator HATCH and the other cosponsors of this bill in pushing for passage of this critical legislation when we return in September.

By Mr. McCAIN:

S. 1501. A bill to improve motor carrier safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE MOTOR CARRIER SAFETY IMPROVEMENT ACT OF 1999

• Mr. McCAIN. I am pleased to introduce the Motor Carrier Safety Improvement Act of 1999. This measure is designed to remedy certain weaknesses regarding the Federal motor carrier safety program as identified by the Department of Transportation's Inspector General (DOT IG) in April 1999. The Motor Carrier Safety Improvement Act also contains several new initiatives intended to advance safety on our nation's roads and highways.

The bill would establish a separate Motor Carrier Safety Administration within the DOT. That agency would be responsible for carrying out the Federal motor carrier safety enforcement and regulatory responsibilities currently held by the Federal Highway Administration. It would be headed by an Administrator, appointed by the President and confirmed by the Senate.

To guard against increasing the already bloated Federal bureaucracy, the bill would cap employment and funding at the levels currently endorsed by the Administration for motor carrier safety activities. This legislation also recognizes the significant differences between truck operations and passenger carrying operations and accordingly, would call for a separate division within the new agency to ensure commercial bus safety.

Aside from organizational issues, the Motor Carrier Safety Improvement Act would require the Department to implement all the IG's recently issued truck safety recommendations. DOT has indicated it will act on some of the recommendations, but it has failed to articulate a definitive action plan to implement all of the IG's recommendations. We should not risk the consequences of ignoring the IG's recommendations and this bill would require action to eliminate the identified safety gaps at DOT. In addition, it would authorize additional funding as requested by the Administration to address safety shortcomings. It also includes a number of items to address truck safety and enforcement, including provisions to strengthen the Commercial Drivers License Program, to improve data collection activities and to promote the accurate exchange of driver information among the states.

I want to take a moment to share with my colleagues how I reached the decision to develop this measure.

In the last Congress, a comprehensive package of motor carrier and highway safety provisions was enacted as part the Transportation Equity Act for the 21st Century (TEA–21). This package was developed over a two-year period. Throughout the 105th Congress, the primary impediment faced by the Committee on Commerce, Science, and Transportation when crafting our highway safety legislation was an insufficient allocation of contract authority from the highway trust fund. Despite this serious constraint, the Committee did succeed in raising the authorizations for motor carrier and highway safety programs. At the same time, the Committee also succeeded in incorporating into TEA–21 almost every safety initiative brought to the Committee's attention.

Several months after TEA–21 was signed into law, I asked the IG to assess a proposal to move the then Office of Motor Carriers (OMC) form the Federal Highway Administration (FHWA) to the National Highway Traffic Safety Administration (NHTSA). The proposal was being advanced by the Chairman of the House Appropriations Subcommittee on Transportation who was, and is, concerned about OMC's effectiveness in overseeing the safety of our nation's truck and bus industries, concerns I share overall.

The proposal, originally contained in an appropriations bill, was eliminated when it was brought to the House Floor. Consequently, I was surprised to learn of its resurrection as a line item in early drafts of the conference report on the Omnibus Appropriations Act for fiscal year 1999. I remind my colleagues that the transfer had never been included in any House or Senate-passed legislation, nor had any of the authorizing Committees of jurisdiction ever been asked to consider it at all in the 105th Congress.

Rather than enact measures that have surface appeal, it is the responsibility of the Congress to ascertain whether the proposals would be effective. I felt it very important that we first determine whether NHTSA was the most appropriate entity to oversee truck safety before requiring it to take on such critical yet unfamiliar responsibilities. That is why I asked for the IG's counsel.

I chaired a hearing in April at which the IG released his report and offered several ways to improve motor carrier safety. The IG's report does not endorse transferring the responsibilities to NHTSA. While this and several options were discussed, the IG stressed that the greatest problem impeding the effectiveness of the Office of Motor Carriers was a fundamental lack of leadership as currently structured. I repeat, the IG found that leadership was the greatest gap hindering truck safety advancements.

One way to raise the visibility of truck safety and bring leadership to motor carrier safety issues is to create an entity that has motor carrier safety as its sole purpose. Given that we have agencies responsible for air, rail, and highway safety, it seems within reason to provide similar treatment in this modal area, particularly given the many identified problems stemming from a lack of attention within its current structure.

Further, creating a direct link with the Office of the Secretary would guarantee that motor carrier safety share holders, including owners, operators, drivers, safety advocates and even government employees, would not be forced to vie for an agency's attention, forced to compete against highway construction and other interests as is currently the case. As we have regrettably learned, the scales of safety and highway construction are not balanced and we need to take action to alter this inequity.

Other legislative proposals have been offered in recent days. I assure my colleagues that I am willing to review those measures and listen to other suggestions to improve this legislation.

In the many meetings and hearings that have been held to discuss options to enhance highway safety, it became very clear that all motor carrier stake holders share a common goal. We want to improve truck and bus safety, decrease highway accidents, and reduce accident fatalities. I look forward to working with my colleagues, the Administration, highway safety groups, safety enforcement officials, and truck and motor coach representatives to achieve a realistic and effective safety bill. To attempt to do less would be an abrogation of our responsibility.●

By Mr. REED:

S. 1502. A bill to amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes; to the Committee on Rules and Administration.

THE CAMPAIGN SPENDING CONTROL ACT OF 1999

Mr. REED. Mr. President, I rise today to discuss legislation I am introducing, the Campaign Spending Control Act of 1999. I introduced similar legislation in 1997. Unfortunately, in the last two years we have only seen the financial excesses of our campaign system grow, further disenfranchising and disillusioning voters. If our government is to regain the confidence and participation of the electorate, enactment of this legislation is more necessary today than it was two years ago.

Mr. President, two independent public policy groups recently released surveys gauging the public's opinion of their federal government. The news, once again, was not good for our democracy.

Earlier this month the Council for Excellence in Government released a nonpartisan poll, conducted by respected pollsters Peter Hart and Robert Teeter, which demonstrated that less than four in ten Americans now believe that President Lincoln's refrain, that our government is "of, by, and for the people" is accurate. While past disillusionment with government was directed at so-called "unaccountable bureaucrats," today most Americans blame the moneyed special interests and the politicians and their political parties for the fact that government is not accountable to the average citizen. Patricia McGinnis, the Council's President, characterized the poll as demonstrating that "we have an anemic democracy, badly in need of involvement and ownership by its citizens."

Back in January of this year the Center on Policy Attitudes, released a nonpartisan poll which showed continued record high public dissatisfaction with government. This finding is disconcerting given that our nation is experiencing an unprecedented economic boom coupled with military security. Nonetheless, the Center's study showed that less than one in three Americans "trust the government in Washington to do what is right" most of the time. The study concludes that "[t]he public's dissatisfaction with the US government is largely due to the perception that elected officials, acting in their self-interest, give priority to special interests and partisan agendas, over the interests of the public as a whole." Specifically, the survey found that three in four Americans believe that the government is "run for the benefit of a few big interests."

Mr. President, I believe that the biggest culprit fueling the public perception that politicians, political parties, and representational government is beholden to special interests, not the needs of the average citizen, is our campaign financing system. When politicians depend upon wealthy special interests, which represent less than one percent of the citizenry, for the political contributions that fuel campaigns the public is left to conclude that its voice will not, cannot, be heard, never mind addressed.

The 1996 elections produced record spending: over 2.7 billion dollars, or approximately 28 dollars per voter. All this money produced record-low voter participation. These two tragic facts are inextricably linked. Most Americans believe our current campaign system is tainted by a flood of special interest money, drowning out their voice, making their participation meaningless, and leaving their concerns unaddressed.

Mr. President, unfortunately, the excesses of 1996 were only multiplied in 1998. Funded by unregulated, unlimited "soft money" contributions, the use of unaccountable "issue ads" tripled. Without the ability to check either the facts or the sponsors of these ads, Americans became more cynical and less likely to participate. Candidates, on the other hand, are forced to raise money to not only match the resources and the advertising, of their opponent, but also outside groups that are running "issue ads."

Those challenging sitting Members of Congress are most disadvantaged by our financing system: in 1998 almost half of the House of Representatives faced opponents with little or no funding. The money chase saps a candidate's time, limiting the ability and incentive to debate, attend forums, and otherwise engage voters. Even the donors dislike the current system: with many corporate leaders announcing their opposition to, and unwillingness to participate in, the current system. We are trapped in a system that no one, not the voters, not the candidates, not the donors, thinks proper.

The roots of this abysmal situation can be traced to a misguided Supreme Court decision. In Buckley v. Valeo, a 1976 case which challenged the 1974 campaign reform legislation, the Court held that, in order to avoid corruption, or its appearance, political contributions could be limited. However, the Court invalidated campaign expenditure limits. The Court surmised that, given the contribution limit reforms, expenditure limits were not only unnecessary but would stifle unlimited and in-depth debate stimulated by greater campaign spending. This conjecture has been proven absolutely false by over twenty years of practical experience.

The single most important step to reform elections and revitalize our democracy is to reverse the Buckley decision by limiting the amount of money that a candidate or his allies can spend.

For this reason Senator JOHNSON and I are introducing legislation which directly challenges the Buckley decision and places mandatory limits on all campaign expenditures. These limits do not favor incumbents. Historically, these limits would have restricted almost four out of five incumbents, while impacting only a handful of challengers. Additionally, this legislation would fully ban corporate contributions, as well as unlimited and unregulated contributions by wealthy individuals and organizations. Further, our bill would limit campaign expenditures by supposedly, neutral, independent groups, and restrict corporations, labor unions, and other organizations from influencing campaigns under the guise of issue advocacy. The end result of this legislation would be to eliminate over a half-billion dollars from the system, encourage challenges to incumbents, and further promote debate among both candidates and the electorate.

What effect would these limits have on political debate? Contrary to the Supreme Court, I believe such limits would increase dialogue. Candidates would be free from the burdens of unending fundraising and thus be available to participate in debates, forums, and interviews. With greater access to candidates and less reason to believe that candidates were captives of their contributors, voters might well be more prepared to invest the time needed to be informed on issues of concern and ask candidates to address them.

Some of the most extreme defenders of our current campaign financing system will argue that this legislation impinges upon freedom of speech. In analyzing this criticism it is important to remember that the vast majority of Americans, ninety-six percent, have never made a political contribution. The bill will marginally restrict the rights of a few to contribute and spend money—not speak—so that the majority of voters might restore their faith in the process. Campaign finances will be restricted no more than necessary to fulfill several compelling interests, the most important of which is the people's faith in their government. Such a restriction conforms with Constitutional jurisprudence and has been demonstrated as necessary by history. The fact is all democratic debates are restricted by rules. My legislation would simply reinstall some rules into our political campaigns while directly impacting very few Americans.

Another criticism of this bill will be that it goes too far. Many reform proponents argue that we should concentrate on more modest gains. It is irrefutable that today, Congress struggles to consider even the most modest of reforms, such as banning so called soft money: unlimited donations by corporations, labor unions, and wealthy individuals to political party committees. Unfortunately the debate in Congress has regressed terribly from the original McCain-Feingold bill, which addressed runaway campaign expenditures with voluntary spending limits. Yet, there are also reasons to be optimistic about implementation of substantial campaign reform.

Reform has broad public support and has grown into a major grass-roots initiative outside of Washington, DC. Elected officials from thirty-three states have urged that the Buckley decision be revisited and limits implemented. Legislative bodies in Ohio and Vermont have implemented sweeping reform by enacting mandatory caps on candidate expenditures. Other states, such as my own, have embraced public financing as a more modest, but significant, means of reform. On election day in 1998 voters in Arizona and Massachusetts approved significant reforms, both of which would ban so called "soft money" as well as encourage contribution and spending limits through voluntary public financing. Currently, campaign finance reform is enacted or being pursued in more than forty states. While significant reform may be a major step for Congress; our constituents and their state and local representatives are implementing important reform throughout the nation.

Unfortunately, because of the overly restrictive and confused jurisprudence flowing from the Buckley decision, many of these popular initiatives face years of special interest challenge in court. Indeed, the most effective reforms will, most likely, be struck down by trial courts. While I enthusiastically support any substantive reform, if we are to address the underlying cancer which has disintegrated voter trust and participation, the problem of unlimited expenditures must be directly confronted. As I have already stated, this is a step that one municipality and two states have embraced. Many more state officials as well as prominent constitutional law scholars have urged such a course. Expenditure limitations have been proposed by Congressional reformers in the past, and it is time to rededicate ourselves to this goal. The largest impediment to such reform is the Supreme Court, and I believe that there is, again, reason to be optimistic that the Court will accommodate such reform in the near future.

Currently, the Court has before it a case which challenges the Buckley decision. In Buckley, the Court upheld against First Amendment challenge the $1,000 federal contribution limit passed by Congress. In Shrink Missouri Government PAC v. Adams, the case currently under review by the Supreme Court, the Eighth Circuit struck down as unconstitutional Missouri's virtually identical state-wide contribution limit of $1,075, holding that only proof of corruption can justify contribution limits. I have led several members of Congress in an amicus brief to the Court.

Mr. President, our brief makes two arguments. First, it demonstrates that the Eighth Circuit's decision is inconsistent with the Supreme Court's decision in Buckley and should be reversed on that ground alone. Second, it contends that the Court should give legislatures the leeway to pass reforms that will respond meaningfully to the erosion of public confidence in the government created by the current campaign financing system.

This leeway can be provided in two ways. First, the Court should review campaign finance reforms under a deferential standard of review—"intermediate" scrutiny rather than "strict" scrutiny—as long as the legislature does not justify the reforms on the communicative impact of the speech at issue. Second, the Court should recognize the institutional competence uniquely possessed by legislatures both to identify threats to the integrity of the electoral system and to implement corresponding reforms.

The amicus brief does not advocate any particular type of reform, but rather urges the Court to provide leeway for legislatures to enact necessary reforms. It is my hope that this case, while not changing the fundamental holding of Buckley, will stimulate the Court to provide greater deference to legislatures that seek to address the threat that campaign financing, and the cynicism it creates, poses to our democracy.

Once such leeway has been provided, the Court will be forced to revisit its holding that spending money is the functional equivalent to speaking. Experience since this 1976 decision should force the Court to realize that while money fuels speech, at some point, financial expenditures only increase a speaker's volume. Spending has now reached a shrill pitch that the vast majority of Americans want addressed. Elected representatives in thirty three states and countless grassroots officials agree with this sentiment. The legislation I have introduced today will implement such reform, restoring rules to our political debate, encouraging public participation, and thus stimulating faith in our democracy. I thank Senator JOHNSON for his support in this endeavor.

Mr. President, I would ask that a copy of this bill be printed in the RECORD.

The bill follows:

S. 1502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Campaign Spending Control Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Statement of purpose.
Sec. 3. Findings of fact.

TITLE I—SENATE ELECTION SPENDING LIMITS

Sec. 101. Senate election spending limits.

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

Sec. 201. Adding definition of coordination to definition of contribution.
Sec. 202. Treatment of certain coordinated contributions and expenditures.
Sec. 203. Political party committees.
Sec. 204. Limit on independent expenditures.
Sec. 205. Clarification of definitions relating to independent expenditures.
Sec. 206. Elimination of leadership PACs.

TITLE III—SOFT MONEY

Sec. 301. Soft money of political party committee.
Sec. 302. State party grassroots funds.
Sec. 303. Reporting requirements.
Sec. 304. Soft money of persons other than political parties.

TITLE IV—ENFORCEMENT

Sec. 401. Filing of reports using computers and facsimile machines.
Sec. 402. Audits.
Sec. 403. Authority to seek injunction.
Sec. 404. Increase in penalty for knowing and willful violations.
Sec. 405. Prohibition of contributions by individuals not qualified to vote.
Sec. 406. Use of candidates' names.
Sec. 407. Expedited procedures.

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

Sec. 501. Severability.
Sec. 502. Regulations.

Sec. 503. Effective date.

SEC. 2. STATEMENT OF PURPOSE.

The purposes of this Act are to—

(1) restore the public confidence in and the integrity of our democratic system;

(2) strengthen and promote full and free discussion and debate during election campaigns;

(3) relieve Federal officeholders from limitations on their attention to the affairs of the Federal government that can arise from excessive attention to fundraising;

(4) relieve elective office-seekers and officeholders from the limitations on purposeful political conduct and discourse that can arise from excessive attention to fundraising;

(5) reduce corruption and undue influence, or the appearance thereof, in the financing of Federal election campaigns; and

(6) provide non-preferential terms of access to elected Federal officeholders by all interested members of the public in order to uphold the constitutionally guaranteed right to petition the Government for redress of grievances.

SEC. 3. FINDINGS OF FACT.

Congress finds the following:

(1) The current Federal campaign finance system, with its perceived preferential access to lawmakers for interest groups capable of contributing sizable sums of money to lawmakers' campaigns, has caused a widespread loss of public confidence in the fairness and responsiveness of elective government and undermined the belief, necessary to a functioning democracy, that the Government exists to serve the needs of all people.

(2) The United States Supreme Court, in Buckley v. Valeo, 424 U.S. 1 (1976), disapproved the use of mandatory spending limits as a remedy for such effects, while approving the use of campaign contribution limits.

(3) Since 1976, campaign expenditures have risen steeply in Federal elections with spending by successful candidates for the United States Senate between 1976 and 1996 rising from $609,100 to $3,775,000, an increase that is twice the rate of inflation.

(4) As campaign spending has escalated, voter turnout has steadily declined and in 1996 voter turnout fell to its lowest point since 1924, and stands now at the lowest level of any democracy in the world.

(5) Coupled with out-of-control campaign spending has come the constant necessity of fundraising, arising, to a large extent, from candidates adopting a defensive "arms race" posture of constant readiness against the risk of massively financed attacks against whatever the opposing candidate may say or do.

(6) The current campaign finance system has had a deleterious effect on those who hold public office as endless fundraising pressures intrude upon the performance of constitutionally required duties. Capable and dedicated officials have left office in dismay over these distractions and the negative public perceptions that the fundraising process engenders and numerous qualified citizens have declined to seek office because of the prospect of having to raise the extraordinary amounts of money needed in today's elections.

(7) The requirement for candidates to raise funds, the average 1996 expenditure level required a successful Senate candidate to raise more than $12,099 a week for 6 years, significantly impedes on the ability of Senators and other officeholders to tend to their official duties, and limits the ability of candidates to interact with the electorate while also tending to professional responsibilities.

(8) As talented incumbent and potential public servants are deterred from seeking office in Congress because of such fundraising pressures, the quality of representation suffers and those who do serve are impeded in their effort to devote full attention to matters of the Government by the campaign financing system.

(9) Contribution limits are inadequate to control all of these trends and as long as campaign spending is effectively unrestrained, supporters can find ways to protect their favored candidates from being outspent. Since 1976, major techniques have been found and exploited to get around and evade contribution limits.

(10) Techniques to evade contribution limits include personal spending by wealthy candidates, independent expenditures that assist or attack an identified candidate, media campaigns by corporations, labor unions, and nonprofit organizations to advocate the election or defeat of candidates, and the use of national, State, or local political parties as a conduit for money that assists or attacks such candidates.

(11) Wealthy candidates may, under the present Federal campaign financing system, spend any amount they want out of their own resources and while such spending may not be self-corrupting, it introduces the very defects the Supreme Court wanted to avoid. The effectively limitless character of such resources obliges a wealthy candidate's opponent to reach for larger amounts of outside support, causing the deleterious effects previously described.

(12) Experience shows that there is an identity of interest between candidates and political parties because the parties exist to support candidates, not the other way around. Party expenditures in support of, or in opposition to, an identifiable candidate are, therefore, effectively spending on behalf of a candidate.

(13) Political experience shows that so-called "independent" support, whether by individuals, committees, or other entities, can be and often is coordinated with a candidate's campaign by means of tacit understandings without losing its nominally independent character and, similarly, contributions to a political party, ostensibly for "party-building" purposes, can be and often are routed, by undeclared design, to the support of identified candidates.

(14) The actual, case-by-case detection of coordination between candidate, party, and independent contributor is, as a practical matter, impossible in a fast-moving campaign environment.

(15) So-called "issue advocacy" communications, by or through political parties or independent contributors, need not advocate expressly for the election or defeat of a named candidate in order to cross the line into election campaign advocacy; any clear, objective indication of purpose, such that voters may readily observe where their electoral support is invited, can suffice as evidence of intent to impact a Federal election campaign.

(16) When State political parties or other entities operating under State law receive funds, often called "soft money", for use in Federal elections, they become de facto agents of the national political party and the inclusion of these funds under applicable Federal limitations is necessary and proper for the effective regulation of Federal election campaigns.

(17) The exorbitant level of money in the political system has served to distort our democracy by giving some contributors, who constitute less than 3 percent of the citizenry, the appearance of favored access to elected officials, thus undermining the ability of ordinary citizens to petition their Government. Concerns over the potential for corruption and undue influence, and the appearances thereof, has left citizens cynical, the reputation of elected officials tarnished, and the moral authority of Government weakened.

(18) The 2 decades of experience since the ruling of the Supreme Court in Buckley v. Valeo in 1976 have made it evident that reasonable limits on election campaign expenditures are now necessary and these limits must comprehensively address all types of expenditures to prevent circumvention of such limits.

(19) The Supreme Court based its Buckley v. Valeo decision on a concern that spending limits could narrow political speech "by restricting the number of issues discussed, the depth of their exploration, and the size of the audience reached". The experience of the past 20 years has been otherwise as experience shows that unlimited expenditures can drown out or distort political discourse in a flood of distractive repetition. Reasonable spending limits will increase the opportunity for previously muted voices to be heard and thereby increase the number, depth, and diversity of ideas presented to the public.

(20) Issue advocacy communications that do not promote or oppose an identified candidate should remain unregulated, as should the traditional freedom of the press to report and editorialize about candidates and campaigns.

(21) In establishing reasonable limits on campaign spending, it is necessary that the limits reflect the realities of modern campaigning in a large, diverse population with sophisticated and expensive modes of communication. The limits must allow citizens to benefit from a full and free debate of issues and permit candidates to garner the resources necessary to engage in that debate.

(22) The expenditure limits established in this Act for election to the United States Senate were determined after careful review of historical spending patterns in Senate campaigns as well as the particular spending level of the 3 most recent elections as evidenced by the following:

(A) The limit formula allows a candidate a level of spending which guarantees an ability to disseminate the candidate's message by accounting for the size of the population in each State as well as historical spending trends including the demonstrated trend of lower campaign spending per voter in larger States as compared to voter spending in smaller States.

(B) The candidate expenditure limits included in this legislation would have restricted 80 percent of the incumbent candidates in the last 3 elections, while only impeding 18 percent of the challengers.

(C) It is clear from recent experience that expenditure limits as set by the formula in this Act will be high enough to allow an effective level of competition, encourage candidate dialogue with constituents, and circumscribe the most egregiously high spending levels, so as to be a bulwark against future campaign finance excesses and the resulting voter disenfranchisement.

TITLE I—SENATE ELECTION SPENDING LIMITS

SEC. 101. SENATE ELECTION SPENDING LIMITS.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431

et seq.) is amended by adding at the end the following:

"SEC. 324. SPENDING LIMITS FOR SENATE ELECTION CAMPAIGNS

"(a) IN GENERAL.—The amount of funds expended by a candidate for election, or nomination for election, to the Senate and the candidate's authorized committee with respect to an election shall not exceed the election expenditure limits described in subsections (b), (c), and (d).

"(b) PRIMARY ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures made in connection with a primary election by a Senate candidate and the candidate's authorized committee shall not exceed 67 percent of the general election expenditure limit under subsection (d).

"(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The aggregate amount of expenditures made in connection with a runoff election by a Senate candidate and the candidate's authorized committee shall not exceed 20 percent of the general election expenditure limit under subsection (d).

"(d) GENERAL ELECTION EXPENDITURE LIMIT.—

"(1) IN GENERAL.—The aggregate amount of expenditures made in connection with a general election by a Senate candidate and the candidate's authorized committee shall not exceed the greater of—

"(A) $1,182,500; or

"(B) $500,000; plus

"(i) 37.5 cents multiplied by the voting age population not in excess of 4,000,000; and

"(ii) 31.25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) EXCEPTION.—In the case of a Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B) shall be applied by substituting—

"(A) '$1.00' for '37.5 cents' in clause (i); and

"(B) '87.5 cents' for '31.25 cents' in clause (ii).

"(3) INDEXING.—The monetary amounts in paragraphs (1) and (2) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1999.

"(e) EXEMPTED EXPENDITURES.—In determining the amount of funds expended for purposes of this section, there shall be excluded any amounts expended for—

"(1) Federal, State, or local taxes with respect to earnings on contributions raised;

"(2) legal and accounting services provided solely in connection with complying with the requirements of this Act;

"(3) legal services related to a recount of the results of a Federal election or an election contest concerning a Federal election; or

"(4) payments made to or on behalf of an employee of a candidate's authorized committee for employee benefits—

"(A) including—

"(i) health care insurance;

"(ii) retirement plans; and

"(iii) unemployment insurance; but

"(B) not including salary, any form of compensation, or amounts intended to reimburse the employee.".

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

SEC. 201. ADDING DEFINITION OF COORDINATION TO DEFINITION OF CONTRIBUTION.

(a) DEFINITION OF CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking "or" at the end;

(B) in clause (ii) by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(iii) a payment made for a communication or anything of value that is for the purpose of influencing an election for Federal office and that is a payment made in coordination with a candidate."; and

(2) by adding at the end the following:

"(C) PAYMENT MADE IN COORDINATION WITH.—The term 'payment made in coordination with' means—

"(i) a payment made by any person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with, a candidate, a candidate's authorized committee, an agent acting on behalf of a candidate or a candidate's authorized committee, or (for purposes of paragraphs (9) and (10) of section 315(a)) another person;

"(ii) the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate or the candidate's authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat); or

"(iii) payments made based on information about the candidate's plans, projects, or needs provided to the person making the payment by the candidate, the candidate's authorized committee, or an agent of a candidate or a candidate's authorized committee.".

(b) CONFORMING AMENDMENTS.—

(1) SECTION 315.—Section 315(a)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)(B)) is amended to read as follows:

"(B) expenditures made in coordination with a candidate (within the meaning of section 301(8)(C)) shall be considered to be contributions to the candidate and, in the case of limitations on expenditures, shall be treated as an expenditure for purposes of this section; and".

(2) SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by striking "shall include" and inserting "shall have the meaning given those terms in paragraphs (8) and (9) of section 301 and shall also include".

SEC. 202. TREATMENT OF CERTAIN COORDINATED CONTRIBUTIONS AND EXPENDITURES.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by adding at the end the following:

"(9) For purposes of this section, contributions made by more than 1 person in coordination with each other (within the meaning of section 301(8)(C)) shall be considered to have been made by a single person.

"(10) For purposes of this section, an independent expenditure made by a person in coordination with (within the meaning of section 301(8)(C)) another person shall be considered to have been made by a single person.".

SEC. 203. POLITICAL PARTY COMMITTEES.

(a) LIMIT ON COORDINATED AND INDEPENDENT EXPENDITURES BY POLITICAL PARTY COMMITTEES.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by inserting "and independent expenditures" after "Federal office"; and

(2) in paragraph (3)—

(A) by inserting ", including expenditures made" after "make any expenditure"; and

(B) by inserting "and independent expenditures advocating the election or defeat of a candidate," after "such party".

(b) RULES APPLICABLE WHEN LIMITS NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), during any period beginning after the effective date of this Act in which the limitation under section 315(d)(3) (as amended by subsection (a)) is not in effect the following amendments shall be effective:

(1) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY A POLITICAL PARTY COMMITTEE.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

(A) in paragraph (1)—

(i) by striking "(2) and (3) of this subsection" and inserting "(2), (3), and (4) of this subsection"; and

(ii) by inserting "coordinated" after "make";

(B) in paragraph (3), by inserting "coordinated" after "make any"; and

(C) by adding at the end the following:

"(4) PROHIBITION AGAINST MAKING BOTH COORDINATED EXPENDITURES AND INDEPENDENT EXPENDITURES.—

"(A) IN GENERAL.—A committee of a political party shall not make both a coordinated expenditure in excess of $5,000 and an independent expenditure with respect to the same candidate during an election cycle.

"(B) CERTIFICATION.—Before making a coordinated expenditure in excess of $5,000 in connection with a general election campaign of a candidate, a committee of a political party that is subject to this subsection shall file with the Commission a certification, signed by the treasurer, stating that the committee will not make independent expenditures with respect to such candidate.

"(C) TRANSFERS.—A party committee that certifies under this paragraph that the committee will make coordinated expenditures with respect to any candidate shall not, in the same election cycle, make a transfer of funds to, or receive a transfer of funds from, any other party committee unless that committee has certified under this paragraph that it will only make coordinated expenditures with respect to candidates.

"(D) DEFINITION OF COORDINATED EXPENDITURE.—In this paragraph, the term 'coordinated expenditure' shall have the meaning given the term 'payments made in coordination with' in section 301(8)(C).".

(2) LIMIT ON CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.—Section 315(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended—

(A) in paragraph (1)(B), by striking "which, in the aggregate, exceed $20,000" and inserting "that—

"(i) in the case of a political committee that certifies under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $20,000; or

"(ii) in the case of a political committee not described in clause (i), in the aggregate, exceed $5,000"; and

(B) in paragraph (2)(B), by striking "which, in the aggregate, exceed $15,000" and inserting "that—

"(i) in the case of a political committee that certifies under subsection (d)(4) that it will not make independent expenditures in connection with the general election campaign of any candidate, in the aggregate, exceed $15,000; or "(ii) in the case of a political committee not described in clause (i), in the aggregate, exceed $5,000".

(c) DEFINITION OF ELECTION CYCLE.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following:

"(20) ELECTION CYCLE.—The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committee of a candidate, the period beginning on the day after the date of the most recent general election for the specific office or seat that the candidate is seeking and ending on the date of the next general election for that office or seat; and

"(B) in the case of all other persons, the period beginning on the first day following the date of the last general election and ending on the date of the next general election.".

SEC. 204. LIMIT ON INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following:

"(i) LIMIT ON INDEPENDENT EXPENDITURES.—No person shall make independent expenditures advocating the election or defeat of a candidate during an election cycle in an aggregate amount greater than the limit applicable to the candidate under subsection (d)(3).".

(b) RULES APPLICABLE WHEN RULES IN SUBSECTION (a) NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date of this Act in which the limit on independent expenditures under section 315(i) of the Federal Election Campaign Act of 1971, as added by subsection (a), is not in effect, section 324 of such Act, as added by section 101(a), is amended by adding at the end the following:

"(f) INCREASE IN EXPENDITURE LIMIT IN RESPONSE TO INDEPENDENT EXPENDITURES.—

"(1) IN GENERAL.—The applicable election expenditure limit for a candidate shall be increased by the aggregate amount of independent expenditures made in excess of the limit applicable to the candidate under section 315(d)(3)—

"(A) on behalf of an opponent of the candidate; or

"(B) in opposition to the candidate.

"(2) NOTIFICATION.—

"(A) IN GENERAL.—A candidate shall notify the Commission of an intent to increase an expenditure limit under paragraph (1).

"(B) COMMISSION RESPONSE.—Within 3 business days of receiving a notice under subparagraph (A), the Commission must approve or deny the increase in expenditure limit.

"(C) ADDITIONAL NOTIFICATION.—A candidate who has increased an expenditure limit under paragraph (1) shall notify the Commission of each additional increase in increments of $50,000.".

SEC. 205. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

"(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure that—

(A) contains express advocacy; and

(B) is made without the participation or cooperation of, or without consultation with, or without coordination with a candidate or a candidate's authorized committee or agent (within the meaning of section 301(8)(C)).".

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of Federal Election Campaign Act of 1971 (2 U.S.C. 431), as amended by section 202(c), is amended by adding at the end the following:

"(21) EXPRESS ADVOCACY.—The term 'express advocacy' includes—

"(i) a communication that conveys a message that advocates the election or defeat of a clearly identified candidate for Federal office by using an expression such as 'vote for,' 'elect,' 'support,' 'vote against,' 'defeat,' 'reject,' '(name of candidate) for Congress,' 'vote pro-life,' or 'vote pro-choice,' accompanied by a listing or picture of a clearly identified candidate described as 'pro-life' or 'pro-choice,' 'reject the incumbent,' or an expression susceptible to no other reasonable interpretation but an unmistakable and unambiguous exhortation to vote for or against a specific candidate; or

"(ii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising—

"(A) that is made on or after a date that is 90 days before the date of a general election of the candidate;

"(B) that refers to the character, qualifications, or accomplishments of a clearly identified candidate, group of candidates, or candidate of a clearly identified political party; and

"(C) that does not have as its sole purpose an attempt to urge action on legislation that has been introduced in or is being considered by a legislature that is in session.".

SEC. 206. ELIMINATION OF LEADERSHIP PACS.

(a) DESIGNATION AND ESTABLISHMENT OF AUTHORIZED COMMITTEE.—Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by—

(1) striking paragraph (3) and inserting the following:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."; and

(2) adding at the end the following:

"(6)(A) A candidate for Federal office or any individual holding Federal office may not directly or indirectly establish, finance, maintain, or control any political committee other than a principal campaign committee of the candidate, designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

"(B) A political committee prohibited by subparagraph (A), that is established before the date of enactment of this paragraph, may continue to make contributions for a period that ends on the date that is 1 year after the date of enactment of this paragraph. At the end of such period the political committee shall disburse all funds by 1 or more of the following means:

"(1) Making contributions to an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Act that is not established, maintained, financed, or controlled directly or indirectly by any candidate for Federal office or any individual holding Federal office.

"(2) Making a contribution to the Treasury.

"(3) Making contributions to the national, State, or local committees of a political party.

"(4) Making contributions not to exceed $1,000 to candidates for elective office.".

TITLE III—SOFT MONEY

SEC. 301. SOFT MONEY OF POLITICAL PARTY COMMITTEE.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101(a), is amended by adding at the end the following:

"SEC. 325. SOFT MONEY OF PARTY COMMITTEES.

"(a) NATIONAL COMMITTEES.—A national committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee or its agent, an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity (but not including an entity regulated under subsection (b)) shall not solicit or receive any contributions, donations, or transfers of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

"(1) IN GENERAL.—Any amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of any such committee or entity) during a calendar year in which a Federal election is held, for any activity that might affect the outcome of a Federal election, including any voter registration or get-out-the-vote activity, any generic campaign activity, and any communication that refers to a candidate (regardless of whether a candidate for State or local office is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) ACTIVITY EXCLUDED FROM PARAGRAPH (1).—

"(A) IN GENERAL.—Paragraph (1) shall not apply to an expenditure or disbursement made by a State, district, or local committee of a political party for—

"(i) a contribution to a candidate for State or local office if the contribution is not designated or otherwise earmarked to pay for an activity described in paragraph (1);

"(ii) the costs of a State, district, or local political convention;

"(iii) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of any individual who spends more than 20 percent of such individual's time on activity during the month that may affect the outcome of a

Federal election) except that for purposes of this clause, the non-Federal share of a party committee's administrative and overhead expenses shall be determined by applying the ratio of the non-Federal disbursements to the total Federal expenditures and non-Federal disbursements made by the committee during the previous presidential election year to the committee's administrative and overhead expenses in the election year in question;

"(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs that name or depict only a candidate for State or local office; and

"(v) the cost of any campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, if the candidate activity is not an activity described in paragraph (1).

"(B) FUNDRAISING COSTS.—Any amount spent by a national, State, district, or local committee, by an entity that is established, financed, maintained, or controlled by a State, district, or local committee of a political party, or by an agent or officer of any such committee or entity to raise funds that are used, in whole or in part, to pay the costs of an activity described in paragraph (1) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party, an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, an agent acting on behalf of any such party committee, and an officer or agent acting on behalf of any such party committee or entity), shall not solicit any funds for or make any donations to an organization that is exempt from Federal taxation under section 501(c) of the Internal Revenue Code of 1986.

"(d) CANDIDATES.—

"(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not—

"(A) solicit, receive, transfer, or spend funds in connection with an election for Federal office unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act;

"(B) solicit, receive, or transfer funds that are to be expended in connection with any election other than a Federal election unless the funds—

"(i) are not in excess of the amounts permitted with respect to contributions to candidates and political committees under paragraphs (1) and (2) of section 315(a); and

"(ii) are not from sources prohibited by this Act from making contributions with respect to an election for Federal office; or

"(C) solicit, receive, or transfer any funds on behalf of any person that are not subject to the limitations, prohibitions, and reporting requirements of the Act if the funds are for use in financing any campaign-related activity or any communication that refers to a clearly identified candidate.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for the individual's State or local campaign committee.".

SEC. 302. STATE PARTY GRASSROOTS FUNDS.

(a) INDIVIDUAL CONTRIBUTIONS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking "or" at the end;

(2) in subparagraph (C), by striking the period at the end and inserting "; or"; and

(3) by inserting after subparagraph (C) the following:

"(D) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000; or

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000;

except that the aggregate contributions described in this subparagraph that may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000.".

(b) DEFINITIONS.—Section 301 of the Federal Election Campaign Act of 1970 (2 U.S.C. 431), as amended by section 205(b), is amended by adding at the end the following:

"(22) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means a campaign activity that promotes a political party and does not refer to any particular candidate for a Federal, State, or local office.

"(23) STATE PARTY GRASSROOTS FUND.—The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 326(d).".

(c) STATE PARTY GRASSROOTS FUNDS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 301, is amended by adding at the end the following:

"SEC. 326. STATE PARTY GRASSROOTS FUNDS.

"(a) DEFINITION.—In this section, the term 'State or local candidate committee' means a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

"(b) TRANSFERS.—Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if the district or local committee—

"(1) has established a separate segregated fund; and

"(2) uses the transferred funds solely for disbursements and expenditures under subsection (d).

"(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

"(1) IN GENERAL.—Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (d) that are for the benefit of the candidate for whom such Fund is established shall be treated as meeting the requirements of section 325(b)(1) and section 304(e) if—

"(A) the amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in paragraphs (1)(A) and (2)(A) of section 315(a); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether those requirements are met; and

"(ii) certifies that the requirements were met.

"(2) DETERMINATION OF COMPLIANCE.—For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee; and

"(B) the committee must be able to demonstrate that the cash on hand of such committee contains funds meeting those requirements sufficient to cover the transferred funds.

"(3) REPORTING.—Notwithstanding paragraph (1), any State Party Grassroots Fund that receives a transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from the candidate committee.

"(d) DISBURSEMENTS AND EXPENDITURES.—A State committee of a political party shall only make disbursements and expenditures from the State Party Grassroots Fund of such committee for—

"(1) any generic campaign activity;

"(2) payments described in clauses (v), (ix), and (xi) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

"(3) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

"(4) voter registration; and

"(5) development and maintenance of voter files during any even-numbered calendar year.".

SEC. 303. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following:

"(e) POLITICAL COMMITTEES.—

"(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 325 APPLIES.—A political committee (not described in paragraph (1)) to which section 325(b)(1) applies shall report all receipts and disbursements made for activities described in paragraphs (1) and (2)(iii) of section 325(b).

"(3) OTHER POLITICAL COMMITTEES.—Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements that are used in connection with a Federal election.

"(4) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

“(5) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).”.

(b) BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

(c) REPORTS BY STATE COMMITTEES.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following:

“(f) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.”.

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

(A) by striking “and” at the end of subparagraph (H);

(B) by inserting “and” at the end of subparagraph (I); and

(C) by adding at the end the following new subparagraph:

“(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;”.

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by inserting “, and the election to which the operating expenditure relates” after “operating expenditure”.

SEC. 304. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection 303, is amended by adding at the end the following:

“(g) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—

“(1) IN GENERAL.—A person other than a committee of a political party that makes aggregate disbursements totaling in excess of $10,000 with respect to an election cycle for activities described in paragraph (2) shall file a statement with the Commission—

“(A) within 48 hours after the disbursements are made; or

“(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

“(2) ACTIVITY.—The activity described in this paragraph is—

“(A) any activity described in section 316(b)(2)(A) that refers to any candidate for Federal office, any political party, or any Federal election; and

“(B) any activity described in subparagraph (B) or (C) of section 316(b)(2).

“(3) ADDITIONAL STATEMENTS.—An additional statement shall be filed each time additional disbursements aggregating $10,000 are made by a person described in paragraph (1).

“(4) APPLICABILITY.—This subsection does not apply to—

“(A) a candidate or a candidate's authorized committee; or

“(B) an independent expenditure.

“(5) CONTENTS.—A statement under this section shall contain such information about the disbursements as the Commission shall prescribe, including—

“(A) the name and address of the person or entity to whom the disbursement was made;

“(B) the amount and purpose of the disbursement; and

“(C) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.”.

TITLE IV—ENFORCEMENT

SEC. 401. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

“(11) FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.—

“(A) REQUIRED FILING.—The Commission may promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

“(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

“(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

“(B) FACSIMILE MACHINE.—The Commission shall promulgate a regulation that allows a person to file a designation, statement, or report required by this Act through the use of facsimile machines.

“(C) VERIFICATION OF SIGNATURE.—

“(i) IN GENERAL.—In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying a designation, statement, or report covered by the regulations.

“(ii) TREATMENT OF VERIFICATION.—A document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.”.

SEC. 402. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting “(1)” before “The Commission”; and

(2) by adding at the end the following:

“(2) RANDOM AUDITS.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act.

“(B) LIMITATION.—The Commission shall not institute an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in that election cycle.

“(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.”.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking “6 months” and inserting “12 months”.

SEC. 403. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

“(13) AUTHORITY TO SEEK INJUNCTION.—

“(A) IN GENERAL.—If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

“(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

“(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

“(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

“(iv) the public interest would be best served by the issuance of an injunction;

the Commission may initiate a civil action for a temporary restraining order or a preliminary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

“(B) VENUE.—An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur.”;

(2) in paragraph (7), by striking “(5) or (6)” and inserting “(5), (6), or (13)”; and

(3) in paragraph (11), by striking “(6)” and inserting “(6) or (13)”.

SEC. 404. INCREASE IN PENALTY FOR KNOWING AND WILLFUL VIOLATIONS.

Section 309(a)(5)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended by striking “the greater of $10,000 or an amount equal to 200 percent” and inserting “the greater of $15,000 or an amount equal to 300 percent”.

SEC. 405. PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS NOT QUALIFIED TO VOTE.

(a) PROHIBITION.—Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) in the heading by adding “AND INDIVIDUALS NOT QUALIFIED TO REGISTER TO VOTE” at the end; and

(2) in subsection (a)—

(A) by striking “(a) It shall” and inserting the following:

“(a) PROHIBITIONS.—

“(1) FOREIGN NATIONALS.—It shall”; and

(B) by adding at the end the following:

“(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—It shall be unlawful for an individual who is not qualified to register to vote in a Federal election to make a contribution, or to promise expressly or impliedly to make a contribution, in connection with a Federal election; or for any person to knowingly solicit, accept, or receive a contribution in connection with a Federal election from an individual who is not qualified to register to vote in a Federal election.”.

(b) INCLUSION IN DEFINITION OF IDENTIFICATION.—Section 301(13) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)) is amended—

(1) in subparagraph (A)—

(A) by striking “and” the first place it appears; and

(B) by inserting “, and an affirmation that the individual is an individual who is not prohibited by section 319 from making a contribution” after “employer”; and

(2) in subparagraph (B), by inserting “and an affirmation that the person is a person that is not prohibited by section 319 from making a contribution” after “such person”.

SEC. 406. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

SEC. 407. EXPEDITED PROCEDURES.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)), as amended by section 403, is amended by adding at the end the following:

"(14) EXPEDITED PROCEDURE.—

"(A) 60 DAYS PRECEDING AN ELECTION.—If the complaint in a proceeding is filed within 60 days immediately preceding a general election, the Commission may take action described in this paragraph.

"(B) RESOLUTION BEFORE ELECTION.—If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in clauses (ii), (iii), and (iv) of paragraph (13)(A) are met, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under paragraph (13)(A).

"(C) COMPLAINT WITHOUT MERIT.—If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.".

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

SEC. 501. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 502. REGULATIONS.

The Federal Election Commission shall promulgate any regulations required to carry out this Act and the amendments made by this Act.

SEC. 503. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 30 days after the date of enactment of this Act.

By Mr. THOMPSON (for himself and Mr. LIEBERMAN):

S. 1503. A bill amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government. Ethics through fiscal year 2003; to the Committee on Governmental Affairs

THE OFFICE OF GOVERNMENT ETHICS AUTHORIZATION ACT OF 1999

Mr. THOMPSON. Mr. President, I ask unanimous consent that a statement by Senator LIEBERMAN and myself regarding the "Office of Government Ethics Authorization Act of 1999" be printed in the RECORD.

There being no objection the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT BY SENATOR FRED THOMPSON, CHAIRMAN, COMMITTEE ON GOVERNMENTAL AFFAIRS, AND SENATOR JOSEPH LIEBERMAN, RANKING MINORITY MEMBER, COMMITTEE ON GOVERNMENTAL AFFAIRS, ON THE INTRODUCTION OF THE "OFFICE OF GOVERNMENT ETHICS AUTHORIZATION ACT OF 1999"

Today we are pleased to join together in introducing the "Office of Government Ethics Authorization Act of 1999." This legislation would reauthorize the Office of Government Ethics for four years, through the end of fiscal year 2003.

The Office of Government Ethics was created in 1978 to administer the Ethics in Government Act. The Office was established as a separate agency in the Executive branch, independent from the Office of Personnel Management, as part of the Office's reauthorization in 1988. The Office is headed by a Director who is appointed to serve a 5-year term with the advice and consent of the Senate. The current Director, Stephen Potts, is serving his second term which expires in August 2000.

The Office has responsibility for Executive branch policies relating to preventing conflicts of interest on the part of officers and employees in the Executive branch. The Office is a small and respected agency and promotes policies and ethical standards that are implemented by a network of more than 120 Designated Agency Ethics Officers. The Office also provides training and educational programs in an effort to provide guidance to employees throughout the government.

The Office's current authorization is set to expire at the end of this fiscal year. In introducing this legislation, it is our expectation for the Committee on Governmental Affairs and the Senate to act on a timely basis in reauthorizing this agency.

By Mr. HARKIN (for himself and Mr. SPECTER):

S. 1504. A bill to improve health care quality and reduce health care costs by establishing a National Fund for Health Research that would significantly expand the Nation's investment in medical research; to the Committee on Health, Education, Labor, and Pensions.

NATIONAL FUND FOR HEALTH RESEARCH ACT

• Mr. HARKIN. Mr. President, I am pleased to introduce the "National Fund for Health Research Act of 1999". And I am particularly pleased to be joined in this effort by my friend and colleague, Senator SPECTER. This bill is similar to legislation I introduced with Senator SPECTER in the 105th Congress, and with Senator HATFIELD during the 104th Congress. The bill gained broad bipartisan support in both the House and Senate.

Our proposal would establish a National Fund for Health Research to provide additional resources for health research over and above those provided to the National Institutes of Health in the annual appropriations process. The Fund would greatly enhance the quality of health care by investing more in finding preventive measures, cures and cost-effective treatments for the major illnesses and conditions that strike Americans.

To finance the Fund, health plans would set aside approximately 1 percent of all health premiums and transfer the funds to the National Fund for Health Research.

Each year under our proposal amounts within the National Fund for Health Research would automatically be allocated to each of the NIH Institutes and Centers. Each Institute and Center would receive the same percentage as they received of the total NIH appropriation for that fiscal year. The set aside would result in a significant annual budget increase for NIH.

In 1994 I argued that any health care reform plan should include additional funding for health research. Systematic health care reform has been taken off the front burner but the need to increase our nation's commitment to health research has not diminished.

While health care spending devours over $1 trillion annually our medical research budget is dying of starvation. The United States devotes less than 3 percent of its total health care budget to health research. The Defense Department spends 15 percent of its budget on research. Does this make sense? The cold war is over but the war against disease and disability continues.

Increased investment in health research is key to reducing health costs in the long run. For example, the costs of Alzheimer's will more than triple in the coming century—adding further strains to Medicare as the baby boomers retire. We know that through research there is a real hope of a major breakthrough in this area. Simply delaying the onset of Alzheimer's by 5 years would save an estimated $50 billion.

Gene therapy and treatments for cystic fibrosis and Parkinson's could eliminate years of chronic care costs, while saving lives and improving patients' quality of life.

Mr. President, Senator SPECTER and I do everything we can to increase funding for NIH through the Labor, Health and Human Services and Education Appropriations bill. But the Balanced Budget Act of 1997 has put us on track to dramatically decrease discretionary spending, so that the nation's investment in health research through the NIH is likely to decline in real terms unless corrective legislative action is taken.

The NIH is not able to fund even 30% of competing research projects or grant applications deemed worthy of funding. Science and cutting edge medical research are being put on hold. We may be giving up possible cures for diabetes, cancer, Parkinson's and countless other diseases.

Mr. President, health research is an investment in our future—it is an investment in our children and grandchildren. It holds the promise of cure of treatment for millions of Americans.●

● Mr. SPECTER. Mr. President, I have sought recognition to join Senator TOM HARKIN, my colleague and distinguished ranking members of the Appropriations Subcommittee on Labor, Health and Human Services and Education, which I chair, in introducing the National Fund for Health Research Act of 1999. This creative proposal, which would create a dedicated health research fund in the U.S. Treasury to supplement the current federal research funding mechanisms, was first developed by Senator HARKIN and our former Senate colleague, Senator Mark Hatfield. I think their idea is a sound one and ought to be adopted, and I am pleased to join Senator HARKIN in introducing this legislation as I did during the 105th Congress. I have also included this proposal as a provision of my comprehensive health care reform legislation, the Health Care Assurance Act of 1999 (S. 24), introduced on January 19, 1999.

I have said many times that I firmly believe that the National Institutes of Health (NIH) is the crown jewel of the Federal government, and substantial investment is crucial to allow the continuation of the breakthrough research into the next decade. In 1981, NIH funding was less than $3.6 billion. For the past three years, NIH funding has increased by 6.8 percent in fiscal year 1997, 7.1 percent in fiscal year 1998, and 15 percent in fiscal year 1999, for a total of $15.7 billion. Senator HARKIN and I are continuing to fight to double the NIH budget, a sentiment which was unanimously supported in the United States Senate during the 105th Congress.

I was dismayed, however, upon examining President Clinton's $15.9 billion budget request for the NIH for fiscal year 2000—only a little over two percent growth, far less than the 15 percent needed to double NIH. At the President's requested level, new and competing NIH research project grants would drop by 1,554—from 9,171 in fiscal year 1999 to 7,617 in fiscal year 2000. This outlook on future grant awards is wholly inadequate to meet the country's most important challenges to improve the health and quality of life for millions of Americans.

To call the President's plan shortsighted would be an understatement. In practical terms, two percent amounts to spending less than $24 for every American who suffers from coronary heart disease. Two percent means slowing the race to cure breast cancer or discover a vaccine to prevent the spread of AIDS. And it means that some of the most promising new breakthroughs in science, like stem cell research, may be postponed for years. Breaking the code for complex problems takes a steady and sustained commitment of people and money.

The National Fund for Health Research Act which we are introducing today would continue Senator HARKIN'S and my unwavering commitment to increasing the nation's investment in biomedical research. The legislation would create a special fund for health research to supplement funding achieved through the regular appropriations process—possibly by as much as $6 billion annually. Our legislation would require health insurers to transfer to the U.S. Treasury an amount equal to 1 percent of all health premiums they receive. To ensure that the additional funds generated do not simply replace regularly appropriated NIH funds, monies from the health research fund would only be released if the total amount appropriated for the NIH in that year equaled or exceeded the prior year appropriations.

We must all recognize that expanding our base of scientific knowledge inevitably leads to better health, lower health care costs, and an improved quality of life for all Americans. I believe that the creation of a fund for health research would bring us closer to those critical goals.

Mr. President, I urge my colleagues to support the National Fund for Health Research Act, and urge its swift adoption.●

By Mr. THURMOND:

S. 1506. A bill to suspend temporarily the duty on cyclic olefin copolymer resin; to the Committee on the Judiciary.

DUTY SUSPENSION ON CERTAIN COPOLYMER RESIN

Mr. THURMOND. Mr. President, I rise today to introduce a bill which will suspend the duties imposed on a certain copolymer resin used in the production of high technology products. Currently, this resin is imported for use in the United States because there is no domestic supplier or readily available substitute. Therefore, suspending the duties on this copolymer resin would not adversely affect domestic industries.

This bill would temporarily suspend the duty on cyclic olefin copolymer resin, which is a resin used in the manufacturing of high technology products such as high precision optical lenses and laboratory micro liter plates.

Mr. President, suspending the duty on this resin will benefit the consumer by stabilizing the costs of manufacturing the end-use products. Further, this suspension will allow domestic producers to maintain or improve their ability to compete internationally. There are no known domestic producers of this material. I hope the Senate will consider these measures expeditiously.

I ask unanimous consent that the text of the bill be printed in the Congressional RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed to the RECORD, as follows:

S. 1506

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CYCLIC OLEFIN COPOLYMER RESIN.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.39.00	Cyclic olefin copolymer resin (CAS No. 26007–43–2) (provided for in heading 3902.90.00)	Free	Free	No change	On or before 12/31/2002".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

By Mr. CAMPBELL:

S. 1507. A bill to authorize the integration and consolidation of alcohol and substance programs and services provided by Indian tribal governments, and for other purposes; to the Committee on Indian Affairs.

NATIVE AMERICAN ALCOHOL AND SUBSTANCE ABUSE PROGRAM CONSOLIDATION ACT

Mr. CAMPBELL. Mr. President, I am pleased to introduce the Native American Alcohol and Substance Abuse Program Consolidation Act of 1999, to enable Indian tribes to consolidate and integrate alcohol and substance abuse prevention, diagnosis, and treatment programs to provide unified and more effective services to Native Americans.

Native communities continue to be plagued by alcohol and substance abuse at staggering rates and this abuse is wreaking havoc on Native families across the country.

Unfortunately, alcohol continues to be an important risk factor associated with the top three killers of Native youth—accidents, suicide, and homicide.

Based on 1993 data, the rate of mortality due to alcoholism among Native youth ages 15 to 24 was 5.2 per 100,000, which is 17 times the rate for whites of the same age.

Native Americans have higher rates of alcohol and drug use than any other racial or ethnic group. Despite previous treatment and preventive efforts, alcoholism and substance abuse continue to be prevalent among Native youth: 82 percent of Native adolescents admitted to having used alcohol, compared with 66 percent of non-Native youth.

In a 1994 school-based study, 39 percent of Native high school seniors reported having "gotten drunk" and 39 percent of Native kids admitted to using marijuana.

Alcohol and substance abuse also contributes to other social problems including sexually transmitted diseases, child and spousal abuse, poor school achievement and dropout, drunk-driving related deaths, mental health problems, hopelessness and, too commonly, suicide.

The Federal Government offers several disparate and currently uncoordinated substance abuse prevention and treatment programs for which Native Americans are eligible. This bill addresses how to best coordinate these programs so that the resources are effectively targeted at the communities that need them.

Program funds from the Department of Education include the Office of Elementary and Secondary Education's Safe and Drug-Free Schools and Communities—National Programs; and the Safe and Drug-Free Schools and Communities—State Grants.

In the Department of Health and Human Services the programs include the Administration for Children and Families' (ACF) Social Services Block Grant; the Indian Health Service's (IHS) Urban Indian Health Services funds; the IHS's Research funds; the IHS's Alcohol and Substance Abuse services including outpatient visits, inpatient days, regional treatment centers, admissions, aftercare referrals, and emergency placements; the Substance Abuse and Mental Health Services Administration (SAMHSA) Grants for Residential Treatment Programs for Pregnant and Postpartum Women; the SAMHSA Demonstration Grants for Residential Treatment for women and their Children; the SAMHSA Cooperative Agreements for Substance Abuse Treatment and Recovery Systems for Rural, Remote and Culturally Distinct Populations; the SAMHSA Mental Health Planning and Demonstration Projects; the SAMHSA Demonstration Grants for the Prevention of Alcohol and Drug Abuse Among High-Risk Populations; the SAMHSA Demonstration Grants on Model Projects for Pregnant and Postpartum Women and their Infants; the SAMHSA Comprehensive Residential Drug Prevention and Treatment, Projects for Substance-Using Women and their Children; and the SAMHSA Block Grants for Prevention and Treatment of Substance Abuse.

Programs in the Department of Housing and Urban Development (HUD) include Community Planning and Development, Shelter Plus Care; and HUD's Drug Elimination Grant funds.

Department of the Interior program funds include the Bureau of Indian Affairs, Services to Indian Children, Elderly and Families funds.

Programs in the Department of Justice include National Institute of Justice, Justice Research, Development, and Evaluation Project Grants.

The Department of Transportation funds include National Highway Traffic Safety Administration/Federal Highway Administration funds.

Funds available through the National Institutes of Health—National Institute on Alcohol Abuse and Alcoholism include several different grant programs for minorities and the prevention of alcohol abuse.

The goal of this bill is to authorize tribal governments and inter-tribal organizations to consolidate these programs through a single Federal office, in the Bureau of Indian Affairs, and use a single implementation plan to reduce the administrative and bureaucratic processes and result in more and better services to Native Americans.

This legislation tracks the widely-hailed and very successful "477 model" that Indian tribes have had used to effectively coordinate employment training and related services through the Indian Employment Training and Related Services Demonstration Act of 1992 (Pub. Law 102–477).

Under the "477 model," an applicant tribe can file a single comprehensive plan to draw and coordinate resources from many federal agencies and administer them through one office, the Bureau of Indian Affairs in the Department of the Interior.

To facilitate this inter-agency resource transfer, Secretaries of named agencies are required to negotiate and enter into memoranda of understanding.

The bill I am introducing today mirrors the "477 model" for purposes of alcohol and drug abuse resources.

I am certain that with this authority, Indian tribes can achieve the same high level of success they have had in the employment training field.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1507

Be it enacted in the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Native American Alcohol and Substance Abuse Program Consolidation Act of 1999."

SEC. 2. STATEMENT OF PURPOSE.

The purposes of this Act are (a) to enable Indian tribes to consolidate and integrate alcohol and other substance abuse prevention, diagnosis and treatment programs to provide unified and more effective and efficient services to Native Americans afflicted with alcohol and other substance abuse problems; and (b) to recognize that Indian tribes can best determine the goals and methods for establishing and implementing prevention, diagnosis and treatment programs for their communities, consistent with the policy of self-determination.

SEC. 3. DEFINITIONS.

For the purposes of this Act, the following definitions shall apply:

(1) FEDERAL AGENCY.—The term "Federal agency" has the same meaning given the term in section 551(1) of title 5, United States Code.

(2) INDIAN TRIBE.—The terms "Indian tribe" and "tribe" shall have the meaning given the term "Indian tribe" in section 4(e) of the Indian Self-Determination and Education Assistance Act.

(3) INDIAN.—The term "Indian" shall have the meaning given such term in section 4(d) of the Indian Self-Determination and Education Assistance Act.

(4) SECRETARY.—Except where otherwise provided, the term "Secretary" means the Secretary of the Interior.

SEC. 4. INTEGRATION OF SERVICES AUTHORIZED.

The Secretary of the Interior, in cooperation with the appropriate Secretary of Labor, Secretary of Health and Human Services, Secretary of Education, Secretary of Housing and Urban Development, United States Attorney General, Secretary of Transportation, and Director of the National Institutes of Health shall, upon the receipt of a plan acceptable to the Secretary submitted by an Indian tribe, authorize the tribe to coordinate, in accordance with such plan, its federally funded alcohol and substance abuse in a manner that integrates the program services involved into a single, coordinated, comprehensive program and reduces administrative costs by consolidating administrative functions.

SEC. 5. PROGRAMS AFFECTED.

The programs that may be integrated in any such plan referred to in section 4 shall include any program under which an Indian tribe is eligible for receipt of funds under a statutory or administrative formula for the purposes of prevention, diagnosis or treatment of alcohol and other substance abuse problems and disorders, or any program designed to enhance the ability to treat, diagnose or prevent alcohol and other substance abuse and related problems and disorders.

SEC. 6. PLAN REQUIREMENTS.

For a plan to be acceptable pursuant to section 4, it shall—

(1) Identify the programs to be integrated;

(2) be consistent with the purposes of this Act authorizing the services to be integrated into this project;

(3) describe a comprehensive strategy which identifies the full range of existing and potential diagnosis, treatment and prevention programs available on and near the tribe's service area;

(4) describe the way in which services are to be integrated and delivered and the results expected under the plan;

(5) identify the project expenditures under the plan in a single budget;

(6) identify the agency or agencies in the tribe to be involved in the delivery of the services integrated under the plan;

(7) identify any statutory provisions, regulations, policies or procedures that the tribe believes need to be waived in order to implement its plan; and

(8) be approved by the governing body of the tribe.

SEC. 7. PLAN REVIEW.

Upon receipt of the plan from a tribal government, the Secretary shall consult with the Secretary of each Federal agency providing funds to be used to implement the plan, and with the tribe submitting the plan. The parties consulting on the implementation of the plan submitted shall identify any waivers of statutory requirements or of Federal agency regulations, policies or procedures necessary to enable the tribal government to implement its plan. Notwithstanding any other provision of law, the Secretary of the affected agency shall have the authority to waive any statutory requirement, regulation, policy, or procedure promulgated by the affected agency that has been identified by the tribe or the Federal agency to be waived, unless the Secretary of the affected department determines that such a waiver is inconsistent with the purposes of this Act or those provisions of the statute from which the program involved derives its authority which are specifically applicable to Indian programs.

SEC. 8. PLAN APPROVAL.

Within 90 days after the receipt of a tribe's plan by the Secretary, the Secretary shall inform the tribe, in writing, of the Secretary's approval or disapproval of the plan, including any request for a waiver that is made as part of the plan submitted by the tribal government. If the plan is disapproved, the tribal government shall be informed, in writing, of the reasons for the disapproval and shall be given an opportunity to amend its plan or to petition the Secretary to reconsider such disapproval, including reconsidering the disapproval of any waiver requested by the Indian Tribe.

SEC. 9. FEDERAL RESPONSIBILITIES.

(a) RESPONSIBILITIES OF THE DEPARTMENT OF THE INTERIOR.—Within 180 days following the date of enactment of this Act, the Secretary of the Interior, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Education, the Secretary of Housing and Urban Development, the United States Attorney General, the Secretary of Transportation, and the Director of the National Institutes of Health shall enter into an interdepartmental memorandum of agreement providing for the implementation of the plans authorized under this Act. The lead agency under this Act shall be the Bureau of Indian Affairs, Department of the Interior. The responsibilities of the lead agency shall include—

(1) the use of a single report format related to the plan for the individual project which shall be used by a tribe to report on the activities undertaken by the plan;

(2) the use of a single report format related to the projected expenditures of the individual plan which shall be used by a tribe to report on all plan expenditures;

(3) the development of a single system of Federal oversight for the plan, which shall be implemented by the lead agency; and

(4) the provision of technical assistance to a tribe appropriate to the plan, delivered under an arrangement subject to the approval of the tribe participating in the project, except that a tribe shall have the authority to accept or reject the plan for providing the technical assistance and the technical assistance provider; and

(5) the convening by an appropriate official of the lead agency (whose appointment is subject to the confirmation of the Senate) and a representative of the Indian tribes that carry out projects under this Act, in consultation with each of the Indian tribes that * * *.

By Mr. CAMPBELL:

S. 1508. A bill to provide technical and legal assistance for tribal justice systems and members of Indian tribes, and for other purposes; to the Committee on Indian Affairs.

NATIVE JUSTICE SYSTEMS ENHANCEMENT ACT

Mr. CAMPBELL. Mr. President, today I introduce the "Indian Tribal Justice System Technical and Legal Assistance Act of 1999" to bolster earlier efforts to strengthen Indian tribal justice systems such as the Indian Tribal Justice Act of 1933. I want to be clear: the legislation I am introducing today is intended to complement, not substitute for, the 1993 Act.

Unfortunately, most Native Americans continue to live in abject poverty and as with other indigent groups, access to legal assistance is poor.

In 1997 the Department of Justice published a report showing that crime, particularly violent crime, is rampant on Indian lands. The Congress and the Administration both properly responded with an infusion of millions of dollars for crime prevention, prosecution and detention.

There is also a huge need civil legal assistance in Native communities that is not now being met and that is one of the aims of the bill I am introducing today.

Since the late 1960's Indian Legal Services ("ILS") organizations have stepped into the fray to provide basic legal service to individual Native Americans and tribes whose members fall within the federal poverty guidelines.

There are now 30 Indian legal service organizations—very small programs which receive the bulk of their funds from the Legal Services Corporation (LSC). ILS programs provide basic, bread-and-butter legal representation to individual Indian people, and small tribes, throughout the United States.

In addition to providing legal help to individual Natives, ILS assists tribes in developing tribal justice systems, including training court personnel, and strengthening the capacity of tribal courts to handle both civil and criminal matters.

The ILS organizations have been involved in developing written codes on tribal law and practice and procedure in tribal courts, training tribal judges, developing tribal court "lay advocate" programs and training lay advocates, and the developing tribal "peacemaking" systems which are traditional alternative dispute resolution methods.

The ILS programs carrying out these key functions include the DNA Legal Services of Arizona, New Mexico and Utah; the Michigan Indian Legal Services; the Dakota Plains Legal Services; Wisconsin Judicare; Idaho Legal Aid Services; Oklahoma Indian legal Services; Pine Tree Legal Assistance of Maine, and many others.

Together, tribal governments and the ILS organizations work to ensure that Native justice systems work and that Natives and non-Natives alike have confidence in tribal justice systems and institutions.

Generating that confidence is important for a variety of reasons. For instance, there are many factors determining whether or not a Native community can be competitive and attract investment and business activities to boost employment: a solid physical infrastructure, a skilled and healthy workforce, access to capital, and a governing structure that encourages risk taking and entrepreneurship.

Part of such an environment is a judicial system that instills confidence in businesses as well as individuals that disputes can be settled fairly, that contracts will be honored, and that the governed recognize the government's authority as legitimate.

A disordered system does not foster that confidence. Whether or not individuals will have access to legal services and well-ordered tribunals is key to development.

A strong "legal infrastructure" is widely recognized in American business circles as a necessary condition for business development whether it be in Russian, Indonesia, inner city America, or on Indian lands.

Within existing appropriations, the bill I am introducing authorizes the Attorney General, in consultation with the Office of Tribal Justice, to provide assistance to legal service organizations and non-profit entities to help build capacity of tribal courts and tribal justice systems so that confidence in these systems can be augmented, and much-needed legal assistance will be provided.

The three areas targeted for assistance are training for tribal judicial personnel, tribal civil legal assistance, and tribal criminal assistance.

I believe that in addition to regulatory reform, physical infrastructure, and development assistance, strengthening tribal justice systems is another component in bringing real development to tribal economies and government.

Mr. President, I ask unanimous consent that the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1508

Be it enacted by the Senate and House or Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the Indian Tribal Justice Technical and Legal Assistance Act of 1999.

SEC. 2. FINDINGS.

The Congress finds and declares that—

1) There is a a government-to-government relationship between the United States and Indian tribes;

2) Indian tribes are sovereign entities and are responsible for exercising governmental authority over Indian tribes;

3) The rate of violent crime committed in Indian country is approximately twice the rate of violent crime committed in the United States as a whole;

4) In any community, a high rate of violent crime is a major obstacle to investment, job creation and economic growth;

5) Tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring the health and safety and the political integrity of tribal governments;

6) Congress and the Federal courts have repeatedly recognized tribal justice systems as the most appropriate forums for the adjudication of disputes affected personal and property rights on Native lands;

7) Enhancing tribal court systems and improving access to those systems serves the dual Federal goals of tribal political self-determination and economic self-sufficiency;

8) There is both inadequate funding and an inadequate coordinating mechanism to meet the technical and legal assistance needs of tribal justice systems and this lack of adequate technical and legal assistance funding impairs their operation;

9) Tribal court membership organizations have served a critical role in providing training and technical assistance for development and enhancement of tribal justice systems;

10) Indian legal services programs, as funded partially through the Legal Services Corporation, have an established record of providing cost effective legal assistance to Indian people in tribal court forums, and also contribute significantly to the development of tribal courts and tribal jurisprudence; and

11) The provision of adequate technical assistance to tribal courts and legal assistance to both individuals and tribal courts is an essential element in the development of strong tribal court systems.

SEC. 3. PURPOSES.

The purposes of this Act are as follows:

(1) To carry out the responsibility of the United States to Indian tribes and members of Indian tribes by ensuring access to quality technical and legal assistance;

(2) To strengthen and improve the capacity of tribal court systems that address civil and criminal causes of action under the jurisdiction of Indian tribes;

(3) To strengthen tribal governments and the economies of Indian tribes through the enhancement and, where appropriate, development of tribal court systems for the administration of justice in Indian country by providing technical and legal assistance services;

(4) To encourage collaborative efforts between national or regional membership organizations and associations whose membership consists of judicial system personnel within tribal justice systems; non-profit entities which provide legal assistance services for Indian tribes, members of Indian tribes, and/or tribal justice systems; and

(5) To assist in the development of tribal judicial systems by supplementing prior Congressional efforts such as the Indian Tribal Justice Act (Public Law 103-176).

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) ATTORNEY GENERAL.—The term "Attorney General" means the Attorney General of the United States.

(2) INDIAN LANDS.—The term "Indian lands" shall include lands within the definition of "Indian country", as defined in 18 USC 1151; or "Indian reservations", as defined in section 3(d) of the Indian Financing Act of 1974, 25 USC 1452(d), or section 4(10) of the Indian Child Welfare Act, 25 USC 1903(10). For purposes of the preceding sentence, such section 3(d) of the Indian Financing Act shall be applied by treating the term "former Indian reservations in Oklahoma" as including only lands which are within the jurisdictional area of an Oklahoma Indian Tribe (as determined by the Secretary of Interior) and are recognized by such Secretary as eligible for trust land status under 25 CFR Part 151 (as in effect on the date of enactment of this sentence).

(3) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity, which administers justice or plans to administer justice under its inherent authority or the authority of the United States and which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

(4) JUDICIAL PERSONNEL.—The term "judicial personnel" means any judge, magistrate, court counselor, court clerk, court administrator, bailiff, probation officer, officer of the court, dispute resolution facilitator, or other official, employee, or volunteer within the tribal judicial system.

(5) NON-PROFIT ENTITIES.—The term "non-profit entity" or "non-profit entities" has the meaning given that term in section 501(c)(3) of the Internal Revenue Code.

(6) OFFICE OF TRIBAL JUSTICE.—The term "Office of Tribal Justice" means the Office of Tribal Justice in the United States Department of Justice.

(7) TRIBAL JUSTICE SYSTEM.—The term "tribal court", "tribal court system", or "tribal justice system" means the entire judicial branch, and employees thereof, of an Indian tribe, including, but not limited to, traditional methods and fora for dispute resolution, tribal courts, appellate courts, including inter-tribal appellate courts, alternative dispute resolution systems, and circuit rider systems, established by inherent tribal authority whether or not they constitute a court of record.

TITLE I—TRAINING AND TECHNICAL ASSISTANCE, CIVIL AND CRIMINAL LEGAL ASSISTANCE GRANTS

SEC. 101. TRIBAL JUSTICE TRAINING AND TECHNICAL ASSISTANCE GRANTS

Subject to the availability of appropriations, the Attorney General, in consultation with the Office of Tribal Justice, shall award grants to national or regional membership organizations and associations whose membership consists of judicial system personnel within tribal justice systems which submit an application to the Attorney General in such form and manner as the Attorney General may prescribe to provide training and technical assistance for the development, enrichment, enhancement of tribal justice systems, or other purposes consistent with this Act.

SEC. 102. TRIBAL CIVIL LEGAL ASSISTANCE GRANTS.

Subject to the availability of appropriations, the Attorney General, in consultation with the Office of Tribal Justice, shall award grants to non-profit entities, as defined under section 501(c)(3) of the Internal Revenue Code, which provide legal assistance services for Indian tribes, members of Indian tribes, or tribal justice systems pursuant to federal poverty guidelines that submit an application to the Attorney General in such form and manner as the Attorney General may prescribe for the provision of civil legal assistance to members of Indian tribes and tribal justice systems, and/or other purposes consistent with this Act.

SEC. 103. TRIBAL CRIMINAL ASSISTANCE GRANTS.

Subject to the availability of appropriations, the Attorney General, in consultation with the Office of Tribal Justice, shall award grants to non-profit entities, as defined by section 501(c)(3) of the Internal Revenue Code, which provide legal assistance services for Indian tribes, members of Indian tribes, or tribal justice systems pursuant to federal poverty guidelines that submit an application to the Attorney General in such form and manner as the Attorney General may prescribe for the provision of criminal legal assistance to members of Indian tribes and tribal justice systems, and/or other purposes consistent with this Act. Funding under this Title may apply to programs, procedures, or proceedings involving adult criminal actions, juvenile delinquency actions, and/or guardian-ad-litem appointments arising out of criminal or delinquency acts.

SEC. 104. NO OFFSET.

No Federal agency shall offset funds made available pursuant to this Act for Indian tribal court membership organizations or Indian legal services organizations against other funds otherwise available for use in connection with technical or legal assistance to tribal justice systems or members of Indian tribes.

SEC. 105. TRIBAL AUTHORITY.

Nothing in this Act shall be construed to—

(1) encroach upon or diminish in any way the inherent sovereign authority of each tribal government to determine the role of the tribal justice system within the tribal government or to enact and enforce tribal laws;

(2) diminish in any way the authority of tribal governments to appoint personnel;

(3) impair the rights of each tribal government to determine the nature of its own legal system or the appointment of authority within the tribal government;

(4) alter in any way any tribal traditional dispute resolution fora;

(5) imply that any tribal justice system is an instrumentality of the United States; or

(6) diminish the trust responsibility of the United States to Indian tribal governments and tribal justice systems of such governments.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

For purposes of carrying out the activities under this Act, there are authorized to be appropriated such sums as are necessary for fiscal years 2000 through 2004.

By Mr. CAMPBELL:

S. 1509. A bill to amend the Indian Employment, Training, and Related Services Demonstration Act of 1992, to emphasize the need for job creation on Indian reservations, and for other purposes; to the Committee on Indian Affairs.

INDIAN EMPLOYMENT, TRAINING AND JOB CREATION

Mr. CAMPBELL. Mr. President, I am pleased to introduce the Indian Employment, Training, and Related Services Demonstration Act Amendments of 1999.

This bill will amend Public Law 102-477, better known as "the 477 law" that authorizes Indian tribes and tribal organizations to bring together many federal employment and training programs, consolidate them into one plan, and in the process achieve an efficiency that otherwise would not be possible.

The 1992 Act allows tribes to submit one comprehensive plan, to one agency, and in the process to bring together resources from the Departments of Interior, Labor, Health and Human Services, and others for purposes of employment training.

The keys to the success of "477" is that it is entirely voluntary—with tribes deciding for themselves whether to take advantage of its benefits; and second, it involves no federal appropriations of funds to administer it. Participating tribes report that the elimination of paperwork and bureaucracy are as important as is the administrative flexibility that "477" provides to tribes.

The focus of the 1996 federal welfare reform laws now being implemented by states and Indian tribes is on getting and retaining employment.

For Native American communities, many of whom suffer unemployment rates in the 80 to 90 percent range, job opportunities are difficult to come by and as a result the success of the 1996 law in Native communities is threatened.

In the 106th Congress the Committee on Indian Affairs has put economic and business development on Native lands at the center of its agenda. In addition to regulatory reform, physical infrastructure, and access to capital, part of the agenda must be to find creative efforts to maximize scarce federal resources for Indian development.

By all accounts, the 1992 Act has been a success for Native people struggling to get employment and training and other services related to the world of work.

The bill I am introducing today will build on that success and liberalize tribal authority under the statute, authorize actual job-creation activities, permit regional consortia of Alaska Native entities to participate in the program, and require that the agencies and the "477 tribes" begin to take the next steps in enlarging the scope of "477" by bringing in the resources of additional agencies whose mission is related to human resource, physical infrastructure, and economic development assistance generally.

A feasibility study and report are due to the authorizing committees not later than one year after enactment of the legislation.

As the Self Governance model has already shown, putting tribes in the driver's seat results in better services to consumers, more efficient administrative frameworks, and often times a savings in federal resources. This bill will improve on an already-successful program and help Native communities provide employment training and jobs to their citizens.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indian Employment, Training and Related Services Demonstration Act Amendments of 1999".

SEC. 2. FINDINGS, PURPOSES.

(a) FINDINGS.—The Congress finds that:

(1) Indian tribes and Alaska Native organizations that have participated in carrying out programs under the Indian Employment, Training, and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.) have—

(A) improved the effectiveness of employment-related services provided by those tribes and organizations to their members;

(B) enabled more Indian and Alaska Native people to prepare for and secure employment;

(C) assisted in transitioning tribal members from welfare to work; and

(D) otherwise demonstrated the value of integrating employment, training, education and related services.

(5) the initiatives under the Indian Employment, Training, and Related Services Demonstration Act of 1992 should be strengthened by ensuring that all federal programs that emphasize the value of work may be included within a demonstration program of an Indian or Alaska Native organization;

(6) the initiatives under the Indian Employment, Training, and Related Services Demonstration Act of 1992 should have the benefit of the support and attention of the officials with policymaking authority of

(A) the Department of the Interior;

(B) other federal agencies that administer programs covered by the Indian Employment, Training and Related Services Demonstration Act of 1992.

(b) PURPOSES.—The purposes of this Act are to demonstrate how Indian tribal governments and integrate the employment, training and related services they provide in order to improve the effectiveness of those services, reduce joblessness in Indian communities, foster economic development on Indian lands, and serve tribally-determined goals consistent with the policies of self-determination and self-governance.

SEC. 3. AMENDMENTS TO THE INDIAN EMPLOYMENT, TRAINING AND RELATED SERVICES DEMONSTRATION ACT OF 1992.

(a) DEFINITIONS.—Section 3 of the Indian Employment, Training, and Related Services Demonstration Act of 1992 (25 USC 3402) is amended—

(1) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively; and

(2) by inserting before paragraph (2) the following:

"(1) FEDERAL AGENCY.—The term "federal agency" has the same meaning given the term "agency" in section 551(1) of title 5, United States Code".

(b) PROGRAMS AFFECTED.—Section 5 of the Indian Employment, Training, and Related Services Demonstration Act of 1992 (25 USC 3404) is amended by striking "job training, tribal work experience, employment opportunities, or skill development, or any program designed for the enhancement of job opportunities or employment training" and inserting the following: "assisting Indian youth and adults to succeed in the workforce, encouraging self-sufficiency, familiarizing Indian youth and adults with the world of work, facilitating the creation of job opportunities and any services related to these activities."

"(c) PLAN REVIEW.—Section 7 of the Indian Employment, Training, and Related Services Demonstration Act of 1992 (25 USC 3406) is amended)—

(1) by striking "Federal department" and inserting "Federal agency";

(2) by striking Federal departmental" and inserting "Federal agency";

(3) by striking "department" each place it appears and inserting "agency"; and

(4) in the third sentence, by inserting "statutory requirement", after "to waive any".

"(d) PLAN APPROVAL.—Section 8 of the Indian Employment, Training, and Related Services Demonstration Act of 1992 (25 USC 3407) is amended—

(1) in the first sentence, by inserting before the period at the end the following: ", including any request for a waiver that is made as part of the plan submitted by the tribal government";

(2) in the second sentence, by inserting before the period at the end the following: ", including reconsidering the disapproval of any waiver requested by the Indian tribe".

"(e) JOB CREATION ACTIVITIES AUTHORIZED.—Section 9 of the Indian Employment, Training, and Related Services Demonstration Act of 1992 (25 USC 3407) is amended—

(1) by inserting "(a) In General—" before "The plan submitted"; and

(2) by adding at the end the following:

"(b) JOB CREATION OPPORTUNITIES.—

(1) IN GENERAL.—Notwithstanding any other provisions of law, including any requirement of a program that is integrated under a plan under this Act, a tribal government may use a percentage of the funds made available under this Act (as determined under paragraph (2)) for the creation of employment opportunities, including providing private sector training placement under section 10.

(2) DETERMINATION OF PERCENTAGE.—The percentage of funds that a tribal government may use under this subsection is the greater of—

"(A) the rate of unemployment in the service area of the tribe up to a maximum of 25 percent; or

"(B) 10 percent.

"(c) LIMITATION.—The funds used for an expenditure described in subsection (a) may only include funds made available to the Indian tribe by a federal agency under a statutory or administrative formula".

SEC. 3. ALASKA REGIONAL CONSORTIA.

The Indian Employment, Training, and Related Services Demonstration Act of 1992 is amended by adding at the end the following:

"SEC. 19. ALASKA REGIONAL CONSORTIA.

(a) IN GENERAL.—Notwithstanding any other provision of law, subject to subsection (b), the Secretary shall permit a regional consortium of Alaska Native villages or regional or village corporations (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) to carry out a project under a plan that meets the requirements of this Act through a resolution adopted by the governing body of that consortium or corporation.

(b) WITHDRAWAL.—Nothing in subsection (a) is intended to prohibit an Alaska Native village from withdrawing from participation in any portion of a program conducted pursuant to this Act.

SEC. 5. REPORT ON EXPANDING THE OPPORTUNITIES FOR PROGRAM INTEGRATION.

Not later than one year after the date of enactment of this Act, the Secretary, the Secretary of Health and Human Services, the Secretary of Labor, and the tribes and organizations participating in the integration initiative under this Act shall submit a report to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives on the opportunities for expanding the integration of human resource development and economic development programs under this Act, and the feasibility of establishing Joint Funding Agreements to authorize tribes to access and coordinated funds and resources from various agencies for purposes of human resources development, physical infrastructure development, and economic development assistance in general. Such report shall identify programs or activities which might be integrated and make recommendations for the removal of any statutory or other barriers to such integration.

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

By Mr. McCAIN (for himself, Mrs. HUTCHISON, Mrs. FEINSTEIN, and Mr. MURKOWSKI):

S. 1510. A bill to revise the laws of the United States appertaining to United States cruise vessels, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE UNITED STATES SHIP TOURISM DEVELOPMENT ACT OF 1999

Mr. McCAIN. Mr. President, today I, with Senators HUTCHISON, FEINSTEIN, and MURKOWSKI, are introducing the United States Cruise Ship Tourism Development Act of 1999. The purposes of this bill is to provide increased domestic cruise opportunities for the American cruising public by temporarily reducing barriers to operation in the domestic cruise market. I want to start by thanking Senator HUTCHISON, who as Chairman of the Surface Transportation and Merchant Marine Subcommittee is continuing her efforts to help rebuild our nation's cruise ship industry. She along with Senators FEINSTEIN and MURKOWSKI are great partners to have as this legislation moves forward.

Americans today have a wide variety of choices when it comes to vacationing on large oceangoing cruise ships. However, due to barriers to entry that were created in 1886, the itineraries, with few exceptions, do not include domestic trade. Large cruise ship domestic trade options are currently limited to one ocean going cruise vessel in Hawaii. Also, the U.S. port calls on international itineraries are heavily concentrated in Florida and Alaska due to the proximity of these states to neighboring countries. This means that America's cruising public is denied the opportunity to cruise to many attractive U.S. port destinations, and those ports are denied the economic benefits of those visits.

We have an opportunity in this Congress to temporarily reduce barriers for entry into the domestic cruise ship trade, creating new U.S. jobs, and generating millions of dollars in new U.S. business without any cost to existing U.S. jobs. During the 105th Congress three separate bills addressing the domestic cruise ship trade were referred to the Commerce Committee. Unfortunately, we were not able to reach a consensus on any measure that would remove the barriers created in the law measure that would remove the barriers created in the law commonly referred to as the Passenger Vessel Services Act. I am hopeful that the bill that we are introducing today will see more success.

While I have made it clear in the past that I would like to do away with the trade barriers contained in the Passenger Vessel Services Act, this bill does not do that. What this bill does do is allow the Secretary of Transportation a limited time to waive certain coastwise trade restrictions. It is my strong belief that this will stimulate growth and opportunity within the domestice cruise ship trade with the beneficiaries being U.S. port cities and business, and more importantly, the millions of American citizens who want to be able to enjoy cruising between U.S. ports. I expect some of my colleagues on the on the Commerce Committee may want to make additional changes to this bill in Committee. I look forward to working these issues out with them in the coming months.

I believe it is important for this Congress to take action on this issue in order to maximize the economic growth potential of the domestic cruise ship trade and the cruising opportunities for America's public.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF SECTIONS.

(a) SHORT TITLE.—This Act may be cited as the "United States Cruise Ship Tourism Development Act of 1999".

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:

Sec. 1. Short title; table of sections.
Sec. 2. Definitions.

Title I—Operations Under Permit

Sec. 101. Domestic cruise vessel.
Sec. 102. Domestic itinerary operating requirements.
Sec. 103. Certain operations prohibited.
Sec. 104. Limited employment of eligible cruise vessels in the coastwise trade of the United States.
Sec. 105. Priorities within domestic markets.
Sec. 106. Construction standards.

Title II—Post-Permit Operations of Eligible Cruise Vessels

Sec. 201. Continued operation in domestic itinerary requirements.

Title III—Other Provisions

Sec. 301. Amendment of title XI of the Merchant Marine Act, 1936
Sec. 302. Application with Jones Act and other Acts.
Sec. 303. Glacier Bay and other National Park Service area permits.

SEC. 2. DEFINITIONS.

In this Act:

(1) ELIGIBLE CRUISE VESSEL.—The term "eligible cruise vessel" means a cruise vessel that—

(A) is documented under the laws of the United States or the laws of another country;

(B) is not otherwise qualified to engage in the coastwise trade between ports in the United States;

(C) was delivered after January 1, 1980;

(D) provides a full range of overnight accommodations, entertainment, dining, and other services for its passengers;

(E) has a fixed smoke detection and sprinkler system installed throughout the accommodation and service spaces, or will have such a system installed within the time period required by the 1992 Amendments to the Safety of Life at Sea Convention of 1974; and

(F) displaces—

(i) greater than 20,000 gross registered tons; or

(ii) more than 9,000 gross registered tons and has an all-suites luxury configuration with a minimum of 240 square feet per revenue room.

(2) ITINERARY.—The term "itinerary" means the route travelled by a cruise vessel on a single voyage that begins at the first port of embarkation for passengers on that voyage, includes each port at which the vessel docks before the last port of disembarkation for such passengers, and ends at that last port of disembarkation.

(3) OPERATING DAY.—The term "operating day" means a day of the week on which a vessel embarks, transports, or disembarks passengers.

(4) OPERATOR.—The term "operator" means the owner, operator, or charterer.

(5) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(6) UNITED STATES-FLAG VESSEL.—The term "United States-flag vessel" means a vessel documented under subsection (a) or (d) of section 12102 of title 46, United States Code.

TITLE I—OPERATIONS UNDER PERMIT

SEC. 101. DOMESTIC CRUISE VESSEL.

(a) IN GENERAL.—Notwithstanding the provisions of section 8 of the Act of June 19, 1886 (46 U.S.C. App. 289), or any other provision of law, the Secretary may issue a permit for an eligible cruise vessel to operate in domestic itineraries in the transportation of passengers in the coastwise trade between ports in the United States.

(b) MAXIMUM OPERATING DAYS.—An eligible cruise vessel not documented under the laws of the United States that is operated under a permit issued by the Secretary under subsection (a) may not be operated under that permit for more than 200 operating days.

(c) EXPIRATION OF PERMIT AUTHORITY.—Except as otherwise provided in section 201 of this Act, a permit issued by the Secretary under subsection (a) shall terminate December 31, 2006.

(d) Operating Window.—The authority of the Secretary to issue a permit under subsection (a) begins on the day after the date of enactment of this Act and terminates on the day that is 3 years after that date.

SEC. 102. DOMESTIC ITINERARY OPERATING REQUIREMENTS.

(a) In General.—Except as provided in section 104 of this Act, the Secretary may not approve an itinerary for a voyage commencing less than 1 year after the date of enactment of this Act requested by an eligible cruise vessel that is not documented under the laws of the United States.

(b) Regulatory Requirements.—The Secretary may not issue a permit under section 101(a) for an eligible cruise vessel not documented under the laws of the United States unless the operator establishes to the satisfaction of the Secretary that, except as otherwise provided in this Act, the vessel will be operated in full compliance with all rules, regulations, and operating requirements relating to health, safety, environmental protection and other appropriate operational standards (as determined by the Secretary), that would apply to any United States-flag cruise vessel operating in domestic itineraries in the transportation of passengers under a permit issued under section 101(a). The Secretary shall issue final rules under this section within 180 days after the date of enactment of this Act.

(c) Repairs.—

(1) In general.—The Secretary may not issue a permit under section 101(a) for an eligible cruise vessel unless the operator establishes to the satisfaction of the Secretary that—

(A) any repair, maintenance, alteration, or other preparation of the vessel for operation under a permit issued under section 101(a) has been, or will be, performed in a United States shipyard; and

(B) any repair or maintenance of the vessel after a permit is issued under that section and before the expiration of the operating limitation period in section 101(b) will be performed in a United States shipyard.

(2) Waiver.—The Secretary may waive the requirements of paragraph (1) if the Secretary finds that the repair, maintenance, alterations, or other preparation services are not available in the United States or if an emergency dictates that the ship proceed to a foreign port.

(d) Escrow Account.—The Secretary may not issue a permit under section 101(a) for an eligible cruise vessel unless the operator agrees to deposit $5 for each passenger embarking on that vessel while operating under the permit into the escrow fund established under section 1108 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1270a).

(e) Compliance.—If the Secretary determines that an eligible cruise vessel is not in compliance with any commitment made to the Secretary by its operator under this Act, the permit issued for that vessel under section 101(a) shall be null and void.

SEC. 103. CERTAIN OPERATIONS PROHIBITED.

An eligible cruise vessel operating in domestic itineraries under a permit issued under section 101(a) may not—

(1) operate as a ferry;

(2) regularly carry for hire both passengers and vehicles or other cargo; or

(3) operate between or among the islands of Hawaii.

SEC. 104. LIMITED EMPLOYMENT OF FOREIGN-FLAG CRUISE SHIPS IN THE COASTWISE TRADE OF THE UNITED STATES.

(a) In General.—Notwithstanding section 12106 of title 46, United States Code, section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), and section 8 of the Act of June 19, 1886 (46 U.S.C. App. 289), the Secretary may approve the employment in the coastwise trade of the United States of an eligible cruise vessel operating under a permit issued under section 101(a) of this Act for repositioning as provided by under subsection (b) or for charter as provided by subsection (c).

(b) Repositioning.—An eligible cruise vessel not documented under the laws of the United States operating under a permit issued under section 101(a) of this Act may be employed in the coastwise trade during the first year after the date of enactment of this Act for not more than 2 voyages, the coastwise trade portion of which does not exceed 2 weeks and includes transportation of passengers for hire—

(1) from one coast of the United States through the Panama Canal to another coast of the United States; or

(2) along one coast of the United States during a voyage between 2 foreign countries.

(c) Charters.—An eligible cruise vessel not documented under the laws of the United States operating under a permit issued under section 101(a) of this Act may be employed in the coastwise trade during the first year after the date of enactment of this Act if it is time-chartered to a charterer that—

(1) does not own or operate a cruise ship; and

(2) is not affiliated with an owner or operator of a cruise ship.

(d) Priorities.—Section 105 applies to vessels employed in the coastwise trade under this section.

SEC. 105. PRIORITIES WITHIN DOMESTIC MARKETS.

(a) In General.—The Secretary shall, by regulation, establish a priority system for cruise vessels providing passenger service in domestic itineraries within 180 days after the date of enactment of this Act.

(b) Priority to U.S.-Built or U.S.-Rebuilt Vessels.—Under the regulations to be prescribed by the Secretary, a cruise vessel built or rebuilt in the United States and documented under the laws of the United States shall have priority over any other cruise vessel of comparable size operating in a comparable market under a permit issued under section 101(a).

(c) Priority to U.S.-Flag Vessels.—The Secretary shall prescribe regulations under which a cruise vessel documented under the laws of the United States that is not built or rebuilt in the United States has priority over an eligible cruise vessel of comparable size not documented under the laws of the United States that is operating in a comparable market.

(d) Factors Considered.—In determining and assigning priorities under the regulations, the Secretary shall consider, among other factors determined by the Secretary to be appropriate—

(A) the scope of a vessel's itinerary;

(B) the time frame within which the vessel will serve a particular itinerary; and

(C) the size of the vessel.

(e) Implementation.—

(1) Intinerary submission required.—An eligible cruise vessel may not be operated in a domestic itinerary unless the operator has submitted a proposed itinerary for that vessel, in accordance with this subsection, for cruise itineraries for the calendar year beginning 2 years after the date on which the itinerary is required to be submitted under paragraph (2).

(2) Time and manner of submission.—Each operator of an eligible cruise vessel to be operated in a domestic itinerary shall submit a proposed itinerary to the Secretary in the form required by the Secretary in February of each year beginning after the date of enactment of this Act.

(3) Revisions and later submissions.—The Secretary shall permit late submissions and revisions of submissions after the final list of approved itineraries is published under paragraph (4)(C) and before the date that is 90 days before the start date of a requested itinerary, but a late submission or revision by a higher priority cruise vessel may not displace a priority assigned on the basis of timely submission by a lower priority cruise vessel. If operators of comparable vessels submit comparable requests within 30 days of each other, the priorities of this section apply at the discretion of the Secretary.

(4) Scheduling.—

(A) Action by secretary.—Within 60 days after receiving an itinerary submitted under this subsection, the Secretary shall—

(i) review the schedule for compliance with the priorities established by this section;

(ii) advise affected cruise ship operators of any specific itinerary that is not available and the reason it is not available; and

(iii) publish a proposed list of approved itineraries.

(B) Operators response.—If the Secretary advises an operator under subparagraph (A)(ii) that a requested itinerary is not available, the operator may respond to the Secretary's advice within 30 days after it is received by the operator by appealing the Secretary's decision or by submitting a new itinerary proposal.

(C) Resolution of conflicts.—As soon as practicable after the end of the 30-day period described in subparagraph (B), the Secretary shall—

(i) resolve any appeals and consider new itinerary proposals;

(ii) advise cruise ship operators who responded under subparagraph (B) of the Secretary's decision with respect to the appeal or the new itinerary proposal; and

(iii) publish a final list of approved itineraries.

(f) Itineraries Before Final List Is First Published.—

(1) Requests.—For itineraries before the first calendar year for which the Secretary publishes a final list of approved itineraries under subsection (e), the operator of a cruise vessel may submit a request for an itinerary to be sailed before that calendar year.

(2) Conflicting higher priority use.—If the itinerary submitted by an operator under paragraph (1) conflicts with an itinerary in use by a vessel with a higher priority under this section, the Secretary shall disapprove the request and notify the operator of the disapproval and the reason for the disapproval within 5 days (Saturdays, Sundays, and legal public holidays (as defined in section 6103 of title 5, United States Code, excepted) after the request is received.

(3) No initial conflict.—If the itinerary submitted by an operator under paragraph (1) does not conflict with an itinerary in use by a vessel with a higher priority under this section, the Secretary shall publish the request and the requested itinerary immediately. If, within 30 days after the request is published, the operator of a cruise vessel with a higher priority under this section requests the use of the published itinerary, then the Secretary shall deny the published request and approve the request for the higher priority vessel. If no operator of a cruise vessel with a higher priority under this section requests the use of the published

itinerary within 30 days after it is published, the Secretary shall approve the requested itinerary and publish notice of the approval.

(4) Publication of interim itineraries.—Until the first publication of a final list of approved itineraries under subsection (e), the Secretary shall publish, on a quarterly basis, a list of itineraries approved under this subsection.

(g) Report.—The Secretary shall issue an annual report on the number of operating days used by each cruise vessel assigned a priority under this section.

SEC. 106. CONSTRUCTION STANDARDS.

An eligible cruise vessel for which the Secretary has issued a permit under section 101(a) is deemed to be in compliance with the requirements of section 3309 of title 46, United States Code, if it meets the standards and conditions for the issuance of a control verification certificate for a cruise vessel documented under the laws of a foreign country embarking passengers in the United States.

TITLE II—POST-PERMIT OPERATIONS OF ELIGIBLE CRUISE VESSELS

SEC. 201. CONTINUED OPERATION IN DOMESTIC ITINERARY REQUIREMENTS.

(a) In General.—After the expiration of its period of operations under a permit issued under section 101(a), an eligible cruise vessel not documented under the laws of the United States may not operate in domestic itineraries unless it meets the following conditions:

(1) Documentation.—The vessel has been issued a certificate of documentation with a coastwise endorsement.

(2) Operating crew; support staff.—Each member of the vessel's operating crew licensed or certified by the United States Coast Guard is a citizen or resident alien of the United States as required by section 8103 of title 46, United States Code, and each individual employed aboard the vessel who is not a member of the operating crew is a citizen or permanent resident of the United States.

(b) Construction plan.—The operator of an eligible cruise vessel issued a permit under section 101(a) of this Act shall demonstrate to the satisfaction of the Secretary that, as of the date on which the vessel is documented under the laws of the United States—

(1) it has a plan for the construction of a cruise vessel in the United States; or

(2) it is a party to, or has made substantial progress toward entering into, an enforceable contract for the construction of such a vessel in the United States.

(c) Expiration of Coastwise Endorsement.—The coastwise endorsement for an eligible cruise vessel operating under subsection (a) shall expire 24 months after the date on which construction is completed on the last vessel the operator of the eligible cruise vessel is obligated to construct in the United States under the contract described in subsection (b).

(d) Reflagging under Foreign Registry.—Notwithstanding section 9(c) of the Shipping Act, 1916 (46 U.S.C. App. 808), the operator of an eligible cruise ship issued a certificate of documentation with a coastwise endorsement, or a cruise vessel constructed under a contract described in subsection (a)(4), may place that vessel under foreign registry. The Secretary shall revoke the coastwise endorsement for any such vessel placed under foreign registry under this subsection permanently. Any vessel the coastwise endorsement for which is revoked under this subsection is not eligible thereafter for coastwise endorsement.

TITLE III—OTHER PROVISIONS

SEC. 301. AMENDMENT OF TITLE XI OF THE MERCHANT MARINE ACT, 1936.

(a) Risk Factor.—Section 1103(h) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1103(h)) is amended by adding at the end thereof the following:

"(5) For purposes of the risk factor described in paragraph (3)(I), the Secretary shall consider an applicant for a guarantee, or a commitment to guarantee, under subsection (a) an obligation in connection with a contract described in section 201(a)(4) of the United States Cruise Ship Tourism Development Act of 1999 to possess the necessary operating ability, experience, and expertise required if the applicant demonstrates to satisfaction of the Secretary that its personnel have the experience and ability to operate cruise vessels.".

(b) Qualifications.—Section 1104A(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274(b)) is amended by adding at the end thereof the following:

"For purposes of paragraph (1), the Secretary shall consider an obligor with a contract described in section 201(b)(2) of the United States Cruise Ship Tourism Development Act of 1999 to possess the ability necessary to the adequate operation and maintenance of the cruise vessel that serves as security for the guarantee of the Secretary if the obligor demonstrates to the satisfaction of the Secretary that its personnel have the experience and ability to operate cruise vessels.".

SEC. 302. APPLICATION WITH JONES ACT AND OTHER ACTS.

(a) In General.—Nothing in this Act affects or otherwise modifies the authority contained in—

(1) Public Law 87-77 (46 U.S.C. App. 289b) authorizing the transportation of passengers and merchandise in Canadian vessels between ports in Alaska and the United States; or

(2) Public Law 98-563 (46 U.S.C. App. 289c) permitting the transportation of passengers between Puerto Rico and other United States ports.

(b) Jones Act.—Nothing in this Act affects or modifies the Merchant Marine Act, 1920 (46 U.S.C. App. 861 et seq.).

SEC. 303. GLACIER BAY AND OTHER NATIONAL PARK SERVICE AREA PERMITS.

Notwithstanding the last sentence of section 3(g) of Public Law 91-383 (16 U.S.C. 1a-2(g)), the Secretary of the Interior, after consultation with the Secretary of Transportation, may issue new or otherwise available permits to United States-flag vessels carrying passengers for hire to enter Glacier Bay or any other area within the jurisdiction of the National Park Service. Any such permit shall not affect the rights of any person that, on the date of enactment of this Act, holds a valid permit to enter Glacier Bay or such other area.

By Mr. HARKIN (for himself, Mr. KENNEDY, Mr. DODD, Mr. ROBB, Mr. LEVIN, Mrs. MURRAY, and Mr. DASCHLE):

S. 1511. A bill to provide for education infrastructure improvement, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

21ST CENTURY SCHOOL MODERNIZATION ACT

• Mr. HARKIN. Mr. President, last month I had the honor of accompanying President Clinton and Education Secretary Richard Riley on a visit to Amos Hiatt Middle School in Des Moines, Iowa. We were joined by a high school teacher named Ruth Ann Gaines and an 8th grade student, Catherine Swoboda for a discussion on the need to modernize our nation's schools.

Hiatt Middle School opened its doors in 1925 and students spend all but a few hours a week in classrooms built during a time when Americans could not imagine the technological advances that would occur by the end of the century.

In 1925, Americans were flocking to movie theaters to see—and hear—the first talking motion picture—Al Jolson's "The Jazz Singer." The students who walked through the doors of the brand new Hiatt school that year could not imagine IMAX theaters with surround sound where a movie goer actually becomes a part of the film.

In 1925, consumers were lining up in department stores to buy novelties like electric phonographs, dial telephones, and self-winding watches. CDS, DVD players, cellular telephones or palm pilots were unthinkable.

And, the introduction of state-of-the art technologies like rural electrification and crop dusting were revolutionizing the lives of families and farmers alike.

There have been incredible technological and scientific advances in the past seven decades. Yet, our schools have not kept pace with the times. We continue to educate our children in schools built and equipped in bygone eras.

Mr. President, Iowa has a long and proud tradition when it comes to public education—a tradition which dates back to before statehood.

As a result of the Land Ordinance of 1785, every township in the new Western Territory was required to set aside 640 acres of land for support of public education. Iowa's first elementary school was established in 1830 and the first high school in 1850.

In 1858, the Iowa Free School Act laid the foundation for Iowa's public school system. By 1859 the state had 4,200 public schools—some in log cabins.

This long commitment to education has brought great results.

From 1870 on into this century, Iowa had the nation's highest literacy rate and the nation's highest test scores. Iowa students continue to do well but we must do better. Our public education system has served us well. But, the times have changed dramatically.

The thousands of one-room school houses that dotted the countryside served us well for many generations. But time marches on and so must our schools. Just as the pot-belly stove gave way to central heat; candles gave way for electric lights; the blackboard and chalk must make way for the computer. We must make sure that every child and every school can facilitate the technology of the 21st century. However, Iowa State University reports that we need at least $4 billion over the next ten years to repair and upgrade school buildings and Iowa and make sure they can effectively utilize educational technology.

Mr. President, the facts about the need to modernize and upgrade our nation's pubic school facilities are well known.

The General Accounting Office estimates that 14 million American children attend classes in schools that are unsafe or inadequate and it will cost $112 billion to upgrade existing public schools to overall good condition. In addition, GAO reports that 46 percent of schools lack adequate electrical wiring to support the full-scale use of technology.

Enrollment in elementary and secondary schools is at all time high and will continue to grow over the next 10 years making it necessary for the United States to build an additional 6,000 schools.

The American Society of Civil Engineers reports that public schools are in worse condition that any other sector of our national infrastructure. I ask unanimous consent that a report card on the nation's infrastructure be inserted in the record at the conclusion of my remarks.

To respond to this critical national problem, I am introducing the 21st Century School Modernization Act. I am pleased to have Senators KENNEDY, ROBB, LEVIN and MURRAY as cosponsors of this proposal.

This legislation reauthorizes direct federal grants to local school districts for the repair, renovation of construction of public schools. These grants are critically important to districts in impoverished areas that may not benefit from the tax-oriented proposals. Secondly, the bill builds a new partnership with states by creating State Infrastructure Banks to provide subsidized loans for school modernization purposes. Finally, the bill provides grants to assist school districts in the planning and design of new facilities that will serve as the center of the community.

The need to rebuild our nation's crumbling public schools is clear and I believe we must fight this battle on two critical fronts—this session's reauthorization of the Elementary and Secondary Education Act and by enacting legislation to provide targeted tax relief. The 21st Century School Modernization Act complements tax-oriented plans, such as those proposed by President Clinton and Senators DASCHLE, LAUTENBERG and ROBB, to provide school modernization tax credits to finance at least $25 billion in public school construction or renovation.

Mr. President, if the nicest thing our kids ever see are shopping malls, sports arenas, and movie theaters, and the most rundown place they see is their school, what signal are we sending them about the value we place on education and the future?

Let me give your some firsthand testimony from Jonathan Kozol's book, *Savage Inequalities*. Kozol writes about a school in Washington, D.C.'s low-income Anacostia district:

Tunisia, a fifth grader in Washington, D.C., tells Kozol:

> It's like this. The school is dirty. There isn't any playground. There's a hole in the wall behind the principal's desk. What we need to do is first rebuild the school. Build a playground. Plant a lot of flowers. Paint the classrooms. Fix the hole in the principal's office. Buy doors for the toilet stalls in the girl's bathroom. Make it a beautiful clean building. Make it pretty. Way it is, I feel ashamed.

Tunisia tells the story better than any politician can. She faces it every day when the school bell rings. We can and we must do a better job for Tunisia and her peers.

This is a serious national problem. And, it demands a comprehensive national response. The 21st Century School Modernization Act is a key part of that comprehensive national response and I urge my colleagues to support this legislation.●

Mr. KENNEDY. Mr. President, I strongly support this proposal to invest more in rebuilding and modernizing the nation's schools. I commend Senator HARKIN for his leadership on this issue, and I urge my colleagues to support this legislation, which is necessary to help the nation meet the critical need to modernize and rebuild crumbling and overcrowded schools.

Schools, communities, and governments at every level have to do more to improve student achievement. Schools need smaller classes, particular in the early grades. They need stronger parent involvement. They need well-trained teachers in the classroom who keep up with current developments in their field and the best teaching practices. They need after-school instruction for students who need extra help, and after-school programs to engage students in constructive activities. They need safe, modern facilities with up-to-date technology.

But, all of these reforms will be undermined if facilities are inadequate. Sending children to dilapidated, overcrowded facilities sends a message to these children. It tells them they don't matter. No CEO would tolerate a leaky ceiling in the board room, and no teacher should have to tolerate it in the classroom. We need to do all we can to ensure that children are learning in safe, modern buildings.

I am also pleased to be a cosponsor of Senator ROBB'S Public School Modernization and Overcrowding Relief Act, which provides tax incentives to rebuild and modernize schools. Senator HARKIN'S bill is a necessary complement to that legislation. Although tax incentives are an important way to meet the nation's critical school infrastructure needs, they do not meet the needs of all communities. The neediest communities need our direct support—and they need it now.

Senator HARKIN'S legislation authorizes discretionary funds to help local school districts and states repair, renovate, and rebuild crumbling public schools. It provides targeted discretionary grants to public schools that have major needs. To do so, it creates a revolving loan fund at the state level, which would provide low-interest or no-interest loans to repair existing schools or construct new facilities. The legislation will also provide a grant to help local school districts in the planning and design of new facilities that would include input from parents, teachers, and the community.

Nearly one third of all public schools are more than 50 years old. 14 million children in a third of the nation's schools are learning in substandard buildings. Half of all schools have at least one unsatisfactory environmental condition. The problems with ailing school buildings aren't the problems of the inner city alone. They exist in almost every community, urban, rural, or suburban.

In addition to modernizing and renovating dilapidated schools, communities need to build new schools in order to keep pace with rising enrollments and to reduce class sizes. Elementary and secondary school enrollment has reached an all-time high again this year of 53 million students, and will continue to grow.

The Department of Education estimates that 2,400 new public schools will be needed by 2003 to accommodate rising enrollments. The General Accounting Office estimates that it will cost communities $112 billion to repair and modernize the nation's schools. Congress should lend a helping hand and do all we can to help schools and communities across the country meet this challenge.

In Massachusetts, 41 percent of schools report that at least one building needs extensive repairs or should be replaced. 80 percent of schools report at least one unsatisfactory environmental factor. 48 percent have inadequate heating, ventilation, or air conditioning. And 36 percent report inadequate plumbing systems.

Last year, I visited Everett Elementary School in Dorchester. The school is experiencing serious overcrowding. The average class size is 28 students. The principal of the school gave up her office and moved into a closet in the hall in order to help accommodate rising enrollment. When the school wants to use the multi-purpose auditorium/library, the rolling bookcases are moved to the basement, and the library has to close for the rest of the day.

Two cafeterias at Bladensburg High School in Prince Georges County, Maryland were recently closed because they were infested with mice and roaches. A teacher commented, "It's disgusting. It causes chaos when the mice run around the room." At an elementary school in Montgomery, Alabama, a ceiling which had been damaged by leaking water collapsed only 40 minutes after the children had left for the day.

Most of Los Angeles' school buildings are 30 to 70 years old. Enrollment rose from 539,000 in 1980 to 691,000 in 1998, an increase of 28 percent. District officials expect an additional 50,000 students over the next five years.

In Detroit, Michigan, over half—150 of the 263—school buildings were built before 1930. The average age is 61 years old, and some date to the 1800's. Detroit estimates that the city has $5 billion in unmet repair and new construction needs. Detroit voters approved a $1.5 billion, 15-year school construction program, but it's not enough.

New York City school enrollment has grown by 100,000 students, to a total of 1,083,000 since 1990. School officials expect up to an additional 90,000 students by 2004. P.S. 7 was built for 530 students, but 1,048 students are now enrolled. P.S. 108 was built for 280 students, however 808 students are now enrolled. New York City education officials have identified $7.5 billion in building needs.

Schools across the country are struggling to meet needs such as these, but they can't do it alone. The federal government should join with state and local governments and community organizations to ensure that all children have the opportunity for a good education in a safe and up-to-date school building.

Children need and deserve a good education in order to succeed in life. But they cannot obtain that education if school roofs are falling down around them, if sewage is backing up through faulty plumbing, if asbestos is flaking off the walls and ceilings, if schools lack computers and modern technology and classrooms are overcrowded. We need to help states and communities rebuild their crumbling schools, modernize old buildings, and expand facilities to accommodate reduced class sizes.

I urge my colleagues to support Senator HARKIN'S 21st Century Modernization Act. The time is now to do all we can to rebuild and modernize public schools, so that all children can learn in safe, well-equipped facilities.

By Mr. McCAIN:

S. 1512. A bill to provide educational opportunities for disadvantaged children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

INTRODUCTION OF LEGISLATION REGARDING SCHOOL CHOICE

Mr. McCAIN. Mr. President, today, I am introducing legislation to authorize a three-year nationwide school choice demonstration program targeted at children from economically disadvantaged families. The program would expand educational opportunities for low-income children by providing parents and students the freedom to choose the best school for their unique academic needs, while encouraging schools to be creative and responsive to the needs of all students.

This legislation is identical to the school choice amendment which I offered on July 30, 1999 to S.1429, the Taxpayer Refund Act of 1999. I am gravely disappointed that the Senate failed to pass this amendment as a part of the Taxpayer Refund Act. However, I am committed to seeing it implemented before Congress adjourns this year and will be working with my colleagues on both sides of the aisle and on the Health, Education, Labor and Pensions Committee (HELP) to ensure that this measure is implemented before Congress adjourns, perhaps as a part of the legislation reauthorizing the Elementary and Secondary Education Act (ESEA).

This bill authorizes $1.8 billion annually for fiscal years 2001 through 2003 to be used to provide school choice vouchers to economically disadvantaged children through the nation. The funds would be divided among the states based upon the number of children they have enrolled in public schools. Then, each state would conduct a lottery among low-income children who attend the public schools with the lowest academic performance in their state. Each child selected in the lottery would receive $2,000 per year for three years to be used to pay tuition at any school of their choice in the state, including private or religious schools. The money could also be used to pay for transportation to the school or supplementary educational services to meet the unique needs of the individual student.

In total, this bill authorizes $5.4 billion for the three-year school choice demonstration program, as well as a GAO evaluation of the program upon its completion. The cost of this important test of school vouchers is fully offset by eliminating more than $5.4 billion in unnecessary and inequitable corporate tax loopholes which benefits the ethanol, sugar, gas and oil industries.

First, the legislation eliminates tax credits for ethanol producers, eliminating a $1.5 billion subsidy. Ethanol is an inefficient, expensive fuel that has not lived up to claims that it would reduce reliance on foreign oil or reduce impact on the environment. It takes more energy to produce a gallon of ethanol than the amount of energy that a gallon of ethanol contains. Ethanol tax credits are simply a subsidy for corn producers, and the amendment ends the taxpayers' support for this outdated program.

Second, the bill eliminates three subsidies enjoyed by the oil and gas industry, totaling $3.9 billion. It phases out oil and gas industry's special right to fully deduct capital costs for drilling, exploration and development; eliminates the 15 percent tax credit for recovering oil using particular methods; and ends special right of oil and gas property owners to claim unlimited passive losses under income and alternative minimum tax provisions. Subsidizing the cost of domestic production has not been shown to have reduced reliance on foreign oil or directly contributed to more efficient resource use or domestic productivity. This bill would end these special tax treatments.

Finally, this measure eliminates the special loan program for sugar producers and processors, worth $390 million. The federal government is burdened with an unnecessary and unprofitable loan program for bug sugar producers and enforcing mandated import quotas on foreign sugar. Sugar price supports also force consumers to pay $1.4 billion every year in artificially inflated sugar prices. This bill simply eliminates the taxpayer-funded loan program in 2003 and immediately requires repayment of existing loans in case, rather than sugar.

These tax benefits and subsidies were originally intended to serve a limited purpose during times of economic recession and hardship in the 1970's. Our economy has long since recovered and I believe that these subsidies have outlived its purpose. The sunset of these programs will end these corporate welfare programs and return any remaining benefit back to our Nation's children.

Mr. President, we all know that one of the most important issues facing our nation is the education of our children. Providing a solid, quality education for each and every child in our nation is a critical component in their quest for personal success and fulfillment. A solid education for our children also plays a pivotal role in the success of our nation; economically, intellectually, civically and morally.

We must strive to develop and implement initiatives which strengthen and improve our education system thereby ensuring that our children are provided with the essential academic tools for succeeding professionally, economically and personally. I am sure we all agree that increasing the academic performance and skills of all our nation's students must be the paramount goal of any education reform we implement.

School vouchers are a viable method of allowing all American children access to high quality schools, including private and religious schools. Every parent should be able to obtain the highest quality education for their children, not just the wealthy. Tuition vouchers would finally provide low-income children trapped in mediocre, or worse, schools the same educational choices as children of economic privilege.

Some of my colleagues may argue that vouchers would divert money away from our nation's public schools and instead of instilling competition into our school systems we should be pouring more and more money into poor performing public schools. I respectfully disagree. While I support strengthening financial support for education in our nation, the solution to what ails our system is not simply pouring more and more money into it.

Currently our Nation spends significantly more money than most countries and yet our students scored lower than their peers from almost all of the forty countries which participated in the last Third International Mathematics and Science Study (TIMMS) test. Students in countries which are struggling economically, socially and politically, such as Russia, outscored U.S. children in math and scored far above them in advanced math and physics. Clearly, we must make significant changes beyond simply pouring more money into the current structure in order to improve our children's academic performance in order to remain a viable force in the world economy.

It is shameful that we are failing to provide many of our children with adequate training and quality academic preparation for the real world. The number of college freshman who require remedial courses in reading, writing and mathematics when they begin their higher education is unacceptably high. In fact, presently, more than 30 percent of entering freshman need to enroll in one or more remedial course when they start college. It does not bode well for our future economy if the majority of workers are not prepared with the basic skills to engage in a competitive global marketplace.

I concede that school vouchers are not the magic bullet for eradicating all that is wrong with our current educational system, but they are an important opportunity for providing improved academic opportunities for all children, not just the wealthy. Examination of the limited voucher programs scattered around our country reveal high levels of parent and student satisfaction, an increase in parental involvement, and a definite improvement in attendance and discipline at the participating schools. Vouchers encourage public and private schools, communities and parents to all work together to raise the level of education for all students. Through this bill, we have the opportunity to replicate these important attributes throughout all our nation's communities.

Thomas Jefferson said, "The purpose of education is to create young citizens with knowing heads and loving hearts." If we fail to give our children the education they need to nurture their heads and hearts, then we threaten their futures and the future of our nation. Each of us is responsible for ensuring that our children have both the love in their hearts and the knowledge in their heads to not only dream, but to make their dreams a reality.

The time has come for us to finally conduct a national demonstration of school choice to determine the benefits or perhaps disadvantages of providing educational choices to all students, not just those who are fortunate enough to be born into a wealthy family. I urge my colleagues to support this bill and put the needs of America's school children ahead of the financial gluttony of big business.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EDUCATIONAL OPPORTUNITIES

SEC. 101. PURPOSES.

The purposes of this title are—

(1) to assist States to—

(A) give children from low-income families the same choices among all elementary and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in their children's schooling; and

(2) to demonstrate, through a 3-year national grant program, the effects of a voucher program that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. 102. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this title (other than section 110) $1,800,000,000 for each of fiscal years 2001 through 2003.

(b) EVALUATION.—There is authorized to be appropriated to carry out section 110 $17,000,000 for fiscal years 2001 through 2004.

SEC. 103. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary shall make grants to States, from allotments made under section 104 to enable the States to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) LIMIT ON FEDERAL ADMINISTRATIVE EXPENDITURES.—The Secretary may reserve not more than $1,000,000 of the amounts appropriated under section 102(a) for a fiscal year to pay for the costs of administering this title.

SEC. 104. ALLOTMENTS TO STATES.

(a) ALLOTMENTS.—The Secretary shall make the allotments to States in accordance with a formula specified in regulations issued in accordance with subsection (b). The formula shall provide that the Secretary shall allot to each State an amount that bears the same relationship to the amounts appropriated under section 102(a) for a fiscal year (other than funds reserved under section 103(b)) as the number of covered children in the State bears to the number of covered children in all such States.

(b) FORMULA.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue regulations specifying the formula referred to in subsection (a).

(c) LIMIT ON STATE ADMINISTRATIVE EXPENDITURES.—The State may reserve not more than 1 percent of the funds made available through the State allotment to pay for the costs of administering this title.

(d) DEFINITION.—In this section, the term "covered child" means a child who is enrolled in a public school (including a charter school) that is an elementary school or secondary school.

SEC. 105. ELIGIBLE SCHOOLS.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Schools identified by a State under paragraph (2) shall be considered to be eligible schools under this title.

(2) DETERMINATION.—Not later than 180 days after the date the Secretary issues regulations under section 104(b), each State shall identify the public elementary schools and secondary schools in the State that are at or below the 25th percentile for academic performance of schools in the State.

(b) PERFORMANCE.—The State shall determine the academic performance of a school under this section based on such criteria as the State may consider to be appropriate.

SEC. 106. SCHOLARSHIPS.

(a) IN GENERAL.—

(1) SCHOLARSHIP AWARDS.—With funds awarded under this title, each State awarded a grant under this title shall provide scholarships to the parents of eligible children, in accordance with subsections (b) and (c). The State shall ensure that the scholarships may be redeemed for elementary or secondary education for the children at any of a broad variety of public and private schools, including religious schools, in the State.

(2) SCHOLARSHIP AMOUNT.—The amount of each scholarship shall be $2000 per year.

(3) TAX EXEMPTION.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) ELIGIBLE CHILDREN.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) AWARD RULES.—

(1) PRIORITY.—In providing scholarships under this title, the State shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the State by the State educational agency.

(2) CONTINUING ELIGIBILITY.—Each State receiving a grant under this title to carry out an educational choice program shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line; or

(D) the child is expelled or convicted of a felony, including felonious drug possession, possession of a weapon on school grounds, or a violent act against an other student or a member of the school's faculty.

SEC. 107. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the State determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. 108. STATE REQUIREMENT.

A State that receives a grant under this title shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. 109. EFFECT OF PROGRAMS.

(a) Title I.—Notwithstanding any other provision of law, if a local educational agency in the State would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the State shall ensure the provision of such services to such child.

(b) Individuals With Disabilities.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) Aid.—

(1) In general.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) Supplementary academic services.—

(A) In general.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) Regulations.—The Secretary shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) Other Federal Funds.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to a State or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to such State or to a school attended by such child.

(e) No Discretion.—Nothing in this title shall be construed to authorize the Secretary to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. 110. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. 111. ENFORCEMENT.

(a) Regulations.—The Secretary shall promulgate regulations to enforce the provisions of this title.

(b) Private Cause.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. 112. DEFINITIONS.

In this title:

(1) Charter school.—The term "charter school" has the meaning given the term in section 10310 of the Elementary and Secondary Education Act of 1965 (as redesignated in section 3(g) of Public Law 105–278; 112 Stat. 2687).

(2) Elementary school; local educational agency; parent; secondary school; state educational agency.—The terms "elementary school", "local educational agency", "parent", "secondary school", and "State educational agency" have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(3) Poverty line.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

(4) Secretary.—The term "Secretary" means the Secretary of Education.

(5) State.—The term "State" means each of the 50 States.

TITLE II—REVENUE PROVISIONS

SEC. 201. PHASEOUT OF OIL AND GAS EXPENSING OF DRILLING AND DEVELOPMENT COSTS.

Section 263(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: "This subsection shall not apply to the applicable percentage of costs incurred in taxable years beginning after December 31, 1999. For purposes of the preceding sentence, the applicable percentage for any taxable year shall be determined in accordance with the following table:

"In the case of any taxable year beginning in—	The applicable percentage is—
2000	20
2001	40
2002	60
2003	80
After 2003	100."

SEC. 202. SUNSET OF ALCOHOL FUELS INCENTIVES.

(a) In General.—The following provisions of the Internal Revenue Code of 1986 are each repealed:

(1) Section 40 (relating to alcohol used as fuel).

(2) Section 4041(b)(2) (relating to qualified methanol and ethanol).

(3) Section 4041(k) (relating to fuels containing alcohol).

(4) Section 4081(c) (relating to taxable fuels mixed with alcohol).

(5) Section 4091(c) (relating to reduced rate of tax for aviation fuel in alcohol mixture, etc.).

(6) Section 6427(f) (relating to gasoline, diesel fuel, kerosene, and aviation fuel used to produce certain alcohol fuels).

(7) The headings 9901.00.50 and 9901.00.52 of the Harmonized Tariff Schedule of the United States (19 U.S.C. 3007).

(b) Effective Date.—The repeals made by subsection (a) shall take effect on October 1, 1999.

SEC. 203. REPEAL OF ENHANCED OIL RECOVERY CREDIT.

Section 43 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"(f) Termination.—In the case of taxable years beginning after December 31, 1999, the enhanced oil recovery credit is zero.".

SEC. 204. REPEAL OF UNLIMITED PASSIVE LOSS DEDUCTIONS FOR OIL AND GAS PROPERTIES.

Section 469(c)(3) of the Internal Revenue Code of 1986 (relating to working interests in oil and gas property) is amended by adding at the end the following:

"(C) Termination.—This paragraph shall not apply with respect to any taxable year beginning after December 31, 1999."

SEC. 205. SUGAR PROGRAM.

(a) Elimination of Authority To Use Sugar as Collateral for Loans.—Section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272) is amended—

(1) in subsection (d)—

(A) by striking "(d)" and all that follows through "A loan under" and inserting "(d) Term of Loans.—A loan under";

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and indenting appropriately;

(2) by striking subsection (g); and

(3) by redesignating subsections (h) and (i) as subsections (g) and (h), respectively.

(b) Elimination of Sugar Price Support and Production Adjustment Programs.—

(1) In general.—Notwithstanding any other provision of law—

(A) a processor of any of the 2003 or subsequent crops of sugarcane or sugar beets shall not be eligible for a loan under any provision of law with respect to the crop; and

(B) the Secretary of Agriculture may not make price support available, whether in the form of a loan, payment, purchase, or other operation, for any of the 2003 and subsequent crops of sugar beets and sugarcane by using the funds of the Commodity Credit Corporation or other funds available to the Secretary.

(2) TERMINATION OF MARKETING QUOTAS AND ALLOTMENTS.—

(A) IN GENERAL.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(B) CONFORMING AMENDMENT.—Section 344(f)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1344(f)(2)) is amended by striking "sugar cane for sugar, sugar beets for sugar,".

(3) GENERAL POWERS.—

(A) DESIGNATED NONBASIC AGRICULTURAL COMMODITIES.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "milk, sugar beets, and sugarcane" and inserting "and milk".

(B) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after "agricultural commodities" the following: "(other than sugar)".

(C) SECTION 32 ACTIVITIES.—Section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), is amended in the second sentence of the first paragraph—

(i) in paragraph (1), by inserting "(other than sugar)" after "commodities"; and

(ii) in paragraph (3), by inserting "(other than sugar)" after "commodity".

(4) TRANSITION PROVISIONS.—This subsection and the amendments made by this subsection shall not affect the liability of any person under any provision of law as in effect before the application of this subsection and the amendments made by this subsection.

(5) CROPS.—This subsection and the amendments made by this subsection shall apply beginning with the 2003 crop of sugar beets and sugarcane.

By Mr. THOMPSON:

S. 1513. A bill for the relief of Jacqueline Salinas and her children Gabriela Salinas, Alejandro Salinas, and Omar Salinas; to the Committee on the Judiciary.

PRIVATE RELIEF BILL

Mr. THOMPSON. Mr. President, today I rise to introduce legislation to grant permanent resident status to Gabriela Salinas, 11, her mother Jacqueline, and her brothers, Alejandro, 11, and Omar, Jr., 4, all of whom currently live in Tennessee. Although I am aware that private relief legislation is enacted only in rare cases, I believe that the extraordinary circumstances surrounding the Salinas family merit consideration of this bill.

In March of 1996, Gabriela, then seven, and her father Omar Salinas left their home in Bolivia and traveled to New York City to seek lifesaving treatment at Mt. Sinai Medical Center for Gabriela's rare bone cancer, ewing sarcoma. Gabriela, however, was denied treatment at Mt. Sinai because her family was unable to afford the $250,000 deposit required by the hospital.

Days later, Gabriela and her father were flown into Memphis, Tennessee, for treatment at the internationally renowned St. Jude Children's Hospital. Actress Marlo Thomas, whose father founded St. Jude, after hearing of the Salinas family's misfortunes, arranged for Gabriela to receive pro bono treatment at St. Jude. Shortly after Gabriela's chemotherapy treatment began, her mother, Jacqueline, and her three siblings joined her and her father in Tennessee. The family received an outpouring of sympathy and support from the Memphis community, and looked forward to returning to Bolivia once Gabriela's treatment was completed.

Tragically, however, on April 14, 1997, prior to the end of Gabriela's treatment, Omar and Gabriela's 3-year old sister, Valentina, were killed in a car accident on their way back from Washington, D.C. to renew their passports. Jacqueline, seven months pregnant at the time, was permanently paralyzed from the waist down. This terrible tragedy generated national media coverage. As Jacqueline, who gave birth to a healthy baby boy two months later, had no other means of financial support, St. Jude Hospital generously stepped in to care for the family. The hospital, in fact, has made a commitment to provide full financial support for Jacqueline and her children to live permanently in the United States.

Because they do not meet the requirements for permanent residence under current immigration law, however, the Salinas family will be forced to leave the United States following the expiration of their tourist visas. Although Jacqueline's son, Danny, nearly two years old, is a U.S. citizen, he will not be qualified to sponsor his mother for permanent residence until he reaches the age of twenty-one. Despite her background in teaching, Jacqueline does not qualify for permanent residence under any of the employment-based visa categories. Therefore, private relief legislation is the only means by which the family will be able to remain permanently in the United States.

Gabriela and her family have suffered through a long and difficult ordeal. Yet, with the compassion, generosity, and support of the people of Tennessee and the nation, they have managed to start a new life. The family has settled into a new home in Memphis. The children attend school in the community. And Gabriela continues to be treated under the care of some of the best doctors in the world. With the expiration of their tourist visas approaching, it is my hope that we can act soon to prevent another tragic setback for the Salinas family. I ask my colleagues to join me in supporting this legislation.

By Mr. CAMPBELL:

S. 1514. A bill to provide that countries receiving foreign assistance be conductive to United States business; to the Committee on Foreign Relations.

THE INTERNATIONAL ANTI-CORRUPTION ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce the International Anti-Corruption Act of 1999 to address the growing problem of official and unofficial corruption abroad and the direct impact on U.S. business. This bill is based on S.1200, which I introduced in the 105th Congress.

As the Co-chairman of the Commission on Security and Cooperation in Europe, I intend to address this growing problem of corruption. Last month, I chaired a Commission hearing that focused on the issues of bribery and corruption in the OSCE region, an area stretching from Vancouver to Vladivostok. The Commission heard that, in economic terms, rampant corruption and organized crime in this vast region has cost U.S. businesses billions of dollars in lost contracts with direct implications for our economy.

Ironically, Mr. President, in some of the biggest recipients of U.S. foreign assistance—countries like Russia and Ukraine—the climate is either not conducive or outright hostile to American business. Last month, I also attended the annual session of the OSCE Parliamentary Assembly in St. Petersburg, Russia, where I had an opportunity to sit down with U.S. business representatives to learn, first-hand, the obstacles they face.

Mr. President, the time has come to stop providing aid as usual to those countries which line up to receive our assistance, only to turn around and fleece U.S. businesses conducting legitimate operations in these countries. For this reason, I am introducing the International Anti-Corruption Act of 1999 to require the State Department to submit a report and the President to certify by March 1 of each year that countries which are receiving U.S. foreign aid are, in fact, conducive to American businesses and investors. If a country is found to be hostile to American businesses, aid from the United States would be cut off. The certification would be specifically based on whether a country is making progress in, and is committed to, economic reform aimed at eliminating corruption.

Under my bill, if the President certifies that a country's business climate is not conducive for U.S. businesses, that country will, in effect, be put on probation. The country would continue to receive U.S. foreign aid through the end of the fiscal year, but aid would be cut off on the first day of the next fiscal year unless the President certifies the country is making significant progress in implementing the specified economic indicators and is committed to recognizing the involvement of U.S. business.

My bill also includes the customary waiver authority where the national interests of the United States are at stake. For countries certified as hostile to or not conducive for U.S. business, aid can continue if the President determines it is in the national security interest of the United States. However, the determination expires after 6 months unless the President determines its continuation is important to our national security interest.

I also included a provision which would allow aid to continue to meet urgent humanitarian needs, including food, medicine, disaster and refugee relief, to support democratic political reform and rule of law activities, and to create private sector and nongovernmental organizations that are independent of government control, or to develop a free market economic system.

Mr. President, instead of jumping on the bandwagon to pump millions of additional tax dollars into countries which are hostile to U.S. businesses and investors, we should be working to root out the kinds of bribery and corruption that have an overall chilling effect on much needed foreign investment. Left unchecked, such corruption will continue to undermine fledgling democracies worldwide and further impede moves toward a genuine free market economy. I believe the legislation I am introducing today is a critical step this direction, and I urge my colleagues to support its passage.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Anti-Corruption Act of 1999".

SEC. 2. LIMITATIONS ON FOREIGN ASSISTANCE.

(a) Report and Certification.—

(1) In general.—Not later than March 1 of each year, the President shall submit to the appropriate committees a certification described in paragraph (2) and a report for each country that received foreign assistance under part I of the Foreign Assistance Act of 1961 during the fiscal year. The report shall describe the extent to which each such country is making progress with respect to the following economic indicators:

(A) Implementation of comprehensive economic reform, based on market principles, private ownership, equitable treatment of foreign private investment, adoption of a legal and policy framework necessary for such reform, protection of intellectual property rights, and respect for contracts.

(B) Elimination of corrupt trade practices by private persons and government officials.

(C) Moving toward integration into the world economy.

(2) Certification.—The certification described in this paragraph means a certification as to whether, based on the economic indicators described in subparagraphs (A) through (C) of paragraph (1), each country is—

(A) conducive to United States business;

(B) not conducive to United States business; or

(C) hostile to United States business.

(b) Limitations on Assistance.—

(1) Countries hostile to United States business.—

(A) General limitation.—Beginning on the date the certification described in subsection (a) is submitted—

(i) none of the funds made available for assistance under part I of the Foreign Assistance Act of 1961 (including unobligated balances of prior appropriations) may be made available for the government of a country that is certified as hostile to United States business pursuant to such subsection (a); and

(ii) the Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to vote against any loan or other utilization of the funds of such institution to or by any country with respect to which a certification described in clause (i) has been made.

(B) Duration of limitations.—Except as provided in subsection (c), the limitations described in clauses (i) and (ii) of subparagraph (A) shall apply with respect to a country that is certified as hostile to United States business pursuant to subsection (a) until the President certifies to the appropriate committees that the country is making significant progress in implementing the economic indicators described in subsection (a)(1) and is no longer hostile to United States business.

(2) Countries not conducive to United States business.—

(A) Probationary period.—A country that is certified as not conducive to United States business pursuant to subsection (a), shall be considered to be on probation beginning on the date of such certification.

(B) Required improvement.—Unless the President certifies to the appropriate committees that the country is making significant progress in implementing the economic indicators described in subsection (a) and is committed to being conducive to United States business, beginning on the first day of the fiscal year following the fiscal year in which a country is certified as not conducive to United States business pursuant to subsection (a)(2)—

(i) none of the funds made available for assistance under part I of the Foreign Assistance Act of 1961 (including unobligated balances of prior appropriations) may be made available for the government of such country; and

(ii) the Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to vote against any loan or other utilization of the funds of such institution to or by any country with respect to which a certification described in subparagraph (A) has been made.

(C) Duration of limitations.—Except as provided in subsection (c), the limitations described in clauses (i) and (ii) of subparagraph (B) shall apply with respect to a country that is certified as not conducive to United States business pursuant to subsection (a) until the President certifies to the appropriate committees that the country is making significant progress in implementing the economic indicators described in subsection (a)(1) and is conducive to United States business.

(c) Exceptions.—

(1) National security interest.—Subsection (b) shall not apply with respect to a country described in subsection (b) (1) or (2) if the President determines with respect to such country that making such funds available is important to the national security interest of the United States. Any such determination shall cease to be effective 6 months after being made unless the President determines that its continuation is important to the national security interest of the United States.

(2) Other exceptions.—Subsection (b) shall not apply with respect to—

(A) assistance to meet urgent humanitarian needs (including providing food, medicine, disaster, and refugee relief);

(B) democratic political reform and rule of law activities;

(C) the creation of private sector and nongovernmental organizations that are independent of government control; and

(D) the development of a free market economic system.

SEC. 3. TOLL-FREE NUMBER.

The Secretary of Commerce shall make available a toll-free telephone number for reporting by members of the public and United States businesses on the progress that countries receiving foreign assistance are making in implementing the economic indicators described in section 2(a)(1). The information obtained from the toll-free telephone reporting shall be included in the report required by section 2(a).

SEC. 4. DEFINITIONS.

In this Act:

(1) Appropriate committees.—The term "appropriate committees" means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(2) Multilateral development bank.—The term "multilateral development bank" means the International Bank for Reconstruction and Development, the International Development Association, and the European Bank for Reconstruction and Development.

By Mr. HATCH (for himself, Mr. Daschle, Mr. Campbell, Mr. Bingaman, and Mr. Domenici):

S. 1515. A bill to amend the Radiation Exposure Compensation Act, and for other purposes; to the Committee on Health, Education, Labor, and pensions.

RADIATION EXPOSURE COMPENSATION ACT AMENDMENTS OF 1999

Mr. HARKIN. Mr. President, I rise to introduce the "Radiation Exposure Compensation Act Amendments of 1999," known as RECAA 1999. I am pleased to be joined by Senator Ben Nighthorse Campbell; the distinguished Senate Minority Leader, Senator Tom Daschle; Senator Jeff Bingaman; and Senator Pete Domenici in introducing this legislation.

These long awaited amendments will ensure that the United States government meets its responsibility to provide fair and compassionate compensation to the thousands of individuals adversely affected by the mining of uranium and from fallout during the testing of nuclear weapons in the early post-war years. These citizens helped our nation during the Cold War and we must not forget them.

In 1990, the Radiation Exposure Compensation Act (42 U.S.C. 2210) was enacted. RECA, which I was proud to sponsor, affirmed the responsibility of the federal government to compensate individuals who were harmed by the radioactive fallout from atomic testing, for which the government took few precautions to ensure safety. Additionally, workers who have suffered long-term health problems because they were not adequately informed of the dangers faced during uranium mining were eligible for compensation under the act.

Administered through the Department of Justice, RECA has been responsible for compensating approximately 6,000 individuals for their injuries, but we can and should help a lot more. While the passage of the 1990 law was a momentous event, I have been carefully monitoring the implementation of the RECA program.

I am disturbed over numerous reports from my Utah constituents concerning the burdensome process of filing claims with the Department of Justice. One complaint which I hear far too often is "that it is easier to compensate a dead miner, than one living with disease." We cannot let this injustice continue. We have drafted the RECA Amendments of 1999 in response to these concerns.

We should not add a bureaucratic nightmare to the burden of disease and ill-health already carried by these citizens. Moreover, excessive regulatory hurdles have made it too difficult for some deserving individuals to be fairly compensated under the Act. We must streamline and speed up the application process. In addition, advances in our medical knowledge compel us to modify the 1990 Act to define better criteria for compensation and to include diseases that we now know have radiogenic causes.

Let me explain how this bill was developed. RECA originally defined a list of 13 compensable diseases based upon the 1988 Radiation Exposed Veterans Compensation Act and the findings of the 1980 report of the Committee on the Biological Effects of Ionizing Radiations (BEIR–III). In 1992, REVCA was amended based upon the findings of an updated BEIR–IV and –V Reports which defined a host of cancers that are considered for disability compensation due to radiation exposure.

In addition, the report of the President's Advisory Committee on Human Radiation Experiments, released in 1995, provides further scientific evidence for changes in the 1990 RECA law. The Committee reviewed 125 current studies and more than 200 public witnesses in evaluating the risks and diseases caused by exposure to radiation conducted in the Cold War period. The conclusions of the advisory committee report support the reduction in radiation level exposure, the elimination of distinction between smokers and nonsmokers for lung cancer, and the inclusion of other radiogenic diseases.

Based on the evidence in both the President's Advisory Committee and the BEIR–V Committee Reports, we have extended the number of eligible radiogenic pathologies by six to include: lung, brain, colon, ovary, bladder, and salivary gland cancers. In addition, specific non-cancer diseases, such as silicosis, have been incorporated. Adding these diseases, which have been documented by science as linked to radiation exposure, will more fairly compensate our fellow citizens who were exposed to this danger so long ago.

With the inclusion of these modifications, miners, millers, and uranium ore transporters will be eligible in 11 western states to seek equitable compensation for their sacrifice in our nation's effort to produce our nuclear defense arsenal. I have worked with Senators DASCHLE, CAMPBELL, and BINGAMAN in reviewing Atomic Energy Commission records to document the uranium/vanadium mines supported by the U.S. government during and after the Manhattan Project. Eleven western states were found to have mines dating from 1947 through 1970 from which the U.S. government purchased radioactive ore.

Furthermore, uranium mills in these areas testify to the need to include millers who were exposed to radioactive decay without the benefit of state or government-instituted safety precautions. The report "Raw Materials Activities of the Manhattan Project on the Colorado Plateau," by William Chenoweth, a noted geologist, documents the tragedies of exposure endured by miners, millers, and ore transporters as they extracted, prepared and moved the radioactive ore for use in the nuclear arsenal. These changes would enable an estimated 6,000 individuals harmed by exposure to uranium radiation to seek compensation.

Of the thousands affected by radiation exposure, many of the downwinders, miners and millers were members of Indian tribes. Particularly noteworthy was the large number of U.S. atomic energy mines on Native American reservations. Many of these miners were not aware of the dangers that radiation exposure can cause, and the government did little to inform them of the risks. After RECA 1990 was passed into law, many complications have hindered members of Indian tribes from seeking their compensation. In working with the members of the Navajo Nation and other Native American tribes, we have developed legislation that largely addresses their concerns. The bill also instructs the Attorney General to take into account and make appropriate allowances for the laws, traditions, and customs of Indian tribes.

Finally, my bill also contains a grant program designed to provide for the early detection, prevention and education on radiogenic diseases. These programs will screen for the early warning signs of cancer, provide medical referrals, educate individuals on radiogenic cancers as well as prevention, and facilitate documentation of RECA claims. These grants will be available to a wide range of health care providers including: cancer centers, hospitals, Veterans Affairs medical centers, community health centers, and state departments of health.

Some may question the cost of our legislation. Let me set the record straight. The Congressional Budget Office estimates that the bill will cost close to $1 billion over the next 21 years. That averages out to just over $47 million a year. This estimate is significantly lower than other proposals that have been considered by Congress over the past several years. Ours is, I believe, a common sense approach that keeps to the intent of the original statute.

But, Mr. President, in considering the cost, it is important to remember what prompted the original statute. What justified this compensation program in the first place? The answer is that the federal government during the early years of the atomic testing program, exposed American citizens—our neighbors—to deadly nuclear fallout. Knowing that there would be adverse effects of exposure to fallout, the government exploded these bombs so that the fallout would blow "downwind" of the more heavily populated cities. There was no warning or instruction about minimizing exposure for the citizens in these rural areas. In my view, Mr. President, this bill is only fair and just. If we fail to provide even basic compensation for the hardships they have endured, we will *still* be taking them for granted.

I ask my colleagues to join me and Senators DASCHLE, CAMPBELL, BINGAMAN, and DOMENICI in meeting our nation's commitment to the thousands of individuals who were victims of radiation exposure while supporting our country's national defense. I believe we have an obligation to care for those who were injured, especially since, at the time, they were not adequately warned about the potential health hazards involved with their work. Now is our chance to compensate these men and women for their injuries. I urge my colleagues to support these Americans by cosponsoring the Radiation Exposure Compensation Act Amendments of 1999.

Mr. DASCHLE. Mr. President, today I am delighted to join in the introduction of the "Radiation Exposure Compensation Act Amendments of 1999." For the last year, I have been working to extend the benefits of the Radiation Exposure Compensation Act (RECA) to South Dakotans who worked in uranium mines and a uranium mill in western South Dakota. This legislation would accomplish that goal, and I am very grateful to Senator HATCH for his hard work on this issue.

In the 9 years since the passage of RECA, we have had time to reflect upon its strengths and its shortcomings. During that time, it has become overwhelmingly clear that we have not fully met our obligation to victims of our nuclear program. Most seriously, we have arbitrarily and unfairly limited compensation for underground miners to those in only five States, despite the fact that underground miners in other states such as South Dakota faced exactly the same risk to their health. This fact alone requires us to amend RECA so that we can right this wrong.

However, we have also excluded other groups of workers, and their surviving families, from compensation for serious health problems and, in some cases, deaths, that have resulted from their work to help defend our Nation. Many of those who worked in uranium mills have developed serious respiratory problems as a result of exposure to uranium dusts and silica. Similar concerns have been raised about above-ground miners and uranium transportation workers as well.

This legislation would address those shortcomings and ensure that those who have suffered health problems because the government failed to warn them about the hazards of working with uranium are compensated. It is my hope that Congress will act on it this session so that we can provide compensation to these workers as quickly as possible.

There is one issue I hope we can address when this bill is considered in committee. Earlier this summer, I hosted a meeting of former uranium workers in Edgemont, SD. The most pressing concern of many of them was their inability to purchase affordable, quality health insurance due to the serious, ongoing health problems many of them have as a result of their work. Even if compensated by the Federal Government, they fear they are only one hospital stay away from bankruptcy. I hope that I can work with my colleagues over the next several months to determine how we can ensure that these workers, who sacrificed their health for their country, have access to affordable health insurance.

Finally, I have noted in the past the difficulty of tracking down documentation about South Dakota's uranium mining and milling activities. For that reason, I ask unanimous consent that a letter from the South Dakota Department of Environment and Natural Resources and a letter from the South Dakota School of Mines and Technology on this issue be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES,
Pierre, SD, January 26, 1999.
Hon. TOM DASCHLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DASCHLE: Peter Hanson of your office requested that this letter be sent to you regarding past uranium mining activities in South Dakota. Both underground and surface uranium mining activities took place in South Dakota a few decades ago. While we can confirm that these activities took place, it is important to point out that South Dakota did not have a mining regulatory program during the years uranium mining took place. Therefore, there are no detailed records or statistical information in our files. Certain staff members have mainly collected the documents in our office as a result of interest in the subject. The information below is excerpted from some of these documents.

Uranium deposits of economic significance were discovered in 1951 in Fall River County, South Dakota, in what became know as the Edgemont mining district. Prospecting quickly intensified and by 1953 production of uranium ore increased to the point that the U.S. Atomic Energy Commission established a buying station in Edgemont. In 1956, a mill for processing uranium ore was completed in Edgemont. Commercial uranium deposits were also discovered in lignite beds of Harding County in 1954.

According to our records, including Mullen and Agnew (1959) and Bieniewski and Agnew (1964), production of uranium ore occurred in Fall River and Harding Counties, as well as some production in Custer, Lawrence, and Pennington Counties (and an "unknown" county).

The number of producing properties varied through the years. Bieniewski and McGregor (1965) indicate that in 1963 production of uranium ore was attributed to 37 operations, 19 of which were in Fall River County, 14 in Harding County, 3 in Custer County, and 1 in Pennington County. Production of ore reached a peak in 1964 (with 110,147 short tons of uranium ore produced) and then declined greatly in the late 1960's (USGS, 1975 and Stotelmeyer, et al., 1966). According to Stotelmeyer, et al. (1967), it appears that there were 49 uranium mining operations in 1964, 29 of which were in Fall River County, 15 in Harding County, and 5 in Custer County.

The mill at Edgemont stopped producing uranium concentrates in 1972. By the end of 1973, nearly one million tons of uranium ore containing about 3,200,000 pounds of U_3O_8 were produced from deposits in South Dakota (USGS, 1975).

Our records are very sketchy regarding the number of uranium mine employees. Bieniewski and Agnew (1964) indicate that the average number of men employed in uranium mines and mills in 1961 was 104, excluding officeworkers. A total of 204,216 man-hours were worked in 1961. There were 23 uranium mine and mill operations that year. There were 10 nonfatal injuries in 1961, which equated to a frequency rate of 49 injuries per million man-hours (Bieniewski and Agnew, 1964).

In 1962, preliminary figures indicated that the average number of men employed was 103. A total of 202,062 man-hours were worked in 1962. There were 20 operations that year. There were 16 nonfatal injuries in 1962, which equated to a frequency rate of 79.1 injuries per million man-hours (Bieniewski and Agnew, 1964).

We were unable to locate uranium employment statistics for other years. I wouldn't be surprised if there were more uranium mine employees in other years than those referenced in the 1961–1962 statistics above, such as during the peak production year of 1964.

We have provided Peter Hanson with some information and references on the subject. Among other things, that information includes reference citations to several documents, publications, and maps that refer to uranium mining and uranium deposits in South Dakota, some of which are referenced here. We also sent the web address of our department's web page on Inactive and Abandoned Mines in the Black Hills http://www.state.sd.us/denr/DES/mining/acidmine.htm

The names of some of the uranium mines are shown on the maps referred to above. If you would like copies of these maps, or of any of the other documents cited in the information sent to Mr. Hanson, please let us know.

You may wish to contact Dr. Arden Davis and Dr. Kate Webb at the South Dakota School of Mines and Technology for further information on uranium mining and abandoned uranium mines in South Dakota.

If you have any questions or need further assistance, please contact Tom Durkin with the Minerals and Mining Program at 605-773-4201.

Sincerely,

NETTIE H. MYERS,
Secretary.

SOUTH DAKOTA SCHOOL OF
MINES AND TECHNOLOGY,
Rapid City, SD, January 8, 1999.
Senator TOM DASCHLE,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR DASCHLE: This letter is to provide a brief background on uranium mining in South Dakota as well as documentation of underground uranium mining activity within the state. Mr. Peter Hanson of your office contacted us earlier this week about this subject. Dr. Cathleen Webb and I have conducted inventories of abandoned mines in the Black Hills area for the U.S. Forest Service and for the South Dakota Department of Environment and Natural Resources, so we are familiar with uranium mines in the western part of the state.

Uranium deposits were discovered in the southern Black Hills of South Dakota in 1951. By 1953, the former U.S. Atomic Energy Commission had established a station at Edgemont in Fall River County. A mill for processing uranium in Edgemont was completed in 1956. This mill served open-pit and underground mining operations in the southern Black Hills area. Uranium also was mined in Harding County, South Dakota.

Production of uranium ore in South Dakota reached its peak in 1964, according to the U.S. Geological Survey. In the late 1960's, production declined after federal price supports were eliminated and supply exceeded demand. The mill at Edgemont ceased production of uranium concentrates in 1972 and was de-commissioned in the 1980's. Most uranium mines in the Black Hills have been inactive or abandoned since the late 1960's or early 1970's.

Information from the former U.S. Atomic Energy Commission and the U.S. Geological Survey shows that nearly one million tons of uranium ore were mined in South Dakota from 1953 to 1972. More than one hundred mines operated at one time or another in the

Edgemont area, although in some cases several claims were consolidated later into a single mine. Much of the mining was from open pits, but at least 22 mines had underground workings. These mines are listed below. Photographs of some of these mine openings are reproduced on an enclosed page.

We hope this information will be helpful. If you have any questions, please feel free to contact us.

Sincerely,

ARDEN D. DAVIS,
Professor of Geological Engineering.
CATHLEEN J. WEBB,
Associate Professor of Chemistry.

Mr. CAMPBELL. Today I join my colleague, Senator HATCH, in introducing the Radiation Exposure Compensation Act Amendments of 1999. These amendments, which are desperately needed, will help to provide much needed relief and assistance to many victims of uranium exposure and make this Act more consistent with current medical knowledge.

From 1946 to 1971, the United States purchased domestically-mined uranium for our nuclear weapons arsenal. Many of these mines were located in western Colorado, affecting citizens in my state. With the uranium mined there, in my colleague's state of Utah and throughout the western United States, we were able to develop vast stores of nuclear weapons, which were the key to our national security. The cold war demanded that we keep producing these weapons in order to keep up with, and defend ourselves against, the former Soviet Union. It was not until many years later that scientists began to realize that, ironically, the uranium we were mining to help create weapons to protect us in a nuclear war, was actually killing those men who mined it. Also harmed were those brave men and women who participated in atmospheric tests of the weapons armed with the uranium.

By 1971, the Atomic Energy Commission had put in place, and fully implemented, ventilation and safety procedures which greatly reduced the threat of radiation exposure. But for those miners and test-site participants who were involved in the atomic weapons program in the years before the changes, there was little more available for them than a kind word and pat on the back as they developed cancer and other diseases.

In 1990, we took steps to change the way we treated these victims. I cosponsored a measure in the House which allowed victims of certain types of radiation exposure to file claims with the Department of Justice and collect up to $100,000 in damages. It was the first step toward acknowledging the unknown sacrifice many of those miners and test participants made to win the cold war.

With the passage of the law, the Committee on the Biological Effects of Ionizing Radiation (BEIR) began further researching the health effects of radiation exposure. Their studies have revealed that several other types of cancer and nonmalignant respiratory diseases are caused by exposure to radiation, in addition to those listed in the original act. Furthermore, the BEIR Committee has discovered that many of the factors we thought contributed to cancer, such as coffee consumption, actually have no effect. Additionally, the unnecessarily long length of exposure, sometimes as high as 500 working level months, was determined by experts to be excessive and difficult to accurately measure and prove. The findings of the BEIR Committee have led us to seek to update the original law, with the advice and input of many experts in the health and mining fields, by amending the act with the latest scientific research.

It's time to finish what we started in the 1990 act. These victims need to be treated fairly and receive adequate care. We also owe it to the other people who worked with uranium to continue studying the effects of their contribution on their health. That's why this bill expands coverage to other uranium victims and establishes grant programs for education and the prevention and early detection of radiogenic diseases.

I ask my colleagues to join us today in making good on our promise to these people who so dutifully served their nation.

Mr. DOMENICI. Mr. President, I rise today as a co-sponsor of this important bill to make some much needed changes to the Radiation Exposure Compensation Act. I am pleased to join my colleagues, including the chairmen of the Senate Judiciary and Indian Affairs Committees, in support of this legislation.

Mr. President, my home state of New Mexico is the birthplace of the atomic bomb. New Mexico's national laboratories have long been involved in developing and testing nuclear weapons. One of the unfortunate consequences of our country's rapid development of its nuclear arsenal was that many of those who worked in the earliest uranium mines, prior to the implementation of government health and safety standards in 1971, became afflicted with terrible illnesses.

I began to notice this problem more than 20 years ago, when I learned that miners had contracted an alarmingly high rate of lung cancer and other diseases commonly related to radiation exposure.

Many of the miners native Americans, mostly members of the Navajo Nation, with whom the U.S. Government has had a longstanding trust relationship based on the treaties and agreements between our country and the tribes. Some 1,500 Navajos worked in the uranium mines from 1947 to 1971. Many of them have since died of radiation-related illnesses.

All of the uranium miners, including the Navajos, performed a great service out of patriotic duty to this country. Their work helped us to win the cold war. Unfortunately, our Nation failed to fulfill its duty to protect the miners' health and some 20 years ago, I began the effort to see that the miners and their families received just compensation for their illnesses.

In 1978, in the 95th Congress, I introduced the first bill to compensate uranium miners who contracted radiation-related diseases. The bill was called the Uranium Miners Compensation Act, and it was the predecessor to the Radiation Exposure Compensation Act (RECA) which is law today.

The following year in 1979, I held the first field hearing on this issue in Grants, NM, to learn about the concerns and the health problems faced by uranium miners. In later years, I traveled to Shiprock, NM, and the Navajo Nation Indian Reservation to gather more information about the uranium mines and their families.

Twelve years after I introduced that first bill, President Bush signed RECA into law. At the time, RECA was intended to provide fair and swift compensation for those miners and downwinders who had contracted certain radiation-related illnesses.

Since the RECA trust fund began making awards in 1992, the Department of Justice has approved a total 3.135 claims valued at nearly $232 million. In my home state of New Mexico, there have been 371 claims approved with a value of nearly $37 million. For that work, the Department of Justice is to be commended.

The original RECA was a compassionate law which unfortunately has come to be administered in a bureaucratic, dispassionate and often unfair manner. Many claims have languished at the Department of Justice for far too long.

Miners and their families, particularly Navajos, often have waited many years for their claims to be processed. Many claims were denied because the miners were smokers and could not prove that their diseases were related solely to uranium mining. In other cases, miners faced problems establishing the requisite amount of working level months needed to make a successful claim. Native American claims by spousal survivors often were denied because of difficulties associated with documenting native American marriages.

This bill makes some important, common sense changes to the radiation compensation program to address the problems I have outlined. First, it expands the list of compensable diseases to include new cancers, including leukemia, thyroid, and brain cancer. It also includes certain noncancer diseases, including pulmonary fibrosis. Medical science has been able to link these diseases to uranium mining in the 10 years since the enactment of the original RECA. We now know that prolonged radiation exposure can cause many additional diseases. This bill uses the best available science to make sure that those who were injured by radiation exposure are compensated.

The bill also extends eligibility to above-ground and open-pit miners, millers and transport workers. The latest science tells us that the risks of disease associated with radiation exposure were not necessarily limited to those who worked in unventilated mines.

Most importantly, the bill requires the Department of Justice to take native American law and customs into account when deciding claims. I have heard countless stories about the inequities faced by the spouses of Navajo miners who have been unable to successfully document their traditional tribal marriages to the satisfaction of the Justice Department under current law and regulations. This bill will change that, and make it easier for spousal survivors to make successful claims.

Mr. President, I am pleased to cosponsor this important legislation. The Congressional Budget Office estimates that the bill will cost close to $1 billion over the next 21 years. That is far less than some of the other proposals floated in the House and Senate during the past few years. This is a commonsense approach, which addresses many of the problems with the existing program, without unnecessarily expanding the scope of the Radiation Exposure compensation Act. The chairman of the Senate Judiciary Committee has done a fine job crafting this bill and I have been pleased to work with him in that regard. I look forward to helping move this bill through the Senate.

By Mr. THOMPSON (for himself and Mr. LIEBERMAN):

S. 1516. A bill to amend title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to reauthorize the Federal Emergency Management Food and Shelter Program, and for other purposes; to the Committee on Governmental Affairs.

LEGISLATION TO RE-AUTHORIZE THE EMERGENCY FOOD AND SHELTER PROGRAM

Mr. LIEBERMAN. Mr. President, I am proud to join Chairman THOMPSON in introducing a bill that will re-authorize a small but highly effective program, the Emergency Food and Shelter Program, or EFS for short. The EFS program, which is administered by the Federal Emergency Management Agency, supplements community efforts to meet the needs of the homeless and hungry in all fifty states. I am pleased that my friend, Chairman THOMPSON, is sponsoring this legislation. Our Committee on Governmental Affairs has jurisdiction over the EFS program, and it is my hope that together we can generate even more bipartisan support for a program that makes a real difference with its tiny budget. The EFS program is a great help not only to the Nation's homeless population but also to working people who are trying to feed and shelter their families at entry-level wages. Services supplemented by the EFS funding, such as food banks and emergency rent/utility assistance programs, are especially helpful to families with big responsibilities but small paychecks.

One of the things that distinguishes the EFS program is the extent to which it relies on non-profit organizations. Local boards in counties, parishes, and municipalities across the country advertise the availability of funds, decide on non-profit and local government agencies to be funded, and monitor the recipient agencies. The local boards, like the program's National Board, are made up of charitable organizations including the National Council of Churches, the United Jewish Communities, Catholic Charities, USA, the Salvation Army, and the American Red Cross. By relying on community participation, the program keeps administrative overhead to an unusually low amount, less than 3%.

The EFS program has operated without authorization since 1994 but has been sustained by annual appropriations. The proposed bill will re-authorize the program for the next three years. It will also authorize modest funding increases over the amounts appropriated in recent years. From 1990 the EFS program was funded at approximately $130 million annually, but that number was cut back by appropriators in fiscal year 1996 and has held steady at $100 million since then. Creeping inflation has taken an additional bite: $130 million in 1990 dollars is equivalent to $165.6 million today. The draft legislation will authorize increases to $125 million in the coming fiscal year and an additional five million dollars each of the following two years. Although the increases will not bring the program's funding up to its previous levels, they will provide additional aid to community-based organizations struggling to meet the needs of the homeless and working poor in an era of steep budget cuts.

In summary, Mr. President, FEMA's Emergency Food and Shelter Program is a highly efficient example of the government relying on the country's non-profit organizations to help people in innovative ways. The EFS program aids the homeless and the hungry in a majority of the nation's counties and in all fifty states, and I ask my colleagues to support this program and our re-authorizing legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill war order to be printed in the RECORD, as follows:

S. 1516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Section 322 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11352) is amended to read as follows:

"SEC. 322. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $125,000,000 for fiscal year 2000, $130,000,000 for fiscal year 2001, and $135,000,000 for fiscal year 2002.".

SEC. 2. NAME CHANGE TO NOMINATING ORGANIZATION.

Section 301(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331(b)) is amended by striking paragraph (5) and inserting the following:

"(5) United Jewish Communities.".

SEC. 3. PARTICIPATION OF HOMELESS INDIVIDUALS ON LOCAL BOARDS.

Section 316(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11346(a)) is amended by striking paragraph (6) and inserting the following:

"(6) guidelines requiring each local board to include in their membership not less than 1 homeless individual, former homeless individual, homeless advocate, or recipient of food or shelter services, except that such guidelines may waive such requirement for any board unable to meet such requirement if the board otherwise consults with homeless individuals, former homeless individuals, homeless advocates, or recipients of food or shelter services.".

By Mr. ALLARD:

S. 1517. A bill to amend title XVIII of the Social Security Act to ensure that Medicare beneficiaries have continued access under current contracts to managed health care by extending the Medicare cost contract program for 3 years.

THE MEDICARE COST CONTRACT EXTENSION ACT

• Mr. Allard. Mr. President, I am pleased to rise today to introduce the Medicare Managed Care Cost Contract Extension Act of 1999.

The Medicare Program traditionally offers participating HMOs two contracts to choose from: Medicare risk (Medicare+Choice) and Medicare cost. In an effort to expand and refine the Medicare+Choice program, Section 4002 of the Balanced Budget Act of 1997 terminates the Medicare cost contract program effective December 31, 2002. This termination of cost contracts will leave two options for a Medicare recipient, that of traditional Medicare fee-for-service and Medicare+Choice.

As of June of this year 358,658 Americans receive Medicare HMO service through Medicare cost contracts. The vast majority of these Americans live in rural areas where there are no Medicare+Choice options. In my house state of Colorado, 97 percent of Medicare cost contracting beneficiaries live in a county that does not currently have another Medicare HMO option. If the intention of the Balanced Budget Act and Medicare+Choice is to provide a standard, reliable option to Medicare fee-for-service coverage it has not yet accomplished this in rural areas. It appears to me that until Medicare+Choice coverage is available to rural cost contract recipients Congress should re-consider this sunset.

While I agree with the wisdom of the Balanced Budget Act, we have discovered a number of areas where the Act has not produced the results that Congress intended. As well meaning as the sunset provision for cost contracts may have been, I am confident that Congress has no intention of leaving rural Americans without a choice in their Medicare coverage.

The legislation I am introducing will postpone the sunset date by three years to December 31, 2005. I believe that this extension accomplishes a number of things consistent with the Balanced Budget Act as it concerns cost contracting.

The Medicare Managed Care Cost Contract Extension Act of 1999 will not change current requirement that the Health Care Financing Administration produce a study on the impact of cost contracting termination. This study is currently due in January 2001. I think it is important that this report be delivered to Congress while there is still time to establish a permanent extension or another sensible solution that will maintain choice for Medicare recipients.

As we have seen in my home state of Colorado, Medicare+Choice options have not developed in rural areas currently served by Medicare cost contractors. The Balanced Budget Act may have intended to replace cost contracting services with Medicare+Choice options, but these options are not yet available. I believe it would be irresponsible to continue to move cost contract beneficiaries toward an option that is unavailable. If Medicare+Choice can effectively serve rural areas they should have time to establish themselves. Based on current trends in rural health care I do not believe that Medicare+Choice will be a viable option in 2002, and perhaps not any time in the foreseeable future.

I believe that Medicare beneficiaries deserve a choice in how they receive their health care, and for a few people in our nation the only nation to Medicare fee-for-service is through a cost contract. I hope that as we consider various proposals for Medicare reform that we will consider the 358,658 Americans who are facing the elimination of the Medicare option they chose to provide their health care.

By Mr. BAYH:

S. 1519. A bill to amend the Internal Revenue Code of 1986 to provide that certain educational benefits provided by an employer to children of employees shall be from gross income as a scholarship; to the Committee on Small Business.

EDUCATIONAL TAX RELIEF FOR AMERICAN WORKERS

● Mr. BAYH. Mr. President, I am pleased to introduce legislation today that will help thousands of American workers with the financial burden associated with sending a daughter or son to college. In this climate of labor shortages, U.S. companies are looking for innovative ways to maintain and attract a dedicated and qualified workforce. Some companies have creatively turned to providing college scholarships for their employees' children. My legislation would allow employees to deduct these scholarships from their gross income. Under current law, an employee generally is not taxed on post-secondary education assistance provided by an employer for the benefit of the employee. My bill would extend this treatment to employer-provided education assistance for the employees' children, up to $2,000 per child.

As many of my colleagues know, employer-provided education assistance is considered an integral tool in keeping America's workforce well trained and equipped to deal with the changing face of the New Economy. Current law not only allows companies to keep an up-to-date labor pool, but also allows many workers to move from low-wage, level positions up the economic ladder of success. Extending tax-free treatment to the children of employees not only will help working families, but will contribute to our nation's competitiveness in an increasingly dynamic global economy.

My legislation is very simple. It allows employees whose companies provide educational scholarships for employees' children to exclude up to $2000 from gross income per child. An employee may not exclude more than $5,250 from gross income for employer education assistance. This is the limit established under Section 127(a)(2) of the Internal Revenue Code for employer education assistance. In essence, there would be "family cap." Workers could deduct a $2,000 scholarship for their child and could also exclude up to $3,250 of educational benefits for themselves, however, the combined amounts could not exceed $5,250.

I believe that Congress should do all it can to help families with the soaring costs of higher education. In today's economy, American companies are no longer looking purely for a high-school diploma, but require that their workers have some sort of post-secondary education or training. Many working families struggle in providing this basic start which will help their children get well-paying jobs.

This piece of legislation is also a modest proposal. The Joint Committee on Taxation has scored this provision at $231 million over 10 years. I look forward to working with my colleagues in making sure that this provision is fully offset in a responsible manner.

Mr. President, I am pleased to lend my name to this initiative, for this legislation has been already introduced in a bi-partisan manner in the United States House of Representatives by Representatives LEVIN and ENGLISH. This bill has the support of over 60 Members of the House and I plan on working to ensure that this bill receives the same sort of bipartisan support that its companion in the House enjoys.●

By Mr. SMITH of Oregon (for himself, Mrs. BOXER, Mr. GRAMS, and Mr. DODD):

S. 1520. A bill to amend the U.S. Holocaust Assets Commission Act of 1998 to extend the period by which the final report is due and to authorize additional funding; to the Committee on Banking, Housing, and Urban Affairs.

U.S. HOLOCAUST ASSETS COMMISSION EXTENSION ACT OF 1999

Mr. SMITH of Oregon. Mr. President and Members of the Senate, next week our Nation will pass an important if unnoticed anniversary—the anniversary of one of the first official notifications we were given of the atrocities of the Holocaust.

On August 8, 1942, Dr. Gerhart Reigner, the World Jewish Congress representative in Geneva, sent a cable to both Rabbi Stephen Wise—the President of the World Jewish Congress—and a British Member of Parliament. In it, Dr. Reigner wrote about "an alarming report" that Hitler was planning that all Jews in countries occupied or controlled Germany "should after deportation and concentration . . . be exterminated at one blow to resolve once and for all the Jewish question in Europe." Our Government's reaction to this news was not our greatest moment during that terrible era.

First, the State Department refused to give the cable to Rabbi Wise. After Rabbi Wise got a copy of the cable from the British, he passed it along to the Undersecretary of State, who asked him not to make the contents public until it could be confirmed. Rabbi Wise didn't make it public, but he did tell President Roosevelt, members of the cabinet, and Supreme Court Justice Felix Frankfurter about the cable. None of them chose to act publicly on its contents.

Our government finally did acknowledge the report some months later, but the question remains: how many lives could have been saved had we responded to this clear warning of the Holocaust earlier and with more vigor? The questions of how the United States responded to the Holocaust and, specifically, what was the fate of the Holocaust victims' assets that came into the possession or control of the United States government, is the focus of the Presidential Advisory Commission on Holocaust Assets in the United States, of which I am a member.

This bipartisan Commission—chaired by Edgar M. Bronfman—is composed of 21 individuals, including four Senators, four Members of the House, representatives of the Departments of the Army, Justice, State, and Treasury, the Chairman of the United States Holocaust Memorial Council, and eight private citizens.

The Commission is charged with conducting original research into what happened to the assets of Holocaust victims—including gold, other financial instruments and art and cultural objects—that passed into the possession or control of the Federal government, including the Federal Reserve. We are also to survey the research done by others about what happened to the assets of Holocaust victims that passed into non-Federal hands, including State governments, and report to the President, making recommendations for future actions, whether legislative or administrative.

The Commission was created last year by a unanimous Act of Congress, and has been hard at work since early this year. Perhaps the most important information that the Commission's preliminary research has uncovered is the fact that the question of the extent to which assets of Holocaust victims fell into Federal hands is much, much larger than we thought even a year ago, when we first established this Commission.

Last month, at the quarterly, meeting of the Commissioners in Washington, we unveiled a "map" of Federal and related offices through which these assets may have flowed. To everyone's surprise, taking a sample year—1943—we found more than 75 separate entities that may have been involved.

The records of each of these offices must first be located and then scoured—page by page—at the National Archives and other record centers across the United States. In total, we must look at tens of million of pages to complete the historical record of this period.

Futhermore, to our nation's credit, we are currently declassifying millions of pages of World War II-era information that may shine light on our government's policies and procedures during that time. But, this salutary effort dramatically increases the work the Commission must do to fulfill the mandate we have given it.

In addition, as the Commission pursues its research, it is discovering new aspects of the story of Holocaust assets that hadn't previously been understood. The Commission's research *may* be unearthing an alarming trend to import into the United States through South America, art and other possessions looted from Holocaust victims. Pursuing these leads will require the review of additional thousands of documents.

The Commission is also finding aspects of previously known incidents that have not been carefully or credibly researched. The ultimate fate of the so-called "Hungarian Gold Trains,"—for example—a set of trains containing the art, gold, and other valuables of Hungarian victims of the Nazis that was detained by the liberating US Army during their dash for Berlin has not been carefully investigated.

In another area of our research investigators are seeking to piece together the puzzle of foreign-owned intellectual property—some of which may have been owned by victims of Nazi genocide—the rights to which were vested in the Federal government under wartime law.

For all the reasons and more, I am introducing today with Senators BOXER, DODD and GRAMS the "U.S. Holocaust Assets Commission Extension Act of 1999." This simple piece of legislation moves to December, 2000, the date of the final report of the Presidential Advisory Commission on Holocaust Assets in the United States, giving our investigators the time to do a professional an credible job on the tasks the Congress has assigned to them.

This bill also authorizes additional appropriations for the Commission to complete its work. I strongly urge all of my colleagues to join me in support of this necessary and simple piece of legislation.

As we approach the end of the millennium, the United States is without a doubt the strongest nation on the face of the earth. Our strength, however, is not limited to our military and economic might. Our nation is strong because we have the resolve to look at ourselves and our history honestly and carefully—even if the truth we find shows us a less-than-flattering light.

The Presidential Advisory Commission on Holocaust Assets in the United States is seeking the truth about the belongings of Holocaust victims that came into the possession or control of the United States government. All of my colleagues should support this endeavor, and we must give the Commission the time and support it needs by supporting the U.S. Holocaust Assets Commission Extension Act of 1999.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "U.S. Holocaust Assets Commission Extension Act of 1999".

SEC. 2. AMENDMENTS TO THE U.S. HOLOCAUST ASSETS COMMISSION ACT OF 1998.

(a) EXTENSION OF TIME FOR FINAL REPORT.—Section 3(d)(1) of the U.S. Holocaust Assets Commission Act of 1998 (22 U.S.C. 1621 nt.) is amended by striking "December 31, 1999" and inserting in lieu thereof "December 31, 2000".

(b) REAUTHORIZATION OF APPROPRIATIONS.—Section 9 of the U.S. Holocaust Assets Commission Act of 1998 (22 U.S.C. 1621 nt.) is amended—

(1) by striking "$3,500,000" and inserting in lieu thereof "$6,000,000"; and

(2) by striking "1999, and 2000," and inserting in lieu thereof "1999, 2000, and 2001,".

By Mr. AKAKA:

S. 1522. A bill to amend the Animal Welfare Act to ensure that all dogs and cats used by research facilities are obtained legally; to the Committee on Agriculture, Nutrition, and forestry.

PET SAFETY AND PROTECTION ACT OF 1999

• Mr. AKAKA. Mr. President, today I am introducing the Pet Safety and Protection Act of 1999, a bill to close a serious loophole in the Animal Welfare Act. Senators KENNEDY, DURBIN, INOUYE and LEBIN are cosponsors of the legislation.

Congress passed the Animal Welfare Act over 30 years ago to stop the mistreatment of animals and to prevent the unintentional sale of family pets for laboratory experiments. Despite the Animal Welfare Act's well-meaning intentions and the enforcement efforts of the Department of Agriculture, the Act routinely fails to provide pets and pet owners with reliable protection against the actions of some unethical dealers.

Medical research is an invaluable weapon in the battle against disease. New drugs and surgical techniques offer promise in the fight against AIDS, cancer, and a host of life-threatening diseases. Animal research has been, and continues to be, fundamental to advancements in medicine. I am not here to argue whether animals should or should not be used in research. Rather, I am concerned with the sale of stolen pets and stray animals to research facilities.

These are less than 40 "random source" animal dealers operating throughout the country who acquire tens of thousands of dogs and cats. "Random source" dealers are USDA licensed Class B dealers that provide animals for research. Many of these animals are family pets, acquired by so-called "bunchers" who sometimes resort to theft and deception as they collect animals and sell them to Class B dealers. "Bunchers" often respond to "free pet to a good home" advertisements, tricking animal owners into giving away their pets by posing as someone interested in adopting the dog or cat. Some random source dealers are known to keep hundreds of animals at a time in squalid conditions, providing them with little food or water. The mistreated animals often pass through several hands and across state lines before they are eventually sold by a random source dealer to a research laboratory.

Mr. President, the use of these animals in research is subject to legitimate criticism because of the fraud, theft, and abuse that I have just described. Dr. Robert Whitney, former director for the Office of Animal Care and Use at the National Institutes of Health echoed this sentiment when he stated, "The continue existence of these virtually unregulatable Class B dealers erodes the public confidence in our commitment to appropriate procurement, care, and use of animals in the important research to better the health of both humans and animals." While I doubt that laboratories intentionally seek out stolen or fraudulently obtained dogs and cats as research subjects, the fact remains that these animals end up in research laboratories, and little is being done to stop it. Mr. President, it is clear to most observers, including animal welfare organizations around the country, that this problem persists because of random source animal dealers.

The Pet Safety and Protection Act strengthens the Animal Welfare Act by prohibiting the use of random source animal dealers as suppliers of dogs and cats to research laboratories. At the same time, the Pet Safety and Protection Act preserves the integrity of animal research by encouraging research laboratories to obtain animals from legitimate sources that comply with the Animal Welfare Act. Legitimate sources are USDA-licensed Class A dealers or breeders, municipal pounds that choose to release dogs and cats for research purposes, legitimate pet owners who want to donate their animals to research, and private and federal facilities that breed their own animals. These four sources are capable of supplying millions of animals for research, far more cats and dogs than are required by current laboratory demand. Furthermore, at least in the case of using municipal pounds, research laboratories could save money since pound animals cost only a few dollars compared to the high fees charged by random animal dealers. The National Institutes of Health, in an effort to curb abuse and deception, has already adopted policies against the acquisition of dogs and cats from random source dealers.

The Pet Safety and Protection Act also reduces the Department of Agriculture's regulatory burden by allowing the Department to sue its resources more efficiently and effectively. Each year, hundreds of thousands of dollars are spent on regulating 40 random source dealers. To combat any future violations of the Animal Welfare Act, the Pet Safety and Protection Act increases the penalties under the Act to a minimum of $1,000 per violation.

The history of disregard for the provisions of the Animal Welfare Act by some animal dealers makes the Pet Safety and Protection Act necessary. Mr. President, the purpose of this Act to stop the fraudulent practices of some Class B Dealers. Most importantly, it ensures that animals used in research are not gained by theft or deceit, and are provided decent shelter, ventilation, sanitation, and nourishment. The bill in no way impairs or impedes research, but ends senseless neglect, brutality, and deceit.•

By Mrs. LINCOLN:

S. 1523. A bill to provide a safety net for agricultural producers through improvement of the marketing assistance loan program, expansion of land enrollment opportunities under the conservation reserve program, and maintenance of opportunities for foreign trade in United States agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

"HELP OUR PRODUCERS EQUITY (HOPE) ACT OF 1999

• Mrs. LINCOLN. Mr. President, I am introducing legislation today to provide a ray of hope for our farmers across the country. The situation is dire in the agricultural community. Commodity prices are at Depression era levels and are projected to remain low through this year and beyond. Despite the federal government's efforts over the past year to alleviate some the financial strain affecting the agriculture industry, a simple fact remains: we no longer have a policy that protects farmers when forces beyond their control drive prices down.

Farmers are the hardest working people I know. They work from dusk to dawn on land that has been past down from generation to generation. This heritage is in jeopardy of being lost due to depressed commodity prices and the lack of an adequate safety net for family farmers.

The agricultural industry is the backbone of rural communities. I'm not just hearing from farmers about this crisis. In the past weeks and months, I've talked with bankers, tractor and implement dealers, fertilizer distributors, and even the local barber shop. They are all concerned about the train wreck that will occur if nothing is done to provide an adequate safety net for producers. The bottom line in rural America: if farmers are hurting, everyone is hurting.

It's really ironic watching the news these days. We're too busy patting ourselves on the back over the strength of the stock market and a potential tax cut that we have all but forgotten those that are not benefitting from this record setting economy. This situation is very reminiscent of the roaring 20's that our country experienced earlier in the century, followed by the Great Depression of the 1930's. I hope and pray that it does not take a situation so severe and drastic to convince this Congress, and the nation, that our agricultural sector and domestic production needs our support.

The HOPE Act that I am introducing today is built on solid but simple principles and takes steps to reestablish a safety net for our nation's farmers. To reconstruct the safety we must restore the formula based marketing loan structure that existed prior to the 1996 Farm Bill. Loan rates were arbitrarily capped in 1996 and I feel that it is imperative to return this assistance loan back into a formula based, market-oriented program. In doing so, loan rates would more accurately reflect market trends and provide an adequate price floor for producers. No business in America can survive selling their products at levels below cost of production. With Depression era prices, that is the situation our farmers currently face. An adequate safety net must be restored. This legislation also extends the loan term by up to six months, allowing farmers more time to market their crops at the most advantageous price.

Secondly, my legislation would require the President to fully explain the benefits and costs of existing food sanctions. It does not make sense to force Cuba to purchase their rice from Asia when the United States is only 90 miles away. Without access to foreign markets, we cannot expect the agricultural community to survive. We cannot let our foreign policy objectives cloud common sense. These sanctions rarely impose significant hardship on the dictators against whom they are targeted. The unfortunate victims are the innocent citizens of these foreign lands and the U.S. producers who lose valuable markets when these restrictions are put into place. We require cost/benefit analysis from almost all sections for our government regulators. We should do no less in our agricultural trade arena.

I am also very committed to preserving our environment. The Conservation Reserve Program (CRP) and the Wetlands Reserve Program(WRP) are responsible for taking a great number of erodible acres out of production. Unfortunately, these programs are victims of their own success because they are near the maximum enrollment levels allowed by current law. I propose to expand these programs so that even more marginal acreage is eligible for participation.

I urge my colleagues to act quickly and address the growing crisis in the agriculture community. Everyone of us enjoys the safest, most abundant, and most affordable food supply in the world. Unfortunately, we often take that for granted in this nation. The consequences of doing nothing are far too great. This safe and abundant supply will not be there for this Nation or the world if we do not support our family farmers at this critical time.

By Mr. BREAUX:

S. 1524. A bill to amend title 49, United States Code, to provide for the creation of a certification program for Motor Carrier Safety Specialist and certain informational requirements in order to promote highway safety through a comprehensive review of motor carriers; to the Committee on Commerce, Science, and Transportation.

MOTOR CARRIER SAFETY SPECIALIST CERTIFICATION ACT

Mr. BREAUX. Mr. President, I rise to introduce the Motor Carrier Safety Specialist Act. The reason for the Act is to ensure that all inspectors performing compliance reviews on inter- and intra-state motor carriers are certified to a uniform standard and proficiency. This Act is in part a response to the recent bus accident in Louisiana by Custom Bus Charter, Inc. in which 22 people were killed, and in which the driver was found to have marijuana in his system.

In July 1996, just four months after the Federal Highway Administration ("FHWA") inspected and assigned a Satisfactory rating to Customs Bus Charter, Inc., a private company under contract to the Department of Defense failed Custom Bus Charter, Inc. for not having a drug and alcohol testing program. The absence of a drug and alcohol testing program is a FHWA Critical violation for which the carrier should have been assigned, at best, a Conditional rating by FHWA. Furthermore, 27 percent of motor carriers that were assigned a Satisfactory rating by FHWA, failed to enter the DoD program because of Critical violations discovered by the DoD contractor. These examples demonstrate that FHWA does not have the resources and structure to certify inspectors, and that compliance reviews are not always performed in a consistent or accurate manner.

In addition to inconsistent inspection, FHWA cannot possibly collect sufficient safety information on the motor carrier industry. There are estimated to be more than 450,000 interstate motor carriers licensed to do business in the U.S. The Federal Highway Administration has the resources to conduct only a limited number of compliance reviews annually. While they intend to double the current level of inspections, this will only bring the total to approximately 8,000 inspections annually, less than 2 percent of the estimated motor carrier population, with more than twice that amount entering and exiting the market. Over 70 percent of existing motor carriers have never been inspected by FHWA, and fewer than 5 percent of the inspections conducted could be considered current, within the past three years.

Clearly, the problem is twofold: FHWA is in desperate need of more information regarding the compliance level of carriers licensed to do business, and, those individuals that collect the information through inspections must possess some uniform level of competence and consistency. Thus, this Act is needed to certify all Motor Carrier Safety Specialists, both in the private and pubic sectors, so that these professionals can perform consistent compliance reviews and provide safety data on motor carriers to the government, industry, and the public. The Act not only provides for certification and training of federal motor carrier safety specialists, but state, local, and third-party safety specialists as well.

Third-party, private auditors can provide additional information to assist FHWA in monitoring carrier performance. Previously, the FHWA has not accepted information from private sources because there is no certification of their proficiency. The Motor Carrier Safety Specialist Certification Board, a non-profit organization, would be formed by technical representatives of the transportation industry, for the expressed purpose of working with the Secretary of Transportation to establish a training and certification program for Motor Carrier Safety Specialists and to serve as a clearinghouse for motor carrier data from third-party auditors. This follows the policy contained in Office of Management and Budget Circular Number A–119 and directs agencies to use voluntary standards where possible and the model used successfully by the Environmental Protection Agency for referring federally-mandated certification to private organizations.

Further, FHWA needs accurate and current information on motor carriers in order to target its resources towards problem carriers. Investigations by the General Accounting Office and the Department of Transportation's Inspector General found that FHWA motor carrier data are inadequate and out-of-date, limiting FHWA's ability to identify and target "at risk" carriers. Private auditors could provide additional information to augment FHWA's database. The Motor Carrier Safety Specialist Certification Board would establish a program to collect and verify current information on motor carriers, and provide this information to the Federal Highway Administration to augment their database.

Finally, the public must play a role in removing unsafe carriers from U.S. highways by considering safety first when hiring a motor carrier. Simply put, if the public does not hire carriers that have poor safety performance, they will be put out of business and off our nation's highways. A media campaign must be implemented to educate the public on their role in increasing motor carrier safety, and about publicly available information systems that provide safety information on motor carriers. Two such internet-accessible systems are the publicly-funded FHWA SAFER system and the privately funded International Motor Carrier Audit Commission (IMCAC).

This program can be quickly implemented due to the support of existing groups that are equipped to carry out training, certification and clearinghouse functions, such as the Commercial Vehicle Safety Alliance (CVSA) which currently provides certification for roadside vehicle inspectors, and the International Motor Carrier Audit Commission (IMCAC) which currently provides safety data to the public.

I ask unanimous consent that the text of this bill be printed into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1524

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Motor Carrier Safety Specialist Certification Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following;

(1) The Transportation Equity Act for the 21st Century provides for the Secretary of Transportation to work in partnership with States and other political jurisdictions to establish programs to improve motor carrier, commercial motor vehicle, and driver safety, to support a safe and efficient transportation system by focusing resources on strategic safety investments, to promote safe for-hire and private transportation, including transportation of passengers and hazardous materials, to identify high-risk carriers and drivers, and to invest in activities likely to generate maximum reductions in the number and severity of commercial motor vehicle crashes.

(2) The Department of Transportation's Office of Inspector General Report on the Federal Highway Administration's Motor Carrier Safety Program found that established policies and procedures do not ensure that motor carrier safety regulations are enforced.

(3) The Report also found that the Safety Status Measurement System (known as "SafeStat"), which was implemented to identify and target motor carriers with high-risk safety records, cannot target all carriers with the worst records because its database is incomplete and inaccurate, and data input is not timely.

(4) Testimony by the General Accounting Office before the House of Representative's Subcommittee on Transportation and Related Agencies indicated that SafeStat's ability to target high-risk carriers is also limited by out-of-date census data.

(5) There are no procedures in place to certify Federal, State, and private motor carrier safety specialists and no standards to ensure consistent carrier compliance reviews.

(6) There are no established protocols for acceptance of data from third-party or non-Federal or non-State motor carrier safety specialists, which detail the safety factors of motor carriers.

(b) PURPOSE.—The purpose of this Act is to provide for the creation of a certification program for Motor Carrier Safety Specialists and to establish certain informational requirements in order to promote highway safety through a comprehensive review of motor carriers.

SEC. 3. CREATION OF A CERTIFICATION PROGRAM FOR MOTOR CARRIER SAFETY SPECIALISTS.

(a) IN GENERAL.—Chapter 311 of title 49, United States Code, is amended by adding at the end thereof the following:

"§31148. Certified motor carrier safety specialists

"(a) IN GENERAL.—The Secretary of Transportation, in consultation with the Motor Carrier Safety Specialist Certification Board, shall establish a program for the training and certification of Federal, State and local government, and nongovernmental motor carrier safety specialists by an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is—

"(1) exempt from taxation under section 501(c)(1) of such Code established for the exclusive purpose of developing and administering training, testing, and certification procedures for motor carrier safety specialists; and

"(2) designated by the Secretary as the entity for carrying out the requirements of this section.

"(b) CERTIFIED COMPLIANCE REVIEW REQUIRED.—No safety compliance review under this chapter, or required by this chapter, chapter 315, or the regulations in part 390 of title 49, Code of Federal Regulations, more than 3 years after the date of enactment of the Motor Carrier Safety Specialist Certification Act is valid unless it is conducted by a motor carrier safety specialist certified under the program established under subsection (a).".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 311 of title 49, United States Code, is amended by adding at the end thereof the following:

"31148. Certified motor carrier safety specialists.".

SEC. 4. PHASE-IN OF CERTIFICATION REQUIREMENT.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Transportation shall establish the program required by section 31148(a) of title 49, United States Code, within 12 months after the date of enactment of this Act.

(b) CERTIFICATION OF FEDERAL MOTOR CARRIER SAFETY SPECIALIST.—The Secretary shall ensure that—

(1) within 24 months after the date of enactment of this Act—

(A) at least 50 percent of the employees of the Department of Transportation who perform reviews to determine compliance of carriers in accordance with regulations promulgated by the Secretary of Transportation, and

(B) all State and local government employees who perform such compliance reviews, are certified under the program established under section 31148 of title 49, United States Code; and

(2) within 36 months after such date, all Federal, State and local employees, and all nongovernmental personnel, performing such compliance review are so certified.

SEC. 5. CLEARINGHOUSE FUNCTION.

(a) VERIFICATION OF INFORMATION.—Section 31106(a) of title 49, United States Code, is amended by adding at the end the following:

"(5) In carrying out the provisions of this section and section 31309, the Secretary shall accept and include information, subject to verification by a clearinghouse designated by the Motor Carrier Safety Specialist certification Board, obtained from non-governmental motor carrier safety specialists certified under section 31148. The Secretary of Transportation shall work with the Motor Carrier Safety Specialist Certification Board and State Governments to establish by January 1, 2001 data exchange protocols that will enable the Secretary of Transportation to process data received from motor carrier safety specialists certified under section 31148."

(b) INFORMATION AVAILABLE TO PUBLIC.—Section 31105(e) of title 49, United States Code, is amended by adding at the end the following:

"The Secretary of Transportation shall ensure that information obtained from motor carrier safety specialists certified under section 31148 of title 49 United States Code is made available to the public, in accordance with such policy, in an easily accessible and understandable manner through the clearinghouse designated by the Motor Carrier Safety Specialist Certification Board no later than January 1, 2002."

SEC. 6. PUBLIC EDUCATION FUNCTION..

The Secretary of Transportation shall work with the Motor Carrier Safety Specialist Certification Board to establish and carry out a public education campaign to promote the use of safety performance information available under chapter 311 of title 49, United States Code, for the purpose of encouraging the use of such information in the decision-making process for hiring motor carriers.

SEC. 7. DEFINITIONS

(a) MOTOR CARRIER SAFETY SPECIALIST.—A Motor Carrier Safety Specialist is an individual who:

(1) is responsible for conducting regulatory compliance reviews and safety inspections of commercial motor carriers;

By Mrs. MURRAY (for herself and Mr. INOUYE):

S. 1525. A bill to provide for equitable compensation of the Spokane Tribe of Indians of the Spokane Reservation in settlement of its claims concerning its contribution to the production of hydropower by the Grand Coulee Dam, and for other purposes; to the Committee on Indian Affairs.

THE SPOKANE TRIBE SETTLEMENT ACT

Mrs. MURRAY. Mr. President, today I am pleased to introduce on behalf of myself and the distinguished Senator from Hawaii, Mr. INOUYE, "The Spokane Tribe of Indians of the Spokane Reservation Grand Coulee Dam Equitable Compensation Act." This bill will provide a settlement of the claims of the Spokane Tribe for its contribution to the production of hydropower by the Grand Coulee Dam.

The Grand Coulee Dam is the largest concrete dam in the world, the largest electricity producer in the United States, and the third largest electricity producer in the world. Grand Coulee is one mile in width; its spillway is twice the height of Niagara Falls. It provides electricity and water to one of the world's largest irrigation projects, the one million acre Columbia Basin Project. The Grand Coulee is the backbone of the Northwest's federal power grid and agricultural economy.

To the Spokane Tribe, however, the Grand Coulee Dam brought an end to a way of life. The dam flooded their reservation on two sides. The Spokane River changed from a free flowing waterway that supported plentiful salmon runs, to barren slack water that now erodes the southern lands of the reservation. The benefits that accrued to the nation and the Northwest were made possible by uncompensated injury to the Native Americans of the Columbia and Spokane Rivers.

The legislation I am introducing seeks to compensate the Spokane Tribe for its losses. In 1994, Congress enacted similar settlement legislation to compensate the neighboring Confederated Colville Tribes. That legislation provided a onetime payment of $53 million for past damages and approximately $15 million annually from the proceeds from the sale of hydropower by the Bonneville Power Administration. The Spokane Tribe settlement legislation would provide a settlement proportional to that provided to the Colville Tribes, which was based on the percentage of lands appropriated from the respective tribes for the dam. This translates into 39.4% of the past and future compensation awarded the Colville Tribes.

Let me give my colleagues some of the background surrounding this issue. From 1927 to 1931, at the direction of Congress, the U.S. Army Corps of Engineers investigated the Columbia River and its tributaries. In its report to Congress, the Corps recommended the Grande Coulee site for hydroelectric development. In 1933, the Department of Interior federalized the project under the National Industrial Recovery Act, and in 1935, Congress authorized the project in the Rivers and Harbors Act.

In 1940, Congress enacted a statute to authorize the Interior Department to designate whichever Indian lands it deemed necessary for Grand Coulee construction and to receive all rights, title and interest the Indians had in them. In return, the Tribes received compensation in the amount determined by Interior Department appraisals. However, the only land that was appraised and for which Tribes were compensated was the newly flooded land, for which the Spokane Tribe received $4700. There is no evidence that the Department advised or that Congress knew that the Tribes' water rights were not extinguished. Neither was there evidence the Department know the Indian title and trust status for the Tribal land underlying the river beds had not been extinguished. No compensation was included for the power value contributed by the use of the Tribal resources or for the loss of the Tribal fisheries or other damages to Tribal resources.

As pointed out in a 1976 Opinion of Lawrence Aschenbrenner, the Acting Associate Solicitor, Division of Indian Affairs, Department of Interior

> The 1940 act followed seven years of construction during which farm lands, and timber lands were flooded, and a fishery destroyed, and during which Congress was silent as to the Indian interests affected by

the construction. Both the Congress and the Department of Interior appeared to proceed with the Grand Coulee project as if there were no Indians involved there. . . . There is no tangible evidence, currently available, to indicate that the Department ever consulted with the Tribes during the 1993–1940 period concerning the ongoing destruction of their land and resources and proposed compensation therefore. . . . It is our conclusion that the location of the dams on tribal land and the use of the water for power production, without compensation, violated the government's fiduciary duty toward the Tribes.

In 1994, the Colville legislation settled the claims of the Colville Tribes to a share of the hydropower revenues from the Grand Coulee Dam. This claim was among the claims which the Colville Tribes filed with the Indian Claims Commission (ICC) under the Act of August 13, 1946, which included a five year statute of limitations. While the Colville Tribes had been formally organized for more than 15 years, the Spokane Tribe did not formally organize until 16 days prior to the ICC statute of limitations deadline. In addition, while the BIA was aware of the potential claims of the Spokane Tribe to a portion of the hydropower revenues generated by Grand Coulee, there is no evidence that the BIA ever advised the Tribe of such claims. The settlement for the Spokane Tribes was not included with that for the Colville Tribes in 1994 because the Colvilles had concerns that the statute of limitations would hold up the legislation.

Since the 1970s, Congress and federal agencies have indicated that both the Colville and Spokane Tribes should be compensated. Since 1994, when an agreement was reached to compensate the Colville Tribes, Congress and federal agencies have expressed interest in providing equitable compensation to the Spokane Tribe. This legislation will provide for the long overdue settlement to which the Spokane Tribe is entitled. I urge my colleagues to support this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Spokane Tribe of Indians of the Spokane Reservation Grand Coulee Dam Equitable Compensation Settlement Act".

SEC. 2. FINDINGS.

The Congress find the following:

(1) From 1927 to 1931, at the direction of Congress, the Corps of Engineers investigated the Columbia River and its tributaries to determine sites where power could be produced at low cost.

(2) The Corps of Engineers listed a number of sites, including the site where the Grand Coulee Dam is now located, with recommendations that the power development be performed by local governmental authorities or private utilities under the Federal Power Act.

(3) Under section 10(e) of the Federal Power Act, licensees must pay Indian tribes for the use of reservation lands.

(4) The Columbia Basin Commission, an agency of the State of Washington, applied for, and in August 1933 received, a preliminary permit from the Federal Power Commission for water power development of the Grand Coulee Site.

(5) In the mid-1930's, the Federal Government, which is not subject to the Federal Power Act, federalized the Grand Coulee Dam project and began construction of the Grand Coulee Dam.

(6) At the time the Grand Coulee Dam project was federalized, the Federal Government knew and recognized that the Spokane Tribe and the Confederated Tribes of the Colville Reservation had compensable interests in the Grand Coulee Dam project, including but not limited to development of hydropower, extinguishment of a salmon fishery upon which the Spokane Tribe was almost totally dependent, and inundation of lands with loss of potential power sites previously identified by the Spokane Tribe.

(7) In an Act dated June 29, 1940 (54 Stat. 703; 16 U.S.C. 835d), Congress enacted legislation to grant to the United States all the rights of the Indians in lands of the Spokane Tribe and Colville Indian Reservations required for the Grand Coulee Dam project and various rights-of-way over Indian lands required in connection with the project. The Act provided that compensation for the lands and rights-of-way required shall be determined by the Secretary of the Interior in such amounts as such Secretary determines just and equitable.

(8) In furtherance of the Act of June 29, 1940, the Secretary of the Interior paid to the Spokane Tribe the total sum of $4,700. The Confederated Tribes of the Colville Reservation received a payment of $63,000.

(9) In 1994, following 43 years of litigation before the Indian Claims Commission, the United States Court of Federal Claims and the United States Court of Appeals for the Federal Circuit, Congress ratified an agreement between the Confederated Tribes of the Colville Reservation and the United States that provided for past damages and annual payments of $15,250,000 in perpetuity, adjusted annually, based on revenues for the sale of electric power and transmission of such power by the Bonneville Power Administration.

(10) In legal opinions issued throughout the years by the Department of the Interior Solicitor's Office a Task Force Study conducted from 1976 to 1980 ordered by the Senate Appropriations Committee, and in hearings before the Congress when the Confederated Tribes Act was enacted, it has repeatedly been recognized that the Spokane Tribe suffered similar damages and had a case legally comparable with that of the Confederated Tribes of the Colville Reservation with the sole exception that the 5-year statute of limitations provided in the Indian Claims Commission Act of 1946 prevented the Spokane Tribe from bringing its own action for fair and honorable dealings as provided in that Act.

(11) The failure of the Spokane Tribe to bring an action of its own before the Indian Claims Commission can be attributed to a combination of factors, including the failure of the Bureau of Indian Affairs to carry out its advisory responsibilities as required by the Indian Claims Commission Act (Act of August 13, 1946, ch. 959, 60 Stat. 1050) and an effort of the Commissioner of Indian Affairs to impose improper requirements on claims attorneys retained by Indian tribes which caused delays in retention of counsel and full investigation of the Spokane Tribe's potential claims.

(12) As a consequence of construction of the Grand Coulee Dam project, the Spokane Tribe has suffered the complete loss of the salmon fishery upon which it was dependent, the loss of identified hydropower sites it could have developed, the loss of hydropower revenues it would have received under the Federal Power Act had the project not been federalized, and it continues to lose hydropower revenues which the Federal Government recognized the Spokane Tribe was due at the time the project was constructed.

(13) Over 39 percent of the Indian-owned lands used for the Grand Coulee Dam project were Spokane Tribe lands.

SEC. 3. STATEMENT OF PURPOSE.

The purpose of this Act is to provide fair and equitable compensation to the Spokane Tribe on a basis that is proportionate to the compensation provided to the Confederated Tribes of the Colville Reservation for the damages and losses suffered as a consequence of construction and operation of the Grand Coulee Dam project.

SEC. 4. SETTLEMENT FUND ACCOUNT.

(a) Establishment of Account.—There is hereby established in the Treasury an interest bearing account to be known as the "Spokane Tribe of Indians Settlement Fund Account".

(b) Deposit of Amounts.—

(1) Initial deposit.—Upon enactment of this Act and appropriation of funds, the Secretary of the Treasury shall deposit into the Fund Account a sum equal to 39.4 percent of the sum paid to the Confederated Tribes of the Colville Reservation in a lump sum pursuant to section 5(a) of the Confederated Tribes Act, adjusted by the consumer price index from the date of that payment of the Confederated Tribes until the date of enactment of this Act, as payment and satisfaction of the Spokane Tribe's claim for use of its lands for generation of hydropower for the period from 1940 through November 2, 1994, the date of the enactment of the Confederated Tribes Act.

(2) Subsequent deposits.—Commencing on September 30 of the first fiscal year following enactment of this Act and on September 30 of each of the 5 fiscal years following such fiscal year, the Administrator of the Bonneville Power Administration shall pay into the Fund Account a sum equal to 20 percent of 39.4 percent of the sum authorized to be paid to the Confederated Tribes of the Colville Reservation pursuant to section 5(b) of the Confederated Tribes Act through the end of the fiscal year during which this Act is enacted, adjusted by the consumer price index to maintain the purchasing power the Spokane Tribe would have had if annual payments had been made to the Spokane Tribe on the date annual payments commenced and were subsequently made to the Confederated Tribes of the Colville Reservation pursuant to section 5(b) of the Confederated Tribes Act.

(e) Annual Payments.—On September 1 of the fiscal year following the enactment of this Act and of each fiscal year thereafter, payments shall be made by the Bonneville Power Administration, or any successor thereto, directly to the Spokane Tribe in an amount which is equal to 39.4 percent of the annual payment authorized to be paid to the Confederated Tribes of the Colville Reservation in the operative and each subsequent fiscal year pursuant to section 5(b) of the Confederated Tribes Act.

SEC. 5. USE AND TREATMENT OF SETTLEMENT FUNDS.

(a) TRANSFER OF FUNDS TO TRIBE.—The Secretary of the Treasury shall transfer all or any portion of the settlement funds described in section 4(a) to the Spokane Business Council not later than 60 days after such Secretary receives written notice of the adoption by the Spokane Business Council of a resolution requesting that such Secretary execute the transfer of such funds. Subsequent requests may be made and funds transferred if not all of the funds are requested at one time.

(b) USE OF INITIAL PAYMENT FUNDS.—

(1) GENERAL DISCRETIONARY FUNDS.—Twenty-five percent of the settlement funds described in section 4(a) and (b) shall be reserved by the Business Council and used for discretionary purposes of general benefit to all members of the Spokane Tribe.

(2) FUNDS FOR SPECIFIC PURPOSES.—Seventy-five percent of the settlement funds described in section 4(a) and (b) shall be used for the following:

(A) Resource development program.

(B) Credit program.

(C) Scholarship program.

(D) Reserve, investment, and economic development programs.

(c) USE OF ANNUAL PAYMENT FUNDS.—Annual payments made to the Spokane Tribe pursuant to section 4(c) may be used or invested by the Spokane Tribe in the same manner as other tribal governmental funds.

(d) APPROVAL OF SECRETARY NOT REQUIRED.—Notwithstanding any other provision of law, the approval of the Secretary of the Treasury or the Secretary of the Interior for any payment, distribution, or use of the principal, interest, or income generated by any settlement funds transferred or paid to the Spokane Tribe pursuant to this Act shall not be required and such Secretaries shall have no trust responsibility for the investment, supervision, administration, or expenditure of such funds once such funds are transferred to or paid directly to the Spokane Tribe.

(c) TREATMENT OF FUNDS FOR CERTAIN PURPOSES.—The payments or distributions of any portion of the principal, interest, and income generated by the settlement funds described in section 4 shall be treated in the same manner as payments or distributions from the Investment Fund described in section 6 of Public Law 99-346 (100 Stat. 677).

(f) TRIBAL AUDIT.—The settlement funds described in section 4, once transferred or paid to the Spokane Tribe, shall be considered Spokane Tribe governmental funds and, as other tribal governmental funds, be subject to an annual tribal governmental audit.

SEC. 6. REPAYMENT CREDIT.

Beginning in the fiscal year following enactment of this Act and continuing for so long as annual payments are made under this Act, the Administrator of the Bonneville Power Administration shall deduct from the interest payable to the Secretary of the Treasury from net proceeds as defined in section 13 of the Federal Columbia River Transmission System Act, a percentage of the payment made to the Spokane Tribe for the prior fiscal year. The actual percentage of such deduction shall be calculated and adjusted to ensure that the Bonneville Power Administration receives a deduction comparable to that which it receives for payments made to the Confederated Tribes of the Colville Reservation pursuant to the Confederated Tribes Act. Each deduction made under this section shall be credited to the interest payments otherwise payable by the Administrator to the Secretary of the Treasury during the fiscal year in which the deduction is made, and shall be allocated pro rata to all interest payments on debt associated with the generation function of the Federal Columbia River Power System that are due during that fiscal year; except that, if the deduction in any fiscal year is greater than the interest due on debt associated with the generation function for the fiscal year, then the amount of the deduction that exceeds the interest due on debt associated with the general function shall be allocated pro rata to all other interest payments due during that fiscal year. To the extent that the deduction exceeds the total amount of any such interest, the deduction shall be applied as a credit against any other payments that the Administrator makes to the Secretary of the Treasury.

SEC. 7. SATISFACTION OF CLAIMS.

Payment under section 4 shall constitute full payment and satisfaction of the Spokane Tribe's claim to a fair share of the annual hydropower revenues generated by the Grand Coulee Dam project from 1940 through the fiscal year prior to the fiscal year during which this Act is enacted and represents the Spokane Tribe's proportional entitlement of hydropower revenues based on the lump sum payment for damages from 1940 through 1994 and the annual payments by the Bonneville Power Administration to the Colville Tribes commencing in fiscal year 1995 through the fiscal year that this Act is enacted.

SEC. 8. DEFINITIONS.

For the purposes of this Act—

(1) the term "Confederated Tribes Act" means the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act (P.L. 103-436; 108 Stat. 4577);

(2) the term "Fund Account" means the Spokane Tribe of Indians Settlement Fund Account established under section 4(a); and

(3) the term "Spokane Tribe" means the Spokane Tribe of Indians of the Spokane Reservation.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. ROCKEFELLER (for himself, Mr. ROBB, Mr. SARBANES, Mr. KERRY, Mr. KENNEDY, and Mr. DASCHLE):

S. 1526. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities; to the Committee on Finance.

NEW MARKETS TAX CREDIT

Mr. ROCKEFELLER. Mr. President, I rise today to introduce a new tool, the "New Markets Tax Credit," to be used to expand economic development opportunities in low-income communities in West Virginia and across this country. I'm very pleased that my good friends, Senator ROBB, SARBANES, KENNEDY, and KERRY, are joining me in this effort.

Despite the unprecedented period of expansion of the U.S. economy, many urban and rural areas continue to be held back by stubborn problems such as high unemployment and underemployment, insufficient affordable housing, shortages of services such as day care and shopping centers, and perhaps most importantly, by a chronic shortage of the private investment capital needed to stimulate and support community development.

For example, in West Virginia, we have counties where the official unemployment rate is as high as 14%. Counties like Mingo, McDowell, Logan and Boone have seen devastating job losses in the past two decades. For these rural communities, the nation's current economic boom is a distant echo. It's not that these people do not want to work, or that the entrepreneurial spirit is lacking. A major factor is the lack of private sector equity investment for business growth.

I have been pursuing economic development opportunities for my state for over 30 years, and perhaps the largest problem I've encountered is the lack of venture capital. America's most depressed economic areas desperately need private investment. They get very little not only because they are unattractive, but also because of misperceptions and market failures. A lack of information, for instance, means that many companies may have an exaggerated idea of the risk of investing in deprived areas, and often have no idea of potential markets. Yes, it is true that private venture capital investment rose 24% in 1998, 76% of the total went to technology-based companies—primarily in California's Silicon Valley and New England's high-tech corridors. But only 5.7% of all venture capital in 1998 went to South Central, Southwest and Northwest regions combined. Obviously, this is a huge disparity that needs to be corrected.

The New Markets Tax Credit is designed to encourage $6 billion in private sector equity investment for business growth in low and moderate income rural and urban communities. It would do that by providing tax credits for investments of $1.2 billion annually. The investments would be made by banks, foundations, companies or individuals. These investors would acquire stock or other equity interests in selected community economic development entities whose primary mission is serving distressed communities. Urban and rural communities with high poverty and low median income would be targeted.

The tax credits would be issued by the U.S. Department of Treasury to the selected entities. These entities in turn would sell or syndicate the credit to investors. The tax credit ultimately delivered to the investor would be in the amount of 6 percent annually of the amount of the investment, for an approximate aggregate value to the investor of 25 percent of the "present value" of the original investment over the 7 years. A "qualified investment" by an investor would be a cash purchase of stock or other equity in a selected entity, which must be held for at least 7 years. Substantially all of the investment would be required to be used by the community economic development entity to make "qualified low-income community investments," which would be equity investments in, or loans to, qualified active businesses in the low-income communities.

The goal of this tax credit will be to encourage private investors who may have never considered investing in high-risk areas to do so. By investing in the community through local businesses private investors can explore new markets and improve the quality of life for the people in the area. Community development organizations may use the funds from private investors to develop micro-enterprise, manufacturing businesses, commercial facilities, communities facilities, like child care facilities and senior centers and co-operatives. It has the potential to encourage $6 billion in venture capital to these high-risk areas. And because community development vehicles may not redeem the equity interest for at least seven years, capital stays in the community. The New Markets Tax Credit will create new relationships between investors, community development vehicles, and small businesses, which will foster continued support and lasting investment.

Mr. President, I believe that the New Markets Tax Credit may be one of the most promising and viable new idea for genuine economic development in distressed urban and rural communities in recent years. President Clinton has highlighted this proposal as part of his FY2000 budget, and just last month took the case to people across the country, those parts of our country which have been too long ignored can experience real benefit from this type of initiative. Communities, businesses, and investors are responding enthusiastically.

Hope that is backed up by a strong program of economic investment is needed in West Virginia and urban and rural communities throughout America. We have all heard the talk in the recent weeks as proponents of massive new tax breaks argue that we should send even more money back to those who have benefited the most from our historic economic expansion. I believe it would be irresponsible for us to create ways to provide additional tax relief to those in our society who need the least assistance before we make a concerted effort to revitalize the parts of our country, and to help the people of our country, who have been noticeably left out of the prosperity that went elsewhere. If we're going to do more for those who need it least, let us also commit to do what we can to propel those most in need of a helping hand into the future with real hope of economic success. The New Markets Tax Credit is one solid way to do just that.

I urge my colleagues to examine this proposal carefully and give it their full support. I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following new section:

"SEC. 45D. NEW MARKETS TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the new markets tax credit determined under this section for such taxable year is an amount equal to 6 percent of the amount paid to the qualified community development entity for such investment at its original issue.

"(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means, with respect to any qualified equity investment—

"(A) the date on which such investment is initially made, and

"(B) each of the 6 anniversary dates of such date thereafter.

"(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a qualified community development entity if—

"(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

"(B) substantially all of the proceeds from such investment is used by the qualified community development entity to make qualified low-income community investments, and

"(C) such investment is designated for purposes of this section by the qualified community development entity.

Such term shall not include any equity investment issued by a qualified community development entity more than 7 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 7-year period may be reallocated by the Secretary under subsection (f).

"(2) LIMITATION.—The maximum amount of equity investments issued by a qualified community development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

"(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the qualified community development entity are invested in qualified low-income community investments.

"(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified equity investment' includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

"(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

"(6) EQUITY INVESTMENT.—The term 'equity investment' means—

"(A) any stock in a qualified community development entity which is a corporation, and

"(B) any capital interest in a qualified community development entity which is a partnership.

"(c) QUALIFIED COMMUNITY DEVELOPMENT ENTITY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified community development entity' means any domestic corporation or partnership if—

"(A) the primary mission of the entity is serving, or providing investment capital for, low-income communities or low-income persons,

"(B) the entity maintains accountability to residents of low-income communities through representation on governing or advisory boards or otherwise, and

"(C) the entity is certified by the Secretary for purposes of this section as being a qualified community development entity.

"(2) SPECIAL RULES FOR CERTAIN ORGANIZATIONS.—The requirements of paragraph (1) shall be treated as met by—

"(A) any specialized small business investment company (as defined in section 1044(c)(3)), and

"(B) any community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)).

"(d) QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified low-income community investment' means—

"(A) any equity investment in, or loan to, any qualified active low-income community business,

"(B) the purchase from another community development entity of any loan made by such entity which is a qualified low-income community investment if the amount received by such other entity from such purchase is used by such other entity to make qualified low-income community investments,

"(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income communities, and

"(D) any equity investment in, or loan to, any qualified community development entity if substantially all of the investment or loan is used by such entity to make qualified low-income community investments described in subparagraphs (A), (B), and (C).

"(2) QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified active low-income community business' means, with respect to any taxable year, any corporation or partnership if for such year—

"(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income community,

"(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income community,

"(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income community.

"(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

"(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397B(e)).

"(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

"(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—The term 'qualified active low-income community business' includes any trades or businesses which would qualify as a qualified active low-income community business if such trades or businesses were separately incorporated.

"(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term 'qualified business' has the meaning given to such term by section 1397B(d); except that—

"(A) in lieu of applying paragraph (2)(B) thereof, the rental to others of real property located in any low-income community shall be treated as a qualified business if there are substantial improvements located on such property,

"(B) paragraph (3) thereof shall not apply, and

"(C) such term shall not include any business if a significant portion of the equity interests in such business are held by any person who holds a significant portion of the equity investments in the community development entity.

"(e) LOW-INCOME COMMUNITY.—For purposes of this section—

"(1) IN GENERAL.—The term 'low-income community' means any population census tract if—

"(A) the poverty rate for such tract is at least 20 percent, or

"(B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

"(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income.

"(2) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.

"(3) TARGETED POPULATION.—The Secretary may prescribe regulations under which 1 or more targeted populations (within the meaning of section 3(20) of the Riegle Community Development and Regulatory Improvement Act of 1974 (12 U.S.C. 4702(20))) may be treated as low-income communities. Such regulations shall include procedures for identifying the area covered by any such community for purposes of determining entities which are qualified active low-income community businesses with respect to such community.

"(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

"(1) IN GENERAL.—There is a new markets tax credit limitation of $1,200,000,000 for each of calendar years 2000 through 2004.

"(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated by the Secretary among qualified community development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to entities with records of having successfully provided capital or technical assistance to disadvantaged businesses or communities.

"(3) CARRYOVER OF UNUSED LIMITATION.—If the new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

"(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

"(1) IN GENERAL.—If, at any time during the 7-year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

"(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

"(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

"(B) interest at the overpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

"(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a qualified community development entity if—

"(A) such entity ceases to be a qualified community development entity,

"(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

"(C) such investment is redeemed by such entity.

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

"(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced by the amount of any credit determined under this section with respect to such investment.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

"(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal benefits (including the credit under section 42 and the exclusion from gross income under section 103),

"(2) which prevent the abuse of the provisions of this section through the use of related parties,

"(3) which impose appropriate reporting requirements

"(4) which apply the provisions of this section to newly formed entities."

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38 of the Internal Revenue Code of 1986 is amended by striking "plus" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting ", plus", and by adding at the end the following new paragraph:

"(14) the new markets tax credit determined under section 45D(a)."

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 of such Code is amended by adding at the end the following new paragraph:

"(10) NO CARRYBACK OF NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2000.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45D may be carried back to a taxable year ending before January 1, 2000."

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 of the Internal Revenue Code of 1986 is amended by striking "and" at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting ", and", and by adding at the end the following new paragraph:

"(9) the new markets tax credit determined under section 45D(a)."

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 45D. New markets tax credit."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 1999.

Mr. ROBB. Mr. President, I am pleased to join my colleague, Senator ROCKEFELLER, in introducing the New Markets Tax Credit Act, innovative legislation that will benefit both rural and urban America.

As its name suggests, the New Markets bill is designed to create new markets within our nation for investment, for job growth, and for renewal. While most of the nation experiences record economic growth, there are some places that have been left behind. Too many communities in both rural and urban America haven't been able to share the wealth, and without willing investors, that wealth may never come. Capitalism cannot flourish where there is no capital. This legislation we're introducing today addresses the need for investment in all our communities, and I believe the tax credits contained in this bill provide a way for America to lift as it climbs.

Under this bill, tax credits would be allocated to Community Development Entities located within the neighborhoods and rural areas where help is needed. Those who invest in these Community Development organizations would receive tax benefits, and the funds they invested would be used by the organizations to invest in local businesses, provide start-up capital, or make low interest loans. The investment decisions would be made at the local level by those who best know the community, would attract private enterprise to create economic growth, and would use federal tax credits to achieve these objectives. This local, federal, and private sector partnership holds the key to improving communities across this nation.

The New Markets Initiative can use both the business incubator and community action models that have proven so successful in many communities. An example of such success can be found at People, Incorporated in Southwest Virginia, a community action agency that promotes economic growth by leveraging funds and lending expertise to new or expanding businesses.

This legislation, along with the Enterprise Zone bill I recently introduced, gives lcoal communities the tools they need to spur economic growth where they live. Attracting investments to the neediest communities will pay dividends, not just in economic terms, but in quality of life terms as well. Prospering communities can provide quality education, improved transportation and better police protection. And improving communities can provide a draw for those who would otherwise be tempted to move out to the suburbs, thereby reducing the pressures that have created suburban sprawl and increasing commutes and diminishing open spaces.

Mr. President, I hope we can move this legislation quickly.

By Mr. REED:

S. 1527. A bill to amend section 258 of the Communications Act of 1934 to enhance the protections against unauthorized changes in subscriber selections of telephones service providers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE ANTI-SLAMMING ACT OF 1999

Mr. REED. Mr. President, I rise today to make a few comments concerning legislation which I am introducing to deal with the problem of slamming.

Telephone "slamming" is the illegal practice of switching a consumer's long distance service without the individual's consent. This problem has increased dramatically over the last several years, as competition between long distance carriers has risen, and slamming is the top consumer complaint lodged at the Federal Communications Commission (FCC), with 11,278 reported complaints in 1995, and 16,500 in 1996. In both 1997 and 1998, more than 20,000 complaints were filed. It is very clear that this problem is on the rise, and unfortunately, this represents only the tip of the iceberg because most consumers never report violations to the FCC. One regional Bell company estimates that 1 in every 20 switches is fraudulent. Media reports indicate that as many as 1 million illegal transfers occur annually. Thus, slamming threatens to rob consumers of the benefit of a competitive market, which is now composed of over 500 companies which generate $72.5 billion in revenues. As a result of slamming, consumers face not only higher phone bills, but also the significant expenditure of time and energy in attempting to identify and reverse the fraud. The results of slamming are clear: higher phone bills and immense consumer frustration.

Mr. President, we are all aware of the stiff competition which occurs for customers in the long distance telephone service industry. The goal of deregulating the telecommunications industry was to allow consumers to easily avail themselves of lower prices and better service. Hopefully, this option will soon be presented to consumers for in-state calls and local phone service. Indeed, better service at lower cost is a main objective of those who seek to deregulate the utility industry. Unfortunately, fraud threatens to rob many consumers of the benefits of a competitive industry.

Telemarketing is one of the least expensive and most effective forms of marketing, and it has exponentially expanded in recent years. By statute, the Federal Trade Commission (FTC) regulates most telemarketing, prohibiting deceptive or abusive sales calls, requiring that homes not be called at certain times, and that companies honor a consumer's request not to be called again. The law mandates that records concerning sales be maintained for two years. While the FTC is charged with primary enforcement, the law allows consumers, or state Attorneys General on their behalf, to bring legal action against violators. Yet, phone companies are exempt from these regulations, since they are subject to FCC regulation.

While the FCC has brought action against twenty-two of the industry's largest and smallest firms for slamming violations with penalties totaling over $1.8 million, this represents a minute fraction of the violations. FCC prosecution does not effectively address or deter this serious fraud. State officials have become more aggressive in pursuing violators. The California Public Utility Commission fined a company $2 million in 1997 after 56,000 complaints were filed against it. Arizona, Arkansas, Idaho, Illinois, Kansas, Minnesota, Mississippi, Missouri, New Jersey, Ohio, Vermont, and Wisconsin have all pursued litigation against slammers. Public officials of twenty-five states asked the FCC to adopt tougher rules against slammers.

As directed by the Telecommunications Act of 1996, the FCC has moved to close several loopholes which have allowed slamming to continue unabated. Most important, the FCC has proposed to eliminate the financial incentive which encourages many companies to slam by mandating that customers who are slammed do not have to pay fees to slammers for the first thirty days after the switch occurred. At present, a slammer can retain the profits generated from an illegal switch. Additionally, the FCC has proposed regulations which would require that a carrier confirm all switches generated by telemarketing through either (1) a letter of agency, known as a LOA, from the consumer; (2) a recording of the consumer verifying his or her choice on a toll-free line provided by the carrier; or (3) a record of verification by an appropriately qualified and independent third party. The regulations, which were recently finalized by the FCC, unfortunately have been blocked by court order until long distance carriers have time to analyze the implications of the rules. If and when these rules are finalized, I still believe that these remedies will be wholly inadequate to address the ever-increasing problem of slamming. The problem is that slammed consumers would still be left without conclusive proof that their consent was properly obtained and verified.

My legislation encompasses a three-part approach to stop slamming by strengthening the procedures used to verify consent obtained by marketers; increasing enforcement procedures by allowing citizens or their representatives to pursue slammers in court with the evidence necessary to win; and encouraging all stakeholders to use emerging technology to prevent fraud.

Mr. President, let me also thank the National Association of Attorneys General, the National Association of Regulatory Utility Commissioners which through both their national offices and individual members provided extensive recommendations to improve this bill. Additionally, I have found extremely helpful the input of several groups which advocate on behalf of consumers. I was particularly pleased to work with the Consumer Federation of America to address concerns which its members expressed.

Mr. President, let me take a few minutes to outline the specific provisions of my bill. My legislation requires that a consumer's consent to change service is verified so that discrepancies can be adjudicated quickly and efficiently. Like the 1996 Act, my bill requires a legal switch to include verification. However, my legislation enumerates the necessary elements of a valid verification. First, the bill requires verification to be maintained by the provider, either in the form of a letter from the consumer or by recording verification of the consumer's consent via the phone. The length that the verification must be maintained is to be determined by the FCC. Second, the bill stipulates the form that verification must take. Written verification remains the same as current regulations. Oral verification must include the voice of the subscriber affirmatively demonstrating that she wants her long distance provider to be changed; is authorized to make the change; and is currently verifying an imminent switch. The bill mandates oral verification to be conducted in a separate call from that of the telemarketer, by an independent, disinterested party. This verifying call must promptly disclose the nature and purpose of the call. Third, after a change has been executed, the new service provider must send a letter to the consumer, within five business days of the change in service, informing the consumer that the change, which he requested and verified, has been effected. Fourth, the bill mandates that a copy of verification be provided to the consumer upon request. Finally, the bill requires the FCC to finalize rules implementing these mandates within nine months of enactment of the bill.

These procedures should help ensure that consumers can efficiently avail themselves of the phone service they seek, without being exposed to random and undetectable fraudulent switches. If an individual is switched without his or her consent, the mandate of recorded, maintained verification will provide the consumer with the proof necessary to prove that the switch was illegal.

The second main provision of my legislation would provide consumers, or their public representatives, a legal right to pursue violators in court. Following the model of Senator HOLLINGS' 1991 Telephone Consumer Protection Act, my bill provides aggrieved consumers with a private right of action in any state court which allows, under specific slamming laws or more general consumer protection statutes such an action. The 1991 Act has been adjudicated to withstand constitutional challenges on both equal protection and tenth amendment claims. Thus, the bill has the benefit of specifying one forum in which to resolve illegal switches of all types of service: long distance, in-state, and local service.

Realizing that many individuals will not have the time, resources, or inclination to pursue a civil action, my bill also allows state Attorneys Generals, or other officials authorized by state law, to bring an action on behalf of citizens. Like the private right of action in suits brought by public officials damages are statutorily set at $1,000 or actual damages, whichever is greater. Treble damages are awarded in cases of knowing or willful violations. In addition to monetary awards, states are entitled to seek relief in the form of writs of mandamus, injunction, or similar relief. To ensure a proper role for the FCC, state actions must be brought in a federal district court where the victim or defendant resides. Additionally, state actions must be certified with the Commission, which maintains a right to intervening in an action. The bill makes express the fact that it has no impact on state authority to investigate consumer fraud or bring legal action under any state law.

Finally, Mr. President, my legislation recognizes that neither legislators nor regulators can solve tomorrow's problems with today's technology. Therefore, my bill mandates that the FCC provide Congress with a report on other, less burdensome but more secure means of obtaining and recording consumer consent. Such methods might include utilization of Internet technology or issuing PIN numbers or customer codes to be used before carrier changes are authorized. The bill requires that the FCC report to Congress on such methodology not later than 180 days after enactment of this bill.

Mr. President, I appreciate the opportunity to discuss my initiative to stop slamming. Last year we came close to passing significant anti-slamming legislation. I hope that this issue can be addressed quickly this Congress. As a result, I would urge all my colleagues to cosponsor this legislation.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1527

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) As the telecommunications industry has moved toward competition in the provision of long distance telephone services, consumers have increasingly elected to change the carriers that provide their long distance telephone services. As many as 50,000,000 consumers now change long distance telephone service providers each year.

(2) The fluid nature of the market for long distance telephone services has also allowed an increasing number of unauthorized changes of telephone service providers to occur. Such changes have been called "slamming", a term which denotes any practice in which a consumer's long distance telephone service provider is changed without the consumer's knowledge or consent.

(3) Slamming accounts for the largest number of consumer complaints received by the Common Carrier Bureau of the Federal Communications Commission. As many as 1,000,000 consumers are subject to the unauthorized change of telephone service providers each year.

(4) The increased costs which consumers face as a result of the unauthorized change of telephone service providers threaten to deprive consumers of the financial benefits created by a competitive marketplace in telephone services.

(5) The burdens placed upon consumers by unauthorized changes of telephone service providers will expand exponentially as competition enters into the markets for intraLATA and local telephone services.

(6) The Telecommunications Act of 1996 sought to combat unauthorized changes of telephone service providers by requiring that a provider who changes a subscriber without authorization pay the previously selected carrier an amount equal to all charges paid by the subscriber after the change. The Federal Communications Commission has proposed regulations to implement this requirement. Implementing these regulations will eliminate many of the financial incentives to execute unauthorized changes of telephone service providers. However, under current and proposed regulations consumers have, and will continue to face, difficulty in securing proof of unauthorized changes. Thus, enforcement of the regulations will be impeded by a lack of tangible proof of consumer consent to the change of telephone service providers.

(7) The interests of consumers require that telephone service providers maintain evidence of their verification of consumer consent to changes in telephone service providers. This evidence should take the form of a consumer's written consent or a recording of a consumer's oral consent obtained by the telephone service provider or a third party.

(8) Both Congress and the Federal Communications Commission should continue to examine electronic means by which consumers could most readily change telephone service providers while ensuring that such changes would result only from consumer action evidencing express consent to such changes.

(9) By providing consumers with a private right of action in State court, if State law permits, against those who have executed unauthorized changes of telephone service providers, Congress insures in a constitutional manner that neither Federal nor State courts will be overburdened with litigation, while also providing the proper forum for such actions given that competition will soon come to all segments of the telephone service market.

(10) The majority of consumers who have been subject to the unauthorized change of telephone service do not seek redress through the Federal Communications Commission. In light of the general responsibilities of the States for consumer protection, as well as the prosecutions against unauthorized changes already undertaken by the States, it is essential that the States be allowed to pursue actions on behalf of their citizens, while also preserving the proper role of the Federal Communications Commission in regulating the telecommunications industry.

(b) PURPOSES.—The purposes of this Act are—

(1) to protect consumers from unauthorized changes of telephone service providers;

(2) to allow the efficient prosecution of legal actions against telephone service providers who defraud consumers by transferring telephone service providers without consumer consent; and

(3) to facilitate the ready selection of telephone service providers by consumers.

SEC. 2. ENHANCEMENT OF PROTECTIONS AGAINST UNAUTHORIZED CHANGES IN SUBSCRIBER SELECTIONS OF TELEPHONE SERVICE PROVIDERS.

(a) VERIFICATION OF AUTHORIZATION.—

(1) IN GENERAL.—Subsection (a) of section 258 of the Communications Act of 1934 (47 U.S.C. 258) is amended—

(A) by striking "(a) PROHIBITION.—No telecommunications" and inserting the following:

"(a) PROHIBITION.—

"(1) IN GENERAL.—No telecommunications";

(B) in paragraph (1), as so designated, by inserting after the first sentence the following: "Such procedures shall require the verification of a subscriber's selection of a provider in written or oral form (including a signature or voice recording) and shall require the retention of such verification in such manner and form and for such time as the Commission considers appropriate."; and

(C) by adding at the end the following:

"(2) VERIFICATION.—

"(A) IN GENERAL.—For purposes of paragraph (1), the verification of a subscriber's selection of a telephone exchange service or telephone toll service provider shall take the form of a written or oral communication (in the same language as the solicitation of the selection) in which the subscriber—

"(i) acknowledges the type of service to be changed as a result of the selection;

"(ii) affirms the subscriber's intent to select the provider as the provider of that service;

"(iii) affirms that the subscriber is authorized to select the provider of that service for the telephone number in question;

"(iv) acknowledges that the selection of the provider will result in a change in providers of that service;

"(v) acknowledges that only one provider may provide that service for that telephone number; and

"(vi) provides such other information as the Commission considers appropriate for the protection of the subscriber.

"(B) REQUIREMENTS FOR ORAL VERIFICATIONS.—An oral verification of a change in telephone service providers under this paragraph—

"(i) may not be made in the same communication in which the change is solicited;

"(ii) may be made only to a qualified and independent agent (as determined in accordance with regulations prescribed by the Commission) of the provider concerned; and

"(iii) shall include a prompt and clear disclosure by the agent that the purpose of the telephone call is to verify that the subscriber has consented to the change.

"(C) CONFIRMATION OF CHANGE.—A provider submitting or executing a change in telephone service providers shall notify the subscriber concerned by mail of the change not later than 5 business days after the date on which the change is executed. The confirmation shall be provided in the language in which the change was solicited.

"(D) AVAILABILITY OF VERIFICATIONS.—A provider shall make available to a subscriber a copy of a verification under this paragraph upon the request of the subscriber or an authorized representative of the subscriber.".

(2) REGULATIONS.—The Federal Communications Commission shall complete the adoption of the regulations required under section 258(a) of the Communications Act of 1934 by reason of the amendments made by paragraph (1) not later than 270 days after the date of enactment of this Act.

(b) ADDITIONAL REMEDIES.—Such section is further amended by adding at the end the following:

"(c) PRIVATE RIGHT OF ACTION.—

"(1) PRIVATE RIGHT.—A person or entity may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State—

"(A) an action based on a violation of subsection (a) or the regulations prescribed under such subsection to enjoin such violation;

"(B) an action to recover for actual monetary loss from such a violation or to receive $1,000 in damages for each such violation, whichever is greater; or

"(C) both such actions.

"(2) TREBLE DAMAGES.—If the court finds that the defendant willfully or knowingly violated subsection (a) or the regulations prescribed under such subsection, the court may, in its discretion, increase the amount of the award to an amount equal to not more than 3 times the amount available under paragraph (1)(B).

"(3) COSTS OF LITIGATION.—The court, in issuing any final order in an action brought pursuant to this subsection may award costs of litigation (including reasonable attorney and expert witness fees) to the prevailing plaintiff whenever the court determines that such award is appropriate.

"(d) ACTIONS BY STATES.—

"(1) AUTHORITY OF STATES.—

"(A) IN GENERAL.—Whenever the attorney general of a State, or an official or agency designated by a State, has reason to believe that any person has engaged or is engaging in an activity or practice of activities with respect to residents of that State in violation of subsection (a) or the regulations prescribed under such subsection, the State may bring a civil action on behalf of its residents to enjoin such activities, an action to recover for the greater of actual monetary loss or $1,000 in damages for each violation, or both such actions.

"(B) TREBLE DAMAGES.—If the court finds the defendant willfully or knowingly violated such subsection or regulations, the court may, in its discretion, increase the amount of the award to an amount equal to not more than 3 times the amount available under the subparagraph (A).

"(2) EXCLUSIVE JURISDICTION OF FEDERAL COURTS.—

"(A) IN GENERAL.—The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this subsection.

"(B) ADDITIONAL RELIEF.—Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of subsection (a) or regulations prescribed under such subsection, including the requirement that the defendant take such action as is necessary to remove the danger of such violation. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

"(3) RIGHTS OF COMMISSION.—

"(A) NOTICE.—The State shall serve prior written notice of any such civil action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

"(B) RIGHTS.—The Commission shall have the right—

"(i) to intervene in any action covered by subparagraph (A);

"(ii) upon so intervening, to be heard on all matters arising therein; and

"(iii) to file petitions for appeal.

"(4) VENUE; SERVICE OF PROCESS.—Any civil action brought under this subsection in a district court of the United States may be brought in the district wherein the defendant or victim is found, wherein the defendant is an inhabitant or transacts business, or wherein the violation occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or where the defendant may be found.

"(5) INVESTIGATORY POWERS.—For purposes of bringing a civil action under this subsection, nothing in this subsection shall prevent the attorney general of a State, or an official or agency designated by a State, from exercising the powers conferred on the attorney general or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(6) EFFECT ON STATE COURT PROCEEDINGS.—Nothing in this subsection shall be construed to prohibit any official authorized by State law from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

"(7) LIMITATION.—Whenever the Commission has instituted a civil action for violation of subsection (a) or there regulations prescribed under such subsection, no State may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for any violation as alleged in the Commission's complaint.

"(8) DEFINITION.—In this subsection, the term 'attorney general' means the chief legal officer of a State.".

SEC. 3. REPORT ON ELECTRONIC MEANS FOR VERIFYING SUBSCRIBER AUTHORIZATIONS OF SELECTIONS OF TELEPHONE SERVICE PROVIDERS.

Not later than 180 days after the date of enactment of this Act, the Federal Communications Commission shall submit to Congress a report on the technological feasibility and practicability of permitting subscribers to authorize changes in telephone service providers by electronic means (including authorization by electronic mail or by use of personal identification numbers or other security mechanisms) without thereby increasing the likelihood of unauthorized changes in such providers.

By Mr. LOTT (for himself, Mr. DASCHLE, Mr. CHAFEE, Mrs. LINCOLN, Mr. WARNER, and Mr. BAUCUS):

S. 1528. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions; to the Committee on Environment and Public Works.

SUPERFUND RECYCLING ACT OF 1999

Mr. LOTT. Mr. President, today I am pleased to join my distinguished colleagues, Senate Minority Leader DASCHLE, and Senators WARNER, CHAFEE, BAUCUS, and LINCOLN, in introducing the Superfund Recycling Equity Act of 1999.

This legislation, similar to that which the distinguished minority leader and I introduced in the previous Congress, removes an unintended consequence of the Superfund statute that has inhibited the growth of recycling in our nation. I am certain that when the Congress passed the Comprehensive Emergency Response, Liability and Compensation Act (CERCLA), members of both bodies did not want, and did not suggest, that traditional recyclable materials—paper, glass, plastic, metals, textiles, and rubber—should be any more subject to Superfund liability than a competitive product made of virgin material. However, that is how the courts have interpreted Superfund.

Consequently, CERCLA has created a competitive disadvantage between virgin materials used as manufacturing feedstocks and recyclable materials used for precisely the same purpose. The courts have concluded that recyclables are materials that have been disposed of and are therefore subject to Superfund liability. Even most American schoolchildren know, recycling is good for the nation—that recycling is the exact opposite of disposal. Recycling serves important national goals by keeping materials from entering the waste stream. Through recycling we reclaim useful products and materials. We use recyclables as manufacturing feedstocks just as we do virgin raw materials, but using recyclables also helps to preserve the earth's scarce resources, reduces society's energy demand, lowers water and air pollution and reduces solid waste.

Mr. President, our bill corrects this unintended consequence of Superfund. It recognizes that recycling is not disposal. That recyclers are not subject to Superfund's liability scheme should the owners of mills, foundries or refineries, to which recyclers ship their material, contaminate their facilities.

Let me highlight an example of the unintended consequence that will continue to exist without this needed clarification. A recycler sends scrap metal as feedstock to be manufactured into a new product at a mill. The same mill also uses virgin metals to make the identical product. If the mill contaminates its facility with a hazardous substance, only the recyclable becomes subject to Superfund liability. Because recyclables are considered solid wastes, the recycler's actions are considered arranging for disposal, thus creating liability. However, the shipper of the virgin material is not liable under Superfund since it shipped a product and did not "arrange for disposal."

The Superfund Recycling Equity Act of 1999 is essential to correct Superfund's unintended bias against recycling. It will provide the same relief from Superfund liability for legitimate recyclers as that enjoyed by those who sell virgin materials. It will also ensure that, sham recyclers will not benefit from the provisions of this bill. The Superfund Recycling Equity Act contains conditions that can only be met by legitimate recyclers of paper, glass, plastic, metals, textiles and rubber. And, to be free of liability, recyclers must act in an environmentally sound manner and sell their product to manufacturers with environmentally responsible business practices.

It is also important to note what this bill will not do. It will not relieve from liability any recycler who has contaminated his own facility. Nor will it assist recyclers who have disposed of waste at landfills or other places at which waste was the cause of a release of hazardous substances to a site that is addressed by the Superfund program.

Mr. President, the Senate Minority Leader and I previously stated our intention that, should a more comprehensive Superfund bill fail to move toward conclusion in the Senate, we would work in a bipartisan fashion, toward the goal of Superfund relief for legitimate recyclers in the 1999 session of this Congress. Members of the Environment and Public Works, led by Chairman CHAFEE, Subcommittee Chairman SMITH, and Ranking Minority Member BAUCUS, have worked extraordinarily hard to try to bring a common sense Superfund bill to the Senate floor that addresses a series of issues, including relief for recyclers. Unfortunately, once again, differences appear to have stymied that effort. I congratulate my colleagues for their efforts to address this issue. However, realizing the chances of passing a more comprehensive Superfund reform bill are now somewhat remote, it is time to address the Superfund recycling issue.

The language offered today is similar to the bipartisan measure we introduced last year. In the last Congress, the Minority Leader and I were joined by 63 of our colleagues across party and ideological lines in support of the Superfund Recycling Equity Act (S. 2180). It is now time to complete our work and provide relief—relief for recyclers that is long overdue.

There is one remaining issue regarding polychlorinated biphenyls (PCBs) in recycled paper which has been the subject of negotiations between various parties and the Administration. It is my understanding that these parties are negotiating in good faith, and that many, but not all issues, have been resolved. I have said in the past, I would be willing to modify the Superfund recycling language if the original negotiating partners agreed to a proposed language change. That remains my position. Should there be an agreement among the original negotiators on the paper PCB issue subsequent to today's introduction, I will at the earliest appropriate moment make the agreed upon change.

Mr. President, Americans have properly embraced the benefits of recycling. Americans know that increased recycling means more efficient use of natural resources and a meaningful reduction in solid waste. By removing the threat of Superfund liability for recyclers, Congress will stimulate more recycling. I urge all of my colleagues to cosponsor this pro-environment bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Superfund Recycling Equity Act of 1999".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to promote the reuse and recycling of scrap material in furtherance of the goals of waste minimization and natural resource conservation while protecting human health and the environment;

(2) to create greater equity in the statutory treatment of recycled versus virgin materials; and

(3) to remove the disincentives and impediments to recycling created as an unintended consequence of the 1980 Superfund liability provisions.

SEC. 3. CLARIFICATION OF LIABILITY UNDER CERCLA FOR RECYCLING TRANSACTIONS.

(a) CLARIFICATION.—Title I of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by adding at the end the following new section:

"SEC. 127. RECYCLING TRANSACTIONS.

"(a) LIABILITY CLARIFICATION.—As provided in subsections (b), (c), (d), and (e), a person who arranged for recycling of recyclable material shall not be liable under section 107(a)(3) or 107(a)(4) with respect to the material.

"(b) RECYCLABLE MATERIAL DEFINED.—For purposes of this section, the term 'recyclable material' means scrap paper, scrap plastic, scrap glass, scrap textiles, scrap rubber (other than whole tires), scrap metal, or spent lead-acid, spent nickel-cadmium, and other spent batteries, as well as minor amounts of material incident to or adhering to the scrap material as a result of its normal and customary use prior to becoming scrap; except that such term shall not include shipping containers of a capacity from 30 liters to 3,000 liters, whether intact or not, having any hazardous substance (but not metal bits and pieces or hazardous substance that form an integral part of the container) contained in or adhering thereto.

"(c) TRANSACTIONS INVOLVING SCRAP PAPER, PLASTIC, GLASS, TEXTILES, OR RUBBER.—Transactions involving scrap paper, scrap plastic, scrap glass, scrap textiles, or scrap rubber (other than whole tires) shall be deemed to be arranging for recycling if the person who arranged for the transaction (by selling recyclable material or otherwise arranging for the recycling of recyclable material) can demonstrate by a preponderance of the evidence that all of the following criteria were met at the time of the transaction:

"(1) The recyclable material met a commercial specification grade.

"(2) A market existed for the recyclable material.

"(3) A substantial portion of the recyclable material was made available for use as feedstock for the manufacture of a new saleable product.

"(4) The recyclable material could have been a replacement or substitute for a virgin raw material, or the product to be made from the recyclable material could have been a replacement or substitute for a product made, in whole or in part, from a virgin raw material.

"(5) For transactions occurring 90 days or more after the date of enactment of this section, the person exercised reasonable care to determine that the facility where the recyclable material was handled, processed, reclaimed, or otherwise managed by another person (hereinafter in this section referred to as a 'consuming facility') was in compliance with substantive (not procedural or administrative) provisions of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, storage, or other management activities associated with recyclable material.

"(6) For purposes of this subsection, 'reasonable care' shall be determined using criteria that include (but are not limited to)—

"(A) the price paid in the recycling transaction;

"(B) the ability of the person to detect the nature of the consuming facility's operations concerning its handling, processing, reclamation, or other management activities associated with recyclable material; and

"(C) the result of inquiries made to the appropriate Federal, State, or local environmental agency (or agencies) regarding the consuming facility's past and current compliance with substantive (not procedural or administrative) provisions of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, storage, or other management activities associated with the recyclable material. For the purposes of this paragraph, a requirement to obtain a permit applicable to the handling, processing, reclamation, or other management activity associated with the recyclable materials shall be deemed to be a substantive provision.

"(d) Transactions Involving Scrap Metal.—

"(1) Transactions involving scrap metal shall be deemed to be arranging for recycling if the person who arranged for the transaction (by selling recyclable material or otherwise arranging for the recycling of recyclable material) can demonstrate by a preponderance of the evidence that at the time of the transaction—

"(A) the person met the criteria set forth in subsection (c) with respect to the scrap metal;

"(B) the person was in compliance with any applicable regulations or standards regarding the storage, transport, management, or other activities associated with the recycling of scrap metal that the Administrator promulgates under the Solid Waste Disposal Act subsequent to the enactment of this section and with regard to transactions occurring after the effective date of such regulations or standards; and

"(C) the person did not melt the scrap metal prior to the transaction.

"(2) For purposes of paragraph (1)(C), melting of scrap metal does not include the thermal separation of 2 or more materials due to differences in their melting points (referred to as 'sweating').

"(3) For purposes of this subsection, the term 'scrap metal' means bits and pieces of metal parts (e.g., bars, turnings, rods, sheets, wire) or metal pieces that may be combined together with bolts or soldering (e.g., radiators, scrap automobiles, railroad box cars), which when worn or superfluous can be recycled, except for scrap metals that the Administrator excludes from this definition by regulation.

"(e) Transactions Involving Batteries.—Transactions involving spent lead-acid batteries, spent nickel-cadmium batteries, or other spent batteries shall be deemed to be arranging for recycling if the person who arranged for the transaction (by selling recyclable material or otherwise arranging for the recycling of recyclable material) can demonstrate by a preponderance of the evidence that at the time of the transaction—

"(1) the person met the criteria set forth in subsection (c) with respect to the spent lead-acid batteries, spent nickel-cadmium batteries, or other spent batteries, but the person did not recover the valuable components of such batteries; and

"(2)(A) with respect to transactions involving lead-acid batteries, the person was in compliance with applicable Federal environmental regulations or standards, and any amendments thereto, regarding the storage, transport, management, or other activities associated with the recycling of spent lead-acid batteries;

"(B) with respect to transactions involving nickel-cadmium batteries, Federal environmental regulations or standards are in effect regarding the storage, transport, management, or other activities associated with the recycling of spent nickel-cadmium batteries, and the person was in compliance with applicable regulations or standards or any amendments thereto; or

"(C) with respect to transactions involving other spent batteries, Federal environmental regulations or standards are in effect regarding the storage, transport, management, or other activities associated with the recycling of such batteries, and the person was in compliance with applicable regulations or standards or any amendments thereto.

"(f) Exclusions.—

"(1) The exemptions set forth in subsections (c), (d), and (e) shall not apply if—

"(A) the person had an objectively reasonable basis to believe at the time of the recycling transaction—

"(i) that the recyclable material would not be recycled;

"(ii) that the recyclable material would be burned as fuel, or for energy recovery or incineration; or

"(iii) for transactions occurring before 90 days after the date of the enactment of this section, that the consuming facility was not in compliance with a substantive (not procedural or administrative) provision of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, or other management activities associated with the recyclable material;

"(B) the person had reason to believe that hazardous substances had been added to the recyclable material for purposes other than processing for recycling;

"(C) the person failed to exercise reasonable care with respect to the management and handling of the recyclable material (including adhering to customary industry practices current at the time of the recycling transaction designed to minimize, through source control, contamination of the recyclable material by hazardous substances); or

"(D) with respect to any item of a recyclable material, the item contained polychlorinated biphenyls at a concentration in excess of 50 parts per million or any new standard promulgated pursuant to applicable Federal laws.

"(2) For purposes of this subsection, an objectively reasonable basis for belief shall be determined using criteria that include (but are not limited to) the size of the person's business, customary industry practices (including customary industry practices current at the time of the recycling transaction designed to minimize, through source control, contamination of the recyclable material by hazardous substances), the price paid in the recycling transaction, and the ability of the person to detect the nature of the consuming facility's operations concerning its handling, processing, reclamation, or other management activities associated with the recyclable material.

"(3) For purposes of this subsection, a requirement to obtain a permit applicable to the handling, processing, reclamation, or other management activities associated with recyclable material shall be deemed to be a substantive provision.

"(g) Effect on Other Liability.—Nothing in this section shall be deemed to affect the liability of a person under paragraph (1) or (2) of section 107(a). Nothing in this section shall be deemed to affect the liability of a person under paragraph (3) or (4) of section 107(a) with respect to materials that are not recyclable materials as defined in subsection (b) of this section.

"(h) Regulations.—The Administrator has the authority, under section 115, to promulgate additional regulations concerning this section.

"(i) Effect on Pending or Concluded Actions.—The exemptions provided in this section shall not affect any concluded judicial or administrative action or any pending judicial action initiated by the United States prior to enactment of this section.

"(j) Liability for Attorney's Fees for Certain Actions.—Any person who commences an action in contribution against a person who is not liable by operation of this section shall be liable to that person for all reasonable costs of defending that action, including all reasonable attorney's and expert witness fees.

"(k) Relationship to Liability Under Other Laws.—Nothing in this section shall affect—

"(1) liability under any other Federal, State, or local statute or regulation promulgated pursuant to any such statute, including any requirements promulgated by the Administrator under the Solid Waste Disposal Act; or

"(2) the ability of the Administrator to promulgate regulations under any other statute, including the Solid Waste Disposal Act.".

(b) Technical Amendment.—The table of contents for title I of such Act is amended by adding at the end the following item:

"Sec. 127. Recycling transactions.".

Mrs. LINCOLN. Mr. President, I am pleased to join my distinguished colleagues in introducing legislation to relieve legitimate recyclers from Superfund liability.

This legislation has become necessary because of an unintended consequence of the Comprehensive Emergency Response, Compensation, and Liability Act, more commonly called Superfund. Some courts have interpreted CERCLA to mean that the sale of certain traditional recyclable feedstocks is an arrangement for the treatment or disposal of a hazardous substance and, therefore, fully subject to Superfund liability. While there exists in law and legislative history no suggestion whatsoever that the Congress intended to impede recycling in America by providing a strong preference for the use of virgin materials through the Superfund liability scheme, that is precisely what has happened.

The Superfund Recycling Equity Act of 1999 is intended to place traditional recyclable materials which are used as feedstocks in the manufacturing process on an equal footing with their virgin, or primary feedstock, counterparts. Traditional recyclables are made from paper, glass, plastic, metals, batteries, textiles, and rubber.

During the 103rd Congress I first introduced a bill to relieve legitimate recyclers of scrap metal from unintended Superfund liability. The bill was developed in conjunction with the recycling industry, the environmental community, and the Administration. All of the parties worked closely together and consistently agreed that liability relief for recyclers is necessary and right.

The language in this bill is the culmination of a process that we have been working on since the 103rd Congress. Similar language was also introduced in the 104th and 105th Congresses with the most recent version garnering almost 400 Senate and House co-sponsors. I am sure you can see, Mr. President, the push to relieve these legitimate recyclers of this unintended liability has received broad, bi-partisan support.

The Superfund Recycling Equity Act of 1999 acknowledges that Congress did not intend to subject to Superfund liability those government and private entities that collect and process secondary materials for sale as feedstocks for manufacturing. This bill removes from liability those who collect, process, and sell to manufacturers paper, glass, plastic, metal textiles, and rubber recyclables. This bill also exempts from liability those individuals who collect lead acid, nickel, cadmium, and other batteries for the recycling of the valuable components. However, this bill does not exempt chemical, solvent, sludge, or slag recycling. It addresses traditional recyclables in a CERCLA context only. We do not intend it to be viewed as a precedent for any other amendment to Superfund or to any other environmental statute, whatsoever.

It should also be clearly understood that this bill addresses the product of recyclers, that is the recyclables they sell which are utilized to make new products. This does not affect liability for contamination that is created at a facility owned or operated by a recycler. Neither does it affect liability related to any process wastes sent by a recycler for treatment or disposal. In order to assure that only bonafide recycling facilities benefit from this bill, a number of tests have been established within the bill by which liability relief will be denied to sham recyclers.

I have consistently supported Superfund reforms beginning with my time in the House and continuing in the Senate. Unfortunately, comprehensive Superfund reforms have yet to garner broad support throughout the Congress and action on recyclers has been held up in the process. Relief for legitimate recyclers has been the one portion of Superfund reform that has consistently garnered widespread, bi-partisan support. The recycling industry should no longer be denied their legitimate exemption from Superfund liability because of broader issues that do not relate to them.

Mr. President, I am aware of ongoing negotiations concerning a section within this recycling bill that applies to PCBs in paper. I want to again stress that when we began preparing for this bill in 1993, we formed a coalition of parties that all agreed upon the language within the bill. This coalition has remained until this day. These parties are currently working to amend the language of the bill to resolve this concern. Upon final agreement, I will welcome an amendment to this bill to include the resolution language.

Mr. President, there are legitimate recyclers across our nation that stand to lose their livelihoods if we don't act immediately. Legitimate recyclers that reuse and recycle the scrap leftover from our everyday processes. Legitimate recyclers that reduce the waste we put in our landfills and produce a useful product. Legitimate recyclers that were not intended by the writers of CERCLA to be burdened with liability for taking scrap metal and other products and processing them into products equivalent to virgin material.

Mr. President, we have been working toward providing this needed liability relief for legitimate recyclers for over 6 years. It is time to pass this important legislation now. Doing so will not only relieve this unintended liability but will promote recycling in our country. I urge all my colleagues to join me in support of this legislation.

By Mr. GREGG:

S. 1530. A bill to amend the Family and Medical Leave Act of 1993 to clarify the Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

FAMILY AND MEDICAL LEAVE CLARIFICATION ACT

• Mr. GREGG. Mr. President, today marks the sixth anniversary of the implementation of the Family and Medical Leave Act. This act, as my colleagues will recall, was intended to be used by families for critical periods such as after the birth or adoption of a child and leave to care for a child, spouse, or one's own "serious medical condition."

Since its passage, the Family and Medical Leave Act has had a significant impact on employers' leave practices and policies. According to the Commission on Family and Medical Leave two-thirds of covered work sites have changed some aspect of their policies in order to comply with the act.

Unfortunately, the Department of Labor's implementation of certain provisions of the act has resulted in significant unintended administrative burden and costs on employers; resentment by co-workers when the act is misapplied; invasions of privacy by requiring employers to ask deeply personal questions about employees and family members planning to take FMLA leave; disruptions to the workplace due to increased unscheduled and unplanned absences; unnecessary record keeping; unworkable notice requirements; and conflicts with existing policies.

Despite these problems, which have been well documented through three separate congressional hearings, including one I chaired three weeks ago, there are those in Congress and the administration who choose to ignore those problems and instead push for imposition of the law on even smaller businesses and for purposes well beyond those judged by Congress to be the most critical. These proponents of expansion will refer to a report issued by the U.S. Commission on Leave which failed to find significant problems associated with the act.

However, the fact of the matter is, the Commission on Leave's report was issued well before the final implementing regulations were in place—regulations which are in fact the source of much of the concern over the act's implementation.

Mr. President, to consider expansion at this time is not just irresponsible, it is unconscionable.

The Department of Labor's vague and confusing implementing regulations have resulted in the FMLA being misapplied, misunderstood and mistakenly ignored. Employers aren't sure if situations like pink eye, ingrown toe nails and even the common cold will be considered by the regulators and the courts to be serious health conditions.

Because of these concerns and well documented problems with the act, I am today introducing the Family and Medical Leave Clarification Act to make reasonable and much needed changes to clarify the Family and Medical Leave Act and restore the original congressional intent.

The FMLA Clarification Act has the strong support of The Society for Human Resource Management and close to 300 leading companies and associations who make up the Family and Medical Leave Act Technical Corrections Coalition. I have received a letter of support from the Coalition and ask that it be printed in the RECORD. This broad based coalition shares my belief that both employers and employees would benefit from making certain technical corrections to the FMLA—corrections that are needed to restore congressional intent and to reduce administrative and compliance problems experienced by employers who are making a good faith effort to comply with the act.

The bill I am introducing today does several important things:

First, it repeals the Department of Labor's current regulations for "serious health condition" and includes language from the Democrats' own Committee Report on what types of medical conditions (such as heart attacks, strokes, spinal injuries, etc) were intended to be covered.

In passing the FMLA, Congress stated that the term "serious health condition" is not intended to cover short-term conditions for which treatment and recovery are very brief, recognizing that "it is expected that such condition will fall within the most modest sick leave policies."

The Department of Labor's current regulations are extremely expansive, defining the term "serious health condition" as including, among other things, any absence of more than 3 days in which the employee sees any health care provider and receives any type of continuing treatment (including a second doctor's visit, or a prescription, or a referral to a physical therapist)—such a broad definition potentially mandates FMLA leave where an employee sees a health care provider once, receives a prescription drug, and is instructed to call the health care provider back if the symptoms do not improve; the regulations also define as a "serious health condition" any absence for a chronic health problem, such as arthritis, asthma, diabetes, etc., even if the employee does not see a doctor for that absence and is absent for less than three days.

Second, the bill amends the act's provisions relating to intermittent leave to give employers the right to require that intermittent leave be taken in minimum blocks of 4 hours. This would minimize the misuse of FMLA by employees who use FMLA as an excuse for regular tardiness and routine justification for early departures.

Third, the bill shifts to the employee the responsibility to request leave be designated as FMLA leave, and requires the employee to provide written application within 5 working days of providing notice to the employer for foreseeable leave. With respect to unforeseeable leave, the bill requires the employee to provide, at a minimum, oral notification of the need for the leave not later than the date the leave commences unless the employee is physically or mentally incapable of providing notice or submitting the application. Under that circumstance the employee is provided such additional time as necessary to provide notice.

Shifting the burden to the employee to request leave be designated as FMLA leave eliminates the need for the employer to question the employee and pry into the employee's and the employee's family's private matters, as required under current law, and helps eliminate personal liability for employer supervisors who should not be expected to be experts in the vague and complex regulations which even attorneys have a difficult time understanding. Under current law, it is the employer's responsibility in all circumstances to designate leave, paid or unpaid, as FMLA-qualifying. Failure to do so in a timely manner or to inform an employee that a specific event does not qualify as FMLA leave may result in that unqualified leave becoming qualified leave under FMLA. This scenario has actually been upheld in Court and has placed an enormous burden on employers to respond within 48 hours of an employee's leave request. In addition, the courts have held that there is personal liability for employers under the FMLA and that an individual manager may be sued and held individually liable for acts taken based upon or relating to the FMLA. See *Freemon* v. *Foley*, 911 F. Supp. 326 (N.D. Ill. 1995) (in case of first impression in 7th Circuit, court stated, "We believe the FMLA extends to all those who controlled 'in whole or in part' [plaintiff's] ability to take leave of absence and return to her postion").

Fourth, with respect to leave because of the employee's own serious health condition, the bill permits an employer to require the employee to choose between taking unpaid leave provided by the FMLA or paid absence under an employer's collective bargaining agreement or other sick leave, sick pay, or disability plan, program, or policy of the employer. This change provides incentive for employers to continue their generous sick leave policies while providing a disincentive to employers considering getting rid of such employee-friendly plans, including those negotiated by the employer and the employee's union representative. Paid leave would be subject to the employer's normal work rules and procedures for taking such leave, including work rules and procedures dealing with attendance requirements.

Despite the common belief that leave under the FMLA is necessarily unpaid, employers having generous sick leave policies, or who have worked out employee-friendly sick leave programs with unions in collective bargaining agreements, are being penalized by the FMLA. In fact, for many companies, most FMLA leave has become paid leave. According to the U.S. Commission on Leave, 66.3 percent of FMLA leave is paid (46.7 percent fully paid). This existing paid leave sandwiched on top of the broad, yet vague, FMLA definitions has resulted in employees requesting or characterizing a variety of minor situations as FMLA leave.

Mr. President, the FMLA Clarification Act is a reasonable response to the hundreds of concerns that have been raised about the act. It leaves in place the fundamental protections of the law while attempting to make changes necessary to restore FMLA to its original intent and to respond to the very legitimate concerns that have been raised. In the spirit of the FMLA I urge my colleagues to mark it's anniversary by restoring the Family and Medical Leave Act to its original congressional intent.

I asked that the bill and a letter of support be printed in the RECORD.

The material follows:

S. 1530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family and Medical Leave Clarification Act".

(b) REFERENCES.—Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

(c) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; references; table of contents.
Sec. 2. Findings.
Sec. 3. Definition of serious health condition.
Sec. 4. Intermittent leave.
Sec. 5. Request for leave.
Sec. 6. Substitution of paid leave.
Sec. 7. Regulations.
Sec. 8. Effective date.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Family and Medical Leave Act of 1993 (referred to in this section as the "Act") is not working as Congress intended when Congress passed the Act in 1993. Many employers, including those employers that are nationally recognized as having generous family-friendly benefit and leave programs, are experiencing serious problems complying with the Act.

(2) The Department of Labor's overly broad regulations and interpretations have caused many of these problems by greatly expanding the Act's coverage to apply to many non-serious health conditions.

(3) Documented problems generated by the Act include significant new administrative and personnel costs, loss of productivity and scheduling difficulties, unnecessary paperwork and recordkeeping, and other compliance problems.

(4) The Act often conflicts with employers' paid sick leave policies, prevents employers from managing absences through their absence control plans, and results in most leave under the Act becoming paid leave.

(5) The Commission on Leave, established in title III of the Act (29 U.S.C. 2631 et seq.), which reported few difficulties with compliance with the Act, failed to identify many of the problems with compliance because the study on which the report was based was conducted too soon after the date of enactment of the Act and the most significant problems with compliance arose only when employers later sought to comply with the Act's final regulations and interpretations.

SEC. 3. DEFINITION OF SERIOUS HEALTH CONDITION.

Section 101(11) (29 U.S.C. 2611(11)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by aligning the margins of those clauses with the margins of clause (i) of paragraph (4)(A);

(3) by inserting before "The" the following: "(A) In general.—"; and

(4) by adding at the end the following:

"(B) Exclusions.—The term does not include a short-term illness, injury, impairment, or condition for which treatment and recovery are very brief.

"(C) Examples.—The term includes an illness, injury, impairment, or physical or mental condition such as a heart attack, a heart condition requiring extensive therapy or a surgical procedure, a stroke, a severe respiratory condition, a spinal injury, appendicitis, pneumonia, emphysema, severe arthritis, a severe nervous disorder, an injury caused by a serious accident on or off the job, an ongoing pregnancy, a miscarriage, a complication or illness related to pregnancy, such as severe morning sickness, a need for prenatal care, childbirth, and recovery from childbirth, that involves care or treatment described in subparagraph (A).".

SEC. 4. INTERMITTENT LEAVE.

Section 102(b)(1) (29 U.S.C. 2612(b)(1)) is amended by striking the period at the end of the second sentence and inserting the following: ", as certified under section 103 by the health care provider after each leave occurrence. An employer may require an employee to take intermittent leave in increments of up to ½ of a workday. An employer may require an employee who travels as part of the normal day-to-day work or duty assignment of the employee and who requests intermittent leave or leave on a reduced schedule to take leave for the duration of that work or assignment if the employer cannot reasonably accommodate the employee's request.".

SEC. 5. REQUEST FOR LEAVE.

Section 102(e) (29 U.S.C. 2612(e)) is amended by inserting after paragraph (2) the following:

"(3) Request for leave.—If an employer does not exercise, under subsection (d)(2), the right to require an employee to substitute other employer-provided leave for leave under this title, the employer may require the employee who wants leave under this title to request the leave in a timely manner. If an employer requires a timely request under this paragraph, an employee who fails to make a timely request may be denied leave under this title.

"(4) Timeliness of request for leave.—For purposes of paragraph (3), a request for leave shall be considered to be timely if—

"(A) in the case of foreseeable leave, the employee—

"(i) provides the applicable advance notice required by paragraphs (1) and (2); and

"(ii) submits any written application required by the employer for the leave not later than 5 working days after providing the notice to the employer; and

"(B) in the case of unforeseeable leave, the employee—

"(i) notifies the employer orally of the need for the leave—

"(I) not later than the date the leave commences; or

"(II) during such additional period as may be necessary, if the employee is physically or mentally incapable of providing the notification; and

"(ii) submits any written application required by the employer for the leave—

"(I) not later than 5 working days after providing the notice to the employer; or

"(II) during such additional period as may be necessary, if the employee is physically or mentally incapable of submitting the application.".

SEC. 6. SUBSTITUTION OF PAID LEAVE.

Section 102(d)(2) (29 U.S.C. 2612(d)(2)) is amended by adding at the end the following:

"(C) Paid absence.—Notwithstanding subparagraphs (A) and (B), with respect to leave provided under subparagraph (D) of subsection (a)(1), where an employer provides a paid absence under the employer's collective bargaining agreement, a welfare benefit plan under the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.), or under any other sick leave, sick pay, or disability plan, program, or policy of the employer, the employer may require the employee to choose between the paid absence and unpaid leave provided under this title.".

SEC. 7. REGULATIONS.

(a) Existing Regulations.—

(1) Review.—Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall review all regulations issued before that date to implement the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), including the regulations published in sections 825.114 and 825.115 of title 29, Code of Federal Regulations.

(2) Termination.—The regulations, and opinion letters promulgated under the regulations, shall cease to be effective on the effective date of final regulations issued under subsection (b)(2)(B), except as described in subsection (c).

(b) Revised Regulations.—

(1) In general.—The Secretary of Labor shall issue revised regulations implementing the Family and Medical Leave Act of 1993 that reflect the amendments made by this Act.

(2) New regulations.—The Secretary of Labor shall issue—

(A) proposed regulations described in paragraph (1) not later than 90 days after the date of enactment of this Act; and

(B) final regulations described in paragraph (1) not later than 180 days after that date of enactment.

(3) Effective date.—The final regulations take effect 90 days after the date on which the regulations are issued.

(c) Transition.—The regulations described in subsection (a) shall apply to actions taken by an employer prior to the effective date of final regulations issued under subsection (b)(2)(B), with respect to leave under the Family and Medical Leave Act of 1993.

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

The FMLA Technical
Corrections Coalition,
7505 Inzer Street,
Springfield, VA, August 5, 1999.

Hon. Judd Gregg,
Chairman, Subcommittee on Children and Families,
U.S. Senate, Washington, DC

Dear Chairman Gregg: On behalf of the nearly 300 members of the Family and Medical Leave Act Technical Corrections Coalition, I am writing to commend you for introducing the Family and Medical Leave Clarification Act and to offer our support. This essential legislation would address the well-documented problems with the law's misapplication by restoring the law to reflect the original intent of Congress.

The Coalition is a diverse, broad-based, nonpartisan group of nearly 300 leading companies and associations. Members of the Coalition are fully committed to complying with both the spirit and the letter of the FMLA and strongly believe that employers should provide policies and programs to accommodate the individual work-life needs of their employees. At the same time, the Coalition believes that the FMLA should be fixed to protect those employees that Congress aimed to assist while streamlining administrative problems that have arisen. Since the FMLA is not working properly, the Coalition does not support expansions to the Act.

Thank you for the opportunity to testify before the Subcommittee during your July 14, 1999 hearing. The most disturbing finding of the hearing was the fact that the greatest cost of the FMLA's misapplication is the cost to employees themselves. A strong public record has now been thoroughly established. Numerous witnesses have now documented the unintended consequences of the FMLA's misapplication in three Congressional hearings;

1. The May 9, 1996 hearing in the Senate Subcommittee on Children and Families; 2. The June 10, 1997 hearing in the House Subcommittee on Oversight and Investigations, Committee on Education and the Workforce; and 3. Your July 14, 1999 hearing in your Senate Subcommittee on Children and Families.

The hearings demonstrated that the FMLA's definition of serious health condition is vague and overly broad due to the Department of Labor's (DOL's) interpretations. Additionally, the hearings documented that the intermittent leave provisions as misapplied by the DOL are complicated and difficult to administer, causing many serious workplace problems.

In addition, many companies expressed that Congress should consider allowing employers to permit employees to take either a paid leave package under an existing collective bargaining agreement or the 12 weeks of FMLA protected leave, whichever is greater.

It is now time for the Senate to move forward to enact "The Family and Medical Leave Clarification Act" on a bipartisan basis. It is our strong hope that the Family and Medical Leave Clarification Act will be fully embraced by all the original authors of the FMLA and advance quickly in the Senate with a bipartisan spirit.

Technical corrections do not need to be polarizing, combative or controversial, but they do need to be done as soon as possible, so that the FMLA operates in the manner and in the spirit that Congress intended.

We thank you for your leadership on this critical legislation and look forward to working with you to ensure its success. The entire FMLA Technical Corrections Coalition looks forward to working with you toward that end.

Respectfully,

DEANNA R. GELAK, SPHR,
Executive Director.●

By Mr. MOYNIHAN:

S. 1531. A bill to amend the Act establishing Women's Rights National Historical Park to permit the Secretary of the Interior to acquire title in fee simple to the Hunt House located in Waterloo, New York; to the Committee on Energy and Natural Resources.

LEGISLATION AUTHORIZING THE PURCHASE OF THE HUNT HOUSE

● Mr. MOYNIHAN. Mr. President, I rise to introduce a bill that would authorize the Secretary of the Interior to purchase the Hunt House in Seneca Falls, New York. This summer the owners of the Hunt House put it on the market for $139,000. Of four historic buildings in Seneca Falls that should be part of the Women's Rights National Historical Park, the Hunt House is the only one that is not. It was the site of the gathering of five women (the founding mothers, you might say) who decided to hold the nation's first women's rights convention. That convention took place in Seneca Falls in July, 1848. The Women's Rights Park is a monument to the idea they espoused that summer, that women should have equal right with men; one of the most influential ideas of the last 150 years.

Adding the Hunt House to the Park would complete it. The problem is that the Department was not given the authorization to purchase the Hunt House in the bill I offered 20 years ago so that speculation would not drive up the price of the house when it eventually went on the market. That worked. But now the lack of an authorization should not keep us from being able to acquire the house at all. This bill simply removes the restriction against a fee simple purchase by the Park Service. I hope my colleagues will offer their support, and I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. 1531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACQUISITION OF HUNT HOUSE.

Section 1601(d) of Public Law 97-607 (94 Stat. 3547; 16 U.S.C. 410*ll*(d)) is amended—

(1) in the first sentence, by inserting after "park," the following: "including the Hunt House designated under subsection (c)(8),"; and

(2) in the last sentence, by striking "McClintock" and inserting "Hunt".

By Mr. DURBIN (for himself, Mr. LEVIN, Mr. SCHUMER, and Mr. MOYNIHAN):

S. 1532. A bill to amend title 10, United States Code, to restrict the sale or other transfer of armor piercing ammunition and components of armor piercing ammunition disposed of by the Army; to the Committee on Armed Services.

MILITARY ARMOR PIERCING AMMUNITION RESALE LIMITATION ACT OF 1999

Mr. DURBIN. Mr. President, under the Conventional Demilitarization Program, the Department of Defense sells .50 caliber ammunition that has been on the shelf too long and could misfire or is otherwise unserviceable to a private company. That company refurbishes some of that ammunition and sells it to civilian buyers.

Our colleagues in the House, Representatives ROD BLAGOJEVICH and HENRY WAXMAN, asked the General Accounting Office to investigate the availability of armor-piercing .50 caliber ammunition in the United States. GAO investigators found that "U.S.-made armor piercing fifty caliber ammunition is readily available in the United States and that this widespread availability is directly attributable to the little-known Conventional Demilitarization Program within the Department of Defense."

I want to be sure that my colleagues know what .50 caliber rifles and ammunition can do. They can rip through bullet-proof glass, armor-plated limousines, tanks, helicopters, or aircraft from more than a mile away with deadly accuracy. They can hit targets from four miles away. Their shells can pierce five or six walls with no problem. That is just what the armor-piercing variety can do. The armor-piercing incendiary .50 caliber ammunition can do everything I just mentioned, but then can also start a fire or explode on impact. So if the sniper missed the person inside the limousine or tank or airplane with an armor piercing shell, he could instead shoot an incendiary shell and cause the target to catch fire or blow up.

Nobody goes deer hunting with a .50 caliber rifle. No one shoots a bear with .50 caliber rifle. There would be little left of the hapless animal, although I suppose fragments of it could come already barbecued if a .50 caliber incendiary shell were used.

What is this weapon good for? It is an appropriate and necessary weapon for the United States Armed Forces and has some important law enforcement uses. Its usefulness was demonstrated time and again in the Gulf War to shoot Iraqi tanks, armored vehicles, and bunkers. It is terrific for blowing up land mines and other small unexploded ordnance. The tracer variety is important for military targeting at night.

Otherwise, it is extremely useful for assassins, terrorists, drug cartels, and doomsday cults. Since 1992, the Bureau of Alcohol, Tobacco and Firearms has initiated 28 gun traces involving .50 caliber semiautomatic rifles. Many of these traces led to terrorists, outlaw motorcycle gangs, international and domestic drug traffickers, and violent criminals.

The General Accounting Office conducted an undercover investigation that revealed that ammunition dealers use an "ask no questions" approach to the purchase of .50 caliber ammunition. Even after undercover GAO investigators made clear to ammunition dealers that they wanted to be sure the ammunition could pierce an armor-plated limousine or could shoot down a helicopter, the dealers were perfectly willing to sell it.

In fact, there are fewer restrictions on the sale of .50 caliber weapons than on handguns. Yet a leading manufacturer of new .50 caliber ammunition, Arizona Ammunition, Inc., says it does not sell .50 caliber armor piercing, incendiary, and tracer ammunition to the general public "because they have no sporting application." That leaves the U.S. Department of Defense demilitarization contract as the source of U.S.-made .50 caliber ammunition for the civilian market.

Today I have introduced a bill that would require DoD contractors for the disposal of .50 caliber surplus military ammunition to agree not to sell the refurbished ammunition to civilians. The Defense Department must include in its contract a provision that refurbished .50 caliber may not be sold to non-military or law enforcement organizations or personnel. The Defense Department should no longer be the indirect source of ammunition that could be used for assassination, terrorism, or drug trafficking.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Military Armor Piercing Ammunition Resale Limitation Act of 1999".

SEC. 2. RESALE OF ARMOR PIERCING AMMUNITION DISPOSED OF BY THE ARMY.

(a) RESTRICTION.—(1) Chapter 443 of title 10, United States Code, is amended by adding at the end the following:

"§ 4688. Armor piercing ammunition and components: condition on disposal

"(a) LIMITATION ON RESALE OR OTHER TRANSFER.—Whenever the Secretary of the Army carries out a disposal (by sale or otherwise) of armor piercing ammunition, or a component of armor piercing ammunition, the Secretary shall require as a condition of the disposal that the recipient agree in writing not to sell or otherwise transfer any of the ammunition (reconditioned or otherwise), or any component of that ammunition, to any purchaser in the United States other than a law enforcement or other governmental agency.

"(b) DEFINITION.—In this section, the term 'armor piercing ammunition' means a center-fire cartridge the military designation of which includes the term 'armor penetrator' or 'armor piercing', including a center-fire cartridge designated as armor piercing incendiary (API) or armor-piercing incendiary-tracer (API–T).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"4688. Armor piercing ammunition and components: condition on disposal.".

(b) APPLICABILITY.—Section 4688 of title 10, United States Code (as added by subsection (a)), shall apply with respect to any disposal of ammunition or components referred to in that section after the date of the enactment of this Act.

By Ms. SNOWE (for herself and Mr. MCCAIN):

S. 1534. A bill to reauthorize the Coastal Zone Management Act, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COASTAL ZONE MANAGEMENT ACT OF 1999

Ms. SNOWE. Mr. President, I rise today to introduce the Coastal Zone Management Act of 1999. I am pleased that Senator MCCAIN, Chairman of the Commerce Committee, is a cosponsor of this legislation. This bill reauthorizes the Coastal Zone Management Act (CZMA) through Fiscal Year 2004. This legislation will improve the qualify of life for those Americans fortunate enough to live in coastal communities and the millions of others who visit these regions each year. First and foremost, the bill recognizes the many benefits of economic development, and balances those needs with the protection of our valuable public resources.

The United States has more than 95,000 miles of coastline along the Atlantic, Pacific, and Arctic Oceans, Gulf of Mexico, and the Great Lakes. Nearly 53 percent of all Americans live in these coastal regions, but that accounts for only 11 percent of the country's total land area. This small portion of our country supports approximately 200 sea ports, contains most of our largest cities, and serves as critical habitat for a variety of plants and animals.

To help meet the growing challenges facing these coastal areas, Congress enacted the CZMA in 1972. The CZMA provides incentives to states to develop comprehensive programs that balance the many competing uses of coastal resources and to meeting the needs for the future growth of coastal communities.

As a voluntary program, the framework of the CZMA provides guidelines for state plans to address multiple environmental, societal, cultural, and economic objectives. This allows the states the flexibility necessary to prioritize management issues and utilize existing state regulatory programs and statutes wherever possible. Obviously, each state's priorities and needs are unique. That is why this bill provides maximum flexibility to states to address the diverse problems affecting our coastal areas.

The coastal zones managed under the CZMA range from the arctic to tropical islands, from sandy to rocky shorelines, and from urban to rural areas. Because of these varying habitats and resource types, no two state plan and the same, nor should they be.

Likewise, there are multiple uses of the coastal zone. Coastal managers are asked to strike a balance among residential, commercial, recreational, and industrial development; harbor development and maintenance; shoreline erosion and commercial and recreational fishing. Coastal programs address these competing needs for resources, steer activities to appropriate areas of the coast, and attempt to minimize the effects of these activities on coastal resources. As you may imagine, being able to balance economic development while protecting public resources requires careful strategies, substantial financial resources, and cooperation among stakeholders.

So far, 32 of the 35 eligible coastal states and U.S. territories have federally approved coastal zone management plans under the CZMA. Two of the remaining eligible states are currently completing their plans. I am proud to say that my state of Maine has had a federally approved plan since 1978. The approved plans cover 99% of the eligible U.S. coastline.

Another component of the CZMA is the National Estuarine Research Reserve System. These reserves not only provide habitat for a wide variety of fish, invertebrates, birds, and mammals, but they also serve as natural laboratories for research and education. There are currently 22 of these reserves in 18 states.

Mr. President, this bill authorizes $100 million to carry out the objectives of the CZMA for fiscal year 2000. The authorization level increases by $5 million each year to $120 million in FY 2004. Of the annual $5 million increase, $3.5 million would be targeted for the base state-grant programs; $1 million would be authorized for coastal zone enhancement and coastal community grant programs; and $500,000 would be authorized for the national Estuarine Research Reserve System. This bill will enable the states to build upon the successes of their management plans an confront emerging problems along our coasts. Further, this bill allows each state to maintain the flexibility it requires in order to address the specific needs of its coastal communities.

Because flexibility at the state level is a critical element of this bill, titled the Coastal Zone Management Act of 1999 allows states to establish partnerships with local communities to encourage wise and sustainable development of their public resources. As the United States' population continues to increase in coastal communities, it is imperative that we provide those communities with the capability to plan for growth. This will enable coastal communities to address open space needs, environmental protection, and infrastrasture needs.

Finally, let me say that the foundation of this legislation is the existing federal/state partnership that has made the CZMA so effective. The federal funds to implement CZMA management plans are matched by state matching monies. Some states have capitalized on the opportunities presented by the CZMA by leveraging even more money than the required match. In my state, the State of Maine, for example, the importance of investing in coastal areas has been clearly recognized and the CZMA federal funds have been matched at a rate of seven state dollars per federal dollar. Given examples like this, the potential for this reauthorization could produce several hundred million dollars for coastal zone management programs.

I believe the legislation that I am introducing today will provide states with the necessary funding and framework to meet the challenges facing our coastal communities in the 21st Century.

Mr. President, this is a solid, reasonable and realistic bill that enjoys bipartisan support on the Commerce Committee. I look forward to moving this bill at the earliest opportunity.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section explanation of the bill be printed in the RECORD.

S. 1534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coastal Zone Management Act of 1999".

SEC. 2. AMENDMENT OF COASTAL ZONE MANAGEMENT ACT.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

SEC. 3. FINDINGS.

Section 302 (16 U.S.C. 1451) is amended—

(1) by redesignating paragraphs (a) through (m) as paragraphs (1) through (13);

(2) by inserting "ports," in paragraph (3) (as so redesignated) after "fossil fuels,";

(3) by inserting "including coastal waters and wetlands," in paragraph (4) (as so redesignated) after "zone,";

(4) by striking "therein," in paragraph (4) (as so redesignated) and inserting "dependent on that habitat,";

(5) by striking "well-being" in paragraph (5) (as so redesignated) and inserting "quality of life";

(6) by striking paragraph (11) (as so redesignated) and inserting the following:

"(11) Land and water uses in the coastal zone and coastal watersheds may significantly affect the quality of coastal waters and habitats, and efforts to control coastal water pollution from activities in these areas must be improved;”; and

(7) by adding at the end thereof the following:

“(14) There is a need to enhance cooperation and coordination among States and local communities, to encourage local community-based solutions that address the impacts and pressures on coastal resources and on public facilities and public service caused by continued coastal demands, and to increase State and local capacity to identify public infrastructure and open space needs and develop and implement plans which provide for sustainable growth, resource protection and community revitalization.”.

SEC. 4. POLICY.

Section 303 (16 U.S.C. 1452) is amended—

(1) by striking “the States” in paragraph (2) and inserting “State and local governments”;

(2) by striking “waters,” each place it appears in paragraph (2)(C) and inserting “waters and habitats,”;

(3) by striking “agencies and State and wildlife agencies; and” in paragraph (2)(J) and inserting “and wildlife management; and”;

(4) by inserting “other countries,” after “agencies,” in paragraph (5);

(5) by striking “and” at the end of paragraph (5);

(6) by striking “zone.” in paragraph (6) and inserting “zone;”; and

(7) by adding at the end thereof the following:

“(7) to create and use a National Estuarine Research Reserve System as a Federal, State, and community partnership to support and enhance coastal management and stewardship; and

“(8) to encourage the development, application, and transfer of innovative coastal and estuarine environmental technologies and techniques for the long-term conservation of coastal ecosystems.”.

SEC. 5. CHANGES IN DEFINITIONS.

Section 304 (16 U.S.C. 1453) is amended—

(1) by striking “and the Trust Territories of the Pacific Islands,” in paragraph (4);

(2) by striking paragraph (8) and inserting the following:

“(8) The term ‘estuarine reserve’ means a coastal protected area which may include any part or all of an estuary and any island, transitional area, and upland in, adjoining, or adjacent to the estuary, and which constitutes to the extent feasible a natural unit, established to provide long-term opportunities for conducting scientific studies and educational and training programs that improve the understanding, stewardship, and management of estuaries.”; and

(3) by adding at the end thereof the following:

“(19) The term ‘coastal nonpoint pollution control plan’ means a plan submitted by a coastal state to the Secretary under section 306(d)(16).”.

SEC. 6. REAUTHORIZATION OF MANAGEMENT PROGRAM DEVELOPMENT GRANTS.

Section 305(a) (16 U.S.C. 1454(a)) is amended by striking “1997, 1998, and 1999,” and inserting “2000, 2001, 2002, 2003, and 2004,”.

SEC. 7. REAUTHORIZATION OF ADMINISTRATIVE GRANTS.

(a) Purposes.—Section 306(a) (16 U.S.C. 1455(a)) is amended by inserting “including developing and implementing coastal nonpoint pollution control program components,” after “program,”.

(b) Acquisition Criteria.—Section 306(d)(10)(B) (16 U.S.C. 1455(d)(10)(B)) is amended by striking “less than fee simple” and inserting “other”.

SEC. 8. COASTAL RESOURCE IMPROVEMENT PROGRAM.

Section 306A (16 U.S.C. 1455a) is amended—

(1) by adding at the end of subsection (a) the following:

“(3) The term ‘qualified local entity’ means—

“(A) any local government;

“(B) any areawide agency referred to in section 204(a)(1) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3334 (a)(1));

“(C) any regional agency;

“(D) any interstate agency; and

“(E) any reserve established under section 315.”;

(2) by inserting “or other important coastal habitats” in subsection (b)(1) after “306(d)(9)”;

(3) by inserting “or historic” in subsection (b)(2) after “urban”;

(4) by adding at the end of subsection (b) the following:

“(5) The coordination and implementation of approved coastal nonpoint pollution control plans.

“(6) The preservation, restoration, enhancement or creation of coastal habitats.”;

(5) by striking “and” after the semicolon in subsection (c)(2)(D);

(6) by striking “section.” in subsection (c)(2)(E) and inserting “section ;”;

(7) by adding at the end of subsection (c)(2) the following:

“(F) work, resources, or technical support necessary to preserve, restore, enhance, or create coastal habitats; and

“(G) the coordination and implementation of approved coastal nonpoint pollution control plans.”; and

(8) by striking subsections (d), (e), and (f) and inserting after subsection (c) the following:

“(d) Source of Federal Grants; State Matching Contributions.—

“(1) In general.—If a coastal state chooses to fund a project under this section, then—

“(A) it shall submit to the Secretary a combined application for grants under this section and section 306;

“(B) it shall match the combined amount of such grants in the ratio required by section 306(a) for grants under that section; and

“(C) the Federal funding for the project shall be a portion of that State's annual allocation under section 306(a).

“(2) Use of funds.—Grants provided under this section may be used to pay a coastal state's share of costs required under any other Federal program that is consistent with the purposes of this section.

“(e) Allocation of Grants to Qualified Local Entity.—With the approval of the Secretary, the eligible coastal State may allocate to a qualified local entity a portion of any grant made under this section for the purpose of carrying out this section; except that such an allocation shall not relieve that State of the responsibility for ensuring that any funds so allocated are applied in furtherance of the State's approved management program.

“(f) Assistance.—The Secretary shall assist eligible coastal States in identifying and obtaining from other Federal agencies technical and financial assistance in achieving the objectives set forth in subsection (b).”.

SEC. 9. COASTAL ZONE MANAGEMENT FUND.

(a) Treatment of Loan Repayments.—Section 308(a)(2) (16 U.S.C. 1456a(a)(2)) is amended to read as follows:

“(2) Loan repayments made under this subsection—

“(A) shall be retained by the Secretary and deposited into the Coastal Zone Management Fund established under subsection (b); and

“(B) subject to amounts provided in Appropriations Acts, shall be available to the Secretary for purposes of this title and transferred to the Operations, Research, and Facilities account of the National Oceanic and Atmospheric Administration to offset the costs of implementing this title.”.

(b) Use of Amounts in Fund.—Section 308(b) (16 U.S.C. 1456a(b)) is amended by striking paragraphs (2) and (3) and inserting the following:

“(2) Subject to Appropriation Acts, amounts in the Fund shall be available to the Secretary to carry out the provisions of this Act.”.

SEC. 10. COASTAL ZONE ENHANCEMENT GRANTS.

Section 309 (16 U.S.C. 1456b) is amended—

(1) by striking subsection (a)(1) and inserting the following:

“(1) Protection, restoration, enhancement, or creation of coastal habitats, including wetlands, coral reefs, marshes, and barrier islands.”;

(2) by inserting “and removal” after “entry” in subsection (a)(4);

(3) by striking “on various individual uses or activities on resources, such as coastal wetlands and fishery resources.” in subsection (a)(5) and inserting “of various individual uses or activities on coastal waters, habitats, and resources, including sources of polluted runoff.”;

(4) by adding at the end of subsection (a) the following:

“(10) Development and enhancement of coastal nonpoint pollution control plan components, including the satisfaction of conditions placed on such programs as part of the Secretary's approval of the programs.

“(11) Significant emerging coastal issues as identified by coastal states, in consultation with the Secretary and qualified local entities.”;

(5) by striking “proposals, taking into account the criteria established by the Secretary under subsection (d).” in subsection (c) and inserting.“proposals.”;

(6) by striking subsection (d) and redesignating subsection (e) as subsection (d); and

(7) by striking subsection (f) and redesignating subsection (g) as subsection (e).

SEC. 11. COASTAL COMMUNITY PROGRAM.

The Act is amended by inserting after section 309 the following:

“SEC. 309A. COASTAL COMMUNITY PROGRAM.

“(a) Coastal Community Grants.—The Secretary may make grants to any coastal state that is eligible under subsection (b)—

“(1) to assist coastal communities in assessing and managing growth, public infrastructure, and open space needs in order to provide for sustainable growth, resource protection and community revitalization;

“(2) to provide management-oriented research and technical assistance in developing and implementing community-based growth management and resource protection strategies in qualified local entities;

“(3) to fund demonstration projects which have high potential for improving coastal zone management at the local level; and

“(4) to assist in the adoption of plans, strategies, policies, or procedures to support local community-based environmentally-protective solutions to the impacts and pressures on coastal uses and resources caused by development and sprawl that will—

“(A) revitalize previously developed areas;

“(B) undertake conservation activities and projects in undeveloped and environmentally sensitive areas;

“(C) emphasize water-dependent uses; and

“(D) protect coastal waters and habitats.

“(b) Eligibility.—To be eligible for a grant under this section for a fiscal year, a coastal state shall—

“(1) have a management program approved under section 306; and

“(2) in the judgment of the Secretary, be making satisfactory progress in activities designed to result in significant improvement in achieving the coastal management objectives specified in section 303(2)(A) through (K).

“(c) Source of Federal Grants; State Matching Contributions.—If a coastal state chooses to fund a project under this section, then—

“(1) it shall submit to the Secretary a combined application for grants under this section and section 309;

“(2) it shall match the amount of the grant under this section on the basis of a total contribution of section 306, 306A, and this section so that, in aggregate, the match is 1:1; and

“(3) the Federal funding for the project shall be a portion of that State's annual allocation under section 309.

“(d) Allocation of Grants to Qualified Local Entity.—

“(1) In general.—With the approval of the Secretary, the eligible coastal State may allocate to a qualified local entity amounts received by the State under this section.

“(2) Assurances.—A coastal state shall ensure that amounts allocated by the State under paragraph (1) are used by the qualified local entity in furtherance of the State's approved management program, specifically furtherance of the coastal management objectives specified in section 303(2).

“(e) Assistance.—The Secretary shall assist eligible coastal States and qualified local entities in identifying and obtaining from other Federal agencies technical and financial assistance in achieving the objectives set forth in subsection (a).”.

SEC. 12. TECHNICAL ASSISTANCE.

Section 310(b) (16 U.S.C. 1456c(b)) is amended by adding at the end thereof the following:

“(4) The Secretary may conduct a program to develop and apply innovative coastal and estuarine environmental technology and methodology through a cooperative program. The Secretary may make extramural grants in carrying out the purpose of this subsection.”.

SEC. 13. PERFORMANCE REVIEW.

Section 312(a) (16 U.S.C. 1458(a)) is amended by adding “coordinated with National Estuarine Research Reserves in the State” after “303(2)(A) through (K)”.

SEC. 14. WALTER B. JONES AWARDS.

Section 314 (16 U.S.C. 1461) is amended—

(1) by striking “shall, using sums in the Coastal Zone Management Fund established under section 308” in subsection (a) and inserting “may, using sums available under this Act”;

(2) by striking “field.” in subsection (a) and inserting the following: “field of coastal zone management. These awards, to be known as the ‘Walter B. Jones Awards’, may include—

“(1) cash awards in an amount not to exceed $5,000 each;

“(2) research grants; and

“(3) public ceremonies to acknowledge such awards.”;

(3) by striking “shall—” in subsection (b) and inserting “may select annually if funds are available under subsection (a)—”; and

(4) by striking subsection (e).

SEC. 15. NATIONAL ESTUARINE RESEARCH RESERVE SYSTEM.

(a) Section 315(a) (16 U.S.C. 1461(a)) is amended by striking “consists of—” and inserting “is a network of areas protected by Federal, State, and community partnerships which promotes informed management of the Nation's estuarine and coastal areas through interconnected programs in resource stewardship, education and training, and scientific understanding consisting of—”.

(b) Section 315(b)(2)(C) (16 U.S.C. 1461(b)(2)(C)) is amended by striking “public education and interpretation; and”; and inserting “education, interpretation, training, and demonstration projects; and”.

(c) Section 315(c) (16 U.S.C. 1461(c)) is amended—

(1) by striking “Research” in the subsection caption and inserting “Research, Education, and Resource Stewardship”;

(2) by striking “conduct of research” and inserting “conduct of research, education, and resource stewardship”;

(3) by striking “coordinated research” in paragraph (1)) and inserting “coordinated research, education, and resource stewardship”;

(4) by striking “research” before “principles” in paragraph (2);

(5) by striking “research programs” in paragraph (2) and inserting “research, education, and resource stewardship programs”;

(6) by striking “research” before “methodologies” in paragraph (3);

(7) by striking “data,” in paragraph (3) and inserting “information,”;

(8) by striking “research” before “results” in paragraph (3);

(9) by striking “research purposes;” in paragraph (3) and inserting “research, education, and resource stewardship purposes;”;

(10) by striking “research efforts” in paragraph (4) and inserting “research, education, and resource stewardship efforts”;

(11) by striking “research” in paragraph (5) and inserting “research, education, and resource stewardship”; and

(12) by striking “research” in the last sentence.

(d) Section 315(d) (16 U.S.C. 1461(d)) is amended—

(1) by striking “Estuarine Research.—” in the subsection caption and inserting “Estuarine Research, Education, and Resource Stewardship.—”;

(2) by striking “research purposes” and inserting “research, education, and resource stewardship purposes”;

(3) by striking paragraph (1) and inserting the following:

“(1) giving reasonable priority to research, education, and stewardship activities that use the System in conducting or supporting activities relating to estuaries; and”;

(4) by striking “research.” in paragraph (2) and inserting “research, education, and resource stewardship activities.”; and

(5) by adding at the end thereof the following:

“(3) establishing partnerships with other Federal and State estuarine management programs to coordinate and collaborate on estuarine research.”.

(e) Section 315(e) (16 U.S.C. 1461(e)) is amended—

(1) by striking “reserve,” in paragraph (1)(A)(i) and inserting “reserve; and”;

(2) by striking “and constructing appropriate reserve facilities, or” in paragraph (1)(A)(ii) and inserting “including resource stewardship activities and constructing reserve facilities.”;

(3) by striking paragraph (1)(A)(iii);

(4) by striking paragraph (1)(B) and inserting the following:

“(B) to any coastal State or public or private person for purposes of—

“(i) supporting research and monitoring associated with a national estuarine reserve that are consistent with the research guidelines developed under subsection (c); or

“(ii) conducting educational, interpretive, or training activities for a national estuarine reserve that are consistent with the education guidelines developed under subsection (c).”;

(5) by striking “therein or $5,000,000, whichever amount is less.” in paragraph (3)(A) and inserting “therein. Non-Federal costs associated with the purchase of any lands and waters, or interests therein, which are incorporated into the boundaries of a reserve up to 5 years after the costs are incurred, may be used to match the Federal share.”;

(6) by striking “and (iii)” in paragraph (3)(B);

(7) by striking “paragraph (1)(A)(iii)” in paragraph (3)(B) and inserting “paragraph (1)(B)”;

(8) by striking “entire System.” in paragraph (3)(B) and inserting “System as a whole.”; and

(9) by adding at the end thereof the following:

“(4) The Secretary may—

“(A) enter into cooperative agreements, financial agreements, grants, contracts, or other agreements with any nonprofit organization, authorizing the organization to solicit donations to carry out the purposes and policies of this section, other than general administration of reserves or the System and which are consistent with the purposes and policies of this section; and

“(B) accept donations of funds and services for use in carrying out the purposes and policies of this section, other than general administration of reserves or the System and which are consistent with the purposes and policies of this section.

Donations accepted under this section shall be considered as a gift or bequest to or for the use of the United States for the purpose of carrying out this section.”.

(f) Section 315(f)(1) (16 U.S.C. 1461(f)(1)) is amended by inserting “coordination with other State programs established under sections 306 and 309A,” after “including”.

SEC. 16. COASTAL ZONE MANAGEMENT REPORTS.

Section 316 (16 U.S.C. 1462) is amended—

(1) by striking “to the President for transmittal” in subsection (a);

(2) by striking “zone and an evaluation of the effectiveness of financial assistance under section 308 in dealing with such consequences;” and insert “zone;” in the provision designated as (10) in subsection (a);

(3) by adding “education,” after the “studies,” in the provision designated as (12) in subsection (a);

(4) by striking “Secretary” in the first sentence of subsection (c)(1) and inserting “Secretary, in consultation with coastal States, and with the participation of affected Federal agencies,”;

(5) by striking the second sentence of subsection (c)(1) and inserting the following: “The Secretary, in conducting such a review, shall coordinate with, and obtain the views of, appropriate Federal agencies.”;

(6) by striking “shall promptly” in subsection (c)(2) and inserting “shall, within 4 years after the date of enactment of the Coastal Zone Management Act of 1999,”; and

(7) by adding at the end of subsection (c)(2) the following: “If sufficient funds and resources are not available to conduct such a

review, the Secretary shall so notify the Congress.".

SEC. 17. AUTHORIZATION OF APPROPRIATIONS.

Section 318 (16 U.S.C. 1464) is amended—

(1) by striking paragraphs (1) and (2) of subsection (a) and inserting the following:

"(1) for grants under sections 306 and 306A,—

"(A) $55,500,000 for fiscal year 2000;

"(B) $59,000,000 for fiscal year 2001;

"(C) $62,500,000 for fiscal year 2002;

"(D) $66,000,000 for fiscal year 2003; and

"(E) $69,500,000 for fiscal year 2004;

"(2) for grants under sections 309 and 309A,—

"(A) $20,000,000 for fiscal year 2000;

"(B) $21,000,000 for fiscal year 2001;

"(C) $22,000,000 for fiscal year 2002;

"(D) $23,000,000 for fiscal year 2003; and

"(E) $24,000,000 for fiscal year 2004;

"(3) for grants under section 315,—

"(A) $7,000,000 for fiscal year 2000;

"(B) $7,500,000 for fiscal year 2001;

"(C) $8,000,000 for fiscal year 2002;

"(D) $8,500,000 for fiscal year 2003; and

"(E) $9,000,000 for fiscal year 2004;

"(4) for grants to fund construction projects at estuarine reserves designated under section 315, $12,000,000 for each of fiscal years 2000, 2001, 2002, 2003, and 2004; and

"(5) for costs associated with administering this title, $5,500,000 for fiscal year 2000 and such sums as are necessary for fiscal years 2001-2004.";

(2) by striking "306 or 309." in subsection (b) and inserting "306.";

(3) by striking "during the fiscal year, or during the second fiscal year after the fiscal year, for which" in subsection (c) and inserting "within 3 years from when";

(4) by striking "under the section for such reverted amount was originally made available." in subsection (c) and inserting "to States under this Act."; and

(5) by adding at the end thereof the following:

"(d) PURCHASE OF OTHERWISE UNAVAILABLE FEDERAL PRODUCTS AND SERVICES.—Federal funds allocated under this title may be used by grantees to purchase Federal products and services not otherwise available.

"(e) RESTRICTION ON USE OF AMOUNTS FOR PROGRAM, ADMINISTRATIVE, OR OVERHEAD COSTS.—Except for funds appropriated under subsection (a)(5), amounts appropriated under this section shall be available only for grants to States and shall not be available for other program, administrative, or overhead costs of the National Oceanic and Atmospheric Administration or the Department of Commerce.".

SECTION-BY-SECTION OF THE COASTAL ZONE MANAGEMENT ACT OF 1999

Section 1. Section 1 provides the title of the Bill: Coastal Zone Management Act of 1999.

Section 2. Section 2 specifies that amendments and repeals shall be applied to the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) (CZMA).

Section 3. Section 3 amends the CZMA congressional findings to update emerging issues and to reflect the need for Federal and state support of local community-based comprehensive planning and solutions to local problems.

Section 4. Section 4 amends the congressional declarations of policy to support the National Estuarine Research Reserve System (NERRS) and to encourage the use of innovative technologies in the coastal zone.

Section 5. Section 5 amends the CZMA definitions to clarify the terms "estuarine reserve" and "coastal nonpoint pollution control plan" and to clarify that "coastal state" no longer includes the trust territories of the Pacific Island, i.e. the now independent nation of Palau.

Section 6. Section 6 amends section 305(a) of the CZMA to ensure that resources are available to the remaining states without approved coastal management programs to complete such program development.

Section 7. Section 7 amends section 306 to reauthorize the base administrative grant program and clarifies which programs are eligible for grants under this section.

Section 8. Section 8 amends section 306A, the coastal resource improvement grants, by defining the term "qualified local entity." Section 8 broadens the objectives to which that Secretary of Commerce (Secretary) may allocate funds and provides states with the option of allocating funds for restoration and preservation of coastal habitats as well as the continued implementation of the states' coastal nonpoint plans.

Section 9. Section 9 amends section 308, the coastal zone management fund, by moving CZMA program administration to section 318, transfer load repayments to the Operations, Research and Facilities account, and deletes the annual reporting requirement.

Section 10. Section 10 amends section 309, the coastal zone enhancement grants, by adding two new objectives to which the Secretary may allocate funds and provides states with the option of allocating funds for restoration and preservation of coastal habitats as well as the continued implementation of the states' coastal nonpoint plans. Section 10 also amends section 309(d) by removing outdated sections and amends section 309(f) to remove the $10,000,000 cap on annual section 309 allocations to conform with increasing authorization levels.

Section 11. The Coastal Community Program creates a new grant option section 309A) for states that want to focus on coastal community-based initiatives. This section demonstrates the need for Federal and state support of community-based planning, strategies, and solutions to local sprawl and development issues in the coastal zone. This section allows the Secretary to make grants to states through the base program allocation formula and requires that the states match the amount of the grant so that section 306, 306A and this section, in aggregate, equal a 1:1 match. It will also revitalize previously developed areas, promote conservation projects in environmentally sensitive areas, emphasize water dependent uses, and protect coastal habitats.

Section 12. Section 12 amends section 310, technical assistance, to allow the Secretary to conduct a cooperative program to apply innovative technologies to the coastal zone.

Section 13. Section 13 amends section 312(a), performance review, by adding coordination with the national estuarine research reserves to the review of performance process.

Section 14. Section 14 amends section 314 of the CZMA to allow the Secretary the discretion to issue the Walter B. Jones Awards if funds are available.

Section 15. Section 15 amends section 315 of the CZMA to clarify and strengthen the National Estuarine Research Reserve System. A majority of the amendments are technical changes to include training, education and stewardship concepts. This section clarifies the NERRS description and allows the Secretary to enter into contracts and agreements with non-profit organizations to carry out projects that support reserves and to accept donations of funds or services for projects consistent with the purposes of section 315.

Section 16. Section 16 amends section 316 of the CZMA to clarify the requirements for the reports to Congress and to provide to Congress a report on federal agency coordination and cooperation in coastal management.

Section 17. Section 17 amends section 318, authorization of appropriations, to authorize CZMA funding, providing a separate line items for 306 and 306A, 309 and 309A, 315, a NERRS construction fund, and administrative costs.

• Mr. McCAIN. Mr. President, I rise today in support of the National Marine Sanctuaries Amendments Act of 1999. I want to thank Senator Snowe for sponsoring this legislation. This bill will help guide the use of the our marine environment into the next century. Again, I wish to thank Senator SNOWE for her leadership in this area.

The 12 existing national marine sanctuaries protect our marine resources while facilitating "compatible" public and private uses of the ocean. The National Marine Sanctuaries Program reflects a responsible balance between conservation and multiple uses, such as commercial fishing and recreational activities. In addition, the national sanctuaries provide for important research, outreach, and educational activities involving unique marine assets.

To date, the sanctuary program has been unable to reach its full potential due to a lack of funding. This bill will make existing sanctuaries fully operational for the first time in the history of the program. The bill we are introducing today authorizes $30 million in FY 2000 and incrementally increases the annual authorization by $2 million a year to $38 million in FY 2004. The bill will also allow for the completion of basic tasks which have been neglected in the past at sanctuaries, such as a review of each sanctuary management plan and habitat characterizations. The research and educational opportunities provided by this legislation are quite promising and will allow our children and future generations to learn to value our ocean resources.

The bill also provides for the implementation of meaningful enforcement plans and allows sanctuaries to partner with states or other entities to enhance enforcement efforts. Furthermore, interference with an enforcement agent could result in a criminal penalty.

Mr. President, this is a strong bill that enjoys bipartisan support on the Commerce Committee. With this legislation, Senator SNOWE and I envision a reasonable balance between conservation and the compatible multiple uses of our ocean resources in marine sanctuaries. I look forward to moving this bill in the near future and request the support of my colleagues.•

By Mr. GRAMS:

S. 1535. A bill to amend title XVIII of the Social Security Act to provide for coverage of outpatient prescription drugs under part B of the Medicare program, and for other purposes; to the Committee on Finance.

MEDICARE ENSURING PRESCRIPTION DRUGS FOR SENIORS ACT

• Mr. GRAMS. Mr. President, I rise today to introduce legislation I've drafted to provide a prescription drug benefit for Medicare beneficiaries.

While I firmly believe we must deal directly with the structural problems facing the Medicare program, I also understand the very real need to provide prescription drug coverage now.

Mr. President, Americans might be surprised to learn there are estimates that about half the people who have ever—ever—reached age 65 are alive today. It's a revealing statistic—one we should be proud of because America has had much to do with the success in lengthening the life expectancy of nearly everyone in the world. Whether it's through government-funded research at the National Institutes of Health or private research funded through foundations, it has all contributed to this success.

In 1900, the average American could expect to see their 47th birthday. Today, Americans can expect to celebrate 29 more birthdays—living to the age of 76. Clearly, this increased life expectancy can be attributed to many things, but the advances made in pharmaceuticals is, perhaps, the most significant contributor.

When the Medicare program was being discussed by Congress in the 1960s, no one could foresee the enormous change our health care system would experience over the course of thirty years. Of course, we couldn't have expected them to know how different things would be today.

In the 1960s, health care was predominately hospital or clinic oriented and as a result, Medicare focused on hospital stays. Indeed, even months before the final Medicare package was passed there was debate over whether physician visits should be included in the program. Now, we find ourselves with a program going broke, but in need of reform—a program largely successful for the past 30 years, but woefully inadequate in meeting the needs of today's seniors.

Mr. President, one of the first witnesses before the Bipartisan Commission on the Future of Medicare, Robert Reischauer, described Medicare's problems as the four "i's:" insolvency, inadequacy, inefficiency and inequity. I couldn't agree more.

As I alluded to earlier, perhaps the best example of the inadequacy of the current Medicare program is the lack of a prescription drug benefit. While I continue to believe the best way for us to include a prescription drug benefit in Medicare is through overall reform, I also believe it is important for us to explore different ways we can meet the challenge of adding the benefit without undermining the entire program.

In putting together my plan for providing a prescription benefit, I tried to keep in mind the root of our dilemma. Many make the mistake of thinking access to needed pharmaceuticals is the problem. It's not—affording the increasing number and cost of prescriptions is the real problem facing seniors today.

Mr. President, my plan, the "MEDS Act of 1999," would work like this:

Single seniors with incomes of $927 per month or less, will be eligible to receive their prescription drugs with a 25 percent co-payment and no deductible. Married seniors with incomes of $1,244 per month or less will be eligible for the same co-payment of 25 percent with no deductible.

The income figures are the equivalent of 135 percent of the federal poverty level.

Seniors above the income limits will be protected through a monthly deductible of $150. For amounts over those deductibles, Medicare will pay 75 percent of the prescription cost.

Mr. President, rather than using a yearly deductible, which, in the first months, forces many seniors to use more of their monthly income on prescription drugs than they can often afford, my plan uses a monthly deductible allowing seniors to budget their drug costs every month.

In addition, it ensures that if a senior, such a your parent or grandparent, is seriously ill in one month, Medicare will cover 75 percent of their drug costs with no caps on the benefit. Meaning, they get the help they need when they need it.

While I understand there will be concerns about how we determine when a beneficiary has reached their $150 deductible, particularly on a monthly basis, I contend that we have the knowledge and technology necessary to structure the program nearly any way we wish—we simply have to use it.

Mr. President, America's seniors understand that if their drug costs are $50 a month, it doesn't make sense for them to buy a drug insurance policy for $100 a month. In this case, prescription drug coverage is not the issue. The issue is, can the senior trying to get by an $600 a month afford the $50 or $75 a month to pay for their medications? And, in the event of a major illness, can a senior bear the entire cost of treatment during that particular month?

My plan would make sure that person gets relief when the costs become too much to handle. It is truly a safety net for seniors and especially for those who would not otherwise be able to reap the benefits of modern medicine.

I believe this is a responsible, credible plan for America's seniors. I hope it will serve as a starting point for an honest, rational and responsible discussion about who needs help and how much.

While I applaud the President for putting forward a plan, I believe it falls short in one important way—it doesn't help those who need it most.

President Clinton's plan requires all seniors to pay $288 in monthly premiums and a co-payment of 50 percent up to $2,000. Under the President's plan, the most benefit any senior could get is $712 and, by capping the benefit at $2,000, it abandons seniors when they need help most.

The debate over prescription drug coverage and overall Medicare reform may be political for some, but I know seniors in Minnesota who have difficulty paying for their prescriptions don't think much of political games played by politicians in Washington. They won't care who takes credit for this or that. They just want to know they won't go broke or hungry to pay for the medicines they need to stay alive. The plan I introduce today, the Medicare Ensuring Prescription Drugs for Seniors (MEDS) Act, will help ensure that they won't.•

By Mr. DEWINE:

S. 1536. A bill to amend the Older Americans Act of 1965 to extend authorizations of appropriations for programs under the Act, to modernize programs and services for older individuals, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE OLDER AMERICANS ACT OF 1999

• Mr. DEWINE. Mr. President, I am very pleased to introduce The Older Americans Act of 1999—a bill that will reauthorize some of the most important, vital, and successful programs the Federal government provides to senior citizens.

The Older Americans Act created and is responsible for:

Programs that provide nutrition both at home and at senior community centers;

Programs that protect the elderly from abuse, neglect, and unhealthy nursing homes;

Programs that offer valuable jobs to seniors;

Programs that furnish transportation; and

Programs that render in-home services such as assistance with house-hold tasks.

As we approach the new millennium, these services and many others become more and more important—in fact, essential—to the continued well-being and prosperity of our nation's senior community. We are an aging nation. Today, 12.7% of the United States' population is over the age of 65. By the year 2030, that number will grow to 20%, and there is no indication that this trend will subside. Americans are living longer; many of them are healthier, wealthier, and better educated than Americans from two generations or even one generation ago.

The Older Americans Act is a key component in ensuring not only valuable supportive services to lower-income older Americans, but also in establishing new and reliable services from which every older American can benefit.

First, I want to focus on the services this reauthorization guarantees will continue—and for which, we hope, it will secure additional funding. The largest, and one of the most important, portions of the Older Americans Act has always been nutrition programming. There are two essential and equally important parts of the Act's nutrition programming: meals served in senior citizens centers, and meals delivered to individuals' homes.

Providing meals in congregate settings allows people to eat with friends, take advantage of other social or informative opportunities, and be assured of a healthy diet.

Home delivered meal programs give homebound individuals similar assurances of a healthy diet. Additionally, programs such as Meal-On-Wheels also often give homebound seniors their only contact with the community. Those who deliver meals will also often help with minor chores and make sure that the senior they are visiting is in good general health.

Under this reauthorization, congregate meal funding is protected by maintaining the law's language allowing a State to transfer no more than 30% of its congregate meal funding to home-delivered programs. Likewise, States will receive increased flexibility, through a waiver process, to request that any necessary amount be moved from congregate meal funds to meet the growing needs of homebound seniors.

Another established service that would be improved by this bill is advocacy and protection. After a hearing that the Subcommittee on Aging dedicated to the issue of elder abuse, we made sure to include protection for elders not only from physical abuse and neglect, but also from financial abuse and exploitation. We also tied State and local advocacy and protection services directly to State and local law enforcement agencies as well as to the court system.

During another of the Subcommittee on Aging's several hearings, we discussed the Senior Community Employment Service Program—the only Federally funded jobs program geared specifically for older Americans. The bill makes sure that the initial focus of the program, to provide seniors opportunities in community service jobs, stays intact. However, in light of the changing demographics among many senior communities and more and more seniors staying very active and capable for longer periods of time, the bill creates another focus: employment in the private sector and in a wider array of jobs.

To do this, the bill creates strong links between the recently passed Workforce Investment Act and the Senior Community Employment Service Program. This will allow qualified seniors easy access to their State's workforce investment system and enhance their opportunity to choose which jobs they want. Likewise, these links will provide seniors in the State workforce investment systems easy access to the Senior Community Employment Service Program.

Mr. President, as I mentioned, in addition to highlighting and improving the essential services that the Older Americans Act has provided so well for so long, this reauthorization also establishes new and equally reliable services from which every older American will be able to benefit.

I thank Senator GRASSLEY, and the Senate's Special Committee on Aging, for all his work, hearings, research, and help in developing two such services. The first is the National Family Caregiver Support Act, and the second is the Older Americans Act's new Pension Counseling program.

The National Family Caregiver Support Act, through a network of Area Agencies on Aging and service providers, will provide family members—nonprofessional or informal caregivers—valuable information and assistance about how to begin and continue caring for an aging relative. During another of our Subcommittee hearings, we heard moving testimony from a woman who decided that instead of placing her mother in a costly nursing home that would provide questionable care, she would bring her mother home and give her the care and attention she believed her mother needed and deserved.

She did this at no small cost to herself. She had to discontinue her doctorate program. She had to find a job that had more accommodating hours and unfortunately with lower pay. She found that the State agency on aging and other bureaucratic "assistance" were more trouble than they were worth.

She needed advice about lifting her mother, feeding her mother, medications, and many other challenges. Most of all, however, she said she just needed a break. The critical part of the National Family Caregiver Support Act would give her that break in the form of respite care; someone to take over for her for a weekend, a day, even a few hours so she could shop for herself, complete some overtime work, or just rest.

The Caregiver Support Act also introduces an inter-generational element. During the Subcommittee's field hearing in Cleveland, we heard from grandmothers who, for any number of reasons, were now caring for their grandchildren. In some cases, their own children were addicted to drugs or in prison. Rather than relinquish their grandchildren to foster care, they took on the responsibilities of raising them. These women, and many other older Americans who now are raising children for the second time around, also need help. They need guidance, information, and respite care. Our bill would do that.

Another new initiative is the Pension Counseling program. This program would provide desperately needed assistance to retirees who are in jeopardy of losing their pensions or are having difficulty receiving their pensions payments. As more and more individuals retire with more complicated pension, cost sharing, and IRA retirement plans, this will become an invaluable service.

Mr. President, the Older Americans Act of 1999 will accomplish some long overdue changes. Reauthorizing this Act is a key step toward preparing this nation for the aging boom of the next few decades. However, I want to emphasize that as promising as this legislation is—and as encouraged as I am by its introduction—it is still a work in progress. There are outstanding issues that need further attention and that require additional compromise. I look forward to working with all of my colleagues to resolve these issues throughout the August recess.

I would like to thank Senator MILKULSKI, the Subcommittee's ranking member, for all her work, expertise, and assistance in developing this bill. I would also like to thank Senator GREGG for establishing the ground work as the Subcommittee's previous Chairman and for his expertise and input. Thank you also to Senators HUTCHINSON, JEFFORDS, MCCAIN, KENNEDY, and WYDEN for all they and their staffs have contributed to the bill.

I look forward to continuing our work on this bill, to quickly resolving any outstanding concerns, and moving on to final passage of a new and long awaited Older Americans Act.●

By Mr. CHAFEE (for himself and Mr. SMITH of New Hampshire):

S. 1537. A bill to reauthorize and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; to the Committee on Environment and Public Works.

SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT OF 1999

Mr. CHAFEE. Mr. President, I rise today to introduce the Superfund Amendments and Reauthorization Act of 1999. This bill is based on S. 1090, the Superfund Program Completion Act of 1999, a bill that I introduced, along with Senators SMITH and LOTT, earlier this year.

Last year, the Committee reported a comprehensive Superfund bill to the Senate. However, gaining a consensus on a comprehensive bill was not possible last year, and the bill was not called up. The most controversial issues were cleanup standards, paying "polluters," and natural resource damages.

In S. 1090, we narrowed the scope of the bill greatly to get relief now for many parties—small businesses, local governments, municipal solid waste contributors—and we did it fairly, while strengthening the role of the states.

Our goal was always to report a bill that enjoyed wide support. Unfortunately, Senator SMITH and I were not able to move S. 1090 out of the committee. We spent several months negotiating with members on both sides of the aisle. The bill that Senator SMITH and I introduce today serves as a record of our progress in trying to craft a broadly-supported Superfund reform bill.

The bill contains numerous changes from S. 1090. Some changes were made prior to the markup. Others are based on amendments filed for the markup, and others in response to negotiations over the last week.

Our bills retains the key features of S. 1090. The Brownfields title will provide $100 million in grants for state, tribal and local governments to identify, assess and redevelop Brownfields sites. It protects prospective purchasers of contaminated sites, innocent owners of properties adjacent to the source of contamination, and innocent property owners who exercised due diligence upon purchase.

The bill exempts recyclers, small businesses, contributors of very small amounts of hazardous waste, and contributors of small amounts of municipal solid waste. The bill limits the liability of larger generators or transporters of municipal solid waste. The bill limits the liability of larger generators or transporters of municipal solid waste, as well as owners or operators of co-disposal landfills where municipal solid waste is disposed. The bill limits the liability of so-called de minimis parties—generally one percent contributors or less—as well as municipalities and small businesses with a limited ability to pay.

Importantly, this liability relief is provided fairly. EPA is directed to pay for the shares of exempted parties from a $200 million annual orphan share instead of merely shifting the liability onto the remaining nonexempt parties. Importantly, responsible parties still must proceed with the cleanup if $200 million is insufficient to cover all orphan shares in a given year.

The bill also requires EPA to perform an impartial fair-share allocation at Superfund NPL sites and to give all parties an opportunity to settle for their allocated amount. Allocation is preceded by a period for EPA-directed alternative dispute resolution. Parties that do not participate or settle remain liable to Superfund's underlying liability provisions, which remain unchanged.

The bill starts the process of bringing the National Priority List cleanup program to an orderly end. EPA notes that cleanup is complete or underway at more than 90 percent of the sites on the current NPL. EPA is cleaning up the sites at a rate of 85 per year, but it has listed only an average of about 26 sites per year. Last year, the General Accounting Office surveyed the states and EPA about the approximately 3,000 sites identified as possible National Priority List sites, but not yet listed. Only 232 of these sites were identified by either EPA, a state, or both, as likely to be listed on the NPL. The Superfund NPL cleanup program is closer to the end of its mission than to the beginning. The authorized funding levels in the bill, which decrease during the five-year authorization period, are consistent with the expected decrease in Superfund's workload.

The ramp-down of the NPL cleanup program has important implications for state cleanup programs. The bill provides $100 million per year for state cleanup programs. Therefore, the bill requires EPA to plan how it will proceed at the 3,000 sites still awaiting a decision regarding NPL listing. Further, under our bill, new listings on the National Priority List must be approved by the Governor of the affected state.

What is most important, the bill provides finality at sites cleaned up in state cleanup programs unless a state asks for help, fails to take action, or a true emergency is present. We know that the vast majority of sites not already listed on the NPL will be cleaned up by the states, not EPA. A strong finality provision will give greater confidence to prospective developers that state cleanup decisions will not be second-guessed by EPA. I would note that the bill includes new safeguards, not present in S.1090 as-introduced, to ensure a robust federal safety net if a state fails to meet its obligations.

How does this bill differ from S. 1090? In preparation for the markup, members filed several amendments that Senator SMITH and I plan to accept. Senator BOND filed several amendments to improve the brownfields provisions and protect law enforcement activities from Superfund liability. Senator THOMAS filed an amendment to clarify the liability of common carriers and railroad spur track owners. Senator INHOFE filed an amendment to encourage the recycling of used oil, and another to improve the state cleanup program provisions. Senator SMITH and I filed an amendment to study the costs of the Superfund program over the next ten years. All of these amendments are included in the new bill.

Senator SMITH and I have also included an amendment that we filed containing narrow provisions in two areas not originally addressed in S.1090: natural resource damages, and remedy. We offered the language in our negotiations in order to try to accommodate the concerns of Republicans members who felt that the scope of the bill was too narrow. We felt these provisions would solve most of the concerns that were raised without completely reopening the debates on NRD and remedy.

The new remedy provisions would accomplish three things. First, it makes improvements to the system of identifying and applying the applicable relevant and appropriate requirements of other federal and state laws in Superfund cleanups. Second, the existing statutory preference for permanent remedies that use treatment is replaced by a preference limited to so-called "hot spots." This comports with EPA's current practice, where 70% of all cleanup plans include containment instead of removal of the hazardous substance. Finally, new provisions establish procedures for the use of facility-specific risk assessments and the use of science in decision-making. This provision was closely modeled on the recent Safe Drinking Water Act Amendment.

The new natural resource damages provision makes four significant changes to the NRD program.

First, it provides a clear statement as to what costs a responsible party will be required to bear under a natural resource damage claim. A responsible party will be liable for only for the reasonable costs of restoring the resource—that is for reinstating the human uses and environmental functions of the resource.

Second, it would eliminate recovery for any damages based on the nonuse values associated with an injured resource. Proponents of nonuse damages have argued that these damages are an important element of recovery in cases where a resource like the Grand Canyon is injured or destroyed. Our provision addresses this issue more directly. Instead, it recognizes that certain resources, such as endangered species, or wilderness areas, or certain national monuments are truly unique and therefore warrant special consideration. The language provides that where a unique resource has been damaged and is irreplaceable, the trustees may seek enhanced or expedited restoration.

Third, it set parameters for determining whether the costs associated with a restoration measure are reasonable. Under this bill, the reasonableness of the costs will be determined based on four factors: technical feasibility, cost-effectiveness, the time period in which recovery will be achieved; and whether the response action or natural recovery will reinstate the uses of a resource in a reasonable period of time. This provision is not intended to require a cost-benefit analysis. However, it is intended to require that trustees select cost-effective restoration measures.

Fourth, it clarifies the prohibition against double recovery. It would protect responsible parties against claims under section 107(f) if damages have already been recovered for the same injury to the same resource under CERCLA, State or Tribal law.

It is clear that we have moved a long way to try to reach an accommodation on both the right and the left. Perhaps this new bill can serve as the rallying-point if prospects for Superfund improve later in the Congress. In closing, I want to thank Senator SMITH for his efforts on Superfund over the years.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Superfund Amendments and Reauthorization Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—BROWNFIELDS REVITALIZATION

Sec. 101. Brownfields.
Sec. 102. Contiguous properties.
Sec. 103. Prospective purchasers and windfall liens.
Sec. 104. Safe harbor innocent landholders.

TITLE II—STATE RESPONSE PROGRAMS

Sec. 201. State response programs.
Sec. 202. National Priorities List completion.
Sec. 203. Federal emergency removal authority.
Sec. 204. State cost share.

TITLE III—FAIR SHARE LIABILITY ALLOCATIONS AND PROTECTIONS

Sec. 301. Liability exemptions and limitations.
Sec. 302. Expedited settlement for certain parties.
Sec. 303. Fair share settlements and statutory orphan shares.
Sec. 304. Treatment of religious, charitable, scientific, and educational organizations as owners or operators.

TITLE IV—REMEDY SELECTION AND NATURAL RESOURCE DAMAGES

Sec. 401. Selection and implementation of remedial actions.
Sec. 402. Use of risk assessment in remedy selection.
Sec. 403. Natural resource damages.
Sec. 404. Double recovery.

TITLE V—FUNDING

Sec. 501. Uses of Hazardous Substance Superfund.

TITLE I—BROWNFIELDS REVITALIZATION

SEC. 101. BROWNFIELDS.

Title I of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) is amended by adding at the end the following:

"SEC. 127. BROWNFIELDS.

"(a) DEFINITIONS.—In this section:

"(1) BROWNFIELD FACILITY.—

"(A) IN GENERAL.—The term 'brownfield facility' means real property, the expansion or redevelopment of which is complicated by the presence or potential presence of a hazardous substance.

"(B) INCLUSION.—The term 'brownfield facility' includes real property that is contaminated with cocaine, heroin, methamphetamine, or any other controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), a precursor chemical to a controlled substance, or a residual chemical from the manufacture of a controlled substance.

"(C) EXCLUSIONS.—The term 'brownfield facility' does not include—

"(i) any portion of real property that, as of the date of submission of an application for assistance under this section, is the subject of an ongoing removal under this title;

"(ii) any portion of real property that has been listed on the National Priorities List or is proposed for listing as of the date of the submission of an application for assistance under this section;

"(iii) any portion of real property with respect to which cleanup work is proceeding in substantial compliance with the requirements of an administrative order on consent, or judicial consent decree that has been entered into, or a permit issued by, the United States or a duly authorized State under this Act, the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321), the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), or the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

"(iv) a land disposal unit with respect to which—

"(I) a closure notification under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.) has been submitted; and

"(II) closure requirements have been specified in a closure plan or permit;

"(v) a facility that is owned or operated by a department, agency, or instrumentality of the United States; or

"(vi) a portion of a facility, for which portion, assistance for response activity has been obtained under subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) from the Leaking Underground Storage Tank Trust Fund established under section 9508 of the Internal Revenue Code of 1986.

"(C) FACILITIES OTHER THAN BROWNFIELD FACILITIES.—That a facility may not be a brownfield facility within the meaning of subparagraph (A) has no effect on the eligibility of the facility for assistance under any provision of Federal law other than this section.

"(2) ELIGIBLE ENTITY.—

"(A) IN GENERAL.—The term 'eligible entity' means—

"(i) a general purpose unit of local government;

"(ii) a land clearance authority or other quasi-governmental entity that operates under the supervision and control of or as an agent of a general purpose unit of local government;

"(iii) a government entity created by a State legislature;

"(iv) a regional council or group of general purpose units of local government;

"(v) a redevelopment agency that is chartered or otherwise sanctioned by a State;

"(vi) a State; and

"(vii) an Indian Tribe.

"(B) EXCLUSION.—The term 'eligible entity' does not include any entity that is not in substantial compliance with the requirements of an administrative order on consent, judicial consent decree that has been entered into, or a permit issued by, the United States or a duly authorized State under this Act, the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. 2601 et seq.), or the Safe Drinking Water Act (42 U.S.C. 300f et seq.) with respect to any portion of real property that is the subject of the administrative order on consent, judicial consent decree, or permit.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(b) BROWNFIELD SITE CHARACTERIZATION AND ASSESSMENT GRANT PROGRAM.—

"(1) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish a program to provide grants for the site characterization and assessment of brownfield facilities.

"(2) ASSISTANCE FOR SITE CHARACTERIZATION AND ASSESSMENT AND RESPONSE ACTIONS.—

"(A) IN GENERAL.—On approval of an application made by an eligible entity, the Administrator may make grants to the eligible entity to be used for the site characterization and assessment of 1 or more brownfield facilities.

"(B) SITE CHARACTERIZATION AND ASSESSMENT.—A site characterization and assessment carried out with the use of a grant under subparagraph (A)—

"(i) shall be performed in accordance with section 101(35)(B); and

"(ii) may include a process to identify and inventory potential brownfield facilities.

"(c) BROWNFIELD REMEDIATION GRANT PROGRAM.—

"(1) ESTABLISHMENT OF PROGRAM.—In consultation with the Secretary, the Administrator shall establish a program to provide grants to be used for response actions (excluding site characterization and assessment) at 1 or more brownfield facilities.

"(2) ASSISTANCE FOR RESPONSE ACTIONS.—On approval of an application made by an eligible entity, the Administrator, in consultation with the Secretary, may make grants to the eligible entity to be used for response actions (excluding site characterization and assessment) at 1 or more brownfield facilities.

"(d) GENERAL PROVISIONS.—

"(1) MAXIMUM GRANT AMOUNT.—

"(A) IN GENERAL.—The total of all grants under subsections (b) and (c) shall not exceed, with respect to any individual brownfield facility covered by the grants, $350,000.

"(B) WAIVER.—The Administrator may waive the $350,000 limitation under subparagraph (A) based on the anticipated level of contamination, size, or status of ownership of the facility, so as to permit the facility to receive a grant of not to exceed $600,000.

"(2) PROHIBITION.—

"(A) IN GENERAL.—No part of a grant under this section may be used for payment of penalties, fines, or administrative costs.

"(B) EXCLUSIONS.—For the purposes of subparagraph (A), the term 'administrative cost' does not include the cost of—

"(i) investigation and identification of the extent of contamination;

"(ii) design and performance of a response action; or

"(iii) monitoring of natural resources.

"(3) AUDITS.—The Inspector General of the Environmental Protection Agency shall conduct such reviews or audits of grants under this section as the Inspector General considers necessary to carry out the objectives of this section. Audits shall be conducted in accordance with the auditing procedures of the General Accounting Office, including chapter 75 of title 31, United States Code.

"(4) LEVERAGING.—An eligible entity that receives a grant under this section may use the funds for part of a project at a brownfield facility for which funding is received from other sources, but the grant shall be used only for the purposes described in subsection (b) or (c).

"(5) AGREEMENTS.—Each grant made under this section shall be subject to an agreement that—

"(A) requires the eligible entity to comply with all applicable State laws (including regulations);

"(B) requires that the eligible entity shall use the grant exclusively for purposes specified in subsection (b) or (c);

"(C) in the case of an application by an eligible entity under subsection (c), requires payment by the eligible entity of a matching share (which may be in the form of a contribution of labor, material, or services) of at least 20 percent of the costs of the response action for which the grant is made, is from non-Federal sources of funding.

"(D) contains such other terms and conditions as the Administrator determines to be necessary to carry out this section.

"(e) GRANT APPLICATIONS.—

"(1) SUBMISSION.—

"(A) IN GENERAL.—Any eligible entity may submit an application to the Administrator, through a regional office of the Environmental Protection Agency and in such form as the Administrator may require, for a grant under this section for 1 or more brownfield facilities.

"(B) COORDINATION.—In developing application requirements, the Administrator shall coordinate with the Secretary and other Federal agencies and departments, such that eligible entities under this section are made aware of other available Federal resources.

"(C) GUIDANCE.—The Administrator shall publish guidance to assist eligible entities in obtaining grants under this section.

"(2) APPROVAL.—The Administrator, in consultation with the Secretary, shall make an annual evaluation of each application received during the prior fiscal year and make grants under this section to eligible entities that submit applications during the prior year and that the Administrator, in consultation with the Secretary, determines have the highest rankings under the ranking criteria established under paragraph (3).

"(3) RANKING CRITERIA.—The Administrator, in consultation with the Secretary, shall establish a system for ranking grant applications that includes the following criteria:

"(A) The extent to which a grant will stimulate the availability of other funds for environmental remediation and subsequent redevelopment of the area in which the brownfield facilities are located.

"(B) The potential of the development plan for the area in which the brownfield facilities are located to stimulate economic development of the area on completion of the cleanup, such as the following:

"(i) The relative increase in the estimated fair market value of the area as a result of any necessary response action.

"(ii) The demonstration by applicants of the intent and ability to create new or expand existing business, employment, recreation, or conservation opportunities on completion of any necessary response action.

"(iii) If commercial redevelopment is planned, the estimated additional full-time employment opportunities and tax revenues expected to be generated by economic redevelopment in the area in which a brownfield facility is located.

"(iv) The estimated extent to which a grant would facilitate the identification of or facilitate a reduction of health and environmental risks.

"(v) The financial involvement of the State and local government in any response action planned for a brownfield facility and the extent to which the response action and the proposed redevelopment is consistent with any applicable State or local community economic development plan.

"(vi) The extent to which the site characterization and assessment or response action and subsequent development of a brownfield facility involves the active participation and support of the local community.

"(vii) Such other factors as the Administrator considers appropriate to carry out the purposes of this section.

"(C) The extent to which a grant will enable the creation of or addition to parks, greenways, or other recreational property.

"(D) The extent to which a grant will meet the needs of a community that has an inability to draw on other sources of funding for environmental remediation and subsequent redevelopment of the area in which a brownfield facility is located because of the small population or low income of the community.".

SEC. 102. CONTIGUOUS PROPERTIES.

(a) IN GENERAL.—Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(a)) is amended by adding at the end the following:

"(o) CONTIGUOUS PROPERTIES.—

"(1) NOT CONSIDERED TO BE AN OWNER OR OPERATOR.—

"(A) IN GENERAL.—A person that owns or operates real property that is contiguous to or otherwise similarly situated with respect to real property on which there has been a release or threatened release of a hazardous substance and that is or may be contaminated by the release shall not be considered to be an owner or operator of a vessel or facility under paragraph (1) or (2) of subsection (a) solely by reason of the contamination if—

"(i) the person did not cause, contribute, or consent to the release or threatened release;

"(ii) the person is not affiliated through any familial or corporate relationship with any person that is or was a party potentially responsible for response costs at the facility;

"(iii) the person exercised appropriate care with respect to each hazardous substance found at the facility by taking reasonable steps to stop any continuing release, prevent any threatened future release and prevent or limit human or natural resource exposure to any previously released hazardous substance;

"(iv) the person provides full cooperation, assistance, and access to persons that are responsible for response actions at the vessel or facility from which there has been a release or threatened release, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response actions at the vessel or facility;

"(v) the person does not impede the effectiveness or integrity of any institutional control employed at the vessel or facility; and

"(vi) the person complies with any request for information or administrative subpoena issued by the President under this Act.

"(B) GROUND WATER.—With respect to hazardous substances in ground water beneath a person's property solely as a result of subsurface migration in an aquifer from a source or sources outside the property, appropriate care shall not require the person to conduct ground water investigations or to install ground water remediation systems.

"(2) ASSURANCES.—The Administrator may—

"(A) issue an assurance that no enforcement action under this Act will be initiated against a person described in paragraph (1); and

"(B) grant a person described in paragraph (1) protection against a cost recovery or contribution action under section 113(f).".

(b) NATIONAL PRIORITIES LIST.—

(1) IN GENERAL.—Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605) is amended—

(A) in subsection (a)(8)—

(i) in subparagraph (B), by inserting "and" after the semicolon at the end; and

(ii) by adding at the end the following:

"(C) provision that in listing a facility on the National Priorities List, the Administrator shall not include any parcel of real property at which no release has actually occurred, but to which a released hazardous substance, pollutant, or contaminant has migrated in ground water that has moved through subsurface strata from another parcel of real estate at which the release actually occurred, unless—

"(i) the ground water is in use as a public drinking water supply or was in such use at the time of the release; and

"(ii) the owner or operator of the facility is liable, or is affiliated with any other person that is liable, for any response costs at the facility, through any direct or indirect familial relationship, or any contractual, corporate, or financial relationship other than that created by the instruments by which title to the facility is conveyed or financed."; and

(B) by adding at the end the following:

"(h) LISTING OF PARTICULAR PARCELS.—

"(1) DEFINITION.—In subsection (a)(8)(C) and paragraph (2) of this subsection, the term 'parcel of real property' means a parcel, lot, or tract of land that has a separate legal description from that of any other parcel, lot, or tract of land the legal description and ownership of which has been recorded in accordance with the law of the State in which it is located.

"(2) STATUTORY CONSTRUCTION.—Nothing in subsection (a)(8)(C) limits the Administrator's authority under section 104 to obtain access to and undertake response actions at any parcel of real property to which a released hazardous substance, pollutant, or contaminant has migrated in the ground water.".

(2) REVISION OF NATIONAL PRIORITIES LIST.—

(A) IN GENERAL.—The President shall annually revise the National Priorities List to conform with the amendments made by paragraph (1), based on individual delisting recommendations made by each Regional Administrator of the Environmental Protection Agency.

(B) DELISTED PARCELS.—In complying with this paragraph, the President shall delist not more than 20 individual parcels of real property from the National Priorities List in any 1 calendar year.

(c) CONFORMING AMENDMENT.—Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) is amended by striking "of this section" and inserting "and the exemptions and limitations stated in this section".

SEC. 103. PROSPECTIVE PURCHASERS AND WINDFALL LIENS.

(a) Definition of Bona Fide Prospective Purchaser.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) is amended by adding at the end the following:

"(39) Bona fide prospective purchaser.—The term 'bona fide prospective purchaser' means a person that acquires ownership of a facility after the date of enactment of this paragraph, or a tenant of such a person, that establishes each of the following by a preponderance of the evidence:

"(A) Disposal prior to acquisition.—All deposition of hazardous substances at the facility occurred before the person acquired the facility.

"(B) Inquiries.—

"(i) In general.—The person made all appropriate inquiries into the previous ownership and uses of the facility and the facility's real property in accordance with generally accepted good commercial and customary standards and practices.

"(ii) Standards and practices.—The standards and practices referred to in paragraph (35)(B)(ii) or those issued or adopted by the Administrator under that paragraph shall be considered to satisfy the requirements of this subparagraph.

"(iii) Residential use.—In the case of property for residential or other similar use purchased by a nongovernmental or noncommercial entity, a facility inspection and title search that reveal no basis for further investigation shall be considered to satisfy the requirements of this subparagraph.

"(C) Notices.—The person provided all legally required notices with respect to the discovery or release of any hazardous substances at the facility.

"(D) Care.—The person exercised appropriate care with respect to each hazardous substance found at the facility by taking reasonable steps to stop any continuing release, prevent any threatened future release and prevent or limit human or natural resource exposure to any previously released hazardous substance.

"(E) Cooperation, assistance, and access.—The person provides full cooperation, assistance, and access to persons that are responsible for response actions at the vessel or facility, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response actions at the vessel or facility.

"(F) Institutional control.—The person does not impede the effectiveness or integrity of any institutional control employed at the vessel or facility.

"(G) Requests; subpoenas.—The person complies with any request for information or administrative subpoena issued by the President under this Act.

"(H) No affiliation.—The person is not affiliated through any familial or corporate relationship with any person that is or was a party potentially responsible for response costs at the facility.".

(b) Amendment.—Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) (as amended by section 102) is amended by adding at the end the following:

"(p) Prospective Purchaser and Windfall Lien.—

"(1) Limitation on liability.—Notwithstanding subsection (a), a bona fide prospective purchaser whose potential liability for a release or threatened release is based solely on the purchaser's being considered to be an owner or operator of a facility shall not be liable as long as the bona fide prospective purchaser does not impede the performance of a response action or natural resource restoration.

"(2) Lien.—If there are unrecovered response costs at a facility for which an owner of the facility is not liable by reason of subsection (n)(1) and each of the conditions described in paragraph (3) is met, the United States shall have a lien on the facility, or may obtain from an appropriate responsible party a lien on any other property or other assurances of payment satisfactory to the Administrator, for such unrecovered costs.

"(3) Conditions.—The conditions referred to in paragraph (2) are the following:

"(A) Response action.—A response action for which there are unrecovered costs is carried out at the facility.

"(B) Fair market value.—The response action increases the fair market value of the facility above the fair market value of the facility that existed 180 days before the response action was initiated.

"(C) Sale.—A sale or other disposition of all or a portion of the facility has occurred.

"(4) Amount.—A lien under paragraph (2)—

"(A) shall not exceed the increase in fair market value of the property attributable to the response action at the time of a subsequent sale or other disposition of the property;

"(B) shall arise at the time at which costs are first incurred by the United States with respect to a response action at the facility;

"(C) shall be subject to the requirements of subsection (l)(3); and

"(D) shall continue until the earlier of satisfaction of the lien or recovery of all response costs incurred at the facility.".

SEC. 104. SAFE HARBOR INNOCENT LANDHOLDERS.

(a) Amendment.—Section 101(35) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(35)) is amended—

(1) in subparagraph (A)—

(A) in the matter that precedes clause (i), by striking "deeds or" and inserting "deeds, easements, leases, or"; and

(B) in the matter that follows clause (iii)—

(i) by striking "he" and inserting "the defendant"; and

(ii) by striking the period at the end and inserting ", has provided full cooperation, assistance, and facility access to the persons that are responsible for response actions at the facility, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response action at the facility, and has taken no action that impeded the effectiveness or integrity of any institutional control employed under section 121 at the facility."; and

(2) by striking subparagraph (B) and inserting the following:

"(B) Reason to know.—

"(i) All appropriate inquiries.—To establish that the defendant had no reason to know of the matter described in subparagraph (A)(i), the defendant must show that—

"(I) at or prior to the date on which the defendant acquired the facility, the defendant undertook all appropriate inquiries into the previous ownership and uses of the facility in accordance with generally accepted good commercial and customary standards and practices; and

"(II) the defendant took reasonable steps to stop any continuing release, prevent any threatened future release, and prevent or limit human or natural resource exposure to any previously released hazardous substance.

"(ii) Standards and practices.—The Administrator shall by regulation establish as standards and practices for the purpose of clause (i)—

"(I) the American Society for Testing and Materials (ASTM) Standard E1527-94, entitled 'Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process'; or

"(II) alternative standards and practices under clause (iii).

"(iii) Alternative standards and practices.—

"(I) In general.—The Administrator may by regulation issue alternative standards and practices or designate standards developed by other organizations than the American Society for Testing and Materials after conducting a study of commercial and industrial practices concerning the transfer of real property in the United States.

"(II) Considerations.—In issuing or designating alternative standards and practices under subclause (I), the Administrator shall consider including each of the following:

"(aa) The results of an inquiry by an environmental professional.

"(bb) Interviews with past and present owners, operators, and occupants of the facility and the facility's real property for the purpose of gathering information regarding the potential for contamination at the facility and the facility's real property.

"(cc) Reviews of historical sources, such as chain of title documents, aerial photographs, building department records, and land use records to determine previous uses and occupancies of the real property since the property was first developed.

"(dd) Searches for recorded environmental cleanup liens, filed under Federal, State, or local law, against the facility or the facility's real property.

"(ee) Reviews of Federal, State, and local government records (such as waste disposal records), underground storage tank records, and hazardous waste handling, generation, treatment, disposal, and spill records, concerning contamination at or near the facility or the facility's real property.

"(ff) Visual inspections of the facility and facility's real property and of adjoining properties.

"(gg) Specialized knowledge or experience on the part of the defendant.

"(hh) The relationship of the purchase price to the value of the property if the property was uncontaminated.

"(ii) Commonly known or reasonably ascertainable information about the property.

"(jj) The degree of obviousness of the presence or likely presence of contamination at the property, and the ability to detect such contamination by appropriate investigation.

"(iv) Site inspection and title search.—In the case of property for residential use or other similar use purchased by a nongovernmental or noncommercial entity, a facility inspection and title search that reveal no basis for further investigation shall be considered to satisfy the requirements of this subparagraph.".

(b) Standards and Practices.—

(1) Establishment by regulation.—The Administrator of the Environmental Protection Agency shall issue the regulation required by section 101(35)(B)(ii) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as added by subsection (a)) not later than 1 year after the date of enactment of this Act.

(2) Interim standards and practices.—Until the Administrator issues the regulation described in paragraph (1), in making a

determination under section 101(35)(B)(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as added by subsection (a)), there shall be taken into account—

(A) any specialized knowledge or experience on the part of the defendant;

(B) the relationship of the purchase price to the value of the property if the property was uncontaminated;

(C) commonly known or reasonably ascertainable information about the property;

(D) the degree of obviousness of the presence or likely presence of contamination at the property; and

(E) the ability to detect the contamination by appropriate investigation.

TITLE II—STATE RESPONSE PROGRAMS

SEC. 201. STATE RESPONSE PROGRAMS.

(a) Definitions.—Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601) (as amended by section 103(a)) is amended by adding at the end the following:

"(40) Facility subject to state cleanup.—The term 'facility subject to State cleanup' means a facility that—

"(A) is not listed or proposed for listing on the National Priorities List; or

"(B) has been proposed for listing on the National Priorities List, but for which the Administrator has notified the State in writing that the Administrator has deferred final listing of the facility pending completion of a remedial action under State authority at the facility.

"(41) Qualifying state response program.—The term 'qualifying State response program' means a State program that includes the elements described in section 128(b).".

(b) Qualifying State Response Programs.—Title I of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) (as amended by section 101(a)) is amended by adding at the end the following:

"SEC. 128. QUALIFYING STATE RESPONSE PROGRAMS.

"(a) Assistance to States.—The Administrator shall provide grants to States to establish and expand qualifying State response programs that include the elements listed in subsection (b).

"(b) Elements.—The elements of a qualifying State response program are the following:

"(1) Oversight and enforcement authorities or other mechanisms that are adequate to ensure that—

"(A) response actions will protect human health and the environment and be conducted in accordance with applicable Federal and State law; and

"(B) in the case of a voluntary response action, if the person conducting the voluntary response action fails to complete the necessary response activities, including operation and maintenance or long-term monitoring activities, the necessary response activities are completed.

"(2) Adequate opportunities for public participation, including prior notice and opportunity for comment in appropriate circumstances, in selecting response actions.

"(3) Mechanisms for approval of a response action plan, or a requirement for certification or similar documentation from the State to the person conducting a response action indicating that the response is complete.

"(c) Enforcement in Cases of a Release Subject to a State Plan.—

"(1) Enforcement.—

"(A) In general.—Except as provided in subparagraph (B), in the case of a release or threatened release of a hazardous substance at a facility subject to State cleanup, neither the President nor any other person may use any authority under this Act to take an enforcement action against any person regarding any matter that is within the scope of a response action that is being conducted or has been completed under State law.

"(B) Exceptions.—The President may bring an enforcement action under this Act with respect to a facility described in subparagraph (A) if—

"(i) the enforcement action is authorized under section 104;

"(ii) the State requests that the President provide assistance in the performance of a response action and that the enforcement bar in subparagraph (A) be lifted;

"(iii) at a facility at which response activities are ongoing the Administrator—

"(I) makes a written determination that the State is unwilling or unable to take appropriate action, after the Administrator has provided the Governor notice and an opportunity to cure; and

"(II) the Administrator determines that the release or threat of release constitutes a public health or environmental emergency under section 104(a)(4);

"(iv) the Administrator determines that contamination has migrated across a State line, resulting in the need for further response action to protect human health or the environment; or

"(v) in the case of a facility at which all response actions have been completed, the Administrator—

"(I) makes a written determination that the State is unwilling or unable to take appropriate action, after the Administrator has provided the Governor notice and an opportunity to cure; and

"(II) makes a written determination that the facility presents a substantial risk that requires further remediation to protect human health or the environment, as evidenced by—

"(aa) newly discovered information regarding contamination at the facility;

"(bb) the discovery that fraud was committed in demonstrating attainment of standards at the facility; or

"(cc) a failure of the remedy or a change in land use giving rise to a clear threat of exposure.

"(C) EPA notification.—

"(i) In general.—In the case of a facility at which there is a release or threatened release of a hazardous substance, pollutant, or contaminant and for which the Administrator intends to undertake an administrative or enforcement action, the Administrator, prior to taking the administrative or enforcement action, shall notify the State of the action the Administrator intends to take and wait for an acknowledgment from the State under clause (ii).

"(ii) State response.—Not later than 48 hours after receiving a notice from the Administrator under clause (i), the State shall notify the Administrator if the facility is currently or has been subject to a cleanup conducted under State law.

"(iii) Public health or environmental emergency.—If the Administrator finds that a release or threatened release constitutes a public health or environmental emergency under section 104(a)(4), the Administrator may take appropriate action immediately after giving notification under clause (i) without waiting for State acknowledgment.

"(2) Cost or damage recovery actions.—Paragraph (1) shall not apply to an action brought by a State, Indian Tribe, or general purpose unit of local government for the recovery of costs or damages under this Act.

"(3) Savings provision.—

"(A) Existing agreements.—A memorandum of agreement, memorandum of understanding, or similar agreement between the President and a State or Indian tribe defining Federal and State or tribal response action responsibilities that was in effect as of the date of enactment of this section with respect to a facility to which paragraph (1)(C) does not apply shall remain effective until the agreement expires in accordance with the terms of the agreement.

"(B) New agreements.—Nothing in this subsection precludes the President from entering into an agreement with a State or Indian tribe regarding responsibility at a facility to which paragraph (1)(C) does not apply.

"(4) State reimbursement and certification.—

"(A) In general.—On making a finding under this section that a State is unwilling or unable to take appropriate action to address a public health or environmental emergency, the President may require that the State reimburse the Hazardous Substance Superfund for response costs incurred by the United States.

"(B) Certification.—On making a finding under this section that a State is unwilling or unable to take appropriate action to address a public health or environmental emergency at 3 separate facilities within any 1-year period, the President may notify the Governor of the State that this section shall not apply in the State until the President certifies that the State's cleanup program is adequate to ensure that response actions will protect human health and the environment.".

SEC. 202. NATIONAL PRIORITIES LIST COMPLETION.

(a) In General.—Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605) is amended by striking subsection (b) and inserting the following:

"(b) National Priorities List Completion.—

"(1) In general.—Not later than 2 years after the date of enactment of this paragraph, the President shall complete the evaluation of all facilities classified as awaiting a National Priorities List decision to determine the risk or danger to public health or welfare or the environment posed by each facility as compared with the other facilities.

"(2) Requirement of request by the governor of a state.—No facility shall be added to the National Priorities List without the President having first received the concurrence of the Governor of the State in which the facility is located.".

(b) Independent CERCLA Cost Analysis.—

(1) In general.—From amounts appropriated under section 111(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9611(a)), the Administrator shall fund a cooperative agreement for an independent analysis of the projected 10-year costs for the implementation of the program under that Act.

(2) Completion.—The independent analysis under paragraph (1) shall be completed not later than 180 days after the date of enactment of this Act.

SEC. 203. FEDERAL EMERGENCY REMOVAL AUTHORITY.

Section 104(c)(1) of the Comprehensive Environmental Response, Compensation, and

Liability Act of 1980 (42 U.S.C. 9604(c)(1)) is amended—

(1) in subparagraph (C), by striking "consistent with the remedial action to be taken" and inserting "not inconsistent with any remedial action that has been selected or is anticipated at the time of any removal action at a facility,";

(2) by striking "$2,000,000" and inserting "$5,000,000"; and

(3) by striking "12 months" and inserting "3 years".

SEC. 204. STATE COST SHARE.

Section 104(c) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(c)) is amended—

(1) by striking "(c)(1) Unless" and inserting the following:

"(c) MISCELLANEOUS LIMITATIONS AND REQUIREMENTS.—

"(1) CONTINUANCE OF OBLIGATIONS FROM FUND.—Unless";

(2) in paragraph (1), by striking "taken obligations" and inserting "taken, obligations";

(3) by striking "(2) The President" and inserting the following:

"(2) CONSULTATION.—The President"; and

(4) by striking paragraph (3) and inserting the following:

"(3) STATE COST SHARE.—

"(A) IN GENERAL.—The Administrator shall not provide any funding for remedial action under this section unless the State in which the release occurs first enters into a contract or cooperative agreement with the Administrator that provides assurances that the State will pay, in cash or through in-kind contributions, 10 percent of the costs of—

"(i) the remedial action; and

"(ii) operation and maintenance costs.

"(B) STATE-OPERATED FACILITIES.—Notwithstanding subparagraph (A), the Administrator may require a State contribution, in cash or in-kind, of 50 percent of the costs of any sums expended in response to a release at a facility that was operated by the State or a political subdivision of the State, either directly or through a contractual relationship or otherwise, at the time of any disposal of hazardous substances therein.

"(C) ACTIVITIES WITH RESPECT TO WHICH STATE COST SHARE IS REQUIRED.—No State cost share shall be required except for remedial actions under this section.

"(D) INDIAN TRIBES.—The requirements of this paragraph shall not apply in the case of remedial action to be taken on land or water—

"(i) held by an Indian Tribe;

"(ii) held by the United States in trust for an Indian Tribe;

"(iii) held by a member of an Indian Tribe (if the land or water is subject to a trust restriction on alienation); or

"(iv) within the borders of an Indian reservation.".

TITLE III—FAIR SHARE LIABILITY ALLOCATIONS AND PROTECTIONS

SEC. 301. LIABILITY EXEMPTIONS AND LIMITATIONS.

(a) DEFINITIONS.—Section 101 of the Comprehensive Environmental Response, Liability, and Compensation Act of 1980 (42 U.S.C. 9601) (as amended by section 201(a)) is amended by adding at the end the following:

"(42) CODISPOSAL LANDFILL.—The term 'codisposal landfill' means a landfill that—

"(A) was listed on the National Priorities List as of the date of enactment of this paragraph;

"(B) received for disposal municipal solid waste or sewage sludge; and

"(C) may also have received, before the effective date of requirements under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.), any hazardous waste, if the landfill contains predominantly municipal solid waste or sewage sludge that was transported to the landfill from outside the facility.

"(43) MUNICIPAL SOLID WASTE.—

"(A) IN GENERAL.—The term 'municipal solid waste' means waste material generated by—

"(i) a household (such as a single- or multi-family residence) or a public lodging (such as a hotel or motel); or

"(ii) a commercial, institutional, or industrial source, to the extent that—

"(I) the waste material is substantially similar to waste normally generated by a household or public lodging (without regard to differences in volume); or

"(II) the waste material is collected and disposed of with other municipal solid waste or municipal sewage sludge as part of normal municipal solid waste collection services, and, with respect to each source from which the waste material is collected, qualifies for a de micromis exemption under section 107(r).

"(B) INCLUSIONS.—The term 'municipal solid waste' includes food and yard waste, paper, clothing, appliances, consumer product packaging, disposable diapers, office supplies, cosmetics, glass and metal food containers, elementary or secondary school science laboratory waste, and household hazardous waste.

"(C) EXCLUSIONS.—The term 'municipal solid waste' does not include combustion ash generated by resource recovery facilities or municipal incinerators or waste from manufacturing or processing (including pollution control) operations.

"(44) MUNICIPALITY.—

"(A) IN GENERAL.—The term 'municipality' means a political subdivision of a State (including a city, county, village, town, township, borough, parish, school district, sanitation district, water district, or other public entity performing local governmental functions).

"(B) INCLUSIONS.—The term 'municipality' includes a natural person acting in the capacity of an official, employee, or agent of any entity described in subparagraph (A) in the performance of a governmental function.

"(45) SEWAGE SLUDGE.—The term 'sewage sludge' means solid, semisolid, or liquid residue removed during the treatment of municipal waste water, domestic sewage, or other waste water at or by publicly owned treatment works.".

(b) EXEMPTIONS AND LIMITATIONS.—

(1) IN GENERAL.—Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607) (as amended by section 103(b)) is amended by adding at the end the following:

"(q) LIABILITY EXEMPTION FOR MUNICIPAL SOLID WASTE AND SEWAGE SLUDGE.—No person shall be liable to the United States or to any other person (including liability for contribution) under this section for any response costs at a facility listed on the National Priorities List to the extent that—

"(1) the person is liable solely under paragraph (3) or (4) of subsection (a);

"(2) the person is liable based on an arrangement for disposal or treatment of, an arrangement with a transporter for transport for disposal or treatment of, or an acceptance for transport for disposal or treatment at a facility of, municipal solid waste;

"(3) the person provides full cooperation, assistance, and access to persons that are responsible for response actions at the vessel or facility, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response actions at the vessel or facility;

"(4) the person does not impede the effectiveness or integrity of any institutional control employed at the vessel or facility;

"(5) the person complies with any request for information or administrative subpoena issued by the President under this Act; and

"(6) the person is—

"(A) an owner, operator, or lessee of residential property from which all of the person's municipal solid waste was generated;

"(B) a business entity that, during the tax year preceding the date of transmittal of written notification that the business is potentially liable, employs not more than 100 individuals; or

"(C) a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that employs not more than 100 individuals, from which all of the person's municipal solid waste was generated.

"(r) DE MICROMIS CONTRIBUTOR EXEMPTION.—

"(1) IN GENERAL.—In the case of a vessel or facility listed on the National Priorities List, no person described in paragraph (3) or (4) of subsection (a) shall be liable to the United States or to any other person (including liability for contribution) for any response costs under this section if the activity specifically attributable to the person resulted in the disposal or treatment of not more than 200 pounds or 110 gallons of material containing a hazardous substance at the vessel or facility before the date of enactment of this subsection, or such greater amount as the Administrator may determine by regulation.

"(2) EXCEPTION.—Paragraph (1) shall not apply in a case in which the Administrator determines that material described in paragraph (1) has contributed or may contribute significantly, individually, to the amount of response costs at the facility.

"(s) SMALL BUSINESS EXEMPTION.—

"(1) IN GENERAL.—No person shall be liable to the United States or to any person (including liability for contribution) under this section for any response costs at a facility listed on the National Priorities List if—

"(A) the person is liable solely under paragraph (3) or (4) or subsection (a);

"(B) the person is a business that—

"(i) during the taxable year preceding the date of transmittal of notification that the business is a potentially responsible party, had full- and part-time employees whose combined time was equivalent to 75 or fewer full-time employees; or

"(ii) for that taxable year reported $3,000,000 or less in gross revenue;

"(C) the activity specifically attributable to the person resulted in the disposal or treatment of material containing a hazardous substance at the vessel or facility before the date of enactment of this subsection;

"(D) the person is not affiliated through any familial or corporate relationship with any person that is or was a party potentially responsible for response costs at the facility;

"(E) the person provides full cooperation, assistance, and access to persons that are responsible for response actions at the vessel or facility, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response actions at the vessel or facility;

"(F) the person does not impede the effectiveness or integrity of any institutional control employed at the vessel or facility; and

"(G) the person complies with any request for information or administrative subpoena issued by the President under this Act.

"(2) Exception.—Paragraph (1) shall not apply in a case in which the material containing a hazardous substance referred to in subparagraph (A) contributed significantly or could contribute significantly to the cost of the response action with respect to the facility.

"(t) Municipal Solid Waste and Sewage Sludge Exemption and Limitations.—

"(1) Contribution of municipal solid waste and municipal sewage sludge.—

"(A) In general.—The condition stated in this subparagraph is that the liability of the potentially responsible party is for response costs based on paragraph (3) or (4) of subsection (a) and on the potentially responsible party's having arranged for disposal or treatment of, arranged with a transporter for transport for disposal or treatment of, or accepted for transport for disposal or treatment of, municipal solid waste or municipal sewage sludge at a facility listed on the National Priorities List.

"(B) Settlement amount.—

"(i) In general.—The President shall offer a settlement to a party referred to in clause (i) with respect to liability under paragraph (3) or (4) of subsection (a) on the basis of a payment of $5.30 per ton of municipal solid waste or municipal sewage sludge that the President estimates is attributable to the party.

"(ii) Revision.—

"(I) In general.—The President may revise the settlement amount under clause (i) by regulation.

"(II) Basis.—A revised settlement amount under subclause (I) shall reflect the estimated per-ton cost of closure and post-closure activities at a representative facility containing only municipal solid waste.

"(C) Conditions.—The provisions for settlement described in this subparagraph shall not apply with respect to a facility where there is no waste except municipal solid waste or municipal sewage sludge.

"(D) Adjustment for inflation.—The Administrator may by guidance periodically adjust the settlement amount under subparagraph (B) to reflect changes in the Consumer Price Index (or other appropriate index, as determined by the Administrator).

"(2) Municipal owners and operators.—

"(A) Aggregate liability of large municipalities.—

"(i) In general.—With respect to a codisposal landfill that is owned or operated in whole or in part by municipalities with a population of 100,000 or more (according to the 1990 census), and that is not subject to the criteria for solid waste landfills published under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) at part 258 of title 40, Code of Federal Regulations (or a successor regulation), the aggregate amount of liability of such municipal owners and operators for response costs under this section shall be not greater than 20 percent of such costs.

"(ii) Increased amount.—The President may increase the percentage under clause (i) to not more than 35 percent with respect to a municipality if the President determines that the municipality committed specific acts that exacerbated environmental contamination or exposure with respect to the facility.

"(iii) Decreased amount.—The President may decrease the percentage under clause (i) with respect to a municipality to not less than 10 percent if the President determines that the municipality took specific acts of mitigation during the operation of the facility to avoid environmental contamination or exposure with respect to the facility.

"(B) Aggregate liability of small municipalities.—

"(i) In general.—With respect to a codisposal landfill that is owned or operated in whole or in part by municipalities with a population of less than 100,000 (according to the 1990 census), that is not subject to the criteria for solid waste landfills published under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) at part 258 of title 40, Code of Federal Regulations (or a successor regulation), the aggregate amount of liability of such municipal owners and operators for response costs under this section shall be not greater than 10 percent of such costs.

"(ii) Increased amount.—The President may increase the percentage under clause (i) to not more than 20 percent with respect to a municipality if the President determines that the municipality committed specific acts that exacerbated environmental contamination or exposure with respect to the facility.

"(iii) Decreased amount.—The President may decrease the percentage under clause (i) with respect to a municipality to not less than 5 percent if the President determines that the municipality took specific acts of mitigation during the operation of the facility to avoid environmental contamination or exposure with respect to the facility.

"(3) Applicability.—This subsection shall not apply to—

"(A) a person that acted in violation of subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.) at a facility that is subject to a response action under this title, if the violation pertains to a hazardous substance the release of threat of release of which caused the incurrence of response costs at the facility;

"(B) a person that owned or operated a codisposal landfill in violation of the applicable requirements for municipal solid waste landfill units under subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) after October 9, 1991, if the violation pertains to a hazardous substance the release of threat of release of which caused the incurrence of response costs at the facility; or

"(C) a person under section 122(p)(2)(G).

"(4) Performance of response actions.—As a condition of a settlement with a municipality under this subsection, the President may require that the municipality perform or participate in the performance of the response actions at the facility.

"(5) Notice of applicability.—The President shall provide a potentially responsible party with notice of the potential applicability of this section in each written communication with the party concerning the potential liability of the party.

"(u) Recycling Transactions.—

"(1) Liability clarification.—As provided in paragraphs (2), (3), (4), and (5) of this subsection, a person who arranged for the recycling of recyclable material or transported such material shall not be liable under paragraphs (3) or (4) of subsection (a) with respect to such material. A determination whether or not any person shall be liable under paragraph (3) or (4) of subsection (a) for any transaction not covered by paragraphs (2) and (3), (4), or (5) of this subsection shall be made, without regard to paragraphs (2), (3), (4) and (5) of this subsection, on a case-by-case basis, based on the individual facts and circumstances of such transaction.

"(2) Recyclable material defined.—For purposes of this subsection, the term 'recyclable material' means scrap paper, scrap plastic, scrap glass, scrap textiles, scrap rubber (other than whole tires), scrap metal, or spent lead-acid, spent nickel-cadmium, and other spent batteries, as well as minor amounts of material incident to or adhering to the scrap material as a result of its normal and customary use prior to becoming scrap; except that such term shall not include—

"(A) shipping containers with a capacity from 30 liters to 3,000 liters, whether intact or not, having any hazardous substance (but not metal bits and pieces or hazardous substance that form an integral part of the container) contained in or adhering thereto; or

"(B) any item of material containing polychlorinated biphenyls (PCBs) in excess of 50 parts per million (ppm) or any new standard promulgated pursuant to applicable Federal laws.

"(3) Transactions involving scrap paper, plastic, glass, textiles, or rubber.—Transactions involving scrap paper, scrap plastic, scrap glass, scrap textiles, or scrap rubber (other than whole tires) shall be deemed to be arranging for recycling if the person who arranged for the transaction (by selling recyclable material or otherwise arranging for the recycling of recyclable material) can demonstrate by a preponderance of the evidence that all of the following criteria were met at the time of the transaction:

"(A) The recyclable material met a commercial specification grade.

"(B) A market existed for the recyclable material.

"(C) A substantial portion of the recyclable material was made available for use as feedstock for the manufacture of a new saleable product.

"(D) The recyclable material could have been a replacement or substitute for a virgin raw material, or the product to be made from the recyclable material could have been a replacement or substitute for a product made, in whole or in part, from a virgin raw material.

"(E) For transactions occurring 90 days or more after the date of enactment of this subsection, the person exercised reasonable care to determine that the facility where the recyclable material was handled, processed, reclaimed, or otherwise managed by another person (hereinafter in this subsection referred to as a 'consuming facility') was in compliance with substantive (not procedural or administrative) provisions of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, storage, or other management activities associated with recyclable material.

"(F) For purposes of this paragraph, 'reasonable care' shall be determined using criteria that include (but are not limited to)—

"(i) the price paid in the recycling transaction;

"(ii) the ability of the person to detect the nature of the consuming facility's operations concerning its handling, processing, reclamation, or other management activities associated with recyclable material; and

"(iii) the result of inquiries made to the appropriate Federal, State, or local environmental agency (or agencies) regarding the consuming facility's past and current compliance with substantive (not procedural or administrative) provisions of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, storage, or other management activities associated with the recyclable material. For the purposes of this subparagraph, a requirement to obtain a permit applicable to the handling, processing, reclamation, or other management activity associated with the recyclable materials shall be deemed to be a substantive provision.

“(4) TRANSACTIONS INVOLVING SCRAP METAL.—

“(A) Transactions involving scrap metal shall be deemed to be arranging for recycling if the person who arranged for the transaction (by selling recyclable material or otherwise arranging for the recycling of recyclable material) can demonstrate by a preponderance of the evidence that at the time of the transaction—

“(i) the person met the criteria set forth in paragraph (3) with respect to the scrap metal;

“(ii) the person was in compliance with any applicable regulations or standards regarding the storage, transport, management, or other activities associated with the recycling of scrap metal that the Administrator promulgates under the Solid Waste Disposal Act subsequent to the enactment of this subsection and with regard to transactions occurring after the effective date of such regulations or standards; and

“(iii) the person did not melt the scrap metal prior to the transaction.

“(B) For purposes of subparagraph (A)(iii), melting of scrap metal does not include the thermal separation of 2 or more materials due to differences in their melting points (referred to as 'sweating').

“(C) For purposes of this paragraph, the term 'scrap metal' means—

“(i) bits and pieces of metal parts (e.g., bars, turnings, rods, sheets, wire) or metal pieces that may be combined together with bolts or soldering (e.g., radiators, scrap automobiles, railroad box cars), which when worn or superfluous can be recycled; and

“(ii) notwithstanding subparagraph (A)(iii), metal byproducts from copper and copper-based alloys that—

“(I) are not 1 of the primary products of a secondary production process;

“(II) are not solely or separately produced by the production process;

“(III) are not stored in a pile or surface impoundment; and

“(IV) are sold to another recycler that is not speculatively accumulating such metal byproducts;

except for scrap metals that the Administrator excludes from this definition by regulation.

“(5) TRANSACTIONS INVOLVING BATTERIES.—Transactions involving spent lead-acid batteries, spent nickel-cadmium batteries, or other spent batteries shall be deemed to be arranging for recycling if the person who arranged for the transaction (by selling recyclable material or otherwise arranging for the recycling of recyclable material) can demonstrate by a preponderance of the evidence that at the time of the transaction—

“(A) the person met the criteria set forth in paragraph (3) with respect to the spent lead-acid batteries, spent nickel-cadmium batteries, or other spent batteries, but the person did not recover the valuable components of such batteries; and

“(B)(i) with respect to transactions involving lead-acid batteries, the person was in compliance with applicable Federal environmental regulations or standards, and any amendments thereto, regarding the storage, transport, management, or other activities associated with the recycling of spent lead-acid batteries;

“(ii) with respect to transactions involving nickel-cadmium batteries, Federal environmental regulations or standards are in effect regarding the storage, transport, management, or other activities associated with the recycling of spent nickel-cadmium batteries, and the person was in compliance with applicable regulations or standards or any amendments thereto; or

“(iii) with respect to transactions involving other spent batteries, Federal environmental regulations or standards are in effect regarding the storage, transport, management, or other activities associated with the recycling of such batteries, and the person was in compliance with applicable regulations or standards or any amendments thereto.

“(6) EXCLUSIONS.—

“(A) The exemptions set forth in paragraphs (3), (4), and (5) shall not apply if—

“(i) the person had an objectively reasonable basis to believe at the time of the recycling transaction—

“(I) that the recyclable material would not be recycled;

“(II) that the recyclable material would be burned as fuel, or for energy recovery or incineration; or

“(III) for transactions occurring before 90 days after the date of the enactment of this subsection, that the consuming facility was not in compliance with a substantive (not procedural or administrative) provision of any Federal, State, or local environmental law or regulation, or compliance order or decree issued pursuant thereto, applicable to the handling, processing, reclamation, or other management activities associated with the recyclable material;

“(ii) the person had reason to believe that hazardous substances had been added to the recyclable material for purposes other than processing for recycling; or

“(iii) the person failed to exercise reasonable care with respect to the management and handling of the recyclable material (including adhering to customary industry practices current at the time of the recycling transaction designed to minimize, through source control, contamination of the recyclable material by hazardous substances).

“(B) For purposes of this paragraph, an objectively reasonable basis for belief shall be determined using criteria that include (but are not limited to) the size of the person's business, customary industry practices (including customary industry practices current at the time of the recycling transaction designed to minimize, through source control, contamination of the recyclable material by hazardous substances), the price paid in the recycling transaction, and the ability of the person to detect the nature of the consuming facility's operations concerning its handling, processing, reclamation, or other management activities associated with the recyclable material.

“(C) For purposes of this paragraph, a requirement to obtain a permit applicable to the handling, processing, reclamation, or other management activities associated with recyclable material shall be deemed to be a substantive provision.

“(D) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this subsection—

“(i) affects any rights, defenses, or liabilities under section 107(a) of any person with respect to any transaction involving any material other than a recyclable material subject to paragraph (1) of this subsection; or

“(ii) relieves a plaintiff of the burden of proof that the elements of liability under section 107(a) are met under the particular circumstances of any transaction for which liability is alleged.

“(v) RECYCLING TRANSACTIONS INVOLVING USED OIL.—

“(1) DEFINITION OF USED OIL.—In this subsection, the term 'used oil' has the meaning given the term in section 1004 of the Solid Waste Disposal Act (42 U.S.C. 6903), except that the term—

“(A) includes any synthetic oil; and

“(B) does not include an oil that is subject to regulation under section 6(e)(10)(A) of the Toxic Substances Control Act (15 U.S.C. 2605(e)(10)(A)).

“(2) TRANSACTIONS INVOLVING USED OIL.—Transactions involving recyclable material that consists of used oil shall be considered to be arranging for recycling if the person that arranged for the transaction (by selling recyclable material or otherwise arranging for the recycling of recyclable material)—

“(A) did not mix the recyclable material with a hazardous substance following the removal of the used oil from service; and

“(B) demonstrates by a preponderance of the evidence that—

“(i) at the time of the transaction, the recyclable material was sent to a facility that recycled used oil by using it as a feedstock for the manufacture of a new saleable product; or

“(ii)(I) at the time of the transaction, the recyclable material or the product to be made from the recyclable material could have been a replacement or substitute, in whole or in part, for a virgin raw material;

“(II) in the case of a transaction occurring on or after the date that is 90 days after the date of enactment of this section, the person exercised reasonable care to determine that the facility where the recyclable material would be handled, processed, reclaimed, or otherwise managed by another person was in compliance with substantive provisions of any Federal, State, or local environmental law (including a regulation promulgated or a compliance order or decree issued under the law) that is applicable to the handling, processing, reclamation, storage, or other management activities associated with the recyclable material; and

“(III) the person was in compliance with any regulations or standards for the management of used oil promulgated under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) that were in effect on the date of the transaction.

“(3) REASONABLE CARE.—For purposes of this subsection, reasonable care shall be determined using criteria that include—

“(A) the price paid in the recycling transaction;

“(B) the ability of the person to detect the nature of the consuming facility's operations concerning its handling, processing, reclamation, or other management activities associated with the recyclable material; and

“(C) the result of inquiries made to the appropriate Federal, State, or local environmental agency (or agencies) regarding the consuming facility's past and current compliance with substantive provisions of any Federal, State, or local environmental law (including a regulation promulgated or a compliance order or decree issued under the law), applicable to the handling, processing, reclamation, storage, or other management activities associated with recyclable material.

“(w) Limitation of Liability of Railroad Owners.—

“(1) In general.—Notwithstanding subsection (a), a person that substantially complies with paragraph (2) with respect to a facility shall not be liable under this Act to the extent that liability is based solely on the status of the person as a railroad owner or operator of a spur track (including a spur track over land subject to an easement), to a facility that is owned or operated by a person that is not affiliated with the railroad owner or operator, if—

“(A) the spur track provides access to a main line or branch line track that is owned or operated by the railroad;

“(B) the spur track is not more than 10 miles long; and

“(C) the railroad owner or operator does not cause or contribute to a release or threatened release at the spur track.

“(2) Requirements for limitation of liability.—The requirement of this paragraph is that—

“(A) to the extent that the person has operational control over a facility—

“(i) the person provides full cooperation to, assistance to, and access to the facility by, persons that are responsible for response actions at the facility (including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response action at the facility); and

“(ii) the person takes no action to impede the effectiveness or integrity of any institutional control employed under section 121 at the facility; and

“(B) the person complies with any request for information or administrative subpoena issued by the President under this Act.

“(x) Religious, Charitable, Scientific, and Educational Organizations.—

“(1) Limitation on liability.—Subject to paragraph (2), if an organization described in section 101(20)(I) holds legal or equitable title to a vessel or facility as a result of a charitable gift that is allowable as a deduction under section 170, 2055, or 2522 of the Internal Revenue Code of 1986 (determined without regard to dollar limitations), the liability of the organization shall be limited to the lesser of the fair market value of the vessel or facility or the actual proceeds of the sale of the vessel or facility received by the organization.

“(2) Conditions.—In order for an organization described in section 101(20)(I) to be eligible for the limited liability described in paragraph (1), the organization shall—

“(A) substantially comply with the requirement of subsection (y) with respect to the vessel or facility;

“(B) provide full cooperation and assistance to the United States in identifying and locating persons who recently owned, operated, or otherwise controlled activities at the vessel or facility;

“(C) establish by a preponderance of the evidence that all active disposal of hazardous substances at the vessel or facility occurred before the organization acquired the vessel or facility; and

“(D) establish by a preponderance of the evidence that the organization did not cause or contribute to a release or threatened release of hazardous substances at the vessel or facility.

“(3) Limitation.—Nothing in this subsection affects the liability of a person other than a person described in section 101(20)(I) that meets the conditions specified in paragraph (2).”.

(2) Transition rules.—

(A) In general.—The exemptions under subsections (q), (r), (s), (v), and (w) of section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(q), 9607(r), 9607(s)) (as added by paragraph (1)) shall not apply to any administrative settlement or any settlement or judgment approved by a United States Federal District Court—

(i) before the date of enactment of this Act; or

(ii) not later than 180 days after the date of enactment of this Act.

(B) Effect on pending or concluded actions.—The exemptions provided in subsection (u) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(u)) (as added by paragraph (1)) shall not affect any concluded judicial or administrative action or any pending judicial action initiated by the United States prior to the date of enactment of this Act.

(c) Service Station Dealers.—Section 114(c) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9614(c)) is amended—

(1) in paragraph (1)—

(A) by striking “No person” and inserting “A person”;

(B) by striking “may recover” and inserting “may not recover”;

(C) by striking “if such recycled oil” and inserting “unless the service station dealer”; and

(D) by striking subparagraphs (A) and (B) and inserting the following:

“(A) mixed the recycled oil with any other hazardous substance; or

“(B) did not store, treat, transport, or otherwise manage the recycled oil in compliance with any applicable regulations or standards promulgated under section 3014 of the Solid Waste Disposal Act (42 U.S.C. 6935) and other applicable authorities that were in effect on the date of such activity.”; and

(2) by striking paragraph (4).

SEC. 302. EXPEDITED SETTLEMENT FOR CERTAIN PARTIES.

(a) Parties Eligible.—Section 122(g) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9622(g)) is amended—

(1) by striking the subsection heading and inserting the following:

“(g) Expedited Final Settlement.—”;

(2) in paragraph (1)—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by striking “(1)” and all that follows through subparagraph (A) and inserting the following:

“(1) Parties eligible.—

“(A) In general.—As expeditiously as practicable, the President shall—

“(i) notify each potentially responsible party that meets 1 or more of the conditions stated in subparagraphs (B), (C), and (D) of the party's eligibility for a settlement; and

“(ii) offer to reach a final administrative or judicial settlement with the party.

“(B) De minimis contribution.—The condition stated in this subparagraph is that the liability is for response costs based on paragraph (3) or (4) of section 107(a) and the party's contribution of a hazardous substance at a facility is de minimis. For the purposes of this subparagraph, a potentially responsible party's contribution shall be considered to be de minimis only if the President determines that both of the following criteria are met:

“(i) Minimal amount of material.—The amount of material containing a hazardous substance contributed by the potentially responsible party to the facility is minimal relative to the total amount of material containing hazardous substances at the facility. The amount of a potentially responsible party's contribution shall be presumed to be minimal if the amount is 1 percent or less of the total amount of material containing a hazardous substance at the facility, unless the Administrator promptly identifies a greater threshold based on site-specific factors.

“(ii) Hazardous effects.—The material containing a hazardous substance contributed by the potentially responsible party does not present toxic or other hazardous effects that are significantly greater than the toxic or other hazardous effects of other material containing a hazardous substance at the facility.”;

(C) in subparagraph (C) (as redesignated by subparagraph (A))—

(i) by redesignating clauses (i) through (iii) as subclauses (I) through (III), respectively, and adjusting the margins appropriately;

(ii) by striking “(C) The potentially responsible party” and inserting the following:

“(C) Owners of real property.—

“(i) In general.—The condition stated in this subparagraph is that the potentially responsible party”; and

(iii) by striking “This subparagraph (B)” and inserting the following:

“(ii) Applicability.—Clause (i)”; and

(D) by adding at the end the following:

“(D) Reduction in settlement amount based on limited ability to pay.—

“(i) In general.—The condition stated in this subparagraph is that—

“(I) the potentially responsible party is—

“(aa) a natural person;

“(bb) a small business; or

“(cc) a municipality;

“(II) the potentially responsible party demonstrates an inability to pay or has only a limited ability to pay response costs, as determined by the Administrator under a regulation promulgated by the Administrator, after—

“(aa) public notice and opportunity for comment; and

“(bb) consultation with the Administrator of the Small Business Administration and the Secretary of Housing and Urban Development; and

“(III) in the case of a potentially responsible party that is a small business, the potentially responsible party does not qualify for the small business exemption under section 107(s) because of the application of section 107(s)(2).

“(ii) Small businesses.—

“(I) Definition of small business.—In this subparagraph, the term ‘small business’ means a business entity that—

“(aa) during the taxable year preceding the date of transmittal of notification that the business is a potentially responsible party, had full- and part-time employees whose combined time was equivalent to that of 75 or fewer full-time employees or for that taxable year reported $3,000,000 or less in gross revenue; and

“(bb) is not affiliated through any familial or corporate relationship with any person that is or was a party potentially responsible for response costs at the facility.

“(II) Considerations.—At the request of a small business, the President shall take into consideration the ability of the small business to pay response costs and still maintain its basic business operations, including—

“(aa) consideration of the overall financial condition of the small business; and

“(bb) demonstrable constraints on the ability of the small business to raise revenues.

“(III) INFORMATION.—A small business requesting settlement under this paragraph shall promptly provide the President with all information needed to determine the ability of the small business to pay response costs.

“(IV) DETERMINATION.—A small business shall demonstrate the extent of its ability to pay response costs, and the President shall perform any analysis that the President determines may assist in demonstrating the impact of a settlement on the ability of the small business to maintain its basic operations. The President, in the discretion of the President, may perform such an analysis for any other party or request the other party to perform the analysis.

“(V) ALTERNATIVE PAYMENT METHODS.—If the President determines that a small business is unable to pay its total settlement amount immediately, the President shall consider such alternative payment methods as may be necessary or appropriate.

“(iii) MUNICIPALITIES.—

“(I) CONSIDERATIONS.—The President shall consider the inability or limited ability to pay of a municipality to the extent that the municipality provides information with respect to—

“(aa) the general obligation bond rating and information about the most recent bond issue for which the rating was prepared;

“(bb) the amount of total available funds (other than dedicated funds or State assistance payments for remediation of inactive hazardous waste sites);

“(cc) the amount of total operating revenues (other than obligated or encumbered revenues);

“(dd) the amount of total expenses;

“(ee) the amounts of total debt and debt service;

“(ff) per capita income and cost of living;

“(gg) real property values;

“(hh) unemployment information; and

“(ii) population information.

“(II) EVALUATION OF IMPACT.—A municipality may submit for consideration by the President an evaluation of the potential impact of the settlement on the provision of municipal services and the feasibility of making delayed payments or payments over time.

“(III) RISK OF DEFAULT OR VIOLATION.—A municipality may establish an inability to pay for purposes of this subparagraph by showing that payment of its liability under this Act would—

“(aa) create a substantial demonstrable risk that the municipality would default on debt obligations existing as of the time of the showing, go into bankruptcy, be forced to dissolve, or be forced to make budgetary cutbacks that would substantially reduce the level of protection of public health and safety; or

“(bb) necessitate a violation of legal requirements or limitations of general applicability concerning the assumption and maintenance of fiscal municipal obligations.

“(IV) OTHER FACTORS RELEVANT TO SETTLEMENTS WITH MUNICIPALITIES.—In determining an appropriate settlement amount with a municipality under this subparagraph, the President may consider other relevant factors, including the fair market value of any in-kind services that the municipality may provide to support the response action at the facility.

“(iv) OTHER POTENTIALLY RESPONSIBLE PARTIES.—This subparagraph does not affect the President's authority to evaluate the ability to pay of a potentially responsible party other than a natural person, small business, or municipality or to enter into a settlement with such other party based on that party's ability to pay.

“(E) ADDITIONAL CONDITIONS FOR EXPEDITED SETTLEMENTS.—

“(i) BASIS OF DETERMINATION.—If the President determines that a potentially responsible party is not eligible for settlement under this paragraph, the President shall state the reasons for the determination in writing to any potentially responsible party that requests a settlement under this paragraph.”.

(b) SETTLEMENT OFFERS.—Section 122(g) of the Comprehensive Environment Response, Liability, and Compensation Act of 1980 (42 U.S.C. 9622(g)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

“(6) SETTLEMENT OFFERS.—

“(A) NOTIFICATION.—As soon as practicable after receipt of sufficient information to make a determination, the Administrator shall notify any person that the Administrator determines is eligible under paragraph (1) of the person's eligibility for the expedited final settlement.

“(B) OFFERS.—As soon as practicable after receipt of sufficient information, the Administrator shall submit a written settlement offer to each person that the Administrator determines, based on information available to the Administrator at the time at which the determination is made, to be eligible for a settlement under paragraph (1).

“(C) INFORMATION.—At the time at which the Administrator submits an offer under paragraph (1), the Administrator shall, at the request of the recipient of the offer, make available to the recipient any information available under section 552 of title 5, United States Code, on which the Administrator bases the settlement offer, and if the settlement offer is based in whole or in part on information not available under that section, so inform the recipient.”.

SEC. 303. FAIR SHARE SETTLEMENTS AND STATUTORY ORPHAN SHARES.

(a) IN GENERAL.—Section 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9622) is amended by adding at the end the following:

“(n) FAIR SHARE ALLOCATION.—

“(1) PROCESS.—The President shall initiate an impartial fare share allocation, conducted by a neutral third party, at National Priorities List facilities, if—

“(A) there is more than 1 potentially responsible party that is not—

“(i) eligible for an exemption or limitation under subsection (q), (r), (s), (t), (u), (v), (w), or (x) of section 107;

“(ii) eligible for a settlement under subsection (g); or

“(iii) insolvent, bankrupt, or defunct; and

“(B) 1 or more of the potentially responsible parties agree to bear the costs of the allocation (which shall be considered to be response costs under this Act) under such conditions as the President may prescribe.

“(2) PRE-ALLOCATION SETTLEMENTS.—

“(A) IN GENERAL.—Before initiating the allocation, the President may—

“(i) provide a 90-day period of negotiation; and

“(ii) extend the period of negotiation described in clause (i) for an additional 90 days.

“(B) ALTERNATIVE DISPUTE RESOLUTION.—The President may use the services of an alternative dispute resolution neutral to assist in negotiations.

“(C) SETTLEMENT.—On expiration of a negotiation period described in subparagraph (A), the President may offer to settle the liability of 1 or more of the parties.

“(D) RESPONSE ACTION.—

“(i) IN GENERAL.—As a condition of a settlement under this subsection, the President may require 1 or more parties to conduct a response action at the facility.

“(ii) FUNDING AND COSTS.—An agreement for a required response action described in clause (i) may include mixed funding under this section, including the forgiveness of past costs.

“(3) EXPEDITED ALLOCATION.—

“(A) IN GENERAL.—At the request of any party subject to the allocation, the allocator may first accept the President's estimate of the statutory orphan share specified under subsection (o).

“(B) SETTLEMENT BASED ON STATUTORY ORPHAN SHARE.—The President may offer to settle the liability of any party based on—

“(i) the statutory orphan share as accepted by the allocator;

“(ii) the party's pro rata share of the statutory orphan; and

“(iii) other terms and conditions acceptable to the United States.

“(4) FACTORS.—In conducting an allocation under this subsection, the allocator, without regard to any theory of joint and several liability, shall estimate the fair share of each potentially responsible party using principles of equity, the best information reasonably available to the President, and the following factors:

“(A) the quantity of hazardous substances contributed by each party;

“(B) the degree of toxicity of hazardous substances contributed by each party;

“(C) the mobility of hazardous substances contributed by each party;

“(D) the degree of involvement of each party in the generation, transportation, treatment, storage, or disposal of hazardous substances;

“(E) the degree of care exercised by each party with respect to hazardous substances, taking into account the characteristics of the hazardous substances;

“(F) the cooperation of each party in contributing to any response action and in providing complete and timely information to the United States or the allocator; and

“(G) such other equitable factors as the President considers appropriate.

“(5) SCOPE.—A fair share allocation under this subsection shall include any response costs at a National Priorities List facility that are not addressed in an administrative settlement or a settlement or a judgment approved by a United States Federal District Court.

“(6) SETTLEMENTS BASED ON ALLOCATIONS.—

“(A) IN GENERAL.—A party may settle any liability to the United States for response costs under this Act for its allocated fair share, including a reasonable risk premium that reflects uncertainties existing at the time of settlement.

“(B) COMPLETION OF OBLIGATIONS.—A person that is undertaking a response action under an administrative order issued under section 106 or has entered into a settlement decree with the United States of a State as of the date of enactment of this subsection shall complete the person's obligations under the order or settlement decree.

“(C) JOINT REJECTION.—The President and the Attorney General may jointly reject an allocation report, in writing, if—

"(i) the allocation does not provide a basis for settlement that is fair, reasonable, and consistent with the objectives of this Act; or

"(ii) the allocation process was directly and substantially affected by bias, procedural error, fraud, or unlawful conduct.

"(D) SUBSEQUENT ALLOCATION.—

"(i) IN GENERAL.—If the Administrator and the Attorney General jointly reject an allocation report under subparagraph (C), the President shall initiate another impartial fair share allocation.

"(ii) COSTS.—The United States shall bear 50 percent of the costs of a subsequent allocation if an initial allocation is rejected under subparagraph (C)(i).

"(7) UNFUNDED AND UNATTRIBUTABLE SHARES.—Any share attributable to an insolvent, defunct, or bankrupt party, or a share that cannot be attributed to any particular party, shall be allocated among any responsible parties not described in subsection (q), (r), (s), (t), (u), (v), (w), or (x) of section 107 or subsection (g) of this section.

"(8) SAVINGS.—The President may use the authority under this section to enter into settlement agreements with respect to any response action that is the subject of an allocation at any time.

"(9) EFFECT ON PRINCIPLES OF LIABILITY.—Except as provided in paragraph (4), the authorization of an allocation process under this section shall not modify or affect the principles of liability under this title as determined by the courts of the United States.

"(o) STATUTORY ORPHAN SHARES.—

"(1) IN GENERAL.—For purposes of this section, the statutory orphan share is the difference between—

"(A) the liability of a party described in subsection (q), (s), (t), (u), (v), (w), or (x) of section 107 or subsection (g) of this section; and

"(B) the President's estimate of the liability of the party, notwithstanding any exemption from or limitation on liability in this Act, for response costs that are not addressed in an administrative settlement or a settlement or judgment approved by a United States district court.

"(2) DETERMINATION OF STATUTORY ORPHAN SHARES.—The President shall include an estimate of the statutory orphan share of a party described in section 107(t) or subsection (g) of this section, based on the best information reasonably available to the President, at any time at which the President seeks judicial approval of a settlement with the party.

"(3) TRANSITION RULE AND SUBSEQUENT SETTLEMENTS.—

"(A) IN GENERAL.—Each settlement presented for judicial approval on or after the date that is 1 year after the date of enactment of this subsection shall include an estimate of the statutory orphan share for each party described in subsections (q), (s), and (u) of section 107 that is otherwise liable at a facility for costs addressed in the settlement.

"(B) SUBSEQUENT SETTLEMENTS.—The President shall include in a subsequent settlement at the same facility a revised statutory orphan share estimate if the President—

"(i) determines that the subsequent settlement includes a new statutory orphan share; or

"(ii) has good cause to revise an earlier statutory orphan share estimate.

"(4) FINAL SETTLEMENTS.—

"(A) IN GENERAL.—An administrative settlement, or a judicially-approved consent decree or settlement, shall identify the statutory orphan share owing if the consent decree or settlement includes all funding necessary to complete remedial project construction for the last operable unit at the facility.

"(B) FUNDING AND REIMBURSEMENT.—A consent decree or settlement described in subparagraph (A) shall include funding of statutory orphan shares in accordance with this section to the extent funds are available.

"(C) FACILITIES UNDER UNILATERAL ORDER ONLY.—

"(i) IN GENERAL.—At a facility proceeding under an order under section 106(a) that includes all funding necessary to complete remedial project construction for the last operable unit at the facility, if the order has been issued to 1 or more parties, and all other potentially responsible parties not subject to the order at the facility are described in subsection (q), (r), (s), (t), (u), (v), (w), or (x) of section 107 or subsection (g) of this section or are insolvent, bankrupt, or defunct, the Administrator shall, on petition by the party performing under section 106(b), calculate the statutory orphan share for the facility.

"(ii) PAYMENT.—Payment of any statutory orphan share under this subparagraph shall be made in accordance with subsection (p)(2)(J), as if the parties had settled.

"(p) GENERAL PROVISIONS APPLICABLE TO STATUTORY ORPHAN SHARES AND FAIR SHARE SETTLEMENTS.—

"(1) IN GENERAL.—A fair share settlement under subsection (n) and a statutory orphan share under subsection (o) shall be subject to paragraph (2).

"(2) PROVISIONS APPLICABLE TO STATUTORY ORPHAN SHARES AND FAIR SHARE SETTLEMENTS.—

"(A) STAY OF LITIGATION AND ENFORCEMENT.—

"(i) IN GENERAL.—All contribution and cost recovery actions under this Act against each party described in section 107(t) and subsection (g) of this section are stayed until the Administrator offers those parties a settlement.

"(ii) SUSPENSION OF STATUTE OF LIMITATIONS.—Any statute of limitations applicable to an action described in clause (i) is suspended during the period that a stay under this subparagraph is in effect.

"(B) FAILURE OR INABILITY TO COMPLY.—If the President fails to fund a statutory orphan share, reimburse a party, or include a statutory orphan share estimate in any settlement when required to do so under this Act, the President shall not—

"(i) issue any new order under section 106 at the facility to any non-Federal party; or

"(ii) commence or maintain any new or existing action to recover response costs at the facility.

"(C) AMOUNTS OWED.—

"(i) HAZARDOUS SUBSTANCE SUPERFUND MANAGEMENT.—The President may provide partial statutory orphan share funding and partial reimbursement payments to a party on a schedule that ensures an equitable distribution of payments to all eligible parties on a timely basis.

"(ii) PRIORITY.—The priority for partial payments shall be based on the length of time that has passed since the payment obligation arose.

"(iii) PAYMENT FROM FUNDS MADE AVAILABLE FOR SUBSEQUENT FISCAL YEARS.—Any amounts payable in excess of available appropriations in any fiscal year shall be paid from amounts made available for subsequent fiscal years, along with interest on the unpaid balances at the rate equal to that of the current average market yield on outstanding marketable obligations of the United States with a maturity of 1 year.

"(D) CONTRIBUTION PROTECTION.—

"(i) IN GENERAL.—A settlement under this subsection, subsection (g), or section 107(t) shall provide complete protection from all claims for contribution or cost recovery for response costs that are addressed in the settlement.

"(ii) COSTS BEYOND SCOPE OF ALLOCATION.—In the case of response costs at a facility that, as a result of a prior, administrative or judicially-approved settlement at the facility, are not within the scope of an allocation under subsection (n), a party shall retain the right to seek cost recovery or contribution from any other party in accordance with the prior settlement, except that no party may seek contribution for any response costs at the facility from—

"(I) a party described in subsection (q), (r), (s), (u), (v), (w), or (x) of section 107; or

"(II) a party that has settled its liability under section 107(t) or subsection (g) of this section.

"(E) LIABILITY FOR ATTORNEY'S FEES FOR CERTAIN ACTIONS.—A person that, after the date of enactment of this subsection, commences a civil action for contribution under this Act against a person that is not liable by operation of subsections (q), (r), (s), or (u) of section 107, or has resolved its liability to the United States under subsection (n), subsection (g), or section 107(t), shall be liable to that person for all reasonable costs of defending the action, including all reasonable attorney's fees and expert witness fees.

"(F) ILLEGAL ACTIVITIES.—Subsections (q), (r), (s), (t), (u), (v), (w), and (x) of section 107 and subsection (g) of this section shall not apply to—

"(i) any person whose liability for response costs under section 107(a) is otherwise based on any act, omission, or status that is determined by a court or administrative body of competent jurisdiction, within the applicable statute of limitation, to have been a violation of any Federal or State law pertaining to the treatment, storage, disposal, or handling of hazardous substances if the violation pertains to a hazardous substance, the release or threat of release of which caused the incurrence of response costs at the vessel or facility;

"(ii) a person described in section 107(o); or

"(iii) a bona fide prospective purchaser.

"(G) EXCEPTION.—

"(i) IN GENERAL.—The President may decline to reimburse or offer a settlement to a potentially responsible party under subsections (g) and (n) if the President makes a decision concerning a reimbursement or offer of a settlement under clause (ii).

"(ii) REQUIREMENTS FOR REIMBURSEMENT OR OFFER OF A SETTLEMENT.—A potentially responsible party may be denied a reimbursement or settlement under clause (i)—

"(I) to the extent that the person or entity has operational control over a vessel or facility, if—

"(aa) the person or entity fails to provide full cooperation to, assistance to, and access to the vessel or facility to persons that are responsible for response actions at the vessel or facility (including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response actions at the vessel or facility); or

"(bb) the person or entity acts in such a way as to impede the effectiveness or integrity of any institutional control employed at the vessel or facility; or

"(II) if the person or entity fails to comply with any request for information or administrative subpoena issued by the President under this Act.

“(H) Basis of determination.—If the President determines that a potentially responsible party is not eligible for settlement under this paragraph, the President shall state the reasons for the determination in writing to any potentially responsible party that requests a settlement under this paragraph.

“(I) Waiver.—

“(i) Response costs in allocation.—A party that settles its liability under this subsection waives the right to seek cost recovery or contribution under this Act for any response costs that are addressed in the allocation.

“(ii) Response costs of facility.—A party that settles its liability under subsection (g) or section 107(t) waives its right to seek cost recovery or contribution under this Act for any response costs at the facility.

“(J) Performance of response actions.—

“(i) In general.—Except as provided in subparagraph (B), the President may require, as a condition of settlement under subsection (n) and section 107(t), that 1 or more parties conduct a response action at the facility.

“(ii) Reimbursement.—

“(I) In general.—The President shall reimburse a party that settles its liability under subsection (n) or section 107(t) for response costs incurred in performing a response action that exceed the amount of a settlement approved under subsection (n) or section 107(t).

“(II) Pro rata reimbursement.—The President shall provide equitable pro rata reimbursement to such parties on at least an annual basis.

“(iii) Response actions.—No party described in subsections (q), (r), (s), (u), (v), (w) or (x) of section 107 or subsection (g) of this section may be required to perform a response action as a condition of settlement or ordered to conduct a response action under section 106.

“(K) Judicial review.—

“(i) In general.—A court shall not approve any settlement under this Act unless the settlement includes an estimate of the statutory orphan share that is fair, reasonable and consistent with this Act.

“(ii) Statutory orphan share settlement.—If a court determines that an estimate of a statutory orphan share is not fair, reasonable, or consistent with this Act, the court may—

“(I) approve the settlement; and

“(II) disapprove and remand the estimate of the statutory orphan share.”.

(b) Regulations.—The President shall issue regulations to implement this title not later than 180 days after the date of enactment of this Act.

(c) Technical Amendment.—Section 106(b)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9706(b)(1)) is amended by adding at the end the following: ‘The conduct or approval of an allocation of liability under this Act, including any settlement of liability with a party based on the allocation, shall not constitute sufficient cause for any party (including a party that settled its liability based on the allocation) to willfully violate, or fail or refuse to comply with, any order of the President under subsection (a).”.

(d) Law Enforcement Agencies Not Included as Owner or Operator.—Section 101(20)(D) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(20(D)) is amended by inserting after “or control” the following: “through seizure or otherwise in connection with law enforcement activity, or”.

(e) Common Carriers.—Section 107(b)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(b)(3)) is amended by striking “a published tariff and acceptance” and inserting “a contract”.

SEC. 304. TREATMENT OF RELIGIOUS, CHARITABLE, SCIENTIFIC, AND EDUCATIONAL ORGANIZATIONS AS OWNERS OR OPERATORS.

Section 101(20) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(20)) is amended by adding at the end the following:

“(H) Religious, charitable, scientific, and educational organizations.—The term ‘owner or operator’ includes an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is organized and operated exclusively for religious, charitable, scientific, or educational purposes and that holds legal or equitable title to a vessel or facility.”.

TITLE IV—REMEDY SELECTION AND NATURAL RESOURCE DAMAGES

SEC. 401. SELECTION AND IMPLEMENTATION OF REMEDIAL ACTIONS.

(a) Preference for Treatment.—Section 121(b) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9621(b)) is amended by striking paragraph (1) and inserting the following:

“(1) Preference for treatment.—

“(A) In general.—For any discrete area containing a principal hazardous constituent of a hazardous substance, pollutant, or contaminant that, based on site specific factors, presents a substantial risk to human health or the environment because of—

“(i) the high toxicity of the principal hazardous constituent; or

“(ii) the high mobility of the principal hazardous constituent;

the remedy selection process shall include a preference for a remedial action that includes treatment that reduces the risk posed by the principal hazardous constituent over remedial actions that do not include such treatment.

“(B) Final containment.—With respect to a discrete area described in subparagraph (A), the President may select a final containment remedy at a landfill or mining site or similar facility if—

“(i)(I) the discrete area is small relative to the overall volume of waste or contamination being addressed;

“(II) the discrete area is not readily identifiable and accessible; and

“(III) without the presence of the discrete area, containment would have been selected as the appropriate remedy under this subsection for the larger body of waste or larger area of contamination in which the discrete area is located; or

“(ii) the volume and size of the discrete area is extraordinary compared to other facilities listed on the National Priorities List, and, because of the volume, size, and other characteristics of the discrete area, it is highly unlikely that any treatment technology will be developed that could be implemented at a reasonable cost.”.

(b) Compliance With Federal and State Laws.—Section 121(d)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621(d)(2)) is amended by striking subparagraph (C) and inserting the following:

“(C) Compliance with federal and state laws.—

“(i) Applicable requirements.—

“(I) In general.—Subject to clause (iii), a remedial action shall require, at the completion of the remedial action, a level or standard of control for each hazardous substance, pollutant, and contaminant that at least attains the substantive requirements of all promulgated standards, requirements, criteria, and limitations, under—

“(aa) each Federal environmental law, that are legally applicable to the conduct or operation of the remedial action or to the level of cleanup for hazardous substances, pollutants, or contaminants addressed by the remedial action;

“(bb) any State environmental or facility siting law, that are more stringent than any Federal standard, requirement, criterion, or limitation and are legally applicable to the conduct or operation of the remedial action or to the level of cleanup for hazardous substances, pollutants, or contaminants addressed by the remedial action, and that the State demonstrates are of general applicability, publishes and identifies to the President in a timely manner as being applicable to the remedial action, and has consistently applied to other remedial actions in the State; and

“(cc) any more stringent standard, requirement, criterion, or limitation relating to an environmental or facility siting law promulgated by the State after the date of enactment of the Superfund Amendments and Reauthorization Act of 1999 that the State demonstrates is of general applicability, publishes and identifies to the President in a timely manner as being applicable to the remedial action, and has consistently applied to other remedial actions in the State.

“(II) Contaminated media.—Compliance with substantive provisions of section 3004 of the Solid Waste Disposal Act (42 U.S.C. 6924) shall not be required with respect to return, replacement, or disposal of contaminated media (including residuals of contaminated media and other solid wastes generated onsite in the conduct of a remedial action) into the same media in or very near then-existing areas of contamination onsite at a facility.

“(ii) Applicability of requirements to response actions conducted onsite.—No procedural or administrative requirement of any Federal, State, or local law (including any requirement for a permit) shall apply to a response action that is conducted onsite at a facility if the response action is selected and carried out in compliance with this section.

“(iii) Waiver provisions.—

“(I) In general.—The President may select a remedial action at a facility that meets the requirements of subparagraph (B) that does not attain a level or standard of control that is at least equivalent to an applicable requirement described in clause (i)(I) if the President makes any of the following findings:

“(aa) Part of remedial action.—The selected remedial action is only part of a total remedial action that will attain the applicable requirements of clause (i)(I) when the total remedial action is completed.

“(bb) Greater risk.—Attainment of the requirements of clause (i)(I) will result in greater risk to human health or the environment than alternative options.

“(cc) Technical impracticability.—Attainment of the requirements of clause (i)(I) is technically impracticable.

“(dd) Equivalent to standard of performance.—The selected remedial action will attain a standard of performance that is equivalent to that required under clause (i)(I) through use of another method or approach.

"(ee) Inconsistent application.—With respect to a State requirement made applicable under clause (i)(I), the State has not consistently applied (or demonstrated the intention to apply consistently) the requirement in similar circumstances to other remedial actions in the State.

"(ff) Balance.—In the case of a remedial action to be funded predominantly under section 104 using amounts from the Fund, a selection of a remedial action that attains the level or standard of control described in clause (i)(I) will not provide a balance between the need for protection of public health and welfare and the environment at the facility, and the need to make amounts from the Fund available to respond to other facilities that may present a threat to public health or welfare or the environment, taking into consideration the relative immediacy of the threats presented by the various facilities.

"(II) Publication.—The President shall publish any findings made under subclause (I), including an explanation and appropriate documentation and an explanation of how the selected remedial action meets the requirements of this section.

"(D) No standard.—If no applicable Federal or State standard is established for a specific hazardous substance, pollutant, or contaminant, a remedial action shall attain a standard that the President determines to be protective of human health and the environment.".

SEC. 402. USE OF RISK ASSESSMENT IN REMEDY SELECTION.

(a) In General.—Section 121(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621(a)) is amended by adding at the end the following: "In selecting an appropriate remedial action, the President shall conduct and utilize a facility-specific risk evaluation in accordance with section 129.".

(b) Facility-Specific Risk Evaluations.—Title I of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) (as amended by section 201(b)) is amended by adding at the end the following:

"SEC. 129. FACILITY-SPECIFIC RISK EVALUATIONS.

"(a) In General.—The goal of a facility-specific risk evaluation performed under this Act is to provide informative and understandable estimates that neither minimize nor exaggerate the current or potential risk posed by a facility.

"(b) Risk Evaluation Principles.—

"(1) In general.—A facility-specific risk evaluation shall—

"(A)(i) use chemical-specific and facility-specific data in preference to default assumptions whenever it is practicable to obtain such data; or

"(ii) if it is not practicable to obtain such data, use a range and distribution of realistic and scientifically supportable default assumptions;

"(B) ensure that the exposed population and all current and potential pathways and patterns of exposure are evaluated;

"(C) consider the current or reasonably anticipated future use of the land and water resources in estimating exposure; and

"(D) consider the use of institutional controls that comply with the requirements of section 121.

"(2) Criteria for use of science.—Any chemical-specific and facility-specific data or default assumptions used in connection with a facility-specific risk evaluation shall be consistent with the criteria for the use of science in decisionmaking stated in subsection (e).

"(3) Institutional controls.—In conducting a risk assessment to determine the need for remedial action, the President may consider only institutional controls that are in place at the facility at the time at which the risk assessment is conducted.

"(c) Uses.—A facility-specific risk evaluation shall be used to—

"(1) determine the need for remedial action;

"(2) evaluate the current and potential hazards, exposures, and risks at the facility;

"(3) screen out potential contaminants, areas, or exposure pathways from further study at a facility;

"(4) evaluate the protectiveness of alternative remedial actions proposed for a facility;

"(5) demonstrate that the remedial action selected for a facility is capable of protecting human health and the environment considering the current and reasonably anticipated future use of the land and water resources; and

"(6) establish protective concentration levels if no applicable requirement under section 121(d)(2)(c) exists or if an otherwise applicable requirement is not sufficiently protective of human health and the environment.

"(d) Risk Communication Principles.—In carrying out this section, the President shall ensure that the presentation of information on public health effects is comprehensive, informative, and understandable. The document reporting the results of a facility-specific risk evaluation shall specify, to the extent practicable—

"(1) each population addressed by any estimate of public health effects;

"(2) the expected risk or central estimate of risk for the specific populations;

"(3) each appropriate upper-bound or lower-bound estimate of risk;

"(4) each significant uncertainty identified in the process of the assessment of public health effects and research that would assist in resolving the uncertainty; and

"(5) peer-reviewed studies known to the President that support, are directly relevant to, or fail to support any estimate of public health effects and the methodology used to reconcile inconsistencies in the scientific data.

"(e) Use of Science in Decisionmaking.—In carrying out this section, the President shall use—

"(1) the best available peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices; and

"(2) data collected by accepted methods or best available methods (if the reliability of the method and the nature of the decision justifies use of the data).

"(f) Regulations.—Not later than 18 months after the date of enactment of this section, the President shall issue a final regulation implementing this section.".

SEC. 403. NATURAL RESOURCE DAMAGES.

Section 107(f)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (42 U.S.C. 9607(f)(1)), is amended by striking the fifth sentence (beginning "The measure of damages") and inserting the following: "The measure of damages in any action under subsection (a)(4)(C) may include only the reasonable costs of: (i) restoring, replacing or acquiring the equivalent (referred to collectively as "restoration") of an injured, destroyed or lost natural resource to reinstate the human uses and environmental functions of the natural resource; (ii) providing a substantially equivalent resource during the period of any interim lost use of the injured, destroyed or lost resource to the extent that a substitute resource providing the uses is not otherwise reasonably available; and (iii) assessing the damages. Where a unique resource has been destroyed, lost, or cannot be restored, the measure of damages may include the reasonable costs of expediting or enhancing the restoration of appropriate substitute resources. For purposes of this paragraph, reasonable costs of alternative restoration measures shall be determined based on the following factors: technical feasibility; cost effectiveness; the period of time required for restoration; and whether a response action or natural recovery will reinstate the uses provided by a natural resource within a reasonable period of time.".

SEC. 404. DOUBLE RECOVERY.

Section 107(f)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9607(f)(1))) is amended by striking the sixth sentence (beginning "There shall be no") and inserting the following: "A person shall not be liable for damages under this paragraph for an injury to, destruction of, or loss of a natural resource, or a loss of the uses provided by the natural resource, that have been recovered under this Act or any other Federal, State or Tribal law for the same injury to, destruction of, or loss of the natural resource or loss of the uses provided by the natural resource.".

TITLE V—FUNDING

SEC. 501. USES OF HAZARDOUS SUBSTANCE SUPERFUND.

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking sections 111 and 112 (9611, 9612) and inserting the following:

"SEC. 111. USES OF HAZARDOUS SUBSTANCE SUPERFUND.

"(a) In General.—

"(1) Specific uses.—The President shall use amounts appropriated out of the Hazardous Substance Superfund only—

"(A) for the performance of response actions;

"(B) to enter into mixed funding agreements in accordance with section 122; and

"(C) to reimburse a party for response costs incurred in excess of the allocated share of the party as described in a final settlement under section 122.

"(2) Authorization of appropriations.—There are authorized to be appropriated from the Hazardous Substances Superfund for the purposes specified in paragraph (1), not more than the following amounts:

"(A) For fiscal year 2000, $1,165,000,000, of which not more than $200,000,000 shall be used for the purposes set forth in subparagraphs (B) and (C) of paragraph (1).

"(B) For fiscal year 2001, $1,165,000,000, of which not more than $200,000,000 shall be used for the purposes set forth in subparagraphs (B) and (C) of paragraph (1).

"(C) For fiscal year 2002, $1,120,000,000, of which not more than $200,000,000 shall be used for the purposes set forth in subparagraphs (B) and (C) of paragraph (1).

"(D) For fiscal year 2003, $1,075,000,000, of which not more than $200,000,000 shall be used for the purposes set forth in subparagraphs (B) and (C) of paragraph (1). and

"(E) For fiscal year 2004, $1,025,000,000, of which not more than $200,000,000 shall be used for the purposes set forth in subparagraphs (B) and (C) of paragraph (1).

"(b) Claims Against Hazardous Substance Superfund.—Claims against the Hazardous Substance Superfund shall not be valid or paid in excess of the total amount in the Hazardous Substance Superfund at any 1 time.

"(c) Regulations.—

"(1) Obligation of funds.—The President may promulgate regulations designating 1 or more Federal officials that may obligate amounts in the Hazardous Substance Superfund in accordance with this section.

"(2) Notice to potential injured parties.—

"(A) In general.—The President shall promulgate regulations with respect to the notice that shall be provided to potential injured parties by an owner and operator of any vessel or facility from which a hazardous substance has been released.

"(B) Substance.—The regulations under subparagraph (A) shall describe the notice that would be appropriate to carry out this title.

"(C) Compliance.—

"(i) In general.—On promulgation of regulations under subparagraph (A), an owner and operator described in that subparagraph shall provide notice in accordance with the regulations.

"(ii) Pre-promulgation releases.—In the case of a release of a hazardous substance that occurs before regulations under subparagraph (A) are promulgated, an owner and operator described in that subparagraph shall provide reasonable notice of any release to potential injured parties by publication in local newspapers serving the affected area.

"(iii) Releases from public vessels.—The President shall provide such notification as is appropriate to potential injured parties with respect to releases from public vessels.

"(d) Natural Resources.—

"(1) In general.—Except as provided in paragraph (2), funds may not be used under this Act for the restoration, rehabilitation, or replacement or acquisition of the equivalent of any natural resource until a plan for the use of the funds for those purposes has been developed and adopted, after adequate public notice and opportunity for hearing and consideration of all public comment, by—

"(A) affected Federal agencies;

"(B) the Governor of each State that sustained damage to natural resources that are within the borders of, belong to, are managed by, or appertain to the State; and

"(C) the governing body of any Indian tribe that sustained damage to natural resources that—

"(i) are within the borders of, belong to, are managed by, appertain to, or are held in trust for the benefit of the tribe; or

"(ii) belong to a member of the tribe, if those resources are subject to a trust restriction on alienation.

"(2) Emergency action exemption.—Funds may be used under this Act for the restoration, rehabilitation, or replacement or acquisition of the equivalent of any natural resource only in circumstances requiring action to—

"(A) avoid an irreversible loss of a natural resource;

"(B) prevent or reduce any continuing danger to a natural resource; or

"(C) prevent the loss of a natural resource in an emergency situation similar to those described in subparagraphs (A) and (B).

"(e) Post-Closure Liability Fund.—The President shall use the amounts in the Post-closure Liability Fund for—

"(1) any of the purposes specified in subsection (a) with respect to a hazardous waste disposal facility for which liability has been transferred to the Post-closure Liability Fund under section 107(k); and

"(2) payment of any claim or appropriate request for costs of a response, damages, or other compensation for injury or loss resulting from a release of a hazardous substance from a facility described in paragraph (1) under—

"(A) section 107; or

"(B) any other Federal or State law.

"(f) Inspector General.—

"(1) Audit.—In each fiscal year, the Inspector General of the Environmental Protection Agency shall conduct an annual audit of—

"(A) all agreements and reimbursements under subsection (a); and

"(B) all other activities of the Environmental Protection Agency under this Act.

"(2) Report.—The Inspector General of the Environmental Protection Agency shall submit to Congress an annual report that—

"(A) describes the results of the audit under paragraph (1); and

"(B) contains such recommendations as the Inspector General considers to be appropriate.

"(g) Foreign Claims.—To the extent that this Act permits, a foreign claimant may assert a claim to the same extent that a United States claimant may assert a claim if—

"(1) the release of a hazardous substance occurred—

"(A) in the navigable waters of a foreign country of which the claimant is a resident; or

"(B) in or on the territorial sea or adjacent shoreline of a foreign country described in subparagraph (A);

"(2) the claimant is not otherwise compensated for the loss of the claimant;

"(3) the hazardous substance was released from a facility or vessel located adjacent to or within the navigable waters under the jurisdiction of, or was discharged in connection with activities conducted under—

"(A) section 20(a)(2) of the Outer Continental Shelf Lands Act (43 U.S.C. 1346(a)(2)); or

"(B) the Deepwater Port Act of 1974 (33 U.S.C. 1501 et seq.); and

"(4)(A) recovery is authorized by a treaty or an executive agreement between the United States and the foreign country; or

"(B) the Secretary of State, in consultation with the Attorney General and other appropriate officials, certifies that the foreign country provides a comparable remedy for United States claimants.

"(h) Authorization of Appropriations Out of the General Fund.—

"(1) Health assessments and health consultations.—There are authorized to be appropriated to the Agency for Toxic Substances and Disease Registry to conduct health assessments and health consultations under this Act, and for epidemiologic and laboratory studies, preparation of toxicologic profiles, development and maintenance of a registry of persons exposed to hazardous substances to allow long-term health effects studies, and diagnostic services not otherwise available to determine whether persons in populations exposed to hazardous substances in connection with a release or suspected release are suffering from long-latency diseases:

"(A) For fiscal year 2000, $60,000,000.

"(B) For fiscal year 2001, $55,000,000.

"(C) For fiscal year 2002, $55,000,000.

"(D) For fiscal year 2003, $50,000,000.

"(E) For fiscal year 2004, $50,000,000.

"(2) Hazardous substance research, demonstration, and training.—

"(A) In general.—There are authorized to be appropriated not more than the following amounts for the purposes of section 311(a):

"(i) For fiscal year 2000, $40,000,000.

"(ii) For fiscal year 2001, $40,000,000.

"(iii) For fiscal year 2002, $40,000,000.

"(iv) For each of fiscal years 2003 and 2004, $40,000,000.

"(B) Training limitation.—Not more than 15 percent of the amounts appropriated under subparagraph (A) shall be used for training under section 311(a) for any fiscal year.

"(C) University hazardous substance research centers.—Not more than $5,000,000 of the amounts available in the Hazardous Substance Superfund may be used in any of fiscal years 2000 through 2004 for the purposes of section 311(d).

"(3) Brownfield grant programs.—There are authorized to be appropriated to carry out section 127 $100,000,000 for each of fiscal years 2000 through 2004.

"(4) Qualifying state response programs.—There are authorized to be appropriated to maintain, establish, and administer qualifying State response programs during the first 5 full fiscal years following the date of enactment of this paragraph under a formula established by the Administrator, $100,000,000 for each of fiscal years 2000 through 2004.

"(5) Department of justice.—There is authorized to be appropriated to the Attorney General, for enforcement of this Act, $30,000,000 for each of fiscal years 2000 through 2004.

"(6) Prohibition of transfer.—None of the funds authorized to be appropriated under this subsection may be transferred to any other Federal agency.".

(b) Conforming Amendments.—

(1) Response actions.—Section 104(c) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9604(c)) is amended—

(A) in paragraph (1), by striking "obligations from the Fund, other than those authorized by subsection (b) of this section," and inserting ", such response actions"; and

(B) in paragraph (7), by striking "shall be from funds received by the Fund from amounts recovered on behalf of such fund under this Act" and inserting "shall be from appropriations out of the general fund of the Treasury".

(2) Information gathering and analysis.—Section 105(g)(4) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9605(g)(4)) is amended by striking "expenditure of monies from the Fund for".

(3) President.—Section 107(c)(3) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9607(c)(3)) is amended in the first sentence by striking "Fund" and inserting "President".

(4) Other liability.—Section 109(d) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9609(d)) is amended by striking the second sentence.

(5) Source of funding.—Section 119(c)(3) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9619(c)(3)) is amended—

(A) in the second sentence, by striking "For purposes of section 111, amounts" and inserting "Amounts"; and

(B) in the third sentence—

(i) by striking "If sufficient funds are unavailable in the Hazardous Substance Superfund established under subchapter A of chapter 98 of the Internal Revenue Code of 1954 to make payments pursuant to such indemnification or if the Fund is repealed, there" and inserting "There"; and

(ii) by striking "payments" and inserting "expenditures".

(6) REMEDIAL ACTION USING HAZARDOUS SUBSTANCE SUPERFUND.—Section 121(d)(4)(F) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9621(d)(4)(F)) is amended—

(A) by striking " using the Fund"; and

(B) by striking "amounts from the Fund" and inserting "funds".

(7) AVAILABILITY OF FUNDING.—Section 122(f)(4)(F) of the Comprehensive Environmental Response Compensation, and Liability Act of 1980 (42 U.S.C. 9622(f)(4)(F)) is amended by striking "the Fund or other sources of".

Mr. SMITH of New Hampshire. Mr. President, I am pleased to join the distinguished chairman of the Committee on Environment and Public Works in introducing the Superfund Amendments and Reauthorization Act of 1999 (SARA). This bill is the result of several months of negotiations in the Committee, and reflects input we received from Senators on both sides of the aisle, state and local officials, the Administration, environmental groups, and the regulated community.

My colleagues who are familiar with our original bill, S. 1090, will notice several changes made in this new legislation.

Perhaps most significantly, we have added new titles on remedy selection and natural resource damages. These new provisions are similar to those contained in S. 8, the Superfund Cleanup Acceleration Act in the 105th Congress. Some may remember that the Environment and Public Works Committee reported S. 8 in May of 1998, but we never were able to debate the bill on the Senate floor.

Our remedy selection provisions are fairly straightforward. We would codify EPA's policy on the preference for treatment of principal threats, with an exception for sites, such as mining sites, at which such a preference would be inappropriate. We require remedies to achieve a degree of cleanup that complies with applicable Federal and State standards. We also set forth requirements for site specific risk assessments.

On natural resource damages (NRD), we deal with the major issues that have been debated over the last 10 years or more. SARA's NRD provisions:

Provide a clear definition of the objective of restoration; require costs assessed against responsible parties to be reasonable, based on the restoration measure's technical feasibility, cost effectiveness, timeliness, and consideration of natural recovery as a restoration alternative; prohibit recoveries for so-called "nonuser" damages and appropriately limit lost use damages; provide for the expedited or enhanced restoration of substitute resources where a unique resource that cannot be replaced has been destroyed, lost or damaged; provide responsible parties with the right to de novo review—or a full trial on all aspects of the claims against them; and, preclude double recovery against responsible parties.

In addition to these new titles, we have also made several changes to S. 1090 as introduced.

First, we have increased authorized funding levels in the first two years of the five-year period covered by the bill and made the ramp-down in funding less severe in the final three years.

Second, we deleted the cap on new NPL listings and revised the requirement for removing clean contiguous property parcels from NPL listings.

Third, we made extensive changes to the allocation system to provide additional flexibility. We added authorization for early settlements without an allocation, as well as an expedited allocation based only on an estimate of the orphan share.

Fourth, we expressly preserve strict, joint and several liability for those parties who choose not to participate in a settlement. We also ensure that EPA's existing authority to issue orders and engage in removal actions is not unduly limited.

Mr. President, these modifications have, in my view, improved the bill substantially. We are introducing this new bill for the information of our colleagues, and in an effort to generate more support for this legislation.

Unfortunately, these revisions to our Superfund bill were not sufficient to garner support from a majority of the Members on the Committee. That is disappointing to me, and I would urge my colleagues to take a good look at the bill we introduce today. It represents strong reform of the troubled Superfund program. It will accelerate cleanup by injecting greater fairness into the system, providing more resources for state and local cleanup efforts, and providing finality for decisions made under those state programs.

Our legislation continues to make major reforms in six areas. Specifically, SARA:

Directs EPA to finish the job that was started nearly two decades ago by completing the evaluation of the 3,000 remaining sites on the CERLA Information System (CERCLIS).

Clearly allocates responsibility between states and EPA for future cleanups.

Protects municipalities, small businesses, recyclers, and other parties from unfair liability—while making the system fairer for everyone else.

Provides states $100 million per year and full authority for their own cleanup programs.

Revitalizes communities with $100 million in annual brownfields redevelopment grants.

Requires fiscal responsibility by EPA and saves taxpayers money.

Our legislation will result in more hazardous waste sites being cleaned up—and in fewer dollars being wasted on litigation. It will give much-needed and much-deserved liability relief to innocent landowners, contiguous property owners, prospective purchasers, municipalities, small businesses, and recyclers. Unlike EPA's administrative reforms, this bill does not shift costs from politically popular parties to those left holding the bag. Instead, it requires payment of a statutory orphan share and authorizes the use of the Superfund Trust Fund for those shares.

For those left trapped in the Superfund liability scheme, SARA requires an allocation process to determine a party's fair share in an expedited settlement—instead of fighting it out for years in court.

In addition to increasing fairness, SARA provides much needed guidance and direction to a sometimes wayward EPA. It recognizes and builds upon the growth and strength of State hazardous waste cleanup programs. It provides new resources to States and localities for their cleanup and redevelopment efforts. As many of my colleagues know, the fear of Superfund liability has resulted in an estimated 450,000 abandoned or underutilized properties, or "Brownfields," that lay fallow because private developers and municipalities don't want to be dragged into Superfund's litigation quagmire. With new resources and appropriate liability protections, our bill will allow the cleanup of those sites, spurring economic redevelopment in cities, towns, and rural areas across America.

We take a different approach to the brownfields redevelopment issue than the Administration seeks. Along with many of my colleagues, I believe that economic redevelopment is primarily a State and local issue. Our approach provides the resources and freedom States need to make progress on this front, rather than giving EPA new authority to get into the commercial real estate and redevelopment business. That is not EPA's role, nor should it be.

Where EPA does have a role is in identifying and addressing risks at uncontrolled hazardous waste sites. Our legislation ensures that EPA regains its focus on that mission.

Earlier this year, the General Accounting Office (GAO) reported that "completion of construction at existing sites" and reducing new entries into the program was the Environmental Protection Agency's top Superfund priority. Unfortunately, EPA's narrow focus on generating construction completion statistics appear to have divested resources from EPA's fundamental mission—protecting human health and the environment from releases of hazardous waste.

GAO reported last year that 3,000 sites still await a National Priorities List decision by EPA. Most of those sites have been in the CERCLIS inventory for more than a decade. According to the report, however, more than 1,200 of them are actually ineligible for listing on the NPL, for a variety of reasons. Some of the sites were classified erroneously, while others either do not require cleanup, have already been cleaned up, or have final cleanup underway. EPA's failure to remove the specter of an NPL listing at these sites has likely caused significant economic and social harm to the surrounding communities. EPA needs to focus on that task.

In addition, far too many of the sites that are still potentially eligible for listing have received little or no attention from EPA. EPA admitted taking no cleanup action at all at 336 sites and provided no information for another 48 sites. The only action taken at 719 sites was an initial site assessment. EPA's inattention may be due to the fact that EPA and state officials together identified only 232 of the sites as worthy of being added to NPL. In that case, however, the appropriate response is to archive the sites while ensuring that any necessary cleanup occurs under some other Federal or State program. EPA needs to focus on that task as well.

Unfortunately, there is also disagreement between EPA and state officials about even those 232 sites. EPA identified 132 that may be listed on the NPL in the future, but state officials agreed on only 26 of those. Conversely, state officials identified a different group of 100 sites as worthy of an NPL listing in the future.

EPA agreed with GAO's recommendation that it "develop a joint strategy" with the States for addressing these sites. After nearly 20 years and $20 billion in taxpayer funded EPA appropriations, it is disturbing that the agency only now is developing such strategy. Nonetheless, Congress has an obligation to provide direction and assistance to EPA in this effort. The Superfund Amendments and Reauthorization Act provides that direction by:

Requiring EPA to finish evaluating and/or archiving old sites stuck in the CERCLIS inventory, thus correcting the current imbalance between evaluating uncontrolled sites and amassing construction completed statistics.

Providing EPA with a schedule of 30 NPL listings per year, to ensure that it and the States appropriately allocate sites for cleanup under Superfund, RCRA, or State response programs.

Increasing current law limits on EPA removal actions to provide greater flexibility in responding to sites that, at least initially, should be the responsibility of the Federal government, but ultimately do not require an NPL listing.

These provisions will ensure that the limited universe of sites remaining in the Superfund pipeline are dealt with quickly and safely.

In addition to keeping EPA focused on the task at hand, our bill provides increased resources and authority to the States, in recognition of the progress made by State cleanup programs in the last decade.

Superfund is notable among the major Federal environmental statutes not only for its abysmal track record, but also for its heavy reliance on EPA action rather that state implementation. In other environmental programs—RCRA, the Clean Water Act, the Safe Drinking Water Act—EPA typically sets general program direction and provides technical support while leaving implementation and enforcement to the states. In the Superfund program, however, EPA takes a direct role in both enforcement and cleanup. This leadership role was originally justified by a perceived inability or alleged unwillingness on the part of states to perform or oversee cleanups. The situation today is far different.

The Environmental Law Institute reported last year that States have now completed 41,000 cleanups, with another 13,700 in progress. The Association of State and Territorial Solid Waste Management Officials (ASTSWMO) reports that "States are not only addressing more sites at any given time, but are also completing more sites through streamlined State programs. State programs have matured and increased in their infrastructure capacity."

Most now recognize that states have made great strides in their programs, and even EPA in May of 1998 released a "Plan to Enhance the Role of States and Tribes in the Superfund Program." Not surprisingly, while that plan appears to provide some increased opportunities for state leadership, it also envisions a significant, on-going role for EPA.

The Superfund Amendments and Reauthorization Act, on the other hand, assists, recognizes, and builds on the growth of state cleanup programs. SARA also responds to pleas from ASTSWMO, the National Governors Association, and others to remove the ever-present threat of EPA over-filing and third party lawsuits under Superfund when a site is being cleaned up under a State program. SARA recognizes the fact that States should be the leaders in cleaning up hazardous waste sites by:

Providing $100 million annually for State core and voluntary response programs to allow States to build on their impressive record of accomplishment in this area.

Providing finality, except in cases of emergency or at a State's request, for cleanups conducted under State law.

Requiring EPA to work with the States so that sites listed on the NPL are those the Governor of the State agrees warrant an NPL listing.

Mr. President, the legislation we introduce today has the strong support of the nation's small businesses, Governors, Mayors, and state cleanup officials. I urge my colleagues to support it as well.

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mrs. HUTCHISON, Mr. FEINGOLD, and Mr. MOYNIHAN):

S. 1538. A bill to amend the Communications Act of 1934 to clarify State and local authority to regulate the placement, construction,and modification of broadcast transmission and telecommunications facilities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TELECOMMUNICATIONS TOWERS LEGISLATION

Mr. LEAHY. Mr. President, it is going on two years since I first submitted comments to the Federal Communications Commission regarding their proposed rules to preempt State and local governments in the placement and construction of telecommunications towers. Close to two years later, I am still working to ensure that the voice of States and local governments are heard in the continuing fight over telecommunications tower construction.

I am proud to be joined by Senators JEFFORDS, HUTCHISON, FEINGOLD, and MOYNIHAN in introducing legislation which will mandate that states and towns cannot be ignored in the spread of telecommunications towers. This bill recognizes that states and towns do have choices in this cellular age.

I became greatly alarmed two years ago, when the Federal Communications Commission proposed rules which would preempt State and local governments in the siting of telecommunications towers. This rule is still pending, and it has been by no means the only or final attempts to minimize the role of State and local governments in the clamor to erect telecommunications towers.

For instance, some may recall the "'E-911" bill that was introduced last Congress which would have prohibited State and local governments from having any say over the placement or construction of telecommunications towers on federal lands. Keep in mind that federal courthouses and post offices are included in this category.

I continue to be very concerned that the rights of citizens are being jeopardized by the interests of telecommunications companies.

As I have said before, I do not want Vermont turned into a pincushion, with 200 foot towers indiscriminately sprouting up on every mountain and in every valley.

The state of Vermont must have a role in deciding where telecommunications towers are going to go. Vermont citizens and communities should be able to participate in the important decisions affecting their families and their future.

Twenty-nine years ago, Vermont enacted landmark legislation, known as Act 250, to carefully establish procedures to balance the interests of development with the interests of the environment, health and safety, resource conservation and the protection of Vermont's natural beauty. I do not want Act 250's legacy to be undermined by the interests of telecommunications companies.

Another factor that should remain at the forefront of this debate is the existence of alternative communication technologies.

For instance, some companies are working to offer phone service throughout the United States that is based on low-earth-orbit satellites. Over time, this will provide a satellite communications link from any place in the world, even where no tower-based system is available. Emergency communications—911 and disaster assistance—will be greatly aided with this development.

In addition, I have previously discussed how the towerless PCS-Over-Cable and PCS-Over-Fiber technology provides digital cellular phone service by using small antennas rather than large towers. These small antennas can be quickly attached to existing telephone poles, lamp posts or buildings and can provide quality wireless phone service without the use of towers. This technology is cheaper than most tower technology in part because the PCS-Over-Cable wireless provider does not have to purchase land to erect large towers.

Since there are viable and reasonable alternatives to providing wireless phone service through the use of towers, I think that towns should have some say in this matter. And I think that mayors, town officials and local citizens will agree with me.

Also, consider this: the Federal Aviation Administration presently has limited authority to regulated the siting of towers, and because of this, airport officials work with local governments in the siting of towers. Silencing local governments will have a direct effect on airline safety, according to the representatives of the airline industry that we have heard from.

In fact, in a comment letter responding to the FCC's 1997 proposed rule at preemption, the National Association of State Aviation Officials stated that preemption "is contrary to the most fundamental principles of aviation safety * * * the proposed rule could result in the creation of hazards to aircraft and passengers at airports across the United States, as well as jeopardize safety on the ground." I cannot think of anyone who would want towers constructed irrespective of the negative and potentially dangerous impacts they may have on airplane flight and landing patterns.

There is also a growing concern about potential health hazards associated with using cellular telephones. Though there was a major push by the U.S. federal government to research effects of electric and magnetic fields on biological systems, as is evidenced by the five-year Electric and Magnetic Fields Research and Public Information Dissemination Program, there has been no similar effort to research potential health effects of radio frequency emissions associated with wireless communications and wireless broadcast facilities. This omission should no longer be overlooked.

As I have said before, I am for progress, but not for ill-considered, so-called progress at the expense of Vermont families, towns and homeowners. Vermont can protect its rural and natural beauty while still providing for the amazing opportunities offered by these technological advances.

I am proud to continue in my commitment to the preservation of State and local authority over the siting and construction of telecommunications towers. I ask unanimous consent that this legislation be printed the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) The placement of Telecommunications Facilities near residential properties can greatly reduce the value of such properties, destroy the views from such properties, and reduce substantially the desire to live in the area.

(2) States and local governments should be able to exercise control over the placement, construction, and modification of such facilities through the use of zoning, planned growth, and other land use regulations relating to the protection of the environment and public health, safety and welfare of the community.

(3) There are alternatives to the construction of facilities to meet telecommunications and broadcast needs, including, but not limited to, alternative locations, colocation of antennas on existing towers or structures, towerless PCS-Over-Cable or PCS-Over-Fiber telephone service, satellite television systems, low-Earth orbit satellite communication networks, and other alternative technologies.

(4) There are alternative methods of designing towers to meet telecommunications and broadcast needs, including the use of small towers that do not require blinking aircraft safety lights, break skylines, or protrude above tree canopies and that are camouflaged or disguised to blend with their surroundings, or both.

(5) On August 19, 1997, the Federal Communications Commission issued a proposed rule, MM Docket No. 97–182, which would preempt the application of State and local zoning and land use ordinances regarding the placement, construction and modification of broadcast transmission facilities. It is in the interest of the Nation that the Commission not adopt this rule.

(6) It is in the interest of the Nation that the memoranda opinions and orders and proposed rules of the Commission with respect to application of certain ordinances to the placement of such towers (WT Docket No. 97–192, ET Docket No. 93–62, RM–8577, and FCC 97–303, 62 F.R. 47960) be modified in order to permit State and local governments to exercise their zoning and land use authorities, and their power to protect public health and safety, to regulate the placement of telecommunications or broadcast facilities and to place the burden of proof in civil actions, and in actions before the Commission and State and local authorities relating to the placement, construction, and modification of such facilities, on the person or entity that seeks to place, construct, or modify such facilities.

(7) PCS-Over-Cable, PCS-Over-Fiber, and satellite telecommunications systems, including low-Earth orbit satellites, offer a significant opportunity to provide so-called "911" emergency telephone service throughout much of the United States.

(8) According to the Comptroller General, the Commission does not consider itself a health agency and turns to health and radiation experts outside the Commission for guidance on the issue of health and safety effects of radio frequency exposure.

(9) The Federal Aviation Administration does not have adequate authority to regulate the placement, construction and modification of telecommunications facilities near airports or high-volume air traffic areas such as corridors of airspace or commonly used flyways. The Commission's proposed rules to preempt State and local zoning and land-use regulations for the siting of such facilities will have a serious negative impact on aviation safety, airport capacity and investment, and the efficient use of navigable airspace.

(10) The telecommunications industry and its experts should be expected to have access to the best and most recent technical information and should therefore be held to the highest standards in terms of their representations, assertions, and promises to governmental authorities.

(11) There has been a substantial effort by the Federal Government to determine the effects of electric and magnetic fields on biological systems, as is evidenced by the Electric and Magnetic Fields Research and Public Information Dissemination (RAPID) Program, which was established by section 2118 of the Energy Policy Act of 1992 (Public Law 102–486; 42 U.S.C. 13478). This five-year program, which was coordinated by the National Institute of Environmental Health Sciences and the Department of Energy, examined the possible effects of electric and magnetic fields on human health. Despite the success of this program, there has been no similar effort by the Federal Government to determine the possible effects on human health of radio frequency emissions associated with telecommunications facilities. The RAPID program could serve as the excellent model for a Federally-sponsored research project.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To repeal certain limitations on State and local authority regarding the placement, construction, and modification of personal wireless service facilities and related facilities as such limitations arise under section

332(c)(7) of the Communications Act of 1934 (47 U.S.C. 332(c)(7)).

(2) To permit State and local governments—

(A) in cases where the placement, construction, or modification of telecommunications facilities and other facilities is inconsistent with State and local regulations, laws or decisions, to require the use of alternative telecommunication or broadcast technologies when such alternative technologies are available;

(B) to regulate the placement, modification and construction of such facilities so that their placement, construction and or modification will not interfere with the safe and efficient use of public airspace or otherwise compromise or endanger public safety; and

(C) to hold applicants for permits for the placement, construction, or modification of such telecommunication facilities, and providers of services using such towers and facilities, accountable for the truthfulness and accuracy of representations and statements placed in the record of hearings for such permits, licenses or approvals.

SEC. 2. STATE AND LOCAL AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF TELECOMMUNICATIONS FACILITIES.

(a) Repeal of Limitations on Regulation of Personal Wireless Facilities.—Section 332(c)(7)(B) of the Communications Act of 1934 (47 U.S.C. 332(c)(7)(B)) is amended—

(1) in clause (i), by striking "thereof—" and all that follows through the end and inserting "thereof shall not unreasonably discriminate among providers of functionally equivalent services.";

(2) by striking clause (iv);

(3) by redesignating clause (v) as clause (iv); and

(4) in clause (iv), as so redesignated—

(A) in the first sentence, by striking "30 days after such action or failure to act" and inserting "30 days after exhaustion of any administrative remedies with respect to such action or failure to act"; and

(B) by striking the third sentence and inserting the following: "In any such action in which a person seeking to place, construct, or modify a telecommunications facility is a party, such person shall bear the burden of proof, regardless of who commences the action."

(b) Prohibition on Adoption of Rule Regarding Preemption of State and Local Authority Over Broadcast Transmission Facilities.—Notwithstanding any other provision of law, the Federal Communications Commission may not adopt as a final rule or otherwise the proposed rule set forth in "Preemption of State and Local Zoning and Land Use Restrictions on Siting, Placement and Construction of Broadcast Station Transmission Facilities", MM Docket No. 97-182, released August 19, 1997.

(c) Authority Over Placement, Construction, and Modification of Other Transmission Facilities.—Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following:

"SEC. 337. STATE AND LOCAL AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF TELECOMMUNICATIONS FACILITIES.

"(a) In General.—Notwithstanding any other provision of this Act, no provision of this Act may be interpreted to authorize any person or entity to place, construct, or modify telecommunications facilities in a manner that is inconsistent with State or local law, or contrary to an official decision of the appropriate State or local government entity having authority to approve, permit, license, modify, or deny an application to place, construct, or modify a tower, if alternate technology is capable of delivering the broadcast or telecommunications signals without the use of a tower.

"(b) Authority Regarding Production of Safety and Interference Studies.—No provision of this Act may be interpreted to prohibit a State or local government from—

"(1) requiring a person or entity seeking authority to place, construct or modify telecommunications facilities or broadcast transmission facilities within the jurisdiction of such government to produce—

"(A) environmental studies, engineering reports, or other documentation of the compliance of such facilities with radio frequency exposure limits established by the Commission and compliance with applicable laws and regulations governing the effects of the proposed facility or the health, safety and welfare of the local residents in the community; and

"(B) documentation of the compliance of such facilities with applicable Federal, State, and local aviation safety standards or aviation obstruction standards regarding objects effecting navigable airspace; or

"(2) refusing to grant authority to such person to locate such facilities within the jurisdiction of such government if such person fails to produce any studies, reports, or documentation required under paragraph (1).

"(c) Construction.—Nothing in this section may be construed to prohibit or otherwise limit the authority of a State or local government to ensure compliance with or otherwise enforce any statements, assertions, or representations filed or submitted by or on behalf of an applicant with the State or local government for authority to place, construct or modify telecommunications facilities or broadcast transmission facilities within the jurisdiction of the State or local government.".

SEC. 3. ASSESSMENT OF RESEARCH ON EFFECTS OF RADIO FREQUENCY EMISSIONS ON HUMAN HEALTH.

(a) Assessment.—The Secretary of Health and Human Services shall carry out an independent assessment on the effects of radio frequency emission on human health. The Secretary shall carry out the independent assessment through grants to appropriate public and private entities selected by the Secretary for purposes of the independent assessment.

(b) Authorization of Appropriations.—There are hereby authorized to be appropriated for the Secretary of Health and Human Services for fiscal year 2000, $10,000,000 for purposes of grants for the independent assessment required by subsection (a). Amounts appropriated pursuant to the authorization of appropriation in the preceding sentence shall remain available until expended.

(c) The Secretary of Health and Human Services shall produce a report on existing research evaluating the biological effects to human health of short term, high-level, as well as long-term, low-level exposures to radio frequency emissions to Congress no later than January 1, 2001.

Mr. FEINGOLD. Mr. President, I am pleased to stand together today with my distinguished colleague, Senator Leahy, the ranking member of the Judiciary Committee, on a bill that protects the rights of state and local governments.

Mr. President, the bill that Senator Leahy introduced today addresses an egregious affront to state and local authority. Indeed, the Federal Communications Commission's proposed rule on telecommunications tower siting is an explicit transfer of power to the federal government.

Mr. President, the FCC would have the American people believe that it understands state and local land use issues better than the folks back home. It's proposed rule, itself promoted by a special interest group, would preempt state and local zoning and land use restrictions on the siting and construction of telecommunications towers. This is not the way the Federal government should be operating.

The FCC's proposed rule would set specific time limits within state and local governments must act in response to requests for approval of the placement, construction or modification of these towers. In addition, the rule would "remove from local consideration certain types of restrictions on the siting and construction of transmission facilities." And finally, the rule would preempt all state and local laws that impair the ability of licensed broadcasters to construct or modify towers unless the state or local government can prove that their regulation is "reasonable in relation to a clearly defined and expressly stated health or safety objective.

Mr. President, the proposal infringes on the rights of states and localities to make important zoning decisions in accordance with their own development objectives. It infringes also on the rights of residents of states and localities to fully enjoy the protection of rules requiring notification of adjacent land owners, hearing requirements and appeal periods. Under the proposed rule, the Federal government would impose specific time periods during which zoning disputes between entities seeking to build or modify towers and the state or locality must be resolved.

The rule also appears to preempt entirely a local or state law regarding tower placement even if that law is intended to ensure the health or safety of the community. The rule would allow health and safety concerns to be overridden by the federal interest in the construction of transmission facilities and in the promotion of fair and effective competition among electronic media. It is unclear why the business operations of telecommunications companies should override local health and safety concerns.

State or local zoning or land use laws designed to address historic or aesthetic objectives also would be preempted under this rule.

Mr. President, states and localities should be able to maintain the right to control development within their own jurisdictions without undue interference from the Federal government.

Federal preemption of zoning decisions should be the exception rather than the rule. The proposed rule would make federal preemption of legitimate local and state zoning and land use laws commonplace.

Why would we allow this end run around state and local authority, Mr. President? It goes completely against the philosophy of state and local autonomy that so many of my colleagues support.

To try and get to the bottom of this, Mr. President, I'd like to Call the Bankroll, which I do from time to time during my remarks on this floor. I'm going to offer some information about the political donations that have been made by the telecommunications giants that have a huge stake in the wireless communications industry. That industry has been lobbying hard in favor of the FCC rule, which empowers the federal government to overrule local communities that don't want a tower in their town.

During the least election cycle, the following telecommunications companies with a stake in the wireless market gave millions upon millions of dollars to candidates and the political parties:

- Bell Atlantic gave more than $920,000 in soft money and nearly $885,000 in PAC money;
- Wireless manufacturer Motorola gave $100,000 in soft and money and nearly $110,000 in PAC money;
- The Cellular Telecommunications Industry Association, the lobbying arm of the wireless industry, gave more than $100,000 in soft money and more than $85,000 to candidates;
- And AT&T gave nearly $825,000 in soft money to the parties and nearly $820,000 in PAC money to candidates.

Certainly, this FCC rule is not the only thing these companies are lobbying for, Mr. President. But whenever wealthy interests wants something, they have the weight of their contributions behind them. Those contributions influence what we do, and they deserve to be noted in this discussion. I think it's vitally important that we keep these contributions in mind as we evaluate the proposed rule, and we try to understand why the FCC would propose it, and why a Congress full of members who support state and local autonomy would stand for it.

But Mr. President, now I'd like to get to the good news—the bill authored by the distinguished senior senator from Vermont, which would repeal limitations on state and local authority regarding the placement of, construction of and modifications to telecommunications towers. It would do so by prohibiting the FCC from adopting as final the proposed rule. And the bill does so in a responsible manner.

Senator LEAHY's bill incorporates aviation industry concerns by allowing state and local governments to require tower construction applications to be accompanied by documentation showing compliance with applicable state and local aviation standards. It acknowledges alternative technologies which can be used in place of towers, including satellite and cable. It authorizes state and local governments to require evidence from companies showing that the proposed tower would comply with federal health and environmental standards. And it maintains the authority of state and local governments to ensure that companies comply with statements, assertions and representations made while applying for permission to locate a broadcast facility.

Mr. President, as new telecommunication towers have sprouted up by the thousands from coast to coast, so has the ire of our residents. To quote my distinguished colleague from Vermont, I too don't want Wisconsin turned into a giant pin cushion with 200-foot towers sticking out of every hill and valley.

Mr. President, Wisconsin will be a leader in the information age, but Wisconsinites deserve the right to determine where towers are located within Wisconsin. More than a few Wisconsin communities, large and small, have voiced their clear opposition to the heavy hand of the Federal government on this issue. Various communities and groups, from the city of Milwaukee and the Milwaukee Regional Cable Commission to the cities of Fond du Lac and Brookfield to the Dodge County Board of Supervisors, the Lincoln County Zoning Committee, and the Oneida County Planning and Zoning Committee have contacted me to voice their opposition to the proposed rule.

And other communities that have voiced opposition to recent tower siting plans, including Delafield, Fox Point, Bayside, Elm Grove, Germantown, Heartland, Mequon, Muskego, St. Francis, and Whitefish Bay.

One resident of Cassian, Wisconsin, summed up the feeling of many Wisconsinites: "We don't want to become a tower farm."

Mr. President, the FCC clearly has overstepped its regulatory bounds. We should empower state and local governments, not emasculate them. I hope my colleagues will support the rights of our states and municipalities, not more Federal autocracy. I commend my colleague for introducing this important piece of legislation.

I yield the floor.

By Mr. DODD (for himself and Mr. DEWINE):

S. 1539. A bill to provide for the acquisition, construction, and improvement of child care facilities or equipment, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

CHILD CARE FACILITIES FINANCING ACT

● Mr. DODD. MR. PRESIDENT, I AM PLEASED TO JOIN SENATOR DEWINE in introducing the Child Care Facilities Financing Act. This bill would help ease a significant crisis in this country—the shortage of adequate child care, particularly in low-income communities.

The demand for child care is not being met by the current supply, especially for low-income children. Approximately 50% of children from families with household incomes of $10,000 or less are enrolled in child care or early education programs, whereas over 75% of children from families with household incomes over $75,000 are enrolled in such programs.

According to the GAO, the child care supply shortage will worsen as work participation rates required under welfare reform increase over the next few years. The situation is particularly troublesome for infant and school-aged care. For example, in Chicago, the percentage of the demand that can be met by the known supply of child care providers will be only 12% for infants and 17% for school-aged children in the year 2002 if a greater supply is not created. The situation is even more dire in poor neighborhoods.

One factor contributing to the child care shortage is the difficulty that would-be providers face in financing child care facility development. Child care providers are often viewed by financial institutions as risky for loans. Child care equipment and facility needs are unique, making for poor collateral. In low-income neighborhoods, child care providers face severely restricted revenues and low real estate values. In urban areas, would-be child care providers must contend with buildings in poor physical condition and high property costs. In all areas, reimbursement rates for child care subsidies are generally too low to cover the recovery cost of purchasing or developing facilities, especially after allowing for the cost of running the program. In addition, new providers often have no business training, and may need to learn how to manage their finances and business.

The Child Care Facilities Financing Act would provide grants to intermediary organizations, enabling them to provide financial and technical assistance to existing or new child care providers —including both center-based and home-based child care. The financial assistance may be in the form of loans, grants, investments, or other assistance, allowing for flexibility depending on the situation of the child care provider. The assistance may be used for acquisition, construction, or renovation of child care facilities or equipment. It may also be used for improving child care management and business practices. Additionally, intermediary organizations are required to match grant dollars with significant private sector investments, leveraging federal funding and creating valuable public/private partnerships.

The added benefit in providing this kind of assistance is that it will spur further community and economic development. When parents can work with the knowledge that their children are adequately cared for, they become more reliable and productive workers. When the economic situation of families improve, distressed communities become revitalized.

Let me provide you with an example from my state of how financial assistance for child care development has helped alleviate dire situations. In one low-income neighborhood in New Haven, CT, there are 2500 children under the age of 5, but only 200 spaces in licensed child care facilities. For more than a decade, the LULAC Head Start program served this community by operating a part-day early childhood program in a poorly lit church basement. There has been a waiting list of over 100 children for this program. Recently, however, this basement program closed, and the 54 children it served were moved to an already overcrowded location.

Fortunately for LULAC, Connecticut has a new child care financing program. The Child Care Facilities Loan Fund Program is a public-private partnership that provides financial assistance for child care facilities development, targeting school readiness programs in underserved areas. LULAC has finally received desperately needed financial assistance to develop the Hill Parent Child Center. A new facility is being constructed, specially adapted for child care use. The center will now be able to provide multicultural child care, school readiness, and Head Start services for 172 low-income children in New Haven.

Although this story had a happy ending, many more children in New Haven and other places in Connecticut still need child care. And most states do not have a child care financing system in place.

Working parents and their children need adequate child care. Increasing the supply of child care will create a better economy as more parents move from welfare to work, and it will create more choices for parents to gain control over their families' lives. I hope that you will join Senator DEWINE and me in taking an important step toward lifting our nation out of its current child care crisis.

By Mr. JOHNSON:

S. 1540. A bill to amend the Internal Revenue Code of 1986 to correct the inadvertent failure in the Taxpayer Relief Act of 1997 to apply to exception for developable sites to Round I Empowerment Zone and Enterprise Communities; to the Committee on Finance.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES TECHNICAL CORRECTION LEGISLATION

• Mr. JOHNSON Mr. President, I rise today to introduce legislation that would provide a technical correction to laws governing Empowerment Zones and Enterprise Communities (EZ/EC).

In the second round of EZ/EC designations, language was included to allow for investments in 'developable sites.' The developable sites provision provides local leaders with needed flexibility to pursue community and economic development initiatives that advance the goals of the EZ/EC program, but that may include areas adjacent to the local EZ/EC boundaries. Unfortunately, the existing language only applies to Round II EZ/ECs. My bill would expand the existing 'developable site' criteria to Round I EZ/ECs.

The addition of the developable site option represents a thoughtful improvement to administering the EZ/EC program. Thoughtful, worthy initiatives should not go unrealized because of restrictions imposed by a line on a map. The developable site option is a critical tool and it should be applied equally to Round I and Round II awardees. This legislation would not authorize new funding, but it would assist EZs and ECs to invest in meaningful projects located adjacently to their established service area.

I ask my colleagues to join me in this effort to provide equal treatment for Round I EZ/ECs to pursue comprehensive investments for growth and prosperity which may include projects encompassing areas tangential to the designated EZ/EC service area.•

By Mr. JOHNSON:

S. 1541. A bill to amend the Employee Retirement Income Security Act of 1974 to require annual informational statements by plans with qualified cash or deferred arrangements, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

401 (K) RIGHT TO KNOW ACT

• Mr. JOHNSON. Mr. President, I rise today to introduce legislation, the 401(k) Right To Know Act, to require that 401(k) plan providers implement procedures to disclose the administrative fees that they charge their customers. However, I hope the need for the legislation can be effectively eliminated by voluntary action on the part of the plan providers to disclose fees.

I am concerned that millions of American families work and save for their retirement through 401(k) plans without having an opportunity to fully evaluate and compare the costs of such plans. National news publications have suggested that some plans may be charging plan participants up to 2.5% of assets annually to manage their accounts. While I believe families should be free to choose among competing plans and to participate in retirement savings vehicles of their choice, I am troubled that information about fees is not fully disclosed.

I believe that we have an obligation to make sure that families have access to basic information about fees. Congress encourages people to participate in 401(k) retirement plans by providing considerable tax advantages. We should give equal care to making sure that businesses and families have the information necessary to protect their nest eggs from excessive, undisclosed fees that threaten to siphon off the rewards of their work and prudence.

Recently the Department of Labor, the American Bankers Association, the American Council of Life Insurance, and the Investment Company Institute announced a plan to address these concerns and provide information about 401(k) fees. I applaud this responsible and important effort. The agreements reached should be given fair consideration and an opportunity to be implemented. It is my sincere hope, that these efforts will be supported by all 401(k) plan providers and that consumers will utilize and benefit from fee disclosure.

Nonetheless, I want to go on record to articulate my lingering concern for the lack of disclosure currently provided and make known my conviction to pursue legislative action should the industry fail to fully implement the goals of disclosure recently agreed upon. Again, I want to reiterate that I believe the recent announcement is an important step to resolve this issue. My goal is to make sure consumers have accurate and timely information about fees readily available to them. I will be monitoring the progress closely and remain hopeful that legislative action will not be necessary to achieve disclosure of 401(k) fees.

By Mr. BURNS (for himself, Mr. WYDEN, Mr. LOTT, and Mr. HOLLINGS):

S. 1547. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to preserve low-power television stations that provide community broadcasting, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE COMMUNITY BROADCASTERS PROTECTION ACT OF 1999

Mr. BURNS. Madame President, I am very pleased to introduce the "Community Broadcasters Protection Act of 1999," along with my colleagues Senator WYDEN, Senator LOTT and Senator HOLLINGS.

This critical legislation was championed last year by my good friend and former colleague Senator Ford. The Commerce Committee unanimously reported this bill on October 2, 1998 but unfortunately there was not sufficient time to complete action on the bill.

Low power television stations (LPTV) offer their communities significant services including valuable local and other specialized programming to unserved and underserved audiences throughout the United States.

As secondary service broadcasters, they remain vulnerable to displacement and encounter huge problems with capital formation but have significant infrastructure requirements.

This legislation has a very simple but important purpose. It provides an opportunity for LPTV licensees to convert their temporary licenses to permanent licenses. While the opportunity is available to all licensees, the legislation provides that only those who do a significant amount of local programming in their service areas are eligible for the class A permanent licenses. To ensure a serious and high quality level of local broadcasting by all class A licensees, this bill also requires that all class A licensees comply with the operating rules for full power stations.

I would like to emphasize that this bill takes into account the hearings that were held last year before the House Subcommittee on Telecommunications, during which the Federal Communications Commission noted that the previous bill was not sufficiently flexible to address unforeseen engineering-related problems concerning the transition to digital television. The current bill provides that flexibility to ensure that the Commission can make whatever engineering changes that are necessary, even channel changes, to ensure that every full power station in the U.S. can achieve digital television service replication of its analog service area.

I thank my colleagues for their support on this vital piece of legislation and look forward to seeing it passed by the Senate and into law.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Broadcasters Protection Act of 1999".

SEC. 2. FINDINGS.

The Congress finds that:

(1) Since the creation of low-power television licenses by the Federal Communications Commission, a number of license holders have operated their stations in a manner beneficial to the public good providing broadcasting to their communities that would not otherwise be available.

(2) These low-power broadcasters have operated their stations in a manner consistent with the programming objectives and hours of operation of full-power broadcasters providing worthwhile services to their respective communities while under sever license limitations compared to their full-power counterparts.

(3) License limitations, particularly the temporary nature of the license, have blocked many low-power broadcasters from having access to capital, and have severely hampered their ability to continue to provide quality broadcasting, programming, or improvements.

(4) The passage of the Telecommunications Act of 1996 has added to the uncertainty of the future status of these stations by the lack of specific provisions regarding the permanency of their licenses, or their treatment during the transition to high definition, digital television.

(5) It is in the public interest to promote diversity in television programming formats by encouraging low power television stations that serve foreign language communities. These communities should not lose their access to foreign language programming as a result of the transition to digital television.

SEC. 3. PRESERVATION OF LOW-POWER COMMUNITY TELEVISION BROADCASTING.

(a) Section 336 of the Communications Act of 1934 (47 U.S.C. 336) is amended:

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection:

"(f) Preservation of Low-Power Community Television Broadcasting.

"(1) Creation of Class A Licenses. Within 120 days after the date of enactment of the Community Broadcasters Protection Act of 1999, the Commission shall prescribe regulations to establish a class A television to be available to licensees of qualifying low-power television stations. Such license shall be subject to the same license terms, and renewal standards as the licenses for full-power television stations except as provided in this section, and each class A licensee shall be accorded primary status as a television broadcaster as long as the station continues to meet the requirements for a qualifying low-power station in paragraph (2). Within 30 days after the date of enactment of the Community Broadcasters Protection Act of 1999, the Commission shall send a notice to the licensees of all low-power television licenses that describes the requirements for Class A designation. Within 60 days after the date of enactment of the Community Broadcasters Protection Act of 1999, licensees intending to seek Class A designation shall submit to the Commission a certification of eligibility based on the qualification requirements of this Act. Absent a material deficiency, the Commission shall grant certification of eligibility to apply for Class A status. The Commission shall act to preserve the contours of low-power television licensees pending the final resolution of a Class A application. Under the requirements set forth in paragraph (2)(A) and (B) and paragraph (6) of this subsection, a licensee may submit an application for Class A designation under this paragraph only within 30 days after final regulations are adopted, except as provided for in Paragraph (6)(A). The Commission shall, within 30 days after receipt of an application that is acceptable for filing, award such a Class A television station license to any licensee of a qualifying low-power television station. If, after granting certification of eligibility or a Class A license, unforeseen technical problems arise that require an engineering solution to a station's allotted parameters or channel assignment in the digital television Table of Allotments, the Commission may make such modifications as are necessary to ensure replication of the digital television applicant's service area as provided for in section 622 of the Commission's regulations (47 C.F.R. 602).

"(2) Qualifying low-power television stations. For purposes of this subsection, a station is a qualifying low-power television station if:

"(A) during the 90 days preceding the date of enactment of the Community Broadcasters Protection Act of 1999:

"(i) such station broadcast a minimum of 18 hours per day;

"(ii) such station broadcast an average of at least 3 hours per week of programming that was produced within the market area served by such station, or the market area served by a group of commonly controlled stations that carry common local programming not otherwise available to their communities; and

"(iii) such station was in compliance with the Commission's requirements applicable to low-power television stations; and

"(B) from and after the date of its application for a Class A license, the station is in compliance with the Commission's operating rules for full power television stations; or

"(C) the Commission determines that the public interest, convenience, and necessity would be served by treating the station as a qualifying low-power television station for purposes of this section, or for other reasons determined by the Commission.

"(3) Common ownership. No low-power television station that is authorized as of the date of enactment of the Community Broadcasters Protection Act of 1999 shall be disqualified for a class A license based on common ownership with any medium of mass communication.

"(4) Issuance of licenses for advanced television services to qualifying low-power television stations. The Commission is not required to issue any additional licenses for advanced television services to the licensees of the class A television stations but shall accept such license applications proposing facilities that will not cause interference to any other broadcast facility authorized on the date of filing of the Class A advanced television application. Such new license or the original license of the applicant shall be forfeited at the end of the digital television transition. Low-power television station licensees may, at the option of licensee, elect to convert to the provision of advanced television services on its analog channel, but shall not be required to convert to digital operation until the end of the digital television transition.

"(5) No preemption of section 337. Nothing in this section preempts section 337 of this Act.

"(6) Interim qualification.

"(A) Stations operating within certain bandwidth. The Commission may not grant a Class A license to a low power television station operating between 698 and 806 megahertz, but the Commission shall provide to low power television stations assigned to and temporarily operating in that bandwidth the opportunity to meet the qualification requirements for a Class A license.

By Mrs. BOXER (for herself and Mr. BINGAMAN):

S. 1548. A bill to establish a program to help States expand the existing education system to include a least 1 year of early education preceding the year a child enters kindergarten; to the Committee on Health, Education, Labor, and Pensions.

THE EARLY EDUCATION ACT OF 1999

Mrs. BOXER. Mr. President, I am pleased to introduce today what I think is a very innovative proposal to move our education system into the 21st century.

There has been a growing body of research suggesting that a child's early years are critical to the development of the brain, and that early brain development is an important component of educational and intellectual achievement. Yet, in every state in this country, school does not officially begin until a child is 5 to 6 years old. Many children are missing some critical years.

I submit that as we enter the next century, if we are going to have the best educational system, we must start reaching children at an earlier age.

Head Start does that. Private preschool does that. But Head Start is only for low-income children, and there are not enough slots for all those children eligible to participate. And private preschools are often so expensive that they are out of reach for many middle-class working families.

We need to start thinking outside the box. One way to do that is to redefine what our educational system is. If education before kindergarten—before the age of 5—is so critical, maybe school should start a year earlier.

The legislation that I am introducing today—the Early Education Act—would begin the process of expanding the existing public education system to include at least one year of early education preceding the year a child enters kindergarten. My bill would set up a 10-state demonstration program over the next 5 years for states that want to move in this direction. The Federal Government would provide seed money of up to 50 percent of the costs for participating states to expand elementary school to include at least one year of early education, with that program open to all students in a school district that participates within the state.

A few states, most notably Georgia, are already implementing programs. Several other states, including my state of California, are planning to. In fact, I want to commend our state schools superintendent Delaine Eastin for all of her work in this area.

But even those states that are committed to this idea are finding that resources can be a significant barrier. And so what I want to do is to help states out. Let's see if early education—in those states that are interested—really does make a difference.

We know what the evidence so far shows. Compared to children with similar backgrounds who have not participated in early education programs, children who do participate in such programs perform better on reading and math tests, are more likely to make normal academic progress throughout elementary school, show greater learning retention and creativity, and are more enthusiastic about school.

If these evaluations are accurate—and that is, in part, what my bill is intended to find out—early education has the potential to make significant improvements in the education of our children.

I am pleased to be joined in this effort by Senator BINGAMAN. And I want to recognize Representative ANNA ESHOO, who is introducing the House version of this bill. I encourage my colleagues to join us in working to adapt our educational system for the 21st century.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Early Education Act of 1999".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) In 1989 the Nation's governors established a goal that all children would have access to high quality early education programs by the year 2000.

(2) Research suggests that a child's early years are critical to the development of the brain. Early brain development is an important component of educational and intellectual achievement.

(3) The National Research Council reported that early education opportunities are necessary if children are going to develop the language and literacy skills necessary to learn to read.

(4) Evaluations of early education programs demonstrate that compared to children with similar backgrounds who have not participated in early education programs, children who participate in such programs—

(A) perform better on reading and mathematics achievement tests;

(B) are more likely to stay academically near their grade level and make normal academic progress throughout elementary school;

(C) are less likely to be held back a grade or require special education services in elementary school;

(D) show greater learning retention, initiative, creativity, and social competency; and

(E) are more enthusiastic about school and are more likely to have good attendance records.

(5) Studies have estimated that for every dollar invested in quality early education, about 7 dollars are saved in later costs.

SEC. 3. EARLY EDUCATION.

Title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.) is amended by adding at the end the following:

"PART L—EARLY EDUCATION

"SEC. 10995. EARLY EDUCATION.

"(a) DEFINITION OF EARLY EDUCATION.—In this part the term 'early education' means not less than a half-day of schooling each week day during the academic year preceding the academic year a child enters kindergarten.

"(b) PURPOSE.—The purpose of this section is to establish a program to develop the foundation of early literacy and numerical training among young children by helping State educational agencies expand the existing education system to include early education for all children.

"(c) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to award grants to not less than 10 State educational agencies to enable the State educational agencies to expand the existing education system with programs that provide early education.

"(2) MATCHING REQUIREMENT.—The amount provided to a State educational agency under paragraph (1) shall not exceed 50 percent of the cost of the program described in the application submitted pursuant to subsection (d).

"(3) REQUIREMENTS.—Each program assisted under this section—

"(A) shall be carried out by one or more local educational agencies, as selected by the State educational agency;

"(B) shall be carried out—

"(i) in a public school building; or

"(ii) in another facility by, or through a contract or agreement with, a local educational agency;

"(C) shall be available to all children served by a local educational agency carrying out the program; and

"(D) shall only involve instructors who are licensed or certified in accordance with applicable State law.

"(d) APPLICATION.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may require. Each application shall—

"(1) include a description of—

"(A) the program to be assisted under this section; and

"(B) how the program will meet the purpose of this section; and

"(2) contain a statement of the total cost of the program and the source of the matching funds for the program.

"(e) SECRETARIAL AUTHORITY.—In order to carry out the purpose of this section, the Secretary—

"(1) shall establish a system for the monitoring and evaluation of, and shall annually report to Congress regarding, the programs funded under this section; and

"(2) may establish any other policies, procedures, or requirements, with respect to the programs.

"(f) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, not supplant, other Federal, State, or local funds, including funds provided under Federal programs such as Head Start and the Even Start Family Literacy Program under part B of title I.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $300,000,000 for each of the fiscal years 2000 through 2004.".

By Mr. HARKIN (for himself Mr. HOLLINGS, and Mr. DORGAN):

S. 1549. A bill to inform and empower consumers in the United States through a voluntary labeling system for wearing apparel or sporting goods made without abusive and exploitative child labor, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CHILD LABOR FREE CONSUMER INFORMATION ACT OF 1999

Mr. HARKIN. Mr. President, today I am introducing legislation that will inform and empower consumers in the United States through a voluntary labeling system for wearing apparel and sporting goods made without the use of abusive and exploitative child labor. I am joined in my efforts by Senators HOLLINGS and DORGAN. I want to thank them for working with me on this important effort.

This is the third time I have come to the floor of the Senate to introduce this bill, and I will continue to introduce it until it becomes law.

I'd like to ask my colleagues to take a moment to look around. Maybe it's the shirt you have on right now. Or the silk tie or blouse. Or the tennis shoes you wear on weekends.

Chances are that you have purchased something—perhaps many things—made with abusive and exploitative child labor. And chances are you were completely unaware that was the case. You will find a label that tells you what size it is, how to care for it and what it costs. But it doesn't tell you about the person who made it.

Mr. President, recently, the International Labor Organization (ILO) released a very grim report about the number of children who toil away in abhorrent conditions. The ILO estimates that over two hundred and fifty million children worldwide under the age of 15 are working instead of receiving a basic education. Many of these children begin working in factories at the age of 6 or 7, some even younger. They are poor, malnourished, and often forced to work 60-hour weeks for little or no pay.

Now when I speak about child labor, I am not talking about 17 year-olds helping out on the family farm or running errands after school. I am speaking about children, often under 12 years old, who are forced to work long hours in hazardous and dangerous conditions many as slaves instead of going to school.

On September 23, 1993, the Senate appropriately put itself on record as expressing its principled opposition to the abhorrent practice of exploiting children for commercial gain and asserting that it should be the policy of the United States to prohibit the importation of products made through the use of abusive and exploitative child labor by passing a Sense of the Senate Resolution I introduced. In my view, this was the first step toward ending child labor.

Americans in Des Moines or Dallas or Detroit may say, "What does this have to do with us?" It is quite simple. By protecting the rights of workers everywhere, we will be protecting jobs and opportunities here at home. A U.S. worker cannot compete with a 12 year old working 12 hours a day for 12 cents.

In 1998, the United States imported almost 50 percent of the wearing apparel sold in this country and the garment industry netted $34 billion. According to the Department of Commerce, last year, the United States imported 494.1 million pairs of athletic footwear and produced only 65.3 million here at home.

As I have traveled around the country and spoken with people about the issue of abusive and exploitative child labor, I have found that consumers—ordinary Americans—want to get involved. They want information. They want to know if the products they are buying are made by children.

According to a survey sponsored by Marymount University, more than three out of four Americans said they would avoid shopping at stores if they were aware that the good sold there were made by exploitative and abusive child labor. They also said that they would be willing to pay an extra $1 on a $20 garment if it were guaranteed to be made under legitimate circumstances.

Mr. President it is obvious that consumers don't want to reward companies with their hard earned dollars by buying products made with abusive and exploitative child labor.

This issue demands our attention. Our legislation, the Child Labor Free Consumer Information Act 1999, will inform and empower consumers in the United States through a voluntary labeling system for wearing apparel and sporting goods made without abusive and exploitative child labor. In my view, a system of voluntary labeling holds the best promise of giving consumers the information they want—and giving the companies that manufacture these products the recognition they deserve.

The crux of this legislation is to provide the framework for members of the wearing apparel and sporting goods industry, labor organizations, consumer advocacy and human rights groups along with the Secretaries of Commerce, Treasury and Labor to establish the labeling standard and develop a system to assure compliance that items were not made with abusive and exploitative child labor. Thus, ensuring consumers that the garment or pair of tennis shoes they purchase was made without abusive and exploitative child labor.

In my view, Congress can't do it alone through legislation. The Department of Labor can't do it alone through enforcement. It takes all of us from the private sector to labor and human rights groups to take responsibility, to come together to end abusive and exploitative child labor. And I am pleased to say there has recently been promising action to that end.

Mr. President, when the private sector decides to take speak up—it certainly can make a difference. In Bangladesh, the Bangladesh Garment Manufacturers and Exporters Association has agreed to work with the International Labor Organization to take children out of the garment factories and put them into school—where they belong. As of May 1999, more than 353 schools for former child workers have opened, serving nearly 10,000 children. So, if we can do it in Bangladesh, then we can do it elsewhere.

Mr. President, let me be clear, companies can choose to use the label or not to. This bill is not about big government telling the private sector what to do. This bill is centered around this fundamental principle: Let the Buyer Be Aware. This "Truth in Labeling" initiative is based on the principle that a fully informed American consumer will make the right, and moral, choice and vote against abusive and exploitative child labor with their pocketbook.

We have seen such an approach work effectively with the Rugmark label for hand-knotted carpets from India. It is operating in some European countries. Consumers who want to buy child labor-free carpets can just look for the Rugmark label. I visited the Rugmark headquarters in New Delhi, India last year. Mr. President, this initiative is working. It has succeeded in taking children out of the factories and putting them into schools while providing consumers with the information they need. To date, 1.25 million of carpets have received the Rugmark label.

Mr. President, the progress that has been made on eradicating abusive and exploitative child labor is irreversible. Therefore we must continue to more forward. And I believe my bill allows us to do just that. It allows the consumer to know more about the products they buy and give companies that use the label the recognition they deserve.

Our nation began this century by working to end abusive and exploitative child labor in America, let us close this century by ending child labor around the world. I urge my colleagues to support this legislation.

I ask unanimous consent that a copy of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1549

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Labor Free Consumer Information Act of 1999".

SEC. 2. FINDINGS.

Congress finds that—

(1) the Secretary of Labor has conducted at least 5 detailed studies that document the fact that abusive and exploitative child labor exists worldwide;

(2) the Secretary of Labor has also determined, through the studies referred to in paragraph (1), that child laborers are often forced to work beyond their physical capacities or under conditions that threaten their health, safety, and development, and are denied basic educational opportunities;

(3) in most instances, countries that have abusive and exploitative child labor also experience a high adult unemployment rate;

(4) the International Labor Organization (commonly known as the "ILO") in 1999 estimated that—

(A) approximately 250,000,000 children who are ages 5 through 14 are working in developing countries; and

(B) many of those children manufacture wearing apparel or sporting goods that are offered for sale in the United States;

(5) consumers in the United States spend billions of dollars each year on wearing apparel and sporting goods;

(6) consumers in the United States have the right to information on whether the articles of wearing apparel (including any section of that wearing apparel) or sporting goods that the consumers purchase are made without abusive and exploitative child labor;

(7) the rugmark labeling and monitoring system is a successful model for eliminating abusive and exploitative child labor in the rug industry;

(8) the labeling of wearing apparel or sporting goods would provide the information referred to in paragraph (6) to consumers; and

(9) it is important to recognize United States businesses that have effective programs to ensure that products sold in the United States are not made with abusive and exploitative child labor.

TITLE I—CHILD LABOR FREE LABELING STANDARDS

SEC. 101. CHILD LABOR FREE LABELING STANDARDS.

(a) Establishment of Labeling Standards.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Secretary of Labor, in consultation with the Child Labor Free Commission established under section 201, shall issue regulations to ensure that a label using the terms "Not Made With Child Labor", "Child Labor Free", or any other term or symbol referring to child labor does not make a false statement or suggestion that an article or section of wearing apparel or sporting good was not made with child labor. The regulations developed under this section shall encourage the use of an easily identifiable symbol or term indicating that the article or section of wearing apparel or sporting good was not made with child labor.

(2) Notification on use.—

(A) In general.—A producer, importer, exporter, distributor, or other person intending to use any label referred to in paragraph (1) shall submit a notification to the Commission for review under subparagraph (C).

(B) Notification.—The notification referred to in subparagraph (A) shall include information concerning the source of the article or section of wearing apparel or sporting good to which the label will be affixed, including information on—

(i) the country in which the article or section of wearing apparel or sporting good is manufactured;

(ii) the name and location of the manufacturer; and

(iii) any outsourcing by the manufacturer in the manufacture of the article or section of wearing apparel or sporting good.

(C) Review of notification.—Upon receipt of the notification, the Commission shall review the notification and inform the Secretary of Labor concerning the findings of the review. The permission of the Secretary of Labor shall be required for the use of the label. The Secretary of Labor, in consultation with the Commission, shall establish procedures for granting permission to use a label under this subparagraph.

(3) Fee.—The Secretary of Labor is authorized to charge a fee to cover the expenses of the Commission in reviewing a notification under paragraph (2). The level of fees charged under this paragraph shall not exceed the administrative costs incurred in reviewing a notification. Fees collected under this paragraph shall be available to the Secretary of Labor for expenses incurred in the review and response of the Commission under this subsection.

(4) Applicability.—The regulations issued under paragraph (1) shall apply to any label contained in or affixed to—

(A) an article or section of wearing apparel or sporting good that is exported from or offered for sale in the United States;

(B) any packaging for an article or section of wearing apparel or sporting good referred to in subparagraph (A); or

(C) any advertising for an article or section of wearing apparel or sporting good referred to in subparagraph (A).

(5) Effective date.—The regulations issued under paragraph (1) shall take effect on the date that is 180 days after the date of publication as final regulations.

(b) Violation of Section 5 of the Federal Trade Commission Act.—It is a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) for any producer, importer, exporter, distributor, or seller of any article or section of wearing apparel or sporting good that is exported from or offered for sale in the United States—

(1) to falsely indicate on the label of that article or section of wearing apparel or sporting good, the packaging of the article or section of wearing apparel or sporting good, or any advertising for the article or section of wearing apparel or sporting good that the article or section of wearing apparel or sporting good was not made with child labor; or

(2) to otherwise falsely claim or suggest that the article (or section of that article) of wearing apparel or sporting good was not made with child labor.

(c) Amendment to the Federal Trade Commission Act.—Section 5(m)(1) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)) is amended—

(1) in subparagraph (A), by striking "The Commission" and inserting "Except as provided in subparagraph (D), the Commission";

(2) in subparagraph (B), by striking "If the Commission" and inserting "Except as provided in subparagraph (D), if the Commission"; and

(3) by adding at the end the following new subparagraph:

"(D)(i)(I) In lieu of the applicable civil penalty under subparagraph (A) or (B), in any case in which the Commission commences a civil action for a violation of section 101 of the Child Labor Free Consumer Information Act of 1999 under subparagraph (A), under subparagraph (B) for an unfair or deceptive practice that is considered to be a violation of this section by reason of section 101(b) of such Act, or under subparagraph (C) for a continuing failure that is considered to be a violation of this section by reason of section 101(b) of such Act, if that violation—

"(aa) is a knowing or willful violation, the amount of a civil penalty for the violation shall be determined under clause (ii); or

"(bb) is not a knowing or willful violation, no penalty shall be assessed against the person, partnership, or corporation that committed the violation.

"(II) For purposes of this subparagraph, if in an action referred to in subclause (I), the Commission asserts that a violation is a knowing and willful violation, the defendant shall bear the burden of proving otherwise.

"(ii) The amount of a civil penalty for a violation under clause (i)(I)(aa) that is committed shall be—

"(I) for an initial violation, an amount equal to the greater of—

"(aa) 2 times the retail value of the articles of wearing apparel or sporting goods mislabeled; or

"(bb) $200,000; and

"(II) for any subsequent violation, an amount equal to the greater of—

"(aa) 4 times the retail value of the articles of wearing apparel or sporting goods mislabeled; or

"(bb) $400,000.".

(d) Special Fund To Assist Children.—

(1) Creation of fund.—There is established in the United States Treasury a special fund to be known as the "Free the Children Fund".

(2) Transfers into fund.—There are appropriated to the special fund amounts equivalent to the penalties collected under this section (including the amendments made by this section). The Secretary of the Treasury shall, upon request of the Secretary of Labor, make the amounts in the special fund available to the Secretary of Labor for use by the Secretary of Labor for educational and other programs described in paragraph (3).

(3) Availability.—Amounts deposited into the special fund shall be available for educational and other programs with the goal of eliminating child labor.

(e) Other Industries.—The Commission may, as appropriate, develop labeling standards similar to the labeling standards developed under this section for any industry that is not otherwise covered under this Act and recommend to the Secretary of Labor that those standards be promulgated. If the standards are promulgated by the Secretary of Labor—

(1) the provisions of this Act and the amendments made by this Act shall apply to the labeling covered by those standards in the same manner as they apply to any other standards promulgated by the Secretary of Labor under this section; and

(2) it shall be a violation of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) for any producer, importer, exporter, distributor, or seller of any good that is covered under the labeling standards and that is exported from or offered for sale in the United States—

(A) to falsely indicate on the label of that good, the packaging of the good, or any related advertising that the good was not made with child labor; or

(B) to otherwise falsely claim or suggest that the good was not made with child labor.

SEC. 102. REVIEW OF PETITIONS BY THE CHILD LABOR FREE COMMISSION.

(a) In General.—In addition to the procedures established under section 5 of the Federal Trade Commission Act (15 U.S.C. 45), the Child Labor Free Commission established under section 201 shall assist the Federal Trade Commission by reviewing petitions under this section.

(b) Contents of Petitions.—A petition under this section shall—

(1) be submitted in such form and in such manner as the Federal Trade Commission, in consultation with the Secretary of Labor and the Child Labor Free Commission, shall prescribe;

(2) contain the name of the—

(A) petitioner; and

(B) person or entity involved in the alleged violation of the labeling standards under section 101; and

(3) provide a detailed explanation of the alleged violation, including all available evidence.

(c) REVIEW BY COMMISSION.—

(1) IN GENERAL.—The Commission shall, to the maximum extent practicable, not later than 90 days after receiving a petition, review the petition to determine whether there appears to have been a violation of the labeling standards.

(2) ACTION BY THE FEDERAL TRADE COMMISSION.—

(A) IN GENERAL.—Upon completion of a review conducted under paragraph (1), the Commission shall forward the petition to the Secretary of Labor, together with a report by the Commission containing a determination by the Commission concerning the merits of the petition, including whether a violation of the labeling standards occurred and whether there appears to have been a knowing and willful (within the meaning of section 5(m)(1)(D)(i) of the Federal Trade Commission Act, as added by section 101(c) of this Act) or repeated violation of those standards.

(B) DUTIES OF THE SECRETARY OF LABOR.—Upon receipt of the petition and report, the Secretary of Labor shall—

(i) forward a copy of the petition and report to the Federal Trade Commission for review by the Federal Trade Commission; and

(ii) review the petition and report.

(3) TEMPORARY WITHDRAWAL OF PERMISSION; ORDER TO CEASE AND DESIST.—

(A) TEMPORARY WITHDRAWAL OF PERMISSION.—If the Secretary of Labor determines, on the basis of the report referred to in paragraph (2), that there is a substantial likelihood that a violation of the labeling standards promulgated under section 101 has occurred, the Secretary of Labor may temporarily withdraw the permission granted under section 101(a)(2)(C) and inform the Federal Trade Commission of the action and the reason for the action.

(B) ORDER TO CEASE AND DESIST.—If the Federal Trade Commission concurs with a determination of the Child Labor Free Commission in the report referred to in subparagraph (A) that a violation of the labeling standards has occurred, the Federal Trade Commission shall take such action as may be necessary under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) to cause the person or entity in violation of the labeling standards under section 101 to cease and desist from violating those standards immediately upon that concurrence.

TITLE II—CHILD LABOR FREE COMMISSION

SEC. 201. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Child Labor Free Commission".

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 17 members, of whom—

(A) 1 shall be the Secretary of Commerce or a designee of the Secretary of Commerce;

(B) 1 shall be the Secretary of the Treasury or a designee of the Secretary of the Treasury;

(C) 1 shall be the United States Trade Representative or a designee of the United States Trade Representative;

(D) 1 shall be the Secretary of Labor or a designee of the Secretary of Labor, who shall serve as the Chairperson of the Commission;

(E) 3 shall be representatives of nongovernmental organizations that work toward the eradication of abusive and exploitative child labor and the promotion of human rights, appointed by the Secretary of Labor;

(F) 3 shall be representatives of labor organizations, appointed by the Secretary of Labor;

(G) 3 shall be representatives of the wearing apparel industry, appointed by the Secretary of Labor;

(H) 3 shall be representatives of the sporting goods industry, appointed by the Secretary of Labor; and

(I) 1 additional member shall be appointed by the Secretary of Labor.

(2) DATE.—The appointments of the members of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(c) PERIOD OF APPOINTMENT; VACANCIES.—

(1) PERIOD OF APPOINTMENT.—Each member of the Commission shall serve for a term of 4 years, except that in appointing the initial members of the Commission, the Secretary of Labor shall stagger the terms of the members who are not officers or employees of the United States.

(2) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(e) MEETINGS.—The Commission shall meet at the call of the Chairperson or at the request of a majority of the members.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings or other meetings.

SEC. 202. DUTIES OF THE COMMISSION.

The Commission shall—

(1) assist the Secretary of Labor in developing labeling standards under section 101;

(2) assist the Secretary of Labor in developing and implementing a system to ensure compliance with the labeling standards established under section 101, including—

(A) receiving, reviewing, and making recommendations for the resolution of petitions received under section 102 that allege noncompliance with the labeling standards under section 101;

(B) making recommendations to the Secretary of Labor for the removal of labels subject to the standards under section 101 that are found to be in violation of those standards;

(C) assisting the Secretary of Labor in developing and implementing a system to promote the increased use of the labeling standards under section 101;

(D) publishing, not less frequently than annually, a list of persons and entities that have notified the Commission of their intent to use a label under section 101(a)(2); and

(E) publishing, not less frequently than annually, a list of persons and entities found to be in violation of any provision of this Act; and

(3) not later than 1 year after the date of the establishment of the Commission, commence a study into the feasibility of developing an easily identifiable labeling standard that the Secretary of Labor may issue to encourage the use of voluntary labels that ensure consumers that an article of wearing apparel or sporting good was made without the use of sweatshop or exploited adult labor.

SEC. 203. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the duties of the Commission under this title.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the duties of the Commission under this title. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 204. COMMISSION PERSONNEL MATTERS.

(a) NON-FEDERAL MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall serve without compensation.

(b) FEDERAL MEMBERS.—Each member of the Commission who is an officer or employee of the United States shall serve without compensation in addition to that received for that member's services as an officer or employee of the United States.

SEC. 205. ADMINISTRATIVE AND SUPPORT SERVICES.

The Secretary of Labor shall, to the extent permitted by law, provide the Commission with such administrative services, funds, facilities, staff, and other support services as may be necessary for the performance of its functions.

SEC. 206. PERMANENCY.

Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission.

TITLE III—RECOGNITION OF EXEMPLARY CORPORATE EFFORTS

SEC. 301. ANNUAL REPORT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary of Labor shall issue a report concerning companies that are making exemplary progress in ensuring that products made, sold, or distributed by those companies are not made with abusive and exploitative child labor.

SEC. 302. ADDITIONAL METHODS.

In addition to the reports made under section 301, the Secretary of Labor in consultation with the Commission shall develop and implement other methods of providing recognition for exemplary programs carried out by companies to ensure that products made, sold, or distributed by those companies are not made with abusive and exploitative child labor.

TITLE IV—DEFINITIONS

SEC. 401. DEFINITIONS.

In this Act:

(1) CHILD.—The term "child" means—

(A) an individual who has not attained the age of 15 years, as measured by the Julian calendar; or

(B) an individual who has not attained the age of 14 years, as measured by the Julian calendar, in the case of an individual who resides in a country that, by law, defines a child as such an individual.

(2) COMMISSION.—The term "Commission" means the Child Labor Free Commission established under section 201.

(3) LABEL.—The term "label" means a display of written, printed, or graphic matter on or affixed to an article of wearing apparel or a sporting good or on the packaging of the article or a sporting good that meets the standards described in section 101(a).

(4) MADE WITH CHILD LABOR.—

(A) IN GENERAL.—A manufactured article or section of wearing apparel or a sporting good shall be considered to have been made with child labor if the article or section—

(i) was fabricated, assembled, or processed in whole or in part; or

(ii) contains any part that was fabricated, assembled, or processed in whole or in part, by any child described in subparagraph (B).

(B) COVERED CHILDREN.—A child is described in this subparagraph if that child engaged in the fabrication, assembly, or processing of the article or section—

(i) under circumstances that the Secretary of Labor considers to be abusive or exploitative;

(ii) under circumstances tantamount to involuntary servitude; or

(iii) under—

(I) exposure to toxic substances or working conditions that otherwise pose serious health hazards; or

(II) working conditions that result in the child's being deprived of basic educational opportunities.

(5) PRODUCER.—The term "producer" includes a contractor or subcontractor of a manufacturer of all or part of a good.

(6) SPORTING GOOD.—The term "sporting good" shall have the meaning provided that term by the Secretary of Labor.

(7) WEARING APPAREL.—The term "wearing apparel" shall have the meaning provided that term by the Secretary of Labor.

By Mr. WELLSTONE:

S. 1550. A bill to extend certain Medicare community nursing organization demonstration projects; to the Committee on Finance.

LEGISLATION TO EXTEND CERTAIN MEDICARE COMMUNITY NURSING ORGANIZATION DEMONSTRATION PROJECTS

• Mr. WELLSTONE. Mr. President, I am introducing legislation which will extend Medicare funding for Community Nursing Organization (CNO) demonstration projects within the Health Care Financing Administration. These CNO programs are intended to reduce the breakup in the delivery of health care services, to reduce the use of costly emergency care services, and to improve the continuity of home health and ambulatory care for Medicare beneficiaries. CNOs are responsible for providing home health care, case management, outpatient physical and speech therapy, ambulance services, prosthetic devices, durable medical equipment, and any optional HCFA-approved services appropriate to prevent the need to institutionalize Medicare enrollees.

In Minnesota, the Healthy Seniors Project provides seniors with information and services that have provided an extra level of health care and peace of mind. Through various seminars, programs, and other informational services, these seniors have received information on legal and financial matters specifically as they pertain to senior citizens, as well as information on the services available to help them function and remain in their homes.

These CNO projects are consistent with congressional efforts to introduce a wider range of managed care options to Medicare beneficiaries. Their authorization needs to be extended in order to ensure a fair testing of the CNO managed care concept. We need an extension of this demonstration project to continue to provide an important example of how coordinated care can provide additional benefits without increasing Medicare costs. In addition, we need to further evaluate the impact of the CNO contribution to Medicare patients and to assess their capacity for operating under a fixed budget. Finally, this extension will not increase Medicare expenditures. In fact, CNOs actually save Medicare dollars by providing better and more accessible health care in homes and community settings, rather than unnecessary hospitalizations and nursing home admissions.

Mr. President, I urge my colleagues to support these important cost-saving demonstration projects for another three years.•

By Mr. HARKIN (for himself, Mr. HOLLINGS, Mr. DORGAN, Mr. LEVIN, Ms. MIKULSKI, and Mr. KENNEDY):

S. 1551. A bill to prohibit the importation of goods produced abroad with child labor, and for other purposes; to the Committee on Finance.

CHILD LABOR DETERRENCE ACT OF 1999

Mr. HARKIN. Mr. President, today I am introducing the Child Labor Deterrence Act of 1999. The bill I am introducing today prohibits the importation of any product made, whole or in part, by children under the age of 15 who are employed in manufacturing or mining. This is the fifth time I have come to the floor of the Senate to introduce this bill, and I will continue to introduce it until it becomes law. I would like to thank Senators HOLLINGS, DORGAN, LEVIN, MIKULSKI and KENNEDY for joining me in this important effort as original cosponsors of this legislation.

The International Labor Organization (ILO) estimates that over two hundred and fifty million children worldwide under the age of 15 are working instead of receiving a basic education. Many of these children begin working in factories at the age of 6 or 7, some even younger. They are poor, malnourished, and often forced to work 60-hour weeks for little or no pay.

Child labor is most prevalent in countries with high adult unemployment rates. According to the ILO, some 61 percent of child workers, nearly 153 million children, are found in Asia; 32 percent, or 80 million, are in Africa and 7 percent, or 175 million, live in Latin America. Adult unemployment rates in some nations runs over 20 percent. In Latin America, for example, about one in every ten children are workers. Furthermore, in many nations where child labor is prevalent, more money is spent and allocated for military expenditures than for education and health services.

The situation is as deplorable as it is enormous. In many developing countries children represent a substantial part of the work force and can be found in such industries as rugs, toys, textiles, mining, and sports equipment manufacturing.

For instance, it is estimated that 65% of the wearing apparel that Americans purchase is assembled or manufactured abroad, therefore, increasing the chance that these items were made by abusive and exploitative child labor. In the rug industry, Indian and Pakistan produce 95% of their rugs for export. Some of the worst abuses of child labor have been documented in these countries, including bonded and slave labor.

Children may also be crippled physically by being forced to work too early in life. For example, a large-scale ILO survey in the Philippines found that more than 60 percent of working children were exposed to chemical and biological hazards, and that 40 percent experienced serious injuries or illnesses.

These practices are often underground, but the ILO report points out that children are still being sold outright for a sum of money. Other times, landlords buy child workers from their tenants, or labor "contractor" pay rural families in advance in order to take their children away to work in carpet-weaving, glass manufacturing or prostitution. Child slavery of this type has long been reported in South Asia, South-East Asia and West Africa, despite vigorous official denial of its existence.

Additionally, children are increasingly being bought and sold across national borders by organized networks. The ILO report states that at least five such international networks trafficking in children exist: from Latin America to Europe and the Middle East; from South and South-East Asia to northern Europe and the Middle East; a European regional market; an associated Arab regional market; and, a West Africa export market in girls.

In Pakistan, the ILO reported in 1991 that an estimated half of the 50,000 children working as bonded labor in Pakistan's carpet-weaving industry will never reach the age of 12—victims of disease and malnutrition.

I have press reports from India of children freed from virtual slavery in the carpet factories of northern India. Twelve-year-old Charitra Chowdhary recounted his story—he said, "If we moved slowly we were beaten on our backs with a stick. We wanted to run away but the doors were always locked."

Mr. President, that's what this bill is about, children, whose dreams and childhood are being sold for a pittance—to factor owners and in markets around the globe.

It's about protecting children around the globe and their future. It's about eliminating a major form of child abuse in our world. It's about breaking the cycle of poverty by getting these kids out of factories and into schools. It's about raising the standard of living in the Third World so we can compete on the quality of goods instead of the misery and suffering of those who make them. It's about assisting Third World governments to enforce their laws by ending the role of the United States in providing a lucrative market for goods made by abusive and exploitative child labor and encouraging other nations to do the same.

Mr. President, unless the economic exploitation of children is eliminated, the potential and creative capacity of future generations will forever be lost to the factory floor.

Mr. President, the Child Labor Deterrence Act of 1999 is intended to strengthen existing U.S. trade laws and help Third World countries enforce their child labor laws. The bill directs the U.S. Secretary of Labor to compile and maintain a list of foreign industries and their respective host countries that use child labor in the production of exports to the United States. Once the Secretary of Labor identifies a foreign industry, the Secretary of the Treasury is instructed to prohibit the importation of a product from an identified industry. The entry ban would not apply if a U.S. importer signs a certificate of origin affirming that they took reasonable steps to ensure that products imported from identified industries are not made by child labor. In addition, the President is urged to seek an agreement with other governments to secure an international ban on trade in the products of child labor. Further, any company or individual who would intentionally violate the law would face both civil and criminal penalties.

This legislation is not about imposing our standards on the developing world. It's about preventing those manufacturers in the developing world who exploit child labor from imposing their standards on the United States. They are forewarned. If manufacturers and importers insist on investing in child labor, instead of investing in the future of children, I will work to assure that their products are barred from entering the United States.

Mr. President, as I said when I first introduced this bill five years ago, it is time to end this human tragedy and our participation in it. It is time for greater government and corporate responsibility. No longer can officials in the Third World or U.S. importers turn a blind eye to the suffering and misery of the world's children. No longer do American consumers want to provide a market for goods produced by the sweat and toil of children. By providing a market for goods produced by child labor, U.S. importers have become part of the problem by perpetuating the impoverishment of poor families. Through this legislation, importers now have the opportunity to become part of the solution by ending this abominable practice.

Mr. President, countries do not have to wait until poverty is eradicated or they are fully developed before eliminating the economic exploitation of children. In fact, the path to development is to eliminate child labor and increase expenditures on children such as primary education. In far too many countries, governments spend millions on military expenditures and fail to provide basic educational opportunities to its citizens. As a result, over 130 million children are not in primary school.

In conclusion, Mr. President, this legislation places no undue burden on U.S. importers. I know of no importer, company, or department store that would willingly promote the exploitation of children. I know of no importer, company, or department store that would want their products and image tainted by having their products produced by child labor. And I know that no American consumer would knowingly purchase something made with abusive and exploitative child labor. These entities take reasonable steps to ensure the quality of their goods; they should also be willing to take reasonable steps to ensure that their goods are not produced by child labor.

Mr. President, I urge my colleagues to support this legislation. I ask unanimous consent that a copy of my bill be printed into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Labor Deterrence Act of 1999".

SEC. 2. FINDINGS; PURPOSE; POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Principle 9 of the Declaration of the Rights of the Child proclaimed by the General Assembly of the United Nations on November 20, 1959, states that ". . . the child shall not be admitted to employment before an appropriate minimum age; he shall in no case be caused or permitted to engage in any occupation or employment which would prejudice his health or education, or interfere with his physical, mental, or moral development . . .".

(2) Article 2 of the International Labor Convention No. 138 Concerning Minimum Age For Admission to Employment states that "The minimum age specified in pursuance of paragraph 1 of this article shall not be less than the age of compulsory schooling and, in any case, shall not be less than 15 years.".

(3) The new International Labor Convention addressing the worst forms of child labor calls on member States to take immediate and effective action to prohibit and eliminate such labor. According to the convention, the worst forms of child labor are—

(A) slavery;

(B) debt bondage;

(C) forced or compulsory labor;

(D) the sale or trafficking of children, including the forced or compulsory recruitment of children for use in armed conflict;

(E) child prostitution;

(F) the use of children in the production and trafficking of narcotics; and

(G) any other work that, by its nature or due to the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

(4) According to the International Labor Organization, an estimated 250,000,000 children under the age of 15 worldwide are working, many of them in dangerous industries like mining and fireworks.

(5) Children under the age of 15 constitute approximately 22 percent of the workforce in some Asian countries, 41 percent of the workforce in parts of Africa, and 17 percent of the workforce in many countries in Latin America.

(6) The number of children under the age of 15 who are working, and the scale of their suffering, increase every year, despite the existence of more than 20 International Labor Organization conventions on child labor and national laws in many countries which purportedly prohibit the employment of under age children.

(7) In many countries, children under the age of 15 lack either the legal standing or means to protect themselves from exploitation in the workplace.

(8) The prevalence of child labor in many developing countries is rooted in widespread poverty that is attributable to unemployment and underemployment, precarious incomes, low living standards, and insufficient education and training opportunities among adult workers.

(9) The employment of children under the age of 15 commonly deprives the children of the opportunity for basic education and also denies gainful employment to millions of adults.

(10) The employment of children under the age of 15, often at pitifully low wages, undermines the stability of families and ignores the importance of increasing jobs, aggregated demand, and purchasing power among adults as a catalyst to the development of internal markets and the achievement of broadbased, self-reliant economic development in many developing countries.

(11) United Nations Children's Fund (commonly known as UNICEF) estimates that by the year 2000, over 1,000,000 adults will be unable to read or write at a basic level because such adults were forced to work as children and were thus unable to devote the time to secure a basic education.

(b) PURPOSE.—The purpose of this Act is to curtail the employment of children under the age of 15 in the production of goods for export by—

(1) eliminating the role of the United States in providing a market for foreign products made by such children;

(2) supporting activities and programs to extend primary education, rehabilitation, and alternative skills training to child workers, to improve birth registration, and to improve the scope and quality of statistical information and research on the commercial exploitation of such children in the workplace; and

(3) encouraging other nations to join in a ban on trade in products described in paragraph (1) and to support those activities and programs described in paragraph (2).

(c) POLICY.—It is the policy of the United States—

(1) to actively discourage the employment of children under the age of 15 in the production of goods for export or domestic consumption;

(2) to strengthen and supplement international trading rules with a view to renouncing the use of under age children in the production of goods for export as a means of competing in international trade;

(3) to amend Federal law to prohibit the entry into commerce of products resulting from the labor of under age children; and

(4) to offer assistance to foreign countries to improve the enforcement of national laws prohibiting the employment of children under the age of 15 and to increase assistance to alleviate the underlying poverty that is often the cause of the commercial exploitation of such children.

SEC. 3. UNITED STATES INITIATIVE TO CURTAIL INTERNATIONAL TRADE IN PRODUCTS OF CHILD LABOR.

In pursuit of the policy set forth in this Act, the President is urged to seek an agreement with the government of each country that conducts trade with the United States for the purpose of securing an international ban on trade in products of child labor.

SEC. 4. DEFINITIONS.

In this Act:

(1) Child.—The term "child" means—

(A) an individual who has not attained the age of 15, as measured by the Julian calendar; or

(B) an individual who has not attained the age of 14, as measured by the Julian calendar, in the case of a country identified under section 5 whose national laws define a child as such an individual.

(2) Effective identification period.—The term "effective identification period" means, with respect to a foreign industry or host country, the period that—

(A) begins on the date of that issue of the Federal Register in which the identification of the foreign industry or host country is published under section 5(e)(1)(A); and

(B) terminates on the date of that issue of the Federal Register in which the revocation of the identification referred to in subparagraph (A) is published under section 5(e)(1)(B).

(3) Entered.—The term "entered" means entered, or withdrawn from a warehouse for consumption, in the customs territory of the United States.

(4) Extraction.—The term "extraction" includes mining, quarrying, pumping, and other means of extraction.

(5) Foreign industry.—The term "foreign industry" includes any entity that produces, manufactures, assembles, processes, or extracts an article in a host country.

(6) Host country.—The term "host country" means any foreign country, and any possession or territory of a foreign country that is administered separately for customs purposes (including any designated zone within such country, possession, or territory) in which a foreign industry is located.

(7) Manufactured article.—The term "manufactured article" means any good that is fabricated, assembled, or processed. The term also includes any mineral resource (including any mineral fuel) that is entered in a crude state. Any mineral resource that at entry has been subjected to only washing, crushing, grinding, powdering, levigation, sifting, screening, or concentration by flotation, magnetic separation, or other mechanical or physical processes shall be treated as having been processed for the purposes of this Act.

(8) Products of child labor.—An article shall be treated as being a product of child labor—

(A) if, with respect to the article, a child was engaged in the manufacture, fabrication, assembly, processing, or extraction, in whole or in part; and

(B) if the labor was performed—

(i) in exchange for remuneration (regardless to whom paid), subsistence, goods, or services, or any combination of the foregoing;

(ii) under circumstances tantamount to involuntary servitude; or

(iii) under exposure to toxic substances or working conditions otherwise posing serious health hazards.

(9) Secretary.—The term "Secretary", except for purposes of section 5, means the Secretary of the Treasury.

SEC. 5. IDENTIFICATION OF FOREIGN INDUSTRIES AND THEIR RESPECTIVE HOST COUNTRIES THAT UTILIZE CHILD LABOR IN EXPORT OF GOODS.

(a) Identification of Industries and Host Countries..—

(1) In general.—The Secretary of Labor (in this section referred to as the "Secretary") shall undertake periodic reviews using all available information, including information made available by the International Labor Organization and human rights organizations (the first such review to be undertaken not later than 180 days after the date of enactment of this Act), to identify any foreign industry that—

(A) does not comply with applicable national laws prohibiting child labor in the workplace;

(B) utilizes child labor in connection with products that are exported; and

(C) has on a continuing basis exported products of child labor to the United States.

(2) Treatment of identification.—For purposes of this Act, the identification of a foreign industry shall be treated as also being an identification of the host country.

(b) Petitions Requesting Identification.—

(1) Filing.—Any person may file a petition with the Secretary requesting that a particular foreign industry and its host country be identified under subsection (a). The petition must set forth the allegations in support of the request.

(2) Action on receipt of petition.—Not later than 90 days after receiving a petition under paragraph (1), the Secretary shall—

(A) decide whether or not the allegations in the petition warrant further action by the Secretary in regard to the foreign industry and its host country under subsection (a); and

(B) notify the petitioner of the decision under subparagraph (A) and the facts and reasons supporting the decision.

(c) Consultation and Comment.—Before identifying a foreign industry and its host country under subsection (a), the Secretary shall—

(1) consult with the United States Trade Representative, the Secretary of State, the Secretary of Commerce, and the Secretary of the Treasury regarding such action;

(2) hold at least 1 public hearing within a reasonable time for the receipt of oral comment from the public regarding such a proposed identification;

(3) publish notice in the Federal Register—

(A) that such an identification is being considered;

(B) of the time and place of the hearing scheduled under paragraph (2); and

(C) inviting the submission within a reasonable time of written comment from the public; and

(4) take into account the information obtained under paragraphs (1), (2), and (3).

(d) Revocation of Identification.—

(1) In general.—Subject to paragraph (2), the Secretary may revoke the identification of any foreign industry and its host country under subsection (a) if information available to the Secretary indicates that such action is appropriate.

(2) Report of secretary.—No revocation under paragraph (1) may take effect earlier than the 60th day after the date on which the Secretary submits to the Congress a written report—

(A) stating that in the opinion of the Secretary the foreign industry and host country concerned do not utilize child labor in connection with products that are exported; and

(B) stating the facts on which such opinion is based and any other reason why the Secretary considers the revocation appropriate.

(3) Procedure.—No revocation under paragraph (1) may take effect unless the Secretary—

(A) publishes notice in the Federal Register that such a revocation is under consideration and invites the submission within a reasonable time of oral and written comment from the public on the revocation; and

(B) takes into account the information received under subparagraph (A) before preparing the report required under paragraph (2).

(e) Publication.—The Secretary shall—

(1) promptly publish in the Federal Register—

(A) the name of each foreign industry and its host country identified under subsection (a);

(B) the text of the decision made under subsection (b)(2)(A) and a statement of the facts and reasons supporting the decision; and

(C) the name of each foreign industry and its host country with respect to which an identification has been revoked under subsection (d); and

(2) maintain and publish in the Federal Register a current list of all foreign industries and their respective host countries identified under subsection (a).

SEC. 6. PROHIBITION ON ENTRY.

(a) Prohibition.—

(1) In general.—Except as provided in paragraph (2), during the effective identification period for a foreign industry and its host country no article that is a product of that foreign industry may be entered into the customs territory of the United States.

(2) Exception.—Paragraph (1) shall not apply to the entry of an article—

(A) for which a certification that meets the requirements of subsection (b) is provided and the article, or the packaging in which it is offered for sale, contains, in accordance with regulations prescribed by the Secretary, a label stating that the article is not a product of child labor;

(B) that is entered under any subheading in subchapter IV or VI of chapter 98 of the Harmonized Tariff Schedule of the United States (relating to personal exemptions); or

(C) that was exported from the foreign industry and its host country and was en route to the United States before the first day of the effective identification period for such industry and its host country.

(b) Certification That Article is not a Product of Child Labor.—

(1) Form and content.—The Secretary shall prescribe the form and content of documentation, for submission in connection with the entry of an article, that satisfies the Secretary that the exporter of the article in the host country, and the importer of the article into the customs territory of the United States, have undertaken reasonable

steps to ensure, to the extent practicable, that the article is not a product of child labor.

(2) REASONABLE STEPS.—For purposes of paragraph (1), "reasonable steps" include—

(A) in the case of the exporter of an article in the host country—

(i) having entered into a contract, with an organization described in paragraph (4) in that country, providing for the inspection of the foreign industry's facilities for the purpose of certifying that the article is not a product of child labor, and affixing a label, protected under the copyright or trademark laws of the host country, that contains such certification; and

(ii) having affixed to the article a label described in clause (i); and

(B) in the case of the importer of an article into the customs territory of the United States, having required the certification and label described in subparagraph (A) and setting forth the terms and conditions of the acquisition or provision of the imported article.

(3) WRITTEN EVIDENCE.—The documentation required by the Secretary under paragraph (1) shall include written evidence that the reasonable steps set forth in paragraph (2) have been taken.

(4) CERTIFYING ORGANIZATIONS.—

(A) IN GENERAL.—The Secretary shall compile and maintain a list of independent, internationally credible organizations, in each host country identified under section 5, that have been established for the purpose of—

(i) conducting inspections of foreign industries,

(ii) certifying that articles to be exported from that country are not products of child labor, and

(iii) labeling the articles in accordance with paragraph (2)(A).

(B) ORGANIZATION.—Each certifying organization shall consist of representatives of nongovernmental child welfare organizations, manufacturers, exporters, and neutral international organizations.

SEC. 7. PENALTIES.

(a) UNLAWFUL ACTS.—It shall be unlawful, during the effective identification period applicable to a foreign industry and its host country—

(1) to attempt to enter any article that is a product of that industry if the entry is prohibited under section 6(a)(1); or

(2) to violate any regulation prescribed under section 8.

(b) CIVIL PENALTY.—Any person who commits an unlawful act set forth in subsection (a) shall be liable for a civil penalty not to exceed $25,000.

(c) CRIMINAL PENALTY.—In addition to being liable for a civil penalty under subsection (b), any person who intentionally commits an unlawful act set forth in subsection (a) shall be, upon conviction, liable for a fine of not less than $10,000 and not more than $35,000, or imprisonment for 1 year, or both.

(d) CONSTRUCTION.—The unlawful acts set forth in subsection (a) shall be treated as violations of the customs laws for purposes of applying the enforcement provisions of the Tariff Act of 1930 (19 U.S.C. 1202 et seq.), including—

(1) the search, seizure, and forfeiture provisions;

(2) section 592 (relating to penalties for entry by fraud, gross negligence, or negligence); and

(3) section 619 (relating to compensation to informers).

SEC. 8. REGULATIONS.

The Secretary shall prescribe regulations to carry out the provisions of this Act.

SEC. 9. UNITED STATES SUPPORT FOR DEVELOPMENTAL ALTERNATIVES FOR UNDER AGE CHILD WORKERS.

In order to carry out section 2(c)(4), there is authorized to be appropriated to the President the sum of—

(1) $30,000,000 for each of fiscal years 2000 through 2004 for the United States contribution to the International Labor Organization for the activities of the International Program on the Elimination of Child Labor; and

(2) $100,000 for fiscal year 2000 for the United States contribution to the United Nations Commission on Human Rights for those activities relating to bonded child labor that are carried out by the Subcommittee and Working Group on Contemporary Forms of Slavery.

By Mr. REID:

S. 1552. A bill to eliminate the limitation on judicial jurisdiction imposed by section 377 of the Illegal Immigration Reform and Immigration Responsibility Act of 1996, and for other purposes; to the Committee on the Judiciary.

LEGAL AMNESTY RESTORATION ACT OF 1999

Mr. REID. Mr. President, I rise today to introduce the Legal Amnesty Restoration Act of 1999.

This legislation would repeal the limitation on judicial jurisdiction imposed by an obscure, but very lethal provision of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. Tucked into that massive piece of legislation was a provision, Section 377, which, in effect, stripped the Federal courts of jurisdiction to adjudicate legalization claims against the Immigration and Naturalization Service. Through this limitation, Section 377 has caused significant hardships, and denied due process and fundamental fairness, for hundreds of thousands of hard working immigrants, including several thousand in my home State of Nevada.

As a direct result of the 1996 legislation, the Ninth Circuit Court of Appeals, with its hands tied by the 377 language, issued a series of rulings in which it dismissed the claims of class members and revoked thousands of work permits and stays from deportation. In Nevada alone, up to 18,000 people had been affected. Good, hard-working people who have been in the United States and paying taxes for more than ten years, suddenly lost their jobs and the ability to support their families.

I say to my colleagues that I have met with many of these people on several occasions, and I have been, first-hand, the pain that this cruel process had caused. Men and women who once knew the dignity of a decent, legal wage have been forced to seek work underground in the effort to make ends meet. Families who lived in homes have been disrupted by an inability to pay the mortgage. Parents who had fulfilled dreams of sending their children to college have seen those dreams turn into nightmares. Children who know that something is desperately wrong by the simple fact that Mom and Dad have not been working for almost a year.

Mr. President, allow me to add a brief history of what has caused these most unfortunate consequences. During the 99th Congress, we passed the Immigration Reform and Control Act of 1986. This law provided a one-time opportunity for certain aliens already in the United States who met specific criteria to legalize their status. In order to do so, these aliens had to show that they had resided continuously in the United States since January 1, 1982.

The statute established a one-year period from May of 1987 to May of 1988, during which the INS was directed to accept and adjudicate applications from persons who wished to legalize their status. In implementing the congressionally-mandated legislation program, however, the INS created new criteria and a number of eligibility rules that were nowhere to be found in the 1986 legislation. The result was that thousands of persons who were in fact eligible for legalization were told they were ineligible or were blocked from filing legislation applications.

Several class-action lawsuits were initiated, and several federal district courts entered interim relief orders blocking deportations while the additional INS restrictions were debated in the courts. These orders also typically required the INS to grant class members temporary employment authorization pending a final resolution of the legal cases. However, by the time the Supreme Court ruled in 1993 that the INS had indeed contravened the 1986 legislation, the one-year period for applying for legalization had obviously passed.

The Court, therefore, divided these people into three different classes for the purposes of determining their standing to sue for the opportunity to submit a legalization application. These Classes are summarized as follows:

Class I: Class members who actually attempted to file applications with the Immigration and Naturalization Service, but were physically prevented from doing so. This policy has led to the term "front-desked" class members.

Class II: Class members who did not actually attempt to file an application, but for whom the INS's "front-desking" policy was a "substantial cause" for their failure to apply.

Class III: Class members who were discouraged from even visiting an INS office because of the INS's very publicized effort at misinforming them that they were ineligible and should not even apply.

While conceding that it had unlawfully narrowed eligibility for legalization, the INS was clearly dissatisfied with the Supreme Court decision. Consequently, the agency employed a different, much more clever approach. Rather than affording the people within these classes due process of law, the INS succeeded in slipping an obscure amendment into the massive 1996 Illegal Immigrant Reform and Responsibility Act which, in effect, stripped the federal courts of their jurisdiction over the claims of Class II and Class III members. That provision was Section 377, and is now, unfortunately, the law of the land.

Mr. President, as I stated earlier, my legislation would repeal Section 377 of the Illegal Immigration Reform and Responsibility Act of 1996. This course of action would allow the courts, including those with the Ninth Circuit Court of Appeals where Nevada is situated, to reinstate the work permits which were revoked effective September 30, 1998. The restoration of these work permits is critical, for it would allow those immigrants who satisfy the specified criteria to financially support themselves and their families through legal employment while they seek legalized status.

In order to ensure that the Immigration and Naturalization Service implements the legalization program mandated by the Congress in 1986, my legislation would change the date of registry from 1973 to 1984. Those immigrants who were wrongfully denied the opportunity to legalize their status will finally be afforded that which they deserved thirteen years ago. Ironically, it was also during 1986 that the Congress last changed the date of registry.

Making this change, quite simply, just makes sense. We changed the date in 1986 because we recognized that undocumented immigrants who had been in the United States continuously for more than fifteen years were highly unlikely to leave. Furthermore, illegal, undocumented immigrants do not pay their fair share of taxes. This was precisely the rationale considered by the 99th Congress when it debated and passed the Immigration Reform and Control Act of 1986; legislation intentionally circumvented by the INS.

Finally, Mr. President, my legislation would extend the date of registry through 1990 for a narrow class of persons who have been subjected to fraudulent or illegal activity on the part of INS officials or employees. This aspect of my bill is very important to the immigrant community in Nevada as several local INS officials have been convicted, indicted and/or accused of illegal activity in the process of granting or denying benefits to immigrants.

Mr. President, I don't pretend that my legislation will solve all the problems of our immigration and legalization procedures. However, there comes a time when a strong, moral government of the people must make every effort to correct the mistakes of the past. My legislation simply recognizes that the United States government, through the Immigration and Naturalization Services, made some serious errors which, in the name of due process and fundamental fairness, must be remedied.

By Mr. DOMENICI (for himself and Mr. KENNEDY):

S. 1555. A bill to provide sufficient funds for the research necessary to enable an effective public health approach to the problems of youth suicide and violence, and to develop ways to intervene early and effectively with children and adolescents who suffer depression or other mental illness, so as to avoid the tragedy of suicide, violence, and longterm illness and disability; to the Committee on Health, Education, Labor, and Pensions.

PUBLIC HEALTH RESPONSE TO YOUTH SUICIDE AND VIOLENCE ACT OF 1999

Mr. DOMENICI. Mr. President, I rise today with great pleasure to introduce the "Public Health Response to Youth Suicide and Violence Act of 1999." I would also like to thank my colleague Senator KENNEDY for joining me as a co-sponsor of this legislation.

All too often we read in the paper or see on TV another tragedy involving our children. These stories about violence, death, and suicide have become all too familiar and commonplace in our nation. Unfortunately, the children who commit these acts often suffer from a mental illness.

As I have said many times before the human brain is the organ of the mind and just like the other organs of our body, it is subject to illness. And just as illnesses to our other organs require treatment, so too do illnesses of the brain.

And while we have learned so much more about mental illness and medical science can accurately diagnosis mental illnesses and treat those afflicted, the same cannot be said for children and adolescents. Unfortunately, we still know very little about the causes of mental illness in children and adolescents and moreover, the appropriate treatment for these illnesses.

Before I proceed there is one thing I want to make absolutely clear: I am not for one minute saying we should lessen our focus on law enforcement or incarceration of convicted offenders. Instead, I am simply saying we might be able to prevent some of the tragedies I have mentioned if we knew more about the cause and appropriate treatment for mental illness in children and adolescents.

Today, suicide is the 3rd leading cause of death among individuals between the age of 15 to 24 and the 4th leading cause of death in those 10 to 14 years of age. Estimates show about 1 in 10 children and adolescents suffer from a mental illness that is severe enough to cause some level of impairment. Additionally, many parents with a child suffering from a serious mental disorder believe their child will become violent without appropriate treatment.

Beyond the possibility of suicide and violence, children not receiving treatment for mental disorders not only suffer, cannot learn, and may not form healthy relationships with peers or family, but face an increased likelihood of incarceration as juveniles and adults.

I have come to the conclusion that we must make a renewed investment into discovering the cause and the appropriate treatment of mental illness in children and adolescents. Why is it that certain children may be afflicted with a mental illness and others are not? What is the best course of treatment for a child diagnosed with a mental illness?

Everyone acknowledges that there is a critical lack of information in the area of child and adolescent mental illnesses and in particular the causes and appropriate treatment of such illnesses.

With this in mind, I cannot think of a better entity to take the lead in this endeavor to increase our research and understanding of child and adolescent mental illness than the National Institute of Mental Health. The Institute is already at the forefront of mental illness research and I believe it is uniquely qualified to address the connection between mental illness and youth suicide and violence.

The "Public Health Response to Youth Suicide and Violence Act of 1999" simply seeks to reduce incidences of youth suicide and violence through increased research by the National Institutes of Mental Health (NIMH) of children and adolescents suffering from depression or other mental illness.

By providing for increased research the Bill addresses a critical lack of knowledge in the area of child and adolescent mental illnesses and in particular the causes and appropriate treatment of such illnesses that often lead to youth suicide and violence.

The Bill authorizes $200 million for FY 2000 to expand and intensify research aimed at better understanding the underlying causes of mental disorders that lead to youth suicide and violence.

The Bill contains mandatory activities to be carried out by the Director of NIMH that include developing researchers who are trained in the area of childhood mental disorders in order to better understand the development of brain and mental disorders in children, pursue research into the relationship between mental disorders and youth violence and suicide and to develop effective treatments for these disorders.

Additionally, the Director of NIMH will work with the Director of the Centers for Disease Control and Prevention and other appropriate agencies to develop a model to train primary care physicians, nurses, school psychologists, teachers, and other responsible individuals about mental disorders in children.

The Bill also contains permissible activities the Director of NIMH may carry out that include examining the potential of public health programs that combine individual, family, and community level interventions to address suicide and violence and to identify related best practices. Additionally, the Director may develop and evaluate programs aimed at prevention, early recognition, and intervention of depression, youth suicide, and violence in diverse school and community settings.

In conclusion, I would simply restate that I believe expanding research to reduce incidences of youth suicide and violence through increased research of children and adolescents suffering from depression or other mental illness is necessary and I would urge my colleagues to support this important piece of legislation.

Mr. President, I ask unanimous consent that a copy of the bill and a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Public Health Response to Youth Suicide and Violence Act of 1999”.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Suicide is the third leading cause of death among young people 15 to 24 years of age, following unintentional injuries and homicide, and is the fourth leading cause of death in those 10 to 14 years of age. Scientific research has found that there are an estimated 8 to 25 attempted suicides to 1 completion, and the strongest risk factors for attempted suicide in youth are depression and alcohol or drug use.

(2) There is a critical need for additional research into the underlying causes of youth violence-both suicide and violence against others. 50 percent of parents with a child suffering from a serious mental disorder believe their child would become violent without appropriate treatment and services.

(3) A public health model should seek to ascertain ways to identify children and adolescents who are depressed or suffering from other mental or emotional disorders that might result in violent behavior against themselves or others, as well as long-term illness disability, and to intervene before that occurs.

(4) Not enough is known about serious mental disorders in adolescents and children, devastating illnesses which often lead to school failure, suicide, and violence. A primary reason for this is the lack of trained scientific investigators in this area of research. It is critical that increased efforts be made to strengthen the scientific expertise and capability in the area of child mental disorders.

(5) About 1 in 10 children and adolescents suffer from mental illness severe enough to cause some level of impairment, but fewer than 1 in 5 of these children receives treatment. Children who go untreated not only suffer, cannot learn, and may not form healthy relationships with peers or family, but face an increased likelihood of eventual incarceration as juveniles and adults.

(6) Prevention of youth suicide and violence requires a long-term commitment to comprehensive, cost effective, and sustainable interventions directed at known risk factors, and to the evaluation of their success in diverse community settings by targeting multiple risk factors that predispose them to suicide, delinquency and violence.

(7) Much more information is needed concerning the psychotherapeutic and service system treatment of serious mental illness in children as well as barriers to appropriate and effective treatment and services for these children, in the health care and educational systems.

SEC. 3. EXPANSION OF ACTIVITIES.

Subpart 16 of part C of title IV of the Public Health Service Act (42 U.S.C. 285p et seq) is amended by adding at the end the following:

“SEC. 464U-1. EXPANSION OF RESEARCH ACTIVITIES WITH RESPECT TO CHILDREN.

“(a) IN GENERAL.—The Director of the National Institute of Mental Health shall use amounts made available under this section to carry out activities to expand and intensify research aimed at better understanding the underlying developmental and other causes of mental disorders that lead to youth suicide and violence.

“(b) MANDATORY ACTIVITIES.—To carry out the purpose described in subsection (a), the Director of the Institute shall—

“(1) work to develop investigators who are trained in the area of childhood mental disorders in order to continue the effort to understand the developing brain and mental disorders in children and to strengthen the capacity to ascertain the factors underlying suicide and other violent behavior in youth;

“(2) expand support for basic research that has led to a better understanding of the structure, function and circuitry of the brain, and which promises to yield even more understanding as neuroimaging techniques become even more sophisticated;

“(3) carry out activities to further encourage research to clarify—

“(A) the relationship between mental disorders and youth violence and suicide;

“(B) the first emergence of mental illnesses in children, including schizophrenia, bipolar disorder, and obsessive-compulsive disorder;

“(C) effective early treatments for such illnesses and disorders; and

“(D) in collaboration with the Director of the Centers for Mental Health Services, where appropriate, the manner in which to effectively disseminate information derived under this paragraph to care-providers in the community;

“(4) in order to address the major problem of lack of recognition of mental disorders, and to ensure appropriate diagnosis and treatment, continue to encourage, in collaboration with the Administrator of the Agency for Health Care Policy and Research, where appropriate, services research aimed at better understanding the impact of mental disorders on children, on their families, on the health care system, and on schools as well as services research aimed at improving care-provider and educator knowledge of mental disorders in children;

“(5) seek to develop, conduct research on, and in collaboration with the Director of the Center for Mental Health Services, where appropriate, disseminate information about, mechanisms for avoiding the inappropriate criminalization of children with mental disorders and the appropriate treatment of any such children in criminal settings;

“(6) in collaboration with the Director of the Centers for Disease Control and Prevention, carry out additional activities to better understand the scope and effect of childhood mental disorders, including epidemiological monitoring and surveillance of childhood mental illness, suicide and incidence of violence;

“(7) in collaboration with the Director of the Centers for Disease Control and Prevention, families dealing with mental illness in their children, and other appropriate agencies, carry out activities to develop a model curriculum of education about mental disorders in children for use in the training of primary care physicians, nurses, school psychologists, teachers, and others individuals responsible for the care of children on an ongoing basis; and

“(8) in collaboration with the Director of the Centers for Disease Control and Prevention, establish a system to provide technical assistance to schools and communities to provide public health information and best practices to enable such schools and communities to handle high-risk youth.

“(c) PERMISSIBLE ACTIVITIES.—To carry out the purpose described in subsection (a), the Director of the Institute may carry out activities—

“(1) relating to research concerning the effects of early trauma and exposure to violence on further childhood development;

“(2) that ensure that the goals of all intervention development under this section include a focus on both effectiveness and sustainability;

“(3) for the development and evaluation of programs aimed at prevention, early recognition, and intervention for depression, youth suicide and violence in diverse school and community settings to determine their effectiveness and sustainability;

“(4) to examine the feasibility of public health programs combining individual, family and community level interventions to address suicide and violence and identify related best practices; and

“(5) to disseminate information to families, schools, and communities concerning the recognition of childhood depression, suicide risk, substance abuse, and Attention Deficit Hyperactivity Disorder in order to decrease the stigma associated with seeking help for such conditions.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $200,000,000 for fiscal year 2000, and such sums as may be necessary for each of fiscal years 2001 through 2004.”.

PUBLIC HEALTH RESPONSE TO YOUTH SUICIDE AND VIOLENCE ACT OF 1999

The Bill seeks to reduce incidences of youth suicide and violence through increased research by the National Institutes of Mental Health (NIMH) of children and adolescents suffering from depression or other mental illness.

By providing for increased research the Bill addresses a critical lack of knowledge in the area of child and adolescent mental illnesses and in particular the causes and appropriate treatment of such illnesses that often lead to youth suicide and violence.

THE NEED FOR INCREASED RESEARCH INTO CHILD AND ADOLESCENT MENTAL ILLNESS

Tody suicide is the 3rd leading cause of death among individuals between the age of 15 to 24 and about 1 in 10 children and adolescents suffer from a mental illness that is severe enough to cause some level of impairment.

Beyond possible suicide and violence, children not receiving treatment for mental disorder not only suffer, cannot learn, and may not form healthy relationships with peers or family, but face an increased likelihood of incarceration as juveniles and adults.

INCREASED RESEARCH BY THE NATIONAL INSTITUTE FOR MENTAL HEALTH

The Bill authorizes $200 million for FY 2000 and such sums as may be necessary thereafter to expand and intensify research aimed at better understanding the underlying causes of mental disorders that lead to youth suicide and violence.

Mandatory activities by the Director of NIMH include developing researchers who are trained in the area of childhood mental disorders in order to better understand the development of brain and mental disorders in children. Pursue research into the relationship between mental disorders and youth violence and suicide and to develop effective treatments for these disorders.

Additionally, the Director or NIMH will work with the Director of the Centers for Disease Control and Prevention and other appropriate agencies to develop a model to train primary care physicians, nurses, school psychologists, teachers, and other responsible individuals about mental disorders in children.

Permissible activities by the Director of NIMH include examining the potential of public health programs that combine individual, family, and community level interventions to address suicide and violence to identify related best practices. Additionally, the Director may carry out activities that develop and evaluate programs aimed at prevention, early recognition, and intervention of depression, youth suicide, and violence in diverse school and community settings.

Mr. KENNEDY. Mr. President, it is a privilege to join Senator ABRAHAM as a sponsor of the INS Reform and Border Security Act. This legislation will remedy many of the problems that currently plague the Immigration and Naturalization Service. It will ensure strong enforcement of our immigration laws, and also ensure that immigration and citizenship services are provided expeditiously and with greater respect for dignity of those who benefit from these services.

These two missions—enforcement and services—are equally important. Both are suffering under the current INS structure. The services are in especially dire straits. Over two million would-be US citizens are now trapped in an INS backlog. Individuals languish for years waiting for their naturalization and permanent resident applications to be processed. Files are lost. Fingerprints go stale. Courteous behavior is too often the exception, rather than the rule. Application fees continue to increase—yet poor service and long delays continue as well.

On the enforcement side, the immigration laws are being applied inconsistently. Detention and parole policies and procedures vary widely from district to district. All too frequently, national priorities and directives are ignored at the district level.

Many of these problems are not new. During Commissioner Doris Meissner's impressive tenure, the INS has made significant progress in trying to address the agency's problems. She has done an excellent job under the current structure. But, that structure has proven to be unworkable.

The goal of INS Reform and Border Security Act is to put the INS house in order. It will untangle the overlapping and often confusing organizational structure of the agency and replace it with two clear chains of command—one for enforcement and the other for services. These two equally important divisions will report, through their respective directors, to an Associate Attorney General who will head the Immigration Affairs Agency. This shared central authority over the two branches will ensure a uniform and harmonious immigration policy. Coordination of the two branches is imperative for the efficient functioning of the agency, and for maintaining a coherent immigration policy.

There is strong bipartisan agreement that the INS must be reformed. But restructuring must be done right. Successful reform must separate the enforcement and service functions while maintaining a strong central authority for uniform policy-making, clear accountability, and fiscal responsibility. The INS Reform and Border Security Act accomplishes these aims. The new immigration will be a major improvement over the current INS. I urge my colleagues to join in supporting the INS Reform and Border Security Act.

By Mr. REED (for himself, Mrs. MURRAY, Mr. KENNEDY, Mr. HARKIN, and Mr. BINGAMAN):

S. 1556. A bill to amend the Elementary and Secondary Education Act of 1965 to strengthen the involvement of parents in the education of their children, and for the other purposes; to the Committee on Heath, Education, Labor, and Pensions.

PARENTAL ACCOUNTABILITY, RECRUITMENT, AND EDUCATION NATIONAL TRAINING ACT OF 1999

Mr. REED. Mr. President, I rise today to introduce the Parental Accountability, Recruitment, and Education National Training (PARENT) Act of 1999, which seeks to increase parental involvement in the educational lives of their children.

Mr. President, research, experience, and reason tell us that providing parents with opportunities to play active roles in their children's schools empowers them to help their children excel. When parents are actively involved in their child's education, not only do their own children go further, but their child's school also improves to the benefit of all students. And, as I have witnessed in Rhode Island, and I am sure my colleagues can attest to this in their home states, our best schools are not simply those with the finest teachers and principals, but those which strive to engage parents in the education of their children.

A recent National PTA survey revealed that 91% of parents recognize the importance of involvement in their children's schools. Unfortunately, even as we extol the virtue of parental involvement, we must recognize that reality falls far short of the goal. The National PTA survey also found that roughly half the parents surveyed felt they were inadequately informed about ways in which they could participate in schools, or even gain access to basic information about their children's studies and their children's teachers. There are also other obstacles to greater parental involvement, such as working parents who find it difficult to get to schools and be involved or parents who have had negative schooling experiences and are wary of entering schools to participate in their children's education.

With 73% of parents favoring a federal effort to help schools get parents more involved with their children's education, the upcoming reauthorization of the Elementary and Secondary Education Act (ESEA) provides an opportunity to help bring schools and parents together, and to ensure parents have the tools to meaningfully and effectively get involved in their children's education. While the ESEA currently contains parental involvement provisions, they mainly apply to Title I schools and students, and have not been fully implemented.

That is why I am pleased to be joined by Senators MURRAY, KENNEDY, HARKIN, and BINGAMAN and Representative LYNN WOOLSEY in the other body in introducing the PARENT Act. This legislation would amend the Elementary and Secondary Education Act (ESEA) to bolster existing and add new parental involvement provisions.

The PARENT Act requires that all schools implement effective, research-based parental involvement best practices. It also seeks to improve parental access to information about their children's education and the school's parental involvement policies; ensure that professional development activities provide training to teachers and administrators on how to foster relationships with parents and encourage parental involvement; utilize technology to expand efforts to connect schools and teachers with parents; and promote parental involvement in drug and violence prevention programs. In addition, the PARENT Act requires any state seeking funding under ESEA to describe, implement, and evaluate parental involvement policies and practices.

To succeed in the endeavor of increasing parental involvement, we must depend on parents, teachers, and school administrators throughout the country to work collaboratively to implement effective programs. However, federal leadership is needed to provide schools, teachers, and parents with the tools adequate to this task.

Mr. President, the bottom line of federal support for education is to increase student achievement. Parental involvement is an essential component to ensuring that our students succeed. This legislation is strongly supported by the National PTA, and I urge my colleagues to join Senators MURRAY, KENNEDY, HARKIN, BINGAMAN, and me in supporting the PARENT Act, and working for its inclusion in the ESEA reauthorization.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

The being no objection, bill was ordered to be printed in the RECORD, as follows:

S. 1556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Parental Accountability, Recruitment, and Education National Training Act of 1999".

SEC. 2. REFERENCES.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

SEC. 3. FINDINGS.

Congress makes the following findings:

(1) Parents are the first and most influential educators of their children.

(2) The Federal Government must provide leadership, technical assistance, and financial support to States and local educational agencies, as partners, in helping the agencies implement successful and effective parental involvement policies and programs that lead to improved student achievement.

(3) State and local education officials, as well as teachers, principals, and other staff at the school level, must work as partners with the parents of the children they serve.

(4) Research has documented that, regardless of the economic, ethnic, or cultural background of the family, parental involvement in a child's education is a major factor in determining success in school.

(5) Parental involvement in a child's education contributes to positive outcomes such as improved grades and test scores, higher expectations for student achievement, better school attendance, improved homework completion rates, decreased violence and substance abuse, and higher rates of graduation and enrollment in postsecondary education.

(6) Numerous education laws now require meaningful parental involvement, including title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), the Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), and the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and elements of these laws should be extended to other Federal education programs.

SEC. 4. BASIC PROGRAMS.

(a) STATE PLAN.—Section 1111 (20 U.S.C. 6311) is amended—

(1) in subsection (b)(2)(B)(ii), by striking "other measures" and inserting "academic achievement and other measures, such as a school or local educational agency's responsibilities under sections 1118 and 1119";

(2) in subsection (c)(1)(B), by inserting before the semicolon the following: ", and parental involvement under section 1118";

(3) by redesignating subsections (d) through (g) as subsections (e) through (h), respectively; and

(4) by inserting after subsection (c) the following:

"(d) PARENTAL INVOLVEMENT.—Each State plan shall demonstrate that the State has identified or developed effective research-based best practices designed to foster meaningful parental involvement. Such best practices shall—

"(1) be disseminated to all schools and local educational agencies in the State;

"(2) be implemented in all schools in the State; and

"(3) address the full range of parental involvement activities required under section 1118.".

(b) LOCAL EDUCATIONAL AGENCY PLANS.—Section 1112 (20 U.S.C. 6312) is amended—

(1) in subsection (c)(1)—

(A) by redesignating subparagraphs (D) through (H) as subparagraphs (E) through (I); and

(B) by inserting after subparagraph (C) the following:

"(D) work in consultation with schools as the schools develop and implement their plans or activities under sections 1118 and 1119;"; and

(2) in subsection (e)(3), by inserting before the period the following: "and if such agency's parental involvement activities are in accordance with section 1118".

(c) SCHOOLWIDE PROGRAMS.—Section 1114 (20 U.S.C. 6314) is amended—

(1) in subsection (b)(1)(E), by inserting after "involvement" the following: "in accordance with section 1118"; and

(2) in subsection (b)(2)(A)(iv), by inserting after "results" the following: "in a language the family can understand".

(d) TARGETED ASSISTANCE.—Section 1115(c)(1)(H) (20 U.S.C. 6315(c)(1)(H)) is amended by inserting after "involvement" the following: "in accordance with section 1118".

(e) ASSESSMENTS.—Section 1116 (20 U.S.C. 6317) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(B) by inserting after paragraph (2) the following:

"(3) review the effectiveness of the actions and activities the schools are carrying out under this part with respect to parental involvement, professional development, and other activities assisted under this Act;"; and

(C) in paragraph (4) (as redesignated by subparagraph (3))—

(i) by inserting "of yearly progress" after "annual review"; and

(ii) by striking "of all" and inserting "and the review conducted under paragraph (3), with respect to all";

(2) in subsection (c)(4), by inserting after "elements of student performance problems" the following: ", that addresses school problems, if any, in implementing the parental involvement requirements in section 1118 and the professional development requirements in section 1119,"; and

(3) in subsection (d)(1)—

(A) in subparagraph (A), by striking "and" after the semicolon;

(B) by redesignating subparagraph (B) as subparagraph (C);

(C) by inserting after subparagraph (A) the following:

"(B) annually review the effectiveness of the action or activities carried out under this part by each local educational agency receiving funds under this part with respect to parental involvement, professional development, and other activities assisted under this Act; and"; and

(D) in subparagraph (C) (as redesignated by subparagraph (B))—

(i) by inserting "of yearly progress" after "State review"; and

(ii) by inserting ", and of the review conducted under subparagraph (B)" after "1111(b)(3)(I)".

(f) STATE ASSISTANCE.—Section 1117 (20 U.S.C. 6318) is amended—

(1) in subsection (a)(1), by inserting "parental involvement," after "including"; and

(2) in subsection (c)—

(A) in paragraph (1)(C)—

(i) by inserting "parents," after "including"; and

(ii) by inserting "parental involvement programs," after "successful"; and

(B) by inserting at the end the following:

"(4) PARENTAL INVOLVEMENT.—Each State shall collect and disseminate effective parental involvement practices to local educational agencies and schools. Such practices shall—

"(A) be based on the most current research on effective parental involvement that fosters achievement to high standards for all children;

"(B) be geared toward lowering barriers to greater participation in school planning, review, and improvement experienced by parents; and

"(C) be implemented by the State in local educational agencies and schools requesting such assistance from the State.".

(g) PARENTAL INVOLVEMENT.—Section 1118 (20 U.S.C. 6319) is amended—

(1) in subsection (a)(2)(B), by inserting before the semicolon the following: "activities that will lead to improved student achievement for all students";

(2) in subsection (b)(1), by inserting before the last sentence the following: "Parents shall be notified of the policy in their own language.";

(3) in subsection (e)(1), by striking "participating parents" and inserting "all parents of children served by the school or agency, as appropriate,";

(4) in subsection (g), by adding at the end the following: "Such local educational agencies and schools may use information, technical assistance, and other support from the parental information and resource centers to create parent resource centers in schools."; and

(5) by adding at the end the following:

"(h) STATE REVIEW.—The State educational agency shall review the local educational agency's parental involvement policies and practices to determine if such policies and practices are meaningful and targeted to improve home and school communication, student achievement, and parental involvement in school planning, review, and improvement.".

SEC. 5. PROFESSIONAL DEVELOPMENT.

(a) PURPOSES.—Section 2002(2) (20 U.S.C. 6602(2)) is amended—

(1) in subparagraph (E), by striking "and" after the semicolon;

(2) in subparagraph (F), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

"(G) incorporates training in effective practices in order to encourage and offer opportunities to get parents involved in their child's education in ways that will foster student achievement and well-being; and

"(H) includes special training for teachers and administrators to develop the skills necessary to work most effectively with parents.".

(b) AUTHORIZED ACTIVITIES.—Section 2102(c) (20 U.S.C. 6622(c)) is amended—

(1) in paragraph (13), by striking "and" after the semicolon;

(2) in paragraph (14), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(15) the development and dissemination of model programs that teach teachers and administrators how best to work with parents and how to encourage the parent's involvement in the full range of parental involvement activities described in section 1118.".

(c) STATE APPLICATIONS.—Section 2205(b)(2) (20 U.S.C. 6645(b)(2)) is amended—

(1) in subparagraph (N), by striking "and" after the semicolon;

(2) by redesignating subparagraph (O) as subparagraph (P); and

(3) by inserting after subparagraph (N) the following:

"(O) describe how the State will train teachers to foster relationships with parents and encourage parents to become collaborators with schools in their children's education; and".

(d) STATE-LEVEL ACTIVITIES.—Section 2207 (20 U.S.C. 6647) is amended—

(1) by redesignating paragraphs (12) and (13) as (13) and (14), respectively; and

(2) by inserting after paragraph (11) the following:

"(12) providing professional development programs that enable teachers, administrators, and pupil services personnel to effectively communicate with and involve parents in the education process to support school planning, review, improvement, and classroom instruction, and to work effectively with parent volunteers;".

(e) LOCAL PLAN AND APPLICATION FOR IMPROVING TEACHING AND LEARNING.—Section 2208 (20 U.S.C. 6648) is amended—

(1) in subsection (c)(2), by inserting "parents," after "administrators,"; and

(2) in subsection (d)(1)—

(A) by redesignating subparagraphs (I) and (J) as subparagraphs (J) and (K), respectively; and

(B) by inserting after subparagraph (H) the following:

"(I) describe the specific professional development strategies that will be implemented to improve parental involvement in education and how such agency will be held accountable for implementing such strategies.".

(f) LOCAL ALLOCATION.—Section 2210(b)(3) (20 U.S.C. 6650(b)(3)) is amended—

(1) by redesignating subparagraphs (P) and (Q) as subparagraphs (Q) and (R), respectively; and

(2) by inserting after subparagraph (O) the following:

"(P) professional development activities designed to enable teachers, administrators, and pupil services personnel to communicate with parents regarding student achievement on assessments.".

SEC. 6. TECHNOLOGY FOR EDUCATION.

(a) FINDINGS.—Section 3111 (20 U.S.C. 6811) is amended—

(1) in paragraph (6), by inserting "and by facilitating mentor relationships," after "by means of telecommunications,";

(2) in paragraph (14), by striking "and" after the semicolon;

(3) in paragraph (15), by striking the period and inserting a semicolon; and

(4) by adding at the end the following:

"(16) access to education technology and teachers trained in how to incorporate the technology into their instruction leads to improved student achievement, motivation, and school attendance;

"(17) the use of technology in education can enhance the educational opportunities schools can offer students with special needs; and

"(18) the introduction of education technology increases parental involvement, which has been shown to improve student achievement.".

(b) STATEMENT OF PURPOSE.—Section 3112 (20 U.S.C. 6812) is amended—

(1) in paragraph (11), by striking "and" after the semicolon;

(2) in paragraph (12), by striking the period and inserting "; and"; and

(3) by adding after paragraph (12), the following:

"(13) development and support for technology and technology programming that will enhance and facilitate meaningful parental involvement.".

(c) NATIONAL LONG-RANGE TECHNOLOGY PLAN.—Section 3121(c)(4) (20 U.S.C. 6831(c)(4)) is amended—

(1) in subparagraph (E), by striking "and" after the semicolon;

(2) in subparagraph (F), by inserting "and" after the semicolon; and

(3) by adding at the end the following:

"(G) increased parental involvement in schools through the use of technology;".

(d) FEDERAL LEADERSHIP.—Section 3122(c) (20 U.S.C. 6832(c)) is amended—

(1) in paragraph (15), by striking "and" after the semicolon;

(2) in paragraph (16), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(17) the development, demonstration, and evaluation of model technology programs designed to improve parental involvement.".

(e) LOCAL USES OF FUNDS.—Section 3134 (20 U.S.C. 6844) is amended—

(1) in paragraph (5), by striking "and" after the semicolon;

(2) in paragraph (6), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

"(7) utilizing technology to develop or expand efforts to connect schools and teachers with parents to promote meaningful parental involvement and foster increased communication about curriculum, assignments, and assessments; and

"(8) providing ongoing training and support for parents to help the parents learn and use the technology being applied in their children's education, so as to equip the parents to reinforce and support their children's learning.".

(f) LOCAL APPLICATIONS.—Section 3135 (20 U.S.C. 6845) is amended—

(1) in paragraph (1)(D)—

(A) in clause (i), by striking "and" after the semicolon;

(B) in clause (ii), by inserting "and" after the semicolon; and

(C) by adding at the end the following:

"(iii) a description of how parents will be informed of, and trained in, the use of technologies, so that the parents will be equipped to reinforce at home the instruction their children receive at school;";

(2) in paragraph (3)—

(A) in subparagraph (A), by striking "and" after the semicolon; and

(B) by adding at the end the following:

"(C) improve parental involvement in schools;";

(3) in paragraph (4)(B), by striking the period and inserting "; and"; and

(4) by adding at the end the following:

"(5) describe how the local educational agency will effectively use technology to promote parental involvement and increase communication with parents.".

(g) NATIONAL CHALLENGE GRANTS.—Section 3136(c) (20 U.S.C. 6846(c)) is amended—

(1) in paragraph (4), by striking "and" after the semicolon;

(2) in paragraph (5), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(6) the project will enhance parental involvement by providing parents the means and the skills needed to more fully participate in their child's learning.".

SEC. 7. DRUG-FREE SCHOOLS AND COMMUNITIES.

(a) STATE APPLICATIONS.—Section 4112 (20 U.S.C. 7112) is amended—

(1) in subsection (b)—

(A) in paragraph (3), by inserting ", including how the agency will receive input from parents regarding the use of such funds" after "4113(b)"; and

(B) in paragraph (6), by inserting ", and how such review will include input from parents" after "4115"; and

(2) in subsection (c)—

(A) in paragraph (5), by striking "and" after the semicolon;

(B) in paragraph (6), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(7) a specific description of how input from parents will be sought regarding the use of funds under section 4114(a).".

(b) EVALUATION AND REPORTING.—Section 4117 (20 U.S.C. 7117) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (A), by striking "and" after the semicolon;

(B) in subparagraph (B), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(C) on the State's efforts to inform parents of and include parents in violence and drug prevention efforts."; and

(2) in the first sentence of subsection (c), by striking the period and inserting "and a description of how parents were informed of and participated in violence and drug prevention efforts.".

SEC. 8. INNOVATIVE EDUCATION PROGRAM STRATEGIES.

(a) DEFINITION.—Section 6003 (20 U.S.C. 7303) is amended—

(1) by striking "children, and (3)" and inserting "children, (3) adopting meaningful parental involvement policies and practices, and (4)"; and

(2) by adding at the end the following:

"(F) A climate that promotes meaningful parental involvement in the classroom and in site-based activities.".

(b) STATE APPLICATIONS.—Section 6202(a) (20 U.S.C. 7332(a)) is amended—

(1) in paragraph (6), by striking "and" after the semicolon;

(2) in paragraph (7), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(8) provides information on the parental involvement policies and practices promoted by the State.".

(c) TARGETED USES OF FUNDS.—Section 6301(b) (20 U.S.C. 7351(b)) is amended—

(1) in paragraph (8), by striking "and" after the semicolon;

(2) in paragraph (9), by striking the period and inserting "; and"; and

(3) by inserting after paragraph (9) the following:

"(10) programs to promote the meaningful involvement of parents.".

(d) LOCAL APPLICATIONS.—Section 6303(a)(1)(A) (20 U.S.C. 7353(a)(1)(A)) is amended by inserting ", including parental involvement," before "designed".

SEC. 9. GENERAL PROVISIONS.

(a) DEFINITION.—Section 14101 (20 U.S.C. 8801) is amended—

(1) by redesignating paragraphs (23) through (29) as paragraphs (24) through (30), respectfully; and

(2) by inserting after paragraph (22) the following:

"(23) PARENTAL INVOLVEMENT.—The term 'parental involvement' means the participation of parents on all levels of a school's operation, including all of the activities described in section 1118.".

(b) PARENTAL INVOLVEMENT.—Title XIV (20 U.S.C. 8801 et seq.) is amended by adding at the end the following:

"PART H—PARENTAL INVOLVEMENT

"SEC. 14901. PARENTAL INVOLVEMENT.

"(a) STATE PARENTAL INVOLVEMENT PLAN.—In order to receive Federal funding for any program authorized under this Act, a State educational agency shall (as part of a consolidated application, or other State plan or application submitted under this Act) submit to the Secretary—

"(1) a description of the agency's parental involvement policies, consistent with section 1118, including specific details about—

"(A) how Federal funds will be used to implement such policies; and

"(B) successful research-based practices in schools throughout the State; and

"(2) a description of how such policies will be evaluated with respect to increased parental involvement in the schools throughout the State.

"(b) PARENTAL REVIEW OF STATE PARENTAL INVOLVEMENT PLAN.—Prior to making the submission described in subsection (a), a State educational agency shall involve parents in the development of the policies described in such subsection by—

"(1) providing public notice of the policies in a manner and language understandable to parents;

"(2) providing the opportunity for parents and other interested individuals to comment on the policies; and

"(3) including the comments received with the submission.

"(c) LANGUAGE APPLICABILITY.—Each State educational agency and local educational agency that is required to establish a parental involvement plan or policy under a program assisted under this Act shall make available, to the parents of children eligible to participate in the program, the plan or policy in the language most familiar to the parents and in an easily understandable manner.".

Mr. KENNEDY. Mr. President, I commend Senator REED for introducing this important legislation. I am proud to co-sponsor this bill to ensure that parents have a stronger role in the education of their children.

The first and most important teachers in children's lives are their parents. It is parents who help children begin learning about the world. It is parents who provide motivation and encouragement for academic success. And it is parents who provide indispensable lessons of character. The central role that parents play in the lives of their children requires strong parental involvement in education.

Involving parents in education, increases the achievement of all students. Research has repeatedly shown that a child with an involved parent is more likely to attend school regularly, is less likely to engage in violence or substance abuse, and will do better academically and on standardized tests. These fundamental principles apply without regard to the economic status or ethnic background of the parents.

Parental involvement is also a vital part of a child's literacy. Children excel in reading when reading is a regular part of their early education. Students who have a greater array of reading material in the home have higher reading achievement.

We know that increased parental involvement works. In Worcester, the Belmont Community School has instituted a school-wide reading initiative called "Books and Beyond," which is helping children improve their reading skills and encourage their desire to read. Its success is largely due to special workshops and classes for parents, which emphasizes parental involvement, adult literacy training, and strong parent-school partnerships.

The Hueco Elementary School in El Paso, Texas, supports parent involvement in a number of ways. It offers parenting classes throughout the year, including training for parents to support learning at home. It works to increase communication with parents through a Parent Communication Council that meets monthly. Hueco has also hired a successful parent coordinator to help teachers involve parents. This effort has paid off. Now parents have a strong role in the school. They participate in classroom instruction, and they are able to improve their own education. Average attendance has risen to 97 percent. Students whose parents attend workshops and participate in other activities have more success in school and fewer disciplinary problems.

The federal government has a responsibility to be part of the effort to enhance parental involvement. The legislation we are introducing will help states and school districts to create strong ties with parents. It strengthens parental involvement programs in Title I, and encourages schools to use proven techniques for helping teachers and parents work together. It also provides support for connecting schools and parents through technology, and it increases the role of parents in the Safe and Drug-Free Schools and Communities program.

Strong parent involvement will help ensure strong schools. We should do all we can to make sure that federal support for improving public schools provides a strong role for parents. By doing so, we help create the brighter future that all the nation's children deserve.

By Mr. BAUCUS (for himself and Mr. HATCH):

S. 1558. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for holders of Community Open Space bonds the proceeds of which are used for qualified environmental infrastructure projects, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COMMUNITY OPEN SPACE BONDS ACT OF 1999

Mr. BAUCUS. Mr. President, I am pleased to introduce the Community Open Space Bonds Act of 1999 with my colleague, the senior Senator from Utah. This bill is designed to give state and local governments more resources to protect open space, preserve water quality, and redevelop brownfield sites. It provides communities with zero-cost financing options for those activities in an entirely voluntary and locally-driven way. There is no Federal land-use planning involved.

The demand for these kinds of community-protection and quality of life activities is plain to see. Open space ballot initiatives in last year's elections were hugely successful. States and local governments set aside nearly $7.5 billion over the next several years to deal with environmental issues raised by growth. Smart growth planning ideas are sweeping the nation. States are steering their investments to preserving open space and encouraging smarter development.

These ideas are coming straight from state and local officials and community leaders. People are discussing how they want their communities to look and feel for the first time in decades. Last fall, a state-wide conference in my home state entitled "Big Sky or Big Sprawl" brought together Montanans from all over the state to exchange ideas on how to prepare for growth and keep our state "the last best place."

This new attention to the impacts of growth is happening for many reasons. Some claim that transportation planning has not kept up with communities' needs for choices and access, causing congestion and lost productivity. Some say that building codes and subdivision regulations have encouraged the development of agricultural and open space areas at the expense of existing suburbs. Some maintain that the tax code drives development in outlying areas while urban and downtown business districts fail. Others suggest that the Federal government's policies on location of post offices and Federal offices has pushed growth out of small and large cities alike.

Whatever the cause, growth is exploding across the land. For instance, Los Angeles' land use grew by 300 percent between 1970 and 1990, while population grew by only 45 percent. In the same period, Cleveland actually lost 11 percent of its population, but grew by 33 percent in size.

The problem is not growth per se, but the inefficient way that current growth is using today's infrastructure. Some cities like Bozeman, Montana, have had to resort to impact assessment fees in the outlying areas so that the established city's system would not have to subsidize growth away from the already built up areas. The challenge is to encourage growth while maintaining open space and other factors that make our communities desirable places to live and work.

Because of our quality of life in the West, people are moving there in droves. We pride ourselves on having lots of space and we want growth.

But, growth in environmentally sensitive and water restricted areas poses some unique problems. We have vast amounts of public land that are getting harder and harder to access as growth crowds these areas. That means fewer hunters, fishermen, hikers, and outdoor enthusiasts, can use these lands easily.

One result of this growth is that the character of the West is changing rapidly. For instance, Montana grew faster than the rest of the nation in the 1990s. That rate of growth, especially when it is concentrated in a small number of areas, concerns people. They start turning to their state and local government representatives for action to preserve the character of their communities.

A recent poll showed that most Americans believe that government at all levels could do a better job of protecting and creating parks and conserving open space. That same poll showed that they are willing to pay for such programs and that they view these programs as a relatively high priority. Leaders at all levels of government should heed these results.

Mr. President, the bill we are introducing today is intended to help address this need. We want to give communities the flexible resources they need to creatively manage growth-related problems at the local level.

In developing the Community Open Space Bonds Act of 1999, we started with the proposal included in the Administration's FY2000 budget request. We have improved upon it to make it more responsive to local needs and to be equitable in its treatment of small and Western communities.

However, the basic idea is still the same. States and local governments, including tribal governments, can compete for the authority to issue bonds on which the Federal government will pay the interest costs. The proceeds from the sale of the bonds can be used to acquire open space, build parks, protect water quality, improve access to public lands and redevelop brownfield areas. Up to $1.9 billion in bonding authority could be issued over each of the next five years. The Federal government would pay the interest costs by giving bondholders a tax credit against their income at the corporate AA credit rate.

Rather than having Federal agencies making all the decisions about who gets bonding authority, we are establishing a Community Open Space Bonds Board. This Board will be dominated by non-Federal interest, such as Governors, County Commissioners, Mayors, etc. and will be given specific guidance to use in developing application criteria. This guidance will stress the need for an equitable distribution of bonding authority to all regions of the country and to all sizes of communities and for all the different qualifying purposes. We have also guaranteed that each state or a community in such a state will get at least one allocation of bonding authority per year.

We think these modifications improve the original proposal and are worthy of support by our colleagues from both sides of the aisle. We stand ready to work with them to address their concerns and get this bill enacted.

Mr. President, local governments across the country are looking for new and low-cost ways to maintain and preserve the quality of life in their area. Community Open Space Bonds are a great opportunity for all our citizens to improve the long term health and economic viability of our communities. I am hopeful we can pursue this opportunity in a bipartisan and constructive way.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Open Space Bonds Act of 1999".

SEC. 2. CREDIT FOR HOLDERS OF COMMUNITY OPEN SPACE BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following new subpart:

"*Subpart H—Nonrefundable Credit for Holders of Community Open Space Bonds*

"Sec. 54. Credit to holders of Community Open Space bonds.

"SEC. 54. CREDIT TO HOLDERS OF COMMUNITY OPEN SPACE BONDS.

"(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a Community Open Space bond on a credit allowance date which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bonds.

"(b) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a Community Open Space bond is an amount equal to the product of—

"(A) the credit rate determined by the Secretary under paragraph (2), multiplied by

"(B) the face amount of the bond held by the taxpayer on the credit allowance date.

"(2) DETERMINATION.—During each calendar month, the Secretary shall determine a credit rate which shall apply to bonds issued during the following calendar month. The credit rate for any 3-month period ending on a credit allowance date is the percentage which the Secretary estimates will on average equal the yield on corporate bonds outstanding on the day before the date of such determination.

"(3) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this part (other than this subpart and subpart C).

"(2) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to each of the 5 taxable years following the unused credit year and added to the credit allowable under subsection (a) for each such taxable year, subject to the application of paragraph (1) to such taxable year.

"(d) COMMUNITY OPEN SPACE BOND.—For purposes of this section—

"(1) IN GENERAL.—The term 'Community Open Space bond' means any bond issued as part of an issue if—

"(A) 95 percent or more of the proceeds of such issue are to be used for a qualified environmental infrastructure project,

"(B) the bond is issued by a State or local government,

"(C) the issuer—

"(i) designates such bond for purposes of this section,

"(ii) has a reasonable expectation that at least 10 percent of the proceeds of such issue will be spent for qualifying environmental infrastructure projects within 6 months of the date such bonds are issued,

"(iii) certifies such proceeds will be used with due diligence for qualified environmental infrastructure projects, and "(iv) has a reasonable expectation that any property acquired or improved in connection with the proceeds of such issue, other than property improved in connection with a qualified environmental infrastructure project described in paragraph (2)(A)(v), shall continue to be dedicated to a qualified use for a period of not less than 15 years from the date of such issue,

"(D) such bond satisfies public approval requirements similar to the requirements of section 147(f)(2),

"(E) except as provided in paragraph (4)(B), the payment of the principal of such issue is secured by taxes of general applicability imposed by a general purpose governmental unit, and

"(F) the term of each bond which is part of such issue does not exceed 15 years.

"(2) QUALIFIED ENVIRONMENTAL INFRASTRUCTURE PROJECT.—

"(A) IN GENERAL.—The term 'qualified environmental infrastructure project' means—

"(i) acquisition of qualified property for use as open space, wetlands, public parks, or greenways, or to improve access to public lands by non-motorized means,

"(ii) construction, rehabilitation, or repair of a visitor facility in connection with qualified property, including nature centers, campgrounds, and hiking or biking trails,

"(iii) remediation of qualified property to enhance water quality by—

"(I) restoring natural hydrology or planting trees and streamside vegetation,

"(II) controlling erosion,

"(III) restoring wetlands, or

"(IV) treating conditions caused by the prior disposal of toxic or other waste,

"(iv) acquisition of a qualified easement in order to maintain the use and character of the property in connection to which such easement is granted as open space, including an easement to allow access to public land by non-motorized means, and

"(v) environmental assessment and remediation of real property and public infrastructure owned by a governmental unit and located in an area where or on which there has been a release (or threat of release) or disposal of any hazardous substance (within the meaning of section 198), but not including any property described in subparagraph (D).

"(B) QUALIFIED PROPERTY.—The term 'qualified property' means real property—

"(i) which is, or is to be, owned by—

"(I) a governmental unit, or

"(II) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) and which has as one if its purposes environmental preservation, and

"(ii) which is reasonably anticipated to be available for use by members of the general public, unless such use would change the character of the property and be contrary to the qualified use of the property.

"(C) SAFE HARBOR FOR MANAGEMENT CONTRACTS.—For purposes of subparagraph (B), property shall not be treated as qualified property if any rights or benefits of such property inure to a private person other than rights or benefits under a management contract or similar type of operating agreement to which rules similar to the rules applicable to tax-exempt bonds apply.

"(D) CERCLA PROPERTY.—Property is described in this subparagraph if any portion of such property is included, or proposed to be included, in the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605(a)(8)(B)).

"(E) LIMIT ON DISPOSITION OF PROPERTY.—Any disposition of any interest in property acquired or improved in connection with a qualified environmental project described in this paragraph (except a project described in subparagraph (A)(v)) shall contain an option (recorded pursuant to applicable State or local law) to purchase such property for an amount equal to the original acquisition price of such property for any interested organizations described in subparagraph (B)(i)(II) if such organization purchases such property subject to a restrictive covenant requiring a continued qualified use of such property.

"(3) TEMPORARY PERIOD EXCEPTION.—

"(A) IN GENERAL.—A bond shall not be treated as failing to meet the requirement of paragraph (1)(A) solely by reason of the fact that the proceeds of the issue of which such bond is a part—

"(i) are invested for a reasonable temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued, or

"(ii) are used within 90 days of the close of such temporary period to redeem bonds which are a part of such issue.

Any earnings on such proceeds during the period under clause (i) shall be treated as proceeds of the issue for purposes of applying paragraph (1)(A).

"(B) INVESTMENT OF PROCEEDS.—For purposes of subparagraph (A), proceeds shall only be invested in—

"(i) Government securities, and

"(ii) in the case of a sinking fund established by the issuer, State and local government securities issued by the Treasury.

"(4) SPECIAL RULES FOR PROJECTS DESCRIBED IN PARAGRAPH (2)(A)(V).—

"(A) LIMIT ON USE OF PROCEEDS FOR PROJECT.—This subsection shall not apply to any bond issued as part of an issue if an amount of the proceeds from such issue are used for a qualified environmental infrastructure project described in paragraph (2)(A)(v) and involving public infrastructure in excess of an amount equal to 5 percent of the total amount of such proceeds used for all projects described in such paragraph (2)(A)(v).

"(B) PRIVATE USE AND REPAYMENT OF PROCEEDS.—In the case of proceeds of an issue which are used for a qualified environmental infrastructure project described in paragraph (2)(A)(v), the issue of which such bonds are a part shall not fail to meet the requirements of this subsection solely because the proceeds of a disposition of any interest in such property are used to redeem such bonds as long as the purchaser of such property makes an irrevocable election not to claim any deduction with respect to such project under section 198.

"(5) RECAPTURE OF CREDIT AMOUNT.—

"(A) IN GENERAL.—If, during the taxable year, any bond that is part of an issue under this section fails to meet the requirements of this subsection—

"(i) such bond shall not be treated as a Community Open Space bond for such taxable year and any succeeding taxable year, and

"(ii) the issuer of such bond shall be liable for payment to the United States of the credit recapture amount.

Such payment shall be made at such time and in such manner as determined by the Secretary.

"(B) CREDIT RECAPTURE AMOUNT.—For purposes of subparagraph (A), the credit recapture amount is an amount equal to the sum of—

"(i) the aggregate amount of credit allowed with respect to such bond for the 3 preceding taxable years, plus

"(ii) interest (at the underpayment rate established under section 6621) on the credit amount from the date such credit was allowed to the payment date under subparagraph (A).

"(e) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

"(1) IN GENERAL.—There is a Community Open Space bond limitation for each calendar year equal to—

"(A) $1,900,000,000 for each of years 2000 through 2004, and

"(B) except as provided in paragraph (3), zero after 2004.

"(2) ALLOCATION OF LIMITATION AMONG STATES AND LOCAL GOVERNMENTS.—

"(A) IN GENERAL.—The limitation amount to be allocated under paragraph (1) for any calendar year shall be allocated among States and local governments with an approved application on a competitive basis by the Community Open Space Bonds Board (referred to in this subsection as the 'Board') established under section 3 of the Community Open Space Bonds Act of 1999.

"(B) APPROVED APPLICATION.—For purposes of subparagraph (A), the term 'approved application' means an application which is approved by the Board, and which includes such information as the Board requires.

"(C) ALLOCATION TO EACH STATE.—The Board shall, in accordance with the criteria for approval of applications, allocate amounts in any calendar year to at least 1 approved application from each State, or local government of such State, which submits such application.

"(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

"(A) the limitation amount under paragraph (1), exceeds

"(B) the aggregate limitation amount allocated to States and local governments under this section,

the limitation amount under paragraph (1) for the following calendar year shall be increased by the amount of such excess. No limitation amount shall be carried forward under this paragraph more than 3 years.

"(f) OTHER DEFINITIONS; SPECIAL RULES.—For purposes of this subpart—

"(1) BOND.—The term 'bond' includes any obligation.

"(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

"(A) March 15,

"(B) June 15,

"(C) September 15, and

"(D) December 15.

Such term includes the last day on which the bond is outstanding.

"(3) QUALIFIED EASEMENT.—The term 'qualified easement' means a perpetual easement—

"(A) which would be a qualified conservation contribution under section 170(h) if such easement were a contribution under such section, and

"(B) which is to be held by an entity described in subclause (I) or (II) of subsection (d)(2)(B)(i).

"(4) QUALIFIED USE.—The term 'qualified use' means, with respect to property, a use which is consistent with the purpose of the qualified environmental infrastructure project related to such property.

"(5) STATE.—The term 'State' includes the District of Columbia, any possession of the United States, and any Indian tribe (as defined in section 45A(c)(6)).

"(6) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

"(g) Credit Included in Gross Income.—Gross income includes the amount of the credit allowed to the taxpayer under this section and the amount so included shall be treated as interest income.

"(h) Bonds Held By Regulated Investment Companies.—If any Community Open Space bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"(i) Credits May Be Stripped.—Under regulations prescribed by the Secretary—

"(1) In general.—There may be a separation (including at issuance) of the ownership of a Community Open Space bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person which, on the credit allowance date, holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

"(2) Certain rules to apply.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the Community Open Space bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

"(j) Treatment for Estimated Tax Purposes.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a Community Open Space bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

"(k) Credit May Be Transferred.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

"(l) Reporting.—Issuers of Community Open Space bonds shall submit reports similar to the reports required under section 149(e)."

(b) Reporting.—Subsection (d) of section 6049 of the Internal Revenue Code of 1986 (relating to returns regarding payments of interest) is amended by adding at the end the following:

"(8) Reporting of Credit on Community Open Space Bonds.—

"(A) In general.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(f)(2)).

"(B) Reporting to corporations, etc.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

"(C) Regulatory authority.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting."

(c) Clerical Amendments.—

(1) The table of subparts for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"Subpart H. Nonrefundable Credit for Holders of Community Open Space Bonds."

(2) Section 6401(b)(1) of such Code is amended by striking "and G" and inserting "G, and H".

(d) Effective Date.—The amendments made by this section shall apply to obligations issued after December 31, 1999.

SEC. 3. COMMUNITY OPEN SPACE BONDS BOARD.

(a) Establishment.—There is established in the Executive Branch a board to be known as the Community Open Space Bonds Board (in this section referred to as the "Board").

(b) Membership.—

(1) Composition.—The Board shall be composed of 18 members, as follows:

(A) 3 members shall be individuals who are not otherwise Federal officers or employees and who are appointed by the President, by and with the advice and consent of the Senate.

(B) 8 members, not be affiliated with the same political party, shall be individuals who represent Governors, or other chief executive officers, of a State, mayors, and county commissioners and who are appointed by the President, by and with the advice and consent of the Senate.

(C) 1 member shall be the Administrator of the Environmental Protection Agency or the Administrator's designee.

(D) 1 member shall be the Secretary of Agriculture or the Secretary's designee.

(E) 1 member shall be the Secretary of Housing and Urban Development or the Secretary's designee.

(F) 1 member shall be the Secretary of Interior or the Secretary's designee.

(G) 1 member shall be the Secretary of Transportation or the Secretary's designee.

(H) 1 member shall be the Secretary of the Treasury or the Secretary's designee.

(I) 1 member shall be the Director of the Federal Emergency Management Agency or the Director's designee.

(2) Qualifications and terms.—

(A) Qualifications.—Members of the Board described in paragraph (1)(A) shall be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in 1 or more of the following areas:

(i) Tax-exempt organizations which have as a principal purpose environmental protection and land conservation.

(ii) Community planning.

(iii) Real estate investment and bond financing.

In the aggregate, the members of the Board described in paragraph (1)(A) should collectively bring to bear expertise in all of the areas described in the preceding sentence and should represent each position contained in such paragraph and different regions of the country.

(B) Terms.—Each member who is described in subparagraph (A) or (B) of paragraph (1) shall be appointed for a term of 3 years, except that of the members first appointed—

(i) 3 member shall be appointed for a term of 1 year,

(ii) 4 members shall be appointed for a term of 2 years, and

(iii) 4 members shall be appointed for a term of 3 years.

(C) Reappointment.—An individual who is described in subparagraph (A) or (B) of paragraph (1) may be appointed to no more than one 3-year term on the Board.

(D) Vacancy.—Any vacancy on the Board shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of that term.

(3) Initial meeting.—Not later than 30 days after the date on which all members of the Board have been appointed, the Board shall hold its first meeting. Subsequent meetings shall be determined by the Board by majority vote or held at the call of the Chairperson.

(4) Quorum.—A majority of the members of the Board shall constitute a quorum, but a lesser number of members may hold hearings.

(5) Chairperson.—The member described in paragraph (1)(C) shall serve as the Chairperson of the Board.

(6) Removal.—

(A) In general.—Any member of the Board appointed under subparagraph (A) or (B) of paragraph (1) may be removed at the will of the President.

(B) Secretaries; director; administrator.—An individual described in subparagraphs (C) through (I) of paragraph (1) shall be removed upon termination of service in the office described in each such subparagraph.

(c) Duties of the Board.—

(1) In general.—The Board shall review applications for allocation of the Community Open Space bond limitation amounts under section 54(e)(2) of the Internal Revenue Code of 1986 and approve applications in accordance with published criteria.

(2) Criteria for approval.—The Board shall promulgate a regulation to develop criteria for approval of applications under paragraph (1), taking into consideration the following guidelines:

(A) A distribution pattern of the overall limitation amount available for the year which results in the financing of each category of qualified environmental infrastructure project and results in an even distribution among different regions of the country and sizes of communities.

(B) State or local government support of proposed projects.

(C) Proposed projects which meet local and regional environmental protection or planning goals and leverage or make more efficient or innovative the use of other public or private resources.

(D) Proposed projects which are intended to maintain the viability of existing central business districts, preserve the community's distinct character and values, and encourage the reuse of property already served by public infrastructure.

(E) The extent of expected improvement in environmental quality, outdoor recreation opportunities, and access to public lands.

(3) Annual report.—The Board shall annually report with respect to the conduct of its responsibilities under this section to the President and Congress and such report shall include—

(A) the overall progress of the Community Open Space bond program, and

(B) the overall limitation amount allocated during the year and a description of the amount, region, and qualified environmental infrastructure project financed by each allocation.

(4) Conflict of interest.—The Board shall carry out its duties under this subsection in such a way to ensure that all conflicts of interest of its members are avoided.

(d) Powers of the Board.—

(1) Hearings.—The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Board considers advisable to carry out the purposes of this section.

(2) Information from federal agencies.—The Board may secure directly from any

Federal department or agency such information as the Board considers necessary to carry out the provisions of this section, including the published and unpublished data and analytical products of the Bureau of Labor Statistics. Upon request of the Chairperson of the Board, the head of such department or agency shall furnish such information to the Board.

(3) POSTAL SERVICES.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(e) BOARD PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—Each member of the Board who is not otherwise an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board. All members of the Board who otherwise are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(3) STAFF.—

(A) IN GENERAL.—The Chairperson of the Board may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Board to perform its duties. The employment of an executive director shall be subject to confirmation by the Board.

(B) COMPENSATION.—The Chairperson of the Board may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level IV of the Executive Schedule under section 5316 of such title.

(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Board without additional reimbursement (other than the employee's regular compensation), and such detail shall be without interruption or loss of civil service status or privilege.

(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(f) DEFINITIONS.—For purposes of this section—

(1) STATE.—The term 'State' includes the District of Columbia, any possession of the United States, and any Indian tribe (as defined in section 45A(c)(6)).

(2) QUALIFIED ENVIRONMENTAL INFRASTRUCTURE PROJECT.—The term 'qualified environmental infrastructure project' has the same meaning given that term in section 54(d)(2) of the Internal Revenue Code of 1986.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as are necessary to carry out the purposes of this section.

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) INITIAL NOMINATIONS.—The President shall submit the initial nominations under subparagraphs (A) and (B) of subsection (b)(1) to the Senate not later than 90 days after the date of the enactment of this Act.

(3) REGULATIONS.—Not later than January 1, 2000, the Board shall publish in the Federal Register the guidelines and criteria for submission and approval of applications under subsection (c).

By Mr. LAUTENBERG:

S. 1559. A bill to amend title 49, United States Code, to enhance the safety of motor carrier operations and the Nation's highway system, including highway-rail crossings, by amending existing safety laws to strengthen commercial driver licensing, to improve compliance, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MOTOR CARRIER SAFETY ACT OF 1999

Mr. LAUTENBERG. Mr. President, I rise to introduce legislation to save lives on our highways the Motor Carrier Safety Act of 1999.

Every year over 5000 people die due to truck and bus accidents. Since 1992, violent truck crash fatalities have increased more than 18 percent. Large trucks are only three percent of the total national vehicle fleet—but 22 percent of all passenger vehicle deaths in multiple-vehicle crashes involve trucks.

Whether we share the road with a truck or ride on an interstate bus, Americans need to be sure their nation's roads are safe.

Last December in New Jersey, three intercity buses crashed in five days. That accident rate is unacceptable. We can and must prevent these accidents with stronger oversight of commercial drivers' licenses and the carriers that operate both bus and truck companies.

Mr. President, my legislation addresses our commercial vehicle death epidemic with a multi-faceted approach to combating this problem.

First, my legislation institutes a strong Commercial Driver's License (CDL) program. All convictions for moving violations, whether in a commercial vehicle or not, are put on the truck or bus drivers' record. A new applicant must have a alcohol and drug free driving record for 3 years before receiving a CDL. All new drivers would be required to have in-vehicle training. It would authorize up to a 5 percent transfer of state's Federal highway funds to motor carrier safety programs if a state does not institute the new CDL program.

Second, the legislation focuses on the carriers. All new carriers are required to have training on the Federal Motor Carrier Safety regulations before they receive authority to operate. To close unsafe carriers, they are required to submit information to target high-risk operations and the definition of a hazardous carrier is strengthened.

Third, the installation of on-board recorders or other technologies to manage drivers' hours-of-service will be required.

Fourth, the legislation supports improve data collection and research for safety issues including vehicle safety and driver performance, (2) improved crash data, and (3) driver compensation and safety.

Fifth, the legislation funds grassroots safety campaigns to raise public awareness of the importance of motor carrier safety and discourage drivers from taking safety risks.

Finally, the legislation has both incentives for the states to implement motor carrier safety improvements and rewards to the states who improve motor carrier safety fatalities by five percent of the previous year.

Mr. President, we must do more to prevent unnecessary deaths caused by the lack of oversight of commercial vehicles.

With this legislation, citizens will feel more secure about driving on our roads and highways.

I hope that my colleagues will join me in support of this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—MOTOR CARRIER SAFETY

SEC. 101. SHORT TITLE.

This title may be cited as the "Motor Carrier Safety Act of 1999".

SEC. 102. COMMERCIAL DRIVERS' LICENSES.

(a) DRIVER'S LICENSE CRITERIA.—Section 31305(a) of title 49, United States Code, is amended by—

(1) striking "and" after the semicolon in paragraph (7);

(2) redesignating paragraph (8) as paragraph (9); and

(3) adding a new paragraph (8) after paragraph (7) as follows:

"(8) shall ensure that an individual who operates or will operate a commercial motor vehicle has received training, including in-vehicle training, in the safe operation of a motor vehicle of the type the individual operates or will operate; and".

(b) MOVING TRAFFIC VIOLATIONS.—Section 31311(a) of title 49, United States Code, is amended by—

(1) redesignating paragraph (17) as paragraph (18); and

(2) adding a new paragraph (17) after paragraph (16) as follows:

"(17) The State shall record on a driver's commercial driver's license record each conviction for a moving traffic violation, including such a conviction for a violation committed in a noncommercial motor vehicle.".

(c) Drug- or Alcohol-Related Violations.—Section 31311(a) of title 49, United States Code, is further amended by adding a new paragraph at the end as follows:

"(19) The State may not issue a commercial driver's license to an individual within 3 years after the date the individual was convicted of any drug- or alcohol-related traffic violation, including a conviction for a violation committed in a noncommercial motor vehicle.".

(d) Diversion or Special Licensing Programs.—Section 31311(a)(10) of title 49, United States Code, is amended by adding a new sentence at the end as follows: "The State may not issue a special license or permit to a commercial driver's license holder that permits the driver to drive a commercial motor vehicle during a period in which the individual is disqualified from operating a commercial motor vehicle or the individual's driver's license is revoked, suspended, or canceled.".

(e) Transfer of Amounts for State Noncompliance.—(1) Section 31314 of title 49, United States Code, is amended to read as follows:

"§ 31314. Transfer of amounts for State noncompliance

"(a) In General.—On October 1, 2001, or as soon thereafter as practicable, and each October 1 thereafter, if a State has not complied substantially with all requirements of section 31311(a) of this title, the Secretary of Transportation shall transfer up to 5 percent of the amount required to be apportioned to the State on that date under each of paragraphs (1), (3), and (4) of section 104(b) of title 23 to the amount made available to the State to carry out section 31102.

"(b) Transfer of Obligation Authority.—If the Secretary transfers under this section any funds to the apportionment to a State under section 31102 of this title for a fiscal year, the Secretary shall transfer an equal amount of obligation authority distributed for the fiscal year to the State.

"(c) Limitation on Applicability of Obligation Limitation.—Notwithstanding any other provision of law, no limitation on the total of obligations to carry out section 31102 of this title shall apply to funds transferred under this section to the apportionment of a State under such section.".

(2) Item 31314 in the analysis of chapter 313 of title 49, United States Code, is amended to read as follows:

"31314. Transfer of amounts for State noncompliance.".

SEC. 103. SAFETY FITNESS OF OWNERS AND OPERATORS.

Section 31144(b)(1) of title 49, United States Code, is amended by inserting the following before the period at the end of that paragraph: ", including a requirement that no owner or operator that begins commercial motor vehicle operations after the date of enactment of this section will be determined to be fit unless such owner or operator has attended a program for the education of owners and operators that covers, at a minimum, safety, size and weight, and financial responsibility regulations administered by the Secretary. The Secretary shall assess a fee to defray the cost of the program. The Secretary may use third parties to provide the education program.".

SEC. 104. REDISTRIBUTION OF UNUSED FEDERAL-AID OBLIGATION AUTHORITY.

Section 1102(d) of the Transportation Equity Act for the 21st Century (Public Law 105–178) is amended by inserting at the end the following: ", except that, beginning in fiscal year 2001 through fiscal year 2003, no redistribution shall be made to a State that fails to reduce the number of fatalities in a year resulting from commercial motor vehicle crashes by at least 5 percent, based on the most recent year for which such data are available compared to the previous year. For purposes of this section 'commercial motor vehicle' has the meaning specified in section 31301 of title 49, United States Code.".

SEC. 105. ON-BOARD RECORDERS.

(a) Federal Regulations.—The Secretary of Transportation, after notice and opportunity for comment, shall issue regulations requiring, as appropriate, the installation and use of on-board recorders or other technologies on commercial motor vehicles to manage the hours of service of drivers.

(b) Definitions.—In this section "commercial motor vehicle" has the meaning specified in section 31132 of title 49, United States Code.

(c) Deadlines.—The regulations required under subsection (a) of this section shall be developed pursuant to a rulemaking proceeding initiated within 120 days after enactment of this section and shall be issued not later than 2 years after the date of enactment.

SEC. 106. DRIVER COMPENSATION AND SAFETY STUDY.

(a) Study.—The Secretary of Transportation shall conduct a study to identify methods used to compensate drivers of commercial motor vehicles, examine how different methods may affect safety and compliance with Federal and State motor carrier safety requirements, including hours of service regulations, and identify ways safety could be improved through changes in driver compensation. Such study should include an examination of compensation incentives which could improve safety and compliance with safety regulations.

(b) Consultation.—In carrying out the study, the Secretary shall consult with private and for-hire motor carriers, independent owner operators, organized labor, drivers, safety organizations, and State and local governments.

(c) Report.—Not later than 3 years after the date of enactment of this section, the Secretary shall transmit to Congress a report on the results of the study with any recommendations the Secretary determines appropriate as a result of the study.

(d) Availability of Amounts.—$250,000 per fiscal year for fiscal years 2001 through 2003 are made available from the Highway Trust Fund (other than the Mass Transit Account) for the Secretary of Transportation to carry out this section.

(e) Contract Authority; Date Available for Obligation.—The amounts made available by this section from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section shall be available for obligation on October 1, or as soon thereafter as practicable, of the fiscal year for which they are available for obligation.

SEC. 107. PUBLIC INFORMATION AND EDUCATION.

The Secretary of Transportation shall expend from administrative funds deducted under section 104(a) of title 23, United States Code, not more than $500,000 for each fiscal year, beginning in fiscal year 2001, to carry out public information and education programs to prevent crashes involving commercial motor vehicles. The Secretary shall make grants to at least 3 entities from among States, local governments, law enforcement organizations, private sector entities, nonprofit organizations, or commercial motor vehicle driver organizations to develop and implement programs to discourage drivers of commercial motor vehicles and drivers of passenger vehicles and motor carriers from taking safety risks. Such programs may be based on methods used in other public safety campaigns to improve driver performance.

SEC. 108. PERIODIC REFILING OF MOTOR CARRIER IDENTIFICATION REPORTS.

(a) Federal Regulations.—The Secretary of Transportation shall amend section 385.21 of title 49, Code of Federal Regulations, to require periodic updating of the Motor Carrier Identification Report, Form MCS–150, by each motor carrier conducting operations in interstate or foreign commerce.

(b) Availability of Amounts.—$5,500,000 per year, for fiscal years 2001 through 2003, are made available from the Highway Trust Fund (other than the Mass Transit Account) to the Secretary of Transportation to carry out this section.

(c) Administrative Costs.—The Secretary may use, for the administration of this section, amounts made available under subsection (b) of this section for each of fiscal years 2001 through 2003.

(d) Contract Authority; Date Available for Obligation.—The amounts made available by this section from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section shall be available for obligation on October 1, or as soon thereafter as practicable, of the fiscal year for which they are available for obligation.

SEC. 109. AIDING AND ABETTING.

(a) Chapter 5 of title 49, United States Code, is amended by inserting the following after section 526:

"§ 527. Aiding and abetting

"A person who knowingly aids, abets, counsels, commands, induces, or procures a violation of a regulation or order issued by the Secretary of Transportation under chapter 311 or section 31502 of this title shall be subject to civil and criminal penalties under this chapter to the same extent as the motor carrier or driver who commits a violation.".

(b) The analysis of chapter 5 of title 49, United States Code, is amended by adding the following at the end:

"527. Aiding and abetting.".

SEC. 110. IMMINENT HAZARD.

Section 521(b)(5) of title 49, United States Code, is amended by revising subparagraph (B) to read as follows:

"(B) In this paragraph 'imminent hazard' means any violation, or series of violations, of the statutes or regulations specified in subparagraph (A) of this paragraph that could result in a highway crash if not discontinued within 24 hours.".

SEC. 111. INNOVATIVE TRAFFIC LAW PILOT PROGRAM.

(a) Pilot Program.—The Secretary of Transportation shall carry out a pilot program in cooperation with 1 or more States to develop innovative methods of improving compliance with traffic laws, including those pertaining to highway-rail grade crossings. Such methods may include the use of photography and other imaging technologies.

(b) Report.—Not later than 3 years after the start of the pilot program, the Secretary shall transmit to Congress a report on the results of the pilot program, together with any recommendations as the Secretary determines appropriate.

(c) Availability of Amounts.—$500,000 per year, for fiscal years 2001 through 2003, are made available from the Highway Trust Fund (other than the Mass Transit Account) to the Secretary of Transportation to carry out this section.

(d) CONTRACT AUTHORITY; DATE AVAILABLE FOR OBLIGATION.—The amounts made available by this section from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section shall be available for obligation on October 1, or as soon thereafter as practicable, of the fiscal year for which they are made available for obligation.

SEC. 112. RESEARCH ON HEAVY VEHICLE SAFETY AND DRIVER PERFORMANCE.

(a) RESEARCH ON HEAVY VEHICLE SAFETY AND DRIVER PERFORMANCE.—The Secretary, through the National Highway Traffic Safety Administration, shall conduct research on heavy vehicle safety, including measures to improve braking and stability, measures to improve vehicle compatibility in crashes between heavier and lighter vehicles, and measures to improve the performance of motor vehicle drivers.

(b) AVAILABILITY OF AMOUNTS.—$5,000,000 per year, for fiscal years 2001 through 2003, are made available from the Highway Trust Fund (other than the Mass Transit Account) to the Secretary of Transportation to carry out this section.

(c) CONTRACT AUTHORITY; DATE AVAILABLE FOR OBLIGATION.—The amounts made available by this section from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section shall be available for obligation on October 1, or as soon thereafter as practicable, of the fiscal year for which they are made available for obligation.

SEC. 113. IMPROVED DATA ANALYSIS SYSTEM.

(a) IN GENERAL.—The Secretary of Transportation shall carry out a program, in cooperation with the States, to improve the collection and analysis of data on crashes involving commercial vehicles.

(b) PROGRAM ADMINISTRATION.—The Secretary shall administer the program through the National Highway Traffic Safety Administration, which shall be responsible for entering into agreements with the States to collect data, train State employees to assure the quality and uniformity of the data, and report the data by electronic means to a central data repository.

(c) PROGRAM DEVELOPMENT.—The National Highway Traffic Safety Administration and the Federal Highway Administration shall develop a data program in cooperation with the States, motor carriers, and other data users to determine data needs; develop data definitions to assure high-quality, compatible data; and create an accessible database that will improve commercial vehicle safety. The program should also incorporate driver citation and conviction information into the data system. Emphasis should also be placed on highway and traffic data.

(d) USE OF DATA.—The National Highway Traffic Safety Administration shall be responsible for integrating the data; generating reports from the data; and making the database available electronically to the Federal Highway Administration, the States, motor carriers, and other interested parties for problem identification, program evaluation, planning, and other safety-related activities.

(e) REPORT.—Not later than 3 years after the start of the improved data program, the Secretary shall transmit to Congress a report on the program, together with any recommendations as the Secretary determines appropriate.

(f) AVAILABILITY OF AMOUNTS.—Of the amounts made available under section 31107 of title 49, United States Code, $10,000,000 per year, for fiscal years 2001 through 2003, may be used by the Secretary of Transportation to carry out this section.

(g) CONTRACT AUTHORITY; DATE AVAILABLE FOR OBLIGATION.—The amounts made available by this section from the Highway Trust Fund (other than the Mass Transit Account) to carry out this section shall be available for obligation on October 1, or as soon thereafter as practicable, of the fiscal year for which they are made available for obligation.

SEC. 114. AUTHORIZATIONS—FISCAL YEARS 2001 THROUGH 2003.

(a) GRANTS.—Section 31104(a) of title 49, United States Code, is amended by revising paragraphs (4) through (6) to read as follows:

"(4) Not more than $125,500,000 for fiscal year 2001.

"(5) Not more than $130,500,000 for fiscal year 2002.

"(6) Not more than $135,500,000 for fiscal year 2003.".

(b) INFORMATION SYSTEMS.—Section 31107(a) of title 49, United States Code, is amended by—

(1) striking "and" in paragraph (2); and

(2) revising paragraphs (3) and (4) to read as follows:

"(3) $36,500,000 for each of fiscal years 2001 and 2002; and

"(4) $39,500,000 for fiscal year 2003.".

TITLE II—HIGHWAY-RAIL GRADE CROSSING SAFETY

SEC. 201. SHORT TITLE.

This title may be cited as the "Highway-Rail Grade Crossing Safety Act of 1999".

SEC. 202. EMERGENCY NOTIFICATION OF GRADE CROSSING PROBLEMS.

Section 20152 of title 49, United States Code, is amended to read as follows:

"§ 20152. Emergency notification of grade crossing problems

"(a) PROGRAM.—(1) The Secretary of Transportation shall promote the establishment of emergency notification systems utilizing toll-free telephone numbers that the public can use to convey to railroad carriers, either directly or through public safety personnel, information about malfunctions of automated warning devices or other safety problems at highway-rail grade crossings.

"(2) To assist in encouraging widespread use of such systems, the Secretary may provide technical assistance and enter into cooperative agreements. Such assistance shall include appropriate emphasis on the public safety needs associated with operation of small railroads.

"(b) REPORT.—Not later than 24 months following enactment of the Highway-Rail Grade Crossing Safety Act of 1999, the Secretary shall report to Congress the status of such emergency notification systems, together with any recommendations for further legislation that the Secretary considers appropriate.

"(c) CLARIFICATION OF TERM.—In this section, the use of the term 'emergency' does not alter the circumstances under which a signal employee subject to the hours of service law limitations in chapter 211 of this title may be permitted to work up to 4 additional hours in a 24-hour period when an 'emergency' under section 21104(c) of this title exists and the work of that employee is related to the emergency.".

SEC. 203. VIOLATION OF GRADE CROSSING SIGNALS.

(a) IN GENERAL.—Section 20151 of title 49, United States Code, is amended—

(1) by amending the section heading to read as follows:

"§ 20151. Strategy to prevent railroad trespassing and vandalism and violation of grade crossing signals";

(2) in subsection (a)—

(A) by striking "and vandalism affecting railroad safety" and inserting ", vandalism affecting railroad safety, and violations of highway-rail grade crossing signals";

(B) by inserting ", concerning trespassing and vandalism," after "such evaluation and review"; and

(C) by inserting "The second such evaluation and review, concerning violations of highway-rail grade crossing signals, shall be completed not later than 1 year after the date of enactment of the Highway-Rail Grade Crossing Safety Act of 1999" after "November 2, 1994.";

(3) in the subsection heading of subsection (b), by inserting "FOR TRESPASSING AND VANDALISM PREVENTION" after "OUTREACH PROGRAM";

(4) in subsection (c)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(B) by inserting "(1)" after "MODEL LEGISLATION.—"; and

(C) by adding at the end the following new paragraph:

"(2) Not later than 2 years after the date of enactment of the Highway-Rail Grade Crossing Safety Act of 1999, the Secretary, after consultation with State and local governments and railroad carriers, shall develop and make available to State and local governments model State legislation providing for civil or criminal penalties, or both, for violations of highway-rail grade crossing signals."; and

(5) by adding at the end the following new subsection:

"(d) DEFINITION.—In this section 'violation of highway-rail grade crossing signals' includes any action by a motor vehicle operator, unless directed by an authorized safety office—

"(1) to drive around or through a grade crossing gate in a position intended to block passage over railroad tracks;

"(2) to drive through a flashing grade crossing signal;

"(3) to drive through a grade crossing with passive warning signs without determining that the grade crossing could be safely crossed before any train arrives; and

"(4) in the vicinity of a grade crossing, that creates a hazard of an accident involving injury or property damage at the grade crossing.".

(b) CONFORMING AMENDMENT.—The item relating to section 20151 in the table of sections for subchapter II of chapter 201 of title 49, United States Code, is amended to read as follows:

"20151. Strategy to prevent railroad trespassing and vandalism and violation of grade crossing signals.".

SEC. 204. NATIONAL HIGHWAY-RAIL CROSSING INVENTORY.

(a) AMENDMENT.—Subchapter II of chapter 201 of title 49, United States Code, is amended by adding at the end the following:

"§ 20154. National highway-rail crossing inventory

"(a) MANDATORY INITIAL REPORTING OF CROSSING INFORMATION.—No later than September 30, 2001, each railroad carrier shall—

"(1) report to the Secretary of Transportation certain information, as specified by the Secretary by rule or order issued after notice and opportunity for public comment or by guidelines, concerning each highway-rail crossing through which the carrier operates; or

"(2) otherwise ensure that the information has been reported to the Secretary by that date.

"(b) Mandatory Periodic Updating of Crossing Information.—On a periodic basis beginning no later than September 30, 2003, and not less often than September 30 of every third year thereafter, or as otherwise specified by the Secretary of Transportation by rule or order issued after notice and opportunity for public comment or by guidelines, each railroad carrier shall—

"(1) report to the Secretary certain current information, as specified by the Secretary by rule or order issued after notice and opportunity for public comment or by guidelines, concerning each highway-rail grade crossing through which it operates; or

"(2) otherwise ensure that the information has been reported to the Secretary by that date.

"(c) Definitions.—In this section—

"(1) 'highway-rail crossing' means a location within a State where a public highway, road, street, or private roadway, including associated sidewalks and pathways, crosses 1 or more railroad tracks either at grade or grade separated; and

"(2) 'State' means a State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, and the Virgin Islands.".

(b) Table of Sections Amendment.—The table of sections for chapter 201 of title 49, United States Code, is amended by adding after item 20153 the following:

"20154. National highway-rail crossing inventory.".

(c) Amendment.—Section 130 of title 23, United States Code, is amended—

(1) by amending the section heading to read as follows:

"§ 130. Highway-rail crossings";

and

(2) by inserting the following new subsection at the end:

"(k) National Highway-Rail Crossing Inventory.—

"(1) Mandatory initial reporting of crossing information.—No later than September 30, 2001, each State shall—

"(A) report to the Secretary of Transportation certain information, as specified by the Secretary by rule or order issued after notice and opportunity for public comment or by guidelines, concerning each highway-rail crossing located within its borders; or

"(B) otherwise ensure that the information has been reported to the Secretary by that date.

"(2) Mandatory periodic updating of crossing information.—On a periodic basis beginning no later than September 30, 2003, and not less often than by September 30, of every third year thereafter, or as otherwise specified by the Secretary of Transportation by rule or order issued after notice and opportunity for public comment or by guidelines, each State shall—

"(A) report to the Secretary certain current information, as determined by the Secretary by rule or order issued after notice and opportunity for public comment or by guidelines, concerning each highway-rail crossing located within its borders; or

"(B) otherwise ensure that the information has been reported to the Secretary by that date.

"(3) Definitions.—In this subsection—

"(A) 'highway-rail crossing' means a location where a public highway, road, street, or private roadway, including associated sidewalks and pathways, crosses 1 or more railroad tracks either at grade or grade separated; and

"(B) 'State' means a State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, and the Virgin Islands.".

(d) Table of Sections Amendment.—The table of sections for chapter 1 of title 23, United States Code, is amended by striking the existing item for section 130 and inserting the following:

"130. Highway-rail crossings.".

(e) Civil Penalties.—(1) Section 21301(a)(1) of title 49, United States Code, is amended—

(A) by striking the period at the end of the first sentence and inserting "or with section 20154 of this title."; and

(B) in the second sentence, by inserting "or violating section 20154" between "chapter 201" and "is liable".

(2) Section 21301(a)(2) of title 49, United States Code, is amended by inserting after the first sentence the following: "The Secretary shall subject a person to a civil penalty for a violation of section 20154 of this title.".

By Mr. KYL (for himself and Mr. McCain):

S. 1560. A bill to establish the Shivwits Plateau National Conservation Area; to the Committee on Energy and Natural Resources

SHIVWITS PLATEAU NATIONAL CONSERVATION AREA ESTABLISHMENT ACT

Mr. KYL. Mr. President, I rise today along with my colleague Senator McCain to introduce legislation creating a national conservation area on the Shivwits Plateau/Parashant Canyon area of northwest Arizona. I am introducing this legislation to conserve, protect, and enhance for the benefit of present and future generations the existing landscapes, native wildlife and vegetation as well as the prehistoric, historic, scenic, and traditional human values of the area. This is a bill about the future, and I think it is important that we recognize the unique value of this land and its link to our past.

I have personally toured this area and was impressed with its vast landscapes and scenic vistas. I came away with the conviction that the area deserves additional protective status. The area is remote, yet it supports a few human activities, such as ranching, hunting, sightseeing, camping and hiking. I believe those uses can continue without threatening the natural environment or any historic or prehistoric artifacts that may be found in the area.

Designation of these lands as a national conservation area will serve these goals by increasing attention to and interest in the area by both the public and the federal government. By spotlighting this area, the Bureau of Land Management will be compelled, and empowered, to increase the monetary and personnel resources allocated to this area, and better focus its management on preserving and protecting the conservation area's unique values.

This bill also requires the BLM to develop and carry out forest-restoration projects on both ponderosa pine and pinon-juniper forests within the conservation area. The goal of these projects will be to restore our forests to their pre-settlement conditions. The forest-health crisis in our southwestern forests is acute, and efforts are currently underway by the BLM at Mount Trumbull to address this problem. This legislation builds on those efforts.

Designation as a national conservation area may also result in the limiting of some future human activities like mining. There are no current threats to the area, so existing traditional human uses can and should be allowed to continue. In this case, protecting the environment and continuing existing uses are not mutually exclusive. This bill preserves both the land and the traditional lifestyle of the area.

Proposals have been made to designate this area as a national monument. Such an action, however, would be done by presidential fiat under the Antiquities Act—that would subvert the public process. We do not want a repeat of the stealthy, election year political maneuver that resulted in the creation of the Escalante/Grand Staircase National Monument in 1996. The people of Arizona and Utah, and their elected representatives, deserve better. We must have a say in this process, including the ability to meaningfully review and comment upon any proposal to change the management of the area. It is only fair that the people who would be most affected by such a designation have that opportunity. I am addressing the need for local input into this process by introduction of this bill. The first step in seeking public input is through the legislative process itself. The legislative process will ensure that the public has a voice. The next step is the section of the bill creating an advisory committee of interested parties to assist the BLM in the land-planning process.

National monument status for this area would also forever preclude any type of mining activity. This would be a totally irresponsible action. Let me stress that at this time there are no active mining activities, nor does it appear that any are planned for the foreseeable future within the proposed conservation area. However, we do not know for certain what mineral deposits may be located in the area, or in what quantity. We do know that there are some uranium and copper deposits. The nation does not currently need these resources, but prudence would dictate that we not lock up these minerals with no possibility for future extraction. While we appear to have adequate uranium resources for current needs, policy or conditions may change and our national interest may be served by allowing them to be extracted in the future.

This legislation strikes a balance between the desire to preserve the land in its present state, and potential future national needs. Under the bill, the lands will be withdrawn from mineral entry under the 1872 mining law, but are subject to mineral leasing at the discretion of the Secretary of the Interior. This is consistent with the current status of other specially designated federal lands such as the Lake Mead and Glen Canyon National Recreation Areas. It is also consistent with the Secretary of the Interior's segregation of the area. Under the federal mineral leasing laws, the Secretary has broad discretion regarding whether to allow mining in a particular area; the amount of royalties to charge; the duration of the lease; environmental considerations; and reclamation. Thus, authorizing the Secretary to approve mineral leasing within the conservation area protects the national interest in these minerals while also preserving the environment.

Mr. President, I am proud to introduce this important piece of legislation. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Shivwits Plateau National Conservation Area Establishment Act".

SEC. 2. PURPOSE.

The purpose of this Act is to establish the Shivwits Plateau National Conservation Area to conserve, protect, and enhance for the benefit and enjoyment of present and future generations the landscapes, native wildlife and vegetation, and prehistoric, historic, scenic, and traditional human values of the conservation area (including ranching, hunting, sightseeing, camping and hiking).

SEC. 3. DEFINITIONS.

In this Act:

(1) CONSERVATION AREA.—The term "conservation area" means the Shivwits Plateau National Conservation Area established by section 2.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

SEC. 4. ESTABLISHMENT OF SHIVWITS PLATEAU NATIONAL CONSERVATION AREA, ARIZONA.

(a) IN GENERAL.—There is established the Shivwits Plateau National Conservation Area in the State of Arizona.

(b) AREAS INCLUDED.—The Shivwits Plateau National Conservation Area shall be comprised of approximately 381,800 acres of land administered by the Secretary in Mohave County, Arizona, as generally depicted on the map entitled "Shivwits Plateau National Conservation Area—Proposed", numbered   , dated   .

(c) MAP AND LEGAL DESCRIPTION.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall submit to Congress a map and legal description of the conservation area.

(2) FORCE AND EFFECT.—The map and legal description shall have the same force and effect as if included in this Act.

(3) PUBLIC AVAILABILITY.—Copies of the map and legal description shall be on file and available for public inspection in—

(A) the Office of the Director of the Bureau of Land Management; and

(B) the appropriate office of the Bureau of Land Management in Arizona.

SEC. 5. MANAGEMENT OF CONSERVATION AREA.

(a) IN GENERAL.—The Secretary shall manage the conservation area in a manner that conserves, protects, and enhances all of the values specified in section 2 under the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), this Act, and other applicable law.

(b) HUNTING AND FISHING.—The Secretary shall permit hunting and fishing in the conservation area in accordance with the laws of the State of Arizona.

(c) GRAZING.—

(1) IN GENERAL.—The Secretary shall permit the grazing of livestock in the conservation area.

(2) APPLICABLE LAW.—The Secretary shall ensure that grazing in the conservation area is conducted in accordance with all laws (including regulations) that apply to the issuance and administration of grazing leases on other land under the jurisdiction of the Bureau of Land Management.

(d) FOREST RESTORATION.—The Secretary shall develop and carry out forest restoration projects on Ponderosa Pine forests and Pinion-Juniper forests in the conservation area, with the goal of restoring the land in the conservation area to presettlement condition.

(e) ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—The Secretary shall establish an advisory committee for the conservation area, to be known as the "Shivwits Plateau National Conservation Area Advisory Committee", the purpose of which shall be to advise the Secretary with respect to the preparation and implementation of the management plan required by section 6.

(2) REPRESENTATION.—The advisory committee shall be comprised of 9 members appointed by the Secretary, of whom—

(A) 1 shall be a grazing permittee in good standing with the Bureau of Land Management who has maintained a grazing allotment within the boundaries of the conservation area for not less than 5 years;

(B) 1 shall be the chairperson of the Kaibab Band of Paiute Indians;

(C) 1 shall be an individual with a recognized background in ecological restoration, research, and application, to be appointed from among nominations made by Northern Arizona University;

(D) 1 shall be the Arizona State Land Commissioner;

(E) 1 shall be an Arizona State Game and Fish Commissioner;

(F) 1 shall be an official of the State of Utah (other than an elected official), to be appointed from among nominations made by the Arizona Strip Regional Planning Task Force;

(G) 1 shall be a representative of a recognized environmental organization;

(H) 1 shall be a local elected official from the State of Arizona, to be appointed from among nominations made by the Arizona Strip Regional Planning Task Force; and

(I) 1 shall be a local elected official from the State of Utah, to be appointed from among nominations made by the Arizona Strip Regional Planning Task Force.

(3) TERMS.—

(A) IN GENERAL.—A member of the advisory committee shall be appointed for a term of 3 years, except that, of the members first appointed, 3 members shall be appointed for a term of 1 year and 3 members shall be appointed for a term of 2 years.

(B) REAPPOINTMENT.—A member may be reappointed to serve on the advisory committee on expiration of the member's term.

SEC. 6. MANAGEMENT PLAN.

(a) EXISTING MANAGEMENT PLANS.—The Secretary shall manage the conservation area under resource management plans in effect or the date of enactment of this Act, including the Arizona Strip Resource Management Plan, the Parashant Interdisciplinary Plan, and the Mt. Trumbull Interdisciplinary Plan.

(b) FUTURE MANAGEMENT PLANS.— Future revisions of management plans for the conservation area shall be adopted in compliance with the goals and objectives of this Act.

SEC. 7. ACQUISITION OF LAND.

(a) IN GENERAL.—The Secretary may acquire State or private land or interests in land within the boundaries of the conservation area only by—

(1) donation;

(2) purchase with donated or appropriated funds from a willing seller; or

(3) exchange with a willing party.

(b) EXCHANGES.—

(1) IN GENERAL.—During the 2-year period beginning on the date of enactment of this Act, the Secretary shall make a diligent effort to acquire, by exchange, from willing parties all State trust lands, subsurface rights, and valid mining claims within the conservation area.

(2) INVERSE CONDEMNATION.—If an exchange requested by a property owner is not completed by the end of the period, the property owner that requested the exchange may, at any time after the end of the period—

(A) declare that the owner's State trust lands, subsurface rights, or valid mining claims within the conservation area have been taken by inverse condemnation; and

(B) seek compensation from the United States in United States district court.

(c) VALUATION OF PRIVATE PROPERTY.—

(1) IN GENERAL.—The United States shall pay the fair market value for any property acquired under this section.

(2) ASSESSMENT.—The value of the property shall be assessed as if the conservation area did not exist.

SEC. 8. MINERAL ASSESSMENT PROGRAM AND RELATIONSHIP TO MINING LAWS.

(a) ASSESSMENT PROGRAM.—Not later than 2 years after the date of enactment of this Act, the Secretary shall assess the oil, gas, coal, uranium, and other mineral potential on Federal land in the conservation area.

(b) PEER REVIEW.—The mineral assessment program shall—

(1) be subject to review by the Arizona State Department of Mines and Mineral Resources; and

(2) shall not be considered to be complete until the results of the assessment are approved by the Arizona State Department of Mines and Mineral Resources.

(c) RELATION TO MINING LAWS.—Subject to valid existing rights, the public land within the conservation area is withdrawn from mineral location, entry, and patent under chapter 6 of the Revised Statutes (commonly known as the "General Mining Law of 1872") (30 U.S.C. section 21 et seq.).

(d) MINERAL LEASING.—The Secretary shall permit the removal of—

(1) nonleasable minerals from land or an interest in land within the national conservation area in the manner prescribed by section 10 of the Act of August 4, 1939 (43 Stat. 38); and

(2) leasable minerals from land or an interest in lands within the conservation area in accordance with the Act of February 25, 1920 (commonly known as the "Mineral Lands Leasing Act of 1920") (30 U.S.C. 181 et seq.) or the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.).

(e) DISPOSITION OF FUNDS FROM PERMITS AND LEASES.—

(1) RECEIPTS FROM PERMITS AND LEASES.—Receipts derived from permits and leases issued on land in the conservation area under the Act of February 25, 1920 (30 U.S.C. 181 et seq.) or the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.), shall be disposed of as provided in the applicable Act.

(2) RECIPTS FROM DISPOSITION OF NONLEASABLE MINERALS.—Receipts from the disposition of nonleasable minerals within the conservation area shall be disposed of in the same manner as proceeds of the sale of public land.

SEC. 9. EFFECT ON WATER RIGHTS.

Nothing in this Act—

(1) establishes a new or implied reservation to the United States of any water or water-related right with respect to land included in the conservation area; or

(2) authorizes the appropriation of water, except in accordance with the substantive and procedural law of the State of Arizona.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

By Mr. ABRAHAM:

S. 1561. A bill to amend the Controlled Substances Act to add gamma hydroxybutyric acid and ketamine to the schedules of control substances, to provide for a national awareness campaign, and for other purposes; to the Committee on the Judiciary.

DATE-RAPE DRUG CONTROL ACT OF 1999

Mr. ABRAHAM. Mr. President, I rise to introduce the Date Rape Drug Control Act of 1999. This legislation will address a growing epidemic in our land that is taking too many lives.

Mr. President, so-called date-rape drugs are becoming increasingly common in our nation. These drugs, so named because they are used in order to incapacitate women and make them vulnerable to sexual assault, are finding their way into nightclubs, onto campuses and into homes. They are being used by sexual predators against young—sometimes very young—women. The results are terrible and often tragic. Women victimized by drugs like gamma hydroxybutyric acid (or GHB) and Ketamine may be raped, they may become violently ill, and they may die.

Mr. President, I'd like to give just one example of the horrible consequences of drugs like GHB and Ketamine. In January of this year three young girls, none of them yet 16, were at a party given by a 25 year-old man in Woodhaven, Michigan. 15 year-old Samantha Reid drank a Mountain Dew—a soft drink—and passed out within minutes. She vomited in her sleep, and she died. Her friend, Melanie Sindone, also 15, passed out and lapsed into a coma, but has fortunately survived. The third young woman, Jessica VanWassehnova, had traces of GHB in her blood and only had a minor reaction of nausea. The three teenage boys are now facing manslaughter and felony poison charges.

These two girls had no reason to believe that they were drinking anything dangerous. But they were wrong. Their drinks had been laced with both GHB and Ketamine. Men at the party apparently put these drugs in the girls' drinks, to a tragic result.

Mr. President, this was a terrible series of events, and one that has been repeated far too many times. Our young women are being raped and killed by sexual predators using GHB and Ketamine. And that must stop.

The Date Rape Drug Control Act will provide law enforcement personnel with the tools they need to fight the date-rape epidemic. It directs that GHB and Ketamine be classified as Schedule I controlled substances, as drugs like heroin and cocaine are today. In addition, the bill authorizes additional reporting requirements that will enhance the ability of authorities to track the manufacture, distribution and dispensing of GHB and similar products. And it directs the Secretary of Health and Human Services to submit annual reports to Congress estimating the number of incidents of date-rape drug abuse that occurred during the most recent year for which data are available.

Finally, Mr. President, this bill requires the Secretary, in consultation with the Attorney General, to develop a plan for carrying out a national campaign to educate individuals about the dangers of date-rape drugs, the fact that they are controlled substances and the penalties involved for violating the Controlled Substances Act, how to recognize symptoms indicating that an individual may be a victim of date-rape drugs, and how to respond when an individual has these symptoms.

The last provision is crucial, Mr. President, because those who use date-rape drugs depend on stealth in praying upon their victims. Young women who are on the look-out, who know what to look for and can recognize the signs of date-rape drug use will be at much lower risk of falling victim to GHB or Ketamine.

It is time to act, Mr. President, to save young people, and young women in particular, from these deadly drugs and from the predators who use them. I ask my colleagues to give this important legislation their full support.

Mr. President, I ask unanimous consent that the text of the Date-Rape Drug Control Act of 1999 and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Date-Rape Drug Control Act of 1999".

SEC. 2. FINDINGS.

Congress finds as follows:

(1) Gamma hydroxybutyric acid (also called G, Liquid X, Liquid Ecstasy, Grievous Bodily Harm, Georgia Home Boy, Scoop) has become a significant and growing problem in law enforcement. At least 20 States have scheduled such drug in their drug laws and law enforcement officials have been experiencing an increased presence of the drug in driving under the influence, sexual assault, and overdose cases especially at night clubs and parties.

(2) A behavioral depressant and a hypnotic, gamma hydroxybutyric acid ("GHB") is being used in conjunction with alcohol and other drugs with detrimental effects in an increasing number of cases. It is difficult to isolate the impact of such drug's ingestion since it is so typically taken with an ever-changing array of other drugs and especially alcohol which potentiates its impact.

(3) GHB takes the same path as alcohol, processes via alcohol dehydrogenase, and its symptoms at high levels of intake and as impact builds are comparable to alcohol ingestion/intoxication. Thus, aggression and violence can be expected in some individuals who use such drug.

(4) If taken for human consumption, common industrial chemicals such as gamma butyrolactone and 1.4-butanediol are swiftly converted by the body into GHB. Illicit use of these and other GHB analogues and precursor chemicals is a significant and growing law enforcement problem.

(5) A human pharmaceutical formulation of gamma hydroxybutyric acid is being developed as a treatment for cataplexy, a serious and debilitating disease. Cataplexy, which causes sudden and total loss of muscle control, affects about 65 percent of the estimated 180,000 Americans with narcolepsy, a sleep disorder. People with cataplexy often are unable to work, drive a car, hold their children or live a normal life.

SEC. 3. ADDITION OF GAMMA HYDROXYBUTYRIC ACID AND KETAMINE TO SCHEDULES OF CONTROLLED SUBSTANCES; GAMMA BUTYROLACTONE AS ADDITIONAL LIST I CHEMICAL.

(a) ADDITION TO SCHEDULE I.—

(1) IN GENERAL.—Section 202(c) of the Controlled Substances Act (21 U.S.C. 812(c)) is amended by adding at the end of schedule I the following:

"(d) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation, which contains any quantity of the following substance having a depressant effect on the central nervous system, or which contains any of their salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

"(1) Gamma hydroxybutyric acid.".

(2) SECURITY OF FACILITIES.—For purposes of any requirements that relate to the physical security of registered manufacturers and registered distributors, gamma hydroxybutyric acid and its salts, isomers, and salts

of isomers manufactured, distributed, or possessed in accordance with an exemption approved under section 505(i) of the Federal Food, Drug, and Cosmetic Act shall be treated as a controlled substance in schedule III under section 202(c) of the Controlled Substances Act.

(b) Addition to Schedule III.—Schedule III under section 202(c) of the Controlled Substances Act (21 U.S.C. 812(c)) is amended in (b)—

(1) by redesignating (4) through (10) as (6) through (12), respectively; and

(2) by redesignating (3) as (4);

(3) by inserting after (2) the following:

"(3) Gamma hydroxybutyric acid and its salts, isomers, and salts of isomers contained in a drug product for which an application has been approved under section 505 of the Federal Food, Drug, and Cosmetic Act."; and

(4) by inserting after (4) (as so redesignated) the following:

"(5) Ketamine and its salts, isomers, and salts of isomers.".

(c) Additional List I Chemical.—Section 102(34) of the Controlled Substances Act (21 U.S.C. 802(34)) is amended—

(1) by redesignating subparagraph (X) as subparagraph (Y); and

(2) by inserting after subparagraph (W) the following subparagraph:

"(X) Gamma butyrolactone.".

(d) Rule of Construction Regarding Controlled Substance Analogues.—Section 102(32) of the Controlled Substances Act (21 U.S.C. 802(32)) is amended—

(1) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraph (C)";

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) The designation of gamma butyrolactone or any other chemical as a listed chemical pursuant to paragraph (34) or (35) does not preclude a finding pursuant to subparagraph (A) that the chemical is a controlled substance analogue.".

(e) Penalties Regarding Schedule I.—

(1) In general.—Section 401(b)(1)(C) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(C)) is amended in the first sentence by inserting after "schedule I or II," the following: "gamma hydroxybutyric acid in schedule III,".

(2) Conforming amendment.—Section 401(b)(1)(D) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(D)) is amended by inserting "(other than gamma hydroxybutyric acid)" after "schedule III".

(f) Distribution With Intent To Commit Crime of Violence.—Section 401(b)(7)(A) of the Controlled Substances Act (21 U.S.C. 841(b)(7)(A)) is amended by inserting "or controlled substance analogue" after "distributing a controlled substance".

SEC. 4. AUTHORITY FOR ADDITIONAL REPORTING REQUIREMENTS FOR GAMMA HYDROXYBUTYRIC PRODUCTS IN SCHEDULE III.

Section 307 of the Controlled Substances Act (21 U.S.C. 827) is amended by adding at the end the following:

"(h) In the case of a drug product containing gamma hydroxybutyric acid for which an application has been approved under section 505 of the Federal Food, Drug, and Cosmetic Act, the Attorney General may, in addition to any other requirements that apply under this section with respect to such a drug product, establish any of the following as reporting requirements:

"(1) That every person who is registered as a manufacturer of bulk or dosage form, as a packager, repackager, labeler, relabeler, or distributor shall report acquisition and distribution transactions quarterly, not later than the 15th day of the month succeeding the quarter for which the report is submitted, and annually report end-of-year inventories.

"(2) That all annual inventory reports shall be filed no later than January 15 of the year following that for which the report is submitted and include data on the stocks of the drug product, drug substance, bulk drug, and dosage forms on hand as of the close of business December 31, indicating whether materials reported are in storage or in process of manufacturing.

"(3) That every person who is registered as a manufacturer of bulk or dosage form shall report all manufacturing transactions both inventory increases, including purchases, transfers, and returns, and reductions from inventory, including sales, transfers, theft, destruction, and seizure, and shall provide data on material manufactured, manufactured from other material, use in manufacturing other material, and use in manufacturing dosage forms.

"(4) That all reports under this section must include the registered person's registration number as well as the registration numbers, names, and other identifying information of vendors, suppliers, and customers, sufficient to allow the Attorney General to track the receipt and distribution of the drug.

"(5) That each dispensing practitioner shall maintain for each prescription the name of the prescribing practitioner, the prescribing practitioner's Federal and State registration numbers, with the expiration dates of these registrations, verification that the prescribing practitioner possesses the appropriate registration to prescribe this controlled substance, the patient's name and address, the name of the patient's insurance provider and documentation by a medical practitioner licensed and registered to prescribe the drug of the patient's medical need for the drug. Such information shall be available for inspection and copying by the Attorney General.

"(6) That section 310(b)(3) (relating to mail order reporting) applies with respect to gamma hydroxybutyric acid to the same extent and in the same manner as such section applies with respect to the chemicals and drug products specified in subparagraph (A)(i) of such section.".

SEC. 5. DEVELOPMENT OF FORENSIC FIELD TESTS FOR GAMMA HYDROXYBUTYRIC ACID.

The Attorney General shall make a grant for the development of forensic field tests to assist law enforcement officials in detecting the presence of gamma hydroxybutyric acid and related substances.

SEC. 6. ANNUAL REPORT REGARDING DATE-RAPE DRUGS; NATIONAL AWARENESS CAMPAIGN.

(a) Annual Report.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall periodically submit to Congress reports each of which provides an estimate of the number of incidents of the abuse of date-rape drugs (as defined in subsection (c)) that occurred during the most recent one-year period for which data are available. The first such report shall be submitted not later than January 15, 2000, and subsequent reports shall be submitted annually thereafter.

(b) National Awareness Campaign.—

(1) Development of plan; recommendations of advisory committee.—

(A) In general.—The Secretary, in consultation with the Attorney General, shall develop a plan for carrying out a national campaign to educate individuals described in subparagraph (B) on the following:

(i) The dangers of date-rape drugs.

(ii) The applicability of the Controlled Substances Act to such drugs, including penalties under such Act.

(iii) Recognizing the symptoms that indicate an individual may be a victim of such drugs, including symptoms with respect to sexual assault.

(iv) Appropriately responding when an individual has such symptoms.

(B) Intended population.—The individuals referred to in subparagraph (A) are young adults, youths, law enforcement personnel, educators, school nurses, counselors of rape victims, and emergency room personnel in hospitals.

(C) Advisory committee.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish an advisory committee to make recommendations to the Secretary regarding the plan under subparagraph (A). The committee shall be composed of individuals who collectively possess expertise on the effects of date-rape drugs and on detecting and controlling the drugs.

(2) Implementation of plan.—Not later than 180 days after the date on which the advisory committee under paragraph (1) is established, the Secretary, in consultation with the Attorney General, shall commence carrying out the national campaign under such paragraph in accordance with the plan developed under such paragraph. The campaign may be carried out directly by the Secretary and through grants and contracts.

(3) Evaluation by General Accounting Office.—Not later than two years after the date on which the national campaign under paragraph (1) is commenced, the Comptroller General of the United States shall submit to Congress an evaluation of the effects with respect to date-rape drugs of the national campaign.

(c) Definition.—For purposes of this section, the term "date-rape drugs" means gamma hydroxybutyric acid and its salts, isomers, and salts of isomers and such other drugs or substances as the Secretary, after consultation with the Attorney General, determines to be appropriate.

Date-Rape Drug Control Act of 1999—Section-by-Section Analysis

Section 1. Short Title.

"Date-Rape Drug Control Act of 1999"

Sec. 2. Findings.

This section sets out congressional findings regarding the use of gamma hydroxybutyric acid, ketamine, and gamma butyrolactone to facilitate sexual and other assaults.

Sec. 3. Addition of Gamma Hydroxybutyric Acid and Ketamine (GHB) to Schedules of Controlled Substances; Gamma Butyrolactone as Additional List 1 Chemical.

This section amends section 202(c) the Controlled Substances Act to add gamma hydroxybutric acid and its salts to the list of Schedule I drugs, unless these substances are specifically excepted or listed in another schedule.

For purposes of requirements in the Controlled Substances Act relating to the physical security of the facilities of registered manufacturers, gamma hydroxybutyric acid and its salts, isomers, and salts of isomers which are manufactured, distributed or possessed in accordance with an exemption under section 505(i) of the Federal Food, Drug, and Cosmetic Act (i.e., an investigational new drug exemption or "IND") shall be treated as a controlled substance in Schedule III of the Controlled Substances Act (as opposed to Schedule I).

This section also amends section 202(c) of the Controlled Substances Act to add Ketamine and its salts, isomers, and salts of isomer to the list of Schedule III drugs and section 102(34) of the Controlled Substances Act to add gamma butyrolactone (GBL) to the list of List I chemicals.

Further, under this section, gamma hydroxbutyric acid and its salts, isomers, and salts of isomers which are contained in a drug that has been approved by the Food and Drug Administration (FDA) is scheduled under Schedule III. However, the section imposes Schedule I penalties (as opposed to the penalties that would apply under Schedule III).

This section amends section 102(32) of the Controlled Substances Act to include that the designation of gamma butyrolactone or any other chemical as a "List I" or a "List II" precursor chemical does not preclude a finding that the chemical is a controlled substance analogue.

Section 401(b)(7)(A) of the Controlled Substances Act is amended by including penalties for distribution of a "controlled substance analogue" with the intent to commit a crime of violence (including rape).

Sec. 4. Authority for Additional Reporting Requirements for Gamma Hydroxybutyric Products in Schedule III.

This section amends section 307 of the Controlled Substances Act for approved drugs containing gamma hydroxybutyric acid to permit the Attorney General to establish additional reporting requirements that may enhance the ability of authorities to track the manufacturing, distribution, and dispensing of these drugs, including mail order distribution and dispensing.

Sec. 5. Development of Forensic Field Tests for Gamma Hydroxybutric Acid.

This section requires the Attorney General to make a grant for the development of forensic field tests to assist law enforcement officials in detecting the presence of gamma hdroxybutric acid and related substances.

Sec. 6. Annual Report Regarding Date-rape Drugs; National Awareness Campaign.

This section requires the Secretary of Health and Human Services to submit annual reports to Congress estimating the number of incidents of date-rape drug abuse that occurred during the most recent year for which data are available. The first report is due January 15, 2000.

This section also requires the Secretary, in consultation with the Attorney General, to develop a plan for carrying out a national campaign to educate individuals about the dangers of date-rape drugs, the fact that they are controlled substances and the penalties involved for violating the Controlled Substances Act, how to recognize the symptoms indicating an individual may be a victim of date-rape drugs, and how to appropriately respond when an individual has such symptoms. This campaign is directly not only at young adults and youths, but also at law enforcement personnel, educator, school nurses, counselors of rape victims, and hospital emergency room personnel.

To advise the Secretary on the plan, this section directs the Secretary to establish an advisory committee composed of individuals possessing expertise on the effects of date-rape drugs and on detecting and controlling drugs. The advisory committee must be established within 180 days after the enactment of this legislation. Within 180 days after the advisory committee is established, the Secretary must implement the campaign.

No later than two years after the campaign begins, the Comptroller General is directed to submit to Congress an evaluation of its effectiveness and recommendations for improving its effectiveness, if appropriate.

This section defines "date-rape drugs" as GHB and its salts and such other drugs as the Secretary, after consultation with the Attorney General, determines to be appropriate.

By Mr. NICKLES:

S. 1562. A bill to amend the Internal Revenue Code of 1986 to classify certain franchise operation property as 15-year depreciable property; to the Committee on Finance.

SMALL BUSINESS FRANCHISE PROPERTY RECOVERY ACT OF 1999

Mr. NICKLES. Mr. President, today I am pleased to introduce the "Small Business Franchise Property Recovery Act of 1999." This bill would amend the Internal Revenue Code of 1986 to classify certain franchise operation property as 15-year depreciable property.

As my colleagues may recall, the recovery period for real estate property and building improvements was generally extended to 39 years in 1984 primarily for revenue reasons. Since that time, growing concerns have been voiced that having such an extended recovery period is neither justifiable nor based on sound tax policy. In many cases, 39 years is far longer than the normal use life of the property. Congress has directed the Treasury Department by early next year to provide us with a study and recommendations for overhauling the tax code's depreciation provisions. I look forward to receiving the Treasury's report, but in the interim, I do not believe we should defer addressing obvious depreciation inequities. Therefore, I am offering this bill now to shorten the depreciation period for real property and buildings for all franchisees from 39 years to 15 years.

Mr. President, franchisees-such as those who operate quick-service food restaurants generally enter into a franchise agreement with the franchisor that terminates after a set period of time (e.g., 15 or 20 years). There typically is no guaranteed right to renew the agreement. Franchisees often must undertake major renovations and improvements to the property at least once during the franchisee period.

Under current law, the real estate and buildings owned by franchisees generally must be written off over 39 years. This extended depreciation period bears no relation to economic reality and is roughly double the normal use life of the franchise property.

The "Small Business Property Recovery Act of 1999" would reduce the 39 year recovery period for such franchisee property to 15 years. This shorter period, which tracks the convenience store precedent, would essentially reflect the property's use life. This would be fairer to the small and closely held businesses that operate quick-service restaurants and other franchises. It also would enable them to free-up more capital to expand their businesses and create more jobs.

I urge my colleagues on both sides of the aisle to cosponsor this bill. I would also note that Representative Ramstad recently has introduced a similar bill, H.R. 2451, in the House. I look forward to working with him and others to help secure the passage of this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Franchise Property Recovery Act of 1999".

SEC. 2. CLASS LIFE FOR FRANCHISE OPERATIONS.

(a) In General.—Section 168(e)(3)(E) of the Internal Revenue Code of 1996 (classifying certain property as 15-year property) is amended by striking "and" at the end of the clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) any section 1250 property which is a franchise operation subject to section 1253.".

(b) Conforming Amendment.—Subparagraph (B) of section 168(g)(3) of such Code is amended by inserting after the item relating to subparagraph (E)(iii) in the table contained therein the following new item:

"(E)(iv) .... 15".

(c) Effective Date.—The amendments made by this section shall apply to property which is placed in service on or after the date of the enactment of this Act and to which section 168 of the Internal Revenue Code of 1986 applies after the amendment made by section 201 of the Tax Reform Act of 1986. A taxpayer may elect (in such form and manner as the Secretary of the Treasury may prescribe) to have such amendments apply with respect to any property placed in service before such date and to which such section so applies.

By Mr. ABRAHAM (for himself, Mr. Kennedy, and Mr. Hagel):

S. 1563. A bill to establish the Immigration Affairs Agency within the Department of Justice, and for other purposes; to the Committee on the Judiciary.

INS REFORM AND BORDER SECURITY ACT OF 1999

Mr. ABRAHAM. Mr. President, I rise to introduce the INS Reform and Border Security Act. Today, there is widespread agreement that the Immigration and Naturalization Service does not handle either its service or its law enforcement functions well. On the enforcement side, the INS has shown an inability to recruit, hire, and retain the Border Patrol agents mandated by

Congress. The agency's detention policies are at best inconsistent. Its computer systems and methods for tracking and deporting criminal aliens has proven inadequate. And the list could continue. On the service side, the situation is similarly troubling. Stories of lost files, misplaced fingerprints, and broken-hearted applicants are far too common. Congressional offices are overwhelmed with the number of requests from constituents seeking help with their cases at INS. The INS is generally unable to update an individual on the status of his or her case. Any the backlogs have become so lengthy at the INS that few can anticipate action on their case, whether for citizenship or adjustment of status, within 18 months. The system is broken.

In the February 1999 Government Performance Project report, administered by the Syracuse University, the INS came in dead last among 15 federal agencies. INS received an overall grade of C-, while gathering grades of D in both management and human resources, and C in information technology. These grades were perhaps generous. A DOJ Inspector General report recently concluded that the INS "still does not adequately manage" its computer system and expressed concerns that much money has been wasted on an $800 million computer system.

The current structure of the INS—concentrated in District Offices around the country that combine service and enforcement functions—is a cause of a number of its problems. These offices are run by District Directors who are not required to have law enforcement backgrounds. Moreover, they can hold their posts for 15 years or more, resulting in "fiefdoms" that make it difficult to improve service or enforcement, or for headquarters to receive adherence from the field for policy changes. By combining the service and enforcement functions in one entity, the agency has taken on dual missions that in many ways are incompatible. Serious problems have resulted in expecting the INS to be the good service provider by day in facilitating legal immigration and naturalization, and the tough "cop" by night combating illegal immigration and criminal aliens. This is a point I made in my first speech as chairman of the immigration subcommittee and it remains my view today. Permitting the INS to move forward with its current structure and organization only ensures an endless recurrence of the same problems we have seen for years at the agency.

The INS Reform and Border Security Act would represent fundamental change. It would eliminate the Immigration and Naturalization Service. The legislation will create a new Immigration Affairs Agency within the Justice Department, led by an Associate Attorney General for Immigration Affairs, that will contain two separate bureaus—The Bureau of Immigration Service and Adjudication (BISA) and the Bureau of Enforcement and Border Affairs (BEBA). This will allow for concentrated effort and personnel devoted to improving their respective service and enforcement functions. Inspections, which has a combined service and enforcement function, will be a separate entity within the Immigration Affairs Agency.

The legislation would also increase accountability by creating three Senate-confirmed positions, one each for the Associate Attorney General for Immigration Affairs, the Director of the Service Bureau and the Director of the Enforcement Bureau. The bill would also create the position of Chief Financial Officer in both the Service and Enforcement bureaus, creating additional fiscal accountability.

The bill will ensure the coordination of important functions. Specifically, by ensuring that an Associate Attorney General for Immigration Affairs will be in charge, the formulation and coordination of policy between the Service and Enforcement Bureaus will take place. There is a risk that without an individual charged with policy coordination, policy anarchy could ensue.

The legislation will provide for enhanced enforcement of our immigration laws. Separating out enforcement will help ensure that enforcement is sufficiently supported and that individuals overseeing enforcement functions possess a law enforcement background. Moreover, the bill would move the Enforcement Bureau toward the best practices of the Federal Bureau of Investigation, which is considered a more effective law enforcement entity than the current INS. The FBI is successful in coordinating activities between the central office and field offices and in supporting agents in the fields, which are vital for sound law enforcement. Finally, the bill would require the addition of 1,000 more border patrol in fiscal years 2002, 2003, and 2004.

The INS Reform and Border Security Act should result in important service improvements. Separating service and enforcement will help ensure that those individuals working in the service side understand their jobs to include the fair, equitable, accurate, and courteous service. In fact, the legislation requires that all employee evaluations include the fair and equitable treatment of immigrants as a top priority. The legislation creates the Office of the Ombudsman, which will assist individuals in resolving service or case problems and identify and propose changes in the Service Bureau to improve service. The Ombudsman can appoint local representatives to resolve serious service breakdowns. In addition, the legislation models the Service Bureau's organization on the Social Security Administration by creating regional commissioners and area directors charged with service implementation. The bill would place statutory time limits on the processing of temporary visas and visas for permanent residence and seeks to ensure that services are adequately funded.

To improve the culture of employees, the bill includes a series of measures, including employee buyouts and the ability to bring in outside management executives, that are modeled on those passed by Congress in the 1998 IRS reform bill.

The legislation has already achieved a great consensus, having been endorsed by the U.S. Border Patrol Chief Patrol Agent's Association, the Federal Law Enforcement Officers Association, the American Immigration Lawyers Association, the Hebrew Immigrant Aid Society, and other organizations.

In particular, I would like to thank my cosponsors Senators KENNEDY and HAGEL for working with on this important piece of legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "INS Reform and Border Security Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Immigration laws of the United States defined.

TITLE I—IMMIGRATION AFFAIRS AGENCY

Sec. 101. Establishment of Immigration Affairs Agency.
Sec. 102. Establishment of the Office of the Associate Attorney General for Immigration Affairs.
Sec. 103. Establishment of Bureau of Immigration Services and Adjudications.
Sec. 104. Office of Ombudsman within the Service Bureau.
Sec. 105. Establishment of Bureau of Enforcement and Border Affairs.
Sec. 106. Exercise of authorities.
Sec. 107. Savings provisions.
Sec. 108. Transfer and allocation of appropriations and personnel.
Sec. 109. Executive Office for Immigration Review and Attorney General litigation authorities not affected.
Sec. 110. Definitions.
Sec. 111. Effective date.

TITLE II—PERSONNEL FLEXIBILITIES

Sec. 201. Improvements in personnel flexibilities.
Sec. 202. Voluntary separation incentive payments.
Sec. 203. Basis for evaluation of Immigration Affairs Agency employees.
Sec. 204. Employee training program.
Sec. 205. Effective date.

TITLE III—ADDITIONAL PROVISIONS

Sec. 301. Expedited processing of documents.
Sec. 302. Funding adjudication and naturalization services.
Sec. 303. Increase in Border Patrol agents and support personnel.

SEC. 2. IMMIGRATION LAWS OF THE UNITED STATES DEFINED.

In this Act, the term "immigration laws of the United States" means the following:

(1) The Immigration and Nationality Act.

(2) The Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

(3) The Immigration and Nationality Technical Corrections Act of 1994.

(4) The Immigration Act of 1990.

(5) The Immigration Reform and Control Act of 1986.

(6) The Refugee Act of 1980.

(7) Such other statutes, Executive orders, regulations, or directives that relate to the admission to, detention in, or removal from the United States of aliens, or that otherwise relate to the status of aliens in the United States.

TITLE I—IMMIGRATION AFFAIRS AGENCY

SEC. 101. ESTABLISHMENT OF IMMIGRATION AFFAIRS AGENCY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the Department of Justice the Immigration Affairs Agency (in this Act referred to as the "Agency").

(2) COMPONENTS.—The Agency shall consist of—

(A) the Office of the Associate Attorney General for Immigration Affairs established in section 102;

(B) the Bureau of Immigration Services and Adjudications established in section 103; and

(C) the Bureau of Enforcement and Border Affairs established in section 105.

(b) ASSOCIATE ATTORNEY GENERAL FOR IMMIGRATION AFFAIRS.—

(1) IN GENERAL.—The Agency shall be headed by an Associate Attorney General for Immigration Affairs, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) COMPENSATION AT RATE OF PAY FOR EXECUTIVE LEVEL III.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

"Associate Attorney General for Immigration Affairs, Department of Justice.".

(3) CONFORMING AMENDMENTS.—(A) Section 103(c) of the Immigration and Nationality Act is amended—

(i) by striking the first sentence; and

(ii) in the second sentence, by striking "He" and inserting "The Associate Attorney General for Immigration Affairs".

(B) Section 103 of such Act is amended by striking "Commissioner" and inserting "Associate Attorney General for Immigration Affairs".

(C) Section 5315 of title 5, United States Code, is amended by striking the following:

"Commissioner of Immigration and Naturalization, Department of Justice.".

(c) REPEALS.—The following provisions of law are repealed:

(1) Section 4 of the Act of February 14, 1903, as amended (32 Stat. 826; relating to the establishment of the Immigration and Naturalization Service).

(2) Section 7 of the Act of March 3, 1891, as amended (26 Stat. 1085; relating to the establishment of the office of the Commissioner of Immigration and Naturalization).

(3) Section 201 of the Act of June 20, 1956 (70 Stat. 307; relating to the compensation of assistant commissioners and district director).

(4) Section 1 of March 2, 1895 (28 Stat. 780; relating to special immigrant inspectors).

(d) REFERENCES.—Except as otherwise provided in sections 103 and 105, any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to the Immigration and Naturalization Service shall be deemed to refer to the Immigration Affairs Agency.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Agency such sums as may be necessary to carry out its functions.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SEC. 102. OFFICE OF THE ASSOCIATE ATTORNEY GENERAL FOR IMMIGRATION AFFAIRS.

(a) POLICY AND ADMINISTRATIVE FUNCTIONS DEFINED.—In this section, the term "immigration policy and administrative functions" includes the following functions under the immigration laws of the United States:

(1) Inspections at ports of entry in the United States.

(2) Policy and planning formulation on immigration matters.

(3) Information technology, information resources management, and maintenance of records and databases, and the coordination of records and other information of the two bureaus within the Agency.

(4) Such other functions as involve providing resources and other support for the Bureau of Immigration Services and Adjudications (established in section 103) and the Bureau of Enforcement and Border Affairs (established in section 105).

(b) ESTABLISHMENT OF OFFICE.—

(1) IN GENERAL.—There is established within the Agency the Office of the Associate Attorney General for Immigration Affairs (in this title referred to as the "Office").

(2) GENERAL COUNSEL.—

(A) IN GENERAL.—There shall be within the Office of the Associate Attorney General for Immigration Affairs a General Counsel, who shall be appointed by the Attorney General.

(B) COMPENSATION.—Section 5316 of title 5, United States Code, is amended by adding at the end the following:

"General Counsel, Immigration Affairs Agency.".

(3) CHIEF FINANCIAL OFFICER FOR THE IMMIGRATION AFFAIRS AGENCY.—

(A) IN GENERAL.—There shall be a position of Chief Financial Officer for the Immigration Affairs Agency and this position shall be a career reserved position within the Senior Executive Service and shall have the authorities and functions described in section 902 of title 31, United States Code, in relation to financial activities related to immigration policy and administrative functions. For purposes of section 902(a)(1) of such title, the Associate Attorney General for Immigration Affairs shall be deemed to be the head of the agency. The provisions of section 903 of such title (relating to Deputy Chief Financial Officers) shall also apply in the same manner as the previous sentence.

(B) COMPENSATION.—Section 5316 of title 5, United States Code, is amended by adding at the end the following:

"Chief Financial Officer, Immigration Affairs Agency.".

(c) RESPONSIBILITIES OF THE OFFICE.—Under the direction of the Attorney General, the Office of the Associate Attorney General for Immigration Affairs shall be responsible for carrying out the immigration policy and administrative functions of the Agency.

(d) DELEGATION OF AUTHORITY BY THE ATTORNEY GENERAL.—All immigration policy and administrative functions vested by statute in, or exercised by—

(1) the Attorney General, or

(2) the Commissioner of Immigration and Naturalization, the Immigration and Naturalization Service, or officers, employees, or components thereof,

immediately prior to the effective date of this title shall be exercised by the Attorney General through the Associate Attorney General for Immigration Affairs.

(e) REFERENCES.—Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Commissioner of Immigration and Naturalization or any other officer or employee of the Immigration and Naturalization Service (insofar as such references refer to any immigration policy and administrative function) shall be deemed to refer to the Associate Attorney General for Immigration Affairs; or

(2) the Immigration and Naturalization Service (insofar as such references refer to any immigration policy and administrative function) shall be deemed to refer to the Office of the Associate Attorney General for Immigration Affairs.

SEC. 103. ESTABLISHMENT OF BUREAU OF IMMIGRATION SERVICES AND ADJUDICATIONS.

(a) IMMIGRATION ADJUDICATION AND SERVICE FUNCTIONS DEFINED.—In this section, the term "immigration adjudication and service functions" means the following functions under the immigration laws of the United States:

(1) Adjudications of nonimmigrant and immigrant visa petitions.

(2) Adjudications of naturalization petitions.

(3) Adjudications of asylum and refugee applications.

(4) Determinations concerning custody, parole, and conditions of parole regarding applicants for asylum detained at ports of entry who do not have prior nonpolitical criminal records and who have been found to have a credible fear of persecution, and responsibility for the detention of any such applicant with respect to whom a determination has been made that detention is required.

(5) Adjudications performed at Service centers.

(6) All other adjudications under the immigration laws of the United States.

(b) ESTABLISHMENT OF BUREAU.—

(1) IN GENERAL.—There is established within the Agency a bureau to be known as the Bureau of Immigration Services and Adjudications (in this section referred to as the "Service Bureau").

(2) SENSE OF CONGRESS.—It is the sense of Congress that the structure of the Service Bureau should be based on the organization of the Social Security Administration.

(3) DIRECTOR.—The head of the Service Bureau shall be the Director of Immigration Services and Adjudications who—

(A) shall be appointed by the President, by and with the advice and consent of the Senate; and

(B) shall report directly to the Associate Attorney General for Immigration Affairs.

(4) COMPENSATION AT LEVEL IV OF EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Director of Immigration Services and Adjudications, Immigration Affairs Agency.".

(c) Responsibilities of the Bureau.—Subject to the policy guidance of the Associate Attorney General for Immigration Affairs, the Service Bureau shall be responsible for carrying out the immigration adjudication and service functions of the Agency.

(d) Delegation of Authority by the Attorney General.—All immigration adjudication and service functions vested by statute in, or exercised by—

(1) the Attorney General, or

(2) the Commissioner of Immigration and Naturalization, the Immigration and Naturalization Service, or officers, employees, or components thereof,

immediately prior to the effective date of this title shall be exercised by the Attorney General through the Associate Attorney General for Immigration Affairs and the Director of the Service Bureau.

(e) Chief Financial Officer for the Bureau of Immigration Services and Adjudications.—

(1) In general.—There shall be a position of Chief Financial Officer for the Bureau of Immigration Services and Adjudications and this position shall be a career reserved position within the Senior Executive Service and shall have the authorities and functions described in section 902 of title 31, United States Code, in relation to financial activities of the Service Bureau. For purposes of section 902(a)(1) of such title, the Director of the Service Bureau shall be deemed to be the head of the agency. The provisions of section 903 of such title (relating to Deputy Chief Financial Officers) shall also apply to such Bureau in the same manner as the previous sentence applies to such Bureau.

(2) Compensation.—Section 5316 of title 5, United States Code, is amended by adding at the end the following:

"Chief Financial Officer, Bureau of Immigration Services and Adjudications of the Immigration Affairs Agency.".

(f) Regional Commissioners.—There shall be within the Service Bureau Regional Commissioners who shall be responsible for carrying out the functions of the Bureau within specified geographic regions. The Director of the Service Bureau shall establish the number of Regional Commissioners based on workload and economies of scale.

(g) Area Directors.—The Director of the Service Bureau shall appoint Area Directors who shall report to the Regional Commissioner in his or her region. In States with large populations there may be more than one Area Director. Each Area Director is in charge of field offices within his or her area.

(h) Field Office Managers.—A Field Office Manager is in charge of each field office. The field offices, located in cities and other places around the country, are the Service Bureau's main source of contact with the public. Congress encourages the development of telephone service centers to improve service and efficiency, which may or may not be located in the same location as service centers under subsection (k).

(i) Term of Service.—No Field Office Manager or Area Director may hold his or her post in a single geographic region for more than 6 years without a break of at least 2 years. The Attorney General may waive this subsection for extraordinary reasons.

(j) Service Centers.—In addition, there shall be Service Centers, located depending on the workloads and economies of scale. The head of each Service Center shall report to the Regional Commissioner in the region in which the Service Center is situated.

(k) Quality Assurance.—There shall be within the Service Bureau an Office of Quality Assurance, modeled on the corresponding office of the Social Security Administration, that shall develop procedures and conduct audits to—

(1) ensure that national policies are correctly implemented;

(2) determine whether Service Bureau policies or practices result in poor file management or poor or inaccurate service; and

(3) report findings recommending corrective action to the Director of the Service Bureau.

(l) Office of Professional Responsibility.—There shall be within the Service Bureau an Office of Professional Responsibility that shall have the responsibility of receiving charges of misconduct or ill treatment made by the public and investigating the charges and providing an appropriate remedy or disposition.

(m) Training of Personnel.—The Director of the Service Bureau, in consultation with the Associate Attorney General for Immigration Affairs, shall have responsibility for the training of all personnel of the Service Bureau.

(n) Authorization of Appropriations.—

(1) In general.—There are authorized to be appropriated to the Service Bureau such sums as may be necessary to carry out its functions.

(2) Availability of funds.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(o) References.—Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Commissioner of Immigration and Naturalization or any other officer or employee of the Immigration and Naturalization Service (insofar as such references refer to any immigration adjudication and service function) shall be deemed to refer to the Director of the Service Bureau; or

(2) the Immigration and Naturalization Service (insofar as such references refer to any immigration adjudication and service function) shall be deemed to refer to the Service Bureau.

SEC. 104. OFFICE OF THE OMBUDSMAN WITHIN THE SERVICE BUREAU.

(a) In General.—There is established within the Service Bureau the Office of the Ombudsman, which shall be headed by the Ombudsman.

(b) Ombudsman.—

(1) Appointment.—The Ombudsman shall be appointed by the Director of the Service Bureau after consultation with the Associate Attorney General for Immigration Affairs and without regard to the provisions of title 5, United States Code,relating to appointments in the competitive service or the Senior Executive Service. The Ombudsman shall report directly to the Director of the Service Bureau.

(2) Compensation.—The Ombudsman shall be entitled to compensation at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Attorney General so determines, at a rate fixed under section 9503 of such title.

(c) Functions of Office.—The functions of the Office of the Ombudsman shall include to—

(1) assist individuals in resolving service or case problems with the Agency or Service Bureau;

(2) identify areas in which individuals have problems in dealings with the Immigration Affairs Agency or Service Bureau;

(3) to the extent possible, propose changes in the administrative practices of the Agency or Service Bureau to mitigate problems identified under paragraph (2);

(4) monitor the coverage and geographic allocation of local offices of the Service Bureau; and

(5) ensure that the local telephone number for each local office of the Service Bureau is published and available to individuals served by the office.

(e) Personnel Actions.—The Ombudsman shall have the responsibility and authority to appoint local or regional representatives of the Ombudsman's Office as in the Ombudsman's judgment may be necessary to address and rectify serious service problems.

(f) Responsibilities of Director of the Service Bureau.—The Director of the Service Bureau shall establish procedures requiring a formal response to all recommendations submitted to the Director by the Ombudsman within 3 months after submission of the Ombudsman's reports or recommendations. The Director of the Service Bureau shall meet regularly with the Ombudsman to identify and correct serious service problems.

(g) Annual Reports.—

(1) Objectives.—Not later than June 30 of each calendar year, the Ombudsman shall report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate on the objectives of the Office of the Ombudsman for the fiscal year beginning in such calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information.

(2) Activities.—Not later than December 31 of each calendar year, the Ombudsman shall submit a report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate on the activities of the Ombudsman during the fiscal year ending in that calendar year. Any such report shall contain a full and substantive analysis, in addition to statistical information, and shall—

(A) identify the initiatives the Office of the Ombudsman has taken on improving services and the responsiveness of the Agency and the Service Bureau;

(B) contain a summary of the most serious problems encountered by individuals, including a description of the nature of such problems;

(C) contain an inventory of the items described in subparagraphs (A) and (B) for which action has been taken, and the result of such action;

(D) contain an inventory of the items described in subparagraphs (A) and (B) for which action remains to be completed and the period during which each item has remained on such inventory;

(E) contain an inventory of the items described in subparagraphs (A) and (B) for which no action has been taken, the period during which each item has remained on such inventory, the reasons for the inaction, and identify any Agency or Service Bureau official who is responsible for such inaction;

(F) contain recommendations as may be appropriate to resolve problems encountered by individuals;

(G) include such other information as the Ombudsman may deem advisable.

SEC. 105. ESTABLISHMENT OF BUREAU OF ENFORCEMENT AND BORDER AFFAIRS.

(a) Immigration Enforcement Functions Defined.—In this section, the term "immigration enforcement functions" means the following functions under the immigration laws of the United States:

(1) The Border Patrol program.

(2) The detention program (except as specified in section 103(a)).

(3) The deportation program.

(4) The intelligence program.

(5) The investigations program.

(b) ESTABLISHMENT OF BUREAU.—

(1) IN GENERAL.—There is established within the Agency a bureau to be known as the Bureau of Enforcement and Border Affairs (in this section referred to as the "Enforcement Bureau").

(2) ENFORCEMENT BUREAU.—It is the sense of Congress that the Enforcement Bureau be organized in accordance with the "best practices" of other federal law enforcement agencies, including the Federal Bureau of Investigation and the Drug Enforcement Agency.

(3) DIRECTOR.—The head of the Enforcement Bureau shall be the Director of the Bureau of Enforcement and Border Affairs who—

(A) shall be appointed by the President, by and with the advice and consent of the Senate; and

(B) shall report directly to the Associate Attorney General for Immigration Affairs.

(4) COMPENSATION AT LEVEL IV OF EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Director of Enforcement and Border Affairs, Immigration Affairs Agency.".

(c) RESPONSIBILITIES OF THE BUREAU.—Subject to the policy guidance of the Associate Attorney General for Immigration Affairs, the Enforcement Bureau shall be responsible for carrying out the immigration enforcement functions of the Agency.

(d) DELEGATION OF AUTHORITY BY THE ATTORNEY GENERAL.—All immigration enforcement functions vested by statute in, or exercised by—

(1) the Attorney General, or

(2) the Commissioner of Immigration and Naturalization, the Immigration and Naturalization Service, or officers, employees, or components thereof,

immediately prior to the effective date of this title shall be exercised by the Attorney General through the Associate Attorney General for Immigration Affairs and the Director of the Enforcement Bureau.

(e) CHIEF FINANCIAL OFFICER FOR THE BUREAU OF ENFORCEMENT AND BORDER AFFAIRS.—

(1) IN GENERAL.—There shall be a position of Chief Financial Officer for the Bureau of Enforcement and Border Affairs and this position shall be a career reserved position within the Senior Executive Service and shall have the authorities and functions described in section 902 of title 31, United States Code, in relation to financial activities of the Enforcement Bureau. For purposes of section 902(a)(1) of such title, the Director of the Enforcement Bureau shall be deemed to be the head of the agency. The provisions of section 903 of such title (relating to Deputy Chief Financial Officers) shall also apply to such Bureau in the same manner as the previous sentence applies to such Bureau.

(2) COMPENSATION.—Section 5316 of title 5, United States Code, is amended by adding at the end the following:

"Chief Financial Officer, Bureau of Enforcement and Border Affairs of the Immigration Affairs Agency.".

(f) ORGANIZATION.—The Director of the Enforcement Bureau shall establish field offices in major cities and regions of the United States. The locations shall be selected according to trends in illegal immigration, alien smuggling, criminal aliens, the need for regional centralization, and the need to manage resources efficiently. Field offices shall also establish satellite offices as needed.

(g) OFFICE OF PROFESSIONAL RESPONSIBILITY.—There shall be within the Enforcement Bureau an Office of Professional Responsibility that shall have the responsibility of receiving charges of misconduct or ill treatment made by the public and investigating the charges and providing an appropriate remedy or disposition.

(h) TRAINING OF PERSONNEL.—The Director of the Enforcement Bureau, in consultation with the Associate Attorney General for Immigration Affairs, shall have responsibility for determining the law enforcement training for all personnel of the Enforcement Bureau.

(i) REFERENCES.—Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Commissioner of Immigration and Naturalization or any other officer or employee of the Immigration and Naturalization Service (insofar as such references refer to any immigration enforcement function) shall be deemed to refer to the Director of the Enforcement Bureau; or

(2) the Immigration and Naturalization Service (insofar as such references refer to any immigration enforcement function) shall be deemed to refer to the Enforcement Bureau.

(j) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Enforcement Bureau such sums as may be necessary to carry out its functions.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

SEC. 106. EXERCISE OF AUTHORITIES.

Except as otherwise provided by law, a Federal official to whom a function is transferred pursuant to this title may, for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date of the transfer of the function pursuant to this title.

SEC. 107. SAVINGS PROVISIONS.

(a) LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Attorney General, the Commissioner of the Immigration and Naturalization Service, their delegates, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transferred pursuant to this title; and

(2) that are in effect on the effective date of such transfer (or become effective after such date pursuant to their terms as in effect on such effective date);

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(b) PROCEEDINGS.—Sections 101 through 105 and this section shall not affect any proceedings or any application for any benefits, service, license, permit, certificate, or financial assistance pending on the effective date of this title before an office whose functions are transferred pursuant to this title, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(c) SUITS.—This title shall not affect suits commenced before the effective date of this title, and in all such suits, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Justice or the Immigration and Naturalization Service, or by or against any individual in the official capacity of such individual as an officer or employee in connection with a function transferred pursuant to this section, shall abate by reason of the enactment of this Act.

(e) CONTINUANCE OF SUITS.—If any Government officer in the official capacity of such officer is party to a suit with respect to a function of the officer, and pursuant to this title such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

(f) ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW.—Except as otherwise provided by this title, any statutory requirements relating to notice, hearings, action upon the record, or administrative or judicial review that apply to any function transferred pursuant to this title shall apply to the exercise of such function by the head of the office, and other officers of the office, to which such function is transferred pursuant to such section.

SEC. 108. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) IN GENERAL.—

(1) TRANSFERS.—The personnel of the Department of Justice employed in connection with the functions transferred pursuant to this title (and functions that the Attorney General determines are properly related to the functions of the Office, the Service Bureau, or the Enforcement Bureau would, if so transferred, further the purposes of the Office and the respective Bureau), and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available to the Immigration and Naturalization Service in connection with the functions transferred pursuant to this title, subject to section 202 of the Budget and Accounting Procedures Act of 1950, shall be transferred to the Office or the Bureau, as the case may be, for appropriate allocation by the Associate Attorney General for Immigration Affairs for the Office or the Bureau, as the case may be. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated. The Attorney General shall retain the right to adjust or realign transfers

of funds and personnel effected pursuant to this title for a period of 2 years after the date of the establishment of the Agency.

(2) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out the transfers made pursuant to this title.

(b) Delegation and Assignment.—Except as otherwise expressly prohibited by law or otherwise provided in this title, the Associate Attorney General for Immigration Affairs, the Director of the Service Bureau, and the Director of the Enforcement Bureau to whom functions are transferred pursuant to this title may delegate any of the functions so transferred to such officers and employees of the Office of the Associate Attorney General for Immigration Affairs, the Service Bureau, and the Enforcement Bureau, respectively, as the Associate Attorney General or such Director may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this subsection or under any other provision of this title shall relieve the official to whom a function is transferred pursuant to this title of responsibility for the administration of the function.

(c) Authorities of Attorney General.—

(1) Incidental transfers.—The Attorney General (or a delegate of the Attorney General), at such time or times as the Attorney General (or the delegate) shall provide, may make such determinations as may be necessary with regard to the functions transferred pursuant to this title, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this title. The Attorney General shall provide for such further measures and dispositions as may be necessary to effectuate the purposes of this title.

(2) Treatment of shared resources.—

(A) In general.—The Associate Attorney General for Immigration Affairs is authorized to provide for an appropriate allocation, or coordination, or both, of resources involved in supporting shared support functions for the Office, the Service Bureau, the Enforcement Bureau, and offices within the Department of Justice. The Associate Attorney General for Immigration Affairs shall maintain oversight and control over the shared computer databases and systems and records management.

(B) Databases.—The Associate Attorney General for Immigration Affairs, with the assistance of the Attorney General, shall ensure that the Immigration Affairs Agency's databases and those of the Service Bureau and the Enforcement Bureau are integrated with the databases of the Executive Office for Immigration Review in such a way as to permit—

(i) the electronic docketing of each case by date of service upon an alien of the notice to appear in the case of a removal proceeding (or an order to show cause in the case of a deportation proceeding); and

(ii) the tracking of the status of any alien throughout the alien's contact with United States immigration authorities without regard to whether the entity with jurisdiction over the alien is the Immigration Affairs Agency, the Service Bureau, the Enforcement Bureau, or the Executive Office for Immigration Review.

SEC. 109. EXECUTIVE OFFICE FOR IMMIGRATION REVIEW AND ATTORNEY GENERAL LITIGATION AUTHORITIES NOT AFFECTED.

Nothing in this title may be construed to authorize or require the transfer or delegation of any function vested in, or exercised by—

(1) the Executive Office for Immigration Review of the Department of Justice, or any officer, employee, or component thereof, or

(2) the Attorney General with respect to the institution of any prosecution, or the institution or defense of any action or appeal, in any court of the United States established under Article III of the Constitution,

immediately prior to the effective date of this title.

SEC. 110. DEFINITIONS.

For purposes of this title:

(1) Function.—The term “function” includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(2) Office.—The term “office” includes any office, administration, agency, bureau, institute, council, unit, organizational entity, or component thereof.

SEC. 111. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect 18 months after the date of enactment of this Act.

TITLE II—PERSONNEL FLEXIBILITIES

SEC. 201. IMPROVEMENTS IN PERSONNEL FLEXIBILITIES.

(a) In General.—Part III of title 5, United States Code, is amended by adding at the end the following new subpart:

“Subpart J—Immigration Affairs Agency Personnel

“CHAPTER 96—PERSONNEL FLEXIBILITIES RELATING TO THE IMMIGRATION AFFAIRS AGENCY

“Sec.
“9601. Immigration Affairs Agency personnel flexibilities.
“9602. Pay authority for critical positions.
“9603. Streamlined critical pay authority.
“9604. Recruitment, retention, relocation incentives, and relocation expenses.
“9605. Performance awards for senior executives.

“§ 9601. Immigration Affairs Agency personnel flexibilities

“(a) Any flexibilities provided by sections 9602 through 9610 of this chapter shall be exercised in a manner consistent with—

“(1) chapter 23 (relating to merit system principles and prohibited personnel practices);

“(2) provisions relating to preference eligibles;

“(3) except as otherwise specifically provided, section 5307 (relating to the aggregate limitation on pay);

“(4) except as otherwise specifically provided, chapter 71 (relating to labor-management relations); and

“(5) subject to subsections (b) and (c) of section 1104, as though such authorities were delegated to the Attorney General under section 1104(a)(2).

“(b) The Attorney General shall provide the Office of Personnel Management with any information that Office requires in carrying out its responsibilities under this section.

“(c) Employees within a unit to which a labor organization is accorded exclusive recognition under chapter 71 shall not be subject to any flexibility provided by sections 9607 through 9610 of this chapter unless the exclusive representative and the Immigration Affairs Agency have entered into a written agreement which specifically provides for the exercise of that flexibility. Such written agreement may be imposed by the Federal Services Impasses Panel under section 7119.

“§ 9602. Pay authority for critical positions

“(a) When the Attorney General seeks a grant of authority under section 5377 for critical pay for 1 or more positions at the Immigration Affairs Agency, the Office of Management and Budget may fix the rate of basic pay, notwithstanding sections 5377(d)(2) and 5307, at any rate up to the salary set in accordance with section 104 of title 3.

“(b) Notwithstanding section 5307, no allowance, differential, bonus, award, or similar cash payment may be paid to any employee receiving critical pay at a rate fixed under subsection (a), in any calendar year if, or to the extent that, the employee's total annual compensation will exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3.

“§ 9603. Streamlined critical pay authority

“(a) Notwithstanding section 9602, and without regard to the provisions of this title governing appointments in the competitive service or the Senior Executive Service and chapters 51 and 53 (relating to classification and pay rates), the Attorney General may, for a period of 10 years after the date of enactment of this section, establish, fix the compensation of, and appoint individuals to, designated critical administrative, technical, and professional positions needed to carry out the functions of the Immigration Affairs Agency, if—

“(1) the positions—

“(A) require expertise of an extremely high level in an administrative, technical, or professional field; and

“(B) are critical to the Immigration Affairs Agency's successful accomplishment of an important mission;

“(2) exercise of the authority is necessary to recruit or retain an individual exceptionally well qualified for the position;

“(3) the number of such positions does not exceed 40 at any one time;

“(4) designation of such positions are approved by the Attorney General;

“(5) the terms of such appointments are limited to no more than 4 years;

“(6) appointees to such positions were not Immigration Affairs Agency employees prior to July 1, 1999;

“(7) total annual compensation for any appointee to such positions does not exceed the highest total annual compensation payable at the rate determined under section 104 of title 3; and

“(8) all such positions are excluded from the collective bargaining unit.

“(b) Individuals appointed under this section shall not be considered to be employees for purposes of subchapter II of chapter 75.

“§ 9604. Recruitment, retention, relocation incentives, and relocation expenses

“(a) For a period of 10 years after the date of enactment of this section and subject to approval by the Office of Personnel Management, the Attorney General may provide for variations from sections 5753 and 5754 governing payment of recruitment, relocation, and retention incentives.

“(b) For a period of 10 years after the date of enactment of this section, the Attorney General may pay from appropriations made to the Immigration Affairs Agency allowable relocation expenses under section 5724a for employees transferred or reemployed and allowable travel and transportation expenses under section 5723 for new appointees, for any new appointee appointed to a position for which pay is fixed under section 9602 or 9603 after July 1, 1999.

"§9605. Performance awards for senior executives

"(a) For a period of 10 years after the date of enactment of this section, Immigration Affairs Agency senior executives who have program management responsibility over significant functions of the Immigration Affairs Agency may be paid a performance bonus without regard to the limitation in section 5384(b)(2) if the Attorney General finds such award warranted based on the executive's performance.

"(b) In evaluating an executive's performance for purposes of an award under this section, the Attorney General shall take into account the executive's contributions toward the successful accomplishment of goals and objectives established under the Government Performance and Results Act of 1993 and other performance metrics or plans established in consultation with the Attorney General.

"(c) Any award in excess of 20 percent of an executive's rate of basic pay shall be approved by the Attorney General.

"(d) Notwithstanding section 5384(b)(3), the Attorney General shall determine the aggregate amount of performance awards available to be paid during any fiscal year under this section and section 5384 to career senior executives in the Immigration Affairs Agency. Such amount may not exceed an amount equal to 5 percent of the aggregate amount of basic pay paid to career senior executives in the Immigration Affairs Agency during the preceding fiscal year. The Immigration Affairs Agency shall not be included in the determination under section 5384(b)(3) of the aggregate amount of performance awards payable to career senior executives in the Department of the Justice other than the Immigration Affairs Agency.

"(e) Notwithstanding section 5307, a performance bonus award may not be paid to an executive in a calendar year if, or to the extent that, the executive's total annual compensation will exceed the maximum amount of total annual compensation payable at the rate determined under section 104 of title 3.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of title 5, United States Code, is amended by adding at the end the following new items:

"SUBPART J—IMMIGRATION AFFAIRS AGENCY PERSONNEL

"96. Personnel flexibilities relating to the Immigration Affairs Agency .... 9601.".

SEC. 202. VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) DEFINITION.—In this section, the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the Immigration Affairs Agency serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(1) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system;

(2) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in paragraph (1);

(3) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(4) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(5) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment;

(6) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(7) any employee who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the 12-month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code.

(b) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—The Associate Attorney General for Immigration Affairs may pay voluntary separation incentive payments under this section to any employee to the extent necessary to carry out the plan to reorganize the Immigration Affairs Agency under title I.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code; or

(ii) an amount determined by an agency head not to exceed $25,000;

(D) may not be made except in the case of any qualifying employee who voluntarily separates (whether by retirement or resignation) before January 1, 2003;

(E) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(F) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(c) ADDITIONAL IMMIGRATION AFFAIRS AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 of title 5, United States Code, the Immigration Affairs Agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) DEFINITION.—In paragraph (1), the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefore.

(d) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based, shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the Immigration Affairs Agency.

(e) USE OF VOLUNTARY SEPARATIONS.—The Immigration Affairs Agency may redeploy or use the full-time equivalent positions vacated by voluntary separations under this section to make other positions available to more critical locations or more critical occupations.

SEC. 203. BASIS FOR EVALUATION OF IMMIGRATION AFFAIRS AGENCY EMPLOYEES.

(a) FAIR AND EQUITABLE TREATMENT.—The Immigration Affairs Agency shall use the fair and equitable treatment of aliens by employees as one of the standards for evaluating employee performance.

(b) EFFECTIVE DATE.—This section shall apply to evaluations conducted on or after the date of the enactment of this Act.

SEC. 204. EMPLOYEE TRAINING PROGRAM.

(a) IN GENERAL.—Not later than 180 days after the effective date of this Act, the Director of the Service Bureau and the Director of the Enforcement Bureau, in consultation with the Associate Attorney General for Immigration Affairs, shall each implement an employee training program for the personnel of their respective bureaus and shall each submit an employee training plan to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives.

(b) CONTENTS.—The plan submitted under subsection (a) shall—

(1) detail a schedule for training and the fiscal years during which the training will occur;

(2) detail the funding of the program and relevant information to demonstrate the priority and commitment of resources to the plan;

(3) with respect to the Service Bureau, after consultation by the Associate Attorney General for Immigration Affairs with the Director of the Service Bureau, detail a comprehensive employee training program to ensure adequate customer service training;

(4) detail any joint training of both Service Bureau and Enforcement Bureau personnel in appropriate areas;

(5) review the organizational design of customer service; and

(6) provide for the implementation of a performance development system.

SEC. 205. EFFECTIVE DATE.

Except as otherwise provided in this title, this title, and the amendments made by this title, shall take effect 18 months after the date of enactment of this Act.

TITLE III—ADDITIONAL PROVISIONS

SEC. 301. EXPEDITED PROCESSING OF DOCUMENTS.

(a) 30-DAY PROCESSING OF "H-1B", "L", "O", OR "P-1" NONIMMIGRANTS.—Section 214(c)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(c)(1)) is amended by adding at the end the following: "The Attorney General shall provide a process for reviewing and acting upon petitions under this subsection with respect to nonimmigrants described in section 101(a)(15) (H)(i)(b), (L), (O), or (P)(i) within 30 day's after the date a completed petition has been filed.".

(b) 30-Day Processing of "R" Nonimmigrants.—Section 214(c) of the Immigration and Nationality Act (8 U.S.C. 1184(c)) is amended by adding at the end the following:

"(10) The Attorney General shall provide a process for reviewing and acting upon petitions under the subsection with respect to nonimmigrants described in section 101(a)(15)(R) within 30 days after the date a completed petition has been filed.".

(c) 60-Day Processing of Immigrants.—Section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) is amended by adding at the end the following:

"(j) The Attorney General shall provide a process for reviewing and acting upon petitions under this section within 60 days after the date a completed petition has been filed under this section.".

(d) 90-Day Processing of Adjustment of Status Applications.—Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended by adding at the end the following new subsection:

"(l) The Attorney General shall provide a process for reviewing and acting upon petitions under this subsection within 90 days after the date a completed petition has been filed.".

(e) 90-Day Processing of Immigrant Visa Applications.—Section 222 of the Immigration and Nationality Act (8 U.S.C. 1202) is amended by adding at the end the following new subsection:

"(h) The Secretary of State shall provide a process for reviewing and acting upon petitions under this section within 90 days after the date a completed application has been filed.".

(f) Reentry Permits.—Section 223 of the Immigration and Nationality Act (8 U.S.C. 1203) is amended by adding at the end the following new subsection:

"(f) Exception.—No permit shall be required for a permanent resident who is transferred abroad temporarily as a result of employment with a United States employer or its overseas parent, subsidiary, or affiliate.".

(g) Electronic Filing.—Not later than one year after the date of enactment of this Act, the Attorney General shall establish a demonstration project regarding the feasibility of electronic filing of petitions with respect to nonimmigrants described in section 101(a)(15) (H), (L), (O), (P)(i), or (R) of the Immigration and Nationality Act. The demonstration project shall utilize a representative number of employers who seek to employ those nonimmigrants. The demonstration project shall make provision for payment by the employer of related fees through the establishment of an account with the Immigration and Naturalization Service or through a credit card. Within 2 years of the date of enactment of this Act, the Attorney General shall consider the feasibility of offering electronic filing to all petitioners.".

(h) Report.—Section 214(c)(8) of the Immigration and Nationality Act (8 U.S.C. 1184(c)(8)) is amended by adding at the end the following new subparagraph:

"(F) The average processing time of each such type of petition shall be reported annually and quarterly.".

(i) Effective Date.—The amendments made by this section shall take effect 6 months after the effective date of Title I.

SEC. 302. FUNDING ADJUDICATION AND NATURALIZATION SERVICES.

Section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) is amended—

(1) by striking ": *Provided further*," and all that follows through "immigrants." and inserting the following: "Each fee collected for the provision of an adjudication or naturalization service may be used only to fund adjudication or naturalization services or the costs of similar services provided without charge to asylum or refugee applicants."; and

(2) by adding at the end the following new sentences: "Nothing in this subsection shall be construed to modify the conditions specified in section 286(s) for the expenditure of the proceeds for the fee authorized under section 214(c)(9). There are authorized to be appropriated such sums as may be necessary to carry out the provisions of section 207 through 209 of this Act.".

SEC. 303. INCREASE IN BORDER PATROL AGENTS AND SUPPORT PERSONNEL.

Section 101(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 is amended by striking "and 2001" and inserting "2001, 2002, 2003, and 2004".

By Mr. SARBANES (for himself, Mr. Edwards, Mr. Bayh, and Mr. Kerry):

S. 1565. A bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

AMERICA'S PRIVATE INVESTMENT COMPANIES (APIC)

• Mr. SARBANES. Mr. President, I am pleased to introduce today legislation to establish "America's Private Investment Companies," or APIC. This legislation is part of President Clinton's "New Markets Initiative," which I am also pleased to be able to support.

The New Markets Initiative, of which APIC is a crucial element, is an important response to economic problems that persist in many neighborhoods and communities in our urban and rural areas. These communities have been bypassed by the increased investment, job growth, and income increases that have characterized this unprecedented period of economic expansion. Indeed, the areas that would benefit from the New Markets Initiative are experiencing increased poverty levels, increased isolation, and ongoing joblessness and decay.

Yet, research increasingly shows that most of these areas represent good economic opportunities for American business. Michael Porter, a renowned business analyst who has written widely on competitiveness at both the firm and national levels, has written that a

> . . . major advantage of the inner city as a business location is a large, underserved local market. . . . In fact, inner cities are the largest underserved market in America, with many tens of billions of dollars of unmet consumer and business demand.

Another group called Social Compact has done intensive studies of buying power in a number of communities around the country. These studies confirm Porter's earlier work. Social Compact estimated retail spending power in two communities in Chicago. Residents in the first community have median incomes of over $67,000 million whereas the median income in the second community is under $30,000. Yet, on a per acre basis, the lower income community has more than twice the spending power of the wealthier area.

Moreover, as labor markets grow tighter and tighter, inner cities have the advantage of an "available, loyal workforce," to again quote Mr. Porter.

However, we need a catalyst to encourage business to take advantage of these opportunities. The APIC program provides that push. This bill gives the Department of Housing and Urban Development (HUD), together with the Small Business Administration (SBA), authority to provide low-cost loans on a matching basis to specially constituted investment companies, called APICs, that raise private equity capital for investment in businesses in low-income areas.

Individual APICs will operate in a manner similar to Small Business Investment Companies (SBICs), a very successful program that helps fund start up small business. APIC will target its investment funds to larger businesses that locate in these underserved areas, with particular emphasis on those businesses that create good jobs in those neighborhoods.

The APIC program is essentially a private-sector venture in partnership with the public sector. The managers of the individual APICs will make the investment decisions according to the program goals and criteria. They will have their money, and the money of their investors, at risk, making the government's loan much more secure.

This program requires a very small federal investment—just $36 million in credit subsidy—to create an estimated $1 billion in debt financing available. This debt will, in turn, generate $500 million in private equity per year, or $7.5 billion over the next five years. APICs would use these funds, for example, to help a business establish a new back-office facility, factory, or distribution plant in a low income area. APICs could invest in the development of multi-tenant shopping centers, or in industrial parks. Combined with the New Market Tax Credit being introduced by my colleagues Senator Rockefeller and Senator Robb, APIC will help create important new economic opportunities in parts of America that have not yet been touched by the economic prosperity most of us enjoy.

Mr. President, I ask that letters of support be printed in the Record.

The letters follow:

New York City Investment Fund,
August 2, 1999.

Senator Paul Sarbanes,
U.S. Senate,
Washington, DC.

Dear Senator Sarbanes: We are writing in support of a new initiative proposed by the Department of Housing and Urban Development and the Small Business Administration, known as America's Private Investment Companies Bill. We have provided input into the proposed legislation and believe that this bill could leverage significant new private capital for investment in communities that are not fully participating in our otherwise thriving national economy.

We established the New York City Investment Fund in 1996 to stimulate business development and job-generating activities across the five boroughs, with a particular emphasis on low and moderate-income communities. Our investors include many of the city's leading financial institutions, corporations and business leaders, each of whom put up $1 million and committed the resources of their organization to support our work. With $80 million under management, the Fund has already invested some $20 million in projects that will generate more than 4,000 new jobs. Most important, we have mobilized the city's business and financial leadership to become personally involved with our portfolio projects, providing business expertise and strategic alliances that are essential for bringing disadvantaged communities into the economic mainstream.

Based on our experience, we can confirm that there is a severe shortage of equity and debt financing for largescale projects in low-income areas. Issues associated with site assemblage, brownfields remediation, high construction costs in urban centers, and low property appraisals in the inner city all contribute to the need for federal incentives to stimulate investment in job-generating development projects targeted to these areas. At the same time, many existing businesses operating in these areas cannot attract conventional financing to modernize or expand. We have seen a number of opportunities where our Fund's resources could have been useful, but only if we could leverage additional risk capital from other sources. The APIC program would be a unique source of capital and partial loan guarantees that our Fund could definitely put to work in the inner city communities of New York for new development and retention/expansion of businesses that may otherwise disappear.

We urge you to move this bill forward, in conjunction with the proposed New Markets Tax Credit proposal, and express our willingness to work with the federal government to carry out the mission of APIC once it is enacted.

Sincerely,

HENRY R. KRAVIS.
KATHRYN WYLDE.

LOCAL INITIATIVES
SUPPORT CORPORATION,
July 30, 1999,

Hon. PAUL SARBANES,
U.S. Senate, Senate Committee on Banking and Financial Services, Washington, DC.

DEAR SENATOR SARBANES: Local Initiatives Support Corporation strongly supports the proposed America's Private Investment Companies (APICs) legislation and urges you to make its enactment a priority. We believe that APICs, along with their companion New Markets Tax Credits, offer the most exciting opportunity in a generation for the economic development of low-income urban and rural communities.

LISC is the nation's largest nonprofit resource for low-income community development. In almost 20 years, LISC has raised over $3 billion from the private sector to invest in low-income urban and rural areas through nonprofit community development corporations (CDCs). Last year alone, LISC provided over $600 million through 41 local programs and a national rural initiative.

Each year more distressed communities are becoming ripe for economic development. For example, LISC is involved in 20 major retail projects, at a total cost of $250 million, in some of the toughest neighborhoods in America. Smart business leaders are beginning to discover that these untapped markets offer profitable opportunities. The expanding economy is one reason. More important, though, have been the many years of painstaking work rebuilding housing, removing blight, reducing crime, and restoring confidence.

We know from experience that this progress does not come easily. Assembling land and constructing a modern business facility are costly and time consuming, and arranging the financing is difficult. But the payoff for communities and the nation—in jobs, income, reinvestment, services, and social stability—is well worth it.

That's why APICs are the right idea at the right time. They would help experienced community developers to mobilize private capital to seize economic development activities. These new instruments reflect what works—markets discipline, private risk taking and decision making, and genuine partnership among communities, business leaders, and government. APICs would have to raise at least one dollar of private equity investment to attract two dollars of federally guaranteed loans. Moreover, the private investors would have to lose their entire stake before any federally guarantee can be called. This structure will generate prudent underwriting without excessive government interference. The APICs structure permits a modest $37 million in credit subsidies to generate $1.5 billion in economic development—a remarkably cost-effective federal investment.

I hope you will enthusiastically support APICs and the New Markets Tax Credits. We would be pleased to work with you on this exciting agenda.

Sincerely,

MICHAEL RUBINGER,
President and Chief Executive Officer.●

By Mr. ALLARD:

S.J. Res. 31. A joint resolution proposing an amendment to the Constitution of the United States granting the President the authority to exercise an item veto of individual appropriations in an appropriations bill; to the Committee on the Judiciary.

THE LINE-ITEM VETO CONSTITUTIONAL AMENDMENT

● Mr. ALLARD. Mr. President, the federal budget is prominent right now as we discuss the spending policies that will guide Congress through the coming fiscal years. In the midst of these discussions, I would like to bring up an important issue that many members have supported in the past. I am here today to introduce a line-item veto constitutional amendment.

Prior to my election to the Senate I served in the House of Representatives. In that body I introduced a constitutional line-item veto on several occasions. This was motivated by my view that the greatest threat to our economy was deficit spending which is still adding to the accumulated $5.6 trillion national debt. As a Member of the Senate, I introduced this legislation again in 1997. This occurred just after a Federal district court declared the enacted statutory line-item veto, or more accurately, enhanced rescission authority, to be unconstitutional.

In 1996, Congress gave the President what is generally referred to as expanded rescission authority when it passed the Line Item Veto Act. All Presidents, beginning with George Washington, had impoundment authority similar to what the Line Item Veto Act intended until Congress limited rescission authority in 1974 under the Impoundment Control Act.

Ultimately the Supreme Court upheld the district court ruling in *Clinton* v. *City of New York*, where the Line Item Veto Act was ruled unconstitutional on grounds that it violates the presentment clause. Now a presidential line-item veto can only be provided by amending the Constitution, and that is what I seek to do with this legislation.

Governors in 43 states have some type of line item veto. This is consistent with the approach taken in most state constitutions of providing a greater level of detail concerning the budget process than is contained in the U.S. Constitution. In my view, the line item veto has been an important factor in the more responsible budgeting that occurs at the state level.

Colorado gives line item veto authority to the governor, and that power, along with a balanced budget requirement in the state constitution, has worked well and insured that Colorado has been governed in a fiscally responsible manner regardless of who served in the legislature or in the governor's office.

I believe it is time that we take the approach of the states. In order to do this we must enact a Constitutional Amendment. Under article I, section 7 of the Constitution, the President's veto authority has been interpreted to mean that he must sign or veto an entire piece of legislation.

The Constitution reads: "Every Bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a Law, be presented to the President of the United States; If he approve he shall sign it, but if not he shall return it, with his Objections to that House in which it shall have originated, * * *" this section then proceeds to outline the procedures by which Congress may override this veto with a two-thirds vote of both houses.

The amendment that I am introducing today amends this language as it pertains to appropriations bills. It specifically provides that the President shall have the power to disapprove any appropriation of an appropriations bill at the time the President approves the bill.

This change will make explicit that the President is no longer confined to either vetoing or signing an entire bill, but that he may choose to single out certain appropriations for veto and still sign a portion of the bill.

A constitutional amendment ensuring that the President has line-item veto authority over congressional spending bills is an important tool in our continuing efforts to restore fiscal responsibility to the Federal government.

Mr. President, I look forward to further discussion on this important issue. We must seriously consider a constitutional amendment to allow the line item veto, and I hope that my colleagues will support this amendment or similar language in the Senate.●

ADDITIONAL COSPONSORS

S. 35

At the request of Mr. GRASSLEY, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 35, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for the long-term care insurance costs of all individuals who are not eligible to participate in employer-subsidized long-term care health plans.

S. 72

At the request of Ms. SNOWE, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 72, a bill to amend title 38, United States Code, to restore the eligibility of veterans for benefits resulting from injury or disease attributable to the use of tobacco products during a period of military service, and for other purposes.

S. 88

At the request of Mr. BUNNING, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 88, a bill to amend title XIX of the Social Security Act to exempt disabled individuals from being required to enroll with a managed care entity under the medicaid program.

S. 201

At the request of Mr. DODD, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 201, a bill to amend the Family and Medical Leave Act of 1993 to apply the Act to a greater percentage of the United States workforce, and for other purposes.

S. 309

At the request of Mr. MCCAIN, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 309, a bill to amend the Internal Revenue Code of 1986 to provide that a member of the uniformed services shall be treated as using a principal residence while away from home on qualified official extended duty in determining the exclusion of gain from the sale of such residence.

S. 391

At the request of Mr. KERREY, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 391, a bill to provide for payments to children's hospitals that operate graduate medical education programs.

S. 469

At the request of Mr. BREAUX, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 469, a bill to encourage the timely development of a more cost effective United States commercial space transportation industry, and for other purposes.

S. 472

At the request of Mr. GRASSLEY, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 472, a bill to amend title XVIII of the Social Security Act to provide certain medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy services under part B of the medicare program, and for other purposes.

S. 484

At the request of Mr. CAMPBELL, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present, if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 512

At the request of Mr. GORTON, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 512, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the Department of Health and Human Services with respect to research on autism.

S. 619

At the request of Mr. WELLSTONE, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 619, a bill to provide for a community development venture capital program.

S. 635

At the request of Mr. MACK, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 635, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment.

S. 662

At the request of Mr. CHAFEE, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 662, a bill to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program.

S. 664

At the request of Mr. CHAFEE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 664, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 693

At the request of Mr. HELMS, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 693, a bill to assist in the enhancement of the security of Taiwan, and for other purposes.

S. 709

At the request of Mr. DASCHLE, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. 709, a bill to amend the Housing and Community Development Act of 1974 to establish and sustain viable rural and remote communities, and to provide affordable housing and community development assistance to rural areas with excessively high rates of outmigration and low per capita income levels.

S. 758

At the request of Mr. ASHCROFT, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 758, a bill to establish legal standards and procedures for the fair, prompt, inexpensive, and efficient resolution of personal injury claims arising out of asbestos exposure, and for other purposes.

S. 764

At the request of Mr. THURMOND, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 764, a bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes.

S. 805

At the request of Mr. DURBIN, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 820

At the request of Mr. CHAFEE, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 820, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 867

At the request of Mr. ROTH, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 867, a bill to designate a portion of the Arctic National Wildlife Refuge as wilderness.

S. 880

At the request of Mr. BUNNING, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 880, a bill to amend the Clean Air Act to remove flammable fuels from the list of substances with respect to which reporting and other activities are required under the risk management plan program

S. 894

At the request of Mr. CLELAND, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 894, a bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes.

S. 895

At the request of Mr. LIEBERMAN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 895, a bill to provide for the establishment of Individual Development Accounts (IDAs) that will allow individuals and families with limited means an opportunity to accumulate assets, to access education, to own their own homes and businesses, and ultimately to achieve economic self-sufficiency, and for other purposes.

S. 1016

At the request of Mr. DEWINE, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1016, a bill to provide collective bargaining for rights for public safety officers employed by States or their political subdivisions.

S. 1036

At the request of Mr. KOHL, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 1036, a bill to amend parts A and D of title IV of the Social Security Act to give States the option to pass through directly to a family receiving assistance under the temporary assistance to needy families program all child support collected by the State and the option to disregard any child support that the family receives in determining a family's eligibility for, or amount of, assistance under that program.

S. 1043

At the request of Mr. MCCAIN, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1043, a bill to provide freedom from regulation by the Federal Communications Commission for the Internet.

S. 1070

At the request of Mr. BOND, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 1070, a bill to require the Secretary of Labor to wait for completion of a National Academy of Sciences study before promulgating a standard, regulation or guideline on ergonomics.

S. 1139

At the request of Mr. REID, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1139, a bill to amend title 49, United States Code, relating to civil penalties for unruly passengers of air carriers and to provide for the protection of employees providing air safety information, and for other purposes.

S. 1214

At the request of Mr. THOMPSON, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1214, a bill to ensure the liberties of the people by promoting federalism, to protect the reserved powers of the States, to impose accountability for Federal preemption of State and local laws, and for other purposes.

At the request of Mr. THOMPSON, the name of the Senator from Oklahoma (Mr. INHOFE) was withdrawn as a cosponsor of S. 1214, supra.

S. 1269

At the request of Mr. MCCONNELL, the names of the Senator from Alabama (Mr. SESSIONS) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1269, a bill to provide that the Federal Government and States shall be subject to the same procedures and substantive laws that would apply to persons on whose behalf certain civil actions may be brought, and for other purposes.

S. 1272

At the request of Mr. NICKLES, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 1272, a bill to amend the Controlled Substances Act to promote pain management and palliative care without permitting assisted suicide and euthanasia, and for other purposes.

S. 1277

At the request of Mr. GRASSLEY, the names of the Senator from Nevada (Mr. REID) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

S. 1293

At the request of Mr. COCHRAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1293, a bill to establish a Congressional Recognition for Excellence in Arts Education Board.

S. 1300

At the request of Mr. HARKIN, the names of the Senator from Nevada (Mr. REID) the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of S. 1300, a bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to prevent the wearing away of an employee's accrued benefit under a defined plan by the adoption of a plan amendment reducing future accruals under the plan.

S. 1334

At the request of Mr. AKAKA, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1334, a bill to amend chapter 63 of title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes.

S. 1358

At the request of Mr. JEFFORDS, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 1358, a bill to amend title XVIII of the Social Security Act to provide more equitable payments to home health agencies under the medicare program.

S. 1369

At the request of Mr. JEFFORDS, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1369, a bill to enhance the benefits of the national electric system by encouraging and supporting State programs for renewable energy sources, universal electric service, affordable electric service, and energy conservation and efficiency, and for other purposes.

S. 1438

At the request of Mr. CAMPBELL, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1438, a bill to establish the National Law Enforcement Museum on Federal land in the District of Columbia.

S. 1462

At the request of Mr. JEFFORDS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1462, a bill to amend the Federal Food, Drug, and Cosmetic Act to permit importation in personal baggage and through mail order of certain covered products for personal use from Canada, and for other purposes.

S. 1488

At the request of Mr. GORTON, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1488, a bill to amend the Public Health Service Act to provide for recommendations of the Secretary of Health and Human Services regarding the placement of automatic external defibrillators in Federal buildings in order to improve survival rates of individuals who experience cardiac arrest in such buildings, and to establish protections from civil liability arising from the emergency use of the devices.

SENATE CONCURRENT RESOLUTION 9

At the request of Ms. SNOWE, the names of the Senator from California (Mrs. FEINSTEIN) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

SENATE CONCURRENT RESOLUTION 49

At the request of Mr. VOINOVICH, the names of the Senator from Kentucky (Mr. BUNNING) and the Senator from Ohio (Mr. DEWINE) were added as cosponsors of Senate Concurrent Resolution 49, a concurrent resolution expressing the sense of Congress regarding the importance of "family friendly" programming on television.

SENATE RESOLUTION 128

At the request of Mr. COCHRAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of Senate Resolution 128, a resolution designating March 2000, as "Arts Education Month."

AMENDMENT NO. 1489

At the request of Mr. ENZI the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of amendment No. 1489 intended to be proposed to H.R. 2466, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

AMENDMENT NO. 1548

At the request of Mr. SMITH the names of the Senator from Oregon (Mr. WYDEN), the Senator from Wisconsin (Mr. KOHL), the Senator from Massachusetts (Mr. KERRY), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mrs. MURRAY), and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of amendment No. 1548 proposed to S. 1233, an original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes.

SENATE CONCURRENT RESOLUTION 51—PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE AND A CONDITIONAL ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES

Mr. LOTT submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 51

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, August 5, 1999, Friday, August 6, 1999, or Saturday, August 7, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stands recessed or adjourned until noon on Wednesday, September 8, 1999, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, August 5, 1999, Friday, August 6, 1999, or Saturday, August 7, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stands adjourned until 10:00 a.m. on Wednesday, September 8, 1999, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

SENATE CONCURRENT RESOLUTION 52—EXPRESSING THE SENSE OF CONGRESS IN OPPOSITION TO A "BIT TAX" ON INTERNET DATA PROPOSED IN THE HUMAN DEVELOPMENT REPORT 1999 PUBLISHED BY THE UNITED NATIONS DEVELOPMENT PROGRAMME

Mr. ASHCROFT submitted the following resolution; which was referred to the Committee on Armed Services:

S. CON. RES. 52

Whereas the Internet has become a highly valued tool for millions of people in the United States and promises to be an integral component of international commerce communications;

Whereas the Internet has spurred entirely new industries dominated by the United States and has become critical to the continued growth of our economy;

Whereas emerging telecommunications technologies promise to extend the benefits of the Internet to a growing percentage of the world population;

Whereas the Internet should remain tax-free;

Whereas any global tax collected by the United Nations would present a threat to the sovereignty of the United States and would violate the United States Constitution;

Whereas Americans are by far the greatest users of the Internet and would thus be disproportionately affected by any global Internet tax;

Whereas the most effective and just way to spread technology and wealth is through the operation of a free market;

Whereas the rapidly increasing sophistication and decreasing cost of telecommunications and computing products and services should not be disturbed; and

Whereas the United Nations Development Programme's Human Development Report 1999 proposed that a so-called "bit tax" be levied on all data sent through the Internet: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress urges the Administration to protect the sovereignty of the United States by aggressively opposing the global "bit tax" proposed in the Human Development Report 1999 published by the United Nations Development Programme.

Mr. ASHCROFT. Mr. President. I stand before this body today to strongly oppose any attempt made by the United Nations to tax the American people. In its recently released Human Development Report, a proposal was included that would impose a one cent tax on Internet e-mail. This proposed tax would violate every virtue of the American people. The United States should not be subjected to an internationally levied tax.

The United States was founded on the principle of "no taxation without representation." John Locke said, "If any one shall claim a power to lay and levy taxes on the people, . . . without . . . consent of the people, he thereby . . . subverts the end of government." Consent, according to Locke, could only be given by a majority of the people, "either by themselves or their representatives chosen by them." Among the first powers that the Constitution gave to the Congress, the government's most representative branch, was the power to tax. And, notably, bills to raise revenue must originate in the House of Representatives. The United Nations does not hold the power, authority or right to levy taxes on the American people. This tax would be in direct violation of American sovereignty.

There are currently 150 million Internet users in the world, 80 percent reside in the United States. Therefore, the United States would bear the biggest burden of this proposed tax. The American people are already overtaxed by the U.S. government, without being subjected to a tax imposed by the United Nations. By 2001, this number is expected to grow to approximately 700 million. If imposed, this tax would raise an estimated $70 billion in tax revenue annually, in addition to the United States' share of the UN's regular budget of $298 million. Mr. President, I firmly believe the Internet should be allowed to progress without government involvement or taxation. Instead of trying to tax the Internet we should be taking every action necessary to encourage its development.

Mr. President, the American people are constantly burdened by the affects of local, state, and federal taxes. Last week alone, we historically voted to give the American people a reprieve, cutting taxes by $792 billion. The American people do not deserve this unfair and unjust tax. The Internet and e-mail are possibly the greatest inventions of modern technological history. They have revolutionized communication and have changed modern society. This proposed tax by the United Nations, or any other tax suggested by the UN—or any other international organization—should be aggressively opposed by the U.S. government.

SENATE CONCURRENT RESOLUTION 53—CONCURRENT RESOLUTION CONDEMNING ALL PREJUDICE AGAINST INDIVIDUALS OF ASIAN AND PACIFIC ISLAND ANCESTRY IN THE UNITED STATES AND SUPPORTING POLITICAL AND CIVIC PARTICIPATION BY SUCH INDIVIDUALS THROUGHOUT THE UNITED STATES

Mrs. FEINSTEIN (for herself, Ms. Mikulski, Mrs. Boxer, Mr. Akaka, Mr. Bingaman, and Mr. Sarbanes) submitted the following concurrent resolution; which was referred the Committee on the Judiciary:

S. Con. Res. 53

Whereas the belief that all persons have the right to life, liberty, and the pursuit of happiness is a truth that individuals in the United States hold as self-evident;

Whereas all individuals in the United States are entitled to the equal protection of law;

Whereas individuals of Asian and Pacific Island ancestry have made profound contributions to life in the United States, including the arts, the economy, education, the sciences, technology, politics, and sports, among other areas;

Whereas individuals of Asian and Pacific Island ancestry have demonstrated their patriotism by honorably serving to defend the United States in times of armed conflict, from the Civil War to the present;

Whereas due to recent allegations of espionage and illegal campaign financing, the loyalty and probity of individuals of Asian and Pacific Island ancestry in the United States have been questioned;

Whereas individuals of Asian and Pacific Island ancestry have suffered unfounded and demagogic accusations of disloyalty throughout the history of the United States; and

Whereas individuals of Asian and Pacific Island ancestry have been subjected to discriminatory laws, including the former Act of May 6, 1882 (22 Stat. 58, chapter 126) (often referred to as the 'Chinese Exclusion Act') and a 1913 California law relating to alien-owned land, and by discriminatory actions, including internment of patriotic and loyal individuals of Japanese ancestry during the Second World War, the repatriation of Filipino immigrants, and the prohibition of individuals of Asian and Pacific Island ancestry from owning property, voting, testifying in court, or attending school with other people in the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) Congress condemns all prejudice against individuals of Asian and Pacific Island ancestry in the United States and publicly supports the participation of the individuals in the political, public, and civic affairs of the United States; and

(2) it is the sense of Congress that—

(A) no Member of Congress or any other individual in the United States should stereotype or generalize the actions of an individual to an entire group of people;

(B) individuals of Asian and Pacific Island ancestry in the United States are entitled to all rights and privileges afforded to all individuals in the United States; and

(C) the Attorney General, the Secretary of Energy, and the Commissioner of the Equal Employment Opportunity Commission should, within their respective jurisdictions, investigate all allegations of discrimination in public or private workplaces and vigorously enforce the security of the national laboratories of the United States, without discriminating against individuals of Asian and Pacific Island ancestry.

• Mrs. FEINSTEIN. Mr. President, today I am pleased to be joined by Senators Boxer, Mikulski, Akaka, Bingaman, and Sarbanes in submitting a resolution to condemn all prejudice against individuals of Asian and Pacific Island ancestry in the United States, and to support the full participation by such individuals in the political and civic affairs of the United States.

Given some of the recent reactions and media coverage of the Cox committee report and campaign finance allegations, this resolution expresses the sense of Congress that no individual or institution of the United States should stereotype an entire group of people and that all individuals in the United States, including people of Asian and Pacific Island ancestry, are entitled to the same rights and privileges.

Indeed, over the past several months I have grown increasingly disturbed by some of the reactions and media coverage of the allegations of espionage at our national labs and illegal campaign financing that have called into question the loyalty of Americans of Asian and Pacific Island descent.

Clearly, any individuals who are suspected of engaging in illegal or unethical conduct, regardless of their ancestry or heritage, should be investigated.

However, the entire Asian and Pacific Island community should not be stereotyped or impugned as a result of the alleged actions of a few.

Throughout the history of the United States, Americans of Asian and Pacific Island ancestry have suffered from unfounded and demagogic accusations of disloyalty. Americans of Asian and Pacific Island descent have been subjected to discriminatory laws, such as the 1882 Chinese Exclusionary Act and a 1913 California law relating to alien-owned land.

They have also been subjected to discriminatory actions, including the internment of patriotic and loyal Japanese Americans during World War II, the repatriation of Filipino immigrants, and the prohibition of individuals from owning property, voting, testifying in court or attending school with other people in the United States.

In light of this history, I am appalled that in recent months some have resorted to negative stereotypes to question the integrity of an entire community.

In an impassioned letter, one of my constituents expressed, "As a Chinese American . . . I ask no more than what is due to every citizen of this country, namely, to be treated with respect and dignity. I resent those who would question the loyalty of Chinese Americans any time a particular Chinese American is suspected of an egregious act. In their haste to decry the alleged espionage by an individual, not only are these public officials and said media guilty of a rush to judgment but of tarring with a broad brush other American citizens who are guilty of nothing else other than having the same ethnicity of the suspect."

Another one of my constituents wrote, "It appears that China has become Washington D.C.'s latest scapegoat. The accusations coming out of Washington severely damage what could be an excellent relationship and are dangerously close to spilling over in this country to an anti-Chinese and anti-Asian bias against solid U.S. citizens."

These comments should not be taken lightly. All Americans should be highly offended by the negative stereotypes and media coverage of members of our community who have made profound contributions to our nation. Americans of Asian and Pacific Island descent have made great contributions to the arts, the economy, the sciences, politics, sports, and technology, among other areas. They have honorably defended the United States in times of armed conflict, from the Civil War to the present. By virtue of their membership in American society, they have just as much stake in this country as an American from any other ethnic background, and should not be held to a different standard.

I hope my colleagues will support this resolution and join us in taking a firm stand against discrimination and prejudice against individuals of Asian and Pacific Island ancestry in the United States.•

SENATE CONCURRENT RESOLUTION 54—EXPRESSING THE SENSE OF CONGRESS THAT THE AUSCHWITZ-BIRKENAU STATE MUSEUM IN POLAND SHOULD RELEASE SEVEN PAINTINGS BY AUSCHWITZ SURVIVOR DINA BABBITT MADE WHILE SHE WAS IMPRISONED THERE, AND THAT THE GOVERNMENTS OF THE UNITED STATES AND POLAND SHOULD FACILITATE THE RETURN OF DINA BABBIT'S ARTWORK TO HER

Mrs. BOXER (for herself and Mr. Helms): submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. Con. Res. 54

Whereas Dina Babbitt (formerly known as Dinah Gottliebova), a United States citizen now 76 years old, has requested the return of watercolor portraits she painted while suffering a year and a half long internment at the Auschwitz death camp;

Whereas Dina Babbitt was ordered to paint the portraits by the infamous war criminal Dr. Josef Mengele;

Whereas Dina Babbitt's life, and her mother's life, were spared only because she painted portraits of doomed inmates of Auschwitz-Birkenau, under orders from Dr. Josef Mengele;

Whereas Dina Babbitt is unquestionably the rightful owner of the artwork, since it was produced by her own talented hands as she survived the unspeakable conditions that prevailed at the Auschwitz death camp;

Whereas only 22 of the 3,800 Czech Jews scheduled for death at Auschwitz in March of 1944 survived the Auschwitz ordeal, and among those who were murdered were relatives of Dina Babbitt;

Whereas to continue to deny Dina Babbitt the property that is rightfully hers adds to the pain and suffering she has experienced because of the Auschwitz ordeal;

Whereas the artwork is not available to public view at the Auschwitz-Birkenau state museum and therefore this unique and important body of work is essentially lost to history; and

Whereas this continued injustice can be righted through cooperation between agencies of the United States and Poland: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) recognizes the moral right of Dina Babbitt to obtain the artwork she created, and recognizes her courage in the face of the evils perpetrated by the Nazi command of the Auschwitz-Birkenau death camp, including the atrocities committed by Dr. Josef Mengele;

(2) urges the President to make all efforts necessary to retrieve the seven watercolor portraits Dina Babbitt painted, while suffering a year and a half long internment at the Auschwitz death camp, and return them to her;

(3) urges the State Department to make immediate diplomatic efforts to facilitate the transfer of the seven original watercolors painted by Dina Babbitt from the Auschwitz-Birkenau state museum to Dina Babbitt, the rightful owner;

(4) urges the Government of Poland to immediately facilitate the return of the artwork painted by Dina Babbitt from the Auschwitz-Birkenau state museum to Dina Babbitt; and

(5) urges the officials of the Auschwitz-Birkenau state museum to transfer the seven original paintings to Dina Babbitt as expeditiously as possible.

SENATE RESOLUTION 175—EXPRESSING THE SENSE OF THE SENATE REGARDING UNITED STATES POLICY TOWARD THE NORTH ATLANTIC TREATY ORGANIZATION, IN LIGHT OF THE ALLIANCE'S APRIL 1999 WASHINGTON SUMMIT AND THE CONFLICT IN KOSOVO

Mr. ROTH (for himself and Mr. LUGAR) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 175

Whereas NATO, the only military alliance with both real defense capabilities and a transatlantic membership, has successfully defended the territory and interests of its members over the last 50 years, prevailed in the Cold War, and continues to make a vital contribution to the promotion and protection of freedom, democracy, stability, and peace throughout Europe;

Whereas NATO enhances the security of the United States by embedding European states in a process of cooperative security planning, by preventing the destabilizing renationalization of European military policies, and by ensuring an ongoing and direct leadership role for the United States in European security affairs;

Whereas the March 12, 1999, accession of Poland, the Czech Republic, and Hungary to NATO has strengthened the Alliance, and is an important step toward a Europe that is truly whole, undivided, free, and at peace;

Whereas extending NATO membership to other qualified European democracies will also strengthen NATO, enhance security and stability, deter potential aggressors, and thereby advance the interests of the United States and its NATO allies;

Whereas the enlargement of NATO, a defensive alliance, threatens no nation and reinforces peace and stability in Europe, and provides benefits to all nations;

Whereas article 10 of the North Atlantic Treaty states that "any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area" is eligible to be granted NATO membership;

Whereas Congress has repeatedly endorsed the enlargement of NATO with bipartisan majorities;

Whereas the selection of new members should depend on NATO's strategic interests, potential threats to security and stability, and actions taken by prospective members to complete the transition to democracy and to harmonize policies with the political, economic, and military guidelines established by the 1995 NATO Study on Enlargement;

Whereas the members of NATO face new threats, including conflict in Europe stemming from historic, ethnic, and religious enmities, the potential for the reemergence of a hegemonic power confronting Europe, rogue states and nonstate actors possessing weapons of mass destruction, and threats to the wider interests of the NATO members (including the disruption of the flow of vital resources);

Whereas NATO military force structure, defense planning, command structures, and force goals must be sufficient for the collective self-defense of its members, but also capable of projecting power when the security of a NATO member is threatened, and provide a basis for ad hoc coalitions of willing partners among NATO members;

Whereas this will require that NATO members possess national military capabilities to rapidly deploy forces over long distances, sustain operations for extended periods of time, and operate jointly with the United States in high-intensity conflicts;

Whereas NATO's military operations against the Federal Republic of Yugoslavia (Serbia and Montenegro) in 1999 highlighted the glaring short-comings of European allies in command, control, communication, and intelligence resources; combat aircraft; and munitions, particularly precision-guided munitions; and the overall imbalance between United States and European defense capabilities;

Whereas this imbalance in United States and European defense capabilities undercuts the Alliance's goal of equitable transatlantic burden-sharing;

Whereas NATO is the only institution that promotes a uniquely transatlantic perspective and approach to issues concerning the interests and security of North America and Europe;

Whereas NATO has undertaken great effort to facilitate the emergence of a European Security and Defense Identity within the Alliance, including the identification of NATO's Deputy Supreme Allied Commander as the commander of operations led by the Western European Union (WEU); the creation of a NATO Headquarters for WEU-led operations; the establishment of close linkages between NATO and the WEU, including planning, exercises, and regular consultations; and a framework for the release and return of Alliance assets and capabilities;

Whereas on June 3, 1999, the European Union, in the course of its Cologne Summit, agreed to absorb the functions and structures of the Western European Union, including its command structures and military forces, and established within it the post of High Representative for Common Foreign and Security Policy;

Whereas the member States of the European Union at the Cologne Summit pledged to reinforce their capabilities in intelligence, strategic transport, and command and control; and

Whereas the European Union's decisions at its June 3, 1999 Cologne summit indicate a new determination of European states to develop a European Security and Defense Identity featuring strengthened defense capabilities to address regional conflicts and crisis management: Now, therefore, be it

Resolved,

SECTION 1. UNITED STATES POLICY TOWARD NATO.

(a) SENSE OF THE SENATE.—The Senate—

(1) regards the political independence and territorial integrity of the emerging democracies in Central and Eastern Europe as vital to European peace and security and, thus, to the interests of the United States;

(2) endorses the commitment of the North Atlantic Council that NATO will remain open to the accession of further members in accordance with Article 10 of the North Atlantic Treaty;

(3) endorses the Alliance's decision to implement the Membership Action Plan as a means to further enhance the readiness of those European democracies seeking NATO membership to bear the responsibilities and burdens of membership;

(4) believes all NATO members should commit to improving their respective defense capabilities so that NATO can project power decisively within and outside NATO borders in a manner that achieves transatlantic parity in power projection capabilities and facilitates equitable burdensharing among NATO members; and

(5) endorses NATO's decision to launch the Defense Capabilities Initiative, intended to improve the defense capabilities of the European Allies, particularly the deployability, mobility, sustainability, and interoperability of these European forces.

(b) FURTHER SENSE OF THE SENATE.—It is further the sense of the Senate that—

(1) the North Atlantic Council should pace, not pause, the process of NATO enlargement by extending an invitation of membership to those states able to meet the guidelines established by the 1995 NATO Study on Enlargement and should do so on a country-by-country basis;

(2) the North Atlantic Council in the course of its December 1999 Ministerial meeting should initiate a formal review of all pending applications for NATO membership in order to establish the degree to which such applications conform to the guidelines for membership established by the 1995 NATO Study on Enlargement;

(3) the results of this formal review should be presented to the membership of the North

Atlantic Council in May 2000 with recommendations concerning enlargement;

(4) NATO should assess potential applicants for NATO membership on a continual basis;

(5) the President, the Secretary of State, and the Secretary of Defense should fully use their offices to encourage the NATO allies of the United States to commit the resources necessary to upgrade their capabilities to rapidly deploy forces over long distances, sustain operations for extended periods of time, and operate jointly with the United States in high-intensity conflicts, thus making them effective partners of the United States in supporting mutual interests;

(6) improved European military capabilities, not new institutions, are the key to a vibrant and more influential European Security and Defense Identity within NATO;

(7) NATO should be the primary institution through which European and North American allies address security issues of transatlantic concern;

(8) the European Union must implement its Cologne Summit decisions concerning its Common Foreign and Security Policy in a manner that will ensure that non-WEU NATO allies, including Canada, the Czech Republic, Denmark, Hungary, Iceland, Norway, Poland, Turkey, and the United States, will not be discriminated against, but will be fully involved when the European Union addresses issues affecting their security interests;

(9) the European Union's implementation of the Cologne summit decisions should not promote a strategic perspective on transatlantic security issues that conflicts with that promoted by the North Atlantic Treaty Organization;

(10) the European Union's implementation of its Cologne summit decisions should not promote unnecessary duplication of the resources and capabilities provided by NATO; and

(11) the European Union's implementation of its Cologne summit decisions should not promote a decline in the military resources that European allies contribute to NATO, but should instead promote the complete fulfillment of their respective force commitments to the Alliance.

SENATE RESOLUTION 176—EXPRESSING THE APPRECIATION OF THE SENATE FOR THE SERVICE OF UNITED STATES ARMY PERSONNEL WHO LOST THEIR LIVES IN SERVICE OF THEIR COUNTRY IN AN ANTIDRUG MISSION IN COLOMBIA AND EXPRESSING SYMPATHY TO THE FAMILIES AND LOVED ONES OF SUCH PERSONNEL

Mr. HELMS (for himself, Mr. BIDEN, Mr. COVERDELL, Mr. DEWINE, Mr. GRASSLEY, Mr. FRIST, Mr. TORRICELLI, Mr. GRAHAM, Mr. LEAHY, Mr. ASHCROFT, Mr. HUTCHINSON, Mr. LUGAR, Mr. BENNETT, and Mrs. HUTCHISON) submitted the following resolution; which was considered and agreed to:

S. RES. 176

Whereas Colombia is the largest source of cocaine and heroin entering the United States and efforts to assist that country combat the production and trafficking of illicit narcotics is in the national security interests of the United States;

Whereas operations by the United States Armed Forces to assist in the detection and monitoring of illicit production and trafficking of illicit narcotics are important to the security and well-being of all of the people of the United States;

Whereas on July 23, 1999, five United States Army personnel, assigned to the 204th Military Intelligence Battalion at Fort Bliss, Texas, and two Colombia military officials, were killed in a crash during an airborne reconnaissance mission over the mountainous Putumayo province of Colombia; and

Whereas the United States Army has identified Captain José A. Santiago, Captain Jennifer J. Odem, Chief Warrant Officer, W–2, Thomas G. Moore, Private First Class T. Bruce Cluff, and Private First Class Ray E. Krueger as the United States personnel killed in the crash while performing their duty: Now, therefore, be it

Resolved that the Senate—

(1) expresses its profound appreciation for the service of Captain José A. Santiago, Captain Jennifer J. Odem, Chief Warrant Officer, W–2, Thomas G. Moore, Private First Class T. Bruce Cluff, and Private First Class Ray E, Krueger, all of the United States Army, who lost their lives in service of their country during an antidrug mission in Colombia;

(2) expresses its sincere sympathy to the families and loved ones of the United States and Colombian personnel killed during that mission;

(3) urges United States and Colombian officials to take all practicable measures to recover the remains of the victims and to fully inform the family members of the circumstances of the accident which cost their lives;

(4) expresses its gratitude to all members of the United States Armed Forces who fight the scourge of illegal drugs and protect the security and well-being of all people of the United States through their detection and monitoring of illicit production and trafficking of illicit narcotics; and

(5) directs that a copy of this resolution be transmitted to the family members of Captain José A. Santiago, Captain Jennifer J. Odem, Chief Warrant Officer, W–2, Thomas G. Moore, Private First Class T. Bruce Cluff, and Private First Class Ray E. Krueger, to the Commander of Fort Bliss, Texas, and to the Secretary of Defense.

SENATE RESOLUTION 177—DESIGNATING SEPTEMBER, 1999, AS "NATIONAL ALCOHOL AND DRUG ADDICTION MONTH"

Mr. WELLSTONE submitted the following resolution; which was considered and agreed to:

S. RES. 177

Whereas alcohol and drug addiction is a devastating disease that can destroy lives and communities.

Whereas the direct and indirect costs of alcohol and drug addiction cost the United States more than $246,000,000,000 each year.

Whereas scientific evidence demonstrates the crucial role that treatment plays in restoring those suffering from alcohol and drug addiction to more productive lives.

Whereas the Secretary of Health and Human Services has recognized that 73 percent of people who currently use illicit drugs in the United States are employed and that the effort business invests in substance abuse treatment will be rewarded by raising productivity, quality, and employee morale, and lowering health care costs associated with substance abuse.

Whereas the role of the workplace in overcoming the problem of substance abuse among Americans is recognized by the United States Chamber of Commerce, the Small Business Administration, the National Institute on Drug Abuse, the National Institute on Alcohol Abuse and Alcoholism, the Substance Abuse and Mental Health Services Administration, the Community Anti-Drug Coalitions of American, the National Coalition on Alcohol and Other Drug Issues, the National Association of Alcoholism and Drug Abuse Counselors, and the National Substance Abuse Coalition, and others.

Whereas the Director of the Office of National Drug Control Policy has recognized that providing effective drug treatment to those in need is critical to breaking the cycle of drug addiction and to helping those who are addicted become productive members of society.

Whereas these agencies and organizations have recognized the critical role of the workplace in supporting efforts towards recovery from addiction by establishing the theme of Recovery Month to be "Addiction Treatment: Investing in People for Business Success".

Whereas the countless numbers of those who have successfully recovered from addition are living proof that people of all races, genders, and ages recover every day from the disease of alcohol and drug addiction, and now make positive contributions to their families, workplaces, communities, States, and nation: Now, therefore, be it

Resolved, That the Senate designates September, 1999, as "National Alcohol and Drug Addiction Recovery Month".

Mr. WELLSTONE. Mr. President, I rise today to introduce a resolution that I will soon send to the desk to proclaim September, 1999, as "National Alcohol and Drug Addiction Recovery Month", and to recognize the Administration, government agencies, and the many groups supporting this effort highlighting the critical role of business and workplace programs in facilitating the recovery efforts of those with this disease.

Alcoholism and drug addition are painful, private struggles with staggering public costs. A recent study prepared by The Lewin Group for the national Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism, estimated the total economic cost of alcohol and drug abuse to be approximately $246 billion for 1992. Of this cost, an estimate $98 billion was due to drug addition to illicit drugs and other drugs taken for non-medical purposes. This estimate includes additional treatment and prevention costs, as well as costs associated with related illnesses, reduced job productivity or lost earnings, and other costs to society such as crime and social welfare programs.

People who have the disease of addiction can be found throughout our society. According to he 1997 National Household Survey on Drug Abuse published by SAMHSA, nearly 73 percent of all individuals addicted to drugs in the United States are employed. This number represents 6.7 million full-time workers and 1.6 million part-time workers. In addition to the health problems associated with this disease, there are other serious consequences affecting the workplace, such as lost productivity; high employee turnover; low employee morale; mistakes; accidents; and increased worker's compensation insurance and health insurance premiums—all results of untreated addiction problems. Whether you are a corporate CEO or a small business owner, there are simple, effective steps that can be taken—including providing insurance coverage for this disease, ready access to treatment, and workplace policies that support treatment—to reduce these human and economic costs.

Addiction to alcohol an drug is a disease that affects the brain, the body, and the spirit. We must provide adequate opportunities for the treatment of addiction in order to help those who are suffering and to prevent the health and social problems that it causes, and we know that the costs to do so are very low. A 1999 study by the Rand Corporation found that the cost to managed care health plans is now only about $5 per person per year for unlimited substance abuse treatment benefits to employees of big companies. A 1997 Milliman and Robertson study found that complete substance abuse treatment parity would increase per capita health insurance premiums by only one half of one percent, or less than $1 per member per month—without even considering any of the obvious savings that will result from treatment. Several studies have shown that for every $1 spent on treatment, more than $7 is saved in other health care expenses. These savings are in addition to the financial and other benefits of increased productivity, as well as participation in family and community life. Providing treatment for addiction also saves millions of dollars in the criminal justice system. But for treatment to be effective and helpful throughout our society all systems of care—including private insurance plans—must share this responsibility.

In observance of Recovery Month, the Secretary of Health and Human Services has recognized that the effort business invests in substance abuse treatment will be rewarded by raising productivity, quality, and employee morale, and lowering health care costs associated with substance abuse. Moreover, the Director of the Office of National Drug Control Policy has recognized that providing effective drug treatment to those in need is critical to breaking the cycle of drug addiction and to helping those who are addicted become productive members of society. The role of the workplace in overcoming the problem of substance abuse among Americans is also recognized by the U.S. Chamber of Commerce, the U.S. Small Business Administration, the National Institute on Drug Abuse, the National Institute on Alcohol Abuse and Alcoholism, the Substance Abuse and Mental Health Services Agency, the Community Anti-Drug Coalitions of American, the National Coalition on Alcohol and Other Drug Issues, the National Association of Alcoholism and Drug Abuse Counselors, and the National Substance Abuse Coalition.

It has been shown that some forms of addiction have a genetic basis, and yet we still try to deny the serious medical nature of this disease. We think of those with this disease as somehow different from us. We forget that someone who has a problem with drugs or alcohol can look just like the person we see in the mirror, or the person who is sitting next to us on the subway or at work. We know from the outstanding research conducted at NIH, through the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism, that treatment for drug and alcohol addiction can be effective. Through this treatment, there are countless numbers of individuals who are living proof that people of all races, genders, and ages recover every day from the disease of alcohol and drug addiction, and now make positive contributions to their families, workplaces, communities, state, and nation.

I urge the Senate to adopt this resolution designating the month of September, 1999, as Recovery Month, and to take part in the many local and national activities and events recognizing this effort.

SENATE RESOLUTION 178—DESIGNATING THE WEEK BEGINNING SEPTEMBER 19, 1999, AS "NATIONAL HISTORICALLY BLACK COLLEGES AND UNIVERSITIES WEEK"

Mr. THURMOND (for himself, Mr. COCHRAN, Mr. CHAFEE, Mr. SARBANES, Mr. TORRICELLI, Mr. CLELAND, Mr. HOLLINGS, Mr. ROBB, Mr. FRIST, Mrs. LINCOLN, Mr. THOMPSON, Mr. MACK, Mrs. FEINSTEIN, Mr. ABRAHAM, Mr. LOTT, Mr. SPECTER, Mr. EDWARDS, Mr. COVERDELL, Mr. NICKLES, Mr. SCHUMER, Mr. GRASSLEY, Mr. BROWNBACK, Mr. ASHCROFT, Mr. DODD, Mr. LIEBERMAN, Mr. CRAIG, Mr. LAUTENBERG, Mr. DURBIN, and Mr. SESSIONS): submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 178

Whereas there are 105 historically black colleges and universities in the United States;

Whereas black colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas black colleges and universities have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of historically black colleges and universities are deserving of national recognition: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF "NATIONAL HISTORICALLY BLACK COLLEGES AND UNIVERSITIES WEEK".

The Senate—

(1) designates the week beginning September 19, 1999, as "National Historically Black Colleges and Universities Week"; and

(2) requests that the President of the United States issue a proclamation calling on the people of the United States and interested groups to observe the week with appropriate ceremonies, activities, and programs to demonstrate support for historically black colleges and universities in the United States.

Mr. THURMOND. Mr. President, I am pleased to rise today to submit a Senate resolution which authorizes and requests the President to designate the week beginning September 19, 1999, as "National Historically Black Colleges and Universities Week."

It is my privilege to sponsor this legislation for the fourteenth time honoring the Historically Black Colleges of our country.

Eight of the 105 Historically Black Colleges, namely Allen University, Benedict College, Claflin College, South Carolina State University, Morris College, Voorhees College, Denmark Technical College and Clinton Junior College, are located in my home State. These colleges are vital to the higher education system of South Carolina. They have provided thousands of young people with the opportunity to obtain a college education.

Mr. President, these institutions have a long and distinguished history of providing the training necessary for participation in a rapidly changing society. Historically Black Colleges offer our citizens a variety of curricula and programs through which young people develop skills and talents, thereby expanding opportunities for a lifetime of achievement.

Mr. President, through passage of this Senate Resolution, Congress can reaffirm its support for Historically Black Colleges, and appropriately recognize their important contributions to our Nation. I look forward to the speedy passage of this Resolution.

AMENDMENTS SUBMITTED

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

BURNS AMENDMENT NO. 1563

Mr. GORTON (for Mr. BURNS) proposed an amendment to the bill (H.R. 2466) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 27, line 22, strike "$1,631,996,000" and insert "$1,632,696,000".

On page 65, line 18, strike "$37,170,000" and insert "$36,470,000".

CAMPBELL AMENDMENT NO. 1564

Mr. GORTON (for Mr. CAMPBELL) proposed an amendment to the bill, H.R. 2466, supra; as follows:

page 10, line 15, strike "$683,519,000" and insert "$683,919,000".

On page 10, line 23, before the colon, insert the following: ", and of which not less than $400,000 shall be available to the United States Fish and Wildlife Service for use in reviewing applications from the State of Colorado under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), and in assisting the State of Colorado by providing resources to develop and administer components of State habitat conservation plans relating to the Preble's meadow jumping mouse".

On page 65, line 18, strike "$37,170,000" and insert "$36,770,000".

DEWINE AMENDMENT NO. 1565

Mr. GORTON (for Mr. DEWINE) proposed an amendment to the bill, H.R. 2466, supra; as follows:

On page 62, between lines 3 and 4, insert the following:

SEC. 1 FUNDING FOR THE OTTAWA NATIONAL WILDLIFE REFUGE AND CERTAIN PROJECTS IN THE STATE OF OHIO.

Notwithstanding any other provision of law, from the unobligated balances appropriated for a grant to the State of Ohio for the acquisition of the Howard Farm near Metzger Marsh, Ohio—

(1) $500,000 shall be derived, by transfer and made available for the acquisition of land in the Ottawa National Wildlife Refuge;

(2) $302,000 shall be derived by transfer and made available for the Dayton Aviation Heritage Commission, Ohio; and

(3) $198,000 shall be derived by transfer and made available for a grant to the State of Ohio for the preservation and restoration of the birthplace, boyhood home, and schoolhouse of Ulysses S. Grant.

LUGAR (AND BAYH) AMENDMENT NO. 1566

Mr. GORTON (for Mr. LUGAR (for himself and Mr. BAYH)) proposed an amendment to the bill, H.R. 2466, supra; as follows:

On page 13, line 8: Strike "$55,244,000" and insert $55,944,000".

On page 65, line 18: Strike "$37,170,000" and insert $36,470,000".

MACK (AND GRAHAM) AMENDMENT NO. 1567

Mr. GORTON (for Mr. MACK (for himself and Mr. GRAHAM)) proposed an amendment to the bill, H.R. 2466, supra; as follows:

On page 13, line 8, strike "55,244,000" and insert "$54,744,000".

On page 17, line 19, strike "$221,093,000" and insert "$221,593,000".

REID AMENDMENT NO. 1568

Mr. GORTON (for Mr. REID) proposed an amendment to the bill, H.R. 2466, supra; as follows:

On page 10, line 15, strike the figure "$683,519,000" and insert in lieu thereof the figure "$683,669,000" and on page 20, line 18, strike the figure "$813,243,000" and insert in lieu thereof the figure "$813,093,000".

SMITH (AND ASHCROFT) AMENDMENT NO. 1569

Mr. SMITH of New Hampshire (for himself and Mr. ASHCROFT) proposed an amendment to the bill, H.R. 2466, supra; as follows:

On page 94, strike lines 3 through 26.

On page 106, beginning with line 8, strike all through page 107, line 2.

In page 107, lines 3 and 4, strike "National Endowment for the Arts and the National Endowment for the Humanities are" and insert "National Endowment for the Humanities is".

On page 107, lines 8 and 9, strike "for the Arts and the National Endowment".

On page 107, lines 11 and 12, strike "for the Arts or the National Endowment".

On page 108, beginning with line 12, strike all through page 110, line 11.

NATIONAL OILHEAT RESEARCH ALLIANCE ACT OF 1999

MURKOWSKI AMENDMENT NO. 1570

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill (S. 348) to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public, and for other purposes; as follows:

On page 6, after line 18, insert the following:

"(15) STATE.—The term "State" means the several states, except the State of Alaska.".

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

TORRICELLI (AND OTHERS) AMENDMENT NO. 1571

(Ordered to lie on the table.)

Mr. TORRICELLI (for himself, Mrs. BOXER, Mr. SCHUMER, Mr. DURBIN, Mr. REID, Mr. MOYNIHAN, and Mr. DODD) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 62, between lines 3 and 4, insert the following:

SEC. 1 . USE OF TRAPS AND SNARES IN NATIONAL WILDLIFE REFUGES.

None of the funds made available in this Act may be used to authorize, permit, administer, or promote the use of any jawed leghold trap or neck snare in any unit of the National Wildlife Refuge System, except for the purpose of research, subsistence, conservation, or facilities protection.

TORRICELLI (AND OTHERS) AMENDMENT NO. 1572

(Ordered to lie on this table.)

Mr. TORRICELLI (for himself, Mrs. BOXER, Mr. DURBIN, and Mr. REED) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra, as follows:

On page 16, line 25, strike "$49,951,000" and insert "$53,951,000, of which not less than $4,000,000 shall be available to carry out the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.)".

On page 35, line 18, strike "$5,580,000" and insert "$1,580,000".

On page 35, line 22, strike "$5,420,000" and insert "$9,420,000".

TORRICELLI (AND OTHERS) AMENDMENTS NOS. 1573–1574

(Ordered to lie on the table.)

Mr. TORRICELLI (for himself, Mr. WARNER, and Mr. ROBB) submitted two amendments intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

AMENDMENT NO. 1573

On page 3, line 18, strike "$287,305,000" and insert "$285,305,000".

On page 18, line 16, strike "$84,525,000" and insert "$86,525,000".

On page 18, line 19, before the period, insert the following: ", and of which not less than $4,000,000 shall be available for the Fredericksburg and Spotsylvania National Military Park".

AMENDMENT NO. 1574

On page 18, line 16, strike "$84,525,000" and insert "$86,525,000".

On 18, line 19, before the period, insert the following: ", and of which not less than $4,000,000 shall be available for the Fredericksburg and Spotsylvania National Military Park".

JOHNSON (AND OTHERS) AMENDMENT NO. 1575

(Ordered to lie on the table.)

Mr. JOHNSON (for himself, Mr. BURNS, Mr. CAMPBELL, Mr. CONRAD, Mr. BAUCUS, Mr. KOHL, Mr. WELLSTONE, Mr. BINGAMAN, Mr. KERREY, Mr. MCCAIN, Mr. DORGAN, and Mr. DASCHLE) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

At the appropriate place in title I, insert the following:

SEC. 1 . (a) In addition to any amounts otherwise made available under this title to carry out the Tribally Controlled College or University Assistance Act of 1978, $6,400,000 is appropriated to carry out such Act for fiscal year 2000.

(b)(1) Notwithstanding any other provision of this Act, except as provided in paragraph (2), the amount of funds provided to a Federal agency that receives appropriations under this Act in an amount greater than $20,000,000 shall be reduced, on a pro rata basis, by an amount equal to the percentage necessary to achieve an aggregate reduction of $6,400,000 in funds provided to all such agencies under this Act. Each head of a Federal agency that is subject to a reduction under this subsection shall ensure that the reduction in funding to the agency resulting from this subsection is offset by a reduction in travel expenditures of the agency.

(2) A reduction may not be made under paragraph (1) if that reduction would result in an agency being incapacitated to the extent that the agency could not fulfill a statutory function.

(c) Not later than 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing, by accounts, of the amount of each reduction made under subsection (b).

McCAIN AMENDMENT NO. 1576

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) IN GENERAL.—The Disabled Veterans' LIFE Memorial Foundation is authorized to establish a memorial on Federal land in the District of Columbia or its environs to honor disabled American veterans who have served in the Armed Forces of the United States.

(b) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial authorized by subsection (a) shall be in accordance with the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes", approved November 14, 1986 (40 U.S.C. 1001 et seq.).

(c) PAYMENT OF EXPENSES.—The Disabled Veterans' LIFE Memorial Foundation shall be solely responsible for acceptance of contributions for, and payment of the expenses of, the establishment of the memorial authorized by subsection (a). No Federal funds may be used to pay any expense of the establishment of the memorial.

(d) DEPOSIT OF EXCESS FUNDS.—If, upon payment of all expenses of the establishment of the memorial authorized by subsection (a) (including the maintenance and preservation amount provided for in section 8(b) of the Act referred to in subsection (b)), or upon expiration of the authority for the memorial under section 10(b) of such Act, there remains a balance of funds received for the establishment of the memorial, the Disabled Veterans' LIFE Memorial Foundation shall transmit the amount of the balance to the Secretary of the Treasury for deposit in the account provided for in section 8(b)(1) of such Act.

GRAHAM (AND OTHERS) AMENDMENT NO. 1577

(Ordered to lie on the table.)

Mr. GRAHAM (for himself, Mr. ENZI, Mr. BRYAN, Mr. REID, Mr. VOINOVICH, Mr. GRAMS, Mr. LUGAR, and Mr. SESSIONS) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITION ON CLASS III GAMING PROCEDURES.

No funds made available under this Act may be expended to implement the final rule published on April 12, 1999, at 64 Fed. Reg. 17535.

SHELBY AMENDMENT NO. 1578

(Ordered to lie on the table.)

Mr. SHELBY submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 62, between lines 3 and 4, insert the following:

SEC. 1 . PILOT WILDLIFE DATA SYSTEM.

From funds made available by this Act, the Secretary of the Interior shall use $3,000,000 to develop a pilot wildlife data system to provide statistical data relating to wildlife management and control in the State of Alabama.

McCAIN AMENDMENT NO. 1579

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) STUDY.—The Secretary of the Interior and the Secretary of Defense shall, using any funds appropriated for the Department of the Interior by this Act, carry out a study of measures to improve the management of the Federal lands in Arizona constituting the Barry M. Goldwater Range (as described in section 1(c) of the Military Lands Withdrawal Act of 1986 (Public Law 99-606)) and the Organ Pipe National Monument, but not the Federal lands in Arizona constituting the Cabeza Prieta National Wildlife Refuge.

(b) ELEMENTS OF STUDY.—In carrying out the study under subsection (a), the Secretary of the Interior and the Secretary of Defense shall—

(1) assess the feasibility and practicability of the establishment in all or parts of the Federal lands covered by subsection (a) of a national park or national preserve;

(2) assess the feasibility and practicability of any improvements in the management of such Federal lands that may be proposed as part of the study, including protection of such Federal lands by designation as wilderness, wildlife refuge, or national conservation area; and

(3) develop recommendations for actions for the management of such Federal lands that, if implemented, would both—

(A) provide for the conservation and protection of archaeological, cultural, geological, historical, biological, scientific, scenic, wilderness, recreational, and wildlife values of the Sonoran Desert; and

(B) contribute in appropriate manner to the furtherance of the national defense.

(c) CONTRIBUTIONS OF OTHER AGENCIES AND ENTITIES.—In carrying out the study under subsection (a), the Secretary of Interior and the Secretary of the Defense shall jointly work with appropriate Federal and State agencies having an interest or expertise in the matters covered by the study, as well as private entities having an interest or expertise in such matters.

(d) PUBLIC MEETINGS AND CONTRIBUTIONS.—The Secretary of the Interior and the Secretary of Defense shall provide for a reasonable opportunity for public hearings and meetings on the study under subsection (a), as well as public comment on draft versions of the report on the study under subsection (e).

(e) REPORT.—Not later than December 31, 2001, the Secretary of the Interior and the Secretary of Defense shall jointly submit to Congress a report on the study under subsection (a). The report shall include the results of the study and incorporate any public comments on the study under subsection (d).

DURBIN AMENDMENTS NOS. 1580–1581

(Ordered to lie on the table.)

Mr. DURBIN submitted two amendments intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 2, line 13, strike "$634,321,000" and insert "$634,821,000".

On page 3, line 6, strike "$634,321,000" and insert "$634,821,000".

On page 3, line 18, strike "$287,305,000" and insert "$286,405,000".

On page 52, strike lines 16 through 24 and insert the following:

SEC. 117. PROCESSING OF GRAZING PERMITS AND LEASES.

(a) SCHEDULE.—

(1) IN GENERAL.—The Bureau of Land Management shall establish and adhere to a schedule for completion of processing of all grazing permits and leases that expire in fiscal year 1999, 2000, or 2001.

(2) REQUIREMENTS.—The schedule shall provide for the completion of processing of the grazing permits and leases in compliance with all applicable laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), not later than September 30, 2001.

(b) REQUIRED RENEWAL.—Each grazing permit or lease described in subsection (a)(1) shall be deemed to be renewed until the earlier of—

(1) September 30, 2001; or

(2) the date on which the Bureau completes processing of the grazing permit or lease in compliance with all applicable laws.

(c) TERMS AND CONDITIONS OF RENEWALS.—

(1) BEFORE COMPLETION OF PROCESSING.—Renewal of a grazing permit or lease under subsection (b)(1) shall be on the same terms and conditions as provided in the expiring grazing permit or lease.

(2) UPON COMPLETION OF PROCESSING.—Upon completion of processing of a grazing permit or lease described in subsection (a)(1), the Bureau may—

(A) modify the terms and conditions of the grazing permit or lease; and

(B) reissue the grazing permit or lease for a term not to exceed 10 years.

(d) EFFECT ON OTHER AUTHORITY.—Except as specifically provided in this section, nothing in this section affects the authority of the Bureau to modify or terminate any grazing permit or lease.

INOUYE (AND OTHERS) AMENDMENT NO. 1582

(Ordered to lie on the table.)

Mr. INOUYE (for himself, Mr. CLELAND, Mr. LEVIN, and Mr. HARKIN) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 3, line 18, strike "$287,305,000" and insert "$283,805,000".

On page 17, line 19, strike "$221,093,000" and insert "$224,593,000".

On page 17, line 22, before the colon, insert the following: ", and of which not less than $3,500,000 shall be available for modifications to the Franklin Delano Roosevelt Memorial".

ROBB (AND OTHERS) AMENDMENT NO. 1583

(Ordered to lie on the table.)

Mr. ROBB (for himself, Mr. CLELAND, Mrs. BOXER, Mr. TORRICELLI, and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

Beginning on page 116, strike line 8 and all that follows through line 21.

BINGAMAN AMENDMENTS NOS. 1584–1585

(Ordered to lie on the table.)

Mr. BINGAMAN submitted two amendments intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

AMENDMENT NO. 1584

At the appropriate place, insert the following new section:

SEC. . YOUTH CONSERVATION CORPS AND RELATED PARTNERSHIPS.

(a) Notwithstanding any other provision of this Act, there shall be available for high priority projects which shall be carried out by the Youth Conservation Corps as authorized by Public Law 91–378, or related partnerships with non-Federal youth conservation corps or entities such as the Student Conservation Association, the following amounts in order to increase the number of summer jobs available for youth, ages 15 through 22, on Federal lands:

(1) $4,000,000 of the funds available to the United States Fish and Wildlife Service for Resource Management under this Act;

(2) $4,000,000 of the funds available to the National Park Service for Operation of the National Park System under this Act;

(3) $4,000,000 of the funds available to the Forest Service under this Act; and

(4) $3,000,000 of the funds available to the Bureau of Land Management under this Act.

(b) Within six months after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of the Interior shall jointly submit a report to the House and Senate Committees on Appropriations and the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives that includes the following:

(i) the number of youth, ages 15 through 22, employed during the summer of 1999, and the number estimated to be employed during the summer of 2000, through the Youth Conservation Corps, the Public Land Corps, or a related partnership with a State, local, or nonprofit youth conservation corps or other entity such as the Student Conservation Association;

(ii) a description of the different types of work accomplished by youth during the summer of 1999;

(iii) identification of any problems that prevent or limit the use of the Youth Conservation Corps, the Public Land Corps, or related partnerships to accomplish projects described in subsection (a); and

(iv) recommendations to improve the use and effectiveness of partnerships described in subsection (a); and

(v) an analysis of the maintenance backlog that identifies the types of projects that the Youth Conservation Corps, the Public Land Corps, or related partnerships are qualified to complete.

AMENDMENT NO. 1585

On page 27, line 22, strike "$1,631,996,000" and insert "$1,632,896,000".

On page 29, line 10, after "2002" insert ": *Provided further*, That from amounts appropriated under this heading $5,722,000 shall be made available to the Southwestern Indian Polytechnic Institute".

On page 62, between lines 3 and 4, insert the following:

SEC. . BIA POST SECONDARY SCHOOLS FUNDING FORMULA.

(a) IN GENERAL.—Any funds appropriated for Bureau of Indian Affairs Operations for Central Office Operations for Post Secondary Schools for any fiscal year that exceed the amount appropriated for the schools for fiscal year 2000 shall be allocated among the schools proportionate to the unmet need of the schools as determined by the Post Secondary Funding Formula adopted by the Office of Indian Education Programs and the schools on May 13, 1999.

(b) APPLICABILITY.—This section shall apply for fiscal year 2000 and each succeeding fiscal year.

BRYAN AMENDMENT NO. 1586

(Ordered to lie on the table.)

Mr. BRYAN submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

At the appropriate place, add the following new section:

"SEC. . CONVEYANCE OF CERTAIN BUREAU OF LAND MANAGEMENT LANDS IN CARSON CITY, NEVADA.

(a) CONVEYANCE.—Not later than 120 days after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall convey to the City of Carson City, Nevada, without consideration, all right, title, and interest of the United States in the property described as Government lot 1 in sec. 8, T. 15 N., R. 20 E., Mount Diablo Meridian, as shown on the Bureau of Land Management official plat approved October 28, 1996, containing 4.48 acres, more or less, and assorted uninhabitable buildings and improvements.

(b) USE.—the conveyance of the property under subsection (a) shall be subject to reversion to the United States if the property is used for a purpose other than the purpose of a senior assisted living center or a related public purpose.

BRYAN (AND REID) AMENDMENT NO. 1587

(Ordered to lie on the table.)

Mr. BRYAN (for himself and Mr. REID) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows;

At the appropriate place, add the following new section:

SEC. . LIMITATION.

No funds appropriated under this Act shall be expended to implement sound thresholds or standards in the Grand Canyon National Park until 90 days after the National Park Service has provided to Congress a report describing (1) the reasonable scientific basis for such sound thresholds or standard and (2) the peer review process used to validate such sound thresholds or standard.

BRYAN (AND OTHERS) AMENDMENT NO. 1588

(Ordered to lie on the table.)

Mr. BRYAN (for himself, Mr. FITZGERALD, Mr. DURBIN, and Mr. REID) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 63, beginning on line 1, strike "$1,239,051,000" and all that follows through line 6 and insert "$1,216,351,000 (which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965 in accordance with section 4(i) of that Act (16 U.S.C. 4601–6a(i))), to remain available until expended, of which $33,697,000 shall be available for wildlife habitat management, $22,132,000 shall be available for inland fish habitat management, $24,314,000 shall be available for anadromous fish habitat management, $29,548,000 shall be available for threatened, endangered, and sensitive species habitat management, and $196,885,000 shall be available for timber sales management.".

On page 64, line 17, strike "$362,095,000" and insert "$371,795,000".

On page 64, line 22, strike "205:" and insert "205, of which $86,909,000 shall be available for road construction (of which not more than $37,400,000 shall be available for engineering support for the timber program) and $122,484,000 shall be available for road maintenance:".

REID AMENDMENT NO. 1589

(Ordered to lie on the table.)

Mr. REID submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 110, strike lines 17–25.

On page 111, strike lines 1–5.

KOHL AMENDMENT NO. 1590

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

Following the last proviso in the "Construction" account of the Bureau of Indian Affairs, insert the following: "*Provided further*, That in return for a quit claim deed to a school building on the Lac Courte Oreilles Ojibwe Indian Reservation, the Secretary shall pay to U.K. development, LLC the amount of $375,000".

DURBIN AMENDMENT NO. 1591

(Ordered to lie on the table.)

Mr. DURBIN submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 52, strike lines 16 through 24 and insert the following:

"SEC. 117. PROCESSING OF GRAZING PERMITS AND LEASES.

"(a) SCHEDULE.—"

"(1) IN GENERAL.—The Bureau of Land Management shall establish and adhere to a schedule for completion of processing of all grazing permits and leases that have expired in fiscal year 1999 or which expire in fiscal years 2000 and 2001.

"(2) REQUIREMENTS.—The schedule shall provide for the completion of processing of the grazing permits and leases in compliance with all applicable laws, including the National environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), not later than September 30, 2001.

"(b) REQUIRED RENEWAL.—Each grazing permit or lease described in subsection (a)(1) shall be deemed to be renewed until the earlier of—

THE PAPER AND INK USED IN THE ORIGINAL PUBLICATION MAY AFFECT THE QUALITY OF THE MICROFORM EDITION.

"(1) September 30, 2001; or

"(2) the date on which the Bureau completes processing of the grazing permit or lease in compliance with all applicable laws.

"(c) TERMS AND CONDITIONS OF RENEWALS.—

"(1) BEFORE COMPLETION OF PROCESSING.—Renewal of a grazing permit or lease under subsection (b)(1) shall be on the same terms and conditions as provided in the expiring grazing permit or lease.

"(2) UPON COMPLETION OF PROCESSING.—Upon completion of processing of a grazing permit or lease described in subsection (a)(1), the Bureau may—

"(A) modify the terms and conditions of the grazing permit or lease; and

"(B) reissue the grazing permit or lease for a term not to exceed 10 years.

"(d) CONSIDERATION OF PERMIT OR LEASE TRANSFERS.—(1) during fiscal years 2000 and 2001, an application to transfer a grazing permit or lease to an otherwise qualified applicant shall be approved on the same terms and conditions as provided in the permit or lease being transferred, for a duration no longer than the permit or lease being transferred, unless processing under all applicable laws has been completed.

"(2) Upon completion of processing, the Bureau may—

"(A) modify the terms and conditions of the grazing permit or lease; and"(B) reissue the grazing permit or lease for a term not to exceed 10 years.

"(e) EFFECT ON OTHER AUTHORITY.—Except as specifically provided in this section, nothing in this section affects the authority of the Bureau of modify or terminate any grazing permit or lease."

EDWARDS AMENDMENT NO. 1592

(Ordered to lie on the table.)

Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 65, line 18, strike '$37,170,000' and insert '$40,170,000'.

On page 63 line 1, strike '$1,239,051,000' and insert '$1,236,051,000'.

STEVENS AMENDMENT NO. 1593

(Ordered to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

At the appropriate place insert the following new section:

"SEC. . Notwithstanding any other provision of law, the Secretary of the Interior shall use any funds previously appropriated for the Department of the Interior for Fiscal Year 1998 for acquisition of lands to acquire land from the Borough of Haines, Alaska for subsequent conveyance to settle claims filed against the United States with respect to land in the Borough of Haines prior to January 1, 1999: *Provided further*, That the Secretary of the Interior shall not convey lands acquired pursuant to this section unless and until a signed release of claims is executed."

WARNER AMENDMENT NO. 1594

(Ordered to lie on the table.)

Mr. WARNER submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

At the end, add the following: "From amounts appropriated under this Act for the National Endowment for the Arts the Chairperson of the Endowment shall make available $250,000 to the Institute of Museum and Library Services, and from amounts appropriated under this Act for the National Endowment of the Humanities the Chairperson of the Endowment shall make available $250,000 to the Institute of Museum and Library Services.

CAMPBELL AMENDMENT NO. 1595

(Ordered to lie on the table.)

Mr. CAMPBELL submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 76, between lines 18 and 19, insert the following:

The Forest Service shall use appropriations or other funds available to the Service to—

(1) improve the control or eradication of the pine beetles in the Rocky Mountain region of the United States; and

(2)(A) conduct a study of the causes and effects of, and solutions for, the infestation of pine beetles in the Rocky Mountain region of the United States; and

(B) submit to Congress a report on the results of the study, within 6 months of the date of enactment of this provision.

ABRAHAM (AND OTHERS) AMENDMENT NO. 1595

(Ordered to lie on the table.)

Mr. ABRAHAM (for himself, Mr. HATCH, Mr. THOMAS, Mr. GRAMS, and Mr. CRAIG) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 2, line 13, strike "$634,321,000" and insert "$632,321,000".

On page 2, line 14, after "expended,", insert the following: "of which not more than $155,351,000 shall be available for land resources; and".

On page 5, line 13, strike "$130,000,000," and insert "$150,000,000, of which $1,500,000 shall be derived from pro rata transfers from each account in which funds are made available for National Park Service personnel travel, and".

On page 10, line 15, strike "$683,519,000" and insert "$678,519,000".

On page 10, line 16, after "herein,", insert the following: "of which not more than $37,245,000 shall be available for refuges and wildlife law enforcement operations, and".

On page 16, line 12, strike "$1,355,176,000," and insert "$1,354,176,000, of which not more than $246,905,000 shall be available for park management resource stewardship,".

On page 20, line 18, strike "$813,243,000," and insert "$810,243,000, of which not more than $37,647,000 shall be available for earth science information management and delivery; of which not more than $244,734,000 shall be available for geologic hazards, resource, and processes; and".

On page 23, line 10, strike "$110,682,000" and insert "$108,682,000".

On page 23, line 11, strike "$84,569,000" and insert "$82,569,000".

On page 23, line 12, before the semicolon, insert the following: ", and not more than $40,439,000 shall be available for royalty management compliance".

On page 24, line 24, strike "$95,891,000" and insert "$94,291,000, of which not more than $70,618,000 shall be available for environmental protection".

On page 37, line 14, strike "$62,203,000" and insert "$61,203,000".

On page 37, line 23, strike "$36,784,000" and insert "$35,784,000".

On page 63, line 1, strike "$1,239,051,000" and insert "$1,237,051,000".

On page 63, strike line 6 and insert "6a(i)), of which not more than $3,000,000 shall be available for forest ecosystem restoration and improvement".

On page 77, line 16, strike "$390,975,000" and insert "$389,975,000".

On page 78, line 16, strike "$682,817,000" and insert "$678,817,000".

On page 78, line 17, after "expended,", insert the following: "of which not more than $46,650,000 shall be available for equipment, materials, and tools, and of which not more than $205,660,000 shall be available for transportation, and".

COCHRAN (AND OTHERS) AMENDMENT NO. 1597

(Ordered to lie on the table.)

Mr. COCHRAN (for himself, Mr. DORGAN, Mr. JEFFORDS, Mr. KENNEDY, Mr. INOUYE, Mr. CHAFEE, and Mr. DODD) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 95, line 5 strike "$97,550,000" and insert "$101,000,000".

On page 95, line 13, strike "$14,150,000" and insert "$14,700,000".

On page 95, line 14, strike "$10,150,000" and insert "$10,700,000".

MURKOWSKI (AND OTHERS) AMENDMENT NO. 1598

(Ordered to lie on the table.)

Mr. MURKOWSKI (for himself, Mr. LAUTENBERG, Mrs. BOXER, Mr. ROTH, Mr. DODD, Ms. LANDRIEU, Mr. CHAFEE, Mr. SESSIONS, Mrs. LINCOLN, Mr. LEAHY, Mr. KERRY, Mr. FEINGOLD, Mr. FRIST, Mr. GRAHAM, Ms. COLLINS, Mr. SMITH of New Hampshire, Mr. GREGG, Mr. MOYNIHAN, Mr. WARNER, Mr. BAYH, Mr. MCCAIN, Mr. AKAKA, Mrs. FEINSTEIN, Mr. HAGEL, Mr. JEFFORDS, Mr. KOHL, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 2, lines 13 and 14, strike "634,321,000, to remain available until expended," and insert "$629,321,000, to remain available until expended, of which $14,130,000 shall be available for land and resource information systems,".

On page 3, line 6, strike "$634,321,000" and insert "$629,321,000".

On page 18, line 19, strike "program." and insert "program, and $30,000,000 shall be available to provide financial assistance to States (of which $7,000,000 shall be derived by transfer from unobligated balances in the Fossil Energy Research and Development account of the Department of Energy)."

On page 20, line 18, strike "$813,243,000" and insert "$806,243,000".

On page 23, line 10, strike $110,682,000" and insert "$109,682,000".

On page 23, line 21, strike "1993:" and insert "1993, of which $33,286,000 shall be available for general administration:".

On page 62, line 9, strike "$187,444,000" and insert "$182,444,000".

On page 78, line 16, strike "$682,817,000" and insert "$677,817,000".

On page 78, line 19, strike "account:" and insert "account, of which $202,160,000 shall be available for transportation:".

MURKOWSKI AMENDMENT NO. 1599

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 16, line 12, strike "$1,355,176,000" and insert "$1,353,449,000".

On page 17, line 19, strike "$221,093,000, to remain available until expended" and insert "$222,593,000 to remain available until expended, of which $1,500,000 shall be used to conduct appropriate environmental studies on a new railroad access route within Denali National Park and Preserve along the general route of the Stampede Trail. The railroad corridor shall run from the State of Alaska Right-of-Way known as 'the North Park Boundary to Kantishna Road—as created by Executive Order #2665, dated October 16, 195* to the eastern boundary of Denali National Park and Preserve where it adjoins State of Alaska Lands in T 12 S, R 12 W and T 13 S, R 12 W Fairbanks Meridian, and".

MURKOWSKI (AND OTHERS) AMENDMENT NO. 1600

(Ordered to lie on the table.)

Mr. MURKOWSKI (for himself, Mr. CAMPBELL, Mr. INOUYE, and Mr. JOHNSON) submitted an amendment intended to be proposed by them to the bill; H.R. 2466, supra; as follows:

At the appropriate place insert the following new section:

None of the funds provided in this Act shall be available to the Department of Interior to deploy the Trust Asset and Accounting Management System (TAAMS) in any Bureau of Indian Affairs Area Office, with the exception of the Billings Area Office, until 45 days after the Secretary of Interior certifies in writing to the Committee on Appropriations and the Committee on Indian Affairs that, based on the Secretary's review and analysis, such system meets the TAAMS contract requirements and the needs of the system's customers including the Bureau of Indian Affairs, the Office of Special Trustee for American Indians and affected tribes and individual Indians.

The Secretary shall certify that the following items have been completed in accordance with generally accepted guidelines for system development and acquisition and indicate the source of those guidelines: design and functional requirements; legacy data conversion and use; system acceptance and user acceptance tests; project management functions such as deployment and implementation planning, risk management, quality assurance, configuration management, and independent *verification* and validation activities. The General Accounting Office shall provide an independent assessment of the Secretary's certification within 15 days of the Secretary's certification.

MURKOWSKI AMENDMENT NO. 1601

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

At the appropriate place in the bill, insert the following:

"SEC. . None of the funds appropriated or otherwise made available in this Act or any other provision of law, may be used by any officer, employee, department or agency of the United States to impose or require payment of an inspection fee in connection with the import or export of shipments of furbearing wildlife containing 1000 or fewer raw, crusted, salted or tanned hides or fur skins, or separate parts thereof, including species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora done at Washington March 3, 1973 (27 UST 1027)."

STEVENS AMENDMENT NO. 1602

(Ordered to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

S. 1292 is amended by the following:

On page 17, line 19, strike "$221,093,000" and insert in lieu thereof "$218,153,000".

On page 82, line 13, strike "$2,135,561,000" and insert in lieu thereof "$2,138,005,400".

On page 90, line 3, strike "$364,562,000" and insert in lieu thereof "$369,562,000".

HUTCHISON (AND OTHERS) AMENDMENT NO. 1603

(Ordered to lie on the table.)

Mrs. HUTCHISON (for herself, Mr DOMENICI, Mr. LOTT, Mr. BREAUX, Mr. MURKOWSKI, Ms. LANDRIEU) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follow:

On page 62, between lines 3 and 4, insert the following:

SEC. 1 . VALUATION OF CRUDE OIL FOR ROYALTY PURPOSES.

None of the funds made available by this Act shall be used to issue a notice of final rulemaking with respect to the valuation of crude oil for royalty purposes (including a rulemaking derived from proposed rules published at 62 Fed. Reg. 3742 (January 24, 1997), 62 Fed. Reg. 36030 (July 3, 1997), and 63 Fed. Reg. 6113 (1998)) until September 30, 2000.

SESSIONS AMENDMENT NO. 1604

(Ordered to lie on the table.)

Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

On page 16, line 12, after "of which", insert the following: "not less than $3,100,000 shall be used for operation of the Rosa Parks Library and Museum in Montgomery Alabama, of which".

LEVIN AMENDMENTS NOS. 1605–1606

(Ordered to lie on the table.)

Mr. LEVIN submitted two amendments intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

AMENDMENT NO. 1605

On page 18, line 16, strike "$84,525,000" and insert "$85,075,000".

On page 18, line 18, after "expended," insert the following: "of which not less than $550,000 shall be available for acquisition of property in Sleeping Bear Dunes National Lakeshore, Michigan, and".

On page 20, line 18, strike "$813,243,000" and insert "$812,693,000"

AMENDMENT NO. 1606

On page 17, line 22, before the colon, insert the following: ",and of which not less than $2,450,000 shall be available for the acquisition of properties in Keweenaw National Historical Park, Michigan".

On page 18, line 16, strike "$84,525,000" and insert "$86,975,000".

On page 20, line 18, strike $813,243,000 and insert $810,743,000

ROBB (AND OTHERS) AMENDMENT NO. 1607

(Ordered to lie on the table)

Mr. ROBB (for himself, Mr. CLELAND, and Ms. BOXER) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

Beginning on page 116, strike line 8 and all that follows through line 21.

AUTHORIZING CONSTRUCTION AND OTHER WORK ON THE CAPITOL GROUNDS

McCONNELL AMENDMENT NO. 1608

Mr. GORTON (for Mr. McCONNELL) proposed an amendment to the concurrent resolution (H. Con. Res. 167) authorizing the Architect of the Capitol to permit temporary construction and other work on the Capitol Grounds that may be necessary for construction of a building on Constitution Avenue Northwest, between 2nd Street Northwest and Louisiana Avenue Northwest; as follows:

At the appropriate place:

Page 1, line 4, delete all through line 7 on page 2 and insert the following:

"The Architect of the Capitol may permit temporary construction and other work on the Capitol Grounds as follows:

"(a) As may be necessary for the demolition of the existing building of the Carpenters and Joiners of America and the construction of a new building of the Carpenters and Joiners of America on Constitution Avenue Northwest between 2nd Street Northwest and Louisiana Avenue Northwest in a manner consistent with the terms of this resolution. Such work may include activities resulting in temporary obstruction of the curbside parking lane on Louisiana Avenue Northwest between Constitution Avenue Northwest and 1st Street Northwest, adjacent to the side of the existing building of the Carpenters and Joiners of America on Louisiana Avenue Northwest. Such obstruction:

"(i) shall be consistent with the terms of subsections (b) and (c) below;

"(ii) shall not extend in width more than 8 feet from the curb adjacent to the existing building of the Carpenters and Joiners of America; and

"(iii) shall extend in length along the curb of Louisiana Avenue Northwest adjacent to the existing building of the Carpenters and Joiners of America, from a point 56 feet from the intersection of the curbs of Constitution Avenue Northwest and Louisiana Avenue Northwest adjacent to the existing building of Carpenters and Joiners of America to a point to 40 feet from the intersection of the curbs of the Louisiana Avenue Northwest and 1st Street Northewst adjacent to the existing building of the Carpenter and Joiners of America .

"(b) Such construction shall include a covered walkway for pedestrian access, including access for disabled individuals, on Constitution Avenue Northwest between 2nd

Street Northwest and Louisiana Avenue Northwest, to be constructed within the existing sidewalk area on Constitution Avenue Northwest adjacent to the existing building of the Carpenters and Joiners of America, to be constructed in accordance with specifications approved by the Architect of the Capitol.

"(c) Such construction shall ensure access to any existing fire hydrants by keeping clear a minimum radius of 3 feet around any fire hydrants, or according to health and safety requirements as approved by the Architect of the Capitol."

On page 3, line 4, add the following new subsection:

"(c) No construction shall extend into the United States Capitol Grounds except as otherwise provided in section 1".

ANTICYBERSQUATTING CONSUMER PROTECTION ACT

HATCH (AND LEAHY) AMENDMENT NO. 1609

Mr. BROWNBACK (for Mr. HATCH (for himself and Mr. LEAHY)) proposed an amendment to the bill (S. 1255) to protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes; as follows:

On page 10, line 4, beginning with "to" strike all through the comma on line 7 and insert "or confusingly similar to a trademark or service mark of another that is distinctive at the time of the registration of the domain name, or dilutive of a famous trademark or service mark of another that is famous at the time of the registration of the domain name,".

On page 11, strike lines 5 through 12 and insert the following:

"(d)(1)(A) A person shall be liable in a civil action by the owner of a trademark or service mark if, without regard to the goods or services of the parties, that person—

"(i) has a bad faith intent to profit from that trademark or service mark; and

"(ii) registers, traffics in, or uses a domain name that—

"(I) in the case of a trademark or service mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to such mark; or

"(II) in the case of a famous trademark or service mark that is famous at the time of registration of the domain name, is dilutive of such mark.

On page 12, line 19, strike all beginning with "to" through the comma on line 22 and insert "or confusingly similar to trademarks or service marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous trademarks or service marks of others that are famous at the time of registration of such domain names,".

On page 13, insert between lines 3 and 4 the following:

"(D) A use of a domain name described under subparagraph (A) shall be limited to a use of the domain name by the domain name registrant or the domain name registrant's authorized licensee.

On page 16, line 24, strike the quotation marks and the second period.

On page 16, add after line 24 the following:

"(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this Act. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.".

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

HATCH AMENDMENT NO. 1610

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill, H.R. 2466, supra; as follows:

At the appropriate place insert the following:

SEC. . LAKE POWELL.

No funds appropriated for the Department of the Interior by this Act or any other Act shall be used to study or implement any plan to drain Lake Powell or to reduce the water level of the lake below the range of water levels required for the operation of the Glen Canyon Dam.

HATCH (AND BINGAMAN) AMENDMENT NO. 1611

(Ordered to lie on the table.)

Mr. HATCH (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 11, line 10, insert after "enforcement," the following: "of which not less than $250,000 shall be used, on authorization by Congress, to construct a new interpretive center and related visitor facilities at the Four Corners Monument Tribal Park, in the States of Utah, Colorado, New Mexico, and Arizona, and".

COLLINS AMENDMENTS NOS. 1612–1613

(Ordered to lie on the table.)

Mrs. COLLINS submitted two amendments intended to be proposed by her to the bill, H.R. 2466, supra; as follows:

AMENDMENT NO. 1612

On page 16, line 12, strike "$1,355,176,000" and insert "$1,355,086,000".

On page 16, line 25, strike "$49,951,000:" and insert "$50,041,000, of which $90,000 shall be available for planning and development of interpretive sites for the quadricentennial commemoration of the Saint Croix Island International Historic Site, Maine:"

AMENDMENT NO. 1613

On page 62, between lines 3 and 4, insert the following:

SEC. 1__. QUADRICENTENNIAL COMMEMORATION OF THE SAINT CROIX ISLAND INTERNATIONAL HISTORIC SITE.

(a) FINDINGS.—Congress finds that—

(1) in 1604, 1 of the first European colonization efforts was attempted at St. Croix Island in Calais, Maine;

(2) St. Croix Island settlement predated both the Jamestown and Plymouth colonies;

(3) St. Croix Island offers a rare opportunity to preserve and interpret early interactions between European explorers and colonists and Native Americans;

(4) St. Croix Island is 1 of only 2 international historic sites comprised of land administered by the National Park Service;

(5) the quadricentennial commemorative celebration honoring the importance of the St. Croix Island settlement to the countries and people of both Canada and the United States is rapidly approaching;

(6) the 1998 National Park Service management plans and long-range interpretive plan call for enhancing visitor facilities at both Red Beach and downtown Calais;

(7) in 1982, the Department of Interior and Canadian Department of the Environment signed a memorandum of understanding to recognize the international significance of St. Croix Island and, in an amendment memorandum, agreed to conduct joint strategic planning for the international commemoration with a special focus on the 400th anniversary of settlement in 2004;

(8) the Department of Canadian Heritage has installed extensive interpretive sites on the Canadian side of the border; and

(9) current facilities at Red Beach and Calais are extremely limited or nonexistent for a site of this historic and cultural importance.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) using funds made available by this Act, the National Park Service should expeditiously pursue planning and compliance for exhibits at Red Beach and the town of Calais, Maine; and

(2) the National Park Service should take what steps are necessary, including consulting with the people of Calais, to ensure that appropriate exhibits at Red Beach and the town of Calais are completed by 2004.

BOXER AMENDMENT NO. 1614

(Ordered to lie on the table.)

Mrs. BOXER submitted an amendment intended to be proposed by her to the bill, H.R. 2466, supra; as follows:

On page 17, line 21, strike "$42,412,000" and insert "$852,412,000".

FEINSTEIN AMENDMENT NO. 1615

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, H.R. 2466, supra; as follows:

At the appropriate place insert the following:

"The Forest Service is authorized through the Forest Service existing budget to reimburse Harry Fray for the cost of his home, $143,406 (1997 dollars) destroyed by arson on June 21, 1990 in retaliation for his work with the Forest Service."

LEVIN (AND DEWINE) AMENDMENT NO. 1616

(Ordered to lie on the table.)

Mr. LEVIN (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by them to the bill, H.R. 2466, supra; as follows:

On page 10, line 23, strike "River:" and insert "River, of which $400,000 shall be available for grants under the Great Lakes Fish and Wildlife Restoration Program, and of which $114,280,000 shall be available for general administration:".

On page 2, line 14, after "expended, ", insert the following: "of which no more than $122,661,000 shall be available for workforce and organizational support."

On page 23, line 10, after "only; ", insert the following: "of which no more than $34,186,000 shall be available for general administration."

* * * * *

VETERANS ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT ACT OF 1999

BOND (AND KERRY) AMENDMENT NO. 1617

Mr. BROWNBACK (for Mr. BOND (for himself and Mr. KERRY) proposed an amendment to the bill (H.R. 1568) to provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes; as follows:

On page 55, strike line 5 and all that follows through page 56, line 15, and insert the following:

"(2) APPOINTMENT OF VOTING MEMBERS.—The President shall, after considering recommendations which shall be proposed by the Chairmen and Ranking Members of the Committees on Small Business and the Committees on Veterans Affairs of the House of Representatives and the Senate, appoint United States citizens to be voting members of the Board, not more than 5 of whom shall be members of the same political party.

On page 57, line 11, strike "Administrator" and insert "President".

CENTENNIAL OF FLIGHT COMMEMORATION ACT

DEWINE (AND OTHERS) AMENDMENT NO. 1618

Mr. BROWNBACK (for Mr. DEWINE (for himself, Mr. HELMS, and Mr. VOINOVICH)) proposed an amendment to the bill (S. 1072) to make certain technical and other corrections relating to the Centennial of Flight Commemoration Act (36 U.S.C. 143 note; 112 Stat. 3486 et seq.); as follows:

On page 5, strike lines 4 through 9 and insert the following:

"(6) provide advice and recommendations, through the Administrator of the National Aeronautics and Space Administration or the Administrator of the Federal Aviation Administration (or any employee of such agency head under the direction of that agency head), to individuals and organizations that wish to conduct their own activities in celebration of the centennial of flight, and maintain files of information and lists of experts on related subjects that can be disseminated on request;

HELMS (AND OTHERS) AMENDMENT NO. 1619

Mr. BROWNBACK (for Mr. HELMS, for himself, Mr. DEWINE, and Mr. VOINOVICH)) proposed an amendment to the bill, S. 1072, supra; as follows:

In Section 1.(A)(ii) after the word "Foundation';" insert the following "and in paragraph (3) strike the word "chairman" and insert the word "president."

LEGISLATION TO LOCATE AND SECURE THE RETURN OF ZACHARY BAUMEL

LEAHY AMENDMENT NO. 1620

Mr. BROWNBACK (for Mr. LEAHY) proposed an amendment to the bill (H.R. 1175) to locate and secure the return of Zachary Baumel, an American citizen, and other Israeli soldiers missing in action; as follows:

In H.R. 1175, replace subsection (b) of SEC. 2 with:

On page 3 strike lines 11–20 and insert the following:

(b) PROVISION OF ASSISTANCE TO CERTAIN GOVERNMENTS.—In deciding whether or not to provide United States assistance to any government or authority which the Secretary of State believes has information concerning the whereabouts of the soldiers described in subsection (a), and in formulating United States policy towards such government or authority, the President should take into consideration the willingness of the government or authority to assist in locating and securing the return of such soldiers.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITON, AND FORESTRY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry, be allowed to meet during the session of the Senate on Thursday, August 5, 1999. The purpose of this meeting will be to discuss the farm crisis.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, August 5, 1999, to conduct a hearing on pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, August 5, 1999 at 2:15 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet for an executive business meeting, during the session of the Senate on Thursday, August 5, 1999 at 10:00 a.m. in room 628 of the Senate Dirksen Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, August 5, 1999, to conduct a hearing on the Office of Multifamily Housing Assistance restructuring of HUD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

A TRIBUTE TO MARILEE SMILEY

• Mr. ABRAHAM. Mr. President, I rise today to pay tribute to Mrs. Marilee Smiley of Fenton, MI in recognition of her service as Supreme Guardian of the International Order of Job's Daughters. I extend to her my heartfelt congratulations for her service.

Marilee Smiley is a woman who has consistently demonstrated her commitment to the ideals of Masonry and the International Order of Job's Daughters. This exemplary organization is dedicated to instilling in young women, age eleven to twenty, the character traits necessary for success as human beings and citizens of our great land. In this quest, Mrs. Smiley has contributed her very best, and the young women she has so ably guided have been the beneficiaries.

Marilee Smiley has had tremendous impact not only in MI, but nationally and internationally. A woman of high principles, Marilee has utilized her intelligence, concern for youth, belief in humanity, and leadership abilities to serve others through participation in the International Order of Job's Daughters for forty-three years. As a youth she held various offices, including Honored Queen of Bethel No. 30, and the Grand Blanc and Michigan Grand Bethel Representative to California. As an adult leader she also held various offices in Bethel No. 30 of Grand Blanc, Bethel No. 50 of Lansing-Okemos, and Bethel No. 58 of Lansing, including serving as Bethel Guardian of Bethels No. 1, 2, 50, and 58.

Marilee Smiley has exemplified the character traits taught to her as a young woman in her continuing association with the International Order of Job's Daughters. As an adult leader, she was awarded the Triangle of Honor, the highest honor that the Grand Council of Michigan can bestow an adult leader.

This fine lady has also held several positions with the Grand Guardian Council of Michigan of the International Order of Job's Daughters, serving as Grand Guardian during the 1982–83 year.

She has continued her service to the International Order of Job's Daughters, holding several positions with the Supreme Council. Her services have included several committee offices, including serving the Board of Trustees from 1992 through 1995, and currently serving as Supreme Guardian of the International Order of Job's Daughters, the highest position an adult leader may hold.

Along with her work with the International Order of Job's Daughters, Marilee raised three wonderful children with her husband Ken. She taught them the importance of being involved in the community as well as volunteering. She was actively involved with Swim Clubs and Swim Boosters as all of her children swam competitively year-round.

Marilee Smiley deserves the highest tribute in recognition of her service as Supreme Guardian of the International Order of Job's Daughters.•

RETIREMENT OF WILLIAM M. DEMPSEY

• Mr. ROBB. Mr. President, today I rise to honor Mr. William M. Dempsey who will retire from the U.S. Marshals Service on August 28, 1999. He has served as a Public Affairs Specialist with the Marshals Service for 23 years.

Mr. Dempsey has more than four and a half decades of experience in public affairs positions with various civilian, government and military organizations. For twenty years, from 1955–1975, he served with the U.S. Air Force in several positions. During the period 1959–1961 he served as a Public Information Officer with the U.S. Taiwan Defense Command. He later served a tour of duty in South Vietnam as Director of Information for all U.S. rescue and recovery activities. From 1968–1972 he served on the staff of the Secretary of the Air Force.

In late 1976, Mr. Dempsey joined the U.S. Marshals Service as a Public Affairs Specialist. In that capacity, he implemented a public affairs strategy for the agency, advised senior officials on public information aspects of major operational matters, and was frequently the agency's spokesman to the media. His extensive experience with national, regional, and local media organizations has benefitted the Marshals Service and the American public for more than two decades.

Mr. Dempsey graduated from St. Joseph's University in Philadelphia, Pennsylvania, in 1954 with a bachelor's degree in Political Science. He also has completed graduate level study in Public Relations/Communications at Boston University. He resides in Fairfax, Virginia, near the Arlington headquarters of the U.S. Marshals Service.

I am honoring Mr. Dempsey on the Senate floor today as a way of thanking him for his service to the law enforcement community, the public affairs community, and our nation.•

TRIBUTE TO HOPE ANDERSON

• Mr. CRAIG. Mr. President, I rise today to recognize Hope Anderson. Hope is a constituent of mine and recently graduated as the valedictorian at Lake City High School in Coeur d'Alene, Idaho. Her valedictory address touched many of those who heard it, so I would like to take a minute of the Senate's time to enter the text of her speech into the RECORD.

> A pair of laughing teenage boys gunned down fourteen students and one teacher in Littleton, Colorado a few weeks ago. Many of you asked yourselves the question, "How could such an atrocity occur?" Now I want you to ponder the question, "How could this NOT happen?"
>
> Our nation was founded upon moral principles, but its moral fabric is being ripped apart. Our deviation from basic ethical principles has corroded our very foundations as a country. I believe it is a time to change: when our children are not safe in school; when our society deems it more important to be politically correct than morally correct; when we don't give the needy a hand up and instead force our government to give them a hand out; when the marriage vows "I do" mean "I might"; when the most dangerous place for a baby is in its mother's womb; when political elections are often a choice between the lesser of two evils; when there is no such thing as absolute truth; and when In God We Trust is engraved upon our currency but not on the hearts of the people, that is when America needs to change. That time is now.
>
> I believe that our nation is not in a hopeless downward spiral. If we, as the class of 1999, take a stand and be leaders, replacing the wrong with what is right, we can help to turn the tide in our nation. We must have a vision to know what we desire for our nation, courage to put it into action, and discernment to make the decisions necessary. I have a vision for America: where a person is judged by his character and not the color of his skin; where our politicians are honest and honorable; where our political system encourages hard work; where our people are informed by a media that tells both sides of the story; and where the sanctity of human life is respected as the most fundamental moral value.
>
> As graduates, we are nearing a point in our lives where the decision we make will determine the outcome of our lives. As a nation, we are also nearing such a pivotal crossroads. We can transform our society into what it can be, what it should be, and what it will be if we take a stand as leaders to return to our moral heritage and in the words of Winston Churchill, "Never give up, never give up, never give up."•

THE 314TH INFANTRY REGIMENT AND 79TH RECONNAISSANCE TROOP, 79TH INFANTRY DIVISION—53RD ANNUAL REUNION, NEW ORLEANS, LOUISIANA

• Ms. LANDRIEU. Mr. President, I speak today to honor the Soldiers of the 314th Infantry Regiment, 79th Reconnaissance Troop, 79th Infantry Division. The 79th Infantry Division landed on Utah Beach, Normandy on June 14, 1944 and entered combat on June 19. Launching a 10-month drive through France, Germany, and Czechoslovakia, the 79th Infantry Division eventually repulsed heavy German counter-attacks and secured Allied positions all the way to the Rhine-Herne Canal and the north bank of the Ruhr. As a unit, the 314th Inf Rgmt earned the French Fourragere, the Croix de Guerre with Palm Streamer embroidered "Parroy Forest," and the Croix de Guerre Streamer with Palm embroidered "Normandy to Paris;" battalions of the 314th earned four Presidential Unite Citations. Soldiers of the 314th earned a Congressional Medal of Honor, Distinguished Service Crosses, and Silver Star, Bronze Star and Purple Heart Medals, as well as the French Legion of Honor in the Grade of Chalier, the Croix de Guerre with Palm, the Croix de Guerre with Silver Gilt Star, the Croix de Guerre with Gilt Star and the Croix de Guerre with Bronze Star and the British Military Medal.

Awarding the French Croix de Guerre with Palm to the 79th Infantry Division on July 22, 1946, the President of the Provisional Government of the French Republic praised the remarkable unit which displayed splendid endurance and exceptional fighting zeal. . . . In spite of heavy losses, it fought stubbornly against a dashing and fanatical enemy, preventing it from reappearing in the Vosges. It thus contributed greatly to the liberation of Baccaret, Phalsbourg and Saverne.

Three years later, the French Minister of National Defense cited the 79th Infantry Division: [A] splendid unit incited by savage vigor, landed in Normandy in June 1944. Covered itself with glory in the battles of Saint-Lo and at Haye de-Puits. Participated in the capture of Fougeres, Laval, and Le Mans, then crossing on the enemy before marching triumphantly into Paris on 27 August 1944. By its bold actions, contributed largely to the success of the Allied armies and the liberation of Paris.

Most notably,the 79th Infantry Division reinforced the greatest amphibious assault in modern history in its drive across the continent. On June 6, 2000, the National D-Day museum will open in New Orleans to not only commemorate the landing of America's initial World War II armada but celebrate the valiant achievements of subsequent Army Divisions. As I see it, the invasion of Normandy in the summer of 1944 made three monumental accomplishments: it marked a critical milestone in military strategic history, initiated the Allied victory against Nazi Germany, and essentially a new era of American military leadership.

Today, the American soldiers who risked their lives to foment these changes continue to inspire works of artists, authors, film writers, soldiers, and policymakers. In the words of Secretary of State Madeleine Albright, the

United States, has become the "indispensable country" for preserving stability and security in the world. If this is true, then certainly these men make up an "indispensable generation." Most recently, the writings of Tom Brokaw, Steven Spielberg, and New Orleans' own Stephen Ambrose have captured the sense of American idealism and patriotic fervor invigorating our World War II veterans. These men's contributions have persisted decades after V-E Day in driving the United States to the forefront of world economic, political, and technological development. Accordingly, in the post-Cold War era, the United States and its allies have once again faced down mass-scale murder in Europe reminiscent of the Holocaust you so bravely arrested. Our cooperation with Europe has evidently worked once again.

As the European Union begins to realize its economic and political potential, it is especially essential that we retain our trans-Atlantic relationship which has fostered the most intimate system of inter-state security for over fifty years. My state has a particular interest in maintaining ties with the continent from which much of our unique cultural and political identity derives. As Louisiana celebrates its French heritage in its 300th Francofete year, the people of our state salute you, in light of your supreme accomplishments: helping in the liberation of France and dismantlement of the Nazi Third Reich, inaugurating an era of American preeminence and ultimately, making the world safe for democracy.•

CONGRATULATIONS TO CHRISTOPHER CUEVA

• Mr. MURKOWSKI. Mr. President, I rise today to recognize a constituent of mine, Mr. Christopher Cueva of Anchorage, Alaska, for his selection to attend the Research Science Institute's intensive six-week summer program. The program, held at the Massachusetts Institute of Technology in conjunction with the Center for Excellence in Education, prepares students to be future world leaders, advancing science and technology on every level.

Christopher was one of 50 high school students selected for this program from across the country. All of the students considered for the program scored in the top one percent of those taking the PSAT exam. He shows extremely well rounded extra-curricular activities along with a strong academic background.

I am proud to see young people such as Christopher attaining academic success at a young age. It gives me hope and faith to see our education system producing individuals that have the capability to lead our country into the next millennium.

I believe it is important that we congratulate Christopher and all the students selected for this elite program. I also want to congratulate the Center for Excellence in Education and MIT for continuing their work of advancing our country's work in science and technology. I am confident that Christopher will take full advantage of the opportunities before him, and again my congratulations to him.•

TRIBUTE TO AMY BURKE WRIGHT

• Mr. LEAHY. Mr. President, I take this opportunity to recognize the accomplishments of Amy Burke Wright on the occasion of her departure from the Lake Champlain Housing Development Corporation, LCHDC.

For 22 years Amy has been working to provide affordable housing to low income and disabled families in Vermont, and she has done it in such a way as to build respect and self-esteem among those she has helped. Amy has been the lead developer for twenty-five housing developments in eleven Vermont communities. I don't know of a single one of those projects that fit the stereotype for "low-income" housing. More than once in attended the ground-breaking or ribbon cutting for one of the housing developments Amy has managed, I have wished I could live there. From her ground breaking work on the Thelma Maples and Flynn Avenue Co-ops in Burlington to the wonderful redevelopment of an old school at the Marshall Center in St. Albans, Amy has changed the face of affordable housing in Vermont. For that, I and the hundreds of people who have benefitted from her work, thank her.

And it is not just that Amy has brought affordable housing into the mainstream, it is how she has done it—with a creativity and determination to go where no affordable housing provider has gone before. If a project utilizes an innovative approach to ownership, or an organization forms to address affordable housing in new and exciting ways, more likely than not, Amy was there. She established and directed the first congregate housing project in Vermont, was a founding member of the Burlington Community Land Trust, the first non-profit in the state to actively promote long term affordability and community control of housing, and is a member of the Board of Directors of Richmond Housing Inc. which recently sponsored the first project in Vermont to provide home office space to support resident economic development. And these examples only scratch the surface of her work.

During one event to celebrate the opening of yet another affordable housing project she had shepherded to completion, Amy gave me a wand for, she said, the magic I had done in bringing some federal financing to the project. For all that Amy has done to bring quality affordable housing within reach for countless Vermont families, she deserves a super hero cape.•

TRIBUTE TO MADELEINE ANNE THOMAS

• Mr. ABRAHAM. Mr. President, I rise today in memory of a dear friend, Madeleine Anne Thomas, who tragically drowned during a rafting trip on June 22. I also want to pay tribute today to her husband and children who were with her on that day. I feel extremely fortunate to have known Madeleine as a friend. I know that she will be missed by many.

Madeleine Thomas had a propensity for helping people. This desire led her to specialize as a lawyer in the areas of domestic relations, small business law, and civil and criminal litigation. Her top priorities were cases involving children—she served as the court referee for the Wexford and Missaukee County Circuit Courts. In this capacity, she heard and ruled on all issues concerning child support, child custody, visitation, paternity, and alimony for the Circuit Court.

Ms. Thomas was also influential in the advancement of women in her field. She was the first woman president of her local county bar association and she led the way in promoting equality by showing others that she could accomplish that which no other woman had.

Mr. President, I cannot put into words the importance this genuine person had on the people she touched. Her son Christopher's beautiful and touching eulogy truly captures the spirit of her loving and compassionate life. I ask to have printed in the RECORD Christopher's heart-felt eulogy, which was printed in the Traverse City Record Eagle.

Mr. President, I yield the floor.

The eulogy follows:

MADELEINE ANNE THOMAS

DIED JUNE 22, 1999

TRAVERSE CITY.—The world's greatest mother, most loving wife, kindest daughter and most compassionate lawyer died Wednesday, June 22. Madeleine Anne Thomas drowned in a tragic river rafting accident in Montana during a family trip.

Madeleine lived a spirited, sincerely happy life, which started with her birth in Brooklyn, N.Y. on Nov. 2, 1957. After a childhood in which her parents, Jacqueline and Ben Thomas, taught her the essential values of gentle kindness, she graduated from Michigan State University and received her law degree from the University of Detroit. While in college, Madeleine met her soul mate and man of her dreams, Bob Eichenlaub.

Throughout their marriage, Bob and Madeleine maintained a constant, fulfilling love. They truly saw each other through sickness and health; in richer and in poorer their was always love.

She crafted into being two gentle children to whom she taught the skills of love. Christopher T. Eichenlaub, 17, and Caroline T. Eichenlaub, 12, remember with joy all of the moments of guidance that their mother provided. Whether it was through a heart-to-heart, a philosophical debate, or even an argument, Madeleine always had her children, and their future as individual souls, as her first interest.

Henry Wadsworth Longfellow once wrote, "Give what you have. To someone, it may be better than you dare to think." These words sat on Madeleine's desk and this is how she lived her life. She gave all that she could, to any whom she could.

During her 15 years in Traverse City, she took in two teens, one as a foster child, and just last year, took a Russian exchange student into her heart. She raised Glen and Stahsy as confidently and as warmly as she did her own, showing them how a family works and how true motherly love feels.

While Madeleine consistently showed that her family, friends and spiritual life were her top priorities, she also set up her own law firm with partner Thomas Gilbert and became quite a renowned lawyer. Madeleine served a short period as a rotarian and also spent much time as a Wexford County referee. On her ten year reunion questionnaire form for University of Detroit, Madeleine said that the thing she liked most about her practice was her community involvement.

Because of this community involvement, and her work, motivation and persistent work in many fields, Madeleine was recognized and thanked by organizations including: The Michigan Association for Emotionally Disturbed Children, United Way, Women's Resource Center, American Cancer Society, Third Level Crisis Center, State Theatre Group, Traverse City Chamber of Commerce and Crooked Tree Girl Scouts. She wrote articles for both the Business News and the Prime Time News, teaching her readers to be able to negotiate for themselves.

Among the many things that she was known for, she will be most missed for her exploding, infectious laughter which brightened any situation, softened any reality and livened any chance encounter. Her laughter brought people in. It was one of her best ways of showing love. Caroline, shortly before her mother's death, said "Your laughter makes me feel important." And that it did.

Although a devout Catholic, Madeleine believed in the basics dignities inherent to all religions, races and cultures. She had faith in Christ the Savior, yet acknowledged that many beliefs may be the right belief, while very few could be wrong if the human consciousness was in the right place.

Friends may call from 2 to 4 p.m. and 6 to 8 p.m. Sunday at Immaculate Conception Church in Traverse City. A rosary will be recited at 8 p.m. A funeral Mass will be celebrated at 2 p.m. Monday at the church. Madeleine was planning to travel to Haiti to set up a medical mission this August. She would be pleased to have donations sent to Mission of Love, 931 Crestwood Drive, East, Evansville, IN 47715 or Women's Resource Center, 720 S. Elmwood, Traverse City, MI 49684.

Written by Madeleine's beloved son, Christopher.

IN MEMORY OF PAUL SCOTT HOWELL

• Mr. INHOFE. Mr. President, on Wednesday, July 28, Paul Scott Howell of Edmond, Oklahoma was shot and killed as he pulled into the driveway of his parents' home. The apparent motive is carjacking. At the time of his death, Mr. Howell was returning from a shopping trip for school supplies with his daughters and his sister. Fortunately, his daughters and sister were not harmed.

On Monday, August 2, the City of Edmond mourned this senseless death. It was clear from the tone of the service and from those who attended that Paul was loved and admired by many. Although I never had the pleasure of knowing Paul, I suspect that not only have his family and friends suffered a great loss but the entire country has as well because Paul was one of those people that we all wish we could be like. I think Carol Hartzog, the Managing Editor of the Edmond Sun newspaper says it best in a recent column, "You would have liked Paul Howell." Mr. President, I ask to have printed in the RECORD Ms. Hartzog's tribute to Paul Scott Howell.

The tribute follows:

[From The Edmond Sun, Aug. 3, 1999]

YOU WOULD HAVE LIKED PAUL HOWELL

(By Carol Hartzog)

Paul Howell's life went full circle.

Four-year-old "Paulie" was blessed by a security that only a 1950s-era Edmond could provide. It was an idyllic time. Forty years later, Paul was gunned down dead in his boyhood neighborhood last Wednesday. He was a blessed youngster, and through life's trials, has been gifted as an adult. He would in turn bless all who knew him.

Despite his death, his testament will live on.

Often, the media will make a victim of random violence into a larger-than-life character.

But in this case, Paul Howell ministered to so many, young and old. On one hand, he would light up a room with his bounding presence, his boisterous, fun-loving way. On the other hand, in an unassuming way, this 45-year-old man would mentor to those who had fallen victim of the bottle and sought help from Alcoholics Anonymous.

Not only was he a recovering alcoholic, but he had such a passion for it that his story will live—and benefit—so many long after his death. He carried the message to other alcoholics, and mentored them through their steps of recovery.

"Paul didn't just use AA," his brother Bill told me. "AA used him to continue to reach out to others. . . . He grabbed hold of it. He was available all the time, and pushed other people into it, and I was so proud of him doing it."

"It takes a special person to let go of that anonymity," Bill said. Paul really didn't care. He was so happy that AA had changed his life, he wanted to reach out and change as many people as he could.

"That's the real wonder of Paul."

Paul took AA's philosophy to the ultimate degree—one day at a time. A funeral for an alcoholic often gathers a handful of people. Often, there has been no road to recovery, only to death, either by your own hand or another's.

In contrast, Paul Howell's funeral Monday was a celebration—a celebration of one who had triumphed. And with Paul's gifts of an award-winning smile, his sense of humor an his good looks, he helped so many because of his Maker.

Because of his hardships, he connected with the youth of his church, relating his failures and his message, "Don't do to your parents what I did."

Howell's funeral Monday brought people from all the "walks" of his life—his boyhood chums, his AA friends and the community of faith that had been there, literally, from the beginning.

I never had the pleasure of meeting Paul. But it was evident from the many I visited with that what I have said is true. He and his family touched many lives. His family roots extend to the Land Run here.

Sitting next to me was the 80-something year-old retired church organist, who accompanied Paul's mother, Dorothy, and the rest of the choir. The musician watched little Paul and his older brothers grow up.

On the other side of me was Larry, a business associate in the insurance industry. Paul would visit Larry's office at least monthly. He has a gregarious nature.

"I expect by now, he's met everyone in heaven and they all like him," he said. "He never met a stranger. Although, last week, he did."

And then there's the teen-ager who was in Paul's ninth- and 10th-grade Sunday School class.

"He was really cool," Matt said. Paul would occasionally give him tickets to University of Oklahoma ball games.

Leroy spoke at Howell's funeral Monday. Leroy is "A friend of Bill W.," as the funeral bulletin would state. That reference is to the founder of AA.

Through powerful, audible terms, all those who attended the funeral knew Paul's influence through AA. When Leroy spoke from the pulpit and said, "Hello, my name is Leroy and I'm a recovering alcoholic. . . ." I would surmise a third of those in attendance said, "Hello, Leroy," the standard response spoken in unison at AA meetings. You knew Paul was a testament to the power of AA.

The diversity of Paul's scope of influence was apparent. The sanctuary was overflowing. There were hundreds lining its walls, in the foyer, the crying rooms and other anterooms—1,200 people in all, it's estimated. The altar area was covered with 25 flower arrangements—the huge kind that would only look small in the setting of a British cathedral. Dozens more lesser arrangements filled in what space was left.

Paul's memorial service was also a testament to Edmond—a community coming together to pay its respects to the victim of such a random, senseless act.

In the 1950's this then-small town would give Paulie a Rockwell-esque setting in which to grow up. The town's population was 9,000. First Christian Church provided the security that came with that.

He and his two older brothers would bound over fences to the neighbors' houses where the Gibsons and the Rices lived. He grew up in a tight-knit neighborhood where many of his playmates remained to adulthood and to adult responsibilities. That's unique in Edmond today, where a third of our population didn't live here five years ago.

His youthful years became troubled with normal teen-age problems, drinking being a part of that.

Twelve years ago, his life took another turn when he admitted his alcoholism and sought help with AA. That road would take him to a new high, a pinnacle that few reach when struggling with alcoholism.

His community of faith at First Christian Church would walk with him. And along that long stretch, he touched so many. He had been given a gift of new life through AA, and he has been giving back over the years.

This community has pulled together before—the 1986 tornado that struck our town but miraculously took no lives. The post office massacre that same year that took 15 citizens. And the Murrah Building bombing that took 19 Edmond residents.

We don't get any better at coping.

But we know, as the Rev. Kyle Maxwell so eloquently stated Monday, that "suffering got us here (through the crucifixion of Christ on the Cross)."

Let's not "try to make sense out of the senseless crime," Maxwell said.

"The 'why?' of it is that God created us to be free. Sometimes that's too heavy a burden for some people." He has given us the freedom to be compassionate and the freedom to take another's life, Maxwell said.

I believe that Christians are to be people of grace and of forgiveness. We are as sinful as the people who took Paul's life. In this case, society places consequences on those sins acted out. But, Jesus said that any sin is just as deadly, even if it is, unspoken and remains in the heart.

You are to forgive, for if you don't, anger will literally eat away any energy or beauty that Paul may have placed in your hearts.

That's what it's all about. Grace. And if you are not at that point to forgive in your journey, say so. Make a commitment to try.

The families of those in jail who are on this side of heaven and going through a worldly hell need your prayers.

I believe Paul would have been right there, leading the prayer service for those sinners like himself. He has experienced his own private hell and knew from whence they came.●

50TH YEAR ANNIVERSARY OF THE MANN GULCH FIRE

● Mr. BURNS. Mr. President, I rise today to remember a significant, but often overlooked historical event in our nation's past-Montana's Mann Gulch Fire which occurred 50 years ago today. This event continues to capture the nation's attention because thirteen brave, young men died fighting this fire. LIFE Magazine ran a big story shortly after this fire. In 1952, Hollywood made a movie about this unfortunate disaster called "Red Skies of Montana." And Norman Maclean, who wrote the famous book "A River Runs Through It", wrote a haunting bestseller entitled "Young Men and Fire" in 1992. But even more remarkable, this single event marked a turning point in the way the federal government fights wildland fires.

It was a hot summer day in August 1949, not unlike what we have recently experienced, when a Forest Service Fire Guard, James Harrison, reported a small fire in a little, funnel-shaped gulch along the Missouri River. The temperature was 97 degrees with a light wind from the north and east. The fire was located 20 miles north of Helena, Montana in a roadless area called the Gates of the Mountain. Parachuting 15 smokejumpers was decided to be the best approach to reach this remote area quickly to control this relatively ordinary fire.

Once on the ground, the smokejumpers joined the Forest Service Fire Guard to fight the fire. As they moved down the gulch toward the Missouri River, the wind quickly shifted from the south, funneling a strong wind up the gulch. As they got near the Missouri River, a wall of fire blocked their access to the river. The fire was getting hotter and swiftly moving up the gulch. Retreating back was their only solution, however, it was a hard hike back up the steep rocky slope of the gulch. As the firefighters retreated, dropping their equipment, a 30 foot wall of fire raced toward them and eventually overcame them.

In the end, only three firefighters survived—Wagner "Wag" Dodge, Walter Rumsey, and Robert Sallee. Thirteen firefighters died as a testament to the power of a fire "blow up" which had raced down and back up the slopes of Mann Gulch faster than men could travel. Mr. President, I would like to take a moment to name those thirteen brave young men who lost their lives that day—Robert Bennett, Eldon Diettert, James Harrison, William Hellman, Philip McVey, David Navon, Leonard Piper, Stanley Reba, Marvin Sherman, Joseph Sylvia, Henry Thol, Jr., Newton Thompson, and Silas Thompson.

This tragic loss 50 years ago, however, should not be remembered only in a somber way. We should remember the many positive changes that have come from this disaster. After investigating the Mann Gulch Fire, the federal government made a stronger investment in fighting wildland fires. For example, in 1954, President Dwight Eisenhower personally opened the Aerial Fire Depot in Missoula, Montana. Understanding how wildland fires behave and how to best fight them also increased with the opening of research laboratories in Missoula, Montana and Macon, Georgia. Development of new techniques, such as "safety zones" and new technologies, such as reflective "fire shelters," were made to increase the protection of fire fighters in the midst of a fire. These changes were made in large measure due to the sacrifice these thirteen brave men made on August 5, 1949.

There is one last step that needs to be taken. Congress needs to address some of the problems in maintaining the high quality of our nation's fire fighting crews. Yesterday I introduced legislation which will do that. I trust my colleagues will join with me in supporting this bill to ensure its passage. What could be a more fitting tribute to all the brave men and women who have lost their lives fighting wildland fires than to enact legislation this year to strengthen the quality of our nation's firefighting crews.

Mr. President, I invite my colleagues to join me in honoring these brave men for their dedication, sacrifice, and contributions to protect America from wildland fires. To these men who revered honor and honored duty, we salute them.●

TRIBAL COLLEGES AND UNIVERSITIES BRING HOPE TO NATIVE PEOPLE

● Mr. CAMPBELL. Mr. President, I want to express my support for the 31 Tribal Colleges and Universities that provide hope to America's Native communities. The Tribal College movement began some 30 years ago and has a proven track record of success as an integral, viable part of Native American communities.

I believe the Tribal Colleges are the nation's best kept secrets in higher education, and it saddens me to report that the Tribal Colleges are the nation's most underfunded institutions in higher education

In comparison to the mainstream community colleges and universities system, the Tribal College movement is still in its infancy. Over a 30 year period, Tribal Colleges have managed to change the social landscape of Indian country, operating on a shoe-string budget while maintaining full national collegiate accreditation standards.

Tribal Colleges currently operate on a budget of forty percent less than what mainstream community colleges receive from government sources. This is a remarkable feat. Tribal Colleges continue to survive despite these and other difficulties such as problems in the recruitment and retention of faculty due to remote locations and inability to offer competitive salaries.

Unlike other schools, Tribal Colleges do not receive automatic state funding for non-Indian students since they are located on Indian trust lands even though they provide GED, remedial and adult literacy programs for all students, and also doubling as community, cultural and child centers.

Enrollment numbers exceed approximately 26,000 students being served, with growth rate averages of approximately eight percent per year. With this growth rate, these institutions must have adequate funding to meet the growing demands being placed on these tribal educational hubs.

Tribal Colleges are experiencing an enrollment boom and with steady level-funding, will actually see the quality of services deteriorate. I am supportive of efforts to find and provide additional funds for Tribal Colleges as are many of my colleagues.

Studies have shown that Tribal Colleges significantly decrease employment rates, substance abuse and teen pregnancy in some of the nation's poorest communities. More than forty percent of students who attend Tribal Colleges transfer to four-year institutions, and a majority of them return to assist their reservations after receiving their degrees.

I would like to cite two examples of many success stories of the positive impact of the Tribal Colleges:

Justin Finkbonner of the Lummi Nation graduated from Northwest Indian

College in Bellingham, Washington with an Associate Arts Degree. Justin continued his education by transferring to complete a four-year Bachelor's Degree in Environmental Policy from the Huxley College of Environmental Studies at Western Washington University. Currently, he is serving as Morris K. Udall Foundation Native American Congressional Fellow this summer on Capitol Hill experiencing the legislative process with the intention to return to the Lummi Nation, help his people and one day achieve his goal of becoming a tribal leader.

In his own words,

> The Northwest Indian College offered an academic setting and curriculum that no other mainstream institution could offer. For example, one would not receive Lummi tribal history and Lummi language classes at their college, plus the individual attention from faculty and staff to ensure my success. These key differences from mainstream colleges and universities still influence me to this day to aspire to achieve my goals. I had never had that much encouragement and support from this many people to show me that they car about me and my future. I owe a great deal to the Tribal Colleges.

Another success story: Julie Jefferson of the Nooksack tribe, forty-five years old, a wife, a mother of three, a grandmother of five—she has worked at the Northwest Indian College for twelve years as an Administrative Assistant for Instructional Services. She is currently a full-time college employee working her way through her academic pursuits. While working in full capacity, she has managed to complete a two year Associate Arts Degree and still currently working while pursuing a four-year Bachelor's Degree in Human Services at the Woodring College of Education at Western Washington University in Washington State. Ms. Jefferson expects to graduate in the Spring of 2000 with goals to continue her education pursuing a Master's Degree. She is a classic example of the tribal student profile of being a non-traditional female student with dependents from a nearby surrounding community.

Of the 31 Tribal Colleges, two offer Master's Degree programs, four offer Bachelor Degree Programs and many are in the process of developing four-year degree programs cooperatively with nearby mainstream institutions. Tribal Colleges are awarding more than 1,000 Associate Degrees each year, and these Degrees represent nineteen percent of all Associate Degrees awarded to American Indians. This is an impressive figure considering the Tribal Colleges enroll only about seven percent of all American Indian students.

In Academic Year 1996–1997 the Tribal Colleges awarded: 1,016 Associate Degrees, 88 Bachelor Degrees and 7 Masters Degrees. In Academic Year 1995–1996: 1,024 Associate Degrees, 57 Bachelor Degrees and 7 Masters Degrees were awarded. Obviously, these statistics from the National Center for Education solidifies the success of the Tribal College movement by producing graduates—future, productive members of their communities and of society.

Mr. President, I would like to conclude my statement with a quote from one of two special reports produced by The Carnegie Foundation for the Advancement of Teaching titled, "Tribal Colleges: Shaping the Future of Native America". I, again want to reinforçe my support of this nation's 31 Tribal Colleges and to encourage my colleagues on both sides of the aisle to offer their support along with me:

> Tribal Colleges offer hope. They can, with adequate support, continue to open doors of opportunity to the coming generations and help Native American communities bring together a cohesive society, one that draws inspiration from the past in order to shape a creative, inspired vision of the future.•

CONGRATULATING ANDREW ROTHERHAM

• Mr. GORTON. Mr. President, I take this opportunity to congratulate Andrew Rotherham on his new position in the White House as the Special Assistant to the President for Education Policy. Mr. Rotherham was formerly the director of the 21st Century Schools Project at the Progressive Policy Institute, the think tank of the Democratic Leadership Council. Mr. Rotherham has in the past worked closely with my staff on education issues, and I want to wish him success in his new endeavor.

Mr. Rotherham's appointment also may create an opportunity for the Administration to reform its positions on education. Recently, the House passed the Teacher Empowerment Act in a bipartisan fashion, 239–185. I had the opportunity to participate in a press conference earlier this week at which Senator GREGG unveiled a slightly different Senate version of the Teacher Empowerment Act. Unfortunately, the President has signaled his intention to veto this legislation because it does not explicitly authorize his Class Size Reduction program. I recommend and hope that the President will learn what Mr. Rotherham has said recently about that proposal.

In his position at the Progressive Policy Institute, Mr. Rotherham wrote Toward Performance-Based Federal Education Funding—Reauthorization of the Elementary and Secondary Education Act, a policy paper that in part touched on the merits of the President's class size reduction program and the issue of local control of education decisions. In a section of this paper entitled Teacher Quality, Class Size, and Student Achievement, he has this to say about the class size reduction program,

> Now a part of Title VI of ESEA, President Clinton's $1.2 billion class-size reduction initiative, passed in 1998, illustrates Washington's obsession with means at the expense of results and also the triumph of symbolism over sound policy. The goal of raising student achievement is reasonable and essential; however, mandating localities do it by reducing class sizes precludes local decision-making and unnecessarily involves Washington in local affairs.

Mr. Rotherham goes on to state,

> During the debate on the Clinton class-size proposal, it was correctly pointed out that research indicates that teacher quality is a more important variable in student achievement than class size. In fact, this crucial finding was even buried in the U.S. Department of Education's own literature on the issue. The Committee on the Prevention of Reading Difficulty in Young Children stated, "[Although] the quantity and quality of teacher-student interactions are necessarily limited by large class size, best instructional practices are not guaranteed by small class size." In fact, one study of 1000 school districts found that every dollar spent on more highly qualified teachers "netted greater improvements in student achievement than did any other use of school resources." Yet despite this, the class-size initiative allows only 15 percent of the $1.2 billion appropriation to be spent on professional development. Instead of allowing states and localities flexibility to address their own particular circumstances, Washington created a one-size-fits all approach.

Mr. Rotherham ends this section of the paper by asking the following insightful question,

> Considering the crucial importance of teacher quality, the current shortage of qualified teachers, and the fact that class-size is not a universal problem throughout the country, shouldn't states and localities have the option of using more than 15 percent of this funding on professional development?

I am hopeful that Mr. Rotherham will prevail upon President Clinton to work with Congress to pass education reform legislation that allows states and local communities the flexibility they need to provide a quality education for all children, while ensuring that they are held accountable for the results of the education they provide. As Mr. Rotherham states, the federal government should not concentrate on ". . . means at the expense of results . . .", and should not allow ". . . the triumph of symbolism over sound policy," which the President's class size reduction program represents.

My best wishes go out to Mr. Rotherham, and it is my sincere hope that he will be able to have some influence with this administration and that he is able to convince them that Washington does not know best. It's time we put children first, and change the emphasis of the federal government from process and paperwork to kids and learning.

I ask to print in the RECORD the section from Mr. Rotherham's report that discusses his views on the administration's class size initiative.

The material follows:

TOWARD PERFORMANCE-BASED FEDERAL EDUCATION FUNDING: REAUTHORIZATION OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

(By Andrew Rotherham)

TEACHER QUALITY, CLASS SIZE, AND STUDENT ACHIEVEMENT

Reducing class size is obviously not a bad idea. Quite the contrary, substantial research indicates it can be an effective strategy to raise student achievement. As the Progressive Policy Institute has pointed out, all things being equal, teachers are probably more effective with fewer students. However, achieving smaller class sizes is often problematic. For example, as a result of a teacher shortage exacerbated by a mandate to reduce class sizes, 21,000 of California's 250,000 teachers are working with emergency permits in the states most troubled schools.

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During the debate on the Clinton class-size proposal, it was correctly pointed out that research indicates that teacher quality is a more important variable in student achievement than class size. If fact, this crucial finding was even buried in the U.S. Department of Education's own literature on the issue. The Committee on the Prevention of Reading Difficulty in Young Children stated, "[Although] the quantity and quality of teacher-student interactions are necessarily limited by large class size, best instructional practices are not guaranteed by small class size." In fact, one study of 1000 school districts found that every dollar spent on more highly qualified teachers "Netted greater improvements in student achievement than did any other use of school resources." Yet despite this, the class-size initiative allows only 15 percent of the $1.2 billion appropriation to be spent on professional development. Instead of allowing states and localities flexibility to address their own particular circumstances, Washington created a one-size-fits all approach. Considering the crucial importance of teacher quality, the current shortage of qualified teachers, and the fact that class-size is not a universal problem throughout the country, shouldn't states and localities have the option of using more than 15 percent of this funding on professional development?•

TRIBUTE TO WHITEHALL AND MONTAGUE VETERANS

• Mr. ABRAHAM. Mr. President, I rise today to pay tribute to the Veterans of WWII from Whitehall and Montague, Michigan, on the occasion of the Restoration and Dedication of the WWII Monument in Whitehall, Michigan.

We as a country cannot thank enough the men and women of the armed forces who have served our country. The very things that make America great today we owe in large part to the Veterans of WWII as well as our Veterans of other wars. The bravery and courage that these young people showed in defending our nation is a tribute to the upbringing they received in Whitehall and Montague. While these men clearly are outstanding in their home towns, they also have contributed greatly to the freedom of all Americans.

These great men put everything aside for their country. They put their families and education aside for the good of democracy.

Some of them even gave their lives.

On August 14, 1999, there will be a WWII Monument Rededication honoring the Whitehall and Montague Veterans. At that time, their communities will, in a small but significant way, thank them for the sacrifices they made to keep us free.

I would like to take this opportunity to join the people of Whitehall and Montague in honoring all of their citizens who fought for our country. Furthermore, I would like to pay special tribute to those men who gave their lives for our country by listing them in the CONGRESSIONAL RECORD.

Mr. President, I yield the floor.

WWII MEMORIAL—KILLED IN ACTION

Robert Andrews
James Bayne
Thomas Buchanan
A. Christensen
Russell Cripe
Earl Gingrich
Otto Grunewald
Walter Haupt
Harry Johnson
Raymond Kissling
Robert LaFaunce
Kenneth Leighton
Edward Lindsey
Tauro Maki
Roger Meinert
Dr. D.W. Morse
Robert Pulsipher
John Radics
Lyle Rolph
Raymond Runsel
Wayne Stiles
H. Strandberg, Jr.
Robert Zatzke•

ANTICYBERSQUATTING CONSUMER PROTECTION ACT

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 240, S. 1255.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1255) to protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Anticybersquatting Consumer Protection Act.".

(b) REFERENCES TO THE TRADEMARK ACT OF 1946.—Any reference in this Act to the Trademark Act of 1946 shall be a reference to the Act entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (15 U.S.C. 1051 et seq.).

SEC. 2. FINDINGS.

Congress finds the following:

(1) The registration, trafficking in, or use of a domain name that is identical without regard to the goods or services of the parties, with the bad-faith intent to profit from the goodwill of another's mark (commonly referred to as "cyberpiracy" and "cybersquatting")—

(A) results in consumer fraud and public confusion as to the true source or sponsorship of goods and services;

(B) impairs electronic commerce, which is important to interstate commerce and the United States economy;

(C) deprives legitimate trademark owners of substantial revenues and consumer goodwill; and

(D) places unreasonable, intolerable, and overwhelming burdens on trademark owners in protecting their valuable trademarks.

(2) Amendments to the Trademark Act of 1946 would clarify the rights of a trademark owner to provide for adequate remedies and to deter cyberpiracy and cybersquatting.

SEC. 3. CYBERPIRACY PREVENTION.

(a) IN GENERAL.—Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by inserting at the end the following:

"(B) In determining whether there is a bad-faith intent described under subparagraph (A), a court may consider factors such as, but not limited to—

"(i) the trademark or other intellectual property rights of the person, if any, in the domain name;

"(ii) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

"(iii) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

"(iv) the person's legitimate noncommercial or fair use of the mark in a site accessible under the domain name;

"(v) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

"(vi) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for substantial consideration without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services;

"(vii) the person's intentional provision of material and misleading false contact information when applying for the registration of the domain name; and

"(viii) the person's registration or acquisition of multiple domain names which are identical without regard to the goods or services of such persons.

"(C) In any civil action involving the registration, trafficking, or use of a domain name under this paragraph, a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.

"(2)(A) The owner of a mark may file an in rem civil action against a domain name if—

"(i) the domain name violates any right of the registrant of a mark registered in the Patent and Trademark Office, or section 43 (a) or (c); and

"(ii) the court finds that the owner has demonstrated due diligence and was not able to find a person who would have been a defendant in a civil action under paragraph (1).

"(B) The remedies of an in rem action under this paragraph shall be limited to a court order for the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark.".

(b) Additional Civil Action and Remedy.—The civil action established under section 43(d)(1) of the Trademark Act of 1946 (as added by this section) and any remedy available under such action shall be in addition to any other civil action or remedy otherwise applicable.

SEC. 4. DAMAGES AND REMEDIES.

(a) Remedies In Cases of Domain Name Piracy.—

(1) Injunctions.—Section 34(a) of the Trademark Act of 1946 (15 U.S.C. 1116(a)) is amended in the first sentence by striking "section 43(a)" and inserting "section 43 (a), (c), or (d)".

(2) Damages.—Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(a)) is amended in the first sentence by inserting ", (c), or (d)" after "section 43 (a)".

(b) Statutory Damages.—Section 35 of the Trademark Act of 1946 (15 U.S.C. 1117) is amended by adding at the end the following:

"(d) In a case involving a violation of section 43(d)(1), the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than $1,000 and not more than $100,000 per domain name, as the court considers just. The court shall remit statutory damages in any case in which an infringer believed and had reasonable grounds to believe that use of the domain name by the infringer was a fair or otherwise lawful use.".

SEC. 5. LIMITATION ON LIABILITY.

Section 32(2) of the Trademark Act of 1946 (15 U.S.C. 1114) is amended—

(1) in the matter preceding subparagraph (A) by striking "under section 43(a)" and inserting "under section 43 (a) or (d)"; and

(2) by redesignating subparagraph (D) as subparagraph (E) and inserting after subparagraph (C) the following:

"(D)(i) A domain name registrar, a domain name registry, or other domain name registration authority that takes any action described under clause (ii) affecting a domain name shall not be liable for monetary relief to any person for such action, regardless of whether the domain name is finally determined to infringe or dilute the mark.

"(ii) An action referred to under clause (i) is any action of refusing to register, removing from registration, transferring, temporarily disabling, or permanently canceling a domain name—

"(I) in compliance with a court order under section 43(d); or

"(II) in the implementation of a reasonable policy by such registrar, registry, or authority prohibiting the registration of a domain name that is identical to, confusingly similar to, or dilutive of another's mark registered on the Principal Register of the United States Patent and Trademark Office.

"(iii) A domain name registrar, a domain name registry, or other domain name registration authority shall not be liable for damages under this section for the registration or maintenance of a domain name for another absent a showing of bad faith intent to profit from such registration or maintenance of the domain name.

"(iv) If a registrar, registry, or other registration authority takes an action described under clause (ii) based on a knowing and material misrepresentation by any person that a domain name is identical to, confusingly similar to, or dilutive of a mark registered on the Principal Register of the United States Patent and Trademark Office, such person shall be liable for any damages, including costs and attorney's fees, incurred by the domain name registrant as a result of such action. The court may also grant injunctive relief to the domain name registrant, including the reactivation of the domain name or the transfer of the domain name to the domain name registrant.".

SEC. 6. DEFINITIONS.

Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by inserting after the undesignated paragraph defining the term "counterfeit" the following:

"The term 'Internet' has the meaning given that term in section 230(f)(1) of the Communications Act of 1934 (47 U.S.C. 230(f)(1)).

"The term 'domain name' means any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet.".

SEC. 7. SAVINGS CLAUSE.

Nothing in this Act shall affect any defense available to a defendant under the Trademark Act of 1946 (including any defense under section 43(c)(4) of such Act or relating to fair use) or a person's right of free speech or expression under the first amendment of the United States Constitution.

SEC. 8. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstances is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 9. EFFECTIVE DATE.

This Act shall apply to all domain names registered before, on, or after the date of enactment of this Act, except that statutory damages under section 35(d) of the Trademark Act of 1946 (15 U.S.C. 1117), as added by section 4 of this Act, shall not be available with respect to the registration, trafficking, or use of a domain name that occurs before the date of enactment of this Act.

AMENDMENT NO. 1609

(Purpose: To clarify the rights of domain name registrants and Internet users with respect to lawful uses of Internet domain names, and for other purposes)

Mr. BROWNBACK. Mr. President, Senators HATCH and LEAHY have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The Senator from Kansas [Mr. BROWNBACK], for Mr. HATCH, for himself and Mr. LEAHY, proposes an amendment numbered 1609.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 4, beginning with "to" strike all through the comma on line 7 and insert "or confusingly similar to a trademark or service mark of another that is distinctive at the time of the registration of the domain name, or dilutive of a famous trademark or service mark of another that is famous at the time of the registration of the domain name,".

On page 11, strike lines 5 through 12 and insert the following:

"(d)(1)(A) A person shall be liable in a civil action by the owner of a trademark or service mark if, without regard to the goods or services of the parties, that person—

"(i) has a bad faith intent to profit from that trademark or service mark; and

"(ii) registers, traffics in, or uses a domain name that—

"(I) in the case of a trademark or service mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to such mark; or

"(II) in the case of a famous trademark or service mark that is famous at the time of registration of the domain name, is dilutive of such mark.

On page 12, line 19, strike all beginning with "to" through the comma on line 22 and insert "or confusingly similar to trademarks or service marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous trademarks or service marks of others that are famous at the time of registration of such domain names,".

On page 13, insert between lines 3 and 4 the following:

"(D) A use of a domain name described under subparagraph (A) shall be limited to a use of the domain name by the domain name registrant or the domain name registrant's authorized licensee.

On page 16, line 24, strike the quotation marks and the second period.

On page 16, add after line 24 the following:

"(v) A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this Act. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.".

Mr. HATCH. Mr. President, today the Senate considers legislation to address the serious threats to American consumers, businesses, and the future of electronic commerce, which derive from the deliberate, bad-faith, and abusive registration of Internet domain names in violation of the rights of trademark owners. For the Net-savvy, this burgeoning form of cyber-abuse is known as "cybersquatting." For the average consumer, it is simply fraud, deception, and the bad-faith trading on the goodwill of others.

Our trademark laws have long recognized the communicative value of brand name identifiers, which serve as the primary indicators of source, quality, and authenticity in the minds of consumers. These laws prohibit the unauthorized uses of other people's marks because such uses lead to consumer confusion, undermine the goodwill and communicative value of the brand names they rely on, and erode consumer confidence in the marketplace generally. Such problems of brand-name abuse and consumer confusion are particularly acute in the online environment, where traditional indicators of source, quality, and authenticity give way to domain names and digital storefronts that take little more than Internet access and rudimentary computer skills to erect. In many cases, the domain name that takes consumers to an Internet site and the graphical interface that greets them when they get there are the only indications of source and authenticity, and legitimate and illegitimate sites may be indistinguishable to online consumers.

Despite the protections of existing trademark law, cyber-pirates and online bad actors are increasingly taking advantage of the novelty of the Internet and the online vulnerabilities of trademark owners to deceive and defraud consumers and to hijack the valuable trademarks of American businesses. In some cases these bad actors register the well-known marks of others as domain names with the intent to extract sizeable payments from the rightful trademark owner in exchange for relinquishing the rights to the name in cyberspace. In others they use the domain name to divert unsuspecting Internet users to their own sites, which are often pornographic sites or competitors' sites that prey on consumer confusion. Still others use the domain name to engage in counterfeiting activities or for other fraudulent or nefarious purposes.

In considering this legislation, the Judiciary Committee has seen examples of many such abuses. For example, we heard testimony of consumer fraud being perpetrated by the registrant of the "attphonecard.com" and "attcallingcard.com" domain names who set up Internet sites purporting to sell calling cards and soliciting personally identifying information, including credit card numbers. We also heard examples of counterfeit goods and non-genuine Porsche parts being sold on a number of the more than 300 web sites found using domain names bearing Porsche's name. The risks posed to consumers by these so-called "dot.con" artists continue to escalate as more people go online to buy things like pharmaceuticals, financial services, and even groceries.

I was also surprised to learn that the "dosney.com" domain was being used for a hard-core pornography website—a fact that was brought to the attention of the Walt Disney Company by the parent of a child who mistakenly arrived at that site when looking for Disney's main page. In a similar case, a 12-year old California boy was denied privileges at his school when he entered "zelda.com" in a web browser at his school library, looking for a site he expected to be affiliated with the popular computer game of the same name, but ended up at a pornography site. Young children are not the only victims of this sort of abuse. Recently the Intel Corporation had the "pentium3.com" domain snatched up by a cybersquatter who used it to post pornographic images of celebrities and offered to sell the domain name to the highest bidder.

The Committee also heard numerous examples of online bad actors using domain names to engage in unfair competition. For example, one domain name registrant used the name "wwwcarpoint.com," without a period following the "www," to drive consumers who are looking for Microsoft's popular Carpoint car buying service to a competitor's site offering similar services. Other bad actors don't even bother to offer competing services, opting instead to register multiple domain names to interfere with companies' ability to use their own trademarks online. For example, the Committee was told that Warner Bros. was asked to pay $350,000 for the rights to the names "warner-records.com," "warner-bros-records.com," "warner-pictures.com," "warner-bros-pictures", and "warnerpictures.com."

It is time for Congress to take a closer look at these abuses and to respond with appropriate legislation. The bill the Senate considers today will address these problems by clarifying the rights of trademark owners with respect to cybersquatting, by providing clear deterrence to prevent such bad faith and abusive conduct, and by providing adequate remedies for trademark owners in those cases where it does occur. And while the bill provides many important protections for trademark owners, it is important to note that the bill we are considering today reflects the text of a substitute amendment that Senator LEAHY and I offered in the Judiciary Committee to carefully balance the rights of trademark owners with the interests of Internet users. The text is substantively identical to the legislation that Senator LEAHY and I introduced as S. 1461, with Senators ABRAHAM, TORRICELLI, DEWINE, KOHL, and SCHUMER as cosponsors. In short, it represents a balanced approach that will protect American consumers and the businesses that drive our economy while at the same time preserving the rights of Internet users to engage in protected expression online and to make lawful uses of others' trademarks in cyberspace.

Let me take just a minute to explain some of the changes that are reflected in the bill as it has been reported to the Senate by the Judiciary Committee. While the current bill shares the goals of, and has some similarity to, the bill as introduced, it differs in a number of substantial respects. First, like the legislation introduced by Senator ABRAHAM, this bill allows trademark owners to recover statutory damages in cybersquatting cases, both to deter wrongful conduct and to provide adequate remedies for trademark owners who seek to enforce their rights in court. The reported bill goes beyond simply stating the remedy, however, and sets forth a substantive cause of action, based in trademark law, to define the wrongful conduct sought to be deterred and to fill in the gaps and uncertainties of current trademark law with respect to cybersquatting.

Under the bill as reported, the abusive conduct that is made actionable is appropriately limited to bad faith registrations of others' marks by persons who seek to profit unfairly from the goodwill associated therewith. In addition, the reported bill balances the property interests of trademark owners with the interests of Internet users who would make fair use of others' marks or otherwise engage in protected speech online. The reported bill also limits the definition of domain name identifier to exclude such things as screen names, file names, and other identifiers not assigned by a domain name registrar or registry. It also omits criminal penalties found in Senator ABRAHAM's original legislation.

Second, the reported bill provides for in rem jurisdiction, which allows a mark owner to seek the forfeiture, cancellation, or transfer of an infringing domain name by filing an in rem action against the name itself, where the domain name violates the mark owner's substantive trademark rights and where the mark owner has satisfied the court that it has exercised due diligence in trying to locate the owner of the domain name but is unable to do so. A significant problem faced by trademark owners in the fight against cybersquatting is the fact that many cybersquatters register domain names under aliases or otherwise provide false information in their registration applications in order to avoid identification and service of process by the mark owner. The bill, as reported, will alleviate this difficulty, while protecting the notions of fair play and substantial justice, by enabling a mark owner to seek an injunction against the infringing property in those cases where, after due diligence, a mark owner is unable to proceed against the domain name registrant because the registrant has provided false contact information and is otherwise not to be found.

Additionally, some have suggested that dissidents or others who are online incognito for similar legitimate reasons might give false information to protect themselves and have suggested the need to preserve a degree of anonymity on the Internet particularly for this reason. Allowing a trademark owner to proceed against the domain names themselves, provided they are, in fact, infringing or diluting under the Trademark Act, decreases the need for trademark owners to join the hunt to chase down and root out these dissidents or others seeking anonymity on the Net. The approach in this bill is a good compromise, which provides meaningful protection to trademark owners while balancing the interests of privacy and anonymity on the Internet.

Third, like the original Abraham bill, the substitute amendment encourages domain name registrars and registries to work with trademark owners to prevent cybersquatting by providing a limited exemption from liability for domain name registrars and registries that suspend, cancel, or transfer domain names pursuant to a court order or in the implementation of a reasonable policy prohibiting cybersquatting. The bill goes further, however, in order to protect the rights of domain name registrants against overreaching trademark owners. Under the reported bill, a trademark owner who knowingly and materially misrepresents to the domain name registrar or registry that a domain name is infringing is liable to the domain name registrant for damages resulting from the suspension, cancellation, or transfer of the domain name. In addition, the court may award injunctive relief to the domain name registrant by ordering the reactivation of the domain name or the transfer of the domain name back to the domain name registrant. Finally, the bill also promotes the continued ease and efficiency users of the current registration system enjoy by codifying current case law limiting the secondary liability of domain name registrars and registries for the act of registration of a domain name.

Finally, the reported bill includes an explicit savings clause making clear that the bill does not affect traditional trademark defenses, such as fair use, or a person's first amendment rights, and it ensures that any new remedies created by the bill will apply prospectively only.

In addition, the Senate is considering today an amendment I am offering with Senator LEAHY to make three additional clarifications. First, our amendment will clarify that the prohibited "uses" of domain names contemplated by the bill are limited to uses by the domain name registrant or his authorized licensee and do not include uses by others, such as in hypertext links, directory publishing, or search engines.

Second, our amendment clarifies that, like the Federal Trademark Dilution Act, uses of names that dilute the marks of others are actionable only where the mark that is harmed has achieved the status of a "famous" mark. As reported by the Committee, the bill does not distinguish between famous and non-famous marks. I supported this outcome because I believe the bill should provide protection to all mark owners against the deliberate, bad-faith dilution of their marks by cybersquatters—particularly given the proliferation of small startups that are driving the growth of electronic commerce on the Internet. Nevertheless, in the interest of moving the bill forward to provide much needed protection to trademark owners in a timely fashion and to build more closely on the pattern set by established law, I agreed to support an amendment limiting the scope of the bill to famous marks in the dilution context. Thus, our amendment clarifies that, like substantive trademark law generally, uses of others' marks in a way that causes a likelihood of consumer confusion is actionable whether or not the mark is famous, but like under the Federal Trademark Dilution Act, dilutive uses of others' marks is actionable only if the mark is famous.

Finally, our amendment clarifies that a domain name registrant whose name is suspended in an extra-judicial dispute resolution procedure can seek a declaratory judgment that his use of the name was, in fact, lawful under the Trademark Act. This clarification is consistent with other provisions of the reported bill that seek to protect domain name registrants against overreaching trademark owners.

Let me say in conclusion that this is an important piece of legislation that will promote the growth of online commerce by protecting consumers and providing clarity in the law for trademark owners in cyberspace. It is a balanced bill that protects the rights of Internet users and the interests of all Americans in free speech and protected uses of trademarked names for such things as parody, comment, criticism, comparative advertising, news reporting, etc. It reflects many hours of discussions with senators and affected parties on all sides. Let me thank Senator LEAHY for his work in crafting this particular measure, as well as Senator ABRAHAM for his cooperation in this effort, and all the other cosponsors of the bill and the substitute amendment adopted by the Judiciary Committee last week. I look forward to my colleagues' support of this measure and to working with them to get this important bill promoting e-commerce and online consumer protection through the Senate and enacted into law.

Mr. LEAHY. Mr. President, I am pleased that the Senate is today passing the Hatch-Leahy substitute amendment to S. 1255, the "Anticybersquatting Consumer Protection Act." Senator HATCH and I, and others, have worked hard to craft this legislation in a balanced fashion to protect trademark owners and consumers doing business online, and Internet users who want to participate in what the Supreme Court has described as "'a unique and wholly new medium of worldwide human communication." Reno v. ACLU, 521 U.S. 844 (1997).

On July 29, 1999, Senator HATCH and I, along with several other Senators, introduced S. 1461, the "Domain Name Piracy Prevention Act of 1999." This bill then provided the text of the Hatch-Leahy substitute amendment that we offered to S. 1255 at the Judiciary Committee's executive business meeting the same day. The Committee unanimously reported the substitute amendment favorably to the Senate for consideration. This substitute amendment, with three additional refinements contained in a Hatch-Leahy clarifying amendment, is the legislation that the Senate considers today.

Trademarks are important tools of commerce.—The exclusive right to the use of a unique mark helps companies compete in the marketplace by distinguishing their goods and services from those of their competitors, and helps consumers identify the source of a product by linking it with a particular company. The use of trademarks by companies, and reliance on trademarks by consumers, will only become more important as the global marketplace becomes larger and more accessible with electronic commerce. The reason is simple: when a trademarked name is used as a company's address in cyberspace, customers know where to go online to conduct business with that company.

The growth of electronic commerce is having a positive effect on the economies of small rural states like mine. A Vermont Internet Commerce report I commissioned earlier this year found that Vermont gained more than 1,000 new jobs as a result of Internet commerce, with the potential that Vermont could add more than 24,000 jobs over the next two years. For a small state like ours, this is very good news.

Along with the good news, this report identified a number of obstacles that stand in the way of Vermont reaching the full potential promised by Internet commerce. One obstacle is that "merchants are anxious about not being able to control where their names and brands are being displayed." Another is the need to bolster consumers' confidence in online shopping.

Cybersquatters hurt electronic commerce.—Both merchant and consumer confidence in conducting business online are undermined by so-called "cybersquatters" or "cyberpirates," who abuse the rights of trademark holders by purposely and maliciously registering as a domain name the trademarked name of another company to divert and confuse customers or to deny the company the ability to establish an easy-to-find online location. A recent report by the World Intellectual Property Organization (WIPO) on the Internet domain name process has characterized cybersquatting as "predatory and parasitical practices by a minority of domain registrants acting in bad faith" to register famous or well-known marks of others—which can lead to consumer confusion or downright fraud.

Enforcing trademarks in cyberspace will promote global electronic commerce.—Enforcing trademark law in cyberspace can help bring consumer confidence to this new frontier. That is why I have long been concerned with protecting registered trademarks online. Indeed, when the Congress passed the Federal Trademark Dilution Act of 1995, I noted that: "[A]lthough no one else has yet considered this application, it is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others." (CONGRESSIONAL RECORD, Dec. 29, 1995, page S19312)

In addition, last year I authored an amendment that was enacted as part of the Next Generation Internet Research Act authorizing the National Research Council of the National Academy of Sciences to study the effects on trademark holders of adding new top-level domain names and requesting recommendations on inexpensive and expeditious procedures for resolving trademark disputes over the assignment of domain names. Both the Internet Corporation for Assigned Names and Numbers (ICANN) and WIPO are also making recommendations on these procedures. Adoption of a uniform trademark domain name dispute resolution policy will be of enormous benefit to American trademark owners.

The "Domain Name Piracy Prevention Act," S. 1461, which formed the basis for the substitute amendment to S. 1255 that the Senate considers today, is not intended in any way to frustrate these global efforts already underway to develop inexpensive and expeditious procedures for resolving domain name disputes that avoid costly and time-consuming litigation in the court systems either here or abroad. In fact, the legislation expressly provides liability limitations for domain name registrars, registries or other domain name registration authorities when they take actions pursuant to a reasonable policy prohibiting the registration of domain names that are identical or confusingly similar to another's trademark or dilutive of a famous trademark. The ICANN and WIPO consideration of these issues will inform the development by domain name registrars and registries of such reasonable policies.

The Federal Trademark Dilution Act of 1995 has been used as I predicted to help stop misleading uses of trademarks as domain names. One court has described this exercise by saying that "attempting to apply established trademark law in the fast-developing world of the Internet is somewhat like trying to board a moving bus . . ." Bensusan Restaurant Corp. v. King, 126 F.3d 25 (2d Cir. 1997). Nevertheless, the courts appear to be handling "cybersquatting" cases well. As University of Miami Law Professor Michael Froomkin noted in testimony submitted at the Judiciary Committee's hearing on this issue on July 22, 1999, "[i]n every case involving a person who registered large numbers of domains for resale, the cybersquatter has lost."

For example, courts have had little trouble dealing with a notorious cybersquatter, Dennis Toeppen from Illinois, who registered more than 100 trademarks—including "yankee stadium.com," "deltaairlines.com," and "neiman-marcus.com"—as domain names for the purpose of eventually selling the names back to the companies owning the trademarks. The various courts reviewing his activities have unanimously determined that he violated the Federal Trademark Dilution Act.

Similarly, Wayne State University Law Professor Jessica Litman noted in testimony submitted at the Judiciary Committee's hearing that those businesses which "have registered domain names that are confusingly similar to trademarks or personal names in order to use them for pornographic web sites . . . have without exception lost suits brought against them."

Enforcing or even modifying our trademark laws will be only part of the solution to cybersquatting. Up to now, people have been able to register any number of domain names in the popular ".com" domain with no money down and no money due for 60 days. Network Solutions Inc. (NSI), the dominant Internet registrar, announced just last month that it was changing this policy, and requiring payment of the registration fee up front. In doing so, the NSI admitted that it was making this change to curb cybersquatting.

In light of the developing case law, the ongoing efforts within WIPO and ICANN to build a consensus global mechanism for resolving online trademark disputes, and the implementation of domain name registration practices designed to discourage cybersquatting, the legislation we pass today is intended to build upon this progress and provide constructive guidance to trademark holders, domain name registrars and registries and Internet users registering domain names alike.

Commercial sites are not the only ones suffering at the hands of domain name pirates. Even the Congress is not immune: while cspan.org provides detailed coverage of the Senate and House, cspan.net is a pornographic site. Moreover, Senators and presidential hopefuls are finding that domain names like bush2000.org and hatch2000.org are being snatched up by cyber poachers intent on reselling these names for a tidy profit. While this legislation does not help politicians protect their names, it will help small and large businesses and consumers doing business online.

As introduced, S. 1255 was flawed.—I appreciate the efforts of Senators ABRAHAM, TORRICELLI, HATCH and MCCAIN to focus our attention on this important matter. As originally introduced, S. 1255 proposed to make it illegal to register or use any "Internet domain name or identifier of an online location" that could be confused with the trademark of another person or cause dilution of a "famous trademark." Violations were punishable by both civil and criminal penalties.

I voiced concerns at a hearing before the Judiciary Committee that, in its original form, S. 1255 would have a number of unintended consequences that could hurt rather than promote electronic commerce, including the following specific problems:

The definition was overbroad.—As introduced, S. 1255 covered the use or registration of any "identifier," which could cover not just second level domain names, but also e-mail addresses, screen names used in chat rooms, and even files accessible and readable on the Internet. As one witness pointed out, "the definitions will make every fan a criminal." How? A file document about Batman, for example, that uses the trademark "Batman" in its name, which also identifies its online location, could land the writer in court under that bill. Cybersquatting is not about file names.

The original bill threatened hypertext linking.—The Web operates on hypertext linking, to facilitate jumping from one site to another. The original bill could have disrupted this practice by imposing liability on operators of sites with links to other sites with trademark names in the address. One could imagine a trademark owner not wanting to be associated with or linked with certain sites, and threatening suit under this proposal unless the link were eliminated or payments were made for allowing the linking.

The original bill would have criminalized dissent and protest sites.—A number of Web sites collect complaints about trademarked products or services, and use the trademarked names to identify themselves. For example, there are protest sites named "boycott-cbs.com" and "www.PepsiBloodbath.com." While the speech contained on those sites is clearly constitutionally protected, as originally introduced, S. 1255 would have criminalized the use of the trademarked name to reach the site and made them difficult to search for and find online.

The original bill would have stifled legitimate warehousing of domain names.—The bill, as introduced, would have changed current law and made liable persons who merely register domain names similar to other trademarked names, whether or not they actually set up a site and used the name. The courts have recognized that companies may have legitimate reasons for registering domain names without using them and have declined to find trademark violations for mere registration of a trademarked name. For example, a company planning to acquire another company might register a domain name containing the target company's name in anticipation of the deal. The original bill would have made that company liable for trademark infringement.

For these and other reasons, Professor Litman concluded that, as introduced, the "bill would in many ways be bad for electronic commerce, by making it hazardous to do business on the Internet without first retaining trademark counsel." Faced with the risk of criminal penalties, she stated that "many start-up businesses may choose to abandon their goodwill and move to another Internet location, or even to fold, rather than risk liability."

The Hatch-Leahy Domain Name Piracy Prevention Act and substitute amendment to S. 1255 are a better solution.—S. 1461, the "Domain Name Piracy Prevention Act," which Senators HATCH and I, and others, introduced and which provides the text of the substitute amendment to S. 1255, addresses the cybersquatting problem without jeopardizing other important online rights and interests. Along with the Hatch-Leahy clarifying amendment we consider today, this legislation would amend section 43 of the Trademark Act (15 U.S.C. § 11125) by adding a new section to make liable for actual or statutory damages any person, who with bad-faith intent to profit from the goodwill of another's trademark, without regard to the goods or services of the parties, registers, traffics in or uses a domain name that is identical or confusingly similar to a distinctive trademark or dilutive of a famous trademark. The fact that the domain name registrant did not compete with the trademark owner would not be a bar to recovery.

Uses of infringing domain names that support liability under the legislation are expressly limited to uses by the domain name registrant or the registrant's authorized licensee. This limitation makes clear that "uses" of domain names by persons other than the domain name registrant for purposes such as hypertext linking, directory publishing, or for search engines, are not covered by the prohibition.

Domain name piracy is a real problem. Whitehouse.com has probably gotten more traffic from people trying to find copies of the President's speeches than those interested in adult material. As I have noted, the issue has struck home for many in this body, with aspiring cyber-poachers seizing domain names like bush2000.org and trying to extort political candidates for their use.

While the problem is clear, narrowly defining the solution is trickier. The mere presence of a trademark is not enough. Legitimate conflicts may arise between companies offering different services or products under the same trademarked name, such as Juno lighting inc. and Juno online services over the juno.com domain name, or between companies and individuals who register a name or nickname as a domain name, such as the young boy nicknamed "pokey" whose domain name "pokey.org" was challenged by the toy manufacturer who owns the rights to the Gumby and Pokey toys. In other cases, you may have a site which uses a trademarked name to protest a group, company or issue, such as pepsibloodbath.com, or even to defend one's reputation, such as www.civil-action.com, which belongs not to the motion picture studio, but to W.R. Grace to rebut the unflattering portrait of the company as a polluter and child poisoner created by the movie.

There is a world of difference between these sorts of sites and those which use deceptive naming practices to draw attention to their site (e.g., whitehouse.com), or those who use domain names to misrepresent the goods or services they offer (e.g., dellmemory.com, which may be confused with the Dell computer company).

We must also recognize certain technological realities. For example, merely mentioning a trademark is not a problem. Posting a speech that mentions AOL on my web page and calling the page aol.html, confuses no one between my page and America Online's site. Likewise, we must recognize that while the Web is a key part of the Internet, it is not the only part. We simply do not want to pass legislation that may impose liability on Internet users with e-mail addresses, which may contain a trademarked name. Nor do we want to crack down on newsgroups that use trademarks descriptively, such as alt.comics.batman.

In short, it is important that we distinguish between the legitimate and illegitimate use of domain names, and this legislation does just that. Significant sections of this legislation include:

Definition.—Domain names are narrowly defined to mean alphanumeric designations registered with or assigned by domain name registrars or registries, or other domain name registration authority as part of an electronic address on the Internet. Since registrars only register second level domain names, this definition effectively excludes file names, screen names, and e-mail addresses and, under current registration practice, applies only to second level domain names.

Scienter Requirement.—Good faith, innocent or negligent uses of a domain name that is identical or confusingly similar to another's mark or dilutive of a famous mark are not covered by the legislation's prohibition. Thus, registering a domain name while unaware that the name is another's trademark would not be actionable. Nor would the use of a domain name that contains a trademark for purposes of protest, complaint, parody or commentary satisfy the requisite scienter requirement. Bad-faith intent to profit is required for a violation to occur. This requirement of bad-faith intent to profit is critical since, as Professor Litman pointed out in her testimony, our trademark laws permit multiple businesses to register the same trademark for different classes of products. Thus, she explains:

> [a]lthough courts have been quick to impose liability for bad faith registration, they have been far more cautious in disputes involving a domain name registrant who has a legitimate claim to use a domain name and registered it in good faith. In a number of cases, courts have refused to impose liability where there is no significant likelihood that anyone will be misled, even if there is a significant possibility of trademark dilution.

The legislation outlines the following non-exclusive list of eight factors for courts to consider in determining whether such bad-faith intent to profit is proven: (i) the trademark rights of the domain name registrant in the domain name; (ii) whether the domain name is the legal name or nickname of the registrant; (iii) the prior use by the registrant of the domain name in connection with the bona fide offering of any goods or services; (iv) the registrant's legitimate noncommercial or fair use of the mark at the site under the domain name; (v) the registrant's intent to divert consumers from the mark's owner's online location in a manner that could harm the mark's goodwill, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation or endorsement of the site; (vi) the registrant's offer to sell the domain name for substantial consideration without having or having an intent to use the domain name in the bona fide offering of goods or services; (vii) the registrant's intentional provision of material false and misleading contact information when applying for the registration of the domain name; and (viii) the registrant's registration of multiple domain names that are identical or similar to or dilutive of another's trademark.

Damages.—In civil actions against cybersquatters, the plaintiff is authorized to recover actual damages and profits, or may elect before final judgment to award of statutory damages of not less than $1,000 and not more than $100,000 per domain name, as the court considers just. The court is directed to remit statutory damages in any case where the infringer reasonably believed that use of the domain name was a fair or otherwise lawful use.

In Rem Actions.—The bill would also permit an in rem civil action filed by a trademark owner in circumstances where the domain name violates the owner's rights in the trademark and the court finds that the owner demonstrated due diligence and was not able to find the domain name holder to bring an in personam civil action. The remedies of an in rem action are limited to a court order for forfeiture or cancellation of the domain name or the transfer of the domain name to the trademark owner.

Liability Limitations.—The bill would limit the liability for monetary damages of domain name registrars, registries or other domain name registration authorities for any action they take to refuse to register, remove from registration, transfer, temporarily disable or permanently cancel a domain name pursuant to a court order or in the implementation of reasonable policies prohibiting the registration of domain names that are identical or confusingly similar to another's trademark, or dilutive of a famous trademark.

Prevention of Reverse Domain Name Hijacking.—Reverse domain name hijacking is an effort by a trademark owner to take a domain name from a legitimate good faith domain name registrant. There have been some well-publicized cases of trademark owners demanding the take down of certain web sites set up by parents who have registered their children's names in the .org domain, such as two year old Veronica Sams's "Little Veronica" website and 12 year old Chris "Pokey" Van Allen's web page.

In order to protect the rights of domain name registrants in their domain names the legislation provides that registrants may recover damages, including costs and attorney's fees, incurred as a result of a knowing and material misrepresentation by a person that a domain name is identical or similar to, or dilutive of, a trademark.

In addition, a domain name registrant, whose domain name has been suspended, disabled or transferred, may sue upon notice to the mark owner, to establish that the registration or use of the domain name by the registrant is lawful. The court in such a suit is authorized to grant injunctive relief, including the reactivation of a domain name or the transfer or return of a domain name to the domain name registrant.

Cybersquatting is an important issue both for trademark holders and for the future of electronic commerce on the Internet. Any legislative solution to cybersquatting must tread carefully to ensure that authorized remedies do not impede or stifle the free flow of information on the Internet. In many ways, the United States has been the incubator of the World Wide Web, and the world closely watches whenever we venture into laws, customs or standards that affect the Internet. We must only do so with great care and caution. Fair use principles are just as critical in cyberspace as in any other intellectual property arena. I am pleased that Chairman HATCH and I, along with Senators ABRAHAM, TORRICELLI, and KOHL have worked together to find a legislative solution that respects these considerations.

Mr. ABRAHAM. Mr. President, I am pleased to rise today in order to comment on S. 1255, the Anticybersquatting Consumer Protection Act of 1999. Through the tremendous help of several of my colleagues, notably Senators HATCH, LEAHY, TORRICELLI, MCCAIN, BREAUX, and LOTT, we moved this bill in little over one month from a concept to final product, through the Judiciary Committee with unanimous support, and again with unanimous support through the Senate floor. I thank all involved for their help, and I am comfortable in my belief that we have accomplished a great feat here today: the Senate has taken an important step in reforming trademark law for the digital age, and in protecting the expectations and safety of consumers, and the property rights of business nationwide.

This legislation will combat a new form of high-tech fraud that is causing confusion and inconvenience for consumers, increasing costs for people doing business on the Internet, and posing substantial threat to a century of pre-Internet American business efforts. The fraud is commonly called "cybersquatting," a practice whereby individuals in bad faith reserve Internet domain names or other identifiers of online locations that are similar or identical to trademarked names. Once a trademark is registered as an online identifier or domain name, the "cybersquatter" can engage in a variety of nefarious activities—from the relatively benign parody of a business or individual, to the obscene prank of redirecting an unsuspecting consumer to pornographic content, to the destructive worldwide slander of a centuries-old brand name. This behavior undermines consumer confidence, discourages Internet use, and destroys the value of established brand names and trademarks.

Electronic of "E" commerce in particular has been an engine of great economic growth for the United States. E-commerce between businesses has grown to an estimated $64.8 billion for 1999. Ten million customers shopped for some product using the Internet in 1998 alone. International Data Corporation estimates that $31 billion in products will be sold over the Internet in 1999. And 5.3 million households will have access to financial transactions like banking and stock trading by the end of 1999.

Our economy, and its ability to provide high paying jobs for American workers, is increasingly dependent upon technology—and on e-commerce in particular. If we want to maintain our edge in the global marketplace, we must address those problems which endanger continued growth in e-commerce. Some unscrupulous—though enterprising—people are engaged in the thriving and unethical business collecting and selling Internet addresses containing trademarked names.

Cybersquatting has already caused significant damage. Even computer-savvy companies buy domain names from cybersquatters at extortionate rates to rid themselves of a headache with no certain outcome. For example, computer maker Gateway recently paid $100,000 to a cybersquatter who had placed pornographic images on the website "www.gateway20000". But rather than simply give up, several companies, including Paine Webber, have instead sought protection of their brands through the legal system. However, as with much of the pre-Internet law that is applied to this post-Internet world, precedent is still developing, and at this point, one cannot predict with certainty which party to a dispute will win, and on what grounds, in the future.

Whether perpetrated to defraud the public or to extort the trademark owner, squatting on Internet addresses using trademarked names is wrong. Trademark law is based on the recognition that companies and individuals build a property right in brand names because of the reasonable expectations they raise among consumers. If you order a Compaq or Apple computer, that should mean that you get a computer made by Compaq or Apple, not one built by a fly-by-night company pirating the name. The same goes for trademarks on the Internet.

To protect Internet growth and job production, Senators TORRICELLI, HATCH, MCCAIN, and I introduced an anticybersquatting bill which received strong public support. A number of suggestions convinced me of the need for substitute legislation addressing the problem of in rem jurisdiction and eliminating provisions dealing with criminal penalties, and I have been pleased to work with Senators HATCH and LEAHY to that effect.

Our final legislative product would establish uniform federal rules for dealing with this attack on interstate electronic commerce, supplementing existing rights under trademark law. It establishes a civil action for registering, trafficking in, or using a domain name identifier that is identical to, confusingly similar to, or dilutive of another person's trademark or service mark that either is inherently distinctive or had acquired distinctiveness.

This bill also incorporates substantial protections for innocent parties, keying on the bad faith of a party. Civil liability would attach only if a person had no intellectual property rights in the domain name identifier, the domain name identifier was not the person's legal first name or surname; and the person registered, acquired, or used the domain name identifier with the bad-faith intent to benefit from the goodwill of a trademark or service mark of another.

Just to be clear on our intent, the "bad-faith" requirement may be established by, among others, any of the following evidence:

First, if the registration or use of the domain name identifier was made with the intent to disrupt the business of the mark owner by diverting consumers from the mark owner's online location;

Second, if a pattern is established of the person offering to transfer, sell, or otherwise assign more than one domain name identifier to the owner of the applicable mark or any third party for consideration, without having used the domain name identifiers in the bona fide offering of any goods or services; or

Third, if the person registers or acquires multiple domain name identifiers that are identical to, confusingly similar to, or dilutive of any distinctive trademark or service mark of one or more other persons.

In addition, under this legislation, the owner of a mark may bring an in rem action against the domain name identifier itself. This will allow a court to order the forfeiture or cancellation of the domain name identifier or the transfer of the domain name identifier to the owner of the mark. It also reinforces the central characteristic of this legislation—its intention to protect property rights. The in rem provision will eliminate the problem most recently and prominently experienced by the auto maker Porsche, which had an action against several infringing domain name identifiers dismissed for lack of personal jurisdiction.

In terms of damages, this legislation provides for statutory civil damages of at least $1,000, but not more than $100,000 per domain name identifier. The plaintiff may elect these damages in lieu of actual damages or profits at any time before final judgment.

The growth of the Internet has provided businesses and individuals with unprecedented access to a worldwide source of information, commerce, and community. Unfortunately, those bad actors seeking to cause harm to businesses and individuals have seen their opportunities increase as well. In my opinion, on-line extortion in this form is unacceptable and outrageous. Whether it's people extorting companies by registering company names, misdirect Internet users to inappropriate sites, or otherwise attempting to damage a trademark that a business has spent decades building into a recognizable brand, persons engaging in cybersquatting activity should be held accountable for their actions. I believe that these provisions will discourage anyone from "squatting" on addresses in cyberspace to which they are not entitled.

I again wish to thank my colleagues for their assistance in this effort, and I look forward to final passage of this legislation after careful and thoughtful consideration by the House of Representatives.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the amendment be agreed to, the committee amendment, as amended, be agreed to, the bill be read a third time and passed, as amended, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The amendment (No. 1609) was agreed to.

The committee amendment, as amended, was agreed to.

The bill (S. 1255), as amended, was read the third time, and passed.

[The bill was not available for printing. It will appear in a future issue of the RECORD.]

PROVIDING TECHNICAL, FINANCIAL, AND PROCUREMENT ASSISTANCE TO VETERAN-OWNED SMALL BUSINESSES

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 254, H.R. 1568.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

> A bill (H.R. 1568) to provide technical, financial, and procurement assistance to veteran-owned small businesses, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. BOND. Mr. President, it is with great pleasure and enthusiasm that I rise in support of the Veterans Entrepreneurship and Small Business Development Act of 1999 (H.R. 1568). This bill is a critical building block in our efforts to provide significantly improved help to small businesses owned and operated by veterans and especially those small businesses owned by service-disabled veterans. This bill was approved by a unanimous vote of 18–0 in the Committee on Small Business after the Committee approved a substitute amendment that I offered with the Committee's Ranking Member, Senator KERRY.

Over the past two years, as the Chairman of the Committee on Small Business, I have brought three bills to the Senate floor that place a special emphasis on helping veteran entrepreneurs. The need for this legislation became necessary as Federal support for veteran entrepreneurs, particularly service-disabled veterans, has declined. Significantly, support for veteran small business owners historically has been weak at the Small Business Administration (SBA).

The Veterans Entrepreneurship and Small Business Development Act of 1999 seeks to provide assistance to veteran-owned small businesses to enable them to start-up and grow their businesses. The bill places a specific emphasis on small businesses owned and controlled by service-disabled veterans and directs SBA to undertake special initiatives on behalf of all veteran small business owners.

H.R. 1568 has key provisions that are of particular importance to veterans. The bill establishes a federally chartered corporation called the National Veterans Business Development Corporation (Corporation/NVBDC), whose purpose is to create a network of information and assistance centers to improve assistance for veterans who wish to start-up or expand a small business. The Corporation will be governed by a board of directors appointed by the President, who will take into consideration recommendations from the Chairmen and Ranking Members from the Committees on Small Business and Veterans Affairs of the Senate and House of Representatives before making appointments to the board. Although funds are authorized during the first four years of the Corporation, it is the expectation of the Committee on Small Business that it will become self-sufficient and will no longer need Federal assistance after this four year start-up period.

In an effort to make its programs more readily available to veteran entrepreneurs, the SBA is required to ensure that the SCORE Program and the Small Business Development Center (SBDC) Program work directly with the Corporation so that veteran entrepreneurs receive technical support and other needed assistance.

H.R. 1568 places special emphasis on credit programs at SBA that can be helpful to veterans, and especially service-disabled veterans. The bill specifically targets veterans for the 7(a) guaranteed business loan program, the 504 Development Company Loan Program, and the Microloan Program.

A key component of H.R. 1568 is to make Federal government contracts more readily available to service disabled veterans who own and control small businesses. The bill includes an annual goal of 3% of all Federal contract dollars for these small business owners. This goal is seen as an incentive to Federal agencies to undertake a major effort to make their procurement activities more accessible to veterans who made major sacrifices for our Nation.

During the markup of H.R. 1568, the Committee approved a requirement that the Office of Federal Procurement Policy (OFPP) collect data to be reported annually to Congress on the number and dollar value of contracts and subcontracts awarded by Federal agencies to veteran-owned small businesses and service-disabled veteran-owned small businesses. This new requirement is critical if we are to measure the success of Federal agencies in meeting this 3% goal.

Last year, the Committee on Small Business approved new initiatives to strengthen the mandate that SBA's programs be more responsive to all veteran small business owners. The "Year 2000 Readiness and Small Business Restructuring and Reform Act of 1998" (H.R. 3412) directed that veterans receive comprehensive help at SBA. This bill passed the Senate unanimously in September 1998; unfortunately, it was not taken up by the House of Representatives before the adjournment in the fall. The bill would have elevated the Office of Veterans Affairs at SBA to the Office of Veterans Business Development, to be headed by an Associate Administrator who would report directly to the SBA Administrator. This provision is contained in H.R. 1568.

In addition, H.R. 3412 would have established an Advisory Committee on Veterans' Business Affairs comprised of veterans who own small businesses and representatives of national veterans service organizations. The bill also would have established the position of National Veterans' Business Coordinator within the Service Corps of Retired Executives (SCORE) Program. This new position would work within the SBA headquarters to ensure that SCORE's programs nationwide included entrepreneurial counseling and training for veterans. Both initiatives from H.R. 3412 are included in H.R. 1568.

More recently, on June 6, 1999, the Committee approved the Military Reservists Small Business Relief Act of 1999 (S. 918) to assist military reservists called to active duty and the small businesses that employ them. This bill complements the provisions of the Veterans Entrepreneurship and Small Business Development Act. Accordingly, the Committee voted unanimously to incorporate the full text of S. 918 into Title III (Technical Assistance) and Title IV (Financial Assistance) of H.R. 1568.

During and after the Persian Gulf War in the early 1990's, the Committee heard from reservists whose businesses were harmed, severely crippled, or even lost, by their absence. These hardships can occur during a period of national emergency or during a period of contingency operation when troops are deployed overseas. To help such reservists and their small businesses, H.R. 1568 authorizes a deferral of loan repayments on any SBA direct loan, including a disaster loan, for an eligible small business. SBA is authorized to reduce the interest rate on the direct loans.

SBA is also directed to publish guidelines within 30 days of enactment of the legislation to help its lending partners in the 7(a) guaranteed business loan program and the 504 Development Company program to develop procedures for providing loan repayment relief to small businesses that have been adversely affected by the departure of an essential employee to active military duty. Further, the bill establishes a low-interest economic injury loan program to be administered by the SBA through its disaster loan program. The purpose of these loans will be to provide interim operating capital to a small business that suffers substantial economic injury as a result of the departure of its essential employee to active duty and cannot obtain credit elsewhere.

Mr. President, I have also introduced a non-controversial amendment to H.R. 1568, which would require the President, rather than the SBA Administrator, to appoint the voting members of the board of directors of the National Veterans Business Development Corporation. Senator KERRY has cosponsored this amendment. This change was requested by the Chairman and Ranking Member of the House Committee on Small Business. It is my understanding that with the adoption of this amendment and Senate passage of the H.R. 1568, as amended, that the House of Representatives is prepared to take up and pass the bill later this evening.

We have an opportunity today to approve an excellent bill to help veteran small business owners, and I urge my colleagues to support both my amendment and the bill.

Mr. KERRY. Mr. President, I support this bill. A little more than a year ago, SBA Administrator Aida Alvarez formed a task force to study the needs of veterans with a talent, skill, dream or need to start their own business. I commend the Administrator for her initiative. And thanks to the quick and earnest work of the task force representatives, particularly the Veterans Service Organizations and advocacy groups, a report was drafted in three short months.

H.R. 1568 gives life to many of the 21 report recommendations. Appropriately, it includes S. 918, the Military Reservists Small Business Relief Act of 1999—the fourteenth report recommendation—that I introduced on March 29th and the full Senate passed by unanimous consent last week, on July 27th. Reservists have been asking for this safety net since 1991 to keep their businesses going while they are called to active duty. I am glad that we will again put this bill one step closer to enactment for the men and women who—whether deployed in Iraq, Bosnia or Kosovo—could benefit from the provisions of this bill now.

These provisions should already be available for those who need it, and I deeply regret that it wasn't enacted earlier, either as S. 918 or as part of this bill, H.R. 1568. The nature of the provisions are uncontroversial. As S. 918, it passed the Committee on Small Business June 9th, almost 60 days ago, by unanimous consent and has 51 Senators co-sponsors—21 Republicans and 30 Democrats. Since then, it has also passed the full House and the Senate Committee on Small Business as part of this bill before us tonight, H.R. 1568.

As much as I am frustrated by the delay, it probably doesn't compare to that of reservists who are on active duty and losing sleep over how they are going to keep their businesses going and avoid ruining their credit records. Ask the truck driver who serves in the Missouri National Air Guard and reported to active duty more than four months ago. He bought a new rig shortly before being called up and has hefty monthly payments to meet. He lined up a replacement to drive his truck while he was gone to keep money coming in, but the driver backed out of the agreement right before the reservist was to leave.

He tried to do the right thing—to implement a contingent plan—and yet something beyond his control interfered. It's hard to keep your customers happy when their merchandise isn't getting delivered. And it's even harder to make your loan payments when you're not bringing in enough money.

Or ask the reservist from Oklahoma who has supported his wife and four children for the past five years with a carpet and upholstery business. In 1998, he was called up for eight months, and he's been active this year since May 8th. What made it particularly damaging for his business this year was that he was called up at the beginning of the industry's high season. January to April are slow times, and April to December are the money-making months. He called my office a month ago to find out about this bill and find out how he could get assistance.

Though this bill was still waiting for action by the full Senate, we put him in contact with the SBA office in Oklahoma City to find some way to help. After reviewing his options and what it would take to resuscitate his business, he called to say that he was closing shop for good: "I'm just going to close my business down. I'm not going to try to get a small business loan. I want to cut my losses now. . . ."

I look forward to spreading the message that reservists, such as this man from Oklahoma, will soon be able to apply for loan deferrals, reductions on interest rates, low-interest disaster loans, and get training assistance for the employee or family left behind to run their businesses.

Importantly, this bill goes further, making more comprehensive changes for all veterans. Incorporating other recommendations that are designed to help service-disabled veterans and veteran form and expand small businesses, H.R. 1568—

Elevates the SBA's Office of Veterans Affairs so that it has more credibility and visibility.

Creates a federally chartered corporation to facilitate technical and management assistance to veteran entrepreneurs.

Establishes a three-percent procurement goal for service-disabled veteran-owned businesses.

Requires the Federal Procurement Data System to collect data on the percentage and dollar value of prime contracts and subcontracts awarded to small businesses owned and controlled by veterans and service-disabled veterans.

According to the SBA and the Department of Veterans Administration, out of the estimated 22 million veterans in this country, 4 million own their own businesses. I encourage the SBA and the veterans groups to use these tools to make real progress in expanding and strengthening small businesses owned by veterans and service-disabled veterans so that they can have the dignity and financial benefits of self-sufficiency.

Mr. President, I thank my colleagues for supporting veterans and small business. It's one vote that will help thousands.

AMENDMENT NO. 1617

(Purpose: To make amendments with respect to the Board of Directors of the National Veterans Business Development Corporation)

Mr. BROWNBACK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK], for Mr. BOND, for himself, and Mr. KERRY, proposes an amendment numbered 1617.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 55, strike line 5 and all that follows through page 56, line 15, and insert the following:

"(2) APPOINTMENT OF VOTING MEMBERS.—The President shall, after considering recommendations which shall be proposed by the Chairmen and Ranking Members of the Committees on Small Business and the Committee on Veterans Affairs of the House of Representatives and the Senate, appoint United States citizens to be voting members of the Board, not more than 5 of whom shall be members of the same political party.

On page 57, line 11, strike "Administrator" and insert "President".

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the amendment be agreed to, the committee substitute be agreed to, the bill be read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill ber printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1617) was agreed to.

The committee amendment, as amended, was agreed to.

The bill (H.R. 1568), as amended, was passed.

* * *

RELATING TO THE RECENT ELECTIONS IN THE REPUBLIC OF INDONESIA

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 233, S. Res. 166.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 166) relating to the recent elections in the Republic of Indonesia.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the committee amendment be agreed to, the resolution be agreed to, as amended, the preamble be agreed to, the motion to lay upon the table be agreed to, and that any statements appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The resolution (S. Res. 166), as amended, was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 166

Whereas the Republic of Indonesia is the world's fourth most populous country, has the world's largest Muslim population, and is the second largest country in East Asia;

Whereas Indonesia has played an increasingly important leadership role in maintaining the security and stability of Southeast Asia, especially through its participation in the Association of Southeast Asian Nations (ASEAN);

Whereas in response to the wishes of the people of Indonesia, President Suharto resigned on May 21, 1998, in accordance with Indonesia's constitutional processes;

Whereas the government of his successor, President Bacharuddin J. Habibie, has pursued a transition to genuine democracy, establishing a new governmental structure, and developing a new political order;

Whereas President Habibie signed several bills governing elections, political parties, and the structure of legislative bodies into law on February 1, 1999, and scheduled the first truly democratic national election since 1955;

Whereas on June 7, 1999, elections were held for the Dewan Perwakilan Rakyat (DPR) which, despite some irregularities, were deemed to be free, fair, and transparent according to international and domestic observers;

Whereas over 100 million people, more than ninety percent of Indonesia's registered voters, participated in the election, demonstrating the Indonesian people's dedication to democracy;

Whereas the ballot counting process has been completed and the unofficial results announced;

Whereas the official results will be announced in the near future, and it is expected by all parties that the official results will mirror the unofficial results; and

Whereas Indonesia's military has indicated that it will abide by the results of the election: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the people of Indonesia on carrying out the first free, fair, and transparent national elections in forty-four years;

(2) supports the aspirations of the Indonesian people in pursuing a transition to genuine democracy;

(3) calls upon all Indonesian leaders, political party members, military personnel, and the general public to respect the outcome of the elections, and to uphold that outcome pending the selection of the new President by the Majelis Permusyawaratan Rakyat (MPR) later this year;

(4) calls for the convening of the MPR and the selection of the next President as soon as practicable under Indonesian law, *and in a transparent manner*, in order to reduce the impact of continued uncertainty on the country's political stability and to enhance the prospects for the country's economic recovery;

(5) calls upon the present ruling Golkar party to work closely with any successor government in assuring a smooth transition to a new government; and

(6) urges the present government, and any new government, to continue to work to ensure a stable and secure environment in East Timor by—

(A) assisting in disarming and disbanding any militias on the island;

(B) granting full access to East Timor to groups such as the United Nations, international humanitarian organizations, human rights monitors, and similar nongovernmental organizations; and

(C) upholding its commitment to cooperate fully with the United Nations Assistance Mission for East Timor (UNAMET).

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CENTENNIAL OF FLIGHT COMMEMORATION ACT OF 1999

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 202, S. 1072.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1072) to make certain technical and other corrections relating to Centennial of Flight Commemoration Act (36 U.S.C. 143 note; 112 Stat. 3486 et seq.)

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1618

(Purpose: To clarify certain duties of the Centennial of Flight Commission.)

Mr. BROWNBACK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK], for Mr. DEWINE, Mr. HELMS, and Mr. VOINOVICH, proposes an amendment numbered 1618.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, strike lines 4 through 9 and insert the following.

"(6) provide advice and recommendations, through the Administrator of the National Aeronautics and Space Administration or the Administrator of the Federal Aviation Administration (or any employee of such an agency head under the direction of that agency head), to individuals and organizations that wish to conduct their own activities in celebration of the centennial of flight, and maintain files of information and lists of experts on related subjects that can be disseminated on request;

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1618) was agreed to.

AMENDMENT NO. 1619

(Purpose: To make a technical correction to S. 1072, a bill making technical and other corrections relating to the Centennial of Flight Commemoration Act. (36 U.S.C. 143 note: 112 STATE.3486 et seq.)

Mr. BROWNBACK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK], for Mr. HELMS, for himself, Mr. DEWINE and Mr. VOINOVICH, proposes an amendment numbered 1619.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In Section 1.(A)(ii) after the word "Foundation';" insert the following "and in paragraph (3) strike the word "chairman" and insert the word "president."

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The amendment (No. 1619) was agreed to.

The bill (S. 1072), as amended, was passed, as follows:

[The bill was not available for printing. It will appear in a future issue of the RECORD.]

PROVIDING ASSISTANCE FOR POISON PREVENTION AND FUNDING OF REGIONAL POISON CENTERS

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 252, S. 632.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 632) to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

There being no objection, the Senate proceeded to consider the bill.

Mr. BOND. Mr. President, I rise to thank my colleague from Ohio for his hard work on this very important bill. The work our nation's poison control centers do is absolutely essential to the safety and health of our children. Not only do poison control centers save lives, they significantly reduce our health care costs by helping American families deal quickly, safely, and efficiently with a poisoning emergency.

Mr. DEWINE. The Senator from Missouri is exactly right. It is perhaps difficult to imagine just how concerned parents must be when they discover that their child has been exposed to a substance that might have damaging health effects. They don't know what type of harm might happen to their child—or whether any harm will happen. But the possibility is there—and to a parent, that threat can truly be frightening. In these emergency situations, the poison control center experts can quickly help parents determine the appropriate response. They might tell the parents that whatever substance that child has been exposed to doesn't pose a health threat at all. Other times, that threat is real, and the poison control center can help parents administer immediate treatment at home or provide treatment advice until the parents can get the child to the nearest emergency room. Either way, the poison control center is absolutely essential in responding to the emergency by providing immediate treatment advice when the emergency is real and providing peace of mind for the parents and reducing unnecessary healthcare and hospitalization when the exposure does not pose a health threat to the child.

Mr. BOND. Doesn't this bill clarify how the proposed national toll-free number will affect existing, privately funded toll-free numbers?

Mr. DEWINE. This bill makes clear that the establishment of a national toll-free number to access poison control centers should not be interpreted as prohibiting the establishment or continued operation of any privately funded nationwide toll-free number used by agricultural pesticide companies, consumer products companies, pharmaceutical companies, and other groups who fund their own toll-free customer service numbers in the event of a poisoning or accidental exposure involving one of their own products. We also make clear that none of the funds that this bill authorizes may be used to help private companies fund their own toll-free numbers. We just want to clarify that this bill neither funds nor prohibits private entities from funding their own toll-free customer service numbers. I thank my colleague for his comments and for his strong support of this bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill, as amended, be read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The committee amendment was agreed to.

The bill (S. 632), as amended, was read the third time, and passed, as follows:

[The bill was not available for printing. It will appear in a future issue of the RECORD.]

PROVIDING FOR MINERAL LEASING OF CERTAIN INDIAN LANDS IN OKLAHOMA

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 244, S. 944.

The PRESIDING OFFICER. The clerk will report the bill by title.

A bill (S. 944) to amend Public Law 105–188 to provide for the mineral leasing of certain Indian Lands in Oklahoma.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 944) was read the third time and passed, as follows:

S. 944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MINERAL LEASING OF CERTAIN INDIAN LANDS IN OKLAHOMA.

Public Law 105–188 (112 Stat. 620 and 621) is amended—

(1) in the title, by inserting "and certain former Indian reservations in Oklahoma" after "Fort Berthold Indian Reservation"; and

(2) in section 1—

(A) by striking the section heading and inserting the following:

"SECTION 1. LEASES OF CERTAIN ALLOTTED LANDS.";

and

(B) in subsection (a)(1)(A), by striking clause (i) and inserting the following:

"(i) is located within—

"(I) the Fort Berthold Indian Reservation in North Dakota; or

"(II) a former Indian reservation located in Oklahoma of—

"(aa) the Comanche Indian Tribe;

"(bb) the Kiowa Indian Tribe;

"(cc) the Apache Tribe;

"(dd) the Fort Sill Apache Tribe of Oklahoma;

"(ee) the Wichita and Affiliated Tribes (Wichita, Keechi, Waco, and Tawakonie) located in Oklahoma;

"(ff) the Delaware Tribe of Western Oklahoma; or

"(gg) the Caddo Indian Tribe; and".

ASIA-PACIFIC ECONOMIC COOPERATION FORUM

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 232, S. Con. Res. 48.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 48) relating to the Asia-Pacific Economic Cooperation Forum.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 48) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. CON. RES. 48

Whereas the Asia-Pacific Economic Cooperation (APEC) Forum was created ten years ago to promote free and open trade and closer economic cooperation among its member countries, as well as to sustain economic growth and equitable development in the region for the common good of its people;

Whereas the twenty-one member countries of APEC account for 55 percent of total world income and 46 percent of global trade;

Whereas APEC leaders are committed to intensifying regional economic interdependence by going forward with measures to expand trade and investment liberalization, pursuing sectoral cooperation and development initiatives, and increasing business facilitation and economic and technical cooperation projects;

Whereas a strong international financial system underpins the economic success of the region;

Whereas, given the challenges presented by the financial crisis, APEC leaders last year pledged to work together in improving and strengthening social safety nets, financial systems and capital markets, trade and investment flows, corporate sector restructuring, the regional scientific and technological base, human resources development, economic infrastructure, and existing business and commercial links for the purpose of supporting sustained growth into the 21st century;

Whereas the outstanding leadership of New Zealand during its year in the APEC Chair has produced a series of important themes for the annual APEC Leaders meeting in Auckland, New Zealand on September 12–14, 1999, including—

(1) expanding opportunities for private sector businesses through the reduction of tariff and nontariff barriers;

(2) strengthening the functioning of regional markets, with a particular focus on building institutional capacity, making public and corporate economic governance arrangements more transparent, and guiding regulatory reform so that benefits of trade liberalization are maximized; and

(3) broadening support for and understanding of APEC goals to demonstrate the positive benefits of the organization's work for the entire Asia-Pacific community;

Whereas the unique and close partnership between the public and private sectors exhibited through the APEC Forum has contributed to the successful conclusion of the GATT Uruguay Round and agreement over other multilateral trade pacts involving information technology, telecommunications and financial services;

Whereas APEC member countries have provided helpful momentum, through active consideration of the Early Voluntary Sectoral Liberalization plan, to the next round of multilateral trade negotiations scheduled to begin later this year at the Third WTO Ministerial Meeting in Seattle, Washington; and

Whereas the APEC leaders have resolved to achieve the ambitious goal of free and open trade and investment in the region no later than 2010 for the industrialized economies and 2020 for developing economies: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SENSE OF CONGRESS.

It is the sense of Congress that Congress—

(1) acknowledges the importance of greater economic cooperation in the Asia-Pacific region and the key role played by the Asia-Pacific Economic Cooperation (APEC) Forum;

(2) urges the administration fully to support the APEC forum and work to achieve its goals of greater economic growth and stability;

(3) calls upon the administration to continue its close cooperation with the private sector in advancing APEC goals; and

(4) expresses appreciation to the Government and people of New Zealand for their exceptional efforts in chairing the APEC Forum this year.

SEC. 2. TRANSMITTAL OF RESOLUTION.

The Secretary of the Senate shall transmit a copy of this resolution to the President and the Secretary of State.

TRADE AGENCY AUTHORIZATIONS, DRUG FREE BORDERS, AND PREVENTION OF ON-LINE CHILD PORNOGRAPHY ACT OF 1999

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 218, H.R. 1833.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 1833) to authorize appropriations for fiscal years 2000 and 2001 for the United States Customs Service for drug interdiction and other operations, for the Office of the United States Trade Representative, for the United States International Trade Commission, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Finance, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Customs Authorization Act of 1999".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR UNITED STATES CUSTOMS SERVICE FOR ENHANCED INSPECTION, TRADE FACILITATION, AND DRUG INTERDICTION

Sec. 101. Authorization of appropriations.
Sec. 102. Cargo inspection and narcotics detection equipment for the United States-Mexico border, United States-Canada border, and Florida and Gulf Coast seaports; internal management improvements.
Sec. 103. Peak hours and investigative resource enhancement for the United States-Mexico and United States-Canada borders, Florida and Gulf Coast seaports, and the Bahamas.
Sec. 104. Agent rotations; elimination of backlog of background investigations.
Sec. 105. Air and marine operation and maintenance funding.
Sec. 106. Compliance with performance plan requirements.
Sec. 107. Transfer of aerostats.
Sec. 108. Report on intelligence requirements.
Sec. 109. Authorization of appropriations for program to prevent child pornography and sexual exploitation of children.

TITLE II—CUSTOMS MANAGEMENT

Sec. 201. Term and salary of the Commissioner of Customs.
Sec. 202. Internal compliance.
Sec. 203. Report on personnel flexibility.
Sec. 204. Report on implementation of personnel allocation model.
Sec. 205. Report on detection and monitoring requirements along the southern tier and northern border.

TITLE III—MARKING VIOLATIONS

Sec. 301: Civil penalties for marking violations.

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR UNITED STATES CUSTOMS SERVICE FOR ENHANCED INSPECTION, TRADE FACILITATION, AND DRUG INTERDICTION

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL OPERATIONS.—Subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)) are amended to read as follows:

"(A) $1,029,608,384 for fiscal year 2000.

"(B) $1,111,450,668 for fiscal year 2001.".

(b) COMMERCIAL OPERATIONS.—Clauses (i) and (ii) of section 301(b)(2)(A) of such Act (19 U.S.C. 2075(b)(2)(A)(i) and (ii)) are amended to read as follows:

"(i) $1,251,794,435 for fiscal year 2000.

"(ii) $1,348,676,435 for fiscal year 2001.".

(c) AIR AND MARINE INTERDICTION.—Subparagraphs (A) and (B) of section 301(b)(3) of such Act (19 U.S.C. 2075(b)(3)(A) and (B)) are amended to read as follows:

"(A) $229,001,000 for fiscal year 2000.

"(B) $176,967,000 for fiscal year 2001.".

(d) SUBMISSION OF BUDGET PROJECTIONS.—Section 301(a) of such Act (19 U.S.C. 2075(a)) is amended by adding at the end the following:

"(3) By no later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Appropriations and the Committee on Ways and Means of the House of Representatives and the Committee on Appropriations and the Committee on Finance of the Senate the budget request submitted to the Secretary of the Treasury estimating the amount of funds for that fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).".

(e) AUTHORIZATION OF APPROPRIATIONS FOR MODERNIZING CUSTOMS SERVICE COMPUTER SYSTEMS.—

(1) ESTABLISHMENT OF AUTOMATION MODERNIZATION WORKING CAPITAL FUND.—There is established within the United States Customs Service an Automation Modernization Working Capital Fund (in this section referred to as the "Fund"). The Fund shall consist of the amounts authorized to be appropriated under paragraph (2) and shall be used to implement a program for modernizing the Customs Service computer systems, to maintain the existing computer systems until a modernized computer system is fully implemented, and for related computer system modernization activities.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Fund $242,000,000 for fiscal year 2000 and $336,000,000 for fiscal year 2001. The amounts authorized to be appropriated under this paragraph shall remain available until expended.

(3) REPORT AND AUDIT.—

(A) REPORT.—The Commissioner of Customs shall, not later than March 31 and September 30 of each year, report to the Comptroller General of the United States, the Committee on Appropriations and the Committee on Ways and Means of the House of Representatives and the Committee on Appropriations and the Committee on Finance of the Senate regarding the progress being made in the modernization of the Customs Service computer systems. Each report shall—

(i) include explicit criteria used to identify, evaluate, and prioritize investments for computer systems modernization planned for the Customs Service for each of fiscal years 2000 through 2004;

(ii) provide a schedule for mitigating any deficiencies identified by the General Accounting Office and for developing and implementing all computer systems modernization projects;

(iii) provide a plan for expanding the utilization of private sector sources for the development and integration of computer systems; and

(iv) contain timely schedules and resource allocations for implementing the modernization of the Customs Service computer systems.

(B) AUDIT.—Not later than 30 days after a report described in subparagraph (A) is received, the Comptroller General of the United States shall audit the report and shall provide the results of the audit to the Commissioner of Customs, to the Committee on Appropriations and the Committee on Ways and Means of the House of Representatives, and to the Committee on Appropriations and the Committee on Finance of the Senate.

SEC. 102. CARGO INSPECTION AND NARCOTICS DETECTION EQUIPMENT FOR THE UNITED STATES-MEXICO BORDER, UNITED STATES-CANADA BORDER, AND FLORIDA AND GULF COAST SEAPORTS; INTERNAL MANAGEMENT IMPROVEMENTS.

(a) FISCAL YEAR 2000.—Of the amounts made available for fiscal year 2000 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 101(a) of this Act, $116,436,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, and for internal management improvements as follows:

(1) UNITED STATES-MEXICO BORDER.—For the United States-Mexico border, the following amounts shall be available:

(A) $6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).

(B) $11,000,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $12,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1–MeV).

(D) $7,200,000 for 8 1–MeV pallet x-rays.

(E) $1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(F) $600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.

(G) $500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.

(H) $2,450,000 for 7 automated targeting systems.

(I) $360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.

(J) $480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(K) $1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) $1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) $180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) $1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) $950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) $390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) $1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) $400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(S) $1,000,000 for a demonstration site for a high-energy relocatable rail car inspection system with an x-ray source switchable from 2,000,000 electron volts (2–MeV) to 6,000,000 electron volts (6–MeV) at a shared Department of Defense testing facility for a two-month testing period.

(2) UNITED STATES-CANADA BORDER.—For the United States-Canada border, the following amounts shall be available:

(A) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) $3,600,000 for 4 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(H) $600,000 for 30 fiber optic scopes.

(I) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(J) $3,000,000 for 10 x-ray vans with particle detectors.

(K) $40,000 for 8 AM loop radio systems.

(L) $400,000 for 100 vehicle counters.

(M) $1,200,000 for 12 examination tool trucks.

(N) $2,400,000 for 3 dedicated commuter lanes.

(O) $1,050,000 for 3 automated targeting systems.

(P) $572,000 for 26 weigh-in-motion sensors.

(Q) $480,000 for 20 portable Treasury Enforcement Communication Systems (TECS).

(3) FLORIDA AND GULF COAST SEAPORTS.—For Florida and the Gulf Coast seaports, the following amounts shall be available:

(A) $4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) $11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $7,200,000 for 8 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(4) INTERNAL MANAGEMENT IMPROVEMENTS.—For internal management improvements, the following amounts shall be available:

(A) $2,500,000 for automated systems for management of internal affairs functions.

(B) $700,000 for enhanced internal affairs file management systems.

(C) $2,700,000 for enhanced financial asset management systems.

(D) $6,100,000 for enhanced human resources information system to improve personnel management.

(E) $2,700,000 for new data management systems for improved performance analysis, internal and external reporting, and data analysis.

(F) $1,700,000 for automation of the collection of key export data as part of the implementation of the Automated Export system.

(b) TEXTILE TRANSSHIPMENT.—Of the amounts made available for fiscal years 2000 and 2001 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 101(a) of this Act, $3,364,435 shall be available for each fiscal year for textile transshipment enforcement.

(c) FISCAL YEAR 2001.—Of the amounts made available for fiscal year 2001 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 101(a) of this Act, $9,923,500 shall be available for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(d) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS.—

(1) IN GENERAL.—The Commissioner of Customs may use amounts made available for fiscal year 2000 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 101(a) of this Act, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) is technologically equivalent to the equipment described in subsection (a) and can be obtained at a lower cost than the equipment described in subsection (a).

(2) Transfer of Funds.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 25 percent of—

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (Q) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (Q); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 103. PEAK HOURS AND INVESTIGATIVE RESOURCE ENHANCEMENT FOR THE UNITED STATES-MEXICO AND UNITED STATES-CANADA BORDERS, FLORIDA AND GULF COAST SEAPORTS, AND THE BAHAMAS.

(a) In General.—Of the amounts made available for fiscal years 2000 and 2001 under subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)), as amended by section 101(a) of this Act, $181,864,800 for fiscal year 2000 (including $5,673,600 until expended for investigative equipment) and $230,983,340 for fiscal year 2001 shall be available for the following:

(1) A net increase of 535 inspectors, 120 special agents, and 10 intelligence analysts for the United States-Mexico border, and 375 inspectors for the United States-Canada border, in order to open all primary lanes on such borders during peak hours and enhance investigative resources.

(2) A net increase of 285 inspectors and canine enforcement officers to be distributed at large cargo facilities as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times on the United States-Mexico border and a net increase of 125 inspectors to be distributed at large cargo facilities as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times on the United States-Canada border.

(3) A net increase of 40 special agents and 10 intelligence analysts to facilitate the activities of the additional inspectors authorized under paragraphs (1) and (2).

(4) A net increase of 40 inspectors at sea ports in southeast Florida to process and screen cargo.

(5) A net increase of 70 special agent positions, 23 intelligence analyst positions, 9 support staff positions, and the necessary equipment to enhance investigation efforts targeted at internal conspiracies at the Nation's seaports.

(6) A net increase of 360 special agents, 30 intelligence analysts, and additional resources to be distributed among offices that have jurisdiction over major metropolitan drug or narcotics distribution and transportation centers for intensification of efforts against drug smuggling and money-laundering organizations.

(7) A net increase of 2 special agent positions to re-establish a Customs Attache office in Nassau.

(8) A net increase of 62 special agent positions and 8 intelligence analyst positions for maritime smuggling investigations and interdiction operations.

(9) A net increase of 50 positions and additional resources to the Office of Internal Affairs to enhance investigative resources for anticorruption efforts.

(10) The costs incurred as a result of the increase in personnel hired pursuant to this section.

(b) Relocation of Personnel.—Notwithstanding any other provision of this section, the Commissioner of Customs may reduce the amount of additional personnel provided for in any of paragraphs (1) through (9) of subsection (a) by not more than 25 percent, if the Commissioner of Customs makes a corresponding increase in the personnel provided for in one or more of such paragraphs (1) through (9).

(c) Net Increase.—In this section, the term "net increase" means an increase in the number of employees in each position described in this section over the number of employees in each such position that was provided for in fiscal year 1999.

SEC. 104. AGENT ROTATIONS; ELIMINATION OF BACKLOG OF BACKGROUND INVESTIGATIONS.

Of the amounts made available for fiscal years 2000 and 2001 under section 301(b)(1) (A) and (B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1) (A) and (B)), as amended by section 101(a) of this Act, $16,000,000 for fiscal year 2000 (including $10,000,000 until expended) and $6,000,000 for fiscal year 2001 shall be available to—

(1) provide additional funding to clear the backlog of existing background investigations and to provide for background investigations during extraordinary recruitment activities of the agency; and

(2) provide for the interoffice transfer of up to 100 special agents, including costs related to relocations, between the Office of Investigations and Office of Internal Affairs, at the discretion of the Commissioner of Customs.

SEC. 105. AIR AND MARINE OPERATION AND MAINTENANCE FUNDING.

(a) Fiscal Year 2000.—Of the amounts made available for fiscal year 2000 under subparagraphs (A) and (B) of section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3) (A) and (B)), as amended by section 101(c) of this Act, $130,513,000 shall be available until expended for the following:

(1) $96,500,000 for Customs Service aircraft restoration and replacement initiative.

(2) $15,000,000 for increased air interdiction and investigative support activities.

(3) $19,013,000 for marine vessel replacement and related equipment.

(b) Fiscal Year 2001.—Of the amounts made available for fiscal year 2001 under subparagraphs (A) and (B) of section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3) (A) and (B)) as amended by section 101(c) of this Act, $75,524,000 shall be available until expended for the following:

(1) $36,500,000 for Customs Service aircraft restoration and replacement.

(2) $15,000,000 for increased air interdiction and investigative support activities.

(3) $24,024,000 for marine vessel replacement and related equipment.

SEC. 106. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

(a) In General.—As part of the annual performance plan for each of fiscal years 2000 and 2001, as required under section 1115 of title 31, United States Code, the Commissioner of Customs shall evaluate the benefits of the activities authorized to be carried out pursuant to sections 102 through 105 of this Act.

(b) Enforcement Performance Measures.—The Commissioner of Customs is authorized to contract for the review and assessment of enforcement performance goals and indicators required by section 1115 of title 31, United States Code, with experts in the field of law enforcement, from academia, and from the research community. Any contract for review or assessment conducted pursuant to this subsection shall provide for recommendations of additional measures that would improve the enforcement strategy and activities of the Customs Service.

(c) Report to Congress.—The Commissioner of Customs shall submit any assessment, review, or report provided for under this section to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 107. TRANSFER OF AEROSTATS.

(a) In General.—The President shall submit a plan for funding the acquisition and operation by the Customs Service of tethered aerostat radar systems currently operated by the Department of the Air Force and scheduled for replacement in fiscal year 2001.

(b) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to permit the operation and maintenance of the aerostat radar systems, after the systems are transferred to the Customs Service.

SEC. 108. REPORT ON INTELLIGENCE REQUIREMENTS.

The Commissioner of Customs shall, not later than 1 year of the date of enactment of this Act, provide the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives with—

(1) an assessment of the intelligence- and information-gathering capabilities and needs of the Customs Service;

(2) the impact of any limitations on the intelligence and information gathering capabilities necessary for adequate enforcement of the customs laws of the United States and other laws enforced by the Customs Service; and

(3) a report detailing the Commissioner's recommendations for improving the agency's capabilities.

SEC. 109. AUTHORIZATION OF APPROPRIATIONS FOR PROGRAM TO PREVENT CHILD PORNOGRAPHY AND SEXUAL EXPLOITATION OF CHILDREN.

(a) Authorization of Appropriations.—There is authorized to be appropriated to the Customs Service $10,000,000 for fiscal year 2000 to carry out the program to prevent child pornography and sexual exploitation of children established by the Child Cyber-Smuggling Center of the Customs Service.

(b) Use of Amounts for Child Pornography Cyber Tipline.—Of the amount appropriated under subsection (a), the Customs Service shall provide 3.75 percent of such amount to the National Center for Missing and Exploited Children for the operation of the child pornography cyber tipline of the Center and for increased public awareness of the tipline.

TITLE II—CUSTOMS MANAGEMENT

SEC. 201. TERM AND SALARY OF THE COMMISSIONER OF CUSTOMS.

(a) Term.—

(1) General requirements.—The first section of the Act entitled "An Act to create a Bureau of Customs and a Bureau of Prohibition in the Department of the Treasury", approved March 3, 1927 (19 U.S.C. 2071) is amended—

(A) by striking "There shall be" and inserting "(a) In General.—There shall be";

(B) in the second sentence—

(i) by inserting "for a term of 5 years" after "Senate";

(ii) by striking "and" at the end of paragraph (2);

(iii) by striking the period at the end of paragraph (3) and inserting "; and"; and

(iv) by adding at the end the following new paragraph:

"(4) have demonstrated ability in management."; and

(C) by adding at the end the following:

"(b) Vacancy.—Any individual appointed to fill a vacancy in the position of Commissioner

occurring before the expiration of the term for which the individual's predecessor was appointed shall be appointed only for the remainder of that term.

"(c) REMOVAL.—The Commissioner may be removed at the will of the President.

"(d) REAPPOINTMENT.—The Commissioner may be appointed to more than one 5-year term.".

(2) CURRENT OFFICE HOLDER.— In the case of an individual serving as the Commissioner of Customs on the date of enactment of this Act, who was appointed to such position before such date, the 5-year term required by the first section of the Act entitled "An Act to create a Bureau of Customs and a Bureau of Prohibition in the Department of the Treasury", as amended by this section, shall begin as of the date of such appointment.

(b) SALARY.—

(1) IN GENERAL.—

(A) Section 5315 of title 5, United States Code, is amended by striking the following item:

"Commissioner of Customs, Department of the Treasury.".

(B) Section 5314 of title 5, United States Code, is amended by inserting at the end the following item:

"Commissioner of Customs, Department of the Treasury.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1999.

SEC. 202. INTERNAL COMPLIANCE.

(a) ESTABLISHMENT OF INTERNAL COMPLIANCE PROGRAM.—The Commissioner of Customs shall—

(1) establish, within the Office of Internal Affairs, a program of internal compliance designed to enhance the performance of the basic mission of the Customs Service to ensure compliance with all applicable laws and, in particular, with the implementation of title VI of the North American Free Trade Agreement Implementation Act (commonly referred to as the "Customs Modernization Act");

(2) institute a program of ongoing self-assessment and conduct a review on an annual basis of the performance of all core functions of the Customs Service;

(3) identify deficiencies in the current performance of the Customs Service with respect to commercial operations, enforcement, and internal management and propose specific corrective measures to address such concerns; and

(4) within 6 months of the date of enactment of this Act, and annually thereafter, provide the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives with a report on the programs and reviews conducted under this subsection.

(b) EVALUATION AND REPORT ON BEST PRACTICES.—The Commissioner of Customs shall, as part of the development of an improved system of internal compliance, initiate a review of current best practices in internal compliance programs among government agencies and private sector organizations and, not later than 18 months after the date of enactment of this Act, report on the results of the review to the Committee on Governmental Affairs and the Committee on Finance of the Senate and the Committee on Government Reform and the Committee on Ways and Means of the House of Representatives.

(c) REVIEW BY INSPECTOR GENERAL.—The Inspector General of the Department of the Treasury shall review and audit the implementation of the programs described in subsection (a) as part of the Inspector General's report required under the Inspector General Act of 1978 (5 U.S.C. App).

SEC. 203. REPORT ON PERSONNEL FLEXIBILITY.

Not later than 6 months after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Governmental Affairs and the Committee on Finance of the Senate and the Committee on Government Reform and the Committee on Ways and Means of the House of Representatives a report on the Commissioner's recommendations for modifying existing personnel rules to permit more effective management of the resources of the Customs Service and for improving the ability of the Customs Service to fulfill its mission. The report shall also include an analysis of why the flexibility provided under existing personnel rules is insufficient to meet the needs of the Customs Service.

SEC. 204. REPORT ON IMPLEMENTATION OF PERSONNEL ALLOCATION MODEL.

Not later than 6 months after the date of enactment of this Act, the Commissioner of Customs shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the implementation of the personnel allocation model under development in the Customs Service.

SEC. 205. REPORT ON DETECTION AND MONITORING REQUIREMENTS ALONG THE SOUTHERN TIER AND NORTHERN BORDER.

Not later than 6 months after the date of enactment of this Act, the Commissioner of Customs shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the requirements of the Customs Service for counterdrug detection and monitoring of the arrival zones along the southern tier and northern border of the United States. The report shall include an assessment of—

(1) the performance of existing detection and monitoring equipment, technology, and personnel;

(2) any gaps in radar coverage of the arrival zones along the southern tier and northern border of the United States; and

(3) any limitations imposed on the enforcement activities of the Customs Service as a result of the reliance on detection and monitoring equipment, technology, and personnel operated under the auspices of the Department of Defense.

TITLE III—MARKING VIOLATIONS

SEC. 301. CIVIL PENALTIES FOR MARKING VIOLATIONS.

Section 304(l) of the Tariff Act of 1930 (19 U.S.C. 1304(l)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "Any person" and inserting "(1) IN GENERAL.—Any person";

(3) by moving the remaining text 2 ems to the right; and

(4) by adding at the end the following new paragraph:

"(2) CIVIL PENALTIES.—Any person who defaces, destroys, removes, alters, covers, obscures, or obliterates any mark required under this section shall be liable for a civil penalty of not more than $10,000 for each violation. The civil penalty imposed under this subsection shall be in addition to any marking duties owed under subsection (i).".

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be read a third time and passed, the title amendment be agreed to, the motion to reconsider be laid upon table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The bill (H.R. 1833), as amended, was passed.

The title was amended so as to read: "An Act to authorize appropriations for the United States Customs Service, and for other purposes."

UNANIMOUS CONSENT AGREEMENT—H.R. 1905

Mr. BROWNBACK. Mr. President, I now ask unanimous consent that when the Senate receives from the House the conference report to accompany H.R. 1905, it be considered and agreed to, the motion to consider be laid upon the table, and that any statements relating to the conference report be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I will be pleased to join the Chairman of the Legislative Branch Appropriations Subcommittee, Senator BENNETT, in presenting to the Senate what I believe is a very good conference agreement on the Fiscal Year 2000 budget.

Under the strong leadership of Chairman BENNETT, as well as Mr. TAYLOR, the House Appropriations Subcommittee Chairman, and Mr. PASTOR, the Ranking Democrat on the House Subcommittee, we were able to work our differences in a way that ensures that the essential functions for which appropriations are contained in this bill are able to continue their operations and to carry out their responsibilities efficiently and without any diminution of service.

In all, the recommendations that we are presenting today total just over $2.45 billion, almost $21 million below the Subcommittee's allocation. In reaching compromises on the various issues in the conference, Chairman BENNETT was very careful to ensure that the cuts did not unnecessarily impair the programs where those cut were taken. I shared the concerns of the Chairman that these reductions be carefully considered as to their effects, before they were agreed to.

In his statement, Chairman BENNETT has already laid out to the Senate the details of the conference agreement, which I will not repeat at this time.

I wish to congratulate the Chairman, Senator BENNETT, for his hard work throughout the year on this bill. This was my first year to serve as the Ranking Member of this important Subcommittee, and Senator BENNETT could not have been more helpful to me and my staff. It has been a real pleasure to work at his side on this bill and I look forward to continuing to work with him on all matters that are in the jurisdiction of the Legislative Branch Appropriations Subcommittee.

Finally, Mr. President, I thank the staff who have worked so diligently throughout the year in assisting Chairman BENNETT and myself—Mary Dewald, who recently left the Committee staff, Edie Stanley, her successor, and Jim English, as well as Chris Kierig of my staff. They, together with Christine Ciccone, the Majority Clerk of the Subcommittee, and Chip Yost of Senator BENNETT'S staff, have carried out their responsibilities in their usual, highly professional manner. Our staffs work together, as do Chairman BENNETT and I, in a non-partisan way so that the decisions that we have made throughout the year have been reached based on objective considerations, rather than partisanship.

Mr. President, I urge adoption of this conference report.

EXPORT-IMPORT BANK OF THE UNITED STATES

Mr. BROWNBACK. Mr. President, I ask unanimous consent that H.R. 2565 be discharged from the Banking Committee, and the Senate now proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2565) to clarify the quorum requirement for the Board of Directors of the Export-Import Bank of the United States.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2565) was passed.

"THOMAS S. FOLEY FEDERAL BUILDING AND UNITED STATES COURTHOUSE"

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 249, H.R. 211.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 211) to designate the Federal building and the United States courthouse located at West 920 Riverside Avenue in Spokane, Washington, as the "Thomas S. Foley Federal Building and United States Courthouse" and the plaza at the south entrance of such building and courthouse as the "Walter F. Horan Plaza."

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to lay upon the table be agreed to, and that any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 211) was read the third time and passed.

AUTHORITIES TO THE UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1546, introduced earlier today by Senators NICKLES, LIEBERMAN and HAGEL.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1546) to amend the International Religious Freedom Act of 1998 to provide additional administrative authorities to the United States Commission on International Religious Freedom, and to make technical corrections to that act.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid on the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1546) was read the third time and passed, as follows:

S. 1546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADMINISTRATIVE AUTHORITIES OF THE UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM.

(a) ESTABLISHMENT AND COMPOSITION.—Section 201 of the International Religious Freedom Act of 1998 (22 U.S.C. 6401 et seq.) is amended—

(1) in subsection (c)—

(A) by striking "The" and inserting "(1) IN GENERAL.—The";

(2) by inserting after the first sentence the following new sentences: "The term of each member of the Commission appointed to the first two-year term of the Commission shall be considered to have begun on May 15, 1999, and shall end on May 14, 2001, regardless of the date of appointment to the Commission. The term of each member of the Commission appointed to the second two-year term of the Commission shall begin on May 15, 2001, and shall end on May 14, 2003, regardless of the date of appointment to the Commission. In the case in which a vacancy in the membership of the Commission is filled during a two-year term of the Commission, such membership on the Commission shall terminate at the end of that two-year term of the Commission."; and

(3) by amending subsection (h) to read as follows:

."(h) ADMINISTRATIVE SUPPORT.—The Administrator of General Services shall provide to the Commission on a reimbursable basis (or, in the discretion of the Administrator, on a non-reimbursable basis) such administrative support services as the Commission may request to carry out the provisions of this title.".

(b) POWERS OF THE COMMISSION.—The International Religious Freedom Act of 1998 (22 U.S.C. 6401 et seq.) is amended—

(1) by striking section 202(f);

(2) by redesignating sections 203, 204, 205, and 206 as sections 205, 206, 207, and 209, respectively;

(3) by inserting after section 202 the following:

"SEC. 203. POWERS OF THE COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out its duties under this title, hold hearings, sit and act at times and places in the United States, take testimony and receive evidence as the Commission considers advisable to carry out the purposes of this Act.

"(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission, subject to applicable law.

"(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(d) ADMINISTRATIVE PROCEDURES.—The Commission may adopt such rules and regulations, relating to administrative procedure, as may be reasonably necessary to enable it to carry out the provisions of this title.

"(e) VIEWS OF THE COMMISSION.—The Members of the Commission may speak in their capacity as private citizens. Statements on behalf of the Commission shall be issued in writing over the names of the Members. The Commission shall in its written statements clearly describe its statutory authority, distinguishing that authority from that of appointed or elected officials of the United States Government. Oral statements, where practicable, shall include a similar description.

"(f) TRAVEL.—The Members of the Commission may, with the approval of the Commission, conduct such travel as is necessary to carry out the purpose of this title. Each trip must be approved by a majority of the Commission. This provision shall not apply to the Ambassador-at-Large, whose travel shall not require approval by the Commission."

"SEC. 204. COMMISSION PERSONNEL MATTERS.

"(a) IN GENERAL.—The Commission may, without regard to the civil service laws and regulations, appoint and terminate an Executive Director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The decision to employ or terminate an Executive Director shall be made by an affirmative vote of at least six of the nine members of the Commission.

"(b) COMPENSATION.—The Commission may fix the compensation of the Executive Director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the Executive Director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

"(c) PROFESSIONAL STAFF.—The Commission and the Executive Director shall hire Commission staff on the basis of professional and nonpartisan qualifications. Commissioners may not individually hire staff of the Commission. Staff shall serve the Commission as a whole and may not be assigned to the particular service of a single Commissioner or a specified group of Commissioners. This subsection does not prohibit staff personnel from assisting individual members of the Commission with particular needs related to their duties.

“(d) Staff and Services of Other Federal Agencies.—

“(1) Department of State.—The Secretary of State shall assist the Commission by providing on a reimbursable or non-reimbursable basis to the Commission such staff and administrative services as may be necessary and appropriate to perform its functions.

“(2) Other federal agencies.—Upon the request of the Commission, the head of any Federal department or agency may detail, on a reimbursable or non-reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its functions under this title. The detail of any such personnel shall be without interruption or loss of civil service or Foreign Service status or privilege.

“(e) Security Clearances.—The Executive Director shall be required to obtain a security clearance. The Executive Director may request, on an needs-only basis and in order to perform the duties of the Commission, that other personnel of the Commission be required to obtain a security clearance. The level of clearance shall be the lowest necessary to appropriately perform the duties of the Commission.”;

* * * * *

* * * Cost.—The Commission shall reimburse all appropriate government agencies for the cost of obtaining clearances for members of the Commission, for the executive director, and for any other personnel;

(4) in section 207(a) (as redesignated by this Act), by striking all that follows “3,000,000” and inserting “to carry out the provisions of this title.”; and

(5) by inserting after section 207 (as redesignated) the following:

“SEC. 208. STANDARDS OF CONDUCT AND DISCLOSURE.

“(a) Cooperation With Nongovernmental Organizations, the Department of State, and Congress.—The Commission shall seek to effectively and freely cooperate with all entities engaged in the promotion of religious freedom abroad, governmental and nongovernmental, in the performance of the Commission's duties under this title.

“(b) Conflict of Interest and Antinepotism.—

“(1) Member affiliations.—Except as provided in paragraph (3), in order to ensure the independence and integrity of the Commission, the Commission may not compensate any nongovernmental agency, project, or person related to or affiliated with any member of the Commission, whether in that member's direct employ or not. Staff employed by the Commission may not serve in the employ of any nongovernmental agency, project, or person related to or affiliated with any member of the Commission while employed by the Commission.

“(2) Staff compensation.—Staff of the Commission may not receive compensation from any other source for work performed in carrying out the duties of the Commission while employed by the Commission.

“(3) Exception.—

“(A) In general.—Subject to subparagraph (B), paragraph (1) shall not apply to payments made for items such as conference fees or the purchase of periodicals or other similar expenses, if such payments would not cause the aggregate value paid to any agency, project, or person for a fiscal year to exceed $250.

“(B) Limitation.—Notwithstanding subparagraph (A), the Commission shall not give special preference to any agency, project, or person related to or affiliated with any member of the Commission.

“(4) Definitions.—In this subsection, the term “affiliated” means the relationship between a member of the Commission and—

“(A) an individual who holds the position of officer, trustee, partner, director, or employee of an agency, project, or person of which that member, or relative of that member of, the Commission is an officer, trustee, partner, director, or employee; or

“(B) a nongovernmental agency or project of which that member, or a relative of that member, of the Commission is an officer, trustee, partner, director, or employee.

“(c) Contract Authority.—

“(1) In general.—Subject to the availability of appropriations, the Commission may contract with an compensate government agencies or persons for the conduct of activities necessary to the discharge of its functions under this title. Any such person shall be hired without interruption or loss of civil service or Foreign Service status or privilege. The Commission may not procure temporary and intermittent services under section 3109(b) of title 5, United States Codes, or under other contracting authority other than that allowed under this title.

“(2) Expert study.—In the case of a study requested under section 605 of this Act, the Commission may, subject to the availability of appropriations, contract with experts and shall provide the funds for such a study. The Commission shall not be required to provide the funds for that part of the study conducted by the Comptroller General of the United States.

“(d) Gifts.—

“(1) In general.—In order to preserve its independence, the Commission may not accept, use, or dispose of gifts or donations of services or property. An individual Commissioner or employee of the Commission may not, in his or her capacity as a Commissioner or employee, knowingly accept, use or dispose of gifts or donations of services or property, unless he or she in good faith believes such gifts or donations to have a value of less than $50 and a cumulative value during a calendar year of less than $100.

“(2) Exceptions.—This subsection shall not apply to the following:

“(A) Gifts provided on the basis of a personal friendship with a Commissioner or employee, unless the Commissioner or employee has reason to believe that the gift was provided because of the Commissioner's position and not because of the personal friendship.

“(B) Gifts provided on the basis of family relationship.

“(C) The acceptance of training, invitations to attend or participate in conferences or such other events as are related to the conduct of the duties of the Commission, or food or refreshment associated with such activities.

“(D) Items of nominal value or gifts of estimated value of $10 or less.

“(E) De minimis gifts provided by a foreign leader or state, not exceeding a value of $260. Gifts believed by Commissioners to be in excess of $260, but which would create offense or embarrassment to the United States Government if refused, shall be accepted and turned over to the United States Government in accordance with the Foreign Gifts and Decorations Act of 1966 and the rules and regulations government such gifts provided to Members of Congress.

“(F) Informational materials such as documents, books, videotapes, periodicals, or other forms of communications.

“(G) Goods or services provided by any agency or component of the Government of the United States, including any commission established under the authority of such Government.

“(e) Annual Financial Report.—In addition to providing the reports required under section 202, the Commission shall provide, each year no later than January 1, to the Committees on International Relations and Appropriations of the House of Representatives, and to the Committees on Foreign Relations and Appropriations of the Senate, a financial report detailing and identifying its expenditures for the preceding fiscal year.”.

“(c) Authorization of Appropriations.—Section 209 of the International Religious Freedom Act of 1988 (22 U.S.C. 6436) (as redesignated) is amended by striking “4 years after the initial appointment of all the Commissioners” and inserting “on May 14, 2003.”.

SEC. 2. TECHNICAL CORRECTIONS.

(a) Presidential Actions.—Section 402(c) of the International Religious Freedom Act of 1998 (22 U.S.C. 6442(c)) is amended—

(1) in paragraph (1), in the text above subparagraph (A), by striking “and (4)” and inserting “(4), and (5)”; and

(2) in paragraph (4)—

(A) by inserting “UNDER THIS ACT” after “EXCEPTION FOR ONGOING PRESIDENTIAL ACTION”;

(B) by inserting “and” at the end of subparagraph (B);

(C) by striking at the end of subparagraph (C) “; and” and inserting a period; and

(D) in subparagraph (D), by striking “(D) at” and inserting “(5) EXCEPTION FOR ONGOING, MULTIPLE, BROAD-BASED SANCTIONS IN RESPONSE TO HUMAN RIGHTS VIOLATIONS.— At”.

(b) Clerical Correction.—Section 201(b)(1)(B)(iii) of the International Religious Freedom Act of 1998 (22 U.S.C. 6431(b)(1)(B)(iii)) is amended by striking “three” and inserting “Three”.

APPRECIATION OF CONGRESS FOR THE SERVICE OF THE U.S. ARMY PERSONNEL WHO LOST THEIR LIVES IN AN ANTIDRUG MISSION IN COLOMBIA

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 176, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A resolution (S. Res. 176) expressing the appreciation of the Congress for the service of United States Army personnel who lost their lives in the service of this country in the antidrug mission in Colombia.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 176) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 176

Whereas Colombia is the largest source of cocaine and heroin entering the United States and efforts to assist that country combat the production and trafficking of illicit narcotics is in the national security interests of the United States;

Whereas operations by the United States Armed Forces to assist in the detection and monitoring of illicit production and trafficking of illicit narcotics are important to the security and well-being of all of the people of the United States;

Whereas on July 23, 1999, five United States Army personnel, assigned to the 204th Military Intelligence Battalion at Fort Bliss, Texas, and two Colombia military officials, were killed in a crash during an airborne reconnaissance mission over the mountainous Putumayo province of Colombia; and

Whereas the United States Army has identified Captain José A. Santiago, Captain Jennifer J. Odem, Chief Warrant Officer, W-2, Thomas G. Moore, Private First Class T. Bruce Cluff, and Private First Class Ray E. Krueger as the United States personnel killed in the crash while performing their duty: Now, therefore, be it

Resolved that the Senate—

(1) expresses its profound appreciation for the service of Captain José A. Santiago, Captain Jennifer J. Odem, Chief Warrant Officer, W-2, Thomas G. Moore, Private First Class T. Bruce Cluff, and Private First Class Ray E. Krueger, all of the United States Army, who lost their lives in service of their country during an antidrug mission in Colombia;

(2) expresses its sincere sympathy to the families and loved ones of the United States and Colombian personnel killed during that mission;

(3) urges United States and Colombian officials to take all practicable measures to recover the remains of the victims and to fully inform the family members of the circumstances of the accident which cost their lives;

(4) expresses its gratitude to all members of the United States Armed Forces who fight the scourge of illegal drugs and protect the security and well-being of all people of the United States through their detection and monitoring of illicit production and trafficking of illicit narcotics; and

(5) directs that a copy of this resolution be transmitted to the family members of Captain José A. Santiago, Captain Jennifer J. Odem, Chief Warrant Officer, W-2, Thomas G. Moore, Private First Class T. Bruce Cluff, and Private First Class Ray E. Krueger, to the Commander of Fort Bliss, Texas, and to the Secretary of Defense.

NATIONAL ALCOHOL AND DRUG ADDICTION RECOVERY MONTH

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 177, introduced earlier today by Senator WELLSTONE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 177) designating September 1999 as "National Alcohol and Drug Addiction Recovery Month."

There being no objection, the Senate proceeded to consider the resolution.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 177) was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 177

Whereas alcohol and drug addiction is a devastating disease that can destroy lives and communities.

Whereas the direct and indirect costs of alcohol and drug addiction cost the United States more than $246,000,000,000 each year.

Whereas scientific evidence demonstrates the crucial role that treatment plays in restoring those suffering from alcohol and drug addiction to more productive lives.

Whereas the Secretary of Health and Human Services has recognized that 73 percent of people who currently use illicit drugs in the United States are employed and that the effort business invests in substance abuse treatment will be rewarded by raising productivity, quality, and employee morale, and lowering health care costs associated with substance abuse.

Whereas the role of the workplace in overcoming the problem of substance abuse among Americans is recognized by the United States Chamber of Commerce, the Small Business Administration, the National Institute on Drug Abuse, the National Institute on Alcohol Abuse and Alcoholism, the Substance Abuse and Mental Health Services Administration, the Community Anti-Drug Coalitions of American, the National Coalition on Alcohol and Other Drug Issues, the National Association of Alcoholism and Drug Abuse Counselors, and the National Substance Abuse Coalition, and others.

Whereas the Director of the Office of National Drug Control Policy has recognized that providing effective drug treatment to those in need is critical to breaking the cycle of drug addiction and to helping those who are addicted become productive members of society.

Whereas these agencies and organizations have recognized the critical role of the workplace in supporting efforts towards recovery from addiction by establishing the theme of Recovery Month to be "Addiction Treatment: Investing in People for Business Success".

Whereas the countless numbers of those who have successfully recovered from addition are living proof that people of all races, genders, and ages recover every day from the disease of alcohol and drug addiction, and now make positive contributions to their families, workplaces, communities, States, and nation: Now, therefore, be it

Resolved, That the Senate designates September, 1999, as "National Alcohol and Drug Addiction Recovery Month".

AMENDMENT OF THE OFFICE OF FEDERAL PROCUREMENT POLICY ACT AND THE MILLER ACT

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 1219, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1219) to amend the Office of Federal Procurement Policy Act and the Miller Act, relating to payment protections for persons providing labor and materials for Federal construction projects.

There being no objection, the Senate proceeded to consider the bill.

Mr. THOMPSON. Mr. President, I am pleased to recommend H.R. 1219, the "Construction Industry Payment Protection Act of 1999" to the full Senate for passage. This bill, introduced in the House by a bipartisan list of cosponsors, is intended to modernize the Miller Act, one of our oldest procurement laws. The Committee on Governmental Affairs, with jurisdiction over Federal procurement laws, recognizes and appreciates the broad and strong support for this measure.

The Miller Act is a 1935 law requiring prime contractors with Federal construction contracts over $100,000 to provide bonds on those projects to protect those providing labor and materials. Currently, the Miller Act requires two types of bonds on Federal construction contracts: A payment bond to guarantee that subcontractors get paid, limited under the 1935 Act to $2.5 million and never adjusted for inflation; and a performance bond to protect the Federal government and ensure that the project gets finished. This bond is equal to the value of the project.

H.R. 1219 would amend the Miller Act to require that the payment bond be at least equal to the performance bond. It also establishes standards by which subcontractor rights under the Miller Act can be waived, and it provides for more modern methods by which claims can be noticed.

This bill represents an impressive consensus and several years of hard work by all the interested parties: the general contractors, the subcontractors, and the surety firms who supply the bonds. In addition, the Administration has issued a Statement of Administration Policy in support of the measure. Earlier this week, H.R. 1219 passed the House by a roll call vote of 416–0. I respectfully urge my colleagues to support this measure.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read a third time and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1219) was read the third time and passed.

PRIVATE RELIEF

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed en bloc to the following bills which were reported today by the Judiciary Committee:

S. 199, S. 275, and S. 452.

I further ask unanimous consent that any committee amendments be agreed to where applicable, the bills be read a third time and passed, the motions to reconsider be laid on the table, and that any statements relating to the bills be printed in the RECORD with the above occurring en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bills (S. 199, S. 275, and S. 452) were passed en bloc, as follows:

S. 199

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT RESIDENCE.

Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees.

SEC. 2. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko, as provided in section 1, the Secretary of State shall instruct the proper officer to reduce by the appropriate number during the current fiscal year the total number of immigrant visas available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).

S. 275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT RESIDENT STATUS FOR SUCHADA KWONG.

(a) IN GENERAL.—Notwithstanding subsections (a) and (b) of section 201 of the Immigration and Nationality Act, Suchada Kwong shall be eligible for issuance of an immigrant visa or for adjustment of status to that of an alien lawfully admitted for permanent residence upon filing an application for issuance of an immigrant visa under section 204 of such Act or for adjustment of status to lawful permanent resident.

(b) ADJUSTMENT OF STATUS.—If Suchada Kwong enters the United States before the filing deadline specified in subsection (c), she shall be considered to have entered and remained lawfully and shall, if otherwise eligible, be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

(c) DEADLINE FOR APPLICATION AND PAYMENT OF FEES.—Subsections (a) and (b) shall apply only if the applications for issuance of immigrant visas or the applications for adjustment of status are filed with appropriate fees within 2 years after the date of the enactment of this Act.

(d) REDUCTION OF IMMIGRANT VISA NUMBER.—Upon the granting of an immigrant visa or permanent residence to Suchada Kwong, the Secretary of State shall instruct the proper officer to reduce by one, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 202(e) of such Act.

S. 452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT RESIDENCE.

(a) Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Belinda McGregor shall be held and considered to have been selected for a diversity immigrant visa for fiscal year *2000* as of the date of the enactment of this Act upon payment of the required visa fee.

(b) ADJUSTMENT OF STATUS.—If Belinda McGregor, or any child (as defined in section 101(b)(1) of the Immigration and Nationality Act) of Belinda McGregor, enters the United States before the date of the enactment of this Act, he or she shall be considered to have entered and remained lawfully and shall, if otherwise eligible, be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

SEC. 2. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Belinda McGregor as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by one number during the current fiscal year the total number of immigrant visas available to natives of the country of the alien's birth under section 203(c) of the Immigration and Nationality Act (8 U.S.C. 1153(c)).

RELIEF OF VOVA MALOFIENKO, OLGA MATSKO, AND ALEXANDER MALOFIENKO

Mr. LAUTENBERG. Mr. President, I am extremely pleased that the Senate has passed legislation that will provide permanent residency in the United States for 15-year-old Vova Malofienko and his family.

In order to understand the importance of this legislation, you need to know more about Vova. He was born in Chernigov, Ukraine, just 30 miles from the Chornobyl nuclear reactor. In 1986, when he was just two, the reactor exploded and he was exposed to high levels of radiation. He was diagnosed with lleukemia in June 1990, shortly before his sixth birthday.

Through the efforts of the Children of Chornobyl Relief Fund, Vova and his mother came to the United States with seven other children to attend Paul Newman's "Hole in the Wall" camp in Connecticut. While in this country, Vova was able to receive extensive cancer treatment and chemotherapy. In November of 1992, his cancer went into remission.

Regrettably, the other children from Chornobyl were not as fortunate. They returned to the Ukraine and they died one by one because of inadequate cancer treatment. Not a child survived.

The air, food, and water in the Ukraine are still contaminated with radiation and are perilous to those like Vova who have a weakened immune system. Additionally, cancer treatment available in the Ukraine is not as sophisticated as treatment available in the United States. Although Vova completed his chemotherapy in 1992, he continues to need medical follow-up on a consistent basis, including physical examinations, lab work and radiological examinations to assure early detection and prompt and appropriate therapy in the unfortunate event the leukemia recurs.

Because of his perilous medical condition, Vova and his family have done everything possible to remain in the United States. I tried to help by supporting their visa applications to the Immigration and Naturalization Service, and by sponsoring this legislation. The passage of this measure is the culmination of many years of hard work by Vova, his family, and members of the Millburn community.

Throughout all of these struggles, Vova has been an inspiration to all. An honors student at Milburn Middle School, he has been an eloquent spokesperson for children with cancer. He has rallied the community and helped bring out the best in everyone. His dedication, grace, and dignity provide an outstanding example, not just to young people, but to all Americans.

I am pleased to have been able to help Vova and his family. I want to thank the House sponsors of this legislation, Representatives ROTHMAN and FRANKS, for their efforts in support of this legislation. I also want to thank Senators ABRAHAM, HATCH, LEAHY, and KENNEDY for moving this bill through the legislative process. It has been an honor to work on Vova's behalf, and I hope that he and his family enjoy great success and much happiness in the years ahead.

RETURN OF ZACHARY BAUMEL, A U.S. CITIZEN, AND OTHER ISRAELI SOLDIERS

Mr. BROWNBACK. Mr. President, I now ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 187, H.R. 1175.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1175) to locate and secure the return of Zachary Baumel, a United States citizen, and other Israeli soldiers missing in action.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations, with an amendment on page 4, line 5, to insert the word "credible".

H.R. 1175

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) Zachary Baumel, a United States citizen serving in the Israeli military forces,

has been missing in action since June 1982 when he was captured by forces affiliated with the Palestinian Liberation Organization (PLO) following a tank battle with Syrian forces at Sultan Ya'akub in Lebanon;

(2) Yehuda Katz and Zvi Feldman, Israeli citizens serving in the Israeli military forces, have been missing in action since June 1982 when they were also captured by these same forces in a tank battle with Syrian forces at Sultan Ya'akub in Lebanon;

(3) these three soldiers were last known to be in the hands of a Palestinian faction splintered from the PLO and operating in Syrian-controlled territory, thus making this a matter within the responsibility of the Government of Syria;

(4) diplomatic efforts to secure the release of these individuals have been unsuccessful, although PLO Chairman Yasser Arafat delivered one-half of Zachary Baumel's dog tag to Israeli Government authorities; and

(5) in the Gaza-Jericho agreement between the Palestinian Authority and the Government of Israel of May 4, 1994, Palestinian officials agreed to cooperate with Israel in locating and working for the return of Israeli soldiers missing in action.

SEC. 2. ACTIONS WITH RESPECT TO MISSING SOLDIERS.

(a) Continuing Communication with Certain Governments.—The Secretary of State shall continue to raise the matter of Zachary Baumel, Yehuda Katz, and Zvi Feldman on an urgent basis with appropriate government officials of Syria, Lebanon, the Palestinian Authority, and with other governments in the region and elsewhere that, in the determination of the Secretary, may be helpful in locating and securing the return of these soldiers.

(b) Provision of Economic and Other Assistance to Certain Governments.—In deciding whether or not to provide United States economic and other forms of assistance to Syria, Lebanon, the Palestinian Authority, and other governments in the region, and in deciding United States policy toward these governments and authorities, the President should take into consideration the willingness of these governments and authorities to assist in locating and securing the return of the soldiers described in subsection (a).

SEC. 3. REPORTS BY SECRETARY OF STATE.

(a) Initial Report.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate a written report that describes the efforts of the Secretary pursuant to section 2(a) and United States policies affected pursuant to section 2(b).

(b) Subsequent Reports.—Not later than 15 days after receiving from any source any additional *credible* information relating to the individuals described in section 2(a), the Secretary of State shall prepare and submit to the committees described in subsection (a) a written report that contains such additional information.

(c) Form of Reports.—A report submitted under subsection (a) or (b) shall be made available to the public and may include a classified annex.

AMENDMENT NO. 1620

(Purpose: To amend H.R. 1175, a bill to assist in locating and securing the return of Zachary Baumel, a United States citizen, and other Israeli soldiers missing in action)

Mr. BROWNBACK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Brownback) for Mr. Leahy proposes an amendment numbered 1620.

In H.R. 1175, replace subsection (b) of Sec. 2 with:

On page 3 strike lines 11–20 and insert the following:

(b) Provision of Assistance to Certain Governments.—In deciding whether or not to provide United States assistance to any government or authority which the Secretary of State believes has information concerning the whereabouts of the soldiers described in subsection (a), and in formulating United States policy towards such government or authority, the President should take into consideration the willingness of the government or authority to assist in locating and securing the return of such soldiers.

Mr. LEAHY. Mr. President, I strongly support this Resolution, which seeks to hasten the return of Zachary Baumel, a United States citizen, and other Israeli soldiers missing in action.

My staff met with Mr. Baumel's mother, and she described a heart-wrenching account of over 17 years of trying to obtain information about her son, Zachary, who in 1982, while serving in the Israeli military, was captured after a tank battle with Syrian forces in Lebanon. He has not been heard from since, and the only evidence she has recovered is half of Mr. Baumel's dog tag which was delivered by Yasser Arafat to the Israeli Government.

According to the Department of State, the Palestinian Authority has provided information which could lead to locating and securing the return of Mr. Baumel. This contrasts with the total lack of cooperation from either Syrian or Lebanese authorities. The fact remains that Mr. Baumel's whereabouts remains a mystery.

I hope this Resolution gives some solace to the families of Mr. Baumel and the two other Israeli soldiers who are missing. Their disappearance is unquestionably a matter of deep concern to the Congress. It is unconscionable that these families have yet to be told of the fate of their loved ones.

The amendment I have offered, which modifies one provision in HR 1175 that is of particular interest to the Foreign Operations Subcommittee of which I am Ranking Member, has been approved by both the House and Senate sponsors of the bill and the family of Mr. Baumel, and is supported by the State Department. It was drafted in a sincere effort to make it more likely that this Resolution leads to the result that the families intend, and to preserve the role of the United States Government as an honest broker in the Middle East peace process.

Mr. CAMPBELL. Mr. President, today I urge my colleagues to support passage of the pending legislation, H.R. 1175, a bill to help locate and secure the return of Zachary Baumel, a citizen of the United States, and two other Israeli soldiers who have been missing in action for more than sixteen years. I introduced the Senate version of this legislation, S. 676, which has gathered the support of 34 Senate cosponsors, and in June, the House passed H.R. 1175 by a recorded vote of 415–5.

Although information concerning the whereabouts of Sgt. Baumel and his comrades has been reported since their disappearance after a battle in Northern Lebanon in 1982, Palestinian cooperation on this situation has come to a halt as no new information has been forthcoming. This legislation requires the State Department to raise this issue with the Palestinian Authority and the Syrian government and requires cooperation on this issue to be considered in future aid to the Palestinian Authority.

Mr. President, I thank Senator Helms, the Chairman of the Senate Foreign Relations Committee, for his leadership in moving this legislation to the full Senate. The passage of this legislation is a critical step in helping the families of these soldiers who have been forced to live with the pain and uncertainty of this loss for more than 16 years. Resolving the issue of these Israeli MIAs can only strengthen American efforts to make Middle East peace into a reality.

I urge my colleagues to support final passage of this important piece of legislation.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the committee amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The amendment (No. 1620) was agreed to.

The bill (H.R. 1175), as amended, was read the third time, and passed.

KOREAN WAR VETERANS ASSOCIATION, INCORPORATED

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 261, S. 620.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 620) to grant a Federal charter to the Korean War Veterans Association, Incorporated, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read three times and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 620) was read the third time and passed, as follows:

S. 620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GRANT OF FEDERAL CHARTER TO KOREAN WAR VETERANS ASSOCIATION, INCORPORATED.

(a) GRANT OF CHARTER.—Part B of subtitle II of title 36, United States Code, is amended—

(1) by striking the following:

"CHAPTER 1201—[RESERVED]";

and

(2) by inserting the following:

"CHAPTER 1201—KOREAN WAR VETERANS ASSOCIATION, INCORPORATED

"Sec.
"120101. Organization.
"120102. Purposes.
"120103. Membership.
"120104. Governing body.
"120105. Powers.
"120106. Restrictions.
"120107. Duty to maintain corporate and tax-exempt status.
"120108. Records and inspection.
"120109. Service of process.
"120110. Liability for acts of officers and agents.
"120111. Annual report.

"§ 120101. Organization

"(a) FEDERAL CHARTER.—Korean War Veterans Association, Incorporated (in this chapter, the 'corporation'), incorporated in the State of New York, is a federally chartered corporation.

"(b) EXPIRATION OF CHARTER.—If the corporation does not comply with the provisions of this chapter, the charter granted by subsection (a) expires.

"§ 120102. Purposes

"The purposes of the corporation are as provided in its articles of incorporation and include—

"(1) organizing, promoting, and maintaining for benevolent and charitable purposes an association of persons who have seen honorable service in the Armed Forces during the Korean War, and of certain other persons;

"(2) providing a means of contact and communication among members of the corporation;

"(3) promoting the establishment of, and establishing, war and other memorials commemorative of persons who served in the Armed Forces during the Korean War; and

"(4) aiding needy members of the corporation, their wives and children, and the widows and children of persons who were members of the corporation at the time of their death.

"§ 120103. Membership

"Eligibility for membership in the corporation, and the rights and privileges of members of the corporation, are as provided in the bylaws of the corporation.

"§ 120104. Governing body

"(a) BOARD OF DIRECTORS.—The board of directors of the corporation, and the responsibilities of the board of directors, are as provided in the articles of incorporation of the corporation.

"(b) OFFICERS.—The officers of the corporation, and the election of the officers of the corporation, are as provided in the articles of incorporation.

"§ 120105. Powers

"The corporation has only the powers provided in its bylaws and articles of incorporation filed in each State in which it is incorporated.

"§ 120106. Restrictions

"(a) STOCK AND DIVIDENDS.—The corporation may not issue stock or declare or pay a dividend.

"(b) POLITICAL ACTIVITIES.—The corporation, or a director or officer of the corporation as such, may not contribute to, support, or participate in any political activity or in any manner attempt to influence legislation.

"(c) LOAN.—The corporation may not make a loan to a director, officer, or employee of the corporation.

"(d) CLAIM OF GOVERNMENTAL APPROVAL OR AUTHORITY.—The corporation may not claim congressional approval, or the authority of the United States, for any of its activities.

"§ 120107. Duty to maintain corporate and tax-exempt status

"(a) CORPORATE STATUS.—The corporation shall maintain its status as a corporation incorporated under the laws of the State of New York.

"(b) TAX-EXEMPT STATUS.—The corporation shall maintain its status as an organization exempt from taxation under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

"§ 120108. Records and inspection

"(a) RECORDS.—The corporation shall keep—

"(1) correct and complete records of account;

"(2) minutes of the proceedings of its members, board of directors, and committees having any of the authority of its board of directors; and

"(3) at its principal office, a record of the names and addresses of its members entitled to vote on matters relating to the corporation.

"(b) INSPECTION.—A member entitled to vote on matters relating to the corporation, or an agent or attorney of the member, may inspect the records of the corporation for any proper purpose, at any reasonable time.

"§ 120109. Service of process

"The corporation shall have a designated agent in the District of Columbia to receive service of process for the corporation. Notice to or service on the agent is notice to or service on the Corporation.

"§ 120110. Liability for acts of officers and agents

"The corporation is liable for the acts of its officers and agents acting within the scope of their authority.

"§ 120111. Annual report

"The corporation shall submit an annual report to Congress on the activities of the corporation during the preceding fiscal year. The report shall be submitted at the same time as the report of the audit required by section 10101 of this title. The report may not be printed as a public document.".

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of subtitle II of title 36, United States Code, is amended by striking the item relating to chapter 1201 and inserting the following new item:

"1201. Korean War Veterans Association, Incorporated ....120101".

E-911 ACT OF 1999

Mr. BROWNBACK. Mr. President, I ask unanimous consent the Senate now proceed to the consideration of Calendar No. 255, S. 800.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 800) to promote and enhance public safety through the use of 9-1-1 as the universal emergency assistance number, further deployment of wireless 9-1-1 service, support of States in upgrading 9-1-1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which was reported from the Committee on Commerce, Science, and Transportation, with amendments.

Mr. BROWNBACK. I ask unanimous consent that the committee amendments be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to.

The bill (S. 800), as amended, was read the third time and passed, as follows:

[The bill was not available for printing. It will appear in a future issue of the RECORD.]

E-911 ACT OF 1999

Mr. BURNS. Mr. President, I am very pleased that the Senate has unanimously passed the "e-911 Act of 1999."

The e-911 bill is simple—it makes 911 the universal emergency number. This bill will help save lives and is supported by a broad range of public safety, emergency medical, consumer and citizen groups. These groups represent the operators and users of the 911 system, those with direct experience with the problems with today's system.

Over seventy million Americans carry wireless telephones. Many carry them for safety reasons. People count on those phones to be their lifelines in emergencies. In fact, 98,000 people are counting on their wireless phones in emergencies everyday. That is how many wireless 911 calls are made a day, 98,000. But there's a problem. In many parts of our country, when the frantic parent or the suddenly disabled older person punches 911 on the wireless phone, nothing happens. In those locations, 911 is not the emergency number. The ambulance and the police won't be coming. You may be facing a terrible emergency, but you're on your own, because you don't know the local number to call for emergencies.

"The e-911 Act of 1999" will help fix that problem by making 911 the number to call in an emergency—anytime, everywhere. The rule in America ought to be uniform and simple—if you have an emergency, wherever you are, dial 911.

More and more, wireless communications is the critical link that can help get emergency medical care to those in the "golden hour" when timely care can mean the difference between life and death.

I thank my colleagues for their hard work in passing this critical legislation.

ORDER FOR FILING LEGISLATIVE MATTERS

Mr. BROWNBACK. I ask unanimous consent that, notwithstanding the adjournment of the Senate, committees have from 11 a.m. until 1 p.m. on Friday, August 27, in order to file legislative matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 106–5

Mr. BROWNBACK. As in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following convention transmitted to the Senate on August 5, 1999, by the President of the United States, that being Convention No. 182 for Elimination of the Worst Forms of Child Labor, Treaty Document 106–5. I further ask that the convention be considered as having been read the first time, that it be referred, with accompanying papers, to the Committee on Foreign Relations, and the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification of the Convention (No. 182) Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, adopted by the International Labor Conference at its 87th Session in Geneva on June 17, 1999, I transmit herewith a certified copy of that Convention. I transmit also for the Senate's information a certified copy of a recommendation (No. 190) on the same subject, adopted by the International Labor Conference on the same date, which amplifies some of the Convention's provisions. No action is called for on the recommendation.

The report of the Department of State, with a letter from the Secretary of Labor, concerning the Convention is enclosed.

As explained more fully in the enclosed letter from the Secretary of Labor, current United States law and practice satisfy the requirements of Convention No. 182. Ratification of this Convention, therefore, should not require the United States to alter in any way its law or practice in this field.

In the interest of clarifying the domestic application of the Convention, my Administration proposes that two understandings accompany U.S. ratification.

The proposed understandings are as follows:

—The United States understands that Article 3(d) of Convention 182 does not encompass situations in which children are employed by a parent or by a person standing in the place of a parent on a farm owned or operated by such parent or person.

—The United States understands that the term "basic education" in Article 7 of Convention 182 means primary education plus one year: eight or nine years of schooling, based on curriculum and not age.

These understandings would have no effect on our international obligations under Convention No. 182.

Convention No. 182 represents a true breakthrough for the children of the world. Ratification of this instrument will enhance the ability of the United States to provide global leadership in the effort to eliminate the worst forms of child labor. I recommend that the Senate give its advice and consent to the ratification of ILO Convention No. 182.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 5, 1999.*

ORDER FOR NOMINATIONS TO REMAIN IN STATUS QUO

Mr. BROWNBACK. Mr. President, as in executive session, I ask unanimous consent that all nominations received by the Senate during the 106th Congress remain in status quo, notwithstanding the August adjournment of the Senate and the provisions of rule XXXI, paragraph 6, of the Standing Rules of the Senate, with the following exceptions, which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The exceptions are as follows:

Richard W. Bogosian, of Maryland, for the rank of Ambassador during his tenure of service as Special Coordinator for Rwanda/Burundi.

Paula J. Dobriansky, of Virginia, to be a Member of the United States Advisory Commission on Public Diplomacy for a term expiring July 1, 2001. (Reappointment.)

Charles H. Dolan, Jr., of Virginia, to be a Member of the United States Advisory Commission on Public Diplomacy for term expiring July 1, 2000. (Reappointment.)

Frank J. Guarini, of New Jersey, to be U.S. Representative to the Fifty-second session of the General Assembly of the United Nations.

. Regina Montoya, of Texas, to be U.S. Representative to the Fifty-third Session of the General Assembly of the United Nations.

Hassan Nemazee, of New York, to be Ambassador to Argentina.

Bill Richardson, of New Mexico, to be U.S. Representative to the Forty-second Session of the General Conference of the International Atomic Energy Agency.

Jack J. Spitzer, of Washington, to be Alternate U.S. Representative to the Fifty-second Session of the General Assembly of the United Nations.

The following named Member of the Foreign Service of the Department of Commerce, to be Secretary in the Diplomatic Service of the United States of America: David Gussack, of Washington.

JUDICIARY

Barbara Durham of Washington.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. BROWNBACK. I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations en bloc: Executive Calendar Nos. 166, 167, 191, 195, 198, 199, 217, 218, 219, 220, 221 through 226, and all nominations on the Secretary's desk in the Foreign Service, the nomination of Mervyn Mosbacker, reported today by the Judiciary Committee. I further ask consent that the following list of nominations be discharged from the Banking Committee and the Foreign Relations Committee, and the Senate proceed to their consideration as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

From the Foreign Relations Committee:

Jeffrey A. Bader, of Florida, to be Ambassador to the Republic of Namibia;

Martin G. Brennan, of California, to be Ambassador to the Republic of Uganda;

Tibor P. Nagy, Jr., of Texas, to be Ambassador to the Federal Democratic Republic of Ethiopia;

Barbro A. Owens-Kirkpatrick, of California, to be Ambassador to the Republic of Niger.

From the Banking, Housing, and Urban Affairs Committee:

Martin Neil Baily, of Maryland, to be a Member of the Council of Economic Advisors; and

Robert Z. Lawrence, of Massachusetts, to be a Member of the Council of Economic Advisors.

Mr. BROWNBACK. I ask unanimous consent that the nominations be considered and confirmed en bloc, the motion to reconsider be laid upon the table, any statements be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

COMMODITY FUTURES TRADING COMMISSION

William J. Rainer, of New Mexico, to be Chairman of the Commodity Futures Trading Commission.

William J. Rainer, of New Mexico, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 2004.

DEPARTMENT OF STATE

M. Osman Siddique, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Fiji, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga, and Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu.

Richard Monroe Miles, of South Carolina, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bulgaria.

Barbara J. Griffiths, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iceland.

Sylvia Gaye Stanfield, of Texas, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brunei Darussalam.

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. John M. Pickler, 5130

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Larry R. Jordan, 0772

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. James T. Hill, 7734

DEPARTMENT OF THE INTERIOR

Earl E. Devaney, of Massachusetts, to be Inspector General, Department of the Interior.

DEPARTMENT OF DEFENSE

Charles A. Blanchard, of Arizona, to be General Counsel of the Department of the Army.

Carol DiBattiste, of Florida, to be Under Secretary of the Air Force.

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Larry T. Ellis, 0750

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral (lower half)

David M. Crocker, 2737

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral (lower half)

Capt. Mark A. Young, 5581

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE FOREIGN SERVICE

Foreign Service nominations beginning Susan Garrison, and ending Richard Tsutomu Yoneoka, which nominations were received by the Senate and appeared in the Congressional Record of July 1, 1999.

UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF TEXAS

Mervyn M. Mosbacker, Jr., of Texas, to be United States Attorney for the Southern District of Texas for the term of four years vice Gaynelle Griffin Jones, resigned.

SENIOR FOREIGN SERVICE

Jeffrey A. Bader, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Namibia.

Martin George Brennan, of California, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uganda.

Tibor P. Nagy, Jr., of Texas, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Democratic Republic of Ethiopia.

Barbro A. Owens-Kirkpatrick, of California, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

COUNCIL OF ECONOMIC ADVISORS

Martin Neil Baily, of Maryland, to be a Member of the Council of Economic Advisors.

Robert Z. Lawrence, of Massachusetts, to be a Member of the Council of Economic Advisors.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

REPORTS OF CONTRIBUTIONS

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the reports of contributions of the nominees discharged today from the Committee on Foreign Relations be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the materials was ordered to be printed in the RECORD, as follows:

Jeffrey A. Bader, of Florida, to be Ambassador to the Republic of Namibia.

Nominee: Jeffrey A. Bader.

Post: Namibia.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse, Rohini Talalla, none.
3. Children and spouses, Odoric Brechet-Bader, none.
4. Parents, Samuel and Grace Bader (deceased).
5. Grandparents, Harry and Ida Rosenblum (deceased); Jacob and Jenny Bader (deceased).
6. Brothers and spouses, Lawrence Bader and Margaret Warner (wife), none, Kenneth Bader, none.
7. Sisters and spouses, none.

Martin G. Brennan, of California, to be Ambassador to the Republic of Uganda.

Nominee: Martin George Brennan.

Post: Kampala.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse, Giovanna Lucia Brennan, none.
3. Children and spouses, Sean Robert Brennan, none; Peter Francis Brennan, none.
4. Parents, Elsabet Sophia Brennan, none; Robert Martin Brennan (deceased); Carol Ida (Puccini) Brennan, none.
5. Grandparents, George Mansueto Puccini (deceased); Rose Puccini (deceased).
6. Brothers and spouses, David Donovon Brennan, none; Jody Brennan (spouse), none.
7. Sisters and spouses, Claire R. Brennan Cavero, none; Nevin Cavero (spouse), none; Moira C. Brennan (not married), none.

Tibor P. Nagy, Jr., of Texas, to be Ambassador to the Federal Democratic Republic of Ethiopia.

Nominee: Tibor Peter Nagy, Jr.

Post: Addis Ababa, Ethiopia.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse, none.
3. Children and spouses, Peter, Stephen, Tisza, none.
4. Parents, Tibor Nagy, Sr., none; Zsuzsa Kovacs, none.
5. Grandparents, deceased.
6. Brothers and spouses, none.
7. Sisters and spouses, none.

Barbro A. Owens-Kirkpatrick, of California, to be Ambassador to the Republic of Niger.

Nominee: Barbro A. Owens-Kirkpatrick.

Post: Republic of Niger.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse, Alexander T. Kirkpatrick, none.
3. Children and spouses, Alexander J. and Maria Kirkpatrick, none.
4. Parents, Ayssa and Ole Appelqvist, none.
5. Grandparents, none living.
6. Brothers and spouses, Carl-Johan and Ellen Borg, none.
7. Sisters and spouses, Inger Appelqvist, Marianne Appelqvist and James Crossett, none; Anita and Isak Seligson, none; Ghia Borg and David Simmons, none.

ORDERS FOR WEDNESDAY, SEPTEMBER 8, 1999

Mr. BROWNBACK. Mr. President, we have been through a lot. I now ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 12 noon on Wednesday, September 8. I further ask consent that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin 1 hour of morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BROWNBACK. For the information of all Senators, the Senate will convene on Wednesday, September 8, at 12 noon, with morning business until 1 p.m. Following morning business, the Senate will resume consideration of the pending Interior bill. Any votes ordered on that bill will be stacked to occur at 5:30 p.m. on Wednesday, September 8. As a reminder, a cloture motion on the Transportation appropriations bill was filed today, and by previous order that vote will occur at 9:30 a.m. on Thursday, September 9.

Further, the Senate may also begin consideration of the bankruptcy bill following completion of the Interior appropriations bill.

ADJOURNMENT UNTIL WEDNESDAY, SEPTEMBER 8, 1999

Mr. BROWNBACK. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the provisions of S. Con. Res. 51.

There being no objection, the Senate, at 8:52 p.m., adjourned until Wednesday, September 8, 1999, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate August 5, 1999:

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

CAROL J. PARRY, OF ILLINOIS, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOURTEEN YEARS EXPIRING JANUARY 31, 2012, VICE SUSAN MEREDITH PHILLIPS, RESIGNED.

NATIONAL TRANSPORTATION SAFETY BOARD

JOHN GOGLIA, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR A TERM EXPIRING DECEMBER 31, 2003. (REAPPOINTMENT)

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

PAUL L. HILL, JR., OF WEST VIRGINIA, TO BE CHAIRPERSON OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF FIVE YEARS. (REAPPOINTMENT)

PAUL L. HILL, JR., OF WEST VIRGINIA, TO BE MEMBER OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF FIVE YEARS. (REAPPOINTMENT)

DEPARTMENT OF STATE

NORMAN A. WULF, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR EXECUTIVE SERVICE, TO BE A SPECIAL REPRESENTATIVE OF THE PRESIDENT, WITH THE RANK OF AMBASSADOR.

THE JUDICIARY

MARIANNE O. BATTANI, OF MICHIGAN, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MICHIGAN VICE ANNA DIGGS TAYLOR, RETIRED.

STEVEN D. BELL, OF OHIO, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO, VICE GEORGE WASHINGTON WHITE, RETIRED.

RONALD A. GUZMAN, OF ILLINOIS, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ILLINOIS, VICE BRIAN B. DUFF, RETIRED.

DAVID M. LAWSON, OF MICHIGAN, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MICHIGAN VICE AVERN COHN, RETIRED.

ANN CLAIRE WILLIAMS, OF ILLINOIS, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SEVENTH CIRCUIT, VICE WALTER J. CUMMINGS, JR., DECEASED.

JAMES A. WYNN, JR., OF NORTH CAROLINA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FOURTH CIRCUIT, VICE JAMES DICKSON PHILLIPS, JR., RETIRED.

DEPARTMENT OF JUSTICE

MELVIN W. KAHLE, OF WEST VIRGINIA, TO BE UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF WEST VIRGINIA FOR A TERM OF FOUR YEARS, VICE WILLIAM DAVID WILMOTH, RESIGNED.

TED L. MCBRIDE, OF SOUTH DAKOTA, TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF SOUTH DAKOTA FOR A TERM OF FOUR YEARS, VICE KAREN ELIZABETH SCHREIER, TERM EXPIRED.

ROBERT S. MUELLER, III, OF CALIFORNIA, TO BE UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF CALIFORNIA FOR A TERM OF FOUR YEARS, VICE MICHAEL YAMAGUCHI, TERM EXPIRED.

JOHN W. MARSHALL, OF VIRGINIA, TO BE DIRECTOR OF THE UNITED STATES MARSHALS SERVICE, VICE EDUARDO GONZALES, RESIGNED.

SURFACE TRANSPORTATION BOARD

LINDA JOAN MORGAN, OF MARYLAND, TO BE A MEMBER OF THE SURFACE TRANSPORTATION BOARD FOR A TERM EXPIRING DECEMBER 31, 2003. (REAPPOINTMENT)

DEPARTMENT OF THE INTERIOR

SYLVIA V. BACA, OF NEW MEXICO, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR, VICE ROBERT LANDIS ARMSTRONG, RESIGNED.

NUCLEAR REGULATORY COMMISSION

RICHARD A. MESERVE, OF VIRGINIA, TO BE A MEMBER OF THE NUCLEAR REGULATORY COMMISSION FOR A TERM OF FIVE YEARS EXPIRING JUNE 30, 2004, VICE SHIRLEY ANN JACKSON, TERM EXPIRED.

DEPARTMENT OF THE TREASURY

GEORGE L. FARR, OF CONNECTICUT, TO BE A MEMBER OF THE INTERNAL REVENUE SERVICE OVERSIGHT BOARD FOR A TERM OF FOUR YEARS. (NEW POSITION)

THE JUDICIARY

GEORGE B. DANIELS, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK, VICE ROBERT P. PATTERSON, JR., RETIRED.

UNITED STATES SENTENCING COMMISSION

RUBEN CASTILLO, OF ILLINOIS, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2003, VICE MICHAEL GELACAK, TERM EXPIRED.

STERLING R. JOHNSON, JR., OF NEW YORK, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2001, VICE JULIE E. CARNES, TERM EXPIRED.

DIANA E. MURPHY, OF MINNESOTA, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2005. (REAPPOINTMENT)

DIANA E. MURPHY, OF MINNESOTA, TO BE CHAIR OF THE UNITED STATES SENTENCING COMMISSION, VICE RICHARD P. CONABOY.

DIANA E. MURPHY, OF MINNESOTA, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 31, 1999, VICE RICHARD P. CONABOY, RESIGNED.

WILLIAM SESSIONS, III, OF VERMONT, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2003, VICE MICHAEL GOLDSMITH, TERM EXPIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 5, 1999:

DEPARTMENT OF STATE

RICHARD HOLBROOKE, OF NEW YORK, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE SESSIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS DURING HIS TENURE OF SERVICE AS REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS.

RICHARD HOLBROOKE, OF NEW YORK, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY, AND THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA IN THE SECURITY COUNCIL OF THE UNITED NATIONS.

COMMODITY FUTURES TRADING COMMISSION

WILLIAM J. RAINER, OF NEW MEXICO, TO BE CHAIRMAN OF THE COMMODITY FUTURES TRADING COMMISSION.

WILLIAM J. RAINER, OF NEW MEXICO, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION FOR THE TERM EXPIRING APRIL 13, 2004.

DEPARTMENT OF STATE

M. OSMAN SIDDIQUE, OF VIRGINIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF FIJI, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NAURU, AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF TONGA, AND AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO TUVALU.

RICHARD MONROE MILES, OF SOUTH CAROLINA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BULGARIA.

BARBARA J. GRIFFITHS, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ICELAND.

SYLVIA GAYE STANFIELD, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BRUNEI DARUSSALAM.

DEPARTMENT OF DEFENSE

CHARLES A. BLANCHARD, OF ARIZONA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY.

CAROL DIBATTISTE, OF FLORIDA, TO BE UNDER SECRETARY OF THE AIR FORCE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF STATE

MARTIN GEORGE BRENNAN, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF UGANDA.

BARBRO A. OWENS-KIRKPATRICK, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NIGER.

TIBOR P. NAGY, JR., OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA.

JEFFREY A. BADER, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF NAMIBIA.

EXECUTIVE OFFICE OF THE PRESIDENT

ROBERT Z. LAWRENCE, OF MASSACHUSETTS, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

MARTIN NEIL BAILY, OF MARYLAND, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. JOHN M. PICKLER, 5130.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. LARRY R. JORDAN, 0772.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES T. HILL, 7734.

DEPARTMENT OF THE INTERIOR

EARL E. DEVANEY, OF MASSACHUSETTS, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE INTERIOR.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. LARRY T. ELLIS, 0750.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

DAVID M. CROCKER, 2737.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. MARK A. YOUNG, 5581.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS CHIEF OF NAVAL PERSONNEL, UNITED STATES NAVY, AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 5141:

To be vice admiral

REAR ADM. NORBERT R. RYAN, JR., 4487.

DEPARTMENT OF JUSTICE

MERVYN M. MOSBACKER, JR., OF TEXAS, TO BE UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF TEXAS FOR THE TERM OF FOUR YEARS.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING SUSAN GARRISON, AND ENDING RICHARD TSUTOMU YONEOKA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 1, 1999.

HOUSE OF REPRESENTATIVES—*Thursday, August 5, 1999*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. KOLBE).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 5, 1999.

I hereby appoint the Honorable JIM KOLBE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

We are grateful, O God, that You have created us with opportunities to be the people You would have us be. We know that we have been given the choices of life to take the paths of service to others, to express our love to family and friends, to do the works of justice. Impress upon us, O gracious God, how our small acts of goodness and kindness, combined in unity with others, can make our communities and our world places of understanding and of peace.

In Your name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DOGGETT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker pro tempore's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DOGGETT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 356, nays 50, answered "present" 1, not voting 27, as follows:

[Roll No. 376]

YEAS—356

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clayton
Clement
Coble
Coburn
Collins
Combest
Conyers
Cook
Cooksey
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Everett
Ewing
Farr
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Ose
Owens
Oxley
Packard
Pascrell
Pastor
Paul
Pease
Pelosi
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sandlin
Sawyer
Saxton
Scarborough
Schakowsky
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Upton
Velazquez
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—50

Baird
Borski
Clay
Clyburn
Condit
Costello
DeFazio
Doggett
English
Evans
Fattah
Filner
Gephardt
Gibbons
Gonzalez
Gutierrez
Gutknecht
Hefley
Hilliard
Hinchey
Holt
Hooley
Hulshof
Hutchinson
Jackson-Lee (TX)
Kucinich
LoBiondo
Moran (KS)
Neal
Oberstar
Pallone
Peterson (MN)
Pickett
Ramstad
Rogan
Sabo
Sanford
Schaffer
Scott
Spratt
Stupak
Sweeney
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (NM)
Vento
Visclosky
Waters
Weller

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—27

Barton
Bilbray
Canady
Cannon
Chenoweth
Cox
Crane
Dixon
Engel
Ganske
Lantos
McDermott
McNulty
Metcalf
Miller, George
Mollohan
Murtha
Olver
Payne
Peterson (PA)
Radanovich
Reyes
Sanders
Slaughter
Tauzin
Wexler
Young (AK)

☐ 1020

So the Journal was approved.

The result of the vote was announced as above recorded.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. KOLBE). Will the gentleman from Minnesota (Mr. LUTHER) come forward and lead the House in the Pledge of Allegiance.

Mr. LUTHER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

> H.R. 2606. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2606) "An Act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCONNELL, Mr. SPECTER, Mr. GREGG, Mr. SHELBY, Mr. BENNETT, Mr. CAMPBELL, Mr. BOND, Mr. STEVENS, Mr. LEAHY, Mr. INOUYE, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mrs. MURRAY, and Mr. BYRD, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 606) "An Act for the relief of Global Exploration and Development Corporation, Kerr-McGee Corporation, and Kerr-McGee Chemical, LLC (successor to Kerr-Mcgee Chemical Corporation), and for other purposes."

The message also announced that the Senate has passed a bill of the following title in which concurrence of the House is requested:

> S. 695. An act to require the Secretary of Veterans Affairs to establish a national cemetery for veterans in various locations in the United States, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 1-minute requests at the end of the day.

CONFERENCE REPORT ON H.R. 2488, TAXPAYER REFUND AND RELIEF ACT OF 1999

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 274

> *Resolved*, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2488) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, to provide incentives for education savings and health care, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The yeas and nays shall be considered as ordered on the question of adoption of the conference report and on any subsequent conference report or on any motion to dispose of an amendment between the houses on H.R. 2488. Clause 5(b) of rule XXI shall not apply to the question of adoption of the conference report and to any subsequent conference report or to any motion to dispose of an amendment between the houses on H.R. 2488.

The SPEAKER pro tempore. The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume.

During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 274 provides for the consideration of the conference report for H.R. 2488, the Taxpayer Refund and Relief Act of 1999. House Resolution 274 waives all points of order against the conference report and against its consideration, and provides that the conference report shall be considered as read.

The rule provides for 1 hour of general debate, divided equally between the chairman and ranking minority member of the Committee on Ways and Means.

Finally, the rule provides that clause 5(b) of rule XXI, which requires a three-fifths vote on any amendment or measure containing a Federal income tax increase, shall not apply to the question of adoption of the conference report and to any subsequent conference report or to any motion to dispose of an amendment between the houses on the bill.

Mr. Speaker, the growth in Federal tax revenue has consistently outpaced the growth in income of the American people paying those taxes. For the first time in American history, taxes have reached war era levels during peacetime. Budget projections show taxes at above 20 percent of the gross domestic product for the next 10 years. Last year, and at least for the next few, this ratio exceeds the levels of taxation during 1945, when America was involved in every corner of the world during and after World War II.

In short, the American people are paying too much taxes. The American people have given the Federal Government too much of their money, and we have to decide what to do with it. We committed ourselves to a certain cost of government in the 1997 balanced budget agreement. Since then, the American people have grown the economy so much they have paid too much for their government, and it is time to give it back.

That is exactly what the Taxpayer Refund and Relief Act proposes to do, make change for the American people on their tax bill.

On every other bill we get in the mail, for credit cards, the power bill, the phone bill, if we overpay, the company notes a little CR credit on the bill, crediting that amount for the next month. What would we think if businesses one day decided they could spend that overpayment better than we could, and just added it to their income statement at the end of the year? Why would we let the Federal Government do this to us?

That is what many of our colleagues in the House and the President are trying to do. Just a few months ago President Clinton said, we could give it all back to you, and hope you spend it right, but. But of course he believes that he knows how to spend our money better than we do, and he would rather let the Federal Government decide how to use our overpayment.

We in the majority believe our constituents have overpaid enough and are burdened every day by oppressive taxes. Let us think about what Americans must pay. First we are taxed on our income, then we are taxed on our savings and investments. Then we are taxed on our business, and irrationally, if we get married, we get a marriage penalty tax.

If that is not enough, there are death taxes levied on us after we have died. Our tax relief bill begins to change this pattern. This bill entirely eliminates the death tax, which has prevented thousands of Americans from keeping their family-owned businesses or family farms. It provides a 1 percent reduction in every American's tax rate, ensuring that every American who has been overcharged for their government will receive a refund. The bill seeks to expand on the investment that has helped to give us this surplus by cutting capital gains.

The Taxpayer Refund and Relief Act also provides $100 billion in relief from the marriage tax penalty, a tangled web of tax provisions that have punished Americans for marrying for far too long.

H.R. 2488 expands opportunities for families to save for their children's education or their retirement, and it allows the self-employed to deduct the full cost of their health care.

In total, this bill provides $792 billion in well-deserved tax relief for the American people. Tax relief is about freedom, freedom to save, spend, or invest, as we see fit. It is about returning dollars and decisions back home to the American people and American families.

With this bill, hard-working Americans will not have to work as long to pay the IRS. That means parents will have more time to spend with their kids or take care of an elderly parents. They will also have the financial freedom to do the things they want to do. I trust the American people to make these decisions for themselves.

Mr. Speaker, we are going to hear a lot today about how we are supposedly slashing funds for education, social security, Medicare, and every other program in the Federal budget. Frankly, though, if Congress wants to reduce revenues to the Federal Treasury, cutting taxes is one of the worst ways to do it, because every responsible tax cut in the past has increased revenue, not reduced it. The tax cuts passed in 1981 doubled the revenues to the Treasury because they doubled the size of the economy.

We are not cutting taxes to reduce the size of government, we are doing it because it is the right thing to do, the honest thing to do, and the best way to manage the people's trust and their hard-earned money.

Let us be clear from the start, we are not talking about debt reduction because the Republican budget, calls for $2.2 trillion in debt reduction over the next 10 years. We are not talking about social security, either, because the Republican budget, enforced by the lockbox legislation passed this year, protects every dollar of the social security surplus.

What we are talking about here is taxing and spending. This bill cuts taxes by $792 billion over 10 years, and the Clinton budget hikes spending by $937 billion over the same period. It is regrettable that the President has chosen to turn this opportunity to refund Americans' tax overcharge into a political game, but I feel confident that the American people agree that their money is safer in their pocketbooks than in Washington.

I congratulate the gentleman from Texas (Chairman ARCHER) and the conferees for their hard work on this historic legislation. I urge my colleagues to support the rule so we may proceed with the general debate and consideration of the merits of this legislation.

Mr. Speaker, I reserve the balance of my time.

□ 1030

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman from Georgia (Mr. LINDER) for yielding me the customary half hour, and I yield myself such time as I may consume.

Mr. Speaker, I realize that Congress is nearing the end of a session. I realize that people have been working very late. But this bill is so convoluted I am surprised my colleagues, my Republican colleagues, can keep a straight face.

They say they want the so-called tax bill to become law, but everyone knows it is dead on arrival at the White House. For that reason, my Republican colleagues do not want to send it over there until after the August break.

But for some reason, Mr. Speaker, this so-called tax bill is being rushed through the House at breakneck pace. It was handed to the Committee on Rules after midnight last night. Now 9 hours later, it is here on the House floor. Meanwhile, my Republican colleagues are not planning on showing it to President Clinton for another month.

If I did not know any better, Mr. Speaker, I would say that my Republican colleagues are embarrassed by this bill. They do not want Members of Congress to know what is in it. They do not want members of the press to know what is in it. They do not want the American people to know what is in it either. I cannot say I blame them.

Republicans want to raid the Social Security and Medicare Trust Funds and give a huge tax break back to those fat cats.

Democrats, on the other hand, want to save the surplus. They want to protect Social Security and want to protect Medicare.

Because, Mr. Speaker, while my Republican colleagues say they do not want to hand out enormous tax breaks to the rich Americans, the baby boomers are getting closer and closer to retirement which will cause Social Security and Medicare to buckle starting the year 2015.

My Republican colleagues' so-called tax break for the rich is not even much of a tax break after all. It is more of a hoax.

Any tax breaks people would get under this bill are taken away in 8 or 9 years. That is right, Mr. Speaker, these so-called tax breaks vanish into thin air after 8 or 9 years, and they are back where they started.

For the first few years, it will look like individual income tax are being reduced. Then in the year 2008, suddenly they shoot right back to where they were before. Long-term capital gains will start to go down, and then, in the year 2008, they will suddenly shoot back up.

Even the marriage penalty, listen to this, Mr. Speaker, even the marriage penalty will be back before it is fully repealed. So I do not know what it is going to do to the divorce courts.

Mr. Speaker, if my Republican colleagues are so hell bent on giving tax breaks to the very rich, why do they not go ahead and do it. Why do they not go ahead as their plan would indicate and cut taxes for the very rich while Medicare and Social Security follow path.

The reason is very simple, Mr. Speaker, it costs too much. This all-you-can-eat tax break smorgasbord is unbelievably expensive. So my Republican colleagues decided to do away with it after the year 2009. That is right, Mr. Speaker. After the year 2009, the tax break buffet is over. Income tax rates shoot back up, debt taxes are reimposed, and the marriage penalty is back where it started.

Mr. Speaker, if any of my colleagues doubt that this bill raises rates in the years 2008 to 2009, I would tell them to look at the rule. This rule, once again, waives the required three-fifths vote for tax increases. This is the same party, Mr. Speaker, that wanted to put this in the Constitution, and here they are again waiving the three-fifths needed for the tax increase.

So the tax breaks worth thousands of dollars that my Republican colleagues want to give to the richest taxpayers will fade just as quickly as the hundred dollar tax break nearly everyone else will get.

Mr. Speaker, everybody agrees that hard-working Americans deserve tax relief. Democrats have consistently stood for targeted tax cuts that benefit the middle class. Democrats believe that we shore up Social Security and Medicare and pay down the national debt while providing targeted tax cuts to the middle class.

The Republican tax breaks for the rich will disappear after 10 years; but at that point, Mr. Speaker, after 10 years, Mr. Speaker, the damage to Social Security and Medicare will already have been done.

Mr. Speaker, I urge my colleagues to oppose this rule and this conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Staten Island, New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank very much the gentleman from Georgia for yielding me this time and also for his steadfast commitment to fight on behalf of the American taxpayer.

I think it was the comment of the gentleman from Georgia (Mr. LINDER) that this is about freedom, this debate.

I think what we are going to have before us, first the rule, and then the underlying legislation, are two arguments. One that wants to strengthen personal freedom, one that recognizes that government has a responsibility to all of the folks that we represent throughout our great Nation. The other side of the argument is we have a responsibility and we also want to take as much of one's money as possible to spend it here in Washington.

First, let us say what we are doing. We are protecting and strengthening and preserving Social Security and

Medicare. There are those who are going to scare seniors, scare women, scare anybody within earshot if they can do it, and that is sad.

I think the American people are wise enough to understand that the Republican Congress has set aside the Social Security taxes for Social Security. We are strengthening our national defense. We are funding education. We are protecting our environment. That is what we are doing.

Then the question becomes, what do we do with this projected surplus? Our economy over the next 10 years is projected to grow to about $100 trillion. We are talking about tax relief of less than a trillion, which is less than 1 percent of our Nation's economy, to send back to the people who generated it.

So if we are committed to continuing economic growth, if we are committed to preserving personal freedom for the people who are working hard every single day, then the question becomes, do we take that projected surplus and leave it here in Washington like leaving candy on a table with little kids around, or do we send it back to the folks who earned it?

The question becomes, again, who benefits? Well, under this bill, every American who pays taxes benefits. If one is a small business owner, 30, 40 years or two or three generations, one has been building up one's small business and one goes to sell it, and one has Uncle Sam there waiting for his part of the pie, this eliminates the death tax so one can pass that business on to one's family so they can make that small business become a big business.

If one sets money aside every paycheck to buy a few shares of General Motors or Ford or Coca-Cola or whatever, and then one goes to sell that stock so one can pay for one's child's education, if one has two or three kids these days in college, $100,000 a year practically, and one sets that money aside for 20 or 30 years, and one says, "Do you know what? When Johnny goes to college, I am going to sell that to pay his tuition," capital gains reduction helps that person.

Frankly, I think we can find a common ground here. The common ground is very simple. With this money that the people from Staten Island and Brooklyn generated, the people from Georgia, the people from California who work hard every single day to keep our engine humming, to keep this economy moving, whether one is a truck driver or worker behind the counter at Dunkin Doughnuts, the fact is, when we give one more of one's money back, the American people benefit.

Yes, there are those who want to spend all of one's money. Do not believe them. We believe in the American people. We have faith in the American people. We trust the American people to spend their money as they see fit.

I urge my colleagues to support this rule and stand up for the American taxpayer.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from New York trusts the American people to spend their money only for 10 years, though. Then they want to pull it back.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I have been in this House and privileged to serve for a long time. I have seen a lot of political things, but I have never seen a sham like the one that we are trying to pull on the American people today.

There is not a Republican in this House of Representatives that can look their constituent in the eye and say that this bill is going to become law. There is not a Republican in this House or in the other House on the other side that would be able to say that there is an economist that they can find any place in the United States that says we can spend the same money four different ways.

If we were talking about a $4 trillion tax cut and an $800 billion tax cut to go into effect in the next decade, one would think, with a five-vote margin, one would reach out to some of the Democrats, some of the Democratic leaders. Maybe one might even talk to a Democrat or two on the tax writing committee.

But this has nothing to do with tax writing. That is why my colleagues had the Majority Whip there, not the tax writing people. I feel sorry for a lot of Republicans who were not able to get involved in it. But fear not, because, instead of their involvement, the lobbyists did the job for them.

What this is, really, is a rule to have Christmas in August. It is a wish list so that every contributor that one can find listed in the FEC will get a promise that maybe one day if they keep the majority they can keep these things away.

Because my colleagues know in their heart of hearts that the President and the American people are too responsible to let this happen. So they have a freebie. They got your Christmas list, and they know it never, never, never will become law.

But it would seem to me that now is the time to be bipartisan. Once my colleagues know this thing is going to be vetoed, at least have a small tax bill that they think that they would be able to work with.

But just listen to this, because I want to listen to the distinguished gentleman from California (Mr. DREIER) from the Committee on Rules, late into the night, the Republicans give away as much as they can to the other body to see that they can get 51 votes so that they can at least pass it.

With all of this rush, one would believe that they are rushing the bill to the White House. That is the process: House, Senate, conference, White House. Oh, no. They want this bill to turn slowly in the wind at every Republican fund-raiser around the country and to be able to say, "You see, we even turn chicken manure into electricity. It only costs $500 million. But in our bill, we are the only party to take care of chicken manure for the chicken farmers so that we can get a great charge out of it." I tell my colleagues this.

Mr. LINDER. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. RANGEL).

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I would like to say that, as we look at the prospect of some kind of tax increase, God forbid, I am convinced that there is no better expert at putting together a tax increase bill than the gentleman from New York standing in the well. I want him to know that, Mr. Speaker, if we ever, ever on this side were to consider any kind of tax increase, the gentleman from New York is the first person to whom I would look for direction and advice and counsel on doing just that because he is so expert in it.

Mr. RANGEL. Mr. Speaker, the gentleman from California can tell the people that he works with, those shelters, that "Rangel is coming for you."

Mr. DREIER. Mr. Speaker, they are ready for the gentleman from New York.

Mr. RANGEL. Everybody wants a tax cut.

Mr. DREIER. They are ready for the gentleman from New York.

Mr. RANGEL. Mr. Speaker, everybody wants a tax cut. But some of us believe that we are paying off our debts first.

Mr. DREIER. Mr. Speaker, that is what we are in the next five years by a six to one ratio.

Mr. RANGEL. Mr. Speaker, we cannot pay off our debts, take care of Medicare, take care of Social Security.

Mr. DREIER. Mr. Speaker, I tell the gentleman from New York, keep fighting for those tax increases.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK) a member of the Committee on Ways and Means.

□ 1045

Mr. STARK. Mr. Speaker, I thank the distinguished ranking member for yielding me the time, and want to remind one of the previous speakers, who suggested that, I suppose he means Democrats who are working for wages, could buy a couple of shares of Kodak.

That would cost them about $160 a month out of their paycheck. Or Coca-Cola. I guess he said. Now, the tax bill is going to give this worker $136 a year. The worker already is not able to pay his or her bills, buy long-term care insurance, pay the house mortgage and get the kids to college. So I suggest that it is very disingenuous to gratuitously say to that worker, go ahead and save 160 bucks a month, we will give you $136 a year towards it.

As a matter of fact, this bill was really designed to help Dr. Kevorkian and the undertakers. Several of my colleagues have already heard from their adult children wondering how we intend to commit suicide so we can escape the inheritance tax.

Everybody has been bleeding on the Republican side for these poor multi-millionaires who are going to have to pay an inheritance tax. Talk about term limits. They have said to the owners of small businesses and the owners of family farms, "Die baby. Die in the next 10 years, and you can give the farm away to your kids tax free. But if you live, it goes right back up, and we sock you for a big inheritance tax."

They change the rules to make funny speeches. We argued here sometime ago about a 60 percent rule, screaming that only the irresponsible people in this House would vote to raise taxes and they needed a supermajority. Well, with this bill they are going to raise taxes, and they have had to waive their own rules.

One of the more serious issues is that they have really decided to turn their back on Medicare, and they are going to let Medicare destruct. They voted in committee against their own bills.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume to respond to the Member in the Republican Party who said that these people should take the money and invest it in Coca-Cola. With the money the people on the bottom part of that chain will get, they will only be able to invest in a six pack of Coca-Cola.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, one word three times, reckless, reckless, reckless. That is what the Republicans are doing. Fiscal discipline guards our prosperity here, and they are turning their backs on it.

The choice this year is clear. As Chairman Greenspan said, let the surpluses run, pay down the debt, or let the deficits grow again. The Republicans are back at it, letting the deficits grow again.

And even if the budget assumptions are correct, and those assumptions are wrong, there would be no money left to strengthen Social Security and Medicare. The chairman of the Committee on Ways and Means has a Social Security plan that would use the same trillion dollars that he is using for the tax cut.

Look, the choice in 8 or 9 or 10 years would be this. Continue the tax cuts that are in this bill and explode the deficit or let the tax cuts expire and that would be the biggest tax increase in American history, $175 billion a year, if we let this bill be sunsetted.

The Republicans like to talk about the biggest American tax increase in history in 1993, $275 billion over 5 years. This would be, under their plan, if there is a sunset, a $175 billion tax increase in a year.

Lastly, this bill is grossly unfair. If the Republicans shed any tears here, they are crocodile tears for middle and low-income taxpayers. Here is what Deloitte & Touche says: A couple with an annual income of $50,000 with 2 children would get a tax cut of $265; a couple with $200,000 would get a tax cut of $2,720; and, look, the millionaire would receive a tax cut of $9,861 compared to the family of $50,000, $265.

It is not only excessive it is grossly unfair. Let us turn it down.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume to respond to that silliness.

The top 1 percent of all the income earners in this country earn 17 percent of all the income and pay 32 percent all the taxes. The bottom 50 percent of the income earners pay 4.8 percent of all the taxes.

We now have 40 million American families that pay no income taxes, and that is who the Democrats want to help. They want to turn this into welfare.

If we are going to cut taxes because we have overtaxed in this country, the people who pay taxes are going to get the tax relief. The top 10 percent of the income earners in this country earn 42 percent of all the income and pay 63 percent of all the taxes. If we are going to cut taxes because it is hurting the economy by taking too much into Washington, the people who pay taxes are going to get the tax relief.

That is what the Democrats cannot stand, because they want this money to stay in Washington so they can dole it out to folks who do not pay taxes.

My biggest fear, my biggest fear is that one day they will be back in charge of this House and pass their tax relief that will take 60 percent of America off the tax roles entirely, and we will have a huge bias in favor of more government, more spending and, ultimately, more taxes because most of America is not paying taxes.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. OSE).

Mr. OSE. Mr. Speaker, I stood in the back of the chamber here listening to the debate, and it is somewhat perplexing. I am trying to figure out what it is the gentlemen and the gentlewomen on the other side object to.

Is it the reduction in the rates on ordinary income? Is it the provision for the deductibility of health insurance? Is it the credits given for adoptions for special needs children? Are they objecting to these things? Is it the provision allowing for increased savings for the education of our children and grandchildren? Is it the marriage tax penalty relief that the Democrats object to? Is it the increase in the private savings that is so greatly encouraged by the revisions to the IRA and other retirement programs? Is it the fact that the President wants to save 62 percent of the Social Security revenue, and we want to save 100 percent?

Exactly what is it the other side objects to here? If it is, in fact, an objective of the other side to defeat this bill, then they should vote against it. They should just tell the people of America that they are in opposition to all these things. I encourage my colleagues to do so.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I will tell my colleague exactly what we object to. We object to funding tax breaks for special interests by jeopardizing Social Security and Medicare. That is what this bill is all about.

They call it the Financial Freedom Act. Well, it provides a little more freedom for some folks than for others. In the words of Dr. King, some people are "free, free, God Almighty, free at last." And at the top of the list are the chicken manure producers. Hundreds of millions of dollars of tax subsidies for chicken manure producers in this country. Down in Texas we have Whataburger. Well, "What a chicken" this is. They have given new meaning to "chicken deluxe," to "chicken special" in this bill by giving hundreds of millions of dollars of tax relief to chicken manure producers.

And who do my colleagues think pays for that? I think it is best summed up in this copy of a painting that hangs here in Washington. It is entitled "Plucked Clean." And that is exactly what happens to Social Security and Medicare. They get plucked clean. Social Security and Medicare do not enjoy the benefits of the chicken manure producers. They get plucked clean.

This $2 trillion figure that they keep talking about, it is not a surplus, it is the money that hard working men and women across this country are expected to pay into the Social Security System. It is their money; it is there for Social Security. In this bill, Republicans do not add one additional dollar for Social Security. And we know the money, that $2 trillion, is not by itself enough to fund Social Security forever.

Likewise, with reference to Medicare, Republicans do not add an additional dollar for Medicare. They are not funding the long-term solvency of Medicare or covering the much-needed prescription drugs.

Why is it that every time that there is some tax cut, it goes to the special interests? And if my colleagues need further verification of the fact that Social Security and Medicare are being plucked clean in order to provide tax breaks for the special interests, examine the phony "trigger" mechanism in this bill. It will supposedly cut off, in certain circumstances, some of the future tax relief provided by this bill. But the "trigger" does not apply to the chicken manure producers; it only applies to the section of the bill addressing tax cuts for individuals. Special interests get the special treatment; individual taxpayers get left out.

This is wrong. Do not pluck Social Security and Medicare clean to help the chicken manure producers and most every other special interest which has a lobbyist and a political action committee.

Mr. LINDER. Mr. Speaker, I yield myself such time as I might consume to respond to a couple of things.

Mr. Speaker, I would like to point out that what we are proposing to send back to the American people, $792 billion, the President's budget proposes to spend, not on chickens and not on manure and not on Medicare but on 80-some new Federal programs.

The question is do we give it back to the American people or does Washington spend it with new bureaucracies?

Having said that, I would also like to finish Mr. Greenspan's quote. He has been quoted here as saying that his first priority would be to let the surpluses run. He then went on to say this. "As I have said before, my second priority is, if you find that as a consequence of those surpluses they tend to be spent, then I would be more in the camp of cutting taxes, because the least desirable is using those surpluses for expending outlays."

Read the President's budget. He wants to spend that money.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of this rule and the underlying bill providing tax relief for working Americans.

For years, I, as a private citizen, saw the politicians in Washington not only spending all of the money that comes in, in terms of the Federal withholding, but as well spending the Social Security surplus, and additionally then spending even more than that. And as we all know, we ran huge deficits.

All the years that I was working in my medical practice in Florida, I kept seeing the reports coming back from Washington, $100 billion, $200 billion, $300 billion of red ink. Now, I have been in this Congress for 5 years, and I have been very proud to be part of turning things around. We have been able to successfully stop the business of spending more money than what comes in every year and have been able to produce balanced books for the first time in 25 years.

And then we were finally able this year to do something that I have been asking for and fighting for since the day I arrived, which is to set the Social Security funds aside and to not spend those monies as has been done year after year. Unfortunately, our Social Security lockbox is still being played with by the minority in the other body, but, hopefully, we will ultimately get that enacted into law.

And, yes, we are beginning the process today of taking some of the money and saying, no, we do not want to keep it in this city but we want to return it back to working Americans. Because, after all, it is their money.

And what are some of the things we have in this bill? Well, tuition tax credits, so that it will be easier for parents to send their kids to college. We have adoption tax credits for special needs kids. In my State in Florida and every State of this country, there are kids with special needs sitting in the social systems waiting to be adopted.

□ 1100

We also have a provision in this bill that would make it possible for people to deduct the cost of having their elderly parents living in the home rather than sending them into nursing homes. And, yes, we have capital gains relief.

I happen to believe that is the best thing to help perpetuate this robust economy and creating new jobs. Because when we cut capital gains, it is the best thing to cause people to invest money in the economy.

And, yes, we have a reduction or an elimination of the death tax or the inheritance tax. In my district, it is causing the break-up of family farms, of orange groves, of cattle ranches. These things are being sold off for development or being sold off for agribusiness. And by doing this, we can allow it to stay in the family.

This is a good tax bill, and everybody should be supporting it.

Mr. MOAKLEY. Mr. Speaker, I yield 10 seconds to the gentleman from California (Mr. STARK) from the Committee on Ways and Means.

Mr. STARK. Mr. Speaker, I just wanted to ask any of my Republican colleagues if they know how much they are really helping poor Americans? It is only the Republicans who can take a bill full of chicken manure and turn it into a turkey. As soon as the public finds out how to do that, we will solve the homeless-and-the-hungry problem.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I rise in opposition to the rule.

In 1998 when I ran for Congress, I promised the people of the 11th Congressional District that I would come to Washington to fight to save Social Security and Medicare, fight for the Patients' Bill of Rights, fight to improve educational opportunity, and fight to continue debt reduction.

This is my first opportunity to debate a tax conference report. I would not fulfill my commitment to the people of my district if I did not stand in fervent opposition to this report.

My father, a skycap for United Airlines for 40 years, always said, "Stephanie, never count your chickens before they hatch."

This conference report does just that. It spends a surplus we do not even have. Domestic priorities are crushed. The seniors in my district want to have a prescription provision in Medicare, not a tax cut. The children in my district want to and deserve to go to schools where the roofs are not leaking, the classes are smaller, where they can be linked to the Internet and prepare for the new millennium. They do not want a tax cut.

The working men and women in my district want assurance of health care coverage, not a tax cut. They want an increase in minimum wage that will be fueled by economy that continues to grow wherein there is no tax cut. Veterans in my district want greater assistance, not a tax cut.

The proponents of this bill suggest that this cut will put money in the pockets of American people. Working men and women will get no money in their pockets. They are not telling the people that. They are only telling the people that someone will get a tax cut, but they are not telling whom. What they are not telling the people is that the money will come at the expense of Social Security, Medicare, educational opportunities, health care, and that the 10 cents that is put in their pockets will never buy them health care, will never buy educational opportunities, will never give them a tuition credit.

I urge my colleagues in this House to vote against this rule, to vote against this irresponsible tax cut, and to vote to protect the people of America.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume to respond to the gentlewoman from Ohio (Mrs. JONES) who could not have made my case more clearly.

She wants to spend money. The Democrats want to spend it on more government. We want to give it back to the American people. In their entire presentation, she had 10 or 15 new spending programs that she wants it used on. We want to give it to the American people.

Mr. Speaker, I yield 3 minutes to the gentlewoman from North Carolina (Mrs. MYRICK) my colleague on the Committee on Rules.

Mrs. MYRICK. Mr. Speaker, I rise today in strong support of this rule and also the tax relief bill because I am excited about the fact that we are doing something responsible to help the American people.

This bill is something that people have been waiting for for a long time, to be able to keep more of their money in their own pockets. And it really is possible to do that today through the surpluses that we are going to be looking at. Over the next 10 years, it is projected there will be $3.3 trillion in surpluses.

Now, we are not going out on a limb and saying we are going to spend all of that this year. This is a very responsible bill. It is going to be phased in over a period of time. As the money becomes available, then it will be given back to the people.

But the most important thing we need to remember is 75 cents out of every dollar in this surplus that we are going to be using, this $3.3 trillion, is going to be going back into saving Social Security and preserving Medicare and improving education and our national defense. Only 25 cents of every dollar is going to be given back to the American people.

Now, this 25 cents is income tax surplus they are going to be paying, money that is more than we need to run the government. So why should it stay here in Washington and be spent? Why should it not go back to the people? They deserve to have that money to use.

This tax bill is going to provide some marriage penalty relief in the form of people who are married to be able to deduct twice as much money as the individual is so they can be treated fairly and we do not penalize marriage anymore.

We are going to be putting money into extending the research and development tax credits. That also spurs the economy. It develops new technologies. It provides capital for our businesses in this country. That also helps to provide new jobs for people, which, of course, we are always interested in doing.

The death tax repeal is something that is crucial. I hear all the time in my district, I am really concerned about how I can leave the farm or how I can leave my small business to my kids because everything is going to be eaten up in taxes.

It is like we penalize people. The American way is to do well for ourselves, save, try to put a little away for our kids, for the future. And then we come along and say, Oh, no, they have got to pay it to Uncle Sam so they can die.

The same with capital gains relief. We are going to provide capital gains relief again for the second time. This also spurs the economy and it helps middle-class Americans. It is not the rich that it helps. It helps all of us when we sell our homes and to be able to save some of that money.

The same with education savings accounts. It helps us send our kids to school and college and put that money away tax free.

So these are good things that the people at home have been asking for. I am proud to stand here today and support the bill.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I constantly hear from the other side that unless we give the surplus away in tax breaks, the rich right now, the politicians, will spend it.

Well, is the gentleman so afraid of his own party? Has the gentleman forgotten that the Republicans control this House, they control the Senate, and no money can be drawn except through the appropriations process, which they also control?

I would think they should have more confidence in their party and know that they could use the money well here.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank the soon-to-be chairman of the Committee on Rules for yielding me the time.

Mr. Speaker, I recommend a "no" vote on this rule and, obviously, object to the entire Republican risky bill. It is risky because the Republicans who are putting forth this program are endangering our families, our businesses, and our seniors.

This scenario that they are going to have $3 trillion in 10 years is by no means assured by anyone. Two-thirds of that is entirely Social Security monies that should go to protect Social Security.

Nothing in the Republican plan extends Social Security for even one day. Nothing in their plan even addresses Medicare's needs, in particular, prescription drug needs.

The only way they would get the other third to be able to put for any tax breaks at all is if they design to cut education, cut veterans' needs, cut research and development, cut a myriad of other programs that Americans depend on every day. That is the only way they get the kind of surplus they are talking about. And already they have shown that they have no intention of doing that.

It is going to be the Ronald Reagan plan again, borrow and spend, borrow and spend until we have trillions of dollars in debt to pay off. And after they have put all of this at risk, who are they putting it at risk for? The wealthy.

One of the gentlemen from the other side said that we object to certain tax breaks and listed off things that he did not find objectionable if they are put in at the right time and if they are in fact the tax breaks that people are getting.

What we object to is the $80 billion of corporate welfare, including by now the well-known chicken manure credit, but also breaks for three-martini lunches.

As the Washington Post said, the details in this tax ban highlight the Republican predilection for constant breaks for multinational corporations, real estate ventures, and other special interests.

They spend nearly a tenth of their breaks to favorite corporate America. $24 billion over 10 years would benefit multinational corporations. It is a break for foreign oil and gas income that would cost the Treasury more than $4 billion.

This is in fact a plan, as the President rightly said, that is risky and plainly wrong. Even Mr. Greenspan says that this is not appropriate in timing and in substance on this particular deal. They are going to raise interest rates over the roof. The American businesses and families, when they pay their mortgages, are going to suffer.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio (Mr. KASICH), the chairman of the Committee on the Budget, reversed the President's 1993 budget to bring us the surpluses.

If we will recall, by 2001 and 2002, the President's 1993 budget agreement predicted a $300 billion and $400 billion annual deficit. The gentleman from Ohio (Mr. KASICH) has turned that around.

Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Speaker, I think we should not miss the big picture in this debate. The debate in America today is about where power ought to be. Should power lie with the government and with big institutions in this society; or, conversely, should we attempt to strengthen the individual in America, the family in America, and the community in America.

That is the debate here today. The single biggest manifestation of empowering individuals and families in America is to give them a tax cut. Well, we ought to also give them school choice and individual retirement accounts, the opportunity to have more control of health care.

But fundamentally, the single greatest manifestation of the transfer of power and the building of the individual is when the individual has more money in their pocket and that individual could then share it with those in their communities or with their family members.

The fact is the next model is not about running America from the top down with big bureaucracies, whether it is big government or big business or big labor or big media, trying to tell us how to live our lives.

The model that I believe we ought to operate with into the 21st century is the fact that power should flow from our families and our communities and from the individuals who make up those families. They ought to be strengthened in America. Because once they are strengthened, then they must assume responsibility.

But in America today, we are all worried about Littleton, we are all worried about being islands unto ourselves, we are all worried about the fact that we tend to have to go it alone today in America.

We must break that model. We have got to recover what has made this country so great, and that is a virtue system that says to individual Americans that they have a responsibility not just to themselves and not just to their families but to people who live in their neighborhoods. Because we are all connected.

The reason why we must transfer power to people is because with that power and with that freedom comes a set of responsibilities. The fact is that if they can have more money in their pockets as a family, then they can assume more responsibility for those around them.

Maybe we can begin to end the frustration and the cynicism that so many Americans have today. Because the choice in the 21st century is really are we going to eat the last piece of pizza or are we going to look out for those who live near us and around us and those who are in our families.

My colleagues, do not mix the issue here. Power is a zero-sum gain. If government has more, the individual has less. If government has more, the individual will be frustrated, more cynical, more road-blocked.

What we need to do is to set Americans free, more freedom, more power, more responsibility to connect ourselves again to one another, to connect our hearts and our souls together so we can shine up America and restore its vigor.

Support the tax bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I just had the opportunity to visit with a number of seniors who are visiting the United States Congress today. I came back to the floor because I thought this was an important debate on their behalf. And even as I listened to my good friend who chaired the Committee on the Budget talk about power and its distribution, I was disappointed that he did not give us the facts about a tax bill that I plan to enthusiastically oppose.

□ 1115

The corporate welfare in this package is enormous. The power is being transferred from the people who work for a living to the large corporations who take their money for a living.

One lobbyist was quoted as stating, "We got the sun, the moon and the stars in this tax bill." Another lobbyist was joking and said, "We've been trying to get these cuts since the beginning of dawn."

It made me reflect upon who really is in charge in this country. If I have to cast my lot anywhere in the United States, it will be with the working people, the senior citizens who understood what the Depression was all about, understood what making ends meet is all about, and they realize that when this tax bill is passed, the mortgage rates on their children will go up $100, the interest rates will go up $100, the ability to secure a loan, to do things like send their children to school and college and remodel their home will be enormous. They understand in 1981 when the Reagan tax cut came in, there was nothing but devastating financial days. We in Houston, Texas collapsed, bankruptcies were at their highest amount, homes were foreclosed on.

I beg my colleagues on the Republican side, stand with the working men and women, the senior citizens who understand, the people who want to educate their children, good health care, good environment. This is not taking your money. This is bringing down the deficit. This is bringing down the debt. This is what Chairman Greenspan said. Let the surplus increase so that when you move into the 21st century, you will be able to have a quality of life. Save Social Security and Medicare. Let me tell my colleagues where the power is. It is not with the working people of America. It is with the power-hungry people of America, and I am going to vote against this tax bill.

Mr. LINDER. At the risk of sounding remedial, Mr. Speaker, I would like to point out to the gentlewoman from Texas that there were more bankruptcies last year than any other year in history.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, may I inquire as to the remaining time for my friend from Georgia (Mr. LINDER) and myself?

The SPEAKER pro tempore (Mr. HEFLEY). The gentleman from Massachusetts has 9¼ minutes and the gentleman from Georgia has 5 minutes.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, Thomas Jefferson explained to his Treasury Secretary, and I quote, "I consider the fortunes of our republic as depending in an eminent degree on the extinguishment of the public debt." He later explained to that same Secretary of the Treasury that retiring the national debt would be his highest priority.

The Democratic proposal puts more money into debt reduction and debt relief than the Republicans do. Why is that important for us? They have a $1 trillion tax cut, we have a targeted $250 billion tax cut, but we put more emphasis on Social Security and debt relief. Why? Because if you are a small farmer in Indiana and you are trying to buy a $150,000 combine, that debt reduction can save you $10,000, for all farmers, not just for the wealthy. We also target the small businesses who are trying to buy and update the technology and capital equipment. That debt reduction that we put more money into helps them with tens of thousands of dollars in reductions for million-dollar capital equipment. We have targeted estate tax relief in our New Democrat proposal, targeted at small businesses and small farmers and American families that have someone sick with Alzheimer's or Parkinson's disease.

This is not a question of whether Democrats support tax cuts or not. We do. But we pay for them. According to one economic analysis, some 50 percent of the tax cuts would benefit, in the Republican plan, those earning $300,000 or more. How many of you watching today are in that category in America?

We have two choices: A Republican plan on prayed-for projections that answers the plans of the wealthy and the prayers of the wealthy. We have a Democratic plan that gives a tax cut and debt relief to every single American. The choice is easy.

Mr. LINDER. Mr. Speaker, again at the risk of sounding remedial, I would like to point out that our budget reduces the debt $200 billion more than the Clinton-Gore budget.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. SMITH).

Mr. SMITH of Washington. Mr. Speaker, I support tax cuts, but I also support fiscal responsibility. This bill only does the former. We will hear and have heard ad nauseam from the opposition about how this bill protects Social Security and reduces the debt. I guess if you say something often enough, you figure you will make it true, the facts be damned.

This bill cuts taxes by nearly $1 trillion, period. It does not do anything to protect Social Security. And it does not do anything for debt reduction. All it is is a $1 trillion tax cut over 10 years.

Let us look at those numbers that they use to assume how they are going to cover all of these promises that they have made. We hear of a $3 trillion surplus over 10 years. Right off the top, $2 trillion of that is in the Social Security surplus. Then we hear that the folks on the majority side are kindly setting aside this $2 trillion for Social Security. They do not have to. It is already there. It is in the Social Security trust fund. Furthermore, that $2 trillion regrettably does not do anything to help us with the coming shortfalls in Social Security. That is the current system. That is not doing anything for Social Security. That is just covering the existing debts. It does not do anything to help with the coming problem.

So to say that you are setting that $2 trillion aside for Social Security is meaningless. Yet that is what we continue to hear. So we are left with $1 trillion. Well, that is all gone in tax cuts. Where is the debt reduction?

We hear from them that they have all this debt reduction, which is not in the bill and the numbers are clear: $3 trillion over 10 years, $2 trillion is gone for Social Security, $1 trillion is left and it is done in tax cuts. Yet we hear this constant rhetoric, we are doing all of these things, debt reduction, Social Security, occasionally they throw in Medicare. It does not add up. It is overpromising. It is based on projections, furthermore. And those projections include two key projections: One, it already locks in 20 percent cuts in existing spending over those 10 years to get to that number. We have not even begun to do those cuts. In fact we just declared the census an emergency yesterday to get around them this year, much less 10 years from now. Furthermore, these projections count on continued growth, no recession. So if any of this does not come to pass, we do not even have that $1 trillion that is already to be done in tax cuts.

Lastly, we hear that this is all about giving money back to the people and letting them make their decisions. Medicare and Social Security are two things the government does. Should we get rid of those programs to give the money back? Some programs need to be funded. The government does need to do some things.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, the chart to my right compares the Republican tax cut plan with the tax cut plan of the Democrats. It is really very simple. We take the $1 trillion general operating budget surplus and we apply it to some very legitimate problems that we are facing in the Federal Government. We apply 25 percent to tax cuts, we apply 25 percent to save Social Security and Medicare, we apply 50 percent to debt reduction. Under the Republican plan, all of it is devoted to tax cuts.

This is a very risky plan for us to follow. First of all, the Republican tax cuts are aimed at Wall Street, not at Main Street where our plan aims them. Secondly, we save Social Security and Medicare by applying 25 percent of the on-budget surplus to those purposes. The Republicans like to claim that they have saved Social Security in their plan. Well, frankly, we have already done what they say they are doing in their tax cut. We have lockboxed Social Security, we all voted for it, Democrats and Republicans. We have taken care of that and it is important that we do that.

Finally, we apply 50 percent of the on-budget surplus to debt reduction. After 29 years of running up $5.5 trillion in national debt, do you not think that we could at least wait 1 year until we have a true on-budget surplus? Apparently the Republicans do not think so. Democrats do. We think we ought to lock-box 25 percent for tax cuts, lock-box 25 percent to save Social Security and Medicare, and let us lockbox 50 percent of the on-budget surplus to reduce the national debt so we will not be passing that on to our children and grandchildren. That is what makes sense for American families. That is what makes sense for America.

Mr. LINDER. Mr. Speaker, I hope the gentleman will be as enthusiastic in convincing the Democrats in the other body about the lockboxes as he is in this Chamber.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), a member of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the gentleman from Georgia for yielding me this time.

In looking at the figures that the previous speaker had up, holding 25 percent of the surplus out to save Social Security, 25 percent for Medicare, as chairman of the Subcommittee on Social Security, that interests me greatly because I want to know where the Democrat plan is. I want to know where that 25 percent figure came from. I think that could be very, very interesting.

But there is another thing that I want to know for those who have spoken before and those to come later. What is it that you do not like about eliminating the limitation on the deduction for the interest on student loans? What is it that you do not like about eliminating and phasing out the death tax where you have to see the undertaker and the Internal Revenue Service on the same day? What is it you do not like about an across-the-board tax deduction for all American taxpayers? What is it you do not like about reducing the cap on capital gains? What is it about the marriage penalty that you like that you want to hold on to? Why not eliminate it? Why not join with the Republicans? What is it you do not like about deducting health insurance costs? What is it you do not like about increasing the amount you can put into educational savings accounts? Last of all, what is it you do not like about getting a deduction for taking care of your elderly parents?

This bill has been drafted very, very carefully. This bill is a wonderful bill. This bill just uses a small portion of the surplus and leaves plenty, believe me, plenty. By the passage of the Archer-Shaw Social Security plan, Members will see that we are going to save Social Security and they will also see that we are going to get many Democrats that are going to join with us. This is the plan that we have and we are going to do it. We are also going to reduce the accumulated debt that is going to pester our descendants so much unless we do something about it.

Let us get together. Let us in a bipartisan way do these things that the American people want us to do. Let us pass this rule and pass this very fair and very good tax plan.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Speaker, I thank the gentleman for yielding me this time. I rise to oppose this rule and the bill that underlies the rule.

Mr. Speaker, like the instinctive march of lemmings over a cliff, it is instinctive for the Republican leadership to give huge tax breaks to the richest individuals and special interests. In their bill, the 1 million wealthiest families whose income is greater than $300,000 per year will get about $1,000 a week of tax breaks. But for the 120 million American families whose income is under $125,000 a year, and that, by the way, includes everybody virtually whose income is under that of Members of the Congress, for those 120 million families, they are going to get enough to buy a cup or two of coffee a week, so that they can stay awake while they are working their double jobs. That is not the tax relief that the middle class needs and deserves. But they simply cannot help themselves. It is in their genes. It is their genetic defect. They deliberately, deliberately crafted a bill that makes the richest 1 percent of Americans a very great deal richer, a bill that gives away the projected surplus, not one dime of which has yet been produced. But they give away that projected surplus in order to produce that kind of tax break, distribution of tax breaks. They deliberately have not extended the life of Social Security by so much as a single day so that in the year 2030 when they open the lockbox, which all of us have voted for, they are going to find that the lockbox is empty.

□ 1130

They have deliberately left not a single dollar to extend the life of Medicare, which provides healthcare for all of our senior citizens and our disabled citizens, so in the year 2014, Medicare is going to be bankrupt too.

This plan is not just risky, it is reckless. This bill should be rejected.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Mr. LINDER. Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. DREIER), the Chairman of the Committee on Rules.

The SPEAKER pro tempore (Mr. HEFLEY). The gentleman from California is recognized for 3 minutes.

Mr. DREIER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of the resolution. It is really sad to listen to the tried, age-old, and failed argument of class warfare. The previous speaker was just once again getting into that "us" versus "them" argument. The fact of the matter is we are all in this together, and I think that we need to recognize that, yes, there are some people in this country who have been successful.

One of the greatest things about this Nation is that we provide opportunity. We provide opportunity for people to succeed, and we also in this country have an opportunity that some people are not all that successful. But I find that virtually everyone wants to have the opportunity to succeed, and that is what this tax bill is all about. We want to make sure that we maintain the kind of economic growth and expansion which this Nation has seen for the past several years.

We have today the highest tax rate in 50 years. The American people are paying more in taxes than they have in 50 years. We have been able to see the great benefits of surpluses that have been building, and what we are saying is that to maintain economic growth, we think it is important for people to be able to keep some of their own hard-earned dollars.

Guess what? That, in fact, is what we are going to do, and I hope very much that the President of the United States sees the way, as he has on the Y2K bill, welfare reform, on the National Ballistic Missile Defense bill, on the Education Flexibility Act, to come around to what is the right position, and that is to sign the bill.

I know that there are public opinion polls out there that are saying, gosh, we do not overwhelmingly, as the American people, support a tax cut. But we are proceeding with it. Why? It may not right now be the single most popular thing, but we know it is the right thing to do. That is why we are stepping up to the plate and doing just that.

As we look at the fact that 100 million-plus Americans are investing in the market, they are people who are often called "rich" by our friends on the other side of the aisle, but they consist of people who have maybe a few thousand dollars they are investing. What is it we are doing? We are going to allow them to keep more of that so they can choose to save or invest it by reducing that top rate on capital gains from 20 percent to 18 percent, and the very important provision in 2003 which allows us to see indexation of capital gains.

Then, extending for 5 years the research and development tax credit, that is very, very important. Forty-five percent of our Nation's gross domestic product growth in the past 4 years has come in the high-tech industry. Not only have hundreds of thousands of jobs been created by those investors, by new technologies, but we have also dramatically improved the quality of life for people here in the United States and around the world. We must do everything that we can to continue that.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support this rule and to support a very, very good bill, and then, Mr. President, please sign it.

Mr. LINDER. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 203, not voting 7, as follows:

[Roll No. 377]

YEAS—224

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—203

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Rivers
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)

Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—7

Bilbray
Lantos
McDermott
Mollohan
Peterson (PA)
Reyes
Rodriguez

□ 1154

Mr. MOORE and Mr. MALONEY of Connecticut changed their vote from "yea" to "nay."

Mrs. KELLY changed her vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 274, I call up the conference report on the bill (H.R. 2488) to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. KOLBE). Pursuant to House Resolution 274, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Wednesday, August 4, 1999, at page H7027.)

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the conference report on H.R. 2488.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report keeps our commitment to protect the taxpayers and not the tax takers. This Congress has already secured social security, Medicare, paying down the debt. Now we are ready to provide real tax relief.

□ 1200

Mr. Speaker, the American workers have known for a long time that they are caught in a tax trap. The harder they work, the longer they work, the more they pay; and that is not right.

It is their hard work and success that has provided the resources to give Washington a windfall surplus. That is an amount over and above what the government needs to operate. The amount is projected in the next 10 years to be $3.3 trillion.

The question is, Mr. Speaker, what do we do with that surplus? Republicans said strengthening Social Security and Medicare should happen first. We have already done that with the lockbox to ensure that every penny that goes into Social Security and Medicare cannot be spent on any other government programs. We have set aside 100 percent of the Social Security and Medicare surplus to be used only for Social Security and Medicare.

The Archer-Shaw Social Security plan available and publicized in detail has been certified by the Social Security Administration to save Social Security for all time at a cost of only half of that set-aside surplus. So there is plenty of money still there for Medicare.

Out of the surplus, surely we should be able to leave in the pockets of the people who have earned it and provided it one-quarter of the surplus. Twenty-five cents out of every dollar should be left in their pockets. In the meantime, we are paying down the Federal debt.

As has been mentioned earlier, the Congressional Budget Office nonpartisan body has said that the Republican budget pays off $200 billion more of the debt than the President's budget. The Democrats' statements that have been made over and over again are just flat wrong, and they know it. But it serves their political purposes to continue to state it over and over again because it employs fear. They know fear is a very, very powerful motivation with many Americans.

They have put every hurdle in the way of tax relief ever since we came into the majority in 1995. They revelled in their largest tax increase in the history of the United States which they passed on a straight party-line vote in 1993. They fight ferociously to keep money in Washington.

It expresses, I believe, Mr. Speaker, the genuine difference between our parties, generally held, that the Democrats believe Washington knows how to spend the people's money better than the people do themselves.

The President said this in Buffalo, New York, the day after his State of the Union Address when he said, "We have a surplus. What should we do with it? We might be able to give some of it back to you, but then who would know that you would spend it right."

So the Democrats say keep it in Washington, and we will spend it. We know better than the people who have earned it. We disagree. We do not think it is Washington's money. We think it belongs to the people who earned it.

After we have done all of these things, of saving Social Security, Medicare, paying down the debt, yes, we can use a part of the non-Social Security surplus for tax relief. If we do not get that money out of Washington, politicians will most surely spend it. They always have.

So I ask the President and my Democratic colleagues to reconsider their staunch opposition to this breath of relief to hard-pressed American families and individuals. Do not mock broad-based tax relief to every income taxpayer in this country, I say to my Democrat colleagues.

Do not discourage marriage by blocking marriage penalty relief. Let us help people caring for elderly relatives at home. Do not stop that. Do not block health and long-term care insurance tax deductibility. Do not stand in the way of pension incentives that will help more men and women enjoy retirement security. Do not block education incentives to make college more affordable and to give parents the ability to save for their children's education beginning in kindergarten through high school and college.

Now, many Democrats say they are for tax relief. In fact, some of them have cosponsored bills to end the marriage penalty. Some of them have cosponsored bills to end the punitive death penalty tax. Some have cosponsored bills to help the pension provisions that are in this bill and to expand IRAs.

I would say to my Democrat colleagues, now is their chance. Do not follow the political path of fear that has been put in their hands by their leaders and which has been articulated over and over again in this debate. Stand with married couples rather than more Washington spending. Stand with the family farms and businesses, and defend the death tax instead of more Washington spending.

In summary, help us protect the taxpayer, not big government and more spending. Because, Mr. Speaker, what this debate is really all about is downsizing the power of Washington and upsizing the power of people.

This is a great bill. I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I was really moved by the chairman's speech, almost to the extent that I would think that he would think this is on the level here. The theme of this is let us get this money out of Washington before the politicians in Washington spend the taxpayers' money. This is like the theme, "Stop me before I kill again."

Mr. Speaker, at the last count, even though it is dwindling, the Republicans are in charge. We cannot stop them. They may kill again. We watch them every day. So we know they are out of control. But do not just say spend the money. Send the money back that they have not got.

Now, first of all, the gentleman from Texas (Chairman ARCHER) said, when the Republicans came into office, they had great ideas. They have been in office and the leadership for 5½ years attempting to pull the tax code up by the roots. Now, the last we saw of the tax code, we cannot get a truck to bring that bill over from the Senate over to the Committee on Rules. It is loaded with fertilizer. So what are they pulling up by the roots?

This is something that they really should not want to go home and campaign on, except if they know it is not on the level, and except if they know it is going to be vetoed, and except if they know that, after they finish all this work, they are not going to take it to the President.

Why would they not put this bill on the President's desk until after Labor Day? Answer: it is not a bill. It is a piece of campaign literature. It is a lobbyist's wish list. It is Christmas in July, and the President is supposed to be the scrooge and veto it and deny the Republican contributors the things that they wanted to give them.

Give us a break. If my colleagues really wanted a tax bill, they would have found at least one Democrat in the House they could have trusted, one Democrat in the Senate that they could have trusted. They could have brought in the administration for a trillion dollars.

It is not a Republican thing; it is something that we should work with in a bipartisan way. So I am suggesting that my colleagues have taken one big political crapshoot in what they have done, and it is my belief that they are going to pay for this with their campaign bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. GOODLING), chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, improving retirement security is one of the top priorities that Congress has this year. Just improving the retirement security by fixing Social Security will not do it.

In this legislation, fortunately, we have 15 provisions from H.R. 1102, which is the Comprehensive Retirement Security and Pension Reform Act that was reported out of our committee in a bipartisan fashion. These reforms will directly improve the retirement security of millions of American workers, particularly low and middle-income American workers.

So I am very pleased that the 60 Republicans and 60 Democrats that cosigned this legislation for pension reform finds that it is part of this very important piece of legislation that we are going to enact today.

I would hope that the President looks thoroughly at the entire bill and understands that there is an awful lot here that will help families in the future to save and to have a decent retirement in their golden years.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN), a member of the committee.

Mr. CARDIN. Mr. Speaker, I want to thank the ranking member for yielding me this time.

Quite frankly, Mr. Speaker, if one looks at this conference report and one supports it, one is going back to the days of large deficits for our country. That is why the Democrats want an economic program that will continue our economic prosperity into the future.

We think, and I think the American public will agree, that the approval of this conference report is reckless, and it is an unreasonable risk for our future.

Let me explain why. The gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, explains that we are projecting a $3 trillion, projecting a $3 trillion surplus over the next 10 years. Now two-thirds of that, approximately $2 trillion is generated because of Social Security. Now we have all agreed we should not touch that money. We cannot use that. We have got to protect it for Social Security, and I agree.

But that gives us a $1 trillion surplus to work with. We have not gotten one dime of it yet. Yet this conference report would spend just about all of that projected surplus. Not a dime would be available for Medicare. No money would be available for the programs that already are being spent by calling them emergency spending.

That is why we believe this is reckless and wrong. We think priorities should be set. The surplus should first be used to preserve Social Security and Medicare. Then we should pay down the debt.

The conference report is estimated to provide the average family in this Nation 10 years from now when it is fully implemented a little over $200 a year in tax relief. But, yet, what the proponents are not telling us, is that because of the recklessness of the bill, interest rates were likely to go up, and we are going to take away more in increased interest costs to the average taxpayer.

I urge my colleagues to reject the conference report.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. THOMAS), chairman of the Subcommittee on Health of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I do find it rather curious that this line of argument now comes from the Democrats. In fact, the gentleman from Maryland (Mr. CARDIN), who just spoke, voted for the 1997 tax bill, which clearly we were in a much more serious budget situation.

I think perhaps the situational ethics, that the politics of the situation dictates their rhetoric, their concern about our trying to put a budget together for 10 years and how reckless that is.

Let me go back to January 19 when the President was in this Chamber and said, "Now we are on course for budget surpluses for the next 25 years." No concern from them about looking a decade and a half beyond where we are.

The President went on to say that he is going to dedicate 60 percent of the budget surplus for the next 15 years to Social Security. How reckless is that? We do not know what the next 15 years is going to look like. Republicans put 100 percent away.

□ 1215

We have a plan that will save Social Security forever. The President goes on to talk about Medicare. He has a program to ensure it for the next 15 years. We have a program that does better than that.

The Democrats are now the party of "I can't." Republicans are "we can." We can do this.

Something else is interesting. The last time the Democrats were in the majority, they passed a tax bill that the low rate was 15 and the high rate for the rich folks they are talking about was 28 percent. This bill lowers that bracket on the lower end to 14 and it is 38 percent for the rich people.

When we listen to them, they are arguing politics, not policy.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. CLAY).

Mr. CLAY. Mr. Speaker, I rise in opposition to this conference report.

I rise in opposition to the conference agreement on H.R. 2488, the Financial Freedom Act.

This bill is the Republican's risky scheme for how they want to help the rich. The majority knows that their only bread and butter issue is tax cuts, whether or not the American people ask for them, whether there is a budget surplus or a deficit, and whether other important tax cuts instead or priorities get squeezed out, such as protecting Social Security, saving Medicare, strengthening education, and paying down the national debt.

The American people won't be fooled. This bill provides very little for the average working family. The bottom sixty percent of Americans by income will only see about 8% of the tax cuts in this bill. Approximately $10 a month. Whereas, the top 10% of Americans will receive almost 70% of the benefits under this bill.

Plain and simple, this bill is one big tax cut for those who need it the least.

I would also like to mention that there are a number of pension provisions included in this bill, some of which are good policy and some which are not. Overall, however, this bill does little to significantly improve the retirement security of working Americans. Our current pension and tax system already favors the well-off. Over 80% of individuals earning over $75,000 a year have tax deferred pension income whereas only 8% of those earning under $10,000 and 27% earning between $10,000 and $15,000 have pension coverage.

I oppose this irresponsible raid on our Federal budget to benefit the wealthy and special interest at the expense of the average working family.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, there are so many reasons to oppose this tax bill it is hard to know where to start.

I have spoken on the floor about the need to save the surplus for Social Security and Medicare. I have spoken about their importance as the premier government programs that keep millions of elderly Americans out of poverty. I have discussed the importance of deficit reduction and the need to maintain on-budget surpluses in the face of unrealistic budget assumptions.

Every day that goes by, it is more and more clear just how unrealistic these budget assumptions currently are. If we hold this bill until September, it will be as clear as a pie in the face.

The Washington Post this morning has a long article about how Republicans have already spent the on-budget surplus for next year. If we cannot maintain discipline for 1 year, how on earth will we guarantee that surplus for the next 10 years. We cannot.

The Democratic approach here is entirely reasonable. We want to go slow. Let us not repeat the errors of the last 18 years and pass a massive tax bill. Let us be for modest, reasonable tax cuts that become clear when the budget surplus really arrives.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BOEHNER), another member of the conference committee.

Mr. BOEHNER. Mr. Speaker, I stand in strong support of this historic tax cut, one that will protect Social Security and Medicare and still put some $800 billion back in the pockets of the American people.

Mr. Speaker, while others dwell on the past, Americans look to the future. We strive, we dream, and we sacrifice so that we and our children can have a better future. Our work, our dreams, and our sacrifices have more to do with realizing that than any program that is hatched here in Washington.

That is what this tax bill is really all about, letting the American people keep more of what they earn so that they can make the plans and do the work that will lead to a better future for them and their children. That is why we are lowering marginal tax rates, cutting the capital gains rate, fixing the marriage penalty, and increasing deductibility for retirement savings and health care. It is so our constituents can have the future that they deserve.

I want to commend the gentleman from Texas (Mr. ARCHER) for working with the gentleman from Pennsylvania (Mr. GOODLING) and myself to include important pension reforms introduced in the House by the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN).

These reforms will directly improve the retirement security of American workers by expanding small business retirement plans, allowing workers to save more, making pensions more secure, and cutting the red tape that has hamstrung employers who want to establish pension plans for their employees. They are important, bipartisan proposals and they will benefit every American worker who is trying to save for retirement.

But I also want to commend him for the much larger package. It returns money that our constituents have earned and that Washington hasn't. That's why we owe it to our constituents to vote for the conference report.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. MCNULTY), a member of the committee and my colleague from New York.

Mr. MCNULTY. Mr. Speaker, I thank my leader for yielding me this time.

Mr. Speaker, we will hear a lot of speeches today, and a lot of them are going to sound the same. Mine will be different in one minor respect. I am not going to attack the other side of the aisle. I am just going to ask what I think is a very salient question. Do we not learn anything from history?

In the 1980s, the leaders of this country, in a bipartisan fashion, decided to attack the national budget deficits. A Republican president proposed and this Democratic House of Representatives adopted a plan which called for a massive tax cut. It was bipartisan. So if there is any blame to go around, there is plenty for everyone.

But I hearken back to the words of President Harry Truman. Let us look at the record. What happened when we did that? We had the largest budget deficits in the history of the United States of America. In the ensuing 12 years we quadrupled the national debt. All of the debt accumulated in this country from George Washington to Jimmy Carter was quadrupled in a period of 12 years.

So I do not attack the other side today. I just make a very simple plea. Let us not make the same mistake. Let us not do it all over again. Let us pay down the national debt and stop stealing our children's money.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. HERGER), a respected member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I would like to respond to my good friend from New York, his comment on the 1980s, during the Reagan administration, regarding the tax cut. I would like to state the facts during that time. During that time, the tax rates were cut in half and revenues during the 1980s actually doubled. But the then Democrat Congress tripled the spending, so we ended up spending more.

Mr. Speaker, I rise today in support of the Taxpayer Refund and Relief Act. The time has come to allow hard-working Americans to keep more of their money. Mr. Speaker, our plan sets aside three-fourths of the anticipated surplus, 75 cents out of every dollar for Social Security and Medicare.

Now we must take the next step. The legislation before us today provides all taxpayers with broad-based tax relief by reducing tax rates for all income taxpayers, allows parents to save more for educational expenses, and phases out both the destructive marriage penalty and death tax.

Mr. Speaker, let us side with hard-working Americans over Washington bureaucracy. I urge all my colleagues to support the Taxpayer Refund and Relief Act.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. LEVIN), a member of the committee.

Mr. LEVIN. Mr. Speaker, the truth squad needs to work overtime here. The chairman of the committee has said this bill secures Social Security and Medicare, and a subcommittee chairman said it saves Social Security forever. That is eternally untrue.

Mr. SHAW. Will the gentleman yield?

Mr. LEVIN. No, I will finish, and then I will yield.

Mr. SHAW. That is not true what the gentleman is saying.

MR. LEVIN. It is.

Mr. SHAW. The chairman did not say that.

The SPEAKER pro tempore (Mr. KOLBE). The time is controlled by the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. It is untrue. The lockbox saves what is already coming in. It does nothing for the future.

What the Republican bill does is take money from the future to apply it now. Medicare is in jeopardy. It will run out of money in 2015.

The Republicans say give back some of the money. We Democrats are in lower interest rates. The Democratic program is also trying to save some money to assure Social Security and Medicare.

The gentleman from Texas (Mr. ARCHER) said his bill is a breath of relief. What it is in the future is a hurricane of red ink. The Republicans were wrong in 1981, they were wrong in 1993, and they are wrong today. Reject this reckless bill.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from

Michigan (Mr. CAMP), another respected member of the Committee on Ways and Means.

Mr. CAMP. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I think the challenge here today is to listen and not to mischaracterize. We are talking about tax relief after we have set aside $2 trillion of our budget surplus for Social Security and Medicare. Locked it away. And by doing so, we begin to pay down our national debt.

Today, the question is should we return what is left to the taxpayer or should it stay here and be spent on big government? This bill is tax relief for the American family. Close to 90 percent of the tax relief in this bill goes to families. The average American family pays double in taxes today what they paid in 1985, and that is just too much.

Let me give my colleagues a few examples of how this bill helps families. This bill cuts taxes for every taxpayer. It provides tax relief from the marriage penalty, so couples do not have to pay higher taxes just because they are married. And we kill the death tax. We also increase the adoption credit for parents with special needs children. We give an extra personal exemption to families caring for an elderly relative in their home. And people can provide more for their retirements in this legislation by saving more in their IRAs and paying less in investment taxes.

This legislation will help American families. Vote for the Tax Refund and Relief Act.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER), a member of the committee.

Mr. TANNER. Mr. Speaker, I want to thank the gentleman for yielding me this time and simply say this. I think the American people are ahead of the Congress on this. I think they know instinctively that we cannot have debt reduction, save Social Security, save Medicare, take 80 percent of a projection over the next 10 years and cut taxes today. It is called a free lunch, a bridge in Brooklyn, or any way we want to paint it. The American people know we cannot do all that and they are ahead of us on that.

The comment was made earlier in the debate about this, that if we keep the money, any of it, the bureaucrats will spend it. The last time I looked, a bureaucrat cannot spend any money unless we have 218 votes on that board. All my colleagues can well remember the government shutdown. Nobody here can spend money or authorize money but us. So what do my colleagues mean when they say if we keep the money the bureaucrats will spend it? That is patently untrue.

The other thing I would like to do is quote one of the leaders of this tax bill today regarding a comment made in 1996. "It is about our Nation's debt. Our debt stands at over $4.9 trillion then, now it is $5.6 and growing. For a family of four, their share is $72,000, increasing each week by $89, each month by $383, and each year by $4,594. Sometime, some day, someone has to pay that debt, and that someone is today's younger workers, their children and their children's children."

Now, I asked in a motion to recommit last week just to take half of this projected $1 trillion on-budget surplus and give it to the children. That was rejected. So when we say give it to the people, are kids, nonadults, are they not people too? They are the ones that have to pay this, not us.

Everybody within the sound of my voice under 35 years old ought to insist that we take at least half of it and split it with them. It is the honorable thing to do.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Iowa (Mr. NUSSLE), another respected member of the Committee on Ways and Means. We have tremendous talent on our committee.

Mr. NUSSLE. Mr. Speaker, I appreciate the gentleman yielding me this time.

It is interesting that today we hear lots of slogans on the other side but not one debate point on any provision of this bill. Think about it. They are not against any of the provisions. In fact, they cosponsored half the provisions in this bill.

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But not one debate on any provision.

Let us just bring up one, the farm accounts, that came back in the conference report that has not gotten much attention just yet.

What that does, and I appreciate the assistance of the chairman in getting this into the conference report, what that says to farmers who are struggling right now is we want to be able to carry forward some income so that they can spread out the peaks and the valleys of what is happening in farm country right now.

That combined with the death tax relief, the capital gains relief gives a real shot in the arm to American agriculture, who needs it right now.

Now, I understand there are some quotes on the other side about what the leadership said. Let me remind my colleagues of a quote from the Democratic leadership: "I think we will write off rural America."

Well, with their vote today they are writing off rural America. If they say no to death tax relief, if they say no to capital gains relief, if they say no to the farm accounts, they are saying to those farmers that are struggling right now that we can spend their money more wisely than they can.

Well, go right ahead. Because, my colleagues, it is not our money. We have not even gotten the check yet from the American people, and they are already claiming it, saying what they do with it. Well, for the last 30 years they spent the Social Security surplus. We do not want them to spend this surplus.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the gentleman has said it all, we have not gotten the check yet and he is putting out the tax cut.

Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I would say to the gentleman that we say "No" to their chicken manure subsidy, and we say "No" to a bill that jeopardizes Social Security and Medicare in order to provide tax breaks to chicken manure producers and many other special interests in this country.

This so-called $3 trillion surplus is nothing but a figment of a Republican political imagination. $2 trillion of this amount simply represents the money that hard-working Americans will be paying into Social Security, and that $2 trillion, as large as it sounds, is not enough to ensure Social Security will be there for future generations of Americans.

Republicans do not provide one new dollar to help Social Security or to help Medicare in this bill. The other trillion dollars is funny money.

The Republicans have already consumed all of this funny money, this projected surplus for next year with the bills that they have under consideration in this Congress. That $1 trillion is as unreliable as a 10-year weather forecast.

But what I really object to is plucking Social Security and Medicare clean in order to provide tax breaks for most every special interest with a PAC and a lobbyist. This is wrong. Reject this bill.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington (Ms. DUNN), another respected member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, over the next 10 years, Americans on average, each American, will pay $5,300 to the Federal Government in income taxes, more than it costs to run the government. This is above and beyond the Social Security surplus which we save in a lockbox.

This is a fair tax bill. This bill reverses the Clinton tax increase of 1993 by reducing income tax rates for every single person who pays them and by reducing taxes for lower-income Americans by expanding the 15-percent bracket.

It also will save married couples an average of $1,400 a year by doubling the standard deduction and keeping couples whose combined earnings are up to $5,100 in the 15-percent tax bracket.

Most importantly, Mr. Speaker, it eliminates the death tax. This unfair tax has caused often tragic hardship for families who are trying to build a legacy to pass on to future generations. We should honor the values of the hard work, not tax them.

I call upon the President to help us roll back the 1993 tax increase, which he himself admitted was too much. Join us, Mr. President. Let us do this bill together. Give something back to the American people. It is their money. Give it back.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. THURMAN), a respected member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, first of all, to answer the questions, we have not written off rural America. For some reason we quit remembering that we gave $275 billion in 1997. We gave capital gains. We gave death taxes. We did education. And we did the family tax relief. It is now time to pay down the debt.

However, what I do not understand and what I am having a hard time today is we could have been having a debate where we would have been on the verge of fixing Social Security. We could have been strengthening Medicare. We could have possibly been providing a drug benefit. But if we were to pass this tax cut and if it was not vetoed, we would be able to do either of these.

While I may disagree with the different Republican Social Security proposals, I applaud them for having the courage to suggest a politically difficult proposal. But today I now know more than ever that they just are not serious about finding a solution.

The reality is that with this tax cut bill they have abandoned any hopes of enacting even their own ideas of how to solve Social Security.

Here is why: the risky tax cut before us today will cost nearly $1 trillion. The Republican Social Security plan requires roughly $1 trillion to fund new private accounts. They will say they have done that. However, this is money already going into Social Security, not new money.

Mr. Speaker, they can do both. The tax cut would use up nearly all of the $1 trillion in projected non-Social Security budget surpluses. Once this money flows out in tax cuts, once it has gone and spent, the only, and I repeat "only" surplus left are in the Social Security Trust Fund. The only way to fix Social Security, fix Medicare is by using the non-Social Security surplus.

So today, my colleagues, the Republican leadership has made a choice. It is clear and simple. This is short-sighted and irresponsible.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. COLLINS), another respected member of the Committee on Ways and Means.

Mr. COLLINS. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, opportunity knocks only once, while temptation will beat the door down.

In 1995, the President and I were at Warm Springs, Georgia, the Georgia home of F.D.R., friend of the little man.

As the President and I were departing company that day, I looked at him and I told him, "Mr. President, I want to leave you with one particular thought. That is, we must look after the little man. Because the big man can take care of himself. But every now and then, you have to give the big man just a little something so he will help the little man."

He was nodding his head in agreement. I said, "Mr. President, that is our tax bill."

That was the 1995 tax bill. He vetoed that tax bill. He missed his opportunity, because that veto ended that tax bill.

This tax bill today that we are dealing with targets American workers, American families, and American business, American business that provides the jobs for American workers and American families.

I ask my colleagues to resist the temptation of a Clinton-Gore veto looking for another day. Do not miss the opportunity to give tax relief to the American worker and the American family and the American business.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I thank the gentleman for yielding me the time.

This is an irresponsible special-interest tax giveaway. It is a tax cut for the wealthiest corporations and Americans that is paid for by the middle class. It reflects the upside down values of this Republican-led Congress and does not reflect the values of American families. It is risky. It threatens our economic progress. And it does not pay down the national debt.

Tax cuts are a priority for those that support middle-class families who need a tax break. If we take a look at this chart, the family that makes under $30,000 a year gets $278 in the tax break and the family that makes $837,000 a year gets a $46,000 tax break. Where is the equity in that?

This plan jeopardizes Social Security and Medicare to pay for special-interest tax breaks. Corporations can write off a three-martini lunch. And there is even a tax credit for burning chicken manure. A chicken manure tax break.

Where are our priorities, Mr. Speaker? Hundreds of millions of dollars to chicken manure farmers but chicken feed for the rest of us.

Vote "no" on this conference report.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. ENGLISH), another respected member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I thank the chairman for the opportunity to rise in strong support of the taxpayer refund and relief act.

Let me say, I have trouble believing some of the arguments I am hearing on the other side. Tax cuts for the wealthy, special-interest legislation. This is much-needed tax relief that provides tax relief for virtually every American household and in many ways and especially for the middle class.

For example, it makes the dream of higher education more accessible for millions of students in the struggling middle class. This legislation makes college more affordable by extending tax breaks on student loans, by permitting private universities to offer tax-deferred, prepaid tuition plans, and by exempting the earnings of all tuition plans from taxation.

It also eliminates the 60-month limitation on student loan interest deductions. This is critical to college graduates struggling to pay off student loans as they begin their careers, and it extends the tax exclusion for employer-provided tuition assistance.

This is important legislation to make education more affordable; yet we have heard the demagoguery on the other side.

I hope that my colleagues are persuaded that this is legislation that provides middle-class tax relief where and when it is needed at a time when we are clearly running a surplus, yet setting aside the needed resources to put Social Security on a sound footing and save Medicare.

We have done it. It is time for a tax break for the middle class.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri (Ms. MCCARTHY).

Ms. MCCARTHY of Missouri. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I would like to vote for a tax bill, but I cannot vote for this one. It is too risky. It is fiscally irresponsible. It does not help the families who really need tax relief. They will end up with less money in their pockets and pay higher interest rates.

Our priority should be to retire the debt so we do not put America's economy at risk. Who does it help? The special interests, like foreign oil. Foreign oil and gas interests get a tax credit in this bill that will cost the American taxpayers more than $4 billion. That is right, $4 billion.

A family of four earning $50,000 gets a $265 tax cut. That is just about $20 a month in their pockets.

Mr. Speaker, this bill is a grab bag for special interests. I am for tax relief, but we need to do it right. Vote against this report. Go back to the conference table and produce a prudent measure that will put money in the pockets of working families, not foreign oil interests.

Never mind we have spent two decades trying to reduce our dependency on foreign oil so we will never again experience those high prices and long gas lines at the pump like we did in the 1970s.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Arizona (Mr. HAYWORTH), another respected member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank my good friend from Texas for yielding me the time and for his leadership on the Committee on Ways and Means.

Well, despite the pledge not to engage in name-calling, we have heard it again from my dear colleague from Missouri. We even heard claims about chicken manure from my friend from Connecticut and my other friend from Texas. It is interesting where the chicken manure really resides here on the floor of the Congress.

I just think there is a simple fact we need to point out. The $3.3 trillion in the surplus, for every one of those dollars, this is what we are prepared to do: take 75 cents of that dollar and lock it away to save and strengthen Social Security and Medicare and pay down the $5-trillion debt hanging over the heads of our children. It leaves a quarter. Nothing risky, nothing irresponsible about giving the American people back their hard-earned money.

For my friends on the left who fancy themselves champions of the working people, here is the challenge: join us with this bill. Because included in it is much needed tax relief for the inner cities, for Indian reservations, to inspire savings, to offer help for business start-ups, to help those families who feel the brunt of economic pain.

I challenge my friends on the left to join with us, adopt the conference report, real tax relief.

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Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KLECZKA) a respected member of the Committee on Ways and Means who, too, was excluded from the conference. I might add that all respected Democrats were excluded.

(Pursuant to a subsequent order of the House by unanimous consent of Mr. KLECZKA, the remarks of Mr. KLECZKA have been deleted.)

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. WELLER) another respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, today we are taking another step in our effort to balance the budget for the third time in 3 years. We are taking the step where, of course, earlier this year we set aside $2 trillion of the projected surplus for saving Social Security and Medicare. I would point out in our balanced budget that for every $6 in debt retirement over the next 5 years, we provide $1 in tax relief and that over the next 10 years that pays down $2.2 trillion of the national debt, which is 10 percent more than the Democrat proposal to retire the debt.

I rise in support of this legislation for a particular reason. I have often asked the question over the last several years and, that is, is it right, is it fair that under our tax code a married working couple pays more in taxes just because they are married? Is it right, is it fair that 28 million married working couples pay more in taxes just because they are married than an identical couple living together outside of marriage?

Let me introduce Shad and Michelle Hallahan, two public school teachers in Joliet, Illinois. When they chose to get married in the last couple of years, they discovered something. They now pay higher taxes just because they got married, similar to 28 million married working couples throughout America. Michelle, by the way, is due any day to have a baby. She notes that their marriage tax penalty, which is just over $1,000, will provide 3,000 diapers for the Hallahan family. Those who oppose our efforts to eliminate the marriage tax penalty would much rather spend those dollars here in Washington.

Mr. Speaker, this deserves bipartisan support. I ask for bipartisan support.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, on behalf of my children and all children in America, I rise against the risky, budget-busting, trillion-dollar tax cut.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, let us sustain economic growth. Vote "no" on the Republican tax package.

Mr. Speaker, this tax cut is simply too large. It spends almost all of the projected on-budget surplus for the next 10 years.

My colleagues on the other side of the aisle have locked on to the quote by Senator KERRY in which he said that in an era when we have a budget surplus of $3 trillion, it is not unreasonable to pass a tax cut of $1 trillion. What they don't tell you is that $2 trillion of that supposed surplus is Social Security money, which both sides have agreed should be set aside solely for Social Security. That means that money is off the table. So, if you set aside $2 trillion for Social Security and pass a tax cut of $1 trillion, how much does that leave for Medicare, debt reduction, veterans health care, the National Institutes of Health, and other important domestic programs? It's simple math: 3–2–1=0.

The leadership in this body is in a big hurry to pass this conference report on a tax scheme they know has no chance of going anywhere so they can go home for a month and tell their constituents what they accomplished for them. Of course, they're not in quite as big a hurry to send it to the president. They don't want the president to rain on their parade by vetoing their wonderful bill before they have a chance to convince people how wonderful it is. What they don't realize is that the American people already know that this irresponsible tax cut is a bad deal. When asked what we in Congress should do with this surplus, the American people have consistently said "save Social Security, save Medicare, and pay down the national debt."

Let's defeat this ill-conceived, irresponsible tax scheme and get to work on a real tax relief package that will provide relief to those who need it while still allowing us to fulfill our obligations to pay down the national debt, save Medicare and Social Security, and adequately fund important domestic programs that millions of Americans rely on.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I rise in opposition to H.R. 2488, the so-called Financial Freedom bill. I only wish it were so.

In reality, this bill should be called the Medicare and Social Security elimination act—because it irresponsibly spends the projected budget surplus without committing a single penny to the future of those programs.

The decisions the majority have made will ultimately hurt the very people they say they want to help—the American people—by forcing through a tax scheme that place our nations economy at risk in the future.

The fundamental problem with this bill is that it bets the future of Medicare and Social Security on economic projections ten years away. If we spend the money today, almost 80% of the projected surplus, on this risky tax scheme, what will happen if the projections fall short?

Ten years ago, not a single economist could have predicted how strong our economy is today and has been over the last five years. As best they try, it is a very inexact science.

In fact the Congressional Budget Office, whose numbers the majority is relying on, has been off by billions of dollars on even one year projections. Now they want to bet the farm on projections over ten years.

If this bill becomes law, there will be an insufficient amount of money left over to ensure the long term stability of Social Security, Medicare, other programs such as veteran's health.

Now don't get me wrong, there will be enough there to take care of today's beneficiaries.

But without dedicating portions of the surplus to Medicare and Social Security today, we will force our children and grandchildren to either pay higher taxes or receive significantly lower benefits tomorrow.

You just can't have it both ways—as much as everyone here would love to eliminate taxes completely, and believe me I would, it just isn't the responsible thing to do.

Antoher major problem with the Republican scheme is that it fails to provide any money to pay down our national debt. If this bill becomes law, interest rates on car loans, mortgages, and credit cards could rise.

Our nation's debt is finally going down—but if we follow the plan of the republicans, it will go right back up and fall squarely on the shoulders of our children and grandchildren.

We need to reject the Republican's risky scheme, because it could balloon the debt, send us back to huge deficit spending.

We need to do the right thing and wait for the money to become real, see how much is there, and then decide where it needs to go—and at that time, tax cuts should and would be included in that formula.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I rise in opposition to this conference report.

Mr. Speaker, I rise today in opposition to the conference report on H.R. 2488. This is a very serious debate about a serious piece of legislation. If this tax cut were to pass and actually be signed into law, it would set the course of fiscal policy for the next several decades in this country.

And I don't get it. When a family in western Wisconsin enjoys good times, they see it as an opportunity to take care of existing obligations first. For the Federal Government, this should mean paying down the $5.7 trillion national debt and shoring up Social Security and Medicare for future generations.

What this legislation proposes, however, is the equivalent of my wife Tawni and I going into our local bank and telling our bank officer, "Yes, we know we have a mortgage and a car loan and credit card payments. But we would like to restructure those debts so we can enjoy some additional money now and shift these debt obligations onto Johnny and Matthew, our 3-year and 1-year-old sons." We would get laughed out of the bank if we said that. I didn't come to Congress to leave a legacy of debt to my children and mortgage their future with an act of such irresponsibility. That's why I oppose this riverboat gamble of a tax cut.

A short time ago, before former Treasury Secretary Robert Rubin retired, I had the opportunity to ask him what he felt we, as policymakers, should do to ensure the prosperity of our nation in the next century. His response was two-fold—first, we should pay down the $5.7 trillion national debt, and second, we should not shortchange our investments in education. This legislation fails both of these goals. This tax cut proposal also ignores the words of Federal Reserve Chairman Alan Greenspan, who has repeatedly testified before us in Congress that the first, best use of any budget surplus is to reduce the debt.

An emphasis on debt reduction would provide real tax relief to all American families, not just the top 1 percent who receive the bulk of the benefits of this proposal. A lower national debt would benefit everyone by lowering interest rates. Families who make mortgage, car, credit card, and other loan payments would realize tremendous cost savings, and businesses would be able to invest at lower cost, create jobs and increase productivity. Finally, lowering our national debt would be fair to future generations who would otherwise have to repay an obligation they did not create.

A vote today against this legislation is a vote for fiscal responsibility and fiscal sanity. It is a vote for our children's future, and for continued economic growth and the promise of prosperity for our kids. I urge my colleagues to vote against this bill.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. FROST), chairman of the Democratic Caucus.

Mr. FROST. Mr. Speaker, as we are all aware, the chief complaint of the right wing of the Republican Party over the past few years has been that their leadership lacked real commitment to the core right-wing principles of their conference.

Well, today, Mr. Speaker, the Republican right wing should be pleased, because the true believers have asserted their control over this Republican Congress. Today, the Republican Congress makes its priorities crystal clear. Today, the Republican Party plainly states its commitment to risking Social Security, Medicare and our economy on fiscally irresponsible, budget-busting tax breaks for the wealthiest that could cost us $1 trillion over the next 10 years.

Why, Mr. Speaker, would Republicans risk exploding the deficit once again, driving up interest rates and hurting an economy that is the envy of the world? Do Republicans believe that Americans want their mortgage payments to go up? Do Republicans believe that Americans want their credit card bills to go up?

Mr. Speaker, I have pointed out before that the record of the Republican Congress makes clear their belief that Congress' only job is providing red meat for the right-wing extremists controlling their party. Why else would they insist on squandering the surplus on tax breaks for the wealthiest and refuse to devote even a few dollars to saving Medicare?

Nothing speaks more clearly to the priorities of this Congress. Just 16 years from now, Medicare faces a death sentence, but Republicans refuse to use a dime of the surplus to delay that execution by even a day.

Mr. Speaker, Democrats support fiscally responsible tax cuts, targeted to the middle class, but we cannot support risking Social Security, Medicare and the economy. I urge defeat of this bill.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. PORTMAN), another respected member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding me this time. I want to start by commending him for his determination and vision in moving this tax relief proposal to this point.

There are a lot of great provisions in the bill before us today. They have been focused on by others, eliminating the marriage penalty, expanding everybody's opportunities to achieve a good education for themselves and their children, helping Americans afford health care for themselves and for their elderly family members.

I want to focus for a moment on the retirement security provisions. The Financial Freedom Act before us today contains the most comprehensive reforms of our pension laws since ERISA was passed 25 years ago.

By strengthening 401(k)s for all Americans, by strengthening defined benefit plans, the traditional plans and other plans, by allowing workers to save more in their pensions, save more in their IRAs, by making pensions portable so workers can take them from job to job, by providing a catchup for workers over 50 years old, by modifying section 415 to help union workers to be able to have a better multi-employer plan, by doing all these things, we allow all Americans to save more for their own retirement, to have more peace of mind in their own retirement, and we are going to allow millions of American workers who do not currently have any kind of a pension at all, that is half of our workforce, to be able to come into a system where they have a pension, to be able to provide in their retirement years for their own retirement security.

This, Mr. Speaker, is why this bill makes sense for the American people, why this bill is going to be supported today. I urge the President to sign it.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, we all want tax cuts. Let us not spend money that does not exist. When we have some surplus, let us reduce the debt, save Social Security and Medicare, get our priorities straight. Let us not create another $5 trillion debt to burden our children and grandchildren.

I urge my colleagues to vote against this conference report.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I thank the gentleman for yielding me this time.

Mr. Speaker, I was here in 1981 when we cut $749 billion in revenues. Those on this floor represented that this would be a great step forward. Howard Baker, the then majority leader of the United States Senate, said, no, that it was a riverboat gamble. It was, Mr. Speaker, a riverboat gamble that we lost. We quadrupled the national debt. Now, that is a nice phrase, but what does it mean? It means we plunged the children of America deeply into debt, because we did not provide for the spending that our generation votes for.

Let us not take this risky step again. Let us not put at risk the solvency of Social Security. Let us not put at risk the vitality of Medicare. Let us not put at risk the defense of this Nation. My Republican colleagues talk about just taking $1 trillion of $3 trillion. $2 trillion is in a lockbox for Social Security, they say. But the appropriation bills we have been passing belie that lockbox theory because we are about to spend that Social Security revenue.

My friends, reject this risky, riverboat gamble. Ensure that our children's security is safe. Do not again go on the path of quadrupling the national debt. Rather, let us be fiscally responsible, target tax cuts, give relief to Americans who are most in need, working Americans, Americans with children who need care, Americans who are sending children to school. Do not take this risky road to further debt and unsureness.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. GRANGER).

Ms. GRANGER. Mr. Speaker, I rise today in support of the Taxpayer Refund and Relief Act of 1999. I want to commend the gentleman from Texas for leading the way to the future by lowering the taxes on our people. The gentleman from Texas will be dearly missed if he leaves us after this Congress.

This bill represents tax relief of $792 billion over the next 10 years, including the elimination of the marriage penalty, 100 percent deductibility for the health insurance of the self-employed, and lowering the capital gains tax.

But this bill is not really about numbers and figures or phase-ins and credits. This bill is about the American people, their hopes for the future and their dreams for their children.

To that end, I want to thank the gentleman from Texas for including in this package my legislation to encourage both public and private colleges to establish prepaid college tuition plans. These plans allow parents to begin paying for tomorrow's college education at today's tuition prices.

This legislation will allow middle-class families to pay for college out of savings instead of paying for it out of debt. This will make a college education more affordable for more people. I thank the gentleman from Texas for including this in his legislation.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR), our distinguished Democratic whip.

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Mr. BONIOR. Risky. Dangerous. Deceptive. That is what this Republican bill is. Instead of building on the strongest economy in a generation, they would roll the dice. They would take $1 trillion. They would slap it down on the table, they would spin the wheel, and hope for the best.

What they are doing is playing Russian roulette with the whole U.S. economy. And it is our money they are gambling, our Social Security, our Medicare, our education, our future.

The Republicans say their tax plan will benefit the average American, that it will put money back into their pockets. But if you look at the numbers, the truth comes out.

Under their plan, a family that makes $52,000 a year gets a tax cut of about $11 a week. The super-rich, the people who pull in more than $300,000 a year or more, the Republican plan gives them $127 a day, $900 a week, $46 thousand a year. So when you compare the numbers, those who really need tax relief, they get chump-change, and those, of course, who do not, get a brand new Cadillac.

After the party is over, what then? What is the long-term cost to the American family? Higher interest rates on our credit cards, on our mortgage payments, on our car loans; higher interest rates and payments on the national debt, which already cost the average American family $2,000 a year; and a higher probability that Social Security and Medicare will not be there when Americans need them.

This Republican plan is risky, it is dangerous, and it is deceptive. We need to pay down the national debt, not to drive it up. We need to take care of first things first, Social Security, Medicare, education. Let us address these national priorities first, and then cut taxes; and, when we do, let us get it to the middle-income people in this country, and not the super-rich.

We need to invest in the future, not gamble it away. This Republican plan is risky, it is wrong, and it will wreck the economy.

Mr. ARCHER. Mr. Speaker, I yield 30 seconds to the gentleman from Louisiana (Mr. McCRERY), a respected member of the Committee on Ways and Means.

Mr. McCRERY. Mr. Speaker, I was not going to talk on the conference report today, I spoke on the bill when it was on the floor earlier, but I got tired of hearing some Democrats say that we were jeopardizing Social Security and Medicare by giving a tax cut to the American people. That is just not true.

The gentleman from Texas (Mr. ARCHER) and the gentleman from Florida (Mr. SHAW) had a Social Security plan that is fleshed out and demonstrates clearly that we only need $1.2 trillion of the almost $2 trillion Social Security surplus to solve the Social Security problem. That leaves $700 billion with which to pay down the debt, to help fix Medicare. Speaking of Medicare, what we do not need is to throw more money at it. We need fundamental reform. We also have a plan for that.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. RAMSTAD).

Mr. RAMSTAD. Mr. Speaker, I rise in strong support of this important tax relief bill for America's families.

Mr. Speaker, as a member of the Ways and Means Committee, I have seen firsthand the excellent leadership of Chairman ARCHER in putting together this package that will bring meaningful relief to millions of over-burdened taxpayers who deserve to keep more of what they earn.

This is broad-based tax relief that makes sense. This conference agreement promotes issues that people care about most—fairness for families, education, health care, retirement savings, growing jobs and being able to pass farms and businesses on to the next generation.

I want to highlight two provisions of this legislation I authored. Although these items will cost very little in terms of federal revenue, they send a powerful statement about the level of fairness in this bill.

The first provision is based on legislation I introduced to provide relief to volunteer drivers for charities. This common sense change will dramatically improve the ability of charities to attract volunteer drivers to serve vulnerable people.

As many charities in my home state have told me, a volunteer reimbursed for mileage expenses has taxable income if the reimbursement exceeds 14 cents per mile, even though an employee performing the same function could be reimbursed at 31 cents per mile.

This creates a significant disincentive for people considering volunteering for food delivery programs, patient transportation, and other services which rely on volunteer drivers. There have been examples of volunteer drivers being audited and subjected to back taxes, penalties and interest because of unreported volunteer mileage reimbursement, even though the reimbursement did not exceed the allowable business rate and the dollar amounts are quite small.

This bill will codify relief to reimbursed volunteer drivers if the amount of their reimbursement is less than the business mileage rate. This solution will allow America's charities to attract the volunteers they need to for critical services like transporting elderly patients to the doctor and food to the hungry.

The second provision I offered as an amendment in committee. It ensures consistent tax treatment of survivor benefits received by families of public safety officers killed in the line of duty.

Survivor benefits of public safety officers slain in the line of duty are currently tax-free for the wives, husbands and children who are left behind, but only if the officer died after December 31, 1996. This means that the survivor benefits of families who lost a loved one before January 1, 1997, are still subject to tax. I see no sound tax policy reason for this discrimination. This bill corrects this inequity and will allow all families of slain public safety officers to enjoy the same tax relief.

Nothing can compensate for the loss of those who pay the ultimate price by giving their lives for their communities. However, this bill will provide tangible help to the families of our slain heroes.

These are only two examples of the many provisions in this package that will improve the lives of Americans in very real ways.

I urge my colleagues to support this tax relief package for American families. We have already set aside the portion of the surplus needed to save Social Security and Medicare. Now, we need to return a portion of the tax overpayment to the families who earned it. If we don't, Washington will surely find a way to spend it.

Mr. RANGEL. Mr. Speaker, it is my distinct honor to yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), the minority leader.

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Missouri is recognized for 5 minutes.

Mr. GEPHARDT. Mr. Speaker, I want to address my comments to American citizens all over the country and to ask them a simple question, and that is, do they do better with the Republican plan that is on the floor today, or would they do better our Democratic plan, which is much less revenue cost, but a tax cut that is more targeted to middle-income families?

If one looks at the Republican plan, it offers a family of four earning $50,000 a year about a $278 a year tax cut. In other words, their taxes would be reduced by about, to make it rough, $280 a year. That comes out to about 76 cents a day. That would not even buy a cup of coffee in most of our modern coffee houses.

On the other hand, the Democratic tax cut would have had an impact on the real budgets of middle-income families. We wanted to provide a $1,000 credit for a family trying to take care of a disabled parent who they were trying to keep at home or a $500 credit for parents who care for an infant at home. In other words, for ordinary families, we could have done a tax cut today that would really have an impact on their lives, not just 76 cents a day.

But it is also worth noting that the real expense cut that we ought to be talking about today is what getting rid of the deficit would do for ordinary American families. The Research Director for the Concord Coalition put it well. He said debt reduction is a tax cut for future generations.

We now pay $218 billion a year at the Federal level on interest on the national debt every year. That is $900 for every man, woman, and child who lives in the United States. Eliminating that debt could put that money back in their pockets or certainly allow us to do some things with Medicare and Social Security that would put money into their pockets in the future. This is a fundamental decision we are having to make. If we could get that debt down, it would hold interest rates down.

Let us talk about the family out there that has maybe a $100,000 mortgage on their house right now. If we could lower interest rates by 1 percent or, maybe to put it another way, hold them where they are and not let them go up from where they are now, that could be $1,200 a year that goes right into that family's pocket because we have not gone with this risky tax cut that puts in jeopardy the financial wherewithal of that family of four that is trying to pay off that mortgage. This is not even talking about credit card debt and auto loan debt that they have to pay.

The big tax cut that we ought to be talking about is holding interest rates down so that family out there does not face higher interest rates.

Let me end with a story. When I was a young kid, my mom and dad told me that if I do chores around the house, they would give me an allowance. Usually a quarter or two is what I would earn, carrying out the trash, doing the dishes, cooking dinner, sometimes even cleaning up the basement.

My mother used to always say to me, because she would give me the quarters, usually two quarters, 50 cents, she would always say, "Dick, those quarters are burning a hole in your pocket." Because what I loved to do with those quarters was go up to the corner confectionery and buy a Mars Bar. I loved Mars Bars, it had that soft marshmallow center, chocolate; and I loved to buy baseball flip cards. That is what I really wanted to do. Sure enough, whenever I would get those quarters, I would run up to the corner confectionery and blow all my money and get that Mars Bar that had that soft marshmallow center and buy those flip cards. Instant gratification is what I was looking for.

She used to always say to me, "If you would save those quarters, maybe you could buy that ball glove you have been talking about or that bicycle you wanted to buy, and that would even be better, if you would save for the future so you could really do something important."

This is the very same decision we face today as a country. Do we want instant gratification, do we want to hand out candy bars, make people feel good right now with, again, 76 cents a day for that average family, or do we want to save money, pay down the debt, keep interest rates down, give a targeted tax cut that would really mean something to hard-pressed middle-income families? That is the choice we have today.

I urge Members to reject instant gratification and to save this money for the future, pay down the back debt of this country, save Social Security and Medicare, give a targeted tax cut that will really help middle-income families, and do the right thing for the future and future generations of this country.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the very respected and distinguished gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

The SPEAKER pro tempore. The gentleman from Florida is recognized for 4½ minutes.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me this time, and I want to compliment him and those on the staff and members of the Committee on Ways and Means and the other committees for crafting as near a perfect tax bill as I have seen in the years I have been in Congress.

Mr. Speaker, the minority leader just spoke of targeted tax cuts for people who really need it. Let us talk for just a moment about who really needs the tax cuts in this country. Let us see who we should exclude from that category.

Americans who care for their elderly family members at home, with an additional exemption in this bill of $2,750. What is wrong with that?

We allow parents to save up to $2,000, rather than only $500, in Education Savings Accounts. What is wrong with that?

We eliminate the 25 percent contribution limit on pre-tax salary to 401(k)s. Saving for one's retirement, what do you have against that?

Reducing the capital gains rate by a small percentage, but saving it so that Americans can invest for their future, why are you against that?

Allowing Americans who purchase their own health insurance to deduct 100 percent of the premium, who can be against that?

Cutting the marriage penalty. We now penalize people when they get married where you have got two earners in the family. What in the world can somebody be against in cutting that back, cutting that penalty back?

Permitting private colleges and universities to establish prepaid tuition programs for parents of prospective students. Currently only public universities are allowed to do this. We extend that to private universities. Who could be against that?

Reducing the individual income tax rates for all American taxpayers. That is something we should all be for.

Allowing Americans who purchase long-term care insurance, we allow them to deduct the full amount of their premiums from their taxes. That is something we should encourage, and we encourage it by allowing the deduction.

Phasing out the death tax. The death tax is the biggest destroyer of American farms and American businesses in this country today. It is an evil tax that should be eliminated, and this bill would phase it out over a period of time.

Student loans. Right now when you get a student loan, you can only deduct the interest that you pay for 5 years. After that it is not deductible. I can tell you from the young people who work in my office that I have talked to, this is a very important part of their income, and they should be able to at least deduct it. This is important.

Mr. Speaker, during this debate we have heard a lot about Social Security. Interestingly enough, and I have kept score, I do not believe that one person who stood up here and said that we are going to do nothing about Social Security has any inkling how to solve the problem, and, if they do, they have not come out and put that down.

The gentleman from Texas (Mr. ARCHER) and I and the Committee on Ways and Means and many of us are working together and reaching out to Democrats in order to be able to do precisely that. We have come up with a plan that does precisely that, and it saves Social Security for all time. Very shortly, that plan will be going to some type of a markup, and I look forward to that. We will continue to reach out across the aisle to the Democrats.

But I can tell you right now, and I think the American people should hold all of us to this standard: Do not talk about saving Social Security on the floor of this House unless you are ready to step forward to do it.

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Sitting back and doing nothing will do nothing to save social security for our seniors and for our kids and for our grandkids. It is time that we stop this rhetoric, and we go forward and work together in a powerful way to save social security.

The Republicans now are reaching out to the Democrats. Join with us. Let us do this before the end of the year, and before this Congress goes out for our November-December break. Let us come back and work together and save social security.

Mr. COYNE. Mr. Speaker, I rise in opposition to this misguided legislation. This legislation has many serious shortcomings, but given my limited time, I will mention just three.

This bill is paid for with a surplus that doesn't yet exist and which is based upon economic projections that have proven wrong in the past.

This bill would disproportionately benefit the richest people in this country—instead of the working- and middle-class families who deserve relief the most.

And this bill would cut taxes before we've reduced our massive national debt or ensured the future stability of Social Security and Medicare.

Enactment of this tax bill would put us right back where we were six years ago, with projected deficits as far as the eye can see—and with a national debt that is growing rather than shrinking.

I urge my colleagues to join me in opposing this unwise legislation.

Mr. SANDLIN. Mr. Speaker, I have heard my friends on the Republican side talk about how their budget sets aside $2 trillion of the $3 trillion projected surplus for debt reduction. While this certainly sounds appealing to those of us who have been talking about the importance of paying off the national debt, the facts just don't match the rhetoric.

My Republican friends neglect to point out that they are double-counting the Social Security surplus in order to claim that they are reducing the debt. This body has overwhelmingly voted to exclude Social Security surpluses from budget calculations. These surpluses are essential to meet future obligations to Social Security. Evey Member of this body, Republican and Democrat alike, have said that Social Security surpluses should only be used for Social Security, and should not be counted for any other purposes. But despite all of the rhetoric about Social Security lockboxes and taking Social Security off-budget, some folks on the other side of the aisle keep counting the Social Security surpluses when it suits their purposes.

Using the Social Security surplus to reduce debt held by the public simply offsets the increased debt held by the Social Security trust fund. If all we do is save the Social Security surplus, we won't reduce the total national debt by one dime, and we will have done nothing to reduce the burden we leave to our children and grandchildren. In fact, despite all of the rhetoric from the other side of the aisle about saving money for debt reduction, the total national debt will increase by $200 billion over the next five years under the Republican budget.

The truth is, they don't want the American people to know the consequences of their massive tax cuts. They don't want them to find out that, if we want to be fiscally responsible and stay within the spending caps we agreed to in the 1997 budget, passing their tax cut will require a 38% reduction in spending on important programs—programs like FEMA, class size reduction, and law enforcement. Both parties agree that defense spending needs to increase if we want to preserve military readiness, but if the Republicans pass their tax cuts, our military will suffer as well. While these important programs that benefit ALL Americans will have to be cut, TWO-THIRDS of the tax cut will benefit only those people who fall in the top income tax bracket.

The fiscal irresponsibility does not stop there. The new trick in Republican accounting books is the "emergency" spending designation being used to bypass the spending caps. They have even resorted to calling the 2000 census an "emergency"—an outrageous claim considering that the Constitution requires a census every ten years! This "emergency" spending comes straight out of the "projected" surplus Republicans want to use to finance their tax cut.

This creative accounting is unacceptable. I am a strong advocate of a sound budget and fiscally responsible tax cuts, but the best tax cut we can give the American people is a promise we will first pay down the national debt by setting aside some of the true surplus—the non-Social Security surplus. The Blue Dogs have put forward a proposal that would lock up half of the true budget surplus to pay down the national debt. This approach will truly reduce the burden on future generations.

I am proud to be an original co-sponsor of this legislation. The Blue Dog's Debt Reduction Lockbox bill would save 100% of the Social Security surplus by requiring that the budget be balanced EXCLUDING the Social Security surplus. It also helps ensure a fiscally responsible budget by establishing a point of order against any budget resolution that contains a on-budget deficit or any legislation that would result in an on-budget deficit and would prohibit OMB, CBO and other federal government entities from including the Social Security trust fund as part of budget surplus or deficit calculations.

While the Republican tax cut bill's debt reduction provisions are merely a rhetorical gesture at best, the Blue Dog bill delivers on debt reduction. It places 50% of the projected on-budget surplus over the next five years in a Debt Reduction Lockbox, away from those who would squander it on irresponsible tax cuts.

The Blue Dog bill also delivers on our promise to save Social Security and Medicare by reserving the Debt Reduction Dividend—the savings from lower interest payments on the debt resulting from its reduction—for these two programs. Seventy-five percent of these savings would be reserved for Social Security reform and 25% for Medicare reform.

Mr. Speaker, the fundamental tenet of the Blue Dog proposal—debt reduction—has been recklessly omitted from the Republican bill. Our primary goal as we debate how to divide the projected budget surplus should be to maintain the strong and growing economy that has benefited millions of Americans. Irresponsible tax cuts, however, are not the means to achieving this end. Using that simple objective as our guide, it is clear that the best course of action this body could take is to use the budget surpluses to start paying off the $5.6 trillion national debt. Reducing the national debt is clearly the best long-term strategy for the U.S. economy.

Economists from across the political spectrum agree that using the surplus to reduce the debt will stimulate economic growth by increasing national savings and boosting domestic investment. Paying down our debt will reduce the tremendous drain that the federal government has placed on the economy by running up a huge national debt. Quite simply, reducing the federal government's $5.6 trillion national debt takes money that is currently tied up in debt and puts it back into the private sector where it can be invested in plants, equipment and other investments that create jobs and economic output.

Federal Reserve Board Chairman Alan Greenspan has repeatedly advised Congress that the most important action we could take to maintain a strong and growing economy is to pay down the national debt. Earlier this year, Chairman Greenspan testified before the Ways and Means Committee that debt reduction is a much better use of surpluses than are tax cuts, stating:

> The advantages that I perceive that would accrue to this economy from a significant decline in the outstanding debt to the public and its virtuous cycle on the total budget process is a value which I think far exceeds anything else we could do with the money.

We should follow Chairman Greenspan's advice by making debt reduction the highest priority for any budget surplus.

There has been a lot of discussion here in Washington about a "grand bargain" on the budget that would divide the surplus between tax cuts and higher spending. Our constituents are giving a very different message. I would encourage my colleagues to ignore this inside the beltway speculation, and listen to the American public. Our constituents are telling us to meet our obligations by paying down the national debt.

The folks I represent understand that the conservative thing to do when you have some extra resources is to pay your debts first. They don't understand how we can be talking about grand plans to divide up the budget surplus when we have a $5.6 trillion national debt. They want us to use this opportunity to pay down our debt.

We hear a lot of talk about "giving the American people their money back." I would remind my colleagues that it is the American people who owe the $5.6 trillion national debt we have run up. If we are truly interested in giving the surpluses back to the American people, we should start by paying off the debt we have run up on their credit card.

I would suggest that the best tax cut we could provide for all Americans, and the best thing that we can do to ensure that taxes remain low for our children and grandchildren, is to start paying down our $5.6 trillion national debt. Reducing our national debt will provide a tax cut for millions of Americans by restraining interest rates. Lower interest rates will put money in the pockets of working men and women by saving them money on variable mortgages, new mortgages, auto loans, credit card payments, and other debts. The reduction in interest rates we have had as a result of the fiscal discipline over the last few years has put at least $35 billion into the hands of homeowners through lower mortgage payments. Continuing this fiscal discipline and paying down the debt is the best way to keep putting money into the hands of middle class Americans.

Just as importantly, reducing the national debt will protect future generations from increasing tax burdens to pay for the debts that we have incurred. Today, more than twenty-five percent of all individual income taxes go to paying interest on our national debt. The amount of income taxes the government will have to collect just to pay the interest on the debt will continue to increase unless we take action now to pay down the national debt.

Every dollar of lower debt saves MORE than one dollar for future generations. These savings that can be used for tax cuts, covering the costs of the baby boomers retirement without tax increases or meeting other needs. We should give future generations the flexibility to deal with the challenges they will face, instead of forcing them to pay higher taxes just to pay for the debt we incurred with our consumption today.

I urge my colleagues to vote AGAINST reckless spending by voting AGAINST the Republican tax cuts—but let's not stop there. Join me in supporting the Blue Dog Debt Reduction Lockbox bill and let's eliminate our debt.

Mr. BENTSEN. Mr. Speaker, let me say, first off, that a tax cut would be appropriate if we could afford it, if it would stimulate further economic growth, and if it were fair. Our first priority should be to use most, if not all, of the projected on-budget surpluses to pay down the $3.6 trillion debt held by the public.

The tax cut considered this morning is contingent upon maintaining the spending caps, which we have broken, although nobody is willing to admit this fact. It is contingent on maintaining a reasonable level of emergency spending, although emergency spending is now an escape hatch to avoiding the caps. Above all, it is contingent upon projected on-budget surpluses. But, there is not on-budget surplus and if there ever was, it disappeared this week. In fiscal year 2000, the Congressional Budget Office projects a $14 billion on-budget surplus. But, Farm relief and the $4.5 billion price tag for the Census have been categorized as emergency spending. Yesterday's votes in the House and Senate ate up $12 billion.

Here is a more realistic scenario. If the caps are lifted so that overall discretionary spending remains at FY 1999 levels, adjusted only for inflation and emergency spending stays at the historical average of fiscal years 1991 though 1998, on-budget surpluses would equal $112 billion over the next 10 years. Some 89 percent of the projected on-budget surplus would disappear.

If these surpluses do not materialize, the consequences could be severe. It took us 15 years to climb out of the deficits created by the 1980's tax cuts and spending increases. In 1981 we passed broad based tax relief. The consequences were catastrophic. Publicly held debt quadrupled between 1981 and 1993. Interest payments on the debt doubled as a share of the federal budget form seven to 15 percent. Interest on the debt is now the third most expensive government program behind Social Security and defense spending. Adding to that debt is the height of fiscal irresponsibility. Why would we want to repeat that scenario?

I know that it is unpopular for Democrats to talk about the distributional consequences of tax relief. But fairness and progressivity are critical elements of our tax code. I believe we have an obligation to fight for those principles. Tax relief, as the definition of relief would indicate, is for those who need relief. There has been such little discussion in this body and in the press on the distributional effects of this cut. Just because we talk about the distributional benefits of a tax cut does not mean that we are promoting class warfare. But, we ought to tell it like it is. I understand that the wealthiest in this country pay a large share of taxes collected. They also earn the greatest benefits from the policies in place that helped create this unparalleled prosperity. But, the middle class does not fair as well as the upper end in the bill before Congress today. The Treasury Department estimates that the average tax cut for the richest one percent of Americans would be $37,000 a year when the tax cuts are fully in effect. The average tax cut for the bottom 60 percent of the population would be $134.

What about intergenerational fairness? Let me quote Herbert Stein, a conservative economist, writing on the Wall Street Journal's op-ed page yesterday.

"The argument about fairness is complicated . . . The government's revenue is really the taxpayer's money, but the government's debt is the taxpayer's debt too—and one can say in fairness that they should repay it. Is it fair for today's generation to leave the debt burden to its children?"

No, of course it isn't.

This tax cut is another river boat gamble. Again, our first priority should be to pay down the $3.6 trillion debt held by the public.

Tax cuts are difficult undo. In the 1980s, the nation spent a decade undoing the across the board tax cuts by raising taxes on everything else, such as airline tickets, luxury boats, and foreign cars. Deficit reduction is painful. Debt reduction is easy. If we need to stop because of a recession or a war to raise capital, no problem. We can always go back to it.

As Alan Greenspan has repeatedly said, paying down the debt would create more wealth for all Americans. He favors reducing the debt because with less debt, interest rates decline. That makes ti easier for American families to buy a house . . . to buy a car . . . to start a business. Now, what Mr. Greenspan did say after that is he would prefer a tax cut to spending. But, that's because he is an economist and a conservative who believes in a less activist government.

He also pointed that there is a "shadow cost" to not paying down the debt. A tax cut without offsets will add more debt, raise interest costs and interest rates. Our new Treasury Secretary, Larry Summers said today that for every three one-hundredths of a percentage point in reduced interest rates on the total debt, the Government ultimately saves $1 billion a year in interest costs.

Less debt means that there is less competition between the private sector and the government in the bond market. As government gobbles up less capital, interest rates should decline. A two percent dip in interest rates, from eight to six percent, would decrease mortgage payments on a $115,000 home by $155 a month. That is a better tax break than anything Congress could put together.

With lower interest payments, government can make crucial investments to improve productivity. If productivity is one percent a year, it take 70 years to double our standard of living. At two percent a year, it takes only 35 years.

As any student in an introductory macroeconomics course can tell you, a tax cut stimulates consumption. Americans are consuming at such a fast rate, there is no personal savings. Why would we encourage more consumption, when it crowds out savings and drives up interest rates? It is just bad fiscal policy!

Finally, we have a chance to shore up Social Security and Medicare. We finally have a chance to prepare for the future and we are going to squander newfound resources on a risky RIVER BOAT gamble of a tax cut, that is unnecessary, unaffordable, and unfair. Thank you.

Mrs. FOWLER. Mr. Speaker, as we look at surpluses as far as the eye can see, there is only one thing Republicans want to say to the American people today: We believe this money is your money. You are the ones who have worked hard. You are the ones who have struggled to make ends meet. You are the ones who have sacrificed time with your loved ones because there just isn't enough money in your wallet.

Republicans think it is shameful that the government takes more money from you, than you spend on food, clothing, shelter and health care combined. That's why we offered this excellent tax relief package. It's your money, and you should be able to make the decisions over how to spend it.

When Republicans took the reins of Congress in 1995, we made a solemn promise to the American people to return our government to a government of the people, by the people and for the people. To me, the only way to accomplish this is to return to the American people control over their lives and over their money.

That's why we committed to locking away 100% of what Americans pay in to Social Security and Medicare for only Social Security and Medicare, to paying down $2 trillion in public debt, and to returning money to hard-working Americans. When you have a $3 trillion dollar surplus, the people have paid too much. Responsibly, 75 cents of each dollar of the surplus will go toward strengthening Social Security, reforming Medicare, paying down the public debt, rebuilding our military, improving public education and other vital programs. Fairly, the remaining 25 cents will be returned to the people who earned it: the hard-working American taxpayer.

Instead, the Democrats and the President propose a risky scheme of $937 billion in new spending. I guess the President really did mean it when he said back in January that he didn't trust the American people to spend their money correctly that "we could give it back to you and hope you spend it right."

The Republican tax relief plan follows a fair, responsible commonsense principle: it returns dollars and decisions home. Rather than viewing the wallets of the American People as ATM machines, the Republican tax relief plan remembers whose money this really is and who, in the end, is in charge: the hard-working American people.

Mr. CASTLE. Mr. Speaker, I strongly support tax relief for all Americans. As Governor of Delaware, I reduced income taxes three times. As Delaware's representative in Congress, I supported the significant tax relief for families and businesses in the Balanced Budget Act of 1997. I hope to have the opportunity to vote for significant, broad-based tax relief in 1999. However, in the past each time I signed or voted for legislation to reduce taxes I worked to ensure it was as part of a comprehensive balanced budget plan. Unfortunately, this legislation, at a cost of $792 billion over ten years—80% of the projected budget surplus—does not allow for a complete plan to preserve the surplus and a balanced budget.

When this legislation was considered by the House, I proposed an alternative tax relief plan that would have provided $514 billion in tax relief. My proposal would preserve $482 billion of the projected surplus for debt reduction, emergencies and other needs. Unfortunately, the House was not permitted to vote on that alternative. I hope when Congress and the President finish staking out political positions on this issue, we can come together in the fall and reach a comprehensive agreement that provides for solid tax relief and sets aside funds for debt reduction, potential emergencies and a realistic plan to fund defense, education, Medicare and other important priorities over the next ten years.

The size of this tax legislation is the most serious issue. The bill would commit $792 billion of a projected $996 ten-year surplus to tax reduction. It just does not make sense to commit 80% of a surplus we have not yet achieved to one purpose. It leaves very little margin for error. Federal Reserve Chairman Alan Greenspan testified just last week that ten-year economic projections are not reliable. The surplus will grow to $996 billion only if the economy remains strong and if there are no other changes in tax or spending policy. If we spend more or have less revenue, interest payments on the debt will be larger and the surplus will be smaller. If we commit $792 billion to tax reductions, virtually all of the rest of the $996 surplus will be needed to pay higher interest costs on the debt. If we experience an economic downturn, these surpluses could easily turn to deficits. The Congressional Budget Office (CBO) which made these predictions stated that they could vary by as much as $100 billion in any year.

The assumptions necessary for a $792 billion tax cut leave no room for the unplanned, but almost certain expenses like natural disasters and other emergencies. Over the past ten years, emergencies have averaged at least $8 billion per year. It is a fact: hurricanes, floods, droughts and military emergencies happen virtually every year. This year, Congress has already spent $15 billion in emergency funds for Kosovo. Just yesterday, the Senate passed a $7.4 billion emergency disaster relief package for farmers. Delaware and virtually every state in the eastern U.S. is suffering from one of the worse droughts of the century. The billions in emergency aid now in the Senate will almost certainly be followed by the need for more drought assistance.

Those funds will come straight from the surplus. There will be emergencies every year and those likely costs must be factored into our calculations of what size tax cut is possible. Furthermore, while Medicare is currently fundamentally sound, there are growing problems in the area of home health care, HMO's and rural and teaching hospitals. Correcting those problems may require additional funds. Finally, important programs like defense, education, and veterans must be adequately funded. The size of this tax legislation is based on completely unrealistic assumptions that domestic programs can be drastically reduced. Congress is already avoiding those cuts this year. We can and should limit spending, but cuts of 10 percent or more are just not realistic.

My second concern is the need for debt reduction. The federal debt is $5.6 trillion and requires 15 percent of the annual federal budget to service. If we do not take the opportunity to pay down this debt during strong economic times, then when will we? Tax relief is important, but it should be balanced with the need to begin to pay down at least some of the $5.6 trillion federal debt. Committing 80 percent of the projected surplus to tax reductions, simply does not allow enough of the surplus for debt reduction. I was pleased to be involved in the negotiations that produced the amendment to condition the phase-in of the broad-based tax relief provisions on reducing the debt. This "tax cut trigger" is a positive addition to the bill, but it does not go far enough. Billions in tax relief to businesses will go forward regardless of whether we are meeting our debt payment goals. More of the projected surplus should be reserved to pay down the debt. When I talk to people in Delaware, they almost always tell me that should be our top priority because they know everyone benefits from lower interest rates on their own debt, including credit card and mortgage rates. In fact, a 1 percent drop in interest rates saves Americans $200–$250 billion in mortgage costs. That is real middle class financial relief.

We can and should provide tax relief to all taxpayers, but we must balance tax relief with debt reduction, future emergencies, national defense, health care and education and the need to protect against an economic downturn. The tax alternatives proposed by House Democrats and President Clinton are not adequate. We can provide more than $250–$300 billion in tax relief to working Americans without jeopardizing other priorities. Clearly the President must become actively engaged to achieve a true compromise.

I cannot support his legislation today because it does not balance tax relief with the need to reduce the national debt and a realistic cushion for the inevitable emergencies and other budget problems that will occur over the next ten years. When Congress returns in September, I hope we can engage in serious negotiations with the President that utilizes the good proposals for broad-based tax relief in this legislation but at a more affordable level. I look forward to working with all members of Congress and the Administration to ultimately produce legislation to give every American significant tax relief.

Mrs. CAPPS. Mr. Speaker, I rise today in support of common sense tax relief for American families and small businesses. I also rise in support of saving Medicare and Social Security, two programs critical to today's seniors and future generations.

Unfortunately, the tax conference report before us today is fiscally irresponsible. It would threaten our ability to ensure the long term solvency of Medicare and Social Security. It would also restrict our ability to pay down national debt and to make needed investments in national defense, education and environmental protection.

By using virtually the entire projected surplus for permanent tax cuts, this bill would leave no money for modernizing Medicare or reforming Social Security. This is simply unconscionable. Medicare is desperately in need of modernization—specifically, the lack of prescription drug coverage is a gaping hole in this critical safety net for seniors that must be fixed. And while Social Security is fiscally sound for the near future, the coming retirement of the baby boom generation will strain the system beyond its limit. We owe it to future generations to act now to reform these programs while there is still plenty of time to do so.

I strongly support tax relief for middle income families, which this bill unfortunately fails to provide. For example, the across-the-board tax cut in the measure will cost almost $300 billion, but would give someone on the Central Coast making $30,000, a tax cut of only 37 cents per day! That's not even enough to buy a copy of my local newspaper.

The tax plan I voted for earlier this year would have fixed the marriage penalty and ensured middle class families can take full advantage of the various per-child, education and child care tax credits. It would also have increased the per-child tax credit by $250 for families with children under age five.

The bill I supported would have helped families by providing $25 billion in school construction bonds to modernize our overcrowded public schools and make employer-provided assistance tax free for undergraduate and graduate education. This measure would institute a $1,000 long term care credit and make health insurance fully deductible for the self-employed beginning next year. And it would make permanent the R&D tax credit, so critical to ensuring future economic growth on the Central Coast, as well as credits to help move people from welfare to work.

I have also supported cutting the estate tax for our small business owners and family farmers like those on the Central Coast of California who are imperiled by the death of the head of the family. We must increase the exemption for businesses like these above the current $1.3 million. The high value of Central Coast land, for example, can make even a modest sized farm or ranch impossible to pass down without being subject to high estate taxes that can force the sale of the property. By increasing this exemption, we would keep family farms and businesses in the family and off the auction block.

Finally, Mr. Speaker, I would like to express my profound disappointment in the partisan handling of this tax bill. I believe there is general agreement among the vast majority of Members that we can and should provide tax relief this year. But the House leadership has pursued a partisan course designed to make political points and not to pass meaningful legislation. How sad it was that Democratic members were literally locked out of the conference committee that wrote this legislation.

The leadership knows this bill will not become law. By seriously sitting down and negotiating a common sense tax bill we could easily pass legislation this year and give families and businesses the tax relief they deserve. I hope that we can put the partisanship aside and work together on formulating real tax reform this year. Our constituents deserve nothing less.

Mr. CRANE. Mr. Speaker, I rise in support of the Conference Report of H.R. 2488, the Taxpayer Refund and Relief Act of 1999.

I'd like to commend our Ways and Means Committee Chairman BILL ARCHER and our Majority Leader DICK ARMEY for their leadership, not to mention the wise counsel of Speaker HASTERT, who crafted this tax relief package for all Americans. I was honored to be named a conferee for the Taxpayer Refund and Relief Act and am proud of the product of labors.

Mr. Speaker, during my long service in this body, I have had too few opportunities to cut taxes for the American people. I had to wait 12 years, until 1981, for the first major tax cut provided by the leadership of President Reagan. It was another 16 years, in 1997, before I could vote for another major tax cut. However, this Taxpayer Refund and Relief Act of 1999 is far and away my favorite. Not only is it the largest, providing $792 billion in tax relief, but it does so from budget surpluses provided by taxpayers. In effect, we're giving taxpayers a refund for overtaxing them. At the same time, we will be using the remaining surplus to pay down the national debt—as much as $2 trillion over the next decade—as we lock away $1.9 trillion to preserve and protect Social Security and Medicare.

However, talking about all those numbers is the stuff of Washington policy works. Let me tell the American people what this tax cut means for them.

Our Republican tax plan will give all taxpayers a cut in their income tax rates. In addition, 28 million working married couples will see a substantial reduction in their marriage penalty. Our bill also repeals the alternative minimum tax on individuals that will save taxpayers money while simplifying their tax returns. This provision is similar to legislation I introduced in this Congress to abolish the alternative minimum tax.

For farmers, small business owners and older Americans, our bill will reduce, then abolish, the estate tax over the next 10 years. This confiscatory tax, with rates as high as 55 percent, has forced families to sell the fruits of a lifetime of labor to pay the taxman instead of passing it on to the next generation.

The growth of the capital markets has given investors from all walks of life an opportunity to invest and save for the future. To further spur growth in these investments, H.R. 2488 will reduce tax rates on capital gains from 20 percent to 18 percent and from the lower rate of 10 percent to 8 percent. In the future, capital gains will be indexed so that investors won't be paying taxes on artificial gains from inflation. I am also pleased that my provision to cut capital gains taxes on the settlement funds which pay beneficiaries of class action lawsuits was included in the final package.

To further assist Americans saving for retirement, H.R. 2488 also includes $35 billion in incentives for saving with individual retirement accounts, or IRAs. Savers will be able to contribute much more—up to $5,000—to their IRA accounts. Also included among these incentives is my provision to allow IRA holders to rollover their funds to needy charities.

This bill has more good tax policy than I have time to mention. I do, however, want to say how pleased I am that my provisions to simplify the tax returns of affiliated groups of life insurance companies and another to encourage more foreign investment in U.S. mutual funds were also included in the final product.

I urge all my colleagues to support this tax relief package so that we may start to return the tax overcharge to the American taxpayers. Furthermore, I hope the President will not stand in the way of needed tax relief by vetoing this measure.

Mr. STARK. Mr. Speaker, I rise in opposition to the conference report on HR 2488.

Let me just highlight a few of this bill's flaws:

The Republican tax bill would spend $792 billion over the next 10 years out of a budget surplus that will never occur. This tax cut is based on a false premise: without enacting spending cuts, the surplus simply won't occur.

By spending what we don't really have on tax cuts, this bill raids the Social Security surplus and endangers Medicare. It pulls a fast one today's workers who's payroll dollars are creating the surplus that exists today.

The bill is a hoax even on those it portends to help. The individual tax rate cuts are dependent on no increase in national debt from now until 2009. One slight increase in interest rates is all that it takes for the national debt to increase. When was the last time interest rates did not increase over a ten year period?

This bill is a huge hoax because it claims to phase in all sorts of tax relief but all the tax changes end on October 1, 2009 as sure as Cinderella's coach turned back into a pumpkin.

For example, the estate tax repeal is not fully phased in until January, 2009. By October 1, 2009, the tax law reverts back to today's rates and provisions. What kind of incentive does a nine month tax-free window for estates create for families?

The Republican tax bill expands retirement savings incentives at the expense of average workers. How many working couples can afford to increase their IRA contributions from $2,000 to $5,000 per spouse? The Republican bill does nothing to help those who barely make enough to fund IRAs at current contribution levels. Rather than helpng lower and moderate income taxpayers to save, this bill helps those who have already made the maximum contribution under current IRAs and 401(k) plans save even more.

Worse than just helping those in the upper brackets, this bill harms lower-wage workers depending on pensions. The Republican tax bill guts the "top heavy" rules enacted to assure that tax-favored pensions would be available to all workers and not skewed to help mainly those at the top. The "top heavy" rules are gutted just as the contribution amounts and benefits are increased. This bill does not bolster pension security; it increases pension insecurity for rank and file workers.

There is a gesture to assist with health expenses but this, too, is flawed. The prescription drug benefit is what the Republicans call a "place holder", not a real benefit for real people who today are making hard choices about whether to fill their prescriptions or to buy food and pay their rent and utilities. Our seniors need prescription drug help now, not a promise to deal with drug costs in some undefined way at some later time.

The Republican bill is flawed in the ways it throws money at special interests. Business tax breaks, unlike the rate reduction for individuals, will be in effect no matter how high the national debt soars.

The Republican tax bill throws $24 billion in tax breaks at the multinational corporations. These are the same folks who move American jobs overseas.

It throws about $650 million at the oil and gas industry which has a hand out in hard times but never gives credit due consumers in good times.

There is even a tax break to produce power from chicken droppings, a real turkey of a provision if there ever was one.

Timber growers get over $275 in taxpayer assistance for reforestation, something timber growers already do.

Life insurance cmpanies get a billion dollar tax break which allows them to file consolidated returns with their affiliates to shelter income from tax.

Another billion goes to nuclear power plant stockholders with the taxpayers picking up the tab for the decommissioning costs.

The Republican tax bill spends close to $4 billion on raising business meal deductions but average workers won't be at the table for that perk. They don't get to take clients out for steak and martinis.

The Republican sponsors boast that their bill returns money to American families but they don't even do that in a fair way. Sixty percent of the taxpayers in the middle income quintile (annual income of $23,800 to $38,200) would receive an average tax cut of $278 a year, less than 8% of the total money to be given back to families.

Compare that to the best off one percent of taxpayers—those making more than $301,000—who would get an average tax reduction of more than $46,000 a year under the Republican bill.

The bill does nothing to shore up Social Security or Medicare. It precludes paying down the debt with any surplus that occurs.

Although the Republicans have the votes to pass this turkey of a bill, they won't have my support for it. I will vote NO on HR 2488.

Ms. LEE. Mr. Speaker, I vehemently oppose this Republican tax bill to give money to the richest from a phantom surplus. Our surplus comes from Social Security funds and cuts in essential programs in housing, community oriented policing, legal services, anti-discrimination, research, environmental protection, and a host of other programs essential to America's families.

Let's look at the facts.

Sixty percent of tax payers of middle income and below would receive less than 8% of the total tax cuts. Their average tax reduction would be only $138 a year.

The top ⅒th of taxpayers would receive 69% of the tax reductions and get an average annual tax cut of $7,600.

Those making more than $300,000—would get an average annual tax reduction of more than $46,000 a year.

Let's look at the other 85% of our people. Personal savings are at an all-time low and ⅓ of the people have no assets at all.

Another 20% have negligible assets. Almost half of all American children live in households with no financial assets. More than 10 million Americans don't even have a bank account.

We are leaving too many behind. The rich have indicated they don't need the tax cut. Thank goodness they want a society with excellent schools, a skilled and healthy labor force, safe towns, all the things that the rest of us want.

The Republican tax bill for the rich who don't want it is an awful bill and will be rejected by the people.

Mr. SHOWS. Mr. Speaker, I favor cutting taxes. We all do.

But the Republican tax bill offers pie-in-the-sky, campaign promises that will give most Americans nothing but pocket change.

By failing to attack the $6 trillion national debt, Republicans will give all Americans higher interest rates and higher prices for everything they buy, every day, for years to come.

We need a coherent fiscal policy, not feel-good election year across-the-board tax cuts. We can reduce taxes, but we need reasonable tax cuts and incentives that really help working families and small businesses. Cutting capital gains and estate taxes, and the marriage penalty, are a good start.

But we should not squander this opportunity to put our fiscal house in order. We should use budget surpluses to pay off the debt as soon as we can.

But the Republicans are merely leading us down a road we have already traveled—a road that leads to greater deficits, higher interest rates, and a higher cost of living for every American.

Mr. Speaker, we need to do the right thing, and we have the resources to do it. Save Social Security and Medicare, reduce the national debt, and apply tax reductions where they will do the most good.

Mr. VENTO. Mr. Speaker, I rise in opposition to H.R. 2488, the Republican tax bill. This legislation reminds me of the favorite books of my youth. I enjoyed reading the Hardy Boys series which always dealt with some mystery, usually the disappearance of something. This legislation would be a classic Hardy boys case—they would call it "The Case of the Disappearing Tax Cut."

The story would unfold with the Republican Leadership going around the country touting the major tax break for working families and how families would be able to take this tax break and meet all of their needs. And lo and behold, come next year when families were actually filing their taxes, that tax break would be gone. It would have vanished into thin air. At that point, Speaker HASTERT and Majority Leader DELAY would call in the Hardy Brothers to find out what happened to the tax breaks that they had promised.

Mr. Speaker, it won't take the Hardy Boys to solve this mystery. There will be no generous tax break in 2000 because it was never there. Under this legislation, families with an income of $30,000 will receive an average $278 tax cut—that's a cut of 76 cents a day when the bill is fully phased in. There's not a lot that can be done with that windfall.

As with every Republican tax bill, this legislation overflows with tax breaks heavily skewed towards special interests and the very rich while giving working families minimal assistance with maximum braggadocios. While working families will take home less than $300, families earning more than $301,000 will get an annual $46,389 bonus from uncle Sam. That is $127 in new tax breaks per day and it is more than most of my constituents earn.

On top of that imbalance, this legislation provides all sorts of goodies for the special interests. The GOP tax bill phases out the corporate minimum tax, gives special tax breaks to utilities to close nuclear power plants and special tax treatment for multinational giants. Who knows what other goodies are tucked away in this package? Certainly not the House Action Reports upon which many of us rely. The GOP Leadership and their staff gave them less than $650 billion of the $792 billion in ten year tax breaks. Well what's $150 billion in tax breaks between friends: "Don't worry, be happy." These facts won't come out until this package has been forced through the House.

In their rush to reward their friends, the Republican majority refuses to set aside even one dollar of the on-budget surplus to extend the solvency of the Medicare Trust Fund or the Social Security Trust Fund. Over $4,100 a month in new tax breaks for taxpayers earning more than $301,000 but not a penny for resolving the Medicare and Social Security programs. Mr. Chairman, it is time for a reality check. The problem in this issue is not ideology. We would all like a tax cut. The problem is basic arithmetic. This GOP tax bill doesn't add up.

Frankly, this fiscal tax expenditure scheme, which is based on speculative projects, risks undercutting the solid economic growth of the U.S. and the global economy. This scheme threatens to blow a hole in the budget, stacking up dollar after dollar in deficit red ink with no chance to pay down the U.S. $5.6 trillion debt, while starving the defense and domestic program to death with commitments significantly less than in 1999. Ironically, we cannot even meet the needs today and this tax scheme assumes more cuts over the next ten years. This action and projection assumes no emergency spending, no military needs, no natural disasters, no new investment in families and places the U.S. economy in a straight jacket. At its best, this measure is irresponsible, unneeded, unfair, unworkable and represents bad judgement and politics at its worst.

Yesterday, the House voted to fund the 2000 Census categorized as a $4.5 billion emergency and the Senate added $7.4 billion as an agricultural emergency. The way this Congress is moving on emergencies there will be no budget surplus in FY 2000.

I believe that it is possible for Congress to get real and approve a targeted tax cut that will benefit working families. But first let us get the fiscal house in order and secure Social Security and Medicare, pay down the $5.4 trillion debt and then move to enact a fair working family tax cut. Such a tax cut could include fairness in the marriage penalty and incentives to help families to help themselves. Such a tax cut should be based on real economic projections and not be viewed through the rose colored glasses that the Republicans wear. Above all else, these tax cuts should not be achieved at the expense of Social Security and Medicare.

When the Members vote for this measure they ought to use their "charge cards" because they are voting for new deficits. They want to go back to the pre-Clinton 1993 budget when our nation faced $200 billion to $300 billion deficits each year as far as the eye could see. This "charge it" policy is not for me nor is it for the American people who lived through 20 years of the Reagan inspired instant gratification philosophy. It is time to put away the credit card and reject this irresponsible, unfair politically inspired tax and fiscal mess.

Mr. Speaker, let's write a new ending to "The Case of the Disappearing Tax Cut." Let's work together on a bipartisan tax bill that does not jeopardize Social Security and Medicare; that does not sentence us to new deficits; that does provide real tax relief for working families and does simplify the current tax code.

Mr. MARKEY. Mr. Speaker, I rise in opposition to the Republican Tax Bill.

As I read through the Republicans' Tax Bill, I am reminded of the prayer in Saint

Augustine's Confessions, in which he asked God to "Give me chastity and continence, but not just now."

The Republican Leaders in Washington want to genuflect on the alter of fiscal responsibility.

But when it comes down to using the surplus to strengthen education, preserve Medicare and give seniors a prescription drug benefit, and pay down the debt, they say: "Give us chastity and continence, but not just now."

And with this bill, we are seeing the GOP embarking on a budget-busting bender.

The top 10 percent of the taxpayers will get 48 percent of the total benefits. The middle class tax breaks are phased in slowly, and may not happen at all depending on the strength of the economy. In contrast, the special-interest corporate tax breaks and estate tax repeal are automatic.

This isn't tax relief. It's deficit debauchery. This bill will squander the surplus on tax breaks for the rich, do nothing for Social Security, nothing for Medicare, and nothing on a prescription drug benefit. And at the same time, it will threaten to send us back to the days of deficits.

The SPEAKER pro tempore (Mr. KOLBE). All time for debate on the conference report has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer a motion to recommit this bill to the conference, hoping that Democrats this time might be included so we can clean up this bill.

The SPEAKER pro tempore. Is the gentleman from New York (Mr. RANGEL) opposed to the conference report?

Mr. RANGEL. Yes, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. RANGEL moves to recommit the conference report on the bill, H.R. 2488, to the committee on conference with the following instructions to the managers on the part of the House.
>
> 1. In order—
>
> A. to preserve 100 percent of the Social Security Trust Fund surpluses for the Social Security program and to preserve 50 percent of the currently projected non-Social Security surpluses for purposes of reducing the publicly held national debt, and
>
> B. to insure that there will be adequate budgetary resources available to extend the solvency of the Social Security and Medicare systems, and to provide a Medicare prescription drug benefit,
>
> the House managers shall, to the extent permitted within the scope of conference, insist on limiting the net 10-year tax reduction provided in the conference report to not more than 25 percent of the currently projected non-Social Security surpluses (or if greater, the smallest tax reduction permitted within the scope of conference).
>
> 2. The House managers shall, to the extent permitted within the scope of conference, insist on not including in the conference report any provision which would constitute a limited tax benefit within the meaning of the Line Item Veto Act.

The SPEAKER pro tempore. The motion to recommit is not debatable.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the conference report.

The vote was taken by electronic device, and there were—yeas 205, nays 221, not voting 8, as follows:

[Roll No. 378]

YEAS—205

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NAYS—221

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—8

Bilbray
Ganske
Lantos
Largent
McDermott
Mollohan
Peterson (PA)
Reyes

☐ 1336

Mr. HALL of Texas changed his vote from "yea" to "nay."

Messrs. ANDREWS, CONYERS, RAHALL and PAYNE changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. KOLBE). The question is on the conference report.

Pursuant to House Resolution 274, the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 221, nays 206, not voting 7, as follows:

[Roll No. 379]

YEAS—221

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—206

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Ganske
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Quinn
Rahall
Rangel
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—7

Bilbray
Gutierrez
Lantos
McDermott
Mollohan
Peterson (PA)
Reyes

☐ 1347

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 507, WATER RESOURCES DEVELOPMENT ACT OF 1999

Mr. SHUSTER submitted the following conference report and statement on the Senate bill (S. 507) to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes:

CONFERENCE REPORT (H. REPT. 298)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 507), to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Water Resources Development Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—WATER RESOURCES PROJECTS

Sec. 101. Project authorizations.
Sec. 102. Small flood control projects.
Sec. 103. Small bank stabilization projects.
Sec. 104. Small navigation projects.
Sec. 105. Small projects for improvement of the quality of the environment.
Sec. 106. Small aquatic ecosystem restoration projects.

TITLE II—GENERAL PROVISIONS

Sec. 201. Small flood control authority.
Sec. 202. Use of non-Federal funds for compiling and disseminating information on floods and flood damage.
Sec. 203. Contributions by States and political subdivisions.
Sec. 204. Sediment decontamination technology.
Sec. 205. Control of aquatic plants.
Sec. 206. Use of continuing contracts for construction of certain projects.
Sec. 207. Water resources development studies for the Pacific region.
Sec. 208. Everglades and south Florida ecosystem restoration.
Sec. 209. Beneficial uses of dredged material.
Sec. 210. Aquatic ecosystem restoration.
Sec. 211. Watershed management, restoration, and development.
Sec. 212. Flood mitigation and riverine restoration program.
Sec. 213. Shore management program.
Sec. 214. Shore damage prevention or mitigation.
Sec. 215. Shore protection.

Sec. 216. Flood prevention coordination.
Sec. 217. Disposal of dredged material on beaches.
Sec. 218. Annual passes for recreation.
Sec. 219. Nonstructural flood control projects.
Sec. 220. Lakes program.
Sec. 221. Enhancement of fish and wildlife resources.
Sec. 222. Purchase of American-made equipment and products.
Sec. 223. Construction of flood control projects by non-Federal interests.
Sec. 224. Environmental dredging.
Sec. 225. Recreation user fees.
Sec. 226. Small storm damage reduction projects.
Sec. 227. Use of private enterprises.

TITLE III—PROJECT-RELATED PROVISIONS

Sec. 301. Tennessee-Tombigbee Waterway wildlife mitigation, Alabama and Mississippi.
Sec. 302. Ouzinkie Harbor, Alaska.
Sec. 303. St. Paul Harbor, St. Paul, Alaska.
Sec. 304. Loggy Bayou, Red River below Denison Dam, Arkansas, Louisiana, Oklahoma, and Texas.
Sec. 305. Sacramento River, Glenn-Colusa, California.
Sec. 306. San Lorenzo River, California.
Sec. 307. Terminus Dam, Kaweah River, California.
Sec. 308. Delaware River mainstem and channel deepening, Delaware, New Jersey, and Pennsylvania.
Sec. 309. Potomac River, Washington, District of Columbia.
Sec. 310. Brevard County, Florida.
Sec. 311. Broward County and Hillsboro Inlet, Florida.
Sec. 312. Lee County, Captiva Island segment, Florida, periodic beach nourishment.
Sec. 313. Fort Pierce, Florida.
Sec. 314. Nassau County, Florida.
Sec. 315. Miami Harbor channel, Florida.
Sec. 316. St. Augustine, St. Johns County, Florida.
Sec. 317. Milo Creek, Idaho.
Sec. 318. Lake Michigan, Illinois.
Sec. 319. Springfield, Illinois.
Sec. 320. Ogden Dunes, Indiana.
Sec. 321. Saint Joseph River, South Bend, Indiana.
Sec. 322. White River, Indiana.
Sec. 323. Dubuque, Iowa.
Sec. 324. Lake Pontchartrain, Louisiana.
Sec. 325. Larose to Golden Meadow, Louisiana.
Sec. 326. Louisiana State Penitentiary Levee, Louisiana.
Sec. 327. Twelve-Mile Bayou, Caddo Parish, Louisiana.
Sec. 328. West bank of the Mississippi River (east of Harvey Canal), Louisiana.
Sec. 329. Tolchester Channel S-Turn, Baltimore, Maryland.
Sec. 330. Sault Sainte Marie, Chippewa County, Michigan.
Sec. 331. Jackson County, Mississippi.
Sec. 332. Bois Brule Drainage and Levee District, Missouri.
Sec. 333. Meramec River basin, Valley Park Levee, Missouri.
Sec. 334. Missouri River mitigation project, Missouri, Kansas, Iowa, and Nebraska.
Sec. 335. Wood River, Grand Island, Nebraska.
Sec. 336. Absecon Island, New Jersey.
Sec. 337. New York Harbor and adjacent channels, Port Jersey, New Jersey.
Sec. 338. Arthur Kill, New York and New Jersey.
Sec. 339. Kill Van Kull and Newark Bay channels, New York and New Jersey.
Sec. 340. New York City watershed.
Sec. 341. New York State canal system.
Sec. 342. Fire Island Inlet to Montauk Point, New York.
Sec. 343. Broken Bow Lake, Red River basin, Oklahoma.
Sec. 344. Willamette River temperature control, McKenzie Subbasin, Oregon.
Sec. 345. Curwensville Lake, Pennsylvania.
Sec. 346. Delaware River, Pennsylvania and Delaware.
Sec. 347. Mussers Dam, Pennsylvania.
Sec. 348. Philadelphia, Pennsylvania.
Sec. 349. Nine Mile Run, Allegheny County, Pennsylvania.
Sec. 350. Raystown Lake, Pennsylvania.
Sec. 351. South Central Pennsylvania.
Sec. 352. Fox Point hurricane barrier, Providence, Rhode Island.
Sec. 353. Cooper River, Charleston Harbor, South Carolina.
Sec. 354. Clear Creek, Texas.
Sec. 355. Cypress Creek, Texas.
Sec. 356. Dallas floodway extension, Dallas, Texas.
Sec. 357. Upper Jordan River, Utah.
Sec. 358. Elizabeth River, Chesapeake, Virginia.
Sec. 359. Columbia River channel, Washington and Oregon.
Sec. 360. Greenbrier River basin, West Virginia.
Sec. 361. Bluestone Lake, Ohio River basin, West Virginia.
Sec. 362. Moorefield, West Virginia.
Sec. 363. West Virginia and Pennsylvania flood control.
Sec. 364. Project reauthorizations.
Sec. 365. Project deauthorizations.
Sec. 366. American and Sacramento Rivers, California.
Sec. 367. Martin, Kentucky.
Sec. 368. Southern West Virginia pilot program.
Sec. 369. Black Warrior and Tombigbee Rivers, Jackson, Alabama.
Sec. 370. Tropicana Wash and Flamingo Wash, Nevada.
Sec. 371. Comite River, Louisiana.
Sec. 372. St. Marys River, Michigan.
Sec. 373. Charlevoix, Michigan.
Sec. 374. White River basin, Arkansas and Missouri.
Sec. 375. Waurika Lake, Oklahoma, water conveyance facilities.

TITLE IV—STUDIES

Sec. 401. Deep draft harbor cost sharing.
Sec. 402. Boydsville, Arkansas.
Sec. 403. Greers Ferry Lake, Arkansas.
Sec. 404. Del Norte County, California.
Sec. 405. Frazier Creek, Tulare County, California.
Sec. 406. Mare Island Strait, California.
Sec. 407. Strawberry Creek, Berkeley, California.
Sec. 408. Sweetwater Reservoir, San Diego County, California.
Sec. 409. Whitewater River basin, California.
Sec. 410. Destin-Noriega Point, Florida.
Sec. 411. Little Econlackhatchee River basin, Florida.
Sec. 412. Port Everglades, Broward County, Florida.
Sec. 413. Lake Allatoona, Etowah River, and Little River watershed, Georgia.
Sec. 414. Boise, Idaho.
Sec. 415. Goose Creek watershed, Oakley, Idaho.
Sec. 416. Little Wood River, Gooding, Idaho.
Sec. 417. Snake River, Lewiston, Idaho.
Sec. 418. Snake River and Payette River, Idaho.
Sec. 419. Upper Des Plaines River and tributaries, Illinois and Wisconsin.
Sec. 420. Cameron Parish west of Calcasieu River, Louisiana.
Sec. 421. Coastal Louisiana.
Sec. 422. Grand Isle and vicinity, Louisiana.
Sec. 423. Gulf Intracoastal Waterway ecosystem, Chef Menteur to Sabine River, Louisiana.
Sec. 424. Muddy River, Brookline and Boston, Massachusetts.
Sec. 425. Westport, Massachusetts.
Sec. 426. St. Clair River and Lake St. Clair, Michigan.
Sec. 427. St. Clair Shores, Michigan.
Sec. 428. Woodtick Peninsula, Michigan, and Toledo Harbor, Ohio.
Sec. 429. Pascagoula Harbor, Mississippi.
Sec. 430. Tunica Lake weir, Mississippi.
Sec. 431. Yellowstone River, Montana.
Sec. 432. Las Vegas Valley, Nevada.
Sec. 433. Southwest Valley, Albuquerque, New Mexico.
Sec. 434. Cayuga Creek, New York.
Sec. 435. Lake Champlain, New York and Vermont.
Sec. 436. Oswego River basin, New York.
Sec. 437. White Oak River, North Carolina.
Sec. 438. Arcola Creek watershed, Madison, Ohio.
Sec. 439. Cleveland harbor, Cleveland, Ohio.
Sec. 440. Toussaint River, Carroll Township, Ohio.
Sec. 441. Western Lake Erie basin, Ohio, Indiana, and Michigan.
Sec. 442. Schuylkill River, Norristown, Pennsylvania.
Sec. 443. South Carolina coastal areas.
Sec. 444. Santee Delta focus area, South Carolina.
Sec. 445. Waccamaw River, South Carolina.
Sec. 446. Day County, South Dakota.
Sec. 447. Niobrara River and Missouri River, South Dakota.
Sec. 448. Corpus Christi, Texas.
Sec. 449. Mitchell's Cut Channel (Caney Fork Cut), Texas.
Sec. 450. Mouth of Colorado River, Texas.
Sec. 451. Santa Clara River, Utah.
Sec. 452. Mount St. Helens, Washington.
Sec. 453. Kanawha River, Fayette County, West Virginia.
Sec. 454. West Virginia ports.
Sec. 455. John Glenn Great Lakes basin program.
Sec. 456. Great Lakes navigational system.
Sec. 457. Nutrient loading resulting from dredged material disposal.
Sec. 458. Upper Mississippi and Illinois Rivers levees and streambanks protection.
Sec. 459. Upper Mississippi River comprehensive plan.
Sec. 460. Susquehanna River and Upper Chesapeake Bay.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Corps assumption of NRCS projects.
Sec. 502. Environmental infrastructure.
Sec. 503. Contaminated sediment dredging technology.
Sec. 504. Dam safety.
Sec. 505. Great Lakes remedial action plans.
Sec. 506. Projects for improvement of the environment.
Sec. 507. Maintenance of navigation channels.
Sec. 508. Measurements of Lake Michigan diversions, Illinois.
Sec. 509. Upper Mississippi River environmental management program.
Sec. 510. Atlantic Coast of New York.
Sec. 511. Water control management.
Sec. 512. Beneficial use of dredged material.
Sec. 513. Design and construction assistance.
Sec. 514. Missouri and Middle Mississippi Rivers enhancement project.
Sec. 515. Irrigation diversion protection and fisheries enhancement assistance.
Sec. 516. Innovative technologies for watershed restoration.
Sec. 517. Expedited consideration of certain projects.

Sec. 518. Dog River, Alabama.
Sec. 519. Levees in Elba and Geneva, Alabama.
Sec. 520. Navajo Reservation, Arizona, New Mexico, and Utah.
Sec. 521. Beaver Lake, Arkansas, water supply storage reallocation.
Sec. 522. Beaver Lake trout production facility, Arkansas.
Sec. 523. Chino dairy preserve, California.
Sec. 524. Orange and San Diego Counties, California.
Sec. 525. Rush Creek, Novato, California.
Sec. 526. Santa Cruz Harbor, California.
Sec. 527. Lower St. Johns River Basin, Florida.
Sec. 528. Mayo's Bar Lock and Dam, Coosa River, Rome, Georgia.
Sec. 529. Comprehensive flood impact response modeling system, Coralville Reservoir and Iowa River watershed, Iowa.
Sec. 530. Additional construction assistance in Illinois.
Sec. 531. Kanopolis Lake, Kansas.
Sec. 532. Southern and Eastern Kentucky.
Sec. 533. Southeast Louisiana.
Sec. 534. Snug Harbor, Maryland.
Sec. 535. Welch Point, Elk River, Cecil County, and Chesapeake City, Maryland.
Sec. 536. Cape Cod Canal Railroad Bridge, Buzzards Bay, Massachusetts.
Sec. 537. St. Louis, Missouri.
Sec. 538. Beaver branch of Big Timber Creek, New Jersey.
Sec. 539. Lake Ontario and St. Lawrence River water levels, New York.
Sec. 540. New York-New Jersey Harbor, New York and New Jersey.
Sec. 541. Sea Gate Reach, Coney Island, New York, New York.
Sec. 542. Woodlawn, New York.
Sec. 543. Floodplain mapping, New York.
Sec. 544. Toussaint River, Carroll Township, Ottawa County, Ohio.
Sec. 545. Sardis Reservoir, Oklahoma.
Sec. 546. Skinner Butte Park, Eugene, Oregon.
Sec. 547. Willamette River Basin, Oregon.
Sec. 548. Bradford and Sullivan Counties, Pennsylvania.
Sec. 549. Erie Harbor, Pennsylvania.
Sec. 550. Point Marion Lock and Dam, Pennsylvania.
Sec. 551. Seven Points' Harbor, Pennsylvania.
Sec. 552. Southeastern Pennsylvania.
Sec. 553. Upper Susquehanna-Lackawanna, Pennsylvania, watershed management and restoration study.
Sec. 554. Aguadilla Harbor, Puerto Rico.
Sec. 555. Oahe Dam to Lake Sharpe, South Dakota, study.
Sec. 556. North Padre Island storm damage reduction and environmental restoration project.
Sec. 557. Northern West Virginia.
Sec. 558. Mississippi River Commission.
Sec. 559. Coastal aquatic habitat management.
Sec. 560. Abandoned and inactive noncoal mine restoration.
Sec. 561. Beneficial use of waste tire rubber.
Sec. 562. Site designation.
Sec. 563. Land conveyances.
Sec. 564. McNary Pool, Washington.
Sec. 565. Namings.
Sec. 566. Folsom Dam and Reservoir additional storage and additional flood control studies.
Sec. 567. Wallops Island, Virginia.
Sec. 568. Detroit River, Michigan.
Sec. 569. Northeastern Minnesota.
Sec. 570. Alaska.
Sec. 571. Central West Virginia.
Sec. 572. Sacramento Metropolitan Area watershed restoration, California.
Sec. 573. Onondaga Lake, New York.
Sec. 574. East Lynn Lake, West Virginia.
Sec. 575. Eel River, California.
Sec. 576. North Little Rock, Arkansas.
Sec. 577. Upper Mississippi River, Mississippi Place, St. Paul, Minnesota.
Sec. 578. Dredging of salt ponds in the State of Rhode Island.
Sec. 579. Upper Susquehanna River basin, Pennsylvania and New York.
Sec. 580. Cumberland, Maryland, flood project mitigation.
Sec. 581. City of Miami Beach, Florida.
Sec. 582. Research and development program for Columbia and Snake Rivers salmon survival.
Sec. 583. Larkspur Ferry Channel, California.
Sec. 584. Holes Creek flood control project, Ohio.
Sec. 585. San Jacinto disposal area, Galveston, Texas.
Sec. 586. Water monitoring station.
Sec. 587. Overflow management facility, Rhode Island.
Sec. 588. Lower Chena River, Alaska.
Sec. 589. Numana Dam Fish passage, Nevada.
Sec. 590. Embrey Dam, Virginia.
Sec. 591. Environmental remediation, Front Royal, Virginia.
Sec. 592. Mississippi.
Sec. 593. Central New Mexico.
Sec. 594. Ohio.
Sec. 595. Rural Nevada and Montana.
Sec. 596. Phoenix, Arizona.
Sec. 597. National Harbor, Maryland.

TITLE VI—CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION

Sec. 601. Definitions.
Sec. 602. Terrestrial wildlife habitat restoration.
Sec. 603. South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund.
Sec. 604. Cheyenne River Sioux Tribe and Lower Brule Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Funds.
Sec. 605. Transfer of Federal land to State of South Dakota.
Sec. 606. Transfer of Corps of Engineers land for Indian tribes.
Sec. 607. Administration.
Sec. 608. Study.
Sec. 609. Authorization of appropriations.

TITLE I—WATER RESOURCES PROJECTS

SEC. 101. PROJECT AUTHORIZATIONS.

(a) PROJECTS WITH CHIEF'S REPORTS.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the respective reports designated in this subsection:

(1) NOME HARBOR IMPROVEMENTS, ALASKA.—The project for navigation, Nome Harbor improvements, Alaska: Report of the Chief of Engineers dated June 8, 1999, as amended by the Chief of Engineers on August 2, 1999, at a total cost of $25,651,000, with an estimated Federal cost of $20,192,000 and an estimated non-Federal cost of $5,459,000.

(2) SAND POINT HARBOR, ALASKA.—The project for navigation, Sand Point Harbor, Alaska: Report of the Chief of Engineers dated October 13, 1998, at a total cost of $11,760,000, with an estimated Federal cost of $6,964,000 and an estimated non-Federal cost of $4,796,000.

(3) SEWARD HARBOR, ALASKA.—The project for navigation, Seward Harbor, Alaska: Report of the Chief of Engineers dated June 8, 1999, at a total cost of $12,240,000, with an estimated Federal cost of $4,089,000 and an estimated non-Federal cost of $8,151,000.

(4) RIO SALADO (SALT RIVER), PHOENIX AND TEMPE, ARIZONA.—The project for flood control and environmental restoration, Rio Salado (Salt River), Phoenix and Tempe, Arizona: Report of the Chief of Engineers dated August 20, 1998, at a total cost of $88,048,000, with an estimated Federal cost of $56,355,000 and an estimated non-Federal cost of $31,693,000.

(5) TUCSON DRAINAGE AREA, ARIZONA.—The project for flood damage reduction, environmental restoration, and recreation, Tucson drainage area, Arizona: Report of the Chief of Engineers dated May 20, 1998, at a total cost of $29,900,000, with an estimated Federal cost of $16,768,000 and an estimated non-Federal cost of $13,132,000.

(6) AMERICAN AND SACRAMENTO RIVERS, CALIFORNIA.—

(A) IN GENERAL.—The Folsom Dam Modification portion of the Folsom Modification Plan described in the United States Army Corps of Engineers Supplemental Information Report for the American River Watershed Project, California, dated March 1996, as modified by the report entitled "Folsom Dam Modification Report, New Outlets Plan," dated March 1998, prepared by the Sacramento Area Flood Control Agency, at an estimated cost of $150,000,000, with an estimated Federal cost of $97,500,000 and an estimated non-Federal cost of $52,500,000. The Secretary shall coordinate with the Secretary of the Interior with respect to the design and construction of modifications at Folsom Dam authorized by this paragraph.

(B) REOPERATION MEASURES.—Upon completion of the improvements to Folsom Dam authorized by subparagraph (A), the variable space allocated to flood control within the Reservoir shall be reduced from the current operating range of 400,000-670,000 acre-feet to 400,000-600,000 acre-feet.

(C) MAKEUP OF WATER SHORTAGES CAUSED BY FLOOD CONTROL OPERATION.—The Secretary of the Interior shall enter into, or modify, such agreements with the Sacramento Area Flood Control Agency regarding the operation of Folsom Dam and reservoir as may be necessary in order that, notwithstanding any prior agreement or provision of law, 100 percent of the water needed to make up for any water shortage caused by variable flood control operation during any year at Folsom Dam and resulting in a significant impact on recreation at Folsom Reservoir shall be replaced, to the extent the water is available for purchase, by the Secretary of the Interior.

(D) SIGNIFICANT IMPACT ON RECREATION.—For the purposes of this paragraph, a significant impact on recreation is defined as any impact that results in a lake elevation at Folsom Reservoir below 435 feet above sea level starting on May 15 and ending on September 15 of any given year.

(E) UPDATED FLOOD MANAGEMENT PLAN.—The Secretary, in cooperation with the Secretary of the Interior, shall update the flood management plan for Folsom Dam authorized by section 9159(f)(2) of the Department of Defense Appropriations Act, 1993 (106 Stat. 1946), to reflect the operational capabilities created by the modification authorized by subparagraph (A) and improved weather forecasts based on the Advanced Hydrologic Prediction System of the National Weather Service.

(7) OAKLAND HARBOR, CALIFORNIA.—The project for navigation, Oakland Harbor, California: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $252,290,000, with an estimated Federal cost of $128,081,000 and an estimated non-Federal cost of $124,209,000.

(8) SOUTH SACRAMENTO COUNTY STREAMS, CALIFORNIA.—The project for flood control, environmental restoration and recreation, South Sacramento County streams, California: Report of the Chief of Engineers dated October 6, 1998, at a total cost of $65,500,000, with an estimated

Federal cost of $41,200,000 and an estimated non-Federal cost of $24,300,000.

(9) UPPER GUADALUPE RIVER, CALIFORNIA.—Construction of the locally preferred plan for flood damage reduction and recreation, Upper Guadalupe River, California, described as the Bypass Channel Plan of the Chief of Engineers dated August 19, 1998, at a total cost of $140,328,000, with an estimated Federal cost of $44,000,000 and an estimated non-Federal cost of $96,328,000.

(10) YUBA RIVER BASIN, CALIFORNIA.—The project for flood damage reduction, Yuba River Basin, California: Report of the Chief of Engineers dated November 25, 1998, at a total cost of $26,600,000, with an estimated Federal cost of $17,350,000 and an estimated non-Federal cost of $9,250,000.

(11) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-BROADKILL BEACH, DELAWARE.—The project for hurricane and storm damage reduction, Delaware Bay coastline, Delaware and New Jersey-Broadkill Beach, Delaware: Report of the Chief of Engineers dated August 17, 1998, at a total cost of $9,049,000, with an estimated Federal cost of $5,674,000 and an estimated non-Federal cost of $3,375,000, and at an estimated average annual cost of $538,200 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $349,800 and an estimated annual non-Federal cost of $188,400.

(12) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-PORT MAHON, DELAWARE.—The project for ecosystem restoration, Delaware Bay coastline, Delaware and New Jersey-Port Mahon, Delaware: Report of the Chief of Engineers dated September 28, 1998, at a total cost of $7,644,000, with an estimated Federal cost of $4,969,000 and an estimated non-Federal cost of $2,675,000, and at an estimated average annual cost of $234,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $152,000 and an estimated annual non-Federal cost of $82,000.

(13) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-ROOSEVELT INLET-LEWES BEACH, DELAWARE.—The project for navigation mitigation and hurricane and storm damage reduction, Delaware Bay coastline, Delaware and New Jersey-Roosevelt Inlet-Lewes Beach, Delaware: Report of the Chief of Engineers dated February 3, 1999, at a total cost of $3,393,000, with an estimated Federal cost of $2,620,000 and an estimated non-Federal cost of $773,000, and at an estimated average annual cost of $196,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $152,000 and an estimated annual non-Federal cost of $44,000.

(14) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-VILLAS AND VICINITY, NEW JERSEY.—The project for shore protection and ecosystem restoration, Delaware Bay coastline, Delaware and New Jersey-Villas and vicinity, New Jersey: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $7,520,000, with an estimated Federal cost of $4,888,000 and an estimated non-Federal cost of $2,632,000.

(15) DELAWARE COAST FROM CAPE HENELOPEN TO FENWICK ISLAND, BETHANY BEACH/SOUTH BETHANY BEACH, DELAWARE.—The project for hurricane and storm damage reduction, Delaware Coast from Cape Henelopen to Fenwick Island, Bethany Beach/South Bethany Beach, Delaware: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $22,205,000, with an estimated Federal cost of $14,433,000 and an estimated non-Federal cost of $7,772,000, and at an estimated average annual cost of $1,584,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $1,030,000 and an estimated annual non-Federal cost of $554,000.

(16) HILLSBORO AND OKEECHOBEE AQUIFER, FLORIDA.—The project for aquifer storage and recovery described in the Corps of Engineers Central and Southern Florida Water Supply Study, Florida, dated April 1989, and in House Document 369, dated July 30, 1968, at a total cost of $27,000,000, with an estimated Federal cost of $13,500,000 and an estimated non-Federal cost of $13,500,000.

(17) JACKSONVILLE HARBOR, FLORIDA.—The project for navigation, Jacksonville Harbor, Florida: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $26,116,000, with an estimated Federal cost of $9,129,000 and an estimated non-Federal cost of $16,987,000.

(18) TAMPA HARBOR-BIG BEND CHANNEL, FLORIDA.—The project for navigation, Tampa Harbor-Big Bend Channel, Florida: Report of the Chief of Engineers dated October 13, 1998, at a total cost of $12,356,000, with an estimated Federal cost of $6,235,000 and an estimated non-Federal cost of $6,121,000.

(19) BRUNSWICK HARBOR, GEORGIA.—The project for navigation, Brunswick Harbor, Georgia: Report of the Chief of Engineers dated October 6, 1998, at a total cost of $50,717,000, with an estimated Federal cost of $32,966,000 and an estimated non-Federal cost of $17,751,000.

(20) BEARGRASS CREEK, KENTUCKY.—The project for flood control, Beargrass Creek, Kentucky: Report of the Chief of Engineers dated May 12, 1998, at a total cost of $11,171,300, with an estimated Federal cost of $7,261,500 and an estimated non-Federal cost of $3,909,800.

(21) AMITE RIVER AND TRIBUTARIES, LOUISIANA, EAST BATON ROUGE PARISH WATERSHED.—The project for flood damage reduction and recreation, Amite River and Tributaries, Louisiana, East Baton Rouge Parish Watershed: Report of the Chief of Engineers dated December 23, 1996, at a total cost of $112,900,000, with an estimated Federal cost of $73,400,000 and an estimated non-Federal cost of $39,500,000.

(22) BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MARYLAND AND VIRGINIA.—

(A) IN GENERAL.—The project for navigation, Baltimore Harbor Anchorages and Channels, Maryland and Virginia, Report of the Chief of Engineers dated June 8, 1998, at a total cost of $28,426,000, with an estimated Federal cost of $18,994,000 and an estimated non-Federal cost of $9,432,000.

(B) CREDIT OR REIMBURSEMENT.—If a project cooperation agreement is entered into, the non-Federal interest shall receive credit toward, or reimbursement of, the Federal share of project costs for construction work performed by the non-Federal interest before execution of the project cooperation agreement if the Secretary finds the work to be integral to the project.

(C) STUDY OF MODIFICATIONS.—During the preconstruction engineering and design phase of the project, the Secretary shall conduct a study to determine the feasibility of undertaking further modifications to the Dundalk Marine Terminal access channels, consisting of—

(i) deepening and widening the Dundalk access channels to a depth of 50 feet and a width of 500 feet;

(ii) widening the flares of the access channels; and

(iii) providing a new flare on the west side of the entrance to the east access channel.

(D) REPORT.—

(i) IN GENERAL.—Not later than March 1, 2000, the Secretary shall submit to Congress a report on the study under subparagraph (C).

(ii) CONTENTS.—The report shall include a determination of—

(I) the feasibility of performing the project modifications described in subparagraph (C); and

(II) the appropriateness of crediting or reimbursing the Federal share of the cost of the work performed by the non-Federal interest on the project modifications.

(23) RED LAKE RIVER AT CROOKSTON, MINNESOTA.—The project for flood control, Red Lake River at Crookston, Minnesota: Report of the Chief of Engineers dated April 20, 1998, at a total cost of $8,950,000, with an estimated Federal cost of $5,720,000 and an estimated non-Federal cost of $3,230,000.

(24) TURKEY CREEK BASIN, KANSAS CITY, MISSOURI, AND KANSAS CITY, KANSAS.—The project for flood damage reduction, Turkey Creek Basin, Kansas City, Missouri, and Kansas City, Kansas: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $42,875,000, with an estimated Federal cost of $25,596,000 and an estimated non-Federal cost of $17,279,000.

(25) LOWER CAPE MAY MEADOWS, CAPE MAY POINT, NEW JERSEY.—The project for navigation mitigation, ecosystem restoration, shore protection, and hurricane and storm damage reduction, Lower Cape May Meadows, Cape May Point, New Jersey: Report of the Chief of Engineers dated April 5, 1999, at a total cost of $15,952,000, with an estimated Federal cost of $12,118,000 and an estimated non-Federal cost of $3,834,000, and at an estimated average annual cost of $1,114,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $897,000 and an estimated annual non-Federal cost of $217,000.

(26) TOWNSENDS INLET TO CAPE MAY INLET, NEW JERSEY.—The project for hurricane and storm damage reduction, shore protection, and ecosystem restoration, Townsends Inlet to Cape May Inlet, New Jersey: Report of the Chief of Engineers dated September 28, 1998, at a total cost of $56,503,000, with an estimated Federal cost of $36,727,000 and an estimated non-Federal cost of $19,776,000, and at an estimated average annual cost of $2,000,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $1,300,000 and an estimated annual non-Federal cost of $700,000.

(27) GUANAJIBO RIVER, PUERTO RICO.—

(A) IN GENERAL.—The project for flood control, Guanajibo River, Puerto Rico: Report of the Chief of Engineers dated February 27, 1996, at a total cost of $27,031,000, with an estimated Federal cost of $20,273,250 and an estimated non-Federal cost of $6,757,750.

(B) COST SHARING.—Cost sharing for the project shall be determined in accordance with section 103(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(a)), as in effect on October 11, 1996.

(28) RIO GRANDE DE MANATI, BARCELONETA, PUERTO RICO.—The project for flood control, Rio Grande De Manati, Barceloneta, Puerto Rico: Report of the Chief of Engineers dated January 22, 1999, at a total cost of $13,491,000, with an estimated Federal cost of $8,785,000 and an estimated non-Federal cost of $4,706,000.

(29) RIO NIGUA, SALINAS, PUERTO RICO.—The project for flood control, Rio Nigua, Salinas, Puerto Rico: Report of the Chief of Engineers dated April 15, 1997, at a total cost of $13,702,000, with an estimated Federal cost of $7,645,000 and an estimated non-Federal cost of $6,057,000.

(30) SALT CREEK, GRAHAM, TEXAS.—The project for flood control, environmental restoration, and recreation, Salt Creek, Graham, Texas: Report of the Chief of Engineers dated October 6, 1998, at a total cost of $10,080,000, with an estimated Federal cost of $6,560,000 and an estimated non-Federal cost of $3,520,000.

(b) PROJECTS SUBJECT TO A FINAL REPORT.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in a

final report of the Chief of Engineers if a favorable report of the Chief is completed not later than December 31, 1999:

(1) HERITAGE HARBOR, WRANGELL, ALASKA.—The project for navigation, Heritage Harbor, Wrangell, Alaska, at a total cost of $24,556,000, with an estimated Federal cost of $14,447,000 and estimated non-Federal cost of $10,109,000.

(2) ARROYO PASAJERO, CALIFORNIA.—The project for flood damage reduction, Arroyo Pasajero, California, at a total cost of $260,700,000, with an estimated Federal cost of $170,100,000 and an estimated non-Federal cost of $90,600,000.

(3) HAMILTON AIRFIELD, CALIFORNIA.—The project for environmental restoration, Hamilton Airfield, California, at a total cost of $55,200,000, with an estimated Federal cost of $41,400,000 and an estimated non-Federal cost of $13,800,000.

(4) SUCCESS DAM, TULE RIVER BASIN, CALIFORNIA.—The project for flood damage reduction and water supply, Success Dam, Tule River basin, California, at a total cost of $17,900,000, with an estimated Federal cost of $11,635,000 and an estimated non-Federal cost of $6,265,000.

(5) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY: OAKWOOD BEACH, NEW JERSEY.—The project for shore protection, Delaware Bay coastline, Delaware and New Jersey: Oakwood Beach, New Jersey, at a total cost of $3,360,000, with an estimated Federal cost of $2,184,000 and an estimated non-Federal cost of $1,176,000, and at an estimated average annual cost of $81,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $53,000 and an estimated annual non-Federal cost of $28,000.

(6) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY: REEDS BEACH AND PIERCES POINT, NEW JERSEY.—The project for shore protection and ecosystem restoration, Delaware Bay coastline, Delaware and New Jersey: Reeds Beach and Pierces Point, New Jersey, at a total cost of $4,057,000, with an estimated Federal cost of $2,637,000 and an estimated non-Federal cost of $1,420,000.

(7) LITTLE TALBOT ISLAND, DUVAL COUNTY, FLORIDA.—The project for hurricane and storm damage prevention and shore protection, Little Talbot Island, Duval County, Florida, at a total cost of $5,915,000, with an estimated Federal cost of $3,839,000 and an estimated non-Federal cost of $2,076,000.

(8) PONCE DE LEON INLET, FLORIDA.—The project for navigation and related purposes, Ponce de Leon Inlet, Volusia County, Florida, at a total cost of $5,454,000, with an estimated Federal cost of $2,988,000 and an estimated non-Federal cost of $2,466,000.

(9) SAVANNAH HARBOR EXPANSION, GEORGIA.—

(A) IN GENERAL.—Subject to subparagraph (B), the project for navigation, Savannah Harbor expansion, Georgia, including implementation of the mitigation plan, with such modifications as the Secretary considers appropriate, at a total cost of $230,174,000 (of which amount a portion is authorized for implementation of the mitigation plan), with an estimated Federal cost of $145,160,000 and an estimated non-Federal cost of $85,014,000.

(B) CONDITIONS.—The project authorized by subparagraph (A) may be carried out only after—

(i) the Secretary, in consultation with affected Federal, State of Georgia, State of South Carolina, regional, and local entities, reviews and approves an environmental impact statement for the project that includes—

(I) an analysis of the impacts of project depth alternatives ranging from 42 feet through 48 feet; and

(II) a selected plan for navigation and an associated mitigation plan as required under section 906(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(a)); and

(ii) the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the Secretary approve the selected plan and determine that the associated mitigation plan adequately addresses the potential environmental impacts of the project.

(C) MITIGATION REQUIREMENTS.—The mitigation plan shall be implemented before or concurrently with construction of the project.

(10) DES PLAINES RIVER, ILLINOIS.—The project for flood control, Des Plaines River, Illinois, at a total cost of $48,800,000 with an estimated Federal cost of $31,700,000 and an estimated non-Federal cost of $17,100,000.

(11) REELFOOT LAKE, KENTUCKY AND TENNESSEE.—The project for ecosystem restoration, Reelfoot Lake, Kentucky and Tennessee, at a total cost of $35,287,000, with an estimated Federal cost of $23,601,000 and an estimated non-Federal cost of $11,686,000.

(12) BRIGANTINE INLET TO GREAT EGG HARBOR, BRIGANTINE ISLAND, NEW JERSEY.—The project for hurricane and storm damage reduction and shore protection, Brigantine Inlet to Great Egg Harbor, Brigantine Island, New Jersey, at a total cost of $4,970,000, with an estimated Federal cost of $3,230,000 and an estimated non-Federal cost of $1,740,000, and at an estimated average annual cost of $465,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $302,000 and an estimated annual non-Federal cost of $163,000.

(13) COLUMBIA RIVER CHANNEL, OREGON AND WASHINGTON.—The project for navigation, Columbia River Channel, Oregon and Washington, at a total cost of $183,623,000, with an estimated Federal cost of $106,132,000 and an estimated non-Federal cost of $77,491,000.

(14) JOHNSON CREEK, ARLINGTON, TEXAS.—The project for flood damage reduction, environmental restoration, and recreation, Johnson Creek, Arlington, Texas, at a total cost of $20,300,000, with an estimated Federal cost of $12,000,000 and an estimated non-Federal cost of $8,300,000.

(15) HOWARD HANSON DAM, WASHINGTON.—The project for water supply and ecosystem restoration, Howard Hanson Dam, Washington, at a total cost of $75,600,000, with an estimated Federal cost of $36,900,000 and an estimated non-Federal cost of $38,700,000.

SEC. 102. SMALL FLOOD CONTROL PROJECTS.

(a) IN GENERAL.—The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is feasible, may carry out the project under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).

(1) EYAK RIVER, CORDOVA, ALASKA.—Project for flood damage reduction, Eyak River, Cordova, Alaska.

(2) SALCHA RIVER AND PILEDRIVER SLOUGH, FAIRBANKS, ALASKA.—Project for flood damage reduction to protect against surface water flooding, lower Salcha River and Piledriver Slough from its headwaters at the mouth of the Salcha River to the Chena Lakes Flood Control Project, Fairbanks, Alaska.

(3) LANCASTER, CALIFORNIA.—Project for flood control, Lancaster, California, westside stormwater retention facility.

(4) MAGPIE CREEK, CALIFORNIA.—Project for flood control, Magpie Creek, California, located within the boundaries of McClellan Air Force Base.

(5) GATEWAY TRIANGLE AREA, FLORIDA.—Project for flood control, Gateway Triangle area, Collier County, Florida.

(6) PLANT CITY, FLORIDA.—Project for flood control, Plant City, Florida.

(7) STONE ISLAND, LAKE MONROE, FLORIDA.—Project for flood control, Stone Island, Lake Monroe, Florida.

(8) OHIO RIVER, ILLINOIS.—Project for flood control, Ohio River, Illinois.

(9) HAMILTON DAM, MICHIGAN.—Project for flood control, Hamilton Dam, Michigan.

(10) REPAUPO CREEK AND DELAWARE RIVER, GLOUCESTER COUNTY, NEW JERSEY.—Project for tidegate and levee improvements for Repaupo Creek and the Delaware River, Gloucester County, New Jersey.

(11) IRONDEQUOIT CREEK, NEW YORK.—Project for flood control, Irondequoit Creek watershed, New York.

(12) OWASCO LAKE SEAWALL, NEW YORK.—Project for flood control, Owasco Lake seawall, New York.

(13) PORT CLINTON, OHIO.—Project for flood control, Port Clinton, Ohio.

(14) ABINGTON TOWNSHIP, PENNSYLVANIA.—Project for flood control, Baeder and Wanamaker Roads, Abington Township, Pennsylvania.

(15) PORT INDIAN, WEST NORRITON TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA.—Project for flood control, Port Indian, West Norriton Township, Montgomery County, Pennsylvania.

(16) PORT PROVIDENCE, UPPER PROVIDENCE TOWNSHIP, PENNSYLVANIA.—Project for flood control, Port Providence, Upper Providence Township, Pennsylvania.

(17) SPRINGFIELD TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA.—Project for flood control, Springfield Township, Montgomery County, Pennsylvania.

(18) TAWNEY RUN CREEK, PENNSYLVANIA.—Project for flood control, Tawney Run Creek, Allegheny County, Pennsylvania.

(19) WISSAHICKON WATERSHED, PENNSYLVANIA.—Project for flood control, Wissahickon watershed, Philadelphia, Pennsylvania.

(20) TIOGA COUNTY, PENNSYLVANIA.—Project for flood control, Tioga River and Cowanesque River and their tributaries, Tioga County, Pennsylvania.

(21) FIRST CREEK, KNOXVILLE, TENNESSEE.—Project for flood control, First Creek, Knoxville, Tennessee.

(22) METRO CENTER LEVEE, CUMBERLAND RIVER, NASHVILLE, TENNESSEE.—Project for flood control, Metro Center Levee, Cumberland River, Nashville, Tennessee.

(b) FESTUS AND CRYSTAL CITY, MISSOURI.—

(1) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be expended for the project for flood control, Festus and Crystal City, Missouri, is $10,000,000.

(2) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project described in paragraph (1) to take into account the change in the Federal participation in the project under paragraph (1).

SEC. 103. SMALL BANK STABILIZATION PROJECTS.

(a) IN GENERAL.—The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is feasible, may carry out the project under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r):

(1) ARCTIC OCEAN, BARROW, ALASKA.—Project for storm damage reduction and coastal erosion, Barrow, Alaska.

(2) SAINT JOSEPH RIVER, INDIANA.—Project for streambank erosion control, Saint Joseph River, Indiana.

(3) SAGINAW RIVER, BAY CITY, MICHIGAN.—Project for streambank erosion control, Saginaw River, Bay City, Michigan.

(4) BIG TIMBER CREEK, NEW JERSEY.—Project for streambank erosion control, Big Timber Creek, New Jersey.

(5) LAKE SHORE ROAD, ATHOL SPRINGS, NEW YORK.—Project for streambank erosion control, Lake Shore Road, Athol Springs, New York.

(6) MARIST COLLEGE, POUGHKEEPSIE, NEW YORK.—Project for streambank erosion control, Marist College, Poughkeepsie, New York.

(7) MONROE COUNTY, OHIO.—Project for streambank erosion control, Monroe County, Ohio.

(8) GREEN VALLEY, WEST VIRGINIA.—Project for streambank erosion control, Green Valley, West Virginia.

(b) YELLOWSTONE RIVER, BILLINGS, MONTANA.—The streambank protection project at Coulson Park, along the Yellowstone River, Billings, Montana, shall be eligible for assistance under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r).

SEC. 104. SMALL NAVIGATION PROJECTS.

The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is feasible, may carry out the project under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577).

(1) GRAND MARAIS, ARKANSAS.—Project for navigation, Grand Marais, Arkansas.

(2) FIELDS LANDING CHANNEL, HUMBOLDT HARBOR, CALIFORNIA.—Project for navigation, Fields Landing Channel, Humboldt Harbor, California.

(3) SAN MATEO (PILLAR POINT HARBOR), CALIFORNIA.—Project for navigation, San Mateo (Pillar Point Harbor), California.

(4) AGANA MARINA, GUAM.—Project for navigation, Agana Marina, Guam.

(5) AGAT MARINA, GUAM.—Project for navigation, Agat Marina, Guam.

(6) APRA HARBOR FUEL PIERS, GUAM.—Project for navigation, Apra Harbor Fuel Piers, Guam.

(7) APRA HARBOR PIER F–6, GUAM.—Project for navigation, Apra Harbor Pier F–6, Guam.

(8) APRA HARBOR SEAWALL, GUAM.—Project for navigation including a seawall, Apra Harbor, Guam.

(9) GUAM HARBOR, GUAM.—Project for navigation, Guam Harbor, Guam.

(10) ILLINOIS RIVER NEAR CHAUTAUQUA PARK, ILLINOIS.—Project for navigation, Illinois River near Chautauqua Park, Illinois.

(11) WHITING SHORELINE WATERFRONT, WHITING, INDIANA.—Project for navigation, Whiting shoreline waterfront, Whiting, Indiana.

(12) UNION RIVER, ELLSWORTH, MAINE.—Project for navigation, Union River, Ellsworth, Maine.

(13) NARAGUAGUS RIVER, MACHIAS, MAINE.—Project for navigation, Naraguagus River, Machias, Maine.

(14) DETROIT RIVER, MICHIGAN.—Project for navigation, Detroit River, Michigan, including dredging and removal of a reef.

(15) FORTESCUE INLET, DELAWARE BAY, NEW JERSEY.—Project for navigation, Fortescue Inlet, Delaware Bay, New Jersey.

(16) BRADDOCK BAY, GREECE, NEW YORK.—Project for navigation, Braddock Bay, Greece, New York.

(17) BUFFALO AND LASALLE PARK, NEW YORK.—Project for navigation, Buffalo and LaSalle Park, New York.

(18) STURGEON POINT, NEW YORK.—Project for navigation, Sturgeon Point, New York.

(19) FAIRPORT HARBOR, OHIO.—Project for navigation, Fairport Harbor, Ohio, including a recreation channel.

SEC. 105. SMALL PROJECTS FOR IMPROVEMENT OF THE QUALITY OF THE ENVIRONMENT.

(a) IN GENERAL.—The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is appropriate, may carry out the project under section 1135(a) of the Water Reseources Development Act of 1986 (33 U.S.C. 2309a(a):

(1) ILLINOIS RIVER IN THE VICINITY OF HAVANA, ILLINOIS.—Project for improvement of the quality of the environment, Illinois River in the vicinity of Havana, Illinois.

(2) KNITTING MILL CREEK, VIRGINIA.—Project for improvement of the quality of the environment, Knitting Mill Creek, Virginia.

(b) PINE FLAT DAM, KINGS RIVER, CALIFORNIA.—Under authority of section 1135(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a(a)), the Secretary shall carry out a project to construct a turbine bypass at Pine Flat Dam, Kings River, California, in accordance with the project modification report and environmental assessment dated September 1996.

SEC. 106. SMALL AQUATIC ECOSYSTEM RESTORATION PROJECTS.

The Secretary is authorized to carry out the following projects under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330):

(1) CONTRA COSTA COUNTY, BAY DELTA, CALIFORNIA.—Project for aquatic ecosystem restoration, Contra Costa County, Bay Delta, California.

(2) INDIAN RIVER, FLORIDA.—Project for aquatic ecosystem restoration and lagoon restoration, Indian River, Florida.

(3) LITTLE WEKIVA RIVER, FLORIDA.—Project for aquatic ecosystem restoration and erosion control, Little Wekiva River, Florida.

(4) COOK COUNTY, ILLINOIS.—Project for aquatic ecosystem restoration and lagoon restoration and protection, Cook County, Illinois.

(5) GRAND BATTURE ISLAND, MISSISSIPPI.—Project for aquatic ecosystem restoration, Grand Batture Island, Mississippi.

(6) HANCOCK, HARRISON, AND JACKSON COUNTIES, MISSISSIPPI.—Project for aquatic ecosystem restoration and reef restoration along the Gulf Coast, Hancock, Harrison, and Jackson Counties, Mississippi.

(7) MISSISSIPPI RIVER AND RIVER DES PERES, ST. LOUIS, MISSOURI.—Project for aquatic ecosystem restoration and recreation, Mississippi River and River Des Peres, St. Louis, Missouri.

(8) HUDSON RIVER, NEW YORK.—Project for aquatic ecosystem restoration, Hudson River, New York.

(9) ONEIDA LAKE, NEW YORK.—Project for aquatic ecosystem restoration, Oneida Lake, Oneida County, New York.

(10) OTSEGO LAKE, NEW YORK.—Project for aquatic ecosystem restoration, Otsego Lake, Otsego County, New York.

(11) NORTH FORK OF YELLOW CREEK, OHIO.—Project for aquatic ecosystem restoration, North Fork of Yellow Creek, Ohio.

(12) WHEELING CREEK WATERSHED, OHIO.—Project for aquatic ecosystem restoration, Wheeling Creek watershed, Ohio.

(13) SPRINGFIELD MILLRACE, OREGON.—Project for aquatic ecosystem restoration, Springfield Millrace, Oregon.

(14) UPPER AMAZON CREEK, OREGON.—Project for aquatic ecosystem restoration, Upper Amazon Creek, Oregon.

(15) LAKE ONTELAUNEE RESERVOIR, BERKS COUNTY, PENNSYLVANIA.—Project for aquatic ecosystem restoration and distilling pond facilities, Lake Ontelaunee Reservoir, Berks County, Pennsylvania.

(16) BLACKSTONE RIVER BASIN, RHODE ISLAND AND MASSACHUSETTS.—Project for aquatic ecosystem restoration and fish passage facilities, Blackstone River Basin, Rhode Island and Massachusetts.

TITLE II—GENERAL PROVISIONS

SEC. 201. SMALL FLOOD CONTROL AUTHORITY.

Section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) is amended—

(1) in the first sentence, by striking "construction of small projects" and inserting "implementation of small structural and nonstructural projects"; and

(2) in the third sentence, by striking "$5,000,000" and inserting "$7,000,000".

SEC. 202. USE OF NON-FEDERAL FUNDS FOR COMPILING AND DISSEMINATING INFORMATION ON FLOODS AND FLOOD DAMAGE.

Section 206(b) of the Flood Control Act of 1960 (33 U.S.C. 709a(b)) is amended in the third sentence by inserting before the period at the end the following: ", but the Secretary of the Army may accept funds voluntarily contributed by such entities for the purpose of expanding the scope of the services requested by the entities".

SEC. 203. CONTRIBUTIONS BY STATES AND POLITICAL SUBDIVISIONS.

Section 5 of the Act of June 22, 1936 (33 U.S.C. 701h), is amended by inserting "or environmental restoration" after "flood control".

SEC. 204. SEDIMENT DECONTAMINATION TECHNOLOGY.

Section 405 of the Water Resources Development Act of 1992 (33 U.S.C. 2239 note; Public Law 102–580) is amended—

(1) in subsection (a), by adding at the end the following:

"(4) PRACTICAL END-USE PRODUCTS.—Technologies selected for demonstration at the pilot scale shall be intended to result in practical end-use products.

"(5) ASSISTANCE BY THE SECRETARY.—The Secretary shall assist the project to ensure expeditious completion by providing sufficient quantities of contaminated dredged material to conduct the full-scale demonstrations to stated capacity.";

(2) in subsection (c), by striking the first sentence and inserting the following: "There is authorized to be appropriated to carry out this section $22,000,000 to complete technology testing, technology commercialization, and the development of full scale processing facilities within the New York/New Jersey Harbor."; and

(3) by adding at the end the following:

"(e) SUPPORT.—In carrying out the program under this section, the Secretary is encouraged to use contracts, cooperative agreements, and grants with colleges and universities and other non-Federal entities.".

SEC. 205. CONTROL OF AQUATIC PLANTS.

Section 104 of the River and Harbor Act of 1958 (33 U.S.C. 610) is amended—

(1) in the first sentence of subsection (a), by striking "water-hyacinth, alligatorweed, Eurasian water milfoil, melaleuca, and other obnoxious aquatic plant growths, from" and inserting "noxious aquatic plant growths from";

(2) in the first sentence of subsection (b), by striking "$12,000,000" and inserting "$15,000,000."; and

(3) by adding at the end the following:

"(c) SUPPORT.—In carrying out the program under this section, the Secretary is encouraged to use contracts, cooperative agreements, and grants with colleges and universities and other non-Federal entities.".

SEC. 206. USE OF CONTINUING CONTRACTS FOR CONSTRUCTION OF CERTAIN PROJECTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall not implement a fully allocated funding policy with respect to a water resource project if initiation of construction has occurred but sufficient funds are not available to complete the project.

(b) CONTINUING CONTRACTS.—The Secretary shall enter into a continuing contract for a project described in subsection (a).

(c) INITIATION OF CONSTRUCTION CLARIFIED.—For the purposes of this section, initiation of construction for a project occurs on the date of enactment of an Act that appropriates funds for the project from 1 of the following appropriation accounts:

(1) Construction, General.

(2) Operation and Maintenance, General.

(3) Flood Control, Mississippi River and Tributaries.

SEC. 207. WATER RESOURCES DEVELOPMENT STUDIES FOR THE PACIFIC REGION.

Section 444 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended by striking "interest of navigation" and inserting "interests of water resources development including navigation, flood damage reduction, and environmental restoration".

SEC. 208. EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION.

(a) Extension of Program.—Section 528(b)(3) of the Water Resources Development Act of 1996 is amended—

(1) in subparagraph (B) (110 Stat. 3769), by striking "1999" and inserting "2003"; and

(2) in subparagraph (C)(i) (110 Stat. 3769), by striking "1999" and inserting "2003".

(b) Credit and Reimbursement of Past and Future Activities.—Section 528(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3768) is amended by adding at the end the following:

"(D) Credit and reimbursement of past and future activities.—The Secretary may provide credit to or reimburse the non-Federal project sponsor (using funds authorized by subparagraph (C)) for the reasonable costs of any work that has been performed or will be performed in connection with a study or activity meeting the requirements of subparagraph (A) if—

"(i) the Secretary determines that—

"(I) the work performed by the non-Federal project sponsor will substantially expedite completion of a critical restoration project; and

"(II) the work is necessary for a critical restoration project; and

"(ii) the credit or reimbursement is granted pursuant to a project-specific agreement that prescribes the terms and conditions of the credit or reimbursement.".

(c) Caloosahatchee River Basin, Florida.—Section 528(e)(4) of the Water Resources Development Act of 1996 (110 Stat. 3770) is amended in the first sentence by inserting before the period at the end the following: "if the Secretary determines that the acquisition is compatible with and an integral component of the Everglades and South Florida ecosystem restoration, including potential acquisition of land or interests in land in the Caloosahatchee River basin or other areas".

(d) In-Kind Work.—Section 528(e)(4) of the Water Resources Development Act of 1996 (110 Stat. 3770) is amended—

(1) by striking "Regardless" and inserting the following:

"(1) Land acquisition.—Regardless"; and

(2) by adding at the end the following:

"(2) In-kind work.—

"(A) In general.—During the preconstruction, engineering, and design phase and the construction phase of the Central and Southern Florida Project, the Secretary shall allow credit against the non-Federal share of the cost of activities described in subsection (b) for work performed by non-Federal interests at the request of the Secretary in furtherance of the design of features included in the comprehensive plan under that subsection.

"(B) Audits.—In-kind work to be credited under subparagraph (A) shall be subject to audit.".

SEC. 209. BENEFICIAL USES OF DREDGED MATERIAL.

Section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326) is amended—

(1) in subsection (c), by striking "cooperative agreement in accordance with the requirements of section 221 of the Flood Control Act of 1970" and inserting "binding agreement with the Secretary"; and

(2) by adding at the end the following:

"(g) Nonprofit Entities.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.".

SEC. 210. AQUATIC ECOSYSTEM RESTORATION.

Section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330) is amended—

(1) in subsection (b)—

(A) by striking "Non-Federal" and inserting the following:

"(1) In general.—Non-Federal"; and

(B) by adding at the end the following:

"(2) Form.—Before October 1, 2003, the Federal share of the cost of a project under this section may be provided in the form of reimbursements of project costs."; and

(2) in subsection (c)—

(A) by striking "Construction" and inserting the following:

"(1) In general.—Construction"; and

(B) by adding at the end the following:

"(2) Nonprofit entities.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.".

SEC. 211. WATERSHED MANAGEMENT, RESTORATION, AND DEVELOPMENT.

Section 503 of the Water Resources Development Act of 1996 (110 Stat. 3756) is amended—

(1) in subsection (d)—

(A) by striking paragraph (10) and inserting the following:

"(10) Regional Atlanta watershed, Atlanta, Georgia, and Lake Lanier, Forsyth and Hall Counties, Georgia."; and

(B) by adding at the end the following:

"(14) Clear Lake watershed, California.

"(15) Fresno Slough watershed, California.

"(16) Hayward Marsh, Southern San Francisco Bay watershed, California.

"(17) Kaweah River watershed, California.

"(18) Lake Tahoe watershed, California and Nevada.

"(19) Malibu Creek watershed, California.

"(20) Lower St. Johns River basin, Florida.

"(21) Illinois River watershed, Illinois.

"(22) Truckee River basin, Nevada.

"(23) Walker River basin, Nevada.

"(24) Bronx River watershed, New York.

"(25) Catawba River watershed, North Carolina.

"(26) Columbia Slough watershed, Oregon.

"(27) Cabin Creek basin, West Virginia.";

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following:

"(e) Nonprofit Entities.—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)), for any project undertaken under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.".

SEC. 212. FLOOD MITIGATION AND RIVERINE RESTORATION PROGRAM.

(a) In General.—The Secretary may undertake a program for the purpose of conducting projects to reduce flood hazards and restore the natural functions and values of rivers throughout the United States.

(b) Studies and Projects.—

(1) Authority.—In carrying out the program, the Secretary may conduct studies to identify appropriate flood damage reduction, conservation, and restoration measures and may design and implement projects described in subsection (a).

(2) Consultation and coordination.—The studies and projects carried out under this section shall be conducted, to the maximum extent practicable, in consultation and coordination with the Federal Emergency Management Agency and other appropriate Federal agencies, and in consultation and coordination with appropriate State and local agencies and tribes.

(3) Nonstructural approaches.—The studies and projects shall emphasize, to the maximum extent practicable and appropriate, nonstructural approaches to preventing or reducing flood damages.

(4) Participation.—The studies and projects shall be conducted, to the maximum extent practicable, in cooperation with State and local agencies and tribes to ensure the coordination of local flood damage reduction or riverine and wetland restoration studies with projects that conserve, restore, and manage hydrologic and hydraulic regimes and restore the natural functions and values of floodplains.

(c) Cost-Sharing Requirements.—

(1) Studies.—Studies conducted under this section shall be subject to cost sharing in accordance with section 105 of the Water Resources Development Act of 1986 (33 U.S.C. 2215).

(2) Environmental restoration and nonstructural flood control projects.—

(A) In general.—The non-Federal interests shall pay 35 percent of the cost of any environmental restoration or nonstructural flood control project carried out under this section.

(B) Items provided by non-Federal interests.—The non-Federal interests shall provide all land, easements, rights-of-way, dredged material disposal areas, and relocations necessary for such projects.

(C) Credit.—The value of such land, easements, rights-of-way, dredged material disposal areas, and relocations shall be credited toward the payment required under this paragraph.

(3) Structural flood control projects.—Any structural flood control projects carried out under this section shall be subject to cost sharing in accordance with section 103(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(a)).

(4) Operation and maintenance.—The non-Federal interests shall be responsible for all costs associated with operating, maintaining, replacing, repairing, and rehabilitating all projects carried out under this section.

(d) Project Justification.—

(1) In general.—Notwithstanding any other provision of law or requirement for economic justification established under section 209 of the Flood Control Act of 1970 (42 U.S.C. 1962–2), the Secretary may implement a project under this section if the Secretary determines that the project—

(A) will significantly reduce potential flood damages;

(B) will improve the quality of the environment; and

(C) is justified considering all costs and beneficial outputs of the project.

(2) Establishment of selection and rating criteria and policies.—

(A) In general.—Not later than 180 days after the date of enactment of this Act, the Secretary, in cooperation with State and local agencies and tribes, shall—

(i) develop, and submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate, criteria for selecting and rating projects to be carried out under this section; and

(ii) establish policies and procedures for carrying out the studies and projects undertaken under this section.

(B) Criteria.—The criteria referred to in subparagraph (A)(i) shall include, as a priority, the extent to which the appropriate State government supports the project.

(e) Priority Areas.—In carrying out this section, the Secretary shall examine appropriate locations, including—

(1) Pima County, Arizona, at Paseo De Las Iglesias and Rillito River;

(2) Coachella Valley, Riverside County, California;

(3) Los Angeles and San Gabriel Rivers, California;

(4) Murrieta Creek, California;

(5) Napa River Valley watershed, California, at Yountville, St Helena, Calistoga, and American Canyon;

(6) Santa Clara basin, California, at Upper Guadalupe River and Tributaries, San Francisquito Creek, and Upper Penitencia Creek;

(7) Pond Creek, Kentucky;

(8) Red River of the North, Minnesota, North Dakota, and South Dakota;

(9) Connecticut River, New Hampshire;

(10) Pine Mount Creek, New Jersey;

(11) Southwest Valley, Albuquerque, New Mexico;

(12) Upper Delaware River, New York;

(13) Briar Creek, North Carolina;

(14) Chagrin River, Ohio;

(15) Mill Creek, Cincinnati, Ohio;

(16) Tillamook County, Oregon,

(17) Willamette River basin, Oregon;

(18) Blair County, Pennsylvania, at Altoona and Frankstown Township;

(19) Delaware River, Pennsylvania;

(20) Schuylkill River, Pennsylvania;

(21) Providence County, Rhode Island;

(22) Shenandoah River, Virginia; and

(23) Lincoln Creek, Wisconsin.

(f) PROGRAM REVIEW.—

(1) IN GENERAL.—The program established under this section shall be subject to an independent review to evaluate the efficacy of the program in achieving the dual goals of flood hazard mitigation and riverine restoration.

(2) REPORT.—Not later than April 15, 2003, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the findings of the review conducted under this subsection with any recommendations concerning continuation of the program.

(g) MAXIMUM FEDERAL COST PER PROJECT.—Not more than $30,000,000 may be expended by the United States on any single project under this section.

(h) PROCEDURE.—

(1) ALL PROJECTS.—The Secretary shall not implement any project under this section until—

(A) the Secretary submits to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a written notification describing the project and the determinations made under subsection (d)(1); and

(B) 21 calendar days have elapsed after the date on which the notification was received by the committees.

(2) PROJECTS EXCEEDING $15,000,000.—

(A) LIMITATION ON APPROPRIATIONS.—No appropriation shall be made to construct any project under this section the total Federal cost of construction of which exceeds $15,000,000 if the project has not been approved by resolutions adopted by the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(B) REPORT.—For the purpose of securing consideration of approval under this paragraph, the Secretary shall submit a report on the proposed project, including all relevant data and information on all costs.

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

(A) $20,000,000 for fiscal year 2001;

(B) $30,000,000 for fiscal year 2002; and

(C) $50,000,000 for each of fiscal years 2003 through 2005.

(2) FULL FUNDING.—All studies and projects carried out under this section from Army Civil Works appropriations shall be fully funded within the program funding levels provided in this subsection.

SEC. 213. SHORE MANAGEMENT PROGRAM.

(a) REVIEW.—The Secretary shall review the implementation of the Corps of Engineers shore management program, with particular attention to—

(1) inconsistencies in implementation among the divisions and districts of the Corps of Engineers; and

(2) complaints by or potential inequities regarding property owners in the Savannah District, including an accounting of the number and disposition of complaints in the Savannah District during the 5-year period preceding the date of enactment of this Act.

(b) REPORT.—As expeditiously as practicable, but not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report describing the results of the review under subsection (a).

SEC. 214. SHORE DAMAGE PREVENTION OR MITIGATION.

Section 111 of the River and Harbor Act of 1968 (33 U.S.C. 426i) is amended—

(1) in the first sentence—

(A) by striking "The Secretary" and inserting "(a) IN GENERAL.—The Secretary"; and

(B) by inserting after "navigation works" the following: "and shore damage attributable to the Atlantic Intracoastal Waterway and the Gulf Intracoastal Waterway";

(2) in the second sentence, by striking "The costs" and inserting the following:

"(b) COST SHARING.—The costs";

(3) in the third sentence—

(A) by striking "No such" and inserting the following:

"(c) REQUIREMENT FOR SPECIFIC AUTHORIZATION.—No such"; and

(B) by striking "$2,000,000" and inserting "$5,000,000"; and

(4) by adding at the end the following:

"(d) COORDINATION.—The Secretary shall—

"(1) coordinate the implementation of the measures under this section with other Federal and non-Federal shore protection projects in the same geographic area; and

"(2) to the extent practicable, combine mitigation projects with other shore protection projects in the same area into a comprehensive regional project.".

SEC. 215. SHORE PROTECTION.

(a) PERIODIC NOURISHMENT.—Section 103(d) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(d)) is amended—

(1) by striking "Costs of constructing" and inserting the following:

"(1) CONSTRUCTION.—Costs of constructing"; and

(2) by adding at the end the following:

"(2) PERIODIC NOURISHMENT.—

"(A) IN GENERAL.—In the case of a project authorized for construction after December 31, 1999, or for which a feasibility study is completed after that date, the non-Federal cost of the periodic nourishment of the project, or any measure for shore protection or beach erosion control for the project, that is carried out—

"(i) after January 1, 2001, shall be 40 percent;

"(ii) after January 1, 2002, shall be 45 percent; and

"(iii) after January 1, 2003, shall be 50 percent.

"(B) BENEFITS TO PRIVATELY OWNED SHORES.—All costs assigned to benefits of periodic nourishment projects or measures to privately owned shores (where use of such shores is limited to private interests) or to prevention of losses of private land shall be borne by the non-Federal interest.

"(C) BENEFITS TO FEDERALLY OWNED SHORES.—All costs assigned to the protection of federally owned shores for periodic nourishment measures shall be borne by the United States.".

(b) OUTER CONTINENTAL SHELF.—

(1) USE OF SAND FROM OUTER CONTINENTAL SHELF.—Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended in the second sentence by striking "an agency of the Federal Government" and inserting "a Federal, State, or local government agency".

(2) REIMBURSEMENT OF LOCAL INTERESTS.—Any amounts paid by non-Federal interests for beach erosion control, hurricane protection, shore protection, or storm damage reduction projects as a result of an assessment under section 8(k) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)) shall be fully reimbursed.

(c) REPORT ON SHORES OF THE UNITED STATES.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary shall report to Congress on the state of the shores of the United States.

(2) CONTENTS.—The report shall include—

(A) a description of—

(i) the extent of, and economic and environmental effects caused by, erosion and accretion along the shores of the United States; and

(ii) the causes of such erosion and accretion;

(B) a description of resources committed by Federal, State, and local governments to restore and renourish shores;

(C) a description of the systematic movement of sand along the shores of the United States; and

(D) recommendations regarding—

(i) appropriate levels of Federal and non-Federal participation in shore protection; and

(ii) use of a systems approach to sand management.

(3) USE OF SPECIFIC LOCATION DATA.—In developing the report, the Secretary shall use data from specific locations on the coasts of the Atlantic Ocean, Pacific Ocean, Great Lakes, and Gulf of Mexico.

(d) NATIONAL COASTAL DATA BANK.—

(1) ESTABLISHMENT OF DATA BANK.—Not later than 2 years after the date of enactment of this Act, the Secretary shall establish a national coastal data bank containing data on the geophysical and climatological characteristics of the shores of the United States.

(2) CONTENT.—To the extent practicable, the national coastal data bank shall include data regarding current and predicted shore positions, information on federally authorized shore protection projects, and data on the movement of sand along the shores of the United States, including impediments to such movement caused by natural and manmade features.

(3) ACCESS.—The national coastal data bank shall be made readily accessible to the public.

SEC. 216. FLOOD PREVENTION COORDINATION.

Section 206 of the Flood Control Act of 1960 (33 U.S.C. 709a) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

"(b) FLOOD PREVENTION COORDINATION.—The Secretary shall coordinate with the Director of the Federal Emergency Management Agency and the heads of other Federal agencies to ensure that flood control projects and plans are complementary and integrated to the extent practicable and appropriate.".

SEC. 217. DISPOSAL OF DREDGED MATERIAL ON BEACHES.

(a) IN GENERAL.—Section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j)

is amended in the first sentence by striking "50" and inserting "35".

(b) GREAT LAKES BASIN.—The Secretary shall work with the State of Ohio, other Great Lakes States, and political subdivisions of the States to fully implement and maximize beneficial reuse of dredged material as provided under section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j).

(c) BOLIVAR PENINSULA, JEFFERSON, CHAMBERS, AND GALVESTON COUNTIES, TEXAS.—The Secretary may design and construct a shore protection project between the south jetty of the Sabine Pass Channel and the north jetty of the Galveston Harbor Entrance Channel in Jefferson, Chambers, and Galveston Counties, Texas, including beneficial use of dredged material from Federal navigation projects as provided under section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j).

(d) GALVESTON BEACH, GALVESTON COUNTY, TEXAS.—The Secretary may design and construct a shore protection project between the Galveston South Jetty and San Luis Pass, Galveston County, Texas, using innovative nourishment techniques, including beneficial use of dredged material from Federal navigation projects as provided under section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j).

(e) ROLLOVER PASS, GALVESTON COUNTY, TEXAS.—The Secretary may place dredged material from the Gulf Intracoastal Waterway on the beaches along Rollover Pass, Galveston County, Texas, to stabilize beach erosion as provided under section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j).

SEC. 218. ANNUAL PASSES FOR RECREATION.

Section 208(c)(4) of the Water Resources Development Act of 1996 (16 U.S.C. 460d–3 note; 110 Stat. 3681) is amended by striking "later of December 31, 1999, or the date of transmittal of the report under paragraph (3)" and inserting "December 31, 2003".

SEC. 219. NONSTRUCTURAL FLOOD CONTROL PROJECTS.

(a) ANALYSIS OF BENEFITS.—Section 308 of the Water Resources Development Act of 1990 (33 U.S.C. 2318) is amended—

(1) in the heading of subsection (a), by inserting "EXCLUSION OF ELEMENTS FROM" before "BENEFIT-COST";

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(3) by inserting after subsection (a) the following:

"(b) FLOOD DAMAGE REDUCTION BENEFITS.—

"(1) IN GENERAL.—In calculating the benefits of a proposed project for nonstructural flood damage reduction, the Secretary shall calculate the benefits of the nonstructural project using methods similar to those used for calculating the benefits of structural projects, including similar treatment in calculating the benefits from losses avoided.

"(2) AVOIDANCE OF DOUBLE COUNTING.—In carrying out paragraph (1), the Secretary should avoid double counting of benefits."; and

(4) in subsection (d), by striking "subsection (b)" and inserting "subsection (c)".

(b) REEVALUATION OF FLOOD CONTROL PROJECTS.—At the request of a non-Federal interest for a flood control project, the Secretary shall conduct a reevaluation of a project authorized before the date of enactment of this Act to consider nonstructural alternatives in light of the amendments made by subsection (a).

(c) COST SHARING.—Section 103(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(b)) is amended—

(1) by striking "The non-Federal" and inserting the following:

"(1) IN GENERAL.—The non-Federal"; and

(2) by adding at the end the following:

"(2) NON-FEDERAL CONTRIBUTION IN EXCESS OF 35 PERCENT.—At any time during construction of a project, if the Secretary determines that the costs of land, easements, rights-of-way, dredged material disposal areas, and relocations for the project, in combination with other costs contributed by the non-Federal interests, will exceed 35 percent, any additional costs for the project (not to exceed 65 percent of the total costs of the project) shall be a Federal responsibility and shall be contributed during construction as part of the Federal share.".

SEC. 220. LAKES PROGRAM.

Section 602(a) of the Water Resources Development Act of 1986 (100 Stat. 4148; 110 Stat. 3758) is amended—

(1) in paragraph (14), by inserting "and nutrient monitoring" after "growth";

(2) in paragraph (15), by striking "and" at the end;

(3) in paragraph (16), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

"(17) Clear Lake, Lake County, California, removal of silt and aquatic growth and measures to address excessive sedimentation and high nutrient concentration;

"(18) Flints Pond, Hollis, Hillsborough County, New Hampshire, removal of silt and aquatic growth and measures to address excessive sedimentation; and

"(19) Osgood Pond, Milford, Hillsborough County, New Hampshire, removal of silt and aquatic growth and measures to address excessive sedimentation.".

SEC. 221. ENHANCEMENT OF FISH AND WILDLIFE RESOURCES.

Section 906(e) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(e)) is amended by inserting after the second sentence the following: "Not more than 80 percent of the non-Federal share of such first costs may be satisfied through in-kind contributions, including facilities, supplies, and services that are necessary to carry out the enhancement project.".

SEC. 222. PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.

(a) IN GENERAL.—It is the sense of Congress that, to the extent practicable, all equipment and products purchased with funds made available under this Act should be American made.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary, to the greatest extent practicable, shall provide to each recipient of the assistance a notice describing the statement made in subsection (a).

SEC. 223. CONSTRUCTION OF FLOOD CONTROL PROJECTS BY NON-FEDERAL INTERESTS.

(a) IN GENERAL.—Section 211(d) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13(d)) is amended—

(1) in paragraph (1), by striking "Any non-Federal interest that has received from the Secretary pursuant to subsection (b) or (c)" and inserting the following:

"(A) STUDIES AND DESIGN ACTIVITIES UNDER SUBSECTION (b).—

"(i) IN GENERAL.—A non-Federal interest may carry out construction for which studies and design documents are prepared under subsection (b) only if the Secretary approves the project for construction.

"(ii) CRITERIA FOR APPROVAL.—The Secretary shall approve a project for construction if the Secretary determines that the project is technically sound, economically justified, and environmentally acceptable and meets the requirements for obtaining the appropriate permits required under the authority of the Secretary.

"(iii) NO UNREASONABLE WITHHOLDING OF APPROVAL.—The Secretary shall not unreasonably withhold approval of a project for construction.

"(iv) NO EFFECT ON REGULATORY AUTHORITY.—Nothing in this subparagraph affects any regulatory authority of the Secretary.

"(B) STUDIES AND DESIGN ACTIVITIES UNDER SUBSECTION (c).—Any non-Federal interest that has received from the Secretary under subsection (c)"; and

(2) in the first sentence of paragraph (2), by inserting "(other than paragraph (1)(A))" after "this subsection".

(b) REIMBURSEMENT.—

(1) IN GENERAL.—Section 211(e)(1) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13(e)(1)) is amended—

(A) in the matter preceding subparagraph (A), by inserting after "constructed pursuant to this section" the following: "and provide credit for the non-Federal share of the project";

(B) in subparagraph (A), by striking "and" at the end;

(C) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(C) if the construction work is substantially in accordance with plans prepared under subsection (b).".

(2) SPECIAL RULES.—Section 211(e)(2)(A) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13(e)(2)(A)) is amended—

(A) in the subparagraph heading, by inserting "OR CREDIT" after "REIMBURSEMENT";

(B) by striking "subject to amounts being made available in advance in appropriations Acts" and inserting "subject to the availability of appropriations"; and

(C) by inserting after "the cost of such work" the following: ", or provide credit (depending on the request of the non-Federal interest) for the non-Federal share of such work,".

(3) SCHEDULE AND MANNER OF REIMBURSEMENTS.—Section 211(e) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13(e)) is amended by adding at the end the following:

"(6) SCHEDULE AND MANNER OF REIMBURSEMENT.—

"(A) BUDGETING.—The Secretary shall budget and request appropriations for reimbursements under this section on a schedule that is consistent with a Federal construction schedule.

"(B) COMMENCEMENT OF REIMBURSEMENTS.—Reimbursements under this section may commence on approval of a project by the Secretary.

"(C) CREDIT.—At the request of a non-Federal interest, the Secretary may reimburse the non-Federal interest by providing credit toward future non-Federal costs of the project.

"(D) SCHEDULING.—Nothing in this paragraph affects the discretion of the President to schedule new construction starts.".

SEC. 224. ENVIRONMENTAL DREDGING.

Section 312 of the Water Resources Development Act of 1990 (33 U.S.C. 1272) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "50" and inserting "35"; and

(B) in paragraph (2), by striking "$20,000,000" and inserting "$50,000,000";

(2) in subsection (d), by striking "non-Federal responsibility" and inserting "shared as a cost of construction"; and

(3) in subsection (f), by adding at the end the following:

"(6) Passaic River and Newark Bay, New Jersey.

"(7) Snake Creek, Bixby, Oklahoma.

"(8) Willamette River, Oregon.".

SEC. 225. RECREATION USER FEES.

(a) WITHHOLDING OF AMOUNTS.—

(1) IN GENERAL.—During fiscal years 1999 through 2002, the Secretary may withhold from the special account established under section 4(i)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a(i)(1)(A)) 100 percent of the amount of receipts above a baseline of $34,000,000 per each fiscal year received

from fees imposed at recreation sites under the administrative jurisdiction of the Department of the Army under section 4(b) of that Act (16 U.S.C. 460l–6a(b)).

(2) USE.—The amounts withheld shall be retained by the Secretary and shall be available, without further Act of appropriation, for expenditure by the Secretary in accordance with subsection (b).

(3) AVAILABILITY.—The amounts withheld shall remain available until September 30, 2005.

(b) USE OF AMOUNTS WITHHELD.—In order to increase the quality of the visitor experience at public recreational areas and to enhance the protection of resources, the amounts withheld under subsection (a) may be used only for—

(1) repair and maintenance projects (including projects relating to health and safety);

(2) interpretation;

(3) signage;

(4) habitat or facility enhancement;

(5) resource preservation;

(6) annual operation (including fee collection);

(7) maintenance; and

(8) law enforcement related to public use.

(c) AVAILABILITY.—Each amount withheld by the Secretary shall be available for expenditure, without further Act of appropriation, at the specific project from which the amount, above baseline, is collected.

SEC. 226. SMALL STORM DAMAGE REDUCTION PROJECTS.

Section 3 of the Act of August 13, 1946 (33 U.S.C. 426g), is amended by striking "$2,000,000" and inserting "$3,000,000".

SEC. 227. USE OF PRIVATE ENTERPRISES.

(a) IN GENERAL.—The Secretary shall comply with the requirements of the Federal Activities Inventory Reform Act of 1998 (31 U.S.C. 501 note; Public Law 105–270).

(b) COMPLIANCE WITH OTHER LAW.—

(1) INVENTORY AND REVIEW.—In carrying out this section, the Secretary shall inventory and review all activities that are not inherently governmental in nature in accordance with the Federal Activities Inventory Reform Act of 1998.

(2) ARCHITECTURAL AND ENGINEERING SERVICES.—Any review and conversion by the Secretary to performance by private enterprise of an architectural or engineering service (including a surveying or mapping service) shall be carried out in accordance with title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541 et seq.).

TITLE III—PROJECT-RELATED PROVISIONS

SEC. 301. TENNESSEE-TOMBIGBEE WATERWAY WILDLIFE MITIGATION, ALABAMA AND MISSISSIPPI.

The Tennessee-Tombigbee Waterway Wildlife Mitigation Project, Alabama and Mississippi, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4138), is modified to authorize the Secretary to complete the project at a cost of $93,530,000, in accordance with the post authorization change report dated August 17, 1998.

SEC. 302. OUZINKIE HARBOR, ALASKA.

(a) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be expended for the project for navigation, Ouzinkie Harbor, Alaska, shall be $8,500,000.

(b) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in the project under subsection (a).

SEC. 303. ST. PAUL HARBOR, ST. PAUL, ALASKA.

The project for navigation, St. Paul Harbor, St. Paul, Alaska, authorized by section 101(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3667), is modified to include the construction of additional features for a small boat harbor with an entrance channel and maneuvering area dredged to a 20-foot depth and appropriate wave protection features at an additional estimated total cost of $12,700,000, with an estimated Federal cost of $5,000,000 and an estimated non-Federal cost of $7,700,000.

SEC. 304. LOGGY BAYOU, RED RIVER BELOW DENISON DAM, ARKANSAS, LOUISIANA, OKLAHOMA, AND TEXAS.

The project for flood control on the Red River below Denison Dam, Arkansas, Louisiana, Oklahoma, and Texas, authorized by section 10 of the Flood Control Act of 1946 (60 Stat. 647), is modified to direct the Secretary to conduct a study to determine the feasibility of expanding the project to include mile 0.0 to mile 7.8 of Loggy Bayou between the Red River and Flat River.

SEC. 305. SACRAMENTO RIVER, GLENN-COLUSA, CALIFORNIA.

(a) IN GENERAL.—The project for flood control, Sacramento River, California, authorized by section 2 of the Act entitled "An Act to provide for the control of the floods of the Mississippi River and of the Sacramento River, California, and for other purposes", approved March 1, 1917 (39 Stat. 949), and modified by section 102 of the Energy and Water Development Appropriations Act, 1990 (103 Stat. 649), section 301(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3110), and title I of the Energy and Water Development Appropriations Act, 1999 (112 Stat. 1841), is further modified to authorize the Secretary—

(1) to carry out the portion of the project at Glenn-Colusa, California, at a total cost of $26,000,000, with an estimated Federal cost of $20,000,000 and an estimated non-Federal cost of $6,000,000; and

(2) to carry out bank stabilization work in the riverbed gradient facility, particularly in the vicinity of River Mile 208, if the Secretary determines that such work is necessary to protect the overall integrity of the project, on the condition that additional environmental review of the project is conducted.

SEC. 306. SAN LORENZO RIVER, CALIFORNIA.

The project for flood control, San Lorenzo River, California, authorized by section 101(a)(5) of the Water Resources Development Act of 1996 (110 Stat. 3663), is modified to authorize the Secretary to include as a part of the project streambank erosion control measures to be undertaken substantially in accordance with the report entitled "Bank Stabilization Concept, Laurel Street Extension", dated April 23, 1998, at a total cost of $4,800,000, with an estimated Federal cost of $3,100,000 and an estimated non-Federal cost of $1,700,000.

SEC. 307. TERMINUS DAM, KAWEAH RIVER, CALIFORNIA.

(a) TRANSFER OF TITLE TO ADDITIONAL LAND.—If the non-Federal interests for the project for flood control and water supply, Terminus Dam, Kaweah River, California, authorized by section 101(b)(5) of the Water Resources Development Act of 1996 (110 Stat. 3667), transfer to the Secretary without consideration title to perimeter lands acquired for the project by the non-Federal interests, the Secretary may accept the transfer of that title.

(b) LAND, EASEMENTS, AND RIGHTS-OF-WAY.—Nothing in this section changes, modifies, or otherwise affects the responsibility of the non-Federal interests to provide land, easements, rights-of-way, relocations, and dredged material disposal areas necessary for the Terminus Dam project and to perform operation and maintenance for the project.

(c) OPERATION AND MAINTENANCE.—On request by the non-Federal interests, the Secretary shall carry out operation, maintenance, repair, replacement, and rehabilitation of the project if the non-Federal interests enter into a binding agreement with the Secretary to reimburse the Secretary for 100 percent of the costs of such operation, maintenance, repair, replacement, and rehabilitation, and any other expenses incurred by the Corps of Engineers under this section.

(d) HOLD HARMLESS.—The non-Federal interests shall hold the United States harmless for ownership, operation, and maintenance of lands and facilities of the Terminus Dam project title to which is transferred to the Secretary under this section.

SEC. 308. DELAWARE RIVER MAINSTEM AND CHANNEL DEEPENING, DELAWARE, NEW JERSEY, AND PENNSYLVANIA.

The project for navigation, Delaware River Mainstem and Channel Deepening, Delaware, New Jersey, and Pennsylvania, authorized by section 101(6) of the Water Resources Development Act of 1992 (106 Stat. 4802), is modified as follows:

(1) CREDIT FOR ENGINEERING AND DESIGN AND CONSTRUCTION MANAGEMENT WORK.—The Secretary may provide the non-Federal interests credit, toward cash contributions required for construction and subsequent to construction, for the costs of engineering and design and construction management work that is performed by the non-Federal interests and that the Secretary determines is necessary to implement the project. Any such credit shall reduce the Philadelphia District's private sector performance goals for engineering work by the amount of the credit.

(2) CREDIT FOR COSTS OF CONSTRUCTION.—The Secretary may provide the non-Federal interests credit, toward cash contributions required during construction and subsequent to construction, for the costs of construction performed by the non-Federal interests on behalf of the Secretary and that the Secretary determines is necessary to implement the project.

(3) PAYMENT OF DISPOSAL OR TIPPING FEES.—The Secretary may enter into an agreement with a non-Federal interest for the payment of disposal or tipping fees for dredged material from a Federal project, other than for the construction or operation and maintenance of the new deepening project as described in the Limited Reevaluation Report dated May 1997, if the non-Federal interest has supplied the corresponding disposal capacity.

(4) DISPOSAL AREA MANAGEMENT PLAN.—The Secretary may enter into an agreement with a non-Federal interest under which—

(A) the non-Federal interest may carry out or cause to have carried out on behalf of the Secretary a disposal area management program for dredged material disposal areas necessary to construct, operate, and maintain the project; and

(B) the Secretary shall reimburse the non-Federal interest for the costs of carrying out the program.

SEC. 309. POTOMAC RIVER, WASHINGTON, DISTRICT OF COLUMBIA.

The project for flood control, Potomac River, Washington, District of Columbia, authorized by section 5 of the Act of June 22, 1936 (49 Stat. 1574, chapter 688), and modified by section 301(a)(4) of the Water Resources Development Act of 1996 (110 Stat. 3707), is modified to authorize the Secretary to construct the project at a Federal cost of $5,965,000, in accordance with the post authorization change report dated June 29, 1998.

SEC. 310. BREVARD COUNTY, FLORIDA.

(a) STUDY.—Not later than 120 days after the date of enactment of this Act, the Secretary, in cooperation with the non-Federal interest, shall complete a study of any damage to the project for shore protection, Brevard County, Florida, authorized by section 101(b)(7) of the Water Resources Development Act of 1996 (110 Stat. 3667),

to determine whether the damage is the result of a Federal navigation project.

(b) Conditions.—In conducting the study, the Secretary shall use the services of an independent coastal expert, who shall consider all relevant studies completed by the Corps of Engineers and the local sponsor of the project.

(c) Mitigation of Damage.—After completion of the study, the Secretary shall mitigate any damage to the shore protection project that is the result of a Federal navigation project. The costs of the mitigation shall be allocated to the Federal navigation project as operation and maintenance costs.

SEC. 311. BROWARD COUNTY AND HILLSBORO INLET, FLORIDA.

The project for shore protection, Broward County and Hillsboro Inlet, Florida, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1090), is modified to authorize the Secretary, on execution of a contract to construct the project, to reimburse the non-Federal interest for the Federal share of the cost of preconstruction planning and design for the project, if the Secretary determines that the work is compatible with and integral to the project.

SEC. 312. LEE COUNTY, CAPTIVA ISLAND SEGMENT, FLORIDA, PERIODIC BEACH NOURISHMENT.

(a) In General.—The project for shore protection, Lee County, Captiva Island segment, Florida, authorized by section 506(b)(3)(A) of the Water Resources Development Act of 1996 (110 Stat. 3758), is modified to direct the Secretary to enter into an agreement with the non-Federal interest to carry out the project in accordance with section 206 of the Water Resources Development Act of 1992 (33 U.S.C. 426i–1).

(b) Decision Document.—The design memorandum approved in 1996 shall be the decision document supporting continued Federal participation in cost sharing of the project.

SEC. 313. FORT PIERCE, FLORIDA.

(a) In General.—The project for shore protection and harbor mitigation, Fort Pierce, Florida, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) and section 506(a)(2) of the Water Resources Development Act of 1996 (110 Stat. 3757), is modified to incorporate 1 additional mile into the project in accordance with a final approved general reevaluation report, at a total cost for initial nourishment for the entire project of $9,128,000, with an estimated Federal cost of $7,073,500 and an estimated non-Federal cost of $2,054,500, at an average annual cost of $556,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $431,000 and an estimated annual non-Federal cost of $125,000.

(b) Periodic Beach Nourishment.—Periodic beach nourishment is authorized for the project in accordance with section 506(a)(2) of Water Resources Development Act of 1996 (110 Stat. 3757).

SEC. 314. NASSAU COUNTY, FLORIDA.

The project for beach erosion control, Nassau County (Amelia Island), Florida, authorized by section 3(a)(3) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to construct the project at a total cost of $17,000,000, with an estimated Federal cost of $13,300,000 and an estimated non-Federal cost of $3,700,000, at an average annual cost of $1,177,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $807,000 and an estimated annual non-Federal cost of $370,000.

SEC. 315. MIAMI HARBOR CHANNEL, FLORIDA.

The project for navigation, Miami Harbor Channel, Florida, authorized by section 101(a)(9) of the Water Resources Development Act of 1990 (104 Stat. 4606), is modified to include construction of artificial reefs and related environmental mitigation required by Federal, State, and local environmental permitting agencies for the project, if the Secretary determines that the project as modified is technically sound, environmentally acceptable, and economically justified.

SEC. 316. ST. AUGUSTINE, ST. JOHNS COUNTY, FLORIDA.

The project for shore protection and storm damage reduction, St. Augustine, St. Johns County, Florida, authorized by section 501(a) of the Water Resources Development Act of 1986 (100 Stat. 4133) is modified to include navigation mitigation as a project purpose and to be carried by the Secretary substantially in accordance with the general reevaluation report dated November 18, 1998, at a total cost of $17,208,000, with an estimated Federal cost of $13,852,000 and an estimated non-Federal cost of $3,356,000, and at an estimated average annual cost of $1,360,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $1,095,000 and an estimated annual non-Federal cost of $265,000.

SEC. 317. MILO CREEK, IDAHO.

The Secretary shall reimburse the non-Federal interests for 65 percent of the reasonable costs of flood control for the South Division Street Segment, Milo Creek Flood Control Project, Idaho, to be constructed by the State of Idaho as described in the provision entitled "Add Alternative I" in the Milo Creek Phase II plans and specifications dated April 1999.

SEC. 318. LAKE MICHIGAN, ILLINOIS.

(a) In General.—The project for storm damage reduction and shore protection, Lake Michigan, Illinois, from Wilmette, Illinois, to the Illinois-Indiana State line, authorized by section 101(a)(12) of the Water Resources Development Act of 1996 (110 Stat. 3664), is modified to provide for reimbursement for additional project work undertaken by the non-Federal interest.

(b) Credit or Reimbursement.—The Secretary shall credit or reimburse the non-Federal interest for the Federal share of project costs incurred by the non-Federal interest in designing, constructing, or reconstructing reach 2F (700 feet south of Fullerton Avenue and 500 feet north of Fullerton Avenue), reach 3M (Meigs Field), and segments 7 and 8 of reach 4 (43rd Street to 57th Street), if the non-Federal interest carries out the work in accordance with plans approved by the Secretary, at an estimated total cost of $83,300,000.

(c) Reimbursement.—The Secretary shall reimburse the non-Federal interest for the Federal share of project costs incurred by the non-Federal interest in reconstructing the revetment structures protecting Solidarity Drive in Chicago, Illinois, before the signing of the project cooperation agreement, at an estimated total cost of $7,600,000.

SEC. 319. SPRINGFIELD, ILLINOIS.

Section 417 of the Water Resources Development Act of 1996 (110 Stat. 3743) is amended—

(1) by inserting "(a) In General.—" before "The Secretary"; and

(2) by adding at the end the following:

"(b) Cost Sharing.—The non-Federal share of assistance provided under this section before, on, or after the date of enactment of this subsection shall be 50 percent.".

SEC. 320. OGDEN DUNES, INDIANA.

(a) Study.—The Secretary shall conduct a study of beach erosion in and around the town of Ogden Dunes, Indiana, to determine whether the damage is the result of a Federal navigation project.

(b) Mitigation of Damage.—If the Secretary determines that the damage described in subsection (a) is the result of a Federal navigation project, the Secretary shall take appropriate measures to mitigate the damage.

(c) Cost.—The cost of the mitigation shall be allocated to the Federal navigation project as an operation and maintenance cost.

SEC. 321. SAINT JOSEPH RIVER, SOUTH BEND, INDIANA.

(a) Maximum Total Expenditure.—The maximum total expenditure for the project for streambank erosion, recreation, and pedestrian access features, Saint Joseph River, South Bend, Indiana, shall be $7,800,000.

(b) Revision of Project Cooperation Agreement.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in the project under subsection (a).

SEC. 322. WHITE RIVER, INDIANA.

The project for flood control, Indianapolis on West Fork of the White River, Indiana, authorized by section 5 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes", approved June 22, 1936 (49 Stat. 1586, chapter 688), as modified by section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), is modified to authorize the Secretary to undertake the riverfront alterations described in the Central Indianapolis Waterfront Concept Plan, dated February 1994, for the Canal Development (Upper Canal feature) and the Beveridge Paper feature, at a total cost not to exceed $25,000,000, of which $12,500,000 is the estimated Federal cost and $12,500,000 is the estimated non-Federal cost, except that no such alterations may be undertaken unless the Secretary determines that the alterations authorized by this section, in combination with the alterations undertaken under section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), are economically justified.

SEC. 323. DUBUQUE, IOWA.

The project for navigation, Dubuque, Iowa, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 482), is modified to authorize the development of a wetland demonstration area of approximately 1.5 acres to be developed and operated by the Dubuque County Historical Society or a successor nonprofit organization.

SEC. 324. LAKE PONTCHARTRAIN, LOUISIANA.

The project for hurricane-flood protection, Lake Pontchartrain, Louisiana, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), is modified—

(1) to direct the Secretary to conduct a study to determine the feasibility of constructing a pump adjacent to each of the 4 proposed drainage structures for the Saint Charles Parish feature of the project; and

(2) to authorize the Secretary to construct the pumps, with a Federal cost of 65 percent, if the Secretary determines that the project as modified is technically sound, environmentally acceptable, and economically justified.

SEC. 325. LAROSE TO GOLDEN MEADOW, LOUISIANA.

The project for hurricane protection Larose to Golden Meadow, Louisiana, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), is modified to authorize the Secretary to convert the Golden Meadow floodgate into a navigation lock if the Secretary determines that the conversion is technically feasible, environmentally acceptable, and economically justified.

SEC. 326. LOUISIANA STATE PENITENTIARY LEVEE, LOUISIANA.

The Secretary may credit against the non-Federal share work performed in the project area of the Louisiana State Penitentiary Levee, Mississippi River, Louisiana, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4117).

SEC. 327. TWELVE-MILE BAYOU, CADDO PARISH, LOUISIANA.

The Red River Below Denison Dam project, authorized by section 10 of the Flood Control Act of 1946 (60 Stat. 647), is modified to incorporate the Twelve-Mile Bayou and levee from its confluence with the Red River and levee approximately 26 miles upstream to the vicinity of Black Bayou, Caddo Parish, Louisiana.

SEC. 328. WEST BANK OF THE MISSISSIPPI RIVER (EAST OF HARVEY CANAL), LOUISIANA.

(a) In General.—The project to prevent flood damage and for hurricane damage reduction, west bank of the Mississippi River (east of Harvey Canal), Louisiana, authorized by section 401(b) of the Water Resources Development Act of 1986 (100 Stat. 4128) and section 101(a)(17) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to direct the Secretary to continue Federal operation and maintenance of the portion of the project included in the report of the Chief of Engineers dated May 1, 1995, referred to as "Algiers Channel".

(b) Combination of Projects.—The Secretary shall carry out work authorized as part of the Westwego to Harvey Canal project, the East of Harvey Canal project, and the Lake Cataouatche modifications as a single project, to be known as the "West Bank and Vicinity, New Orleans, Louisiana, Hurricane Protection Project", with a combined total cost of $280,300,000.

SEC. 329. TOLCHESTER CHANNEL S-TURN, BALTIMORE, MARYLAND.

The project for navigation, Baltimore Harbor and Channels, Maryland, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), is modified to direct the Secretary to straighten the Tolchester Channel S-turn as part of project maintenance.

SEC. 330. SAULT SAINTE MARIE, CHIPPEWA COUNTY, MICHIGAN.

The project for navigation Sault Sainte Marie, Chippewa County, Michigan, authorized by section 1149 of the Water Resources Development Act of 1986 (100 Stat. 4254) and modified by section 330 of the Water Resources Development Act of 1996 (110 Stat. 3717), is further modified to provide that the amount to be paid by non-Federal interests under section 101(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2211(a)) and section 330(a) of the Water Resources Development Act of 1996 shall not include any interest payments.

SEC. 331. JACKSON COUNTY, MISSISSIPPI.

The project for environmental infrastructure, Jackson County, Mississippi, authorized by section 219(c)(5) of the Water Resources Development Act of 1992 (106 Stat. 4835) and modified by section 504 of the Water Resources Development Act of 1996 (110 Stat. 3757), is further modified to direct the Secretary to provide a credit, not to exceed $5,000,000, toward the non-Federal share of the cost of the project for the costs incurred by the Jackson County Board of Supervisors since February 8, 1994, in constructing the project, if the Secretary determines that the work is compatible with and integral to the project.

SEC. 332. BOIS BRULE DRAINAGE AND LEVEE DISTRICT, MISSOURI.

(a) Maximum Federal Expenditure.—The maximum amount of Federal funds that may be allocated for the project for flood control, Bois Brule Drainage and Levee District, Missouri, authorized under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), is $15,000,000.

(b) Revision of Project Cooperation Agreement.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in Federal participation in the project under subsection (a).

(c) Cost Sharing.—Nothing in this section affects any cost-sharing requirement applicable to the project referred to in subsection (a) under title I of the Water Resources Development Act of 1986 (33 U.S.C. 2211 et seq.).

SEC. 333. MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MISSOURI.

The project for flood control, Meramec River Basin, Valley Park Levee, Missouri, authorized by section 2(h) of the Act entitled "An Act to deauthorize several projects within the jurisdiction of the Army Corps of Engineers" (Public Law 97–128; 95 Stat. 1682) and modified by section 1128 of the Water Resources Developoment Act of 1986 (100 Stat. 4246), is further modified to authorize the Secretary to construct the project at a maximum Federal expenditure of $35,000,000, if the Secretary determines that the project as modified is technically sound, environmentally acceptable, and economically justified.

SEC. 334. MISSOURI RIVER MITIGATION PROJECT, MISSOURI, KANSAS, IOWA, AND NEBRASKA.

(a) In General.—The project for mitigation of fish and wildlife losses, Missouri River Bank Stabilization and Navigation Project, Missouri, Kansas, Iowa, and Nebraska, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4143) is modified to increase by 118,650 acres the amount of land and interests in land to be acquired for the project.

(b) Study.—

(1) In general.—The Secretary, in conjunction with the States of Missouri, Kansas, Iowa, and Nebraska, shall conduct a study to determine the cost of restoring, under the authority of the Missouri River fish and wildlife mitigation project, a total of 118,650 acres of lost Missouri River fish and wildlife habitat.

(2) Report.—Not later than 180 days after the date of enactment of this Act, the Secretary shall report to Congress on the results of the study.

SEC. 335. WOOD RIVER, GRAND ISLAND, NEBRASKA.

The project for flood control, Wood River, Grand Island, Nebraska, authorized by section 101(a)(19) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project substantially in accordance with the report of the Corps of Engineers dated June 29, 1998, at a total cost of $17,039,000, with an estimated Federal cost of $9,730,000 and an estimated non-Federal cost of $7,309,000.

SEC. 336. ABSECON ISLAND, NEW JERSEY.

The project for storm damage reduction and shore protection, Brigantine Inlet to Great Egg Harbor Inlet, Absecon Island, New Jersey, authorized by section 101(b)(13) of the Water Resources Development Act of 1996 (110 Stat. 3668), is modified to provide that if, after October 12, 1996, the non-Federal interests carry out any work associated with the project that is later recommended by the Chief of Engineers and approved by the Secretary, the Secretary may provide the non-Federal interests credit toward the non-Federal share of the cost of the project in an amount equal to the Federal share of the cost of the work, without interest.

SEC. 337. NEW YORK HARBOR AND ADJACENT CHANNELS, PORT JERSEY, NEW JERSEY.

(a) In General.—The project for navigation, New York Harbor and Adjacent Channels, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098), is further modified to authorize the Secretary to construct the portion of the project that is located between Military Ocean Terminal Bayonne and Global Terminal in Bayonne, New Jersey, at a total cost of $103,267,000, with an estimated Federal cost of $76,909,000 and an estimated non-Federal cost of $26,358,000.

(b) Limitation.—No funds may be obligated to carry out work under the modification under subsection (a) until completion of a final report by the Chief of Engineers finding that the work is technically sound, environmentally acceptable, and economically justified.

SEC. 338. ARTHUR KILL, NEW YORK AND NEW JERSEY.

(a) In General.—The project for navigation, Arthur Kill, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098) and modified by section 301(b)(11) of the Water Resources Development Act of 1996 (110 Stat. 3711), is further modified to authorize the Secretary to construct the project substantially in accordance with the report of the Corps of Engineers dated July 23, 1999, at a total cost of $315,700,000, with an estimated Federal cost of $183,200,000 and an estimated non-Federal cost of $132,500,000.

(b) Credit.—The Secretary may provide non-Federal interests—

(1) credit toward cash contributions required prior to and during construction and subsequent to construction for planning, engineering, and design and construction management work that is performed by non-Federal interests and that the Secretary determines is necessary to implement the project; and

(2) credit toward cash contributions required during construction and subsequent to construction for the costs of construction carried out by the non-Federal interest on behalf of the Secretary and that the Secretary determines is necessary to implement the project.

SEC. 339. KILL VAN KULL AND NEWARK BAY CHANNELS, NEW YORK AND NEW JERSEY.

The project for navigation, Kill Van Kull and Newark Bay Channels, New York and New Jersey, authorized by chapter IV of title I of the Supplemental Appropriations Act, 1985 (99 Stat. 313), section 202(a) of the Water Resources Development Act of 1986 (100 Stat. 4095), and section 301(b)(12) of the Water Resources Development Act of 1996 (110 Stat. 3711), is further modified to authorize the Secretary to provide the non-Federal interests credit toward cash contributions required—

(1) before, during, and after construction for planning, engineering and design, and construction management work that is performed by the non-Federal interests and that the Secretary determines is necessary to implement the project; and

(2) during and after construction for the costs of the construction that the non-Federal interests carry out on behalf of the Secretary and that the Secretary determines is necessary to implement the project.

SEC. 340. NEW YORK CITY WATERSHED.

Section 552 of the Water Resources Development Act of 1996 (110 Stat. 3779) is amended—

(1) in subsection (d), by striking "for the project to be carried out with such assistance" and inserting ", or a public entity designated by the State director, to carry out the project with the assistance, subject to the project's meeting the certification requirement of subsection (c)(1)"; and

(2) in subsection (i), by striking "$22,500,000" and inserting "$42,500,000".

SEC. 341. NEW YORK STATE CANAL SYSTEM.

Section 553(e) of the Water Resources Development Act of 1996 (110 Stat. 3781) is amended by striking "$8,000,000" and inserting "$18,000,000".

SEC. 342. FIRE ISLAND INLET TO MONTAUK POINT, NEW YORK.

The project for combined beach erosion control and hurricane protection, Fire Island Inlet *to Montauk Point, Long Island, New York, authorized by section 101(a) of the River and Harbor Act of 1960 (74 Stat. 483) and modified by the River and Harbor Act of 1962, the Water Resources Development Act of 1974, and the Water Resources Development Act of 1986, is further modified to direct the Secretary, in coordination with the heads of other Federal departments and agencies, to complete all procedures and reviews expeditiously and to adopt and submit to Congress, not later than 120 days after the date of enactment of this Act, a mutually acceptable shore erosion plan for the Fire Island Inlet to Moriches Inlet reach of the project.*

SEC. 343. BROKEN BOW LAKE, RED RIVER BASIN, OKLAHOMA.

The project for flood control and water supply, Broken Bow Lake, Red River Basin, Oklahoma, authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 309) and modified by section 203 of the Flood Control Act of 1962 (76 Stat. 1187), section 102(v) of the Water Resources Development Act of 1992 (106 Stat. 4808), and section 338 of the Water Resources Development Act of 1996 (110 Stat. 3720), is further modified to require the Secretary to make seasonal adjustments to the top of the conservation pool at the project, if the Secretary determines that the adjustments will be undertaken at no cost to the United States and will adequately protect affected water and related resources, as follows:

(1) Maintain an elevation of 599.5 from November 1 through March 31.

(2) Increase elevation gradually from 599.5 to 602.5 during April and May.

(3) Maintain an elevation of 602.5 from June 1 to September 30.

(4) Decrease elevation gradually from 602.5 to 599.5 during October.

SEC. 344. WILLAMETTE RIVER TEMPERATURE CONTROL, MCKENZIE SUBBASIN, OREGON.

(a) IN GENERAL.—The project for environmental restoration, Willamette River Temperature Control, McKenzie Subbasin, Oregon, authorized by section 101(a)(25) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project substantially in accordance with the Feature Memorandum dated July 31, 1998, at a total cost of $64,741,000, if the Secretary determines that the project as modified is technically sound and environmentally acceptable.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that—

(1) states the reasons for the increase in the cost of the project;

(2) outlines the steps that the Corps of Engineers is taking to control project costs, including the application of value engineering and other appropriate measures; and

(3) includes a cost estimate for, and recommendations on the advisability of, adding fish screens to the project.

SEC. 345. CURWENSVILLE LAKE, PENNSYLVANIA.

Section 562 of the Water Resources Development Act of 1996 (110 Stat. 3784) is amended—

(1) by striking "The Secretary" and inserting the following:

"(a) IN GENERAL.—The Secretary"; and

(2) by adding at the end the following:

"(b) RECREATION FACILITIES.—The Secretary—

"(1) may provide design and construction assistance for recreational facilities at Curwensville Lake; and

"(2) may require the non-Federal interest to provide not more than 25 percent of the cost of designing and constructing the recreational facilities.".

SEC. 346. DELAWARE RIVER, PENNSYLVANIA AND DELAWARE.

The project for navigation, Delaware River, Philadelphia to Wilmington, Pennsylvania and Delaware, authorized by section 3(a)(12) of the Water Resources Development Act of 1988 (102 Stat. 4014), is modified to authorize the Secretary to extend the channel of the Delaware River at Camden, New Jersey, to within 150 feet of the existing bulkhead and to relocate the 40-foot deep Federal navigation channel, eastward within Philadelphia Harbor, from the Ben Franklin Bridge to the Walt Whitman Bridge, into deep water, if the Secretary determines that the project as modified is technically sound, economically acceptable, and economically justified.

SEC. 347. MUSSERS DAM, PENNSYLVANIA.

Section 209 of the Water Resources Development Act of 1992 (106 Stat. 4830) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

SEC. 348. PHILADELPHIA, PENNSYLVANIA.

Section 564(c)(2) of the Water Resources Development Act of 1996 (110 Stat. 3785) is amended by striking "$2,700,000" and inserting "$4,000,000".

SEC. 349. NINE MILE RUN, ALLEGHENY COUNTY, PENNSYLVANIA.

If the Secretary determines that the documentation is integral to the project, the Secretary shall credit against the non-Federal share such costs, not to exceed $1,000,000, as are incurred by the non-Federal interests in preparing the environmental restoration report, planning and design-phase scientific and engineering technical services documentation, and other preconstruction documentation for the habitat restoration project, Nine Mile Run, Pennsylvania.

SEC. 350. RAYSTOWN LAKE, PENNSYLVANIA.

(a) RECREATION PARTNERSHIP INITIATIVE.—Section 519(b) of the Water Resources Development Act of 1996 (33 U.S.C. 2328 note; 110 Stat. 3765) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

"(3) ENGINEERING AND DESIGN SERVICES.—The Secretary may perform engineering and design services for project infrastructure expected to be associated with the development of the site at Raystown Lake, Hesston, Pennsylvania.".

(b) CONSTRUCTION ASSISTANCE.—

(1) IN GENERAL.—Consistent with the master plan described in section 318 of the Water Resources Development Act of 1992 (106 Stat. 4848), the Secretary may provide a grant to Juniata College for the construction of facilities and structures at Raystown Lake, Pennsylvania, to interpret and understand environmental conditions and trends. As a condition of the receipt of financial assistance, officials at Juniata College shall coordinate the construction with the Baltimore District of the Army Corps of Engineers.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000.

SEC. 351. SOUTH CENTRAL PENNSYLVANIA.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 313(g)(1) of the Water Resources Development Act of 1992 (106 Stat. 4846; 110 Stat. 3723) is amended by striking "$80,000,000" and inserting "$180,000,000".

(b) CORPS OF ENGINEERS EXPENSES.—Section 313(g) of the Water Resources Development Act of 1992 (106 Stat. 4846) is amended by adding at the end the following:

"(4) CORPS OF ENGINEERS EXPENSES.—10 percent of the amounts appropriated to carry out this section for each of fiscal years 2000 through 2002 may be used by the Corps of Engineers district offices to administer and implement projects under this section at 100 percent Federal expense.".

SEC. 352. FOX POINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND.

The project for hurricane-flood protection, Fox Point, Providence, Rhode Island, authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 306), is modified to direct the Secretary to undertake the necessary repairs to the barrier, as identified in the Condition Survey and Technical Assessment dated April 1998, with Supplement dated August 1998, at a total cost of $3,000,000, with an estimated Federal cost of $1,950,000 and an estimated non-Federal cost of $1,050,000.

SEC. 353. COOPER RIVER, CHARLESTON HARBOR, SOUTH CAROLINA.

(a) IN GENERAL.—The project for rediversion, Cooper River, Charleston Harbor, South Carolina, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731) and modified by title I of the Energy and Water Development Appropriations Act, 1992 (105 Stat. 517), is further modified to authorize the Secretary to pay to the State of South Carolina not more than $3,750,000 if the Secretary and the State enter into a binding agreement for the State to perform all future operation of the fish lift at St. Stephen, South Carolina, including performance of studies to assess the efficacy of the fish lift.

(b) CONTENTS OF AGREEMENT.—The agreement under subsection (a) shall specify—

(1) the terms and conditions under which payment will be made; and

(2) the rights of, and remedies available to, the Federal Government to recover all or a portion of the payment if the State suspends or terminates operation of the fish lift or fails to operate the fish lift in a manner satisfactory to the Secretary.

(c) MAINTENANCE.—Maintenance of the fish lift shall remain a Federal responsibility.

SEC. 354. CLEAR CREEK, TEXAS.

Section 575 of the Water Resources Development Act of 1996 (110 Stat. 3789) is amended—

(1) in subsection (a)—

(A) by inserting "or nonstructural actions" after "flood control works constructed"; and

(B) by inserting "or nonstructural actions" after "construction of the project"; and

(2) in subsection (b)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(4) the project for flood control, Clear Creek, Texas, authorized by section 203 of the Flood Control Act of 1968 (82 Stat. 742).".

SEC. 355. CYPRESS CREEK, TEXAS.

(a) IN GENERAL.—The project for flood control, Cypress Creek, Texas, authorized by section 3(a)(13) of the Water Resources Development Act of 1988 (102 Stat. 4014), is modified to authorize the Secretary to carry out a nonstructural flood control project at a total cost of $5,000,000.

(b) REIMBURSEMENT FOR WORK.—The Secretary may reimburse the non-Federal interest for the Cypress Creek project for work done by the non-Federal interest on the nonstructural flood control project in an amount equal to the estimate of the Federal share, without interest, of the cost of the work—

(1) if, after authorization and before initiation of construction of the nonstructural project, the Secretary approves the plans for construction of the nonstructural project by the non-Federal interest; and

(2) if the Secretary finds, after a review of studies and design documents prepared to carry out the nonstructural project, that construction of the nonstructural project is economically justified and environmentally acceptable.

SEC. 356. DALLAS FLOODWAY EXTENSION, DALLAS, TEXAS.

The project for flood control, Dallas Floodway Extension, Dallas, Texas, authorized by section

301 of the River and Harbor Act of 1965 (79 Stat. 1091) and modified by section 351 of the Water Resources Development Act of 1996 (110 Stat. 3724), is further modified to add environmental restoration and recreation as project purposes.

SEC. 357. UPPER JORDAN RIVER, UTAH.

The project for flood control, Upper Jordan River, Utah, authorized by section 101(a)(23) of the Water Resources Development Act of 1990 (104 Stat. 4610) and modified by section 301(a)(14) of the Water Resources Development Act of 1996 (110 Stat. 3709), is further modified to direct the Secretary to carry out the locally preferred project, entitled "Upper Jordan River Flood Control Project, Salt Lake County, Utah—Supplemental Information" and identified in the document of Salt Lake County, Utah, dated July 30, 1998, at a total cost of $12,870,000, with an estimated Federal cost of $8,580,000 and an estimated non-Federal cost of $4,290,000, if the Secretary determines that the project as modified is technically sound, environmentally acceptable, and economically justified.

SEC. 358. ELIZABETH RIVER, CHESAPEAKE, VIRGINIA.

Notwithstanding any other provision of law, after September 30, 1999, the city of Chesapeake, Virginia, shall not be obligated to make the annual cash contribution required under paragraph 1(9) of the Local Cooperation Agreement dated December 12, 1978, between the Government and the city for the project for navigation, southern branch of the Elizabeth River, Chesapeake, Virginia.

SEC. 359. COLUMBIA RIVER CHANNEL, WASHINGTON AND OREGON.

(a) IN GENERAL.—The project for navigation, Columbia River between Vancouver, Washington, and The Dalles, Oregon, authorized by the first section of the Act of July 24, 1946 (60 Stat. 637, chapter 595), is modified to authorize the Secretary to construct an alternate barge channel to traverse the high span of the Interstate Route 5 bridge between Portland, Oregon, and Vancouver, Washington, to a depth of 17 feet, with a width of approximately 200 feet through the high span of the bridge and a width of approximately 300 feet upstream of the bridge.

(b) DISTANCE UPSTREAM.—The channel shall continue upstream of the bridge approximately 2,500 feet to about river mile 107, then to a point of convergence with the main barge channel at about river mile 108.

(c) DISTANCE DOWNSTREAM.—

(1) SOUTHERN EDGE.—The southern edge of the channel shall continue downstream of the bridge approximately 1,500 feet to river mile 106+10, then turn northwest to tie into the edge of the Upper Vancouver Turning Basin.

(2) NORTHERN EDGE.—The northern edge of the channel shall continue downstream of the bridge to the Upper Vancouver Turning Basin.

SEC. 360. GREENBRIER RIVER BASIN, WEST VIRGINIA.

Section 579(c) of the Water Resources Development Act of 1996 (110 Stat. 3790) is amended by striking "$12,000,000" and inserting "$47,000,000".

SEC. 361. BLUESTONE LAKE, OHIO RIVER BASIN, WEST VIRGINIA.

Section 102(ff) of the Water Resources Development Act of 1992 (106 Stat. 4810) is amended by striking "take such measures as are technologically feasible" and inserting "implement Plan C/G, as defined in the Evaluation Report of the District Engineer dated December 1996,".

SEC. 362. MOOREFIELD, WEST VIRGINIA.

Effective October 1, 1999, the project for flood control, Moorefield, West Virginia, authorized by section 101(a)(25) of the Water Resources Development Act of 1990 (104 Stat. 4610), is modified to provide that the non-Federal interest shall not be required to pay the unpaid balance, including interest, of the non-Federal share of the cost of the project.

SEC. 363. WEST VIRGINIA AND PENNSYLVANIA FLOOD CONTROL.

Section 581 of the Water Resources Development Act of 1996 (110 Stat. 3790) is amended by striking subsection (a) and inserting the following:

"(a) IN GENERAL.—The Secretary may design and construct—

"(1) flood control measures in the Cheat and Tygart River basins, West Virginia, at a level of protection that is sufficient to prevent any future losses to communities in the basins from flooding such as occurred in January 1996, but not less than a 100-year level of protection; and

"(2) structural and nonstructural flood control, streambank protection, stormwater management, and channel clearing and modification measures in the lower Allegheny, lower Monongahela, West Branch Susquehanna, and Juniata River basins, Pennsylvania, at a level of protection that is sufficient to prevent any future losses to communities in the basins from flooding such as occurred in January 1996, but not less than a 100-year level of flood protection with respect to measures that incorporate levees or floodwalls.".

SEC. 364. PROJECT REAUTHORIZATIONS.

Each of the following projects is authorized to be carried out by the Secretary, if the Secretary determines that the project is technically sound, environmentally acceptable, and economically justified, as appropriate:

(1) INDIAN RIVER COUNTY, FLORIDA.—The project for shore protection, Indian River County, Florida, authorized by section 501(a) of the Water Resources Development Act of 1986 (100 Stat. 4134) and deauthorized under section 1001(b)(1) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(1)).

(2) LIDO KEY BEACH, SARASOTA, FLORIDA.—

(A) IN GENERAL.—The project for shore protection, Lido Key Beach, Sarasota, Florida, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1819) and deauthorized under section 1001(b) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)), at a total cost of $5,200,000, with an estimated Federal cost of $3,380,000 and an estimated non-Federal cost of $1,820,000.

(B) PERIODIC NOURISHMENT.—The Secretary may carry out periodic nourishment for the project for a 50-year period at an estimated average annual cost of $602,000, with an estimated annual Federal cost of $391,000 and an estimated annual non-Federal cost of $211,000.

(3) CASS RIVER, MICHIGAN (VASSAR).—The project for flood protection, Cass River, Michigan (Vassar), authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 311) and deauthorized under section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)).

(4) SAGINAW RIVER, MICHIGAN (SHIAWASSEE FLATS).—The project for flood control, Saginaw River, Michigan (Shiawassee Flats), authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 311) and deauthorized under section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)).

(5) PARK RIVER, GRAFTON, NORTH DAKOTA.—The project for flood control, Park River, Grafton, North Dakota, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4121) and deauthorized under section 1001(a) of that Act (33 U.S.C. 579a(a)), at a total cost of $28,100,000, with an estimated Federal cost of $18,265,000 and an estimated non-Federal cost of $9,835,000.

(6) MEMPHIS HARBOR, MEMPHIS, TENNESSEE.—The project for navigation, Memphis Harbor, Memphis, Tennessee, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4145) and deauthorized pursuant to section 1001(a) of that Act (33 U.S.C 579a(a)), is authorized to be carried out by the Secretary.

SEC. 365. PROJECT DEAUTHORIZATIONS.

(a) IN GENERAL.—The following projects or portions of projects are not authorized after the date of enactment of this Act:

(1) BRIDGEPORT HARBOR, CONNECTICUT.—The portion of the project for navigation, Bridgeport Harbor, Connecticut, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), consisting of a 2.4-acre anchorage area, 9 feet deep, and an adjacent 0.6-acre anchorage, 6 feet deep, located on the west side of Johnsons River.

(2) CLINTON HARBOR, CONNECTICUT.—The portion of the project for navigation, Clinton Harbor, Connecticut, authorized by section 2 of the Act of March 2, 1945 (59 Stat. 13, chapter 19), and House Document 240, 76th Congress, 1st Session, lying upstream of a line designated by the points N158,592.12, E660,193.92 and N158,444.58, E660,220.95.

(3) BASS HARBOR, MAINE.—The following portions of the project for navigation, Bass Harbor, Maine, authorized on May 7, 1962, under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577):

(A) Beginning at a bend in the project, N149040.00, E538505.00, thence running easterly about 50.00 feet along the northern limit of the project to a point N149061.55, E538550.11, thence running southerly about 642.08 feet to a point, N14877.64, E538817.18, thence running southwesterly about 156.27 feet to a point on the westerly limit of the project, N148348.50, E538737.02, thence running northerly about 149.00 feet along the westerly limit of the project to a bend in the project, N148489.22, E538768.09, thence running northwesterly about 610.39 feet along the westerly limit of the project to the point of origin.

(B) Beginning at a point on the westerly limit of the project, N148118.55, E538689.05, thence running southeasterly about 91.92 feet to a point, N148041.43, E538739.07, thence running southerly about 65.00 feet to a point, N147977.86, E538725.51, thence running southwesterly about 91.92 feet to a point on the westerly limit of the project, N147927.84, E538648.39, thence running northerly about 195.00 feet along the westerly limit of the project to the point of origin.

(4) BOOTHBAY HARBOR, MAINE.—The project for navigation, Boothbay Harbor, Maine, authorized by the Act of July 25, 1912 (37 Stat. 201, chapter 253).

(5) BUCKSPORT HARBOR, MAINE.—The portion of the project for navigation, Bucksport Harbor, Maine, authorized by the first section of the Act of June 13, 1902 (32 Stat. 331, chapter 1079), consisting of a 16-foot deep channel beginning at a point N268.748.16, E423.390.76, thence running north 47 degrees 02 minutes 23 seconds east 51.76 feet to a point N268.783.44, E423.428.64, thence running north 67 degrees 54 minutes 32 seconds west 1513.94 feet to a point N269.352.81, E422.025.84, thence running south 47 degrees 02 minutes 23 seconds west 126.15 feet to a point N269.266.84, E421.933.52, thence running south 70 degrees 24 minutes 28 seconds east 1546.79 feet to the point of origin.

(6) CARVERS HARBOR, VINALHAVEN, MAINE.—The portion of the project for navigation, Carvers Harbor, Vinalhaven, Maine, authorized by the Act of June 3, 1896 (commonly known as the "River and Harbor Appropriations Act of 1896") (29 Stat. 202, chapter 314), consisting of the 16-foot anchorage beginning at a point with coordinates N137,502.04, E895,156.83, thence running south 6 degrees 34 minutes 57.6 seconds west 277.660 feet to a point N137,226.21, E895,125.00, thence running north 53 degrees, 5 minutes 42.4 seconds west 127.746 feet to a point

N137,302.92, E895022.85, thence running north 33 degrees 56 minutes 9.8 seconds east 239.999 feet to the point of origin.

(7) EAST BOOTHBAY HARBOR, MAINE.—Section 364 of the Water Resources Development Act of 1996 is amended by striking paragraph (9) (110 Stat. 3734) and inserting the following:

“(9) EAST BOOTHBAY HARBOR, MAINE.—The project for navigation, East Boothbay Harbor, Maine, authorized by the first section of the Act entitled ‘An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes’, approved June 25, 1910 (36 Stat. 631, chapter 382).”.

(8) SEARSPORT HARBOR, SEARSPORT, MAINE.—The portion of the project for navigation, Searsport Harbor, Searsport, Maine, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173), consisting of the 35-foot turning basin beginning at a point with coordinates N225,008.38, E395,464.26, thence running north 43 degrees 49 minutes 53.4 seconds east 362.001 feet to a point N225,269.52, E395,714.96, thence running south 71 degrees 27 minutes 33.0 seconds east 1,309.201 feet to a point N224,853.22, E396,956.21, thence running north 84 degrees 3 minutes 45.7 seconds west 1,499.997 feet to the point of origin.

(9) WELLS HARBOR, MAINE.—The following portions of the project for navigation, Wells Harbor, Maine, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 480):

(A) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,992.00, E394,831.00, thence running south 83 degrees 58 minutes 14.8 seconds west 10.38 feet to a point N177,990.91, E394,820.68, thence running south 11 degrees 46 minutes 47.7 seconds west 991.76 feet to a point N177,020.04, E394,618.21, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,018.00, E394,628.00, thence running north 11 degrees 46 minutes 22.8 seconds east 994.93 feet to the point of origin.

(B) The portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N177,778.07, E394,336.96, thence running south 51 degrees 58 minutes 32.7 seconds west 15.49 feet to a point N177,768.53, E394,324.76, thence running south 11 degrees 46 minutes 26.5 seconds west 672.87 feet to a point N177,109.82, E394,187.46, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,107.78, E394,197.25, thence running north 11 degrees 46 minutes 25.4 seconds east 684.70 feet to the point of origin.

(C) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,107.78, E394,197.25, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,109.82, E394,187.46, thence running south 11 degrees 46 minutes 15.7 seconds west 300.00 feet to a point N176,816.13, E394,126.26, thence running south 78 degrees 12 minutes 21.4 seconds east 9.98 feet to a point N176,814.09, E394,136.03, thence running north 11 degrees 46 minutes 29.1 seconds east 300.00 feet to the point of origin.

(D) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,018.00, E394,628.00, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,020.04, E394,618.21, thence running south 11 degrees 46 minutes 44.0 seconds west 300.00 feet to a point N176,726.36, E394,556.97, thence running south 78 degrees 12 minutes 30.3 seconds east 10.03 feet to a point N176,724.31, E394,566.79, thence running north 11 degrees 46 minutes 22.4 seconds east 300.00 feet to the point of origin.

(10) FALMOUTH HARBOR, MASSACHUSETTS.—The portion of the project for navigation, Falmouth Harbor, Massachusetts, authorized by section 101 of the River and Harbor Act of 1948 (62 Stat. 1172) lying southeasterly of a line commencing at a point N199,286.41, E844,394.91, thence running north 66 degrees 52 minutes 3.31 seconds east 472.95 feet to a point N199,472.21, E844,829.83, thence running north 43 degrees 9 minutes 28.3 seconds east 262.64 feet to a point N199,633.80, E845,009.48, thence running north 21 degrees 40 minutes 11.26 seconds east 808.38 feet to a point N200,415.05, E845,307.98, thence running north 32 degrees 25 minutes 29.01 seconds east 160.76 feet to a point N200,550.75, E845,394.18, thence running north 24 degrees 56 minutes 42.29 seconds east 1,410.29 feet to a point N201,829.48, E845,988.97.

(11) GREEN HARBOR, MASSACHUSETTS.—The portion of the project for navigation, Green Harbor, Massachusetts, undertaken pursuant to section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577), consisting of the 6-foot deep channel beginning at a point along the west limit of the existing project, north 395990.43, east 831079.16, thence running northwesterly about 752.85 feet to a point, north 396722.80, east 830904.76, thence running northwesterly about 222.79 feet to a point along the west limit of the existing project, north 396844.34, east 830718.04, thence running southwesterly about 33.72 feet along the west limit of the existing project to a point, north 396810.80, east 830714.57, thence running southeasterly about 195.42 feet along the west limit of the existing project to a point, north 396704.19, east 830878.35, thence running about 544.66 feet along the west limit of the existing project to a point, north 396174.35, east 831004.52, thence running southeasterly about 198.49 feet along the west limit of the existing project to the point of beginning.

(12) NEW BEDFORD AND FAIRHAVEN HARBOR, MASSACHUSETTS.—The following portions of the project for navigation, New Bedford and Fairhaven Harbor, Massachusetts:

(A) A portion of the 25-foot spur channel leading to the west of Fish Island, authorized by section 3 of the Act of March 3, 1909 (35 Stat. 816, chapter 264), beginning at a point with coordinates N232,173.77, E758,791.32, thence running south 27 degrees 36 minutes 52.8 seconds west 38.2 feet to a point N232,139.91, E758,773.61, thence running south 87 degrees 35 minutes 31.6 seconds west 196.84 feet to a point N232,131.64, E758,576.94, thence running north 47 degrees 47 minutes 48.4 seconds west 502.72 feet to a point N232,469.35, E758,204.54, thence running north 10 degrees 10 minutes 20.3 seconds west 438.88 feet to a point N232,901.33, E758,127.03, thence running north 79 degrees 49 minutes 43.1 seconds east 121.69 feet to a point N232,922.82, E758,246.81, thence running south 04 degrees 29 minutes 17.6 seconds east 52.52 feet to a point N232,870.46, E758,250.92, thence running south 23 degrees 56 minutes 11.2 seconds east 49.15 feet to a point N323,825.54, E758,270.86, thence running south 79 degrees 49 minutes 27.0 seconds west 88.19 feet to a point N232,809.96, E758,184.06, thence running south 10 degrees 10 minutes 25.7 seconds east 314.83 feet to a point N232,500.08, E758,239.67, thence running south 56 degrees 33 minutes 56.1 seconds east 583.07 feet to a point N232,178.82, E758,726.25, thence running south 85 degrees 33 minutes 16.0 seconds east to the point of origin.

(B) A portion of the 30-foot west maneuvering basin, authorized by the first section of the Act of July 3, 1930 (46 Stat. 918, chapter 847), beginning at a point with coordinates N232,139.91, E758,773.61, thence running north 81 degrees 49 minutes 30.1 seconds east 160.76 feet to a point N232,162.77, E758.932.74, thence running north 85 degrees 33 minutes 16.0 seconds west 141.85 feet to a point N232,173.77, E758,791.32, thence running south 27 degrees 36 minutes 52.8 seconds west to the point of origin.

(b) ANCHORAGE AREA, CLINTON HARBOR, CONNECTICUT.—The portion of the Clinton Harbor, Connecticut, navigation project referred to in subsection (a)(2) beginning at a point with coordinates N158,444.58, E660,220.95, thence running north 79 degrees 37 minutes 14 seconds east 833.31 feet to a point N158,594.72, E661,040.67, thence running south 80 degrees 51 minutes 53 seconds east 181.21 feet to a point N158,565.95, E661,219.58, thence running north 57 degrees 38 minutes 04 seconds west 126.02 feet to a point N158,633.41, E660,113.14, thence running south 79 degrees 37 minutes 14 seconds west 911.61 feet to a point N158,469.17, E660,216.44, thence running south 10 degrees 22 minutes 46 seconds east 25 feet returning to a point N158,444.58, E660,220.95, is redesignated as an anchorage area.

(c) WELLS HARBOR, MAINE.—

(1) PROJECT MODIFICATION.—The Wells Harbor, Maine, navigation project referred to in subsection (a)(9) is modified to authorize the Secretary to realign the channel and anchorage areas based on a harbor design capacity of 150 craft.

(2) REDESIGNATIONS.—

(A) 6-FOOT ANCHORAGE.—The following portions of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9) shall be redesignated as part of the 6-foot anchorage:

(i) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,990.91, E394,820.68, thence running south 83 degrees 58 minutes 40.8 seconds west 94.65 feet to a point N177,980.98, E394,726.55, thence running south 11 degrees 46 minutes 22.4 seconds west 962.83 feet to a point N177,038.40, E394,530.10, thence running south 78 degrees 13 minutes 45.7 seconds east 90.00 feet to a point N177,020.04, E394,618.21, thence running north 11 degrees 46 minutes 47.7 seconds east 991.76 feet to the point of origin.

(ii) The portion of the 10-foot inner harbor settling basin the boundaries of which begin at a point with coordinates N177,020.04, E394,618.21, thence running north 78 degrees 13 minutes 30.5 seconds west 160.00 feet to a point N177,052.69, E394,461.58, thence running south 11 degrees 46 minutes 45.4 seconds west 299.99 feet to a point N176,759.02, E394,400.34, thence running south 78 degrees 13 minutes 17.9 seconds east 160 feet to a point N176,726.36, E394,556.97, thence running north 11 degrees 46 minutes 44.0 seconds east 300.00 feet to the point of origin.

(B) 6-FOOT CHANNEL.—The following portion of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9) shall be redesignated as part of the 6-foot channel: the portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N178,102.26, E394,751.83, thence running south 51 degrees 59 minutes 42.1 seconds west 526.51 feet to a point N177,778.07, E394,336.96, thence running south 11 degrees 46 minutes 26.6 seconds west 511.83 feet to a point N177,277.01, E394,232.52, thence running south 78 degrees 13 minutes 17.9 seconds east 80.00 feet to a point N177,260.68, E394,310.84, thence running north 11 degrees 46 minutes 24.8 seconds east 482.54 feet to a point N177,733.07, E394,409.30, thence running north 51 degrees 59 minutes 41.0 seconds east 402.63 feet to a point N177,980.98, E394,726.55, thence running north 11 degrees 46 minutes 27.6 seconds east 123.89 feet to the point of origin.

(3) REALIGNMENT.—The 6-foot anchorage area described in paragraph (2)(B) shall be realigned to include the area located south of the inner harbor settling basin in existence on the date of enactment of this Act beginning at a point with coordinates N176,726.36, E394,556.97, thence running north 78 degrees 13 minutes 17.9 seconds west 160.00 feet to a point N176,759.02, E394,400.34, thence running south 11 degrees 47 minutes 03.8 seconds west 45 feet to a point N176,714.97, E394,391.15, thence running south

78 degrees 13 minutes 17.9 seconds 160.00 feet to a point N176,682.31, E394,547.78, thence running north 11 degrees 47 minutes 03.8 seconds east 45 feet to the point of origin.

(4) RELOCATION.—The Secretary may relocate the settling basin feature of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9) to the outer harbor between the jetties.

(5) ADDITIONAL ACTIONS.—In carrying out the operation and the maintenance of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9), the Secretary shall undertake each of the actions of the Corps of Engineers specified in section IV(B) of the memorandum of agreement relating to the project dated January 20, 1998, including the actions specified in section IV(B) that the parties agreed to ask the Corps of Engineers to undertake.

(6) CONSERVATION EASEMENT.—The Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, may accept a conveyance of the right, but not the obligation, to enforce a conservation easement to be held by the State of Maine over certain land owned by the town of Wells, Maine, that is adjacent to the Rachel Carson National Wildlife Refuge.

(d) ANCHORAGE AREA, GREEN HARBOR, MASSACHUSETTS.—The portion of the Green Harbor, Massachusetts, navigation project referred to in subsection (a)(11) consisting of a 6-foot deep channel that lies northerly of a line the coordinates of which are North 394825.00, East 831660.00 and North 394779.28, East 831570.64 is redesignated as an anchorage area.

SEC. 366. AMERICAN AND SACRAMENTO RIVERS, CALIFORNIA.

(a) IN GENERAL.—The project for flood damage reduction, American and Sacramento Rivers, California, authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662–3663), is modified to direct the Secretary to include the following improvements as part of the overall project:

(1) Raising the left bank of the non-Federal levee upstream of the Mayhew Drain for a distance of 4,500 feet by an average of 2.5 feet.

(2) Raising the right bank of the American River levee from 1,500 feet upstream to 4,000 feet downstream of the Howe Avenue bridge by an average of 1 foot.

(3) Modifying the south levee of the Natomas Cross Canal for a distance of 5 miles to ensure that the south levee is consistent with the level of protection provided by the authorized levee along the east bank of the Sacramento River.

(4) Modifying the north levee of the Natomas Cross Canal for a distance of 5 miles to ensure that the height of the levee is equivalent to the height of the south levee as authorized by paragraph (3).

(5) Installing gates to the existing Mayhew Drain culvert and pumps to prevent backup of floodwater on the Folsom Boulevard side of the gates.

(6) Installing a slurry wall in the north levee of the American River from the east levee of the Natomas east Main Drain upstream for a distance of approximately 1.2 miles.

(7) Installing a slurry wall in the north levee of the American River from 300 feet west of Jacob Lane north for a distance of approximately 1 mile to the end of the existing levee.

(b) COST LIMITATIONS.—Section 101(a)(1)(A) of the Water Resources Development Act of 1996 (110 Stat. 3662) is amended by striking "at a total cost of" and all that follows through "$14,225,000," and inserting the following: "at a total cost of $91,900,000, with an estimated Federal cost of $68,925,000 and an estimated non-Federal cost of $22,975,000,".

(c) COST SHARING.—For the purposes of section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213), the modifications authorized by this section shall be subject to the same cost sharing in effect for the project for flood damage reduction, American and Sacramento Rivers, California, authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662).

SEC. 367. MARTIN, KENTUCKY.

The project for flood control, Martin, Kentucky, authorized by section 202(a) of the Energy and Water Development Appropriations Act, 1981 (94 Stat. 1339), is modified to authorize the Secretary to take all necessary measures to prevent future losses that would occur as a result of a flood equal in magnitude to a 100-year frequency event.

SEC. 368. SOUTHERN WEST VIRGINIA PILOT PROGRAM.

Section 340(g) of the Water Resources Development Act of 1992 (106 Stat. 4856) is amended to read as follows:

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the pilot program under this section $40,000,000 for fiscal years beginning after September 30, 1992. Such sums shall remain available until expended.".

SEC. 369. BLACK WARRIOR AND TOMBIGBEE RIVERS, JACKSON, ALABAMA.

(a) IN GENERAL.—The project for navigation, Black Warrior and Tombigbee Rivers, vicinity of Jackson, Alabama, authorized by section 106 of the Energy and Water Development Appropriations Act, 1987 (100 Stat. 3341–199), is modified to authorize the Secretary to acquire land for mitigation of the habitat losses attributable to the project, including the navigation channel, dredged material disposal areas, and other areas directly affected by construction of the project.

(b) CONSTRUCTION BEFORE ACQUISITION OF MITIGATION LAND.—Notwithstanding section 906 of the Water Resources Development Act of 1986 (33 U.S.C. 2283), the Secretary may construct the project before acquisition of the mitigation land if the Secretary takes such actions as are necessary to ensure that any required mitigation land will be acquired not later than 2 years after initiation of construction of the new channel and that the acquisition will fully mitigate any adverse environmental impacts resulting from the project.

SEC. 370. TROPICANA WASH AND FLAMINGO WASH, NEVADA.

Any Federal costs associated with the Tropicana Wash and Flamingo Wash, Nevada, authorized by section 101(13) of the Water Resources Development Act of 1992 (106 Stat. 4803), incurred by the non-Federal interest to accelerate or modify construction of the project, in cooperation with the Corps of Engineers, shall be eligible for reimbursement by the Secretary.

SEC. 371. COMITE RIVER, LOUISIANA.

The Comite River Diversion Project for flood control, authorized as part of the project for flood control, Amite River and Tributaries, Louisiana, by section 101(11) of the Water Resources Development Act of 1992 (106 Stat. 4802) and modified by section 301(b)(5) of the Water Resources Development Act of 1996 (110 Stat. 3709), is further modified to authorize the Secretary to include the costs of highway relocations to be cost shared as a project construction feature.

SEC. 372. ST. MARYS RIVER, MICHIGAN.

The project for navigation, St. Marys River, Michigan, is modified to direct the Secretary to provide an additional foot of overdraft between Point Louise Turn and the Locks, Sault Sainte Marie, Michigan, consistent with the channels upstream of Point Louise Turn. The modification shall be carried out as operation and maintenance to improve navigation safety.

SEC. 373. CHARLEVOIX, MICHIGAN.

The Secretary shall review and, if consistent with authorized project purposes, reimburse the city of Charlevoix, Michigan, for the Federal share of costs associated with construction of the new revetment connection to the Federal navigation project at Charlevoix Harbor, Michigan.

SEC. 374. WHITE RIVER BASIN, ARKANSAS AND MISSOURI.

(a) IN GENERAL.—Subject to subsection (b), the project for flood control, power generation, and other purposes at the White River Basin, Arkansas and Missouri, authorized by section 4 of the Act of June 28, 1938 (52 Stat. 1218, chapter 795), and modified by House Document 917, 76th Congress, 3d Session, and House Document 290, 77th Congress, 1st Session, approved August 18, 1941, and House Document 499, 83d Congress, 2d Session, approved September 3, 1954, and by section 304 of the Water Resources Development Act of 1996 (110 Stat. 3711) is further modified to authorize the Secretary to provide minimum flows necessary to sustain tail water trout fisheries by reallocating the following amounts of project storage: Beaver Lake, 1.5 feet; Table Rock, 2 feet; Bull Shoals Lake, 5 feet; Norfork Lake, 3.5 feet; and Greers Ferry Lake, 3 feet.

(b) REPORT.—

(1) IN GENERAL.—No funds may be obligated to carry out work on the modification under subsection (a) until completion of a final report by the Chief of Engineers finding that the work is technically sound, environmentally acceptable, and economically justified.

(2) TIMING.—The Secretary shall submit the report to Congress not later than July 30, 2000.

(3) CONTENTS.—The report shall include determinations concerning whether—

(A) the modification under subsection (a) adversely affects other authorized project purposes; and

(B) Federal costs will be incurred in connection with the modification.

SEC. 375. WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES.

For the project for construction of the water conveyances authorized by the first section of Public Law 88–253 (77 Stat. 841), the requirements for the Waurika Project Master Conservancy District to repay the $2,900,000 in costs (including interest) resulting from the October 1991 settlement of the claim before the United States Claims Court, and to make a payment of $595,000 of the final cost representing a portion of the difference between the 1978 estimate of cost and the actual cost determined after completion of the project in 1991, are waived.

TITLE IV—STUDIES

SEC. 401. DEEP DRAFT HARBOR COST SHARING.

(a) IN GENERAL.—The Secretary shall undertake a study of non-Federal cost-sharing requirements for the construction and operation and maintenance of deep draft harbor projects to determine whether—

(1) cost sharing adversely affects United States port development or domestic and international trade; and

(2) any revision of the cost-sharing requirements would benefit United States domestic and international trade.

(b) RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than May 30, 2001, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives any recommendations that the Secretary may have in light of the study under subsection (a).

(2) CONSIDERATIONS.—In making recommendations, the Secretary shall consider—

(A) the potential economic, environmental, and budgetary impacts of any proposed revision of the cost-sharing requirements; and

(B) the effect that any such revision would have on regional port competition.

SEC. 402. BOYDSVILLE, ARKANSAS.

The Secretary shall conduct a study to determine the feasibility of the reservoir and associated improvements to provide for flood control, recreation, water quality, and fish and wildlife purposes in the vicinity of Boydsville, Arkansas.

SEC. 403. GREERS FERRY LAKE, ARKANSAS.

The Secretary shall conduct a study to determine the feasibility of constructing water intake facilities at Greers Ferry Lake, Arkansas.

SEC. 404. DEL NORTE COUNTY, CALIFORNIA.

The Secretary shall conduct a study to determine the feasibility of designating a permanent disposal site for dredged material from Federal navigation projects in Del Norte County, California.

SEC. 405. FRAZIER CREEK, TULARE COUNTY, CALIFORNIA.

The Secretary shall conduct a study to determine—

(1) the feasibility of restoring Frazier Creek, Tulare County, California; and

(2) the Federal interest in flood control, environmental restoration, conservation of fish and wildlife resources, recreation, and water quality of the creek.

SEC. 406. MARE ISLAND STRAIT, CALIFORNIA.

(a) In General.—The Secretary shall conduct a general reevaluation to determine the Federal interest in reconfiguring the Mare Island Strait channel.

(b) Considerations.—In determining the Federal interest, the Secretary shall consider the benefits of economic activity associated with potential future uses of the channel and any other benefits that could be realized by increasing the width and depth of the channel to accommodate both current and potential future uses of the channel.

SEC. 407. STRAWBERRY CREEK, BERKELEY, CALIFORNIA.

The Secretary shall conduct a study to determine—

(1) the feasibility of restoring Strawberry Creek, Berkeley, California; and

(2) the Federal interest in environmental restoration, conservation of fish and wildlife resources, recreation, and water quality of the creek.

SEC. 408. SWEETWATER RESERVOIR, SAN DIEGO COUNTY, CALIFORNIA.

The Secretary shall conduct a study of the potential water quality problems and pollution abatement measures in the watershed in and around Sweetwater Reservoir, San Diego County, California.

SEC. 409. WHITEWATER RIVER BASIN, CALIFORNIA.

The Secretary shall complete a study to determine the feasibility of a flood damage reduction project in the Whitewater River basin (also known as "Thousand Palms"), California.

SEC. 410. DESTIN-NORIEGA POINT, FLORIDA.

The Secretary shall conduct a study to determine the feasibility of—

(1) restoring Noriega Point, Florida, to serve as a breakwater for Destin Harbor; and

(2) including Noriega Point as part of the East Pass, Florida, navigation project.

SEC. 411. LITTLE ECONLACKHATCHEE RIVER BASIN, FLORIDA.

The Secretary shall conduct a study of pollution abatement measures in the Little Econlackhatchee River basin, Florida.

SEC. 412. PORT EVERGLADES, BROWARD COUNTY, FLORIDA.

The Secretary shall conduct a study to determine the feasibility of constructing a sand bypassing project at the Port Everglades Inlet, Florida.

SEC. 413. LAKE ALLATOONA, ETOWAH RIVER, AND LITTLE RIVER WATERSHED, GEORGIA.

(a) In General.—The Secretary, in cooperation with the Administrator of the Environmental Protection Agency, may carry out the following water-related environmental restoration and resource protection investigations into restoring Lake Allatoona, the Etowah River, and the Little River watershed, Georgia:

(1) Lake Allatoona/Etowah River Shoreline Restoration Investigation.—Feasibility phase investigation to identify and recommend to Congress structural and nonstructural measures to alleviate shore erosion and sedimentation problems along the shores of Lake Allatoona and the Etowah River.

(2) Little River Environmental Restoration Investigation.—Feasibility phase investigation to evaluate environmental problems and recommend environmental restoration measures (including appropriate environmental structural and nonstructural measures) for the Little River watershed, Georgia.

(b) Authorization of Appropriations.—There are authorized to be appropriated for the period beginning with fiscal year 2000—

(1) $850,000 to carry out subsection (a)(1); and

(2) $500,000 to carry out subsection (a)(2).

SEC. 414. BOISE, IDAHO.

The Secretary shall conduct a study to determine the feasibility of undertaking flood control on the Boise River in Boise, Idaho.

SEC. 415. GOOSE CREEK WATERSHED, OAKLEY, IDAHO.

The Secretary shall conduct a study to determine the feasibility of undertaking flood damage reduction, water conservation, ground water recharge, ecosystem restoration, and related activities along the Goose Creek watershed near Oakley, Idaho.

SEC. 416. LITTLE WOOD RIVER, GOODING, IDAHO.

The Secretary shall conduct a study to determine the feasibility of restoring and repairing the Lava Rock Little Wood River Containment System to prevent flooding in the city of Gooding, Idaho.

SEC. 417. SNAKE RIVER, LEWISTON, IDAHO.

The Secretary shall conduct a study to determine the feasibility of undertaking bank stabilization and flood control on the Snake River at Lewiston, Idaho.

SEC. 418. SNAKE RIVER AND PAYETTE RIVER, IDAHO.

The Secretary shall conduct a study to determine the feasibility of undertaking a flood control project along the Snake River and Payette River, in the vicinity of Payette, Idaho.

SEC. 419. UPPER DES PLAINES RIVER AND TRIBUTARIES, ILLINOIS AND WISCONSIN.

(a) In General.—The Secretary shall conduct a study of the upper Des Plaines River and tributaries, Illinois and Wisconsin, upstream of the confluence with Salt Creek at Riverside, Illinois, to determine the feasibility of improvements in the interests of flood damage reduction, environmental restoration and protection, water quality, recreation, and related purposes.

(b) Special Rule.—In conducting the study, the Secretary may not exclude from consideration and evaluation flood damage reduction measures based on restrictive policies regarding the frequency of flooding, the drainage area, and the amount of runoff.

(c) Consultation and Use of Existing Data.—In carrying out this section, the Secretary shall—

(1) consult with appropriate Federal and State agencies; and

(2) make maximum use of data in existence on the date of enactment of this Act and ongoing programs and efforts of Federal agencies and States.

SEC. 420. CAMERON PARISH WEST OF CALCASIEU RIVER, LOUISIANA.

The Secretary shall conduct a study to determine the feasibility of undertaking a storm damage reduction and ecosystem restoration project for Cameron Parish west of Calcasieu River, Louisiana.

SEC. 421. COASTAL LOUISIANA.

The Secretary shall conduct a study to determine the feasibility of using dredged material from maintenance activities at Federal navigation projects in coastal Louisiana to benefit coastal areas in the State.

SEC. 422. GRAND ISLE AND VICINITY, LOUISIANA.

In carrying out a study of the storm damage reduction benefits to Grand Isle and vicinity, Louisiana, the Secretary shall include benefits that a storm damage reduction project for Grand Isle and vicinity, Louisiana, may have on the mainland coast of Louisiana as project benefits attributable to the Grand Isle project.

SEC. 423. GULF INTRACOASTAL WATERWAY ECOSYSTEM, CHEF MENTEUR TO SABINE RIVER, LOUISIANA.

(a) In General.—The Secretary shall conduct a study to determine the feasibility of undertaking ecosystem restoration and protection measures along the Gulf Intracoastal Waterway from Chef Menteur to Sabine River, Louisiana.

(b) Matters To Be Addressed.—The study shall address saltwater intrusion, tidal scour, erosion, compaction, subsidence, wind and wave action, bank failure, and other problems relating to ecosystem restoration and protection.

SEC. 424. MUDDY RIVER, BROOKLINE AND BOSTON, MASSACHUSETTS.

(a) In General.—The Secretary shall evaluate the January 1999 study commissioned by the Boston Parks and Recreation Department, Boston, Massachusetts, and entitled "The Emerald Necklace Environmental Improvement Master Plan, Phase I Muddy River Flood Control, Water Quality and Habitat Enhancement", to determine whether the plans outlined in the study for flood control, water quality, habitat enhancements, and other improvements to the Muddy River in Brookline and Boston, Massachusetts, are cost-effective, technically sound, environmentally acceptable, and in the Federal interest.

(b) Report.—Not later than June 30, 2000, the Secretary shall submit to Congress a report on the results of the evaluation.

SEC. 425. WESTPORT, MASSACHUSETTS.

(a) In General.—The Secretary shall conduct a study to determine the feasibility of undertaking a navigation project for the town of Westport, Massachusetts.

(b) Considerations.—In determining the benefits of the project, the Secretary shall include the benefits derived from using dredged material for shore protection and storm damage reduction.

SEC. 426. ST. CLAIR RIVER AND LAKE ST. CLAIR, MICHIGAN.

(a) Plan.—The Secretary, in coordination with State and local governments and appropriate Federal and provincial authorities of Canada, shall develop a comprehensive management plan for St. Clair River and Lake St. Clair.

(b) Elements.—The plan shall include the following elements:

(1) Identification of the causes and sources of environmental degradation.

(2) Continuous monitoring of organic, biological, metallic, and chemical contamination levels.

(3) Timely dissemination of information of contamination levels to public authorities, other interested parties, and the public.

(c) Report.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report that includes the plan developed under subsection (a) and recommendations for potential restoration measures.

(d) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $400,000.

SEC. 427. ST. CLAIR SHORES, MICHIGAN.

The Secretary shall conduct a study to determine the feasibility of constructing a flood control project at St. Clair Shores, Michigan.

SEC. 428. WOODTICK PENINSULA, MICHIGAN, AND TOLEDO HARBOR, OHIO.

The Secretary shall conduct a study to determine the feasibility of using dredged material from Toledo Harbor, Ohio, to provide erosion reduction, navigation, and ecosystem restoration at Woodtick Peninsula, Michigan.

SEC. 429. PASCAGOULA HARBOR, MISSISSIPPI.

(a) In General.—The Secretary shall conduct a study to determine an alternative plan for dredged material management for the Pascagoula River portion of the project for navigation, Pascagoula Harbor, Mississippi, authorized by section 202(a) of the Water Resources Development Act of 1986 (100 Stat. 4094).

(b) Contents.—The study under subsection (a) shall—

(1) include an analysis of the feasibility of expanding the Singing River Island Disposal Area or constructing a new dredged material disposal facility; and

(2) identify methods of managing and reducing sediment transport into the Federal navigation channel.

SEC. 430. TUNICA LAKE WEIR, MISSISSIPPI.

(a) In General.—The Secretary shall conduct a study to determine the feasibility of constructing an outlet weir at Tunica Lake, Tunica County, Mississippi, and Lee County, Arkansas, for the purpose of stabilizing water levels in the lake.

(b) Economic Analysis.—In carrying out the study, the Secretary shall include as part of the economic analysis the benefits derived from recreation uses at Tunica Lake and economic benefits associated with restoration of fish and wildlife habitat.

SEC. 431. YELLOWSTONE RIVER, MONTANA.

(a) Study.—The Secretary shall conduct a comprehensive study of the Yellowstone River from Gardiner, Montana, to the confluence of the Missouri River to determine the hydrologic, biological, and socioeconomic cumulative impacts on the river.

(b) Consultation and Coordination.—The Secretary shall conduct the study in consultation with the United States Fish and Wildlife Service, the United States Geological Survey, and the Natural Resources Conservation Service and with the full participation of the State of Montana and tribal and local entities, and provide for public participation.

(c) Report.—Not later than 5 years after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study.

SEC. 432. LAS VEGAS VALLEY, NEVADA.

(a) In General.—The Secretary shall conduct a comprehensive study of water resources in the Las Vegas Valley, Nevada.

(b) Objectives.—The study shall identify problems and opportunities related to ecosystem restoration, water quality (particularly the quality of surface runoff), and flood control.

SEC. 433. SOUTHWEST VALLEY, ALBUQUERQUE, NEW MEXICO.

The Secretary shall conduct a study to determine the feasibility of undertaking a project for flood damage reduction in the Southwest Valley, Albuquerque, New Mexico.

SEC. 434. CAYUGA CREEK, NEW YORK.

The Secretary shall conduct a study to determine the feasibility of undertaking a project for flood control for Cayuga Creek, New York.

SEC. 435. LAKE CHAMPLAIN, NEW YORK AND VERMONT.

The Secretary shall conduct a study to determine the feasibility of restoring Lake Champlain, New York and Vermont, to improve water quality, fish and wildlife habitat, and navigation.

SEC. 436. OSWEGO RIVER BASIN, NEW YORK.

The Secretary shall conduct a study to determine the feasibility of establishing a flood forecasting system in the Oswego River basin, New York.

SEC. 437. WHITE OAK RIVER, NORTH CAROLINA.

The Secretary shall conduct a study to determine whether there is a Federal interest in a project for water quality, environmental restoration and protection, and related purposes on the White Oak River, North Carolina.

SEC. 438. ARCOLA CREEK WATERSHED, MADISON, OHIO.

The Secretary shall conduct a study to determine the feasibility of undertaking a project to provide environmental restoration and protection for the Arcola Creek watershed, Madison, Ohio.

SEC. 439. CLEVELAND HARBOR, CLEVELAND, OHIO.

The Secretary shall conduct a study to determine the feasibility of undertaking repairs and related navigation improvements at Dike 14, Cleveland, Ohio.

SEC. 440. TOUSSAINT RIVER, CARROLL TOWNSHIP, OHIO.

The Secretary shall conduct a study to determine the feasibility of undertaking navigation improvements on the Toussaint River, Carroll Township, Ohio.

SEC. 441. WESTERN LAKE ERIE BASIN, OHIO, INDIANA, AND MICHIGAN.

(a) In General.—The Secretary shall conduct a study to develop measures to improve flood control, navigation, water quality, recreation, and fish and wildlife habitat in a comprehensive manner in the western Lake Erie basin, Ohio, Indiana, and Michigan, including watersheds of the Maumee, Ottawa, and Portage Rivers.

(b) Cooperation.—In carrying out the study, the Secretary shall—

(1) cooperate with interested Federal, State, and local agencies and nongovernmental organizations; and

(2) consider all relevant programs of the agencies.

(c) Report.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study, including findings and recommendations.

SEC. 442. SCHUYLKILL RIVER, NORRISTOWN, PENNSYLVANIA.

The Secretary shall conduct a study to determine the feasibility of undertaking a project for flood control for the Schuylkill River, Norristown, Pennsylvania.

SEC. 443. SOUTH CAROLINA COASTAL AREAS.

(a) In General.—The Secretary shall review pertinent reports and conduct other studies and field investigations to determine the best available science and methods for management of contaminated dredged material and sediments in the coastal areas of South Carolina.

(b) Focus.—In carrying out subsection (a), the Secretary shall place particular focus on areas where the Corps of Engineers maintains deep draft navigation projects, such as Charleston Harbor, Georgetown Harbor, and Port Royal, South Carolina.

(c) Cooperation.—The studies shall be conducted in cooperation with the appropriate Federal and State environmental agencies.

SEC. 444. SANTEE DELTA FOCUS AREA, SOUTH CAROLINA.

Not later than 18 months after the date of enactment of this Act, the Secretary shall complete a comprehensive study of the ecosystem in the Santee Delta focus area, South Carolina, to determine the feasibility of undertaking a project to enhance wetland habitat and public recreational opportunities in the area.

SEC. 445. WACCAMAW RIVER, SOUTH CAROLINA.

The Secretary shall conduct a study to determine the feasibility of undertaking a flood control project for the Waccamaw River in Horry County, South Carolina.

SEC. 446. DAY COUNTY, SOUTH DAKOTA.

The Secretary shall conduct—

(1) an investigation of flooding and other water resources problems between the James River and Big Sioux watersheds, South Dakota; and

(2) an assessment of flood damage reduction needs of the area.

SEC. 447. NIOBRARA RIVER AND MISSOURI RIVER, SOUTH DAKOTA.

The Secretary shall conduct a study of the Niobrara River watershed and the operations of Fort Randall Dam and Gavins Point Dam on the Missouri River, South Dakota, to determine the feasibility of alleviating the bank erosion, sedimentation, and related problems in the lower Niobrara River and the Missouri River below Fort Randall Dam.

SEC. 448. CORPUS CHRISTI, TEXAS.

The Secretary shall include, as part of the study authorized by a resolution of the Committee on Public Works and Transportation of the House of Representatives dated August 1, 1990, a review of two 175-foot-wide barge shelves on either side of the navigation channel at the Port of Corpus Christi, Texas.

SEC. 449. MITCHELL'S CUT CHANNEL (CANEY FORK CUT), TEXAS.

The Secretary shall conduct a study to determine the feasibility of undertaking a project for navigation, Mitchell's Cut Channel (Caney Fork Cut), Texas.

SEC. 450. MOUTH OF COLORADO RIVER, TEXAS.

The Secretary shall conduct a study to determine the feasibility of undertaking a project for navigation at the mouth of the Colorado River, Texas, to provide a minimum draft navigation channel extending from the Colorado River through Parkers Cut (also known as "Tiger Island Cut"), or an acceptable alternative, to Matagorda Bay.

SEC. 451. SANTA CLARA RIVER, UTAH.

(a) In General.—The Secretary shall conduct a study to determine the feasibility of undertaking measures to alleviate damage caused by flooding, bank erosion, and sedimentation along the watershed of the Santa Clara River, Utah, above the Gunlock Reservoir.

(b) Contents.—The study shall include an analysis of watershed conditions and water quality, as related to flooding and bank erosion, along the Santa Clara River in the vicinity of Gunlock, Utah.

SEC. 452. MOUNT ST. HELENS, WASHINGTON.

(a) In General.—The Secretary shall conduct a study to determine the feasibility of undertaking ecosystem restoration improvements throughout the Cowlitz and Toutle River basins, Washington, including the 6,000 acres of wetland, riverine, riparian, and upland habitats lost or altered due to the eruption of Mount St. Helens in 1980 and subsequent emergency actions.

(b) Requirements.—In carrying out the study, the Secretary shall—

(1) work in close coordination with local governments, watershed entities, the State of Washington, and other Federal agencies; and

(2) place special emphasis on—

(A) conservation and restoration strategies to benefit species that are listed or proposed for listing as threatened or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); and

(B) other watershed restoration objectives.

SEC. 453. KANAWHA RIVER, FAYETTE COUNTY, WEST VIRGINIA.

The Secretary shall conduct a study to determine the feasibility of developing a public port *along the Kanawha River in Fayette County, West Virginia, at a site known as "Longacre".*

SEC. 454. WEST VIRGINIA PORTS.

The Secretary shall conduct a study to determine the feasibility of expanding public port development in West Virginia along the Ohio River and the navigable portion of the Kanawha River from its mouth to river mile 91.0.

SEC. 455. JOHN GLENN GREAT LAKES BASIN PROGRAM.

(a) STRATEGIC PLANS.—

(1) STUDY.—The Secretary shall conduct a comprehensive study of the Great Lakes region to ensure the future use, management, and protection of water resources and related resources of the Great Lakes basin.

(2) REPORT.—

(A) IN GENERAL.—As expeditiously as possible, but not later than 3 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report outlining a strategic plan for Corps of Engineers programs and proposed Corps of Engineers projects in the Great Lakes basin.

(B) CONTENTS.—The plan shall include—

(i) details of projects in the Great Lakes region relating to—

(I) navigation improvements, maintenance, and operations for commercial and recreational vessels;

(II) environmental restoration activities;

(III) water level maintenance activities;

(IV) technical and planning assistance to States and remedial action planning committees;

(V) sediment transport analysis, sediment management planning, and activities to support prevention of excess sediment loadings;

(VI) flood damage reduction and shoreline erosion prevention; and

(VII) all other relevant activities of the Corps of Engineers; and

(ii) an analysis of factors limiting use of programs and authorities of the Corps of Engineers in existence on the date of enactment of this Act in the Great Lakes basin, including the need for new or modified authorities.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for the period of fiscal years 2000 through 2003.

(b) GREAT LAKES BIOHYDROLOGICAL INFORMATION.—

(1) INVENTORY.—

(A) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall request each Federal agency that may possess information relevant to the Great Lakes biohydrological system to provide an inventory of all such information in the possession of the agency.

(B) RELEVANT INFORMATION.—For the purpose of subparagraph (A), relevant information includes information on—

(i) ground and surface water hydrology;

(ii) natural and altered tributary dynamics;

(iii) biological aspects of the system influenced by and influencing water quantity and water movement;

(iv) meteorological projections and the impacts of weather conditions on Great Lakes water levels; and

(v) other Great Lakes biohydrological system data relevant to sustainable water use management.

(2) REPORT.—

(A) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary, in consultation with the States, Indian tribes, and Federal agencies, and after requesting information from the provinces and the federal government of Canada, shall—

(i) compile the inventories of information;

(ii) analyze the information for consistency and gaps; and

(iii) submit to Congress, the International Joint Commission, and the Great Lakes States a report that includes recommendations on ways to improve the information base on the biohydrological dynamics of the Great Lakes ecosystem as a whole, so as to support environmentally sound decisions regarding diversions and consumptive uses of Great Lakes water.

(B) RECOMMENDATIONS.—The recommendations in the report under subparagraph (A) shall include recommendations relating to the resources and funds necessary for implementing improvement of the information base.

(C) CONSIDERATIONS.—In developing the report under subparagraph (A), the Secretary, in cooperation with the Secretary of State, the Secretary of Transportation, and the heads of other agencies as appropriate, shall consider and report on the status of the issues described and recommendations made in—

(i) the Report of the International Joint Commission to the Governments of the United States and Canada under the 1977 reference issued in 1985; and

(ii) the 1993 Report of the International Joint Commission to the Governments of Canada and the United States on Methods of Alleviating Adverse Consequences of Fluctuating Water Levels in the Great Lakes St. Lawrence Basin.

(c) GREAT LAKES RECREATIONAL BOATING.—Not later than 18 months after the date of enactment of this Act, the Secretary, using information and studies in existence on the date of enactment of this Act to the extent practicable, and in cooperation with the Great Lakes States, shall submit to Congress a report detailing the economic benefits of recreational boating in the Great Lakes basin, particularly at harbors benefiting from operation and maintenance projects of the Corps of Engineers.

(d) COOPERATION.—In undertaking activities under this section, the Secretary shall—

(1) encourage public participation; and

(2) cooperate, and, as appropriate, collaborate, with Great Lakes States, tribal governments, and Canadian federal, provincial, and tribal governments.

(e) WATER USE ACTIVITIES AND POLICIES.—The Secretary may provide technical assistance to the Great Lakes States to develop interstate guidelines to improve the consistency and efficiency of State-level water use activities and policies in the Great Lakes basin.

(f) COST SHARING.—The Secretary may seek and accept funds from non-Federal entities to be used to pay up to 25 percent of the cost of carrying out subsections (b), (c), (d), and (e).

SEC. 456. GREAT LAKES NAVIGATIONAL SYSTEM.

In consultation with the St. Lawrence Seaway Development Corporation, the Secretary shall review the Great Lakes Connecting Channel and Harbors Report dated March 1985 to determine the feasibility of undertaking any modification of the recommendations made in the report to improve commercial navigation on the Great Lakes navigation system, including locks, dams, harbors, ports, channels, and other related features.

SEC. 457. NUTRIENT LOADING RESULTING FROM DREDGED MATERIAL DISPOSAL.

(a) STUDY.—The Secretary shall conduct a study of nutrient loading that occurs as a result of discharges of dredged material into open-water sites in the Chesapeake Bay.

(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study.

SEC. 458. UPPER MISSISSIPPI AND ILLINOIS RIVERS LEVEES AND STREAMBANKS PROTECTION.

The Secretary shall conduct a study of erosion damage to levees and other flood control structures on the upper Mississippi and Illinois Rivers and the impact of increased barge and pleasure craft traffic on deterioration of the levees and other flood control structures.

SEC. 459. UPPER MISSISSIPPI RIVER COMPREHENSIVE PLAN.

(a) DEVELOPMENT.—The Secretary shall develop a plan to address water resource and related land resource problems and opportunities in the upper Mississippi and Illinois River basins, from Cairo, Illinois, to the headwaters of the Mississippi River, in the interest of systemic flood damage reduction by means of—

(1) structural and nonstructural flood control and floodplain management strategies;

(2) continued maintenance of the navigation project;

(3) management of bank caving and erosion;

(4) watershed nutrient and sediment management;

(5) habitat management;

(6) recreation needs; and

(7) other related purposes.

(b) CONTENTS.—The plan under subsection (a) shall—

(1) contain recommendations on management plans and actions to be carried out by the responsible Federal and non-Federal entities;

(2) specifically address recommendations to authorize construction of a systemic flood control project for the upper Mississippi River; and

(3) include recommendations for Federal action where appropriate and recommendations for follow-on studies for problem areas for which data or current technology does not allow immediate solutions.

(c) CONSULTATION AND USE OF EXISTING DATA.—In carrying out this section, the Secretary shall—

(1) consult with appropriate Federal and State agencies; and

(2) make maximum use of data in existence on the date of enactment of this Act and ongoing programs and efforts of Federal agencies and States in developing the plan under subsection (a).

(d) COST SHARING.—

(1) DEVELOPMENT.—Development of the plan under subsection (a) shall be at Federal expense.

(2) FEASIBILITY STUDIES.—Feasibility studies resulting from development of the plan shall be subject to cost sharing under section 105 of the Water Resources Development Act of 1986 (33 U.S.C. 2215).

(e) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that includes the plan under subsection (a).

SEC. 460. SUSQUEHANNA RIVER AND UPPER CHESAPEAKE BAY.

(a) IN GENERAL.—The Secretary shall conduct a study of controlling and managing waterborne debris in the interest of navigation, flood control, environmental restoration, and other purposes in the Susquehanna River Basin, New York, Pennsylvania, and Maryland, and the upper Chesapeake Bay, Maryland.

(b) EVALUATION OF TECHNOLOGIES AND PRACTICES.—The study shall include an evaluation of technologies and practices currently available, in use, or in development in the United States for debris removal programs at various dams and harbors and recommendations for applying those techniques and practices in the Susquehanna River and the upper Chesapeake Bay.

(c) COOPERATION.—The study shall be conducted in cooperation with State agencies and other Federal agencies, the Susquehanna River Basin Commission, and owners of major dams.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. CORPS ASSUMPTION OF NRCS PROJECTS.

(a) LLAGAS CREEK, CALIFORNIA.—The Secretary may complete the remaining reaches of the Natural Resources Conservation Service flood control project at Llagas Creek, California, undertaken pursuant to section 5 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005), substantially in accordance with the Natural Resources Conservation Service watershed plan for Llagas Creek, Department of Agriculture, and in accordance with the requirements of local cooperation as specified in section 4 of that Act (16 U.S.C. 1004), at a total cost of $45,000,000, with an estimated Federal cost of $21,800,000 and an estimated non-Federal cost of $23,200,000.

(b) THORNTON RESERVOIR, COOK COUNTY, ILLINOIS.—

(1) IN GENERAL.—The Thornton Reservoir project, an element of the project for flood control, Chicagoland Underflow Plan, Illinois, authorized by section 3(a)(5) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to include additional permanent flood control storage attributable to the Natural Resources Conservation Service Thornton Reservoir (Structure 84), Little Calumet River Watershed, Illinois, approved under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.).

(2) LIMITATION.—No funds may be obligated to carry out work under the modification under paragraph (1) until completion and approval by the Secretary of a final report by the Chief of Engineers finding that the work is technically sound, environmentally acceptable, and economically justified.

(3) COST SHARING.—Costs for the Thornton Reservoir project shall be shared in accordance with section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213).

(4) TRANSITIONAL STORAGE.—The Secretary of Agriculture may cooperate with non-Federal interests to provide, on a transitional basis, flood control storage for the Natural Resources Conservation Service Thornton Reservoir (Structure 84) project in the west lobe of the Thornton quarry.

(5) CREDIT TOWARD NON-FEDERAL SHARE.—The Secretary may credit toward the non-Federal share of the costs of the Thornton Reservoir project all design and construction costs incurred by the non-Federal interests before the date of signing of the project cooperation agreement.

(6) REEVALUATION REPORT.—The Secretary shall determine the credits authorized by paragraph (5) that are integral to the Thornton Reservoir project and the current total project costs based on a limited reevaluation report.

SEC. 502. ENVIRONMENTAL INFRASTRUCTURE.

(a) IN GENERAL.—Section 219(e) of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended by striking paragraphs (5) and (6) and inserting the following:

"(5) $25,000,000 for the project described in subsection (c)(2);

"(6) $20,000,000 for the project described in subsection (c)(9);

"(7) $30,000,000 for the project described in subsection (c)(16); and

"(8) $30,000,000 for the project described in subsection (c)(17).".

(b) ADDITIONAL ASSISTANCE.—Section 219 of the Water Resources Development Act of 1992 is amended by adding at the end the following:

"(f) ADDITIONAL ASSISTANCE.—The Secretary may provide assistance under subsection (a) and assistance for construction for the following:

"(1) ATLANTA, GEORGIA.—The project described in subsection (c)(2), modified to include $25,000,000 for watershed restoration and development in the regional Atlanta watershed, including Big Creek and Rock Creek.

"(2) PATERSON, PASSAIC COUNTY, AND PASSAIC VALLEY, NEW JERSEY.—The project described in subsection (c)(9), modified to include $20,000,000 for drainage facilities to alleviate flooding problems on Getty Avenue in the vicinity of St. Joseph's Hospital for the city of Paterson, New Jersey, and Passaic County, New Jersey, and innovative facilities to manage and treat additional flows in the Passaic Valley, Passaic River basin, New Jersey.

"(3) NASHUA, NEW HAMPSHIRE.—$20,000,000 for a project to eliminate or control combined sewer overflows in the city of Nashua, New Hampshire.

"(4) FALL RIVER AND NEW BEDFORD, MASSACHUSETTS.—$15,000,000 for a project to eliminate or control combined sewer overflows in the cities of Fall River and New Bedford, Massachusetts.

"(5) FINDLAY TOWNSHIP, PENNSYLVANIA.—$11,000,000 for water and wastewater infrastructure in Findlay Township, Allegheny County, Pennsylvania.

"(6) DILLSBURG BOROUGH AUTHORITY, PENNSYLVANIA.—$2,000,000 for water and wastewater infrastructure in Franklin Township, York County, Pennsylvania.

"(7) HAMPDEN TOWNSHIP, PENNSYLVANIA.—$3,000,000 for water, sewer, and storm sewer improvements in Hampden Township, Pennsylvania.

"(8) TOWAMENCIN TOWNSHIP, PENNSYLVANIA.—$1,500,000 for sanitary sewer and water and wastewater infrastructure in Towamencin Township, Pennsylvania.

"(9) DAUPHIN COUNTY, PENNSYLVANIA.—$2,000,000 for a project to eliminate or control combined sewer overflows and water system rehabilitation for the city of Harrisburg, Dauphin County, Pennsylvania.

"(10) EASTERN SHORE AND SOUTHWEST VIRGINIA.—$20,000,000 for water supply and wastewater infrastructure projects in the counties of Accomac, Northampton, Lee, Norton, Wise, Scott, Russell, Dickenson, Buchanan, and Tazewell, Virginia.

"(11) NORTHEAST PENNSYLVANIA.—$20,000,000 for water related infrastructure in the counties of Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, Wayne, Sullivan, Bradford, and Monroe, Pennsylvania, including assistance for the Mountoursville Regional Sewer Authority, Lycoming County, Pennsylvania.

"(12) CALUMET REGION, INDIANA.—$10,000,000 for water related infrastructure projects in the counties of Lake and Porter, Indiana.

"(13) CLINTON COUNTY, PENNSYLVANIA.—$1,000,000 for water related infrastructure in Clinton County, Pennsylvania.

"(14) PATTON TOWNSHIP, PENNSYLVANIA.—$1,400,000 for water related infrastructure in Patton Township, Pennsylvania.

"(15) NORTH FAYETTE TOWNSHIP, ALLEGHENY COUNTY, PENNSYLVANIA.—$500,000 for water related infrastructure in North Fayette Township, Allegheny County, Pennsylvania.

"(16) SPRINGDALE BOROUGH, PENNSYLVANIA.—$500,000 for water related infrastructure in Springdale Borough, Pennsylvania.

"(17) ROBINSON TOWNSHIP, PENNSYLVANIA.—$1,200,000 for water related infrastructure in Robinson Township, Pennsylvania.

"(18) UPPER ALLEN TOWNSHIP, PENNSYLVANIA.—$3,400,000 for water related infrastructure in Upper Allen Township, Pennsylvania.

"(19) JEFFERSON TOWNSHIP, GREENE COUNTY, PENNSYLVANIA.—$1,000,000 for water-related infrastructure in Jefferson Township, Greene County, Pennsylvania.

"(20) LUMBERTON, NORTH CAROLINA.—$1,700,000 for water and wastewater infrastructure projects in Lumberton, North Carolina.

"(21) BATON ROUGE, LOUISIANA.—$10,000,000 for water related infrastructure for the parishes of East Baton Rouge, Ascension, and Livingston, Louisiana.

"(22) EAST SAN JOAQUIN COUNTY, CALIFORNIA.—$25,000,000 for ground water recharge and conjunctive use projects in Stockton East Water District, California.

"(23) SACRAMENTO AREA, CALIFORNIA.—$25,000,000 for regional water conservation and recycling projects in Placer and El Dorado Counties and the San Juan Suburban Water District, California.

"(24) CUMBERLAND COUNTY, TENNESSEE.—$5,000,000 for water supply projects in Cumberland County, Tennessee.

"(25) LAKES MARION AND MOULTRIE, SOUTH CAROLINA.—$5,000,000 for water supply treatment and distribution projects in the counties of Calhoun, Clarendon, Colleton, Dorchester, Orangeberg, and Sumter, South Carolina.

"(26) BRIDGEPORT, CONNECTICUT.—$10,000,000 for a project to eliminate or control combined sewer overflows in the city of Bridgeport, Connecticut.

"(27) HARTFORD, CONNECTICUT.—$10,000,000 for a project to eliminate or control combined sewer overflows in the city of Hartford, Connecticut.

"(28) NEW HAVEN, CONNECTICUT.—$10,000,000 for a project to eliminate or control combined sewer overflows in the city of New Haven, Connecticut.

"(29) OAKLAND COUNTY, MICHIGAN.—$20,000,000 for a project to eliminate or control combined sewer overflows in the cities of Berkley, Ferndale, Madison Heights, Royal Oak, Birmingham, Hazel Park, Oak Park, Southfield, Clawson, Huntington Woods, Pleasant Ridge, and Troy, and the village of Beverly Hills, and the Charter Township of Royal Oak, Michigan.

"(30) DESOTO COUNTY, MISSISSIPPI.—$10,000,000 for a wastewater treatment project in the county of DeSoto, Mississippi.

"(31) KANSAS CITY, MISSOURI.—$15,000,000 for a project to eliminate or control combined sewer overflows in the city of Kansas City, Missouri.

"(32) ST. LOUIS, MISSOURI.—$15,000,000 for a project to eliminate or control combined sewer overflows in the city of St. Louis, Missouri.

"(33) ELIZABETH, NEW JERSEY.—$20,000,000 for a project to eliminate or control combined sewer overflows in the city of Elizabeth, New Jersey.

"(34) NORTH HUDSON, NEW JERSEY.—$10,000,000 for a project to eliminate or control combined sewer overflows in the city of North Hudson, New Jersey.

"(35) INNER HARBOR PROJECT, NEW YORK, NEW YORK.—$15,000,000 for a project to eliminate or control combined sewer overflows for the inner harbor project, New York, New York.

"(36) OUTER HARBOR PROJECT, NEW YORK, NEW YORK.—$15,000,000 for a project to eliminate or control combined sewer overflows for the outer harbor project, New York, New York.

"(37) LEBANON, NEW HAMPSHIRE.—$8,000,000 for a project to eliminate or control combined sewer overflows in the city of Lebanon, New Hampshire.

"(38) ASTORIA, OREGON.—$5,000,000 for a project to eliminate or control combined sewer overflows in the city of Astoria, Oregon.

"(39) CACHE COUNTY, UTAH.—$5,000,000 for a wastewater infrastructure project for Cache County, Utah.

"(40) LAWTON, OKLAHOMA.—$5,000,000 for a wastewater infrastructure project for the city of Lawton, Oklahoma.

"(41) LANCASTER, CALIFORNIA.—$1,500,000 for a project to provide water facilities for the Fox Field Industrial Corridor, Lancaster, California.

"(42) SAN RAMON VALLEY, CALIFORNIA.—$15,000,000 for a project for recycled water for San Ramon Valley, California.

"(43) HARBOR/SOUTH BAY, CALIFORNIA.—$15,000,000 for an industrial water reuse project for the Harbor/South Bay area, California.".

SEC. 503. CONTAMINATED SEDIMENT DREDGING TECHNOLOGY.

(a) REVIEW OF INNOVATIVE DREDGING TECHNOLOGIES.—

(1) IN GENERAL.—Not later than June 1, 2001, the Secretary shall complete a review of innovative dredging technologies designed to minimize or eliminate contamination of a water column upon removal of contaminated sediments.

(2) TESTING.—

(A) SELECTION OF TECHNOLOGY.—After completion of the review under paragraph (1), the Secretary shall select, from among the technologies reviewed, the technology that the Secretary determines will best increase the effectiveness of removing contaminated sediments and significantly reduce contamination of the water column.

(B) AGREEMENT.—Not later than December 31, 2001, the Secretary shall enter into an agreement with a public or private entity to test the selected technology in the vicinity of Peoria Lakes, Illinois.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $2,000,000.

(b) ACCELERATED ADOPTION OF INNOVATIVE TECHNOLOGIES.—Section 8 of the Water Resources Development Act of 1988 (33 U.S.C. 2314) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

"(b) ACCELERATED ADOPTION OF INNOVATIVE TECHNOLOGIES FOR MANAGEMENT OF CONTAMINATED SEDIMENTS.—

"(1) TEST PROJECTS.—The Secretary shall approve an appropriate number of projects to test, under actual field conditions, innovative technologies for environmentally sound management of contaminated sediments.

"(2) DEMONSTRATION PROJECTS.—The Secretary may approve an appropriate number of projects to demonstrate innovative technologies that have been pilot tested under paragraph (1).

"(3) CONDUCT OF PROJECTS.—Each pilot project under paragraph (1) and demonstration project under paragraph (2) shall be conducted by a university with proven expertise in the research and development of contaminated sediment treatment technologies and innovative applications using waste materials.

"(4) LOCATION.—At least 1 of the projects under this subsection shall be conducted in New England by the University of New Hampshire.".

SEC. 504. DAM SAFETY.

(a) ASSISTANCE.—The Secretary may provide assistance to enhance dam safety at the following locations:

(1) Healdsburg Veteran's Memorial Dam, California.

(2) Kehly Run Dam, Pennsylvania.

(3) Sweet Arrow Lake Dam, Pennsylvania.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $6,000,000.

SEC. 505. GREAT LAKES REMEDIAL ACTION PLANS.

Section 401(a)(2) of the Water Resources Development Act of 1990 (33 U.S.C. 1268 note; 104 Stat. 4644; 110 Stat. 3763) is amended—

(1) by striking "Non-Federal" and inserting the following:

"(A) IN GENERAL.—Non-Federal"; and

(2) by adding at the end the following:

"(B) CONTRIBUTIONS BY ENTITIES.—Nonprofit public or private entities may contribute all or a portion of the non-Federal share.".

SEC. 506. PROJECTS FOR IMPROVEMENT OF THE ENVIRONMENT.

Section 1135(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a(c)) is amended—

(1) by striking "If the Secretary" and inserting the following:

"(1) IN GENERAL.—If the Secretary"; and

(2) by adding at the end the following:

"(2) CONTROL OF SEA LAMPREY.—Congress finds that—

"(A) the Great Lakes navigation system has been instrumental in the spread of sea lamprey and the associated impacts on its fishery; and

"(B) the use of the authority under this subsection for control of sea lamprey at any Great Lakes basin location is appropriate.".

SEC. 507. MAINTENANCE OF NAVIGATION CHANNELS.

Section 509(a) of the Water Resources Development Act of 1996 (110 Stat. 3759) is amended by adding at the end the following:

"(12) Acadiana Navigation Channel, Louisiana.

"(13) Contraband Bayou, Louisiana, as part of the Calcasieu River and Pass Ship Channel.

"(14) Lake Wallula Navigation Channel, Washington.

"(15) Wadley Pass (also known as 'McGriff Pass'), Suwanee River, Florida.".

SEC. 508. MEASUREMENTS OF LAKE MICHIGAN DIVERSIONS, ILLINOIS.

Section 1142(b) of the Water Resources Development Act of 1986 (100 Stat. 4253) is amended by striking "$250,000 per fiscal year for each fiscal year beginning after September 30, 1986," and inserting "$1,250,000 for each of fiscal years 1999 through 2003".

SEC. 509. UPPER MISSISSIPPI RIVER ENVIRONMENTAL MANAGEMENT PROGRAM.

(a) AUTHORIZED ACTIVITIES.—Section 1103(e) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)) is amended by striking "(e)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(e) PROGRAM AUTHORITY.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—The Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, may undertake, as identified in the master plan—

"(i) a program for the planning, construction, and evaluation of measures for fish and wildlife habitat rehabilitation and enhancement; and

"(ii) implementation of a long-term resource monitoring, computerized data inventory and analysis, and applied research program.

"(B) ADVISORY COMMITTEE.—In carrying out subparagraph (A)(i), the Secretary shall establish an independent technical advisory committee to review projects, monitoring plans, and habitat and natural resource needs assessments.".

(b) REPORTS.—Section 1103(e) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)) is amended by striking paragraph (2) and inserting the following:

"(2) REPORTS.—Not later than December 31, 2004, and not later than December 31 of every sixth year thereafter, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, shall submit to Congress a report that—

"(A) contains an evaluation of the programs described in paragraph (1);

"(B) describes the accomplishments of each of the programs;

"(C) provides updates of a systemic habitat needs assessment; and

"(D) identifies any needed adjustments in the authorization of the programs.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1103(e) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)) is amended—

(1) in paragraph (3)—

(A) by striking "(1)(A)" and inserting "(1)(A)(i)"; and

(B) by striking "Secretary not to exceed" and all that follows before the period at the end and inserting "Secretary $22,750,000 for fiscal year 1999 and each fiscal year thereafter";

(2) in paragraph (4)—

(A) by striking "(1)(B)" and inserting "(1)(A)(ii)"; and

(B) by striking "Secretary not to exceed" and all that follows before the period at the end and inserting "Secretary $10,420,000 for fiscal year 1999 and each fiscal year thereafter"; and

(3) by striking paragraph (5) and inserting the following:

"(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1)(A)(i) $350,000 for each of fiscal years 1999 through 2009.".

(d) TRANSFER OF AMOUNTS.—Section 1103(e) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)) is amended by striking paragraph (6) and inserting the following:

"(6) TRANSFER OF AMOUNTS.—For fiscal year 1999 and each fiscal year thereafter, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, may transfer not to exceed 20 percent of the amounts appropriated to carry out clause (i) or (ii) of paragraph (1)(A) to the amounts appropriated to carry out the other of those clauses.".

(e) COST SHARING.—Section 1103(e)(7)(A) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)(7)(A)) is amended by inserting before the period at the end the following: "and, in the case of any project requiring non-Federal cost sharing, the non-Federal share of the cost of the project shall be 35 percent".

(f) HABITAT NEEDS ASSESSMENT.—Section 1103(h)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 652(h)(2)) is amended—

(1) by striking "(2) The Secretary" and inserting the following:

"(2) DETERMINATION.—

"(A) IN GENERAL.—The Secretary"; and

(2) by adding at the end the following:

"(B) REQUIREMENTS.—The Secretary shall—

"(i) complete the ongoing habitat needs assessment conducted under this paragraph not later than September 30, 2000; and

"(ii) include in each report under subsection (e)(2) the most recent habitat needs assessment conducted under this paragraph.".

(g) CONFORMING AMENDMENTS.—Section 1103 of the Water Resources Development Act of 1986 (33 U.S.C. 652) is amended—

(1) in subsection (e)(7)—

(A) in subparagraph (A), by striking "(1)(A)" and inserting "(1)(A)(i)"; and

(B) in subparagraph (B), by striking "paragraphs (1)(B) and (1)(C)" and inserting "paragraph (1)(A)(ii)"; and

(2) in subsection (f)(2)—

(A) by striking "(2)(A)" and inserting "(2)"; and

(B) by striking subparagraph (B).

SEC. 510. ATLANTIC COAST OF NEW YORK.

Section 404(c) of the Water Resources Development Act of 1992 (106 Stat. 4863) is amended in the first sentence—

(1) by striking "is" and inserting "are"; and

(2) by inserting after "1997" the following: ", and an additional total of $2,500,000 for fiscal years thereafter".

SEC. 511. WATER CONTROL MANAGEMENT.

(a) IN GENERAL.—In evaluating potential improvements for water control management activities and consolidation of water control management centers, the Secretary may consider a regionalized water control management plan but may not implement such a plan until the date on which a report is submitted under subsection (b).

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary

shall submit to the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives and the Committee on Environment and Public Works and the Committee on Appropriations of the Senate a report containing—

(1) a description of the primary objectives of streamlining water control management activities;

(2) a description of the benefits provided by streamlining water control management activities through consolidation of centers for those activities;

(3) a determination whether the benefits to users of establishing regional water control management centers will be retained in each district office of the Corps of Engineers that does not have a regional center;

(4) a determination whether users of regional centers will receive a higher level of benefits from streamlining water control management activities; and

(5) a list of the members of Congress who represent a district that includes a water control management center that is to be eliminated under a proposed regionalized plan.

SEC. 512. BENEFICIAL USE OF DREDGED MATERIAL.

The Secretary may carry out the following projects under section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326):

(1) BODEGA BAY, CALIFORNIA.—A project to make beneficial use of dredged material from a Federal navigation project in Bodega Bay, California.

(2) SABINE REFUGE, LOUISIANA.—A project to make beneficial use of dredged material from Federal navigation projects in the vicinity of Sabine Refuge, Louisiana.

(3) HANCOCK, HARRISON, AND JACKSON COUNTIES, MISSISSIPPI.—A project to make beneficial use of dredged material from a Federal navigation project in Hancock, Harrison, and Jackson Counties, Mississippi.

(4) ROSE CITY MARSH, ORANGE COUNTY, TEXAS.—A project to make beneficial use of dredged material from a Federal navigation project in Rose City Marsh, Orange County, Texas.

(5) BESSIE HEIGHTS MARSH, ORANGE COUNTY, TEXAS.—A project to make beneficial use of dredged material from a Federal navigation project in Bessie Heights Marsh, Orange County, Texas.

SEC. 513. DESIGN AND CONSTRUCTION ASSISTANCE.

Section 507 of the Water Resources Development Act of 1996 (110 Stat. 3758) is amended by striking paragraph (2) and inserting the following:

"(2) Expansion and improvement of Long Pine Run Dam, Pennsylvania, and associated water infrastructure, in accordance with subsections (b) through (e) of section 313 of the Water Resources Development Act of 1992 (106 Stat. 4845), at a total cost of $20,000,000.".

SEC. 514. MISSOURI AND MIDDLE MISSISSIPPI RIVERS ENHANCEMENT PROJECT.

(a) DEFINITIONS.—In this section:

(1) MIDDLE MISSISSIPPI RIVER.—The term "middle Mississippi River" means the reach of the Mississippi River from the mouth of the Ohio River (river mile 0, upper Mississippi River) to the mouth of the Missouri River (river mile 195).

(2) MISSOURI RIVER.—The term "Missouri River" means the main stem and floodplain of the Missouri River (including reservoirs) from its confluence with the Mississippi River at St. Louis, Missouri, to its headwaters near Three Forks, Montana.

(3) PROJECT.—The term "project" means the project authorized by this section.

(b) PROTECTION AND ENHANCEMENT ACTIVITIES.—

(1) PLAN.—

(A) DEVELOPMENT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall develop a plan for a project to protect and enhance fish and wildlife habitat of the Missouri River and the middle Mississippi River.

(B) ACTIVITIES.—

(i) IN GENERAL.—The plan shall provide for such activities as are necessary to protect and enhance fish and wildlife habitat without adversely affecting—

(I) the water-related needs of the region surrounding the Missouri River and the middle Mississippi River, including flood control, navigation, recreation, and enhancement of water supply; and

(II) private property rights.

(ii) REQUIRED ACTIVITIES.—The plan shall include—

(I) modification and improvement of navigation training structures to protect and enhance fish and wildlife habitat;

(II) modification and creation of side channels to protect and enhance fish and wildlife habitat;

(III) restoration and creation of island fish and wildlife habitat;

(IV) creation of riverine fish and wildlife habitat;

(V) establishment of criteria for prioritizing the type and sequencing of activities based on cost-effectiveness and likelihood of success; and

(VI) physical and biological monitoring for evaluating the success of the project, to be performed by the River Studies Center of the United States Geological Survey in Columbia, Missouri.

(2) IMPLEMENTATION OF ACTIVITIES.—

(A) IN GENERAL.—Using funds made available to carry out this section, the Secretary shall carry out the activities described in the plan.

(B) USE OF EXISTING AUTHORITY FOR UNCONSTRUCTED FEATURES OF THE PROJECT.—Using funds made available to the Secretary under other law, the Secretary shall design and construct any feature of the project that may be carried out using the authority of the Secretary to modify an authorized project, if the Secretary determines that the design and construction will—

(i) accelerate the completion of activities to protect and enhance fish and wildlife habitat of the Missouri River or the middle Mississippi River; and

(ii) be compatible with the project purposes described in this section.

(c) INTEGRATION OF OTHER ACTIVITIES.—

(1) IN GENERAL.—In carrying out the activities described in subsection (b), the Secretary shall integrate the activities with other Federal, State, and tribal activities.

(2) NEW AUTHORITY.—Nothing in this section confers any new regulatory authority on any Federal or non-Federal entity that carries out any activity authorized by this section.

(d) PUBLIC PARTICIPATION.—In developing and carrying out the plan and the activities described in subsection (b), the Secretary shall provide for public review and comment in accordance with applicable Federal law, including—

(1) providing advance notice of meetings;

(2) providing adequate opportunity for public input and comment;

(3) maintaining appropriate records; and

(4) compiling a record of the proceedings of meetings.

(e) COMPLIANCE WITH APPLICABLE LAW.—In carrying out the plan and the activities described in subsections (b) and (c), the Secretary shall comply with any applicable Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(f) COST SHARING.—

(1) NON-FEDERAL SHARE.—The non-Federal share of the cost of the project shall be 35 percent.

(2) FEDERAL SHARE.—The Federal share of the cost of any 1 activity described in subsection (b) shall not exceed $5,000,000.

(3) OPERATION AND MAINTENANCE.—The operation and maintenance of the project shall be a non-Federal responsibility.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to pay the Federal share of the cost of carrying out this section $30,000,000 for the period of fiscal years 2000 and 2001.

SEC. 515. IRRIGATION DIVERSION PROTECTION AND FISHERIES ENHANCEMENT ASSISTANCE.

(a) IN GENERAL.—The Secretary may provide technical planning and design assistance to non-Federal interests and may conduct other site-specific studies to formulate and evaluate fish screens, fish passages devices, and other measures to decrease the incidence of juvenile and adult fish inadvertently entering irrigation systems.

(b) COOPERATION.—Measures under subsection (a)—

(1) shall be developed in cooperation with Federal and State resource agencies; and

(2) shall not impair the continued withdrawal of water for irrigation purposes.

(c) PRIORITY.—In providing assistance under subsection (a), the Secretary shall give priority based on—

(1) the objectives of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(2) cost-effectiveness; and

(3) the potential for reducing fish mortality.

(d) NON-FEDERAL SHARE.—

(1) IN GENERAL.—The non-Federal share of the cost of measures under subsection (a) shall be 50 percent.

(2) IN-KIND CONTRIBUTIONS.—Not more than 50 percent of the non-Federal contribution may be made through the provision of services, materials, supplies, or other in-kind contributions.

(e) NO CONSTRUCTION ACTIVITY.—This section does not authorize any construction activity.

(f) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report on—

(1) fish mortality caused by irrigation water intake devices;

(2) appropriate measures to reduce fish mortality;

(3) the extent to which those measures are currently being employed in arid States;

(4) the construction costs associated with those measures; and

(5) the appropriate Federal role, if any, to encourage the use of those measures.

SEC. 516. INNOVATIVE TECHNOLOGIES FOR WATERSHED RESTORATION.

The Secretary shall examine using, and, if appropriate, encourage the use of, innovative treatment technologies, including membrane technologies, for watershed and environmental restoration and protection projects involving water quality.

SEC. 517. EXPEDITED CONSIDERATION OF CERTAIN PROJECTS.

The Secretary shall expedite completion of the reports for the following projects and, if justified, proceed directly to project preconstruction, engineering, and design:

(1) Sluice Creek, Guilford, Connecticut, and Lighthouse Point Park, New Haven, Connecticut.

(2) Alafia Channel, Tampa Harbor, Florida, project for navigation.

(3) Little Calumet River, Indiana.

(4) Ohio River Greenway, Indiana, project for environmental restoration and recreation.

(5) Mississippi River, West Baton Rouge Parish, Louisiana, project for waterfront and riverine preservation, restoration, and enhancement modifications.

(6) Extension of locks 20, 21, 22, 24, and 25 on the upper Mississippi River and the La Grange and Peoria locks on the Illinois River, project to provide lock chambers 110 feet in width and 1,200 feet in length.

SEC. 518. DOG RIVER, ALABAMA.

The Secretary shall provide $1,500,000 for environmental restoration for a pilot project, in cooperation with non-Federal interests, to restore natural water depths in the Dog River, Alabama.

SEC. 519. LEVEES IN ELBA AND GENEVA, ALABAMA.

(a) Elba, Alabama.—

(1) In general.—The Secretary may repair and rehabilitate a levee in the city of Elba, Alabama, at a total cost of $12,900,000.

(2) Cost sharing.—The non-Federal share of the cost of repair and rehabilitation under paragraph (1) shall be 35 percent.

(b) Geneva, Alabama.—

(1) In general.—The Secretary may repair and rehabilitate a levee in the city of Geneva, Alabama, at a total cost of $16,600,000.

(2) Cost sharing.—The non-Federal share of the cost of repair and rehabilitation under paragraph (1) shall be 35 percent.

SEC. 520. NAVAJO RESERVATION, ARIZONA, NEW MEXICO, AND UTAH.

(a) In General.—In cooperation with other appropriate Federal and local agencies, the Secretary shall undertake a survey of, and provide technical, planning, and design assistance for, watershed management, restoration, and development on the Navajo Indian Reservation, Arizona, New Mexico, and Utah.

(b) Cost Sharing.—The Federal share of the cost of activities carried out under this section shall be 75 percent. Funds made available under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) may be used by the Navajo Nation in meeting the non-Federal share of the cost of the activities.

(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $12,000,000 for the period beginning with fiscal year 2000.

SEC. 521. BEAVER LAKE, ARKANSAS, WATER SUPPLY STORAGE REALLOCATION.

The Secretary shall reallocate approximately 31,000 additional acre-feet at Beaver Lake, Arkansas, to water supply storage at no cost to the Beaver Water District or the Carroll-Boone Water District, except that at no time shall the bottom of the conservation pool be at an elevation that is less than 1,076 feet, NGVD.

SEC. 522. BEAVER LAKE TROUT PRODUCTION FACILITY, ARKANSAS.

Not later than 2 years after the date of enactment of this Act, the Secretary, in conjunction with the State of Arkansas, shall prepare a plan for the mitigation of effects of the Beaver Dam project on Beaver Lake, including the benefits of and schedule for construction of the Beaver Lake trout production facility and related facilities.

SEC. 523. CHINO DAIRY PRESERVE, CALIFORNIA.

(a) Technical Assistance.—The Secretary, in coordination with the heads of other Federal agencies, shall provide technical assistance to State and local agencies in the study, design, and implementation of measures for flood damage reduction and environmental restoration and protection in the Santa Ana River watershed, California, with particular emphasis on structural and nonstructural measures in the vicinity of the Chino Dairy Preserve.

(b) Cost Sharing.—The non-Federal share of the cost of activities assisted under subsection (a) shall be 50 percent.

(c) Comprehensive Study.—The Secretary shall conduct a feasibility study to determine the most cost-effective plan for flood damage reduction and environmental restoration and protection in the vicinity of the Chino Dairy Preserve, Santa Ana River watershed, Orange County and San Bernardino County, California.

SEC. 524. ORANGE AND SAN DIEGO COUNTIES, CALIFORNIA.

(a) In General.—The Secretary, in cooperation with local governments, may prepare special area management plans for Orange and San Diego Counties, California, to demonstrate the effectiveness of using the plans to provide information regarding aquatic resources.

(b) Use of Plans.—The Secretary may—

(1) use plans described in subsection (a) in making regulatory decisions; and

(2) issue permits consistent with the plans.

SEC. 525. RUSH CREEK, NOVATO, CALIFORNIA.

The Secretary shall carry out a project for flood control under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) at Rush Creek, Novato, California, if the Secretary determines that the project is technically sound, environmentally acceptable, and economically justified.

SEC. 526. SANTA CRUZ HARBOR, CALIFORNIA.

The Secretary may—

(1) modify the cooperative agreement with the Santa Cruz Port District, California, to reflect unanticipated additional dredging effort; and

(2) extend the agreement for 10 years.

SEC. 527. LOWER ST. JOHNS RIVER BASIN, FLORIDA.

(a) Computer Model.—

(1) In general.—The Secretary may apply the computer model developed under the St. Johns River basin feasibility study to assist non-Federal interests in developing strategies for improving water quality in the Lower St. Johns River basin, Florida.

(2) Cost sharing.—The non-Federal share of the cost of activities assisted under paragraph (1) shall be 50 percent.

(b) Topographic Survey.—The Secretary may provide 1-foot contour topographic survey maps of the Lower St. Johns River basin, Florida, to non-Federal interests for analyzing environmental data and establishing benchmarks for subbasins.

SEC. 528. MAYO'S BAR LOCK AND DAM, COOSA RIVER, ROME, GEORGIA.

(a) In General.—The Secretary may provide technical assistance (including planning, engineering, and design assistance) for the reconstruction of the Mayo's Bar Lock and Dam, Coosa River, Rome, Georgia.

(b) Non-Federal Share.—The non-Federal share of the cost of activities assisted under subsection (a) shall be 50 percent.

SEC. 529. COMPREHENSIVE FLOOD IMPACT RESPONSE MODELING SYSTEM, CORALVILLE RESERVOIR AND IOWA RIVER WATERSHED, IOWA.

(a) In General.—The Secretary, in cooperation with the University of Iowa, shall conduct a study and develop a comprehensive flood impact response modeling system for Coralville Reservoir and the Iowa River watershed, Iowa.

(b) Study.—The study shall include—

(1) an evaluation of the combined hydrologic, geomorphic, environmental, economic, social, and recreational impacts of operating strategies within the watershed;

(2) creation of an integrated, dynamic flood impact model; and

(3) the development of a rapid response system to be used during flood and emergency situations.

(c) Report to Congress.—Not later than 5 years after the date of enactment of this Act, the Secretary shall submit a report to Congress on the results of the study and modeling system and such recommendations as the Secretary determines to be appropriate.

(d) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $3,000,000.

SEC. 530. ADDITIONAL CONSTRUCTION ASSISTANCE IN ILLINOIS.

The Secretary may carry out the project for Georgetown, Illinois, and the project for Olney, Illinois, referred to in House Report Number 104–741, accompanying the Safe Drinking Water Act Amendments of 1996 (Public Law 104–182).

SEC. 531. KANOPOLIS LAKE, KANSAS.

(a) Water Storage.—The Secretary shall offer to the State of Kansas the right to purchase water storage in Kanapolis Lake, Kansas, at the average of—

(1) the cost calculated in accordance with the terms of the memorandum of understanding entitled "Memorandum of Understanding Between the State of Kansas and the U.S. Department of the Army Concerning the Purchase of Municipal and Industrial Water Supply Storage", dated December 11, 1985; and

(2) the cost calculated in accordance with procedures established as of the date of enactment of this Act by the Secretary to determine the cost of water storage at other projects under the Secretary's jurisdiction.

(b) Effective Date.—For the purposes of this section, the effective date of the memorandum of understanding referred to in subsection (a)(1) shall be deemed to be the date of enactment of this Act.

SEC. 532. SOUTHERN AND EASTERN KENTUCKY.

Section 531 of the Water Resources Development Act of 1996 (110 Stat. 3773) is amended—

(1) in subsection (b)—

(A) by striking "and surface" and inserting "surface"; and

(B) by striking "development." and inserting "development, and small stream flooding, local storm water drainage, and related problems.";

(2) in subsection (d)(1), by adding at the end the following: "Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)), for any project undertaken under this section, with the consent of the affected local government, a non-Federal interest may include a nonprofit entity."; and

(3) in subsection (h), by striking "$10,000,000" and inserting "$25,000,000".

SEC. 533. SOUTHEAST LOUISIANA.

Section 533(c) of the Water Resources Development Act of 1996 (110 Stat. 3775) is amended by striking "$100,000,000" and inserting "$250,000,000".

SEC. 534. SNUG HARBOR, MARYLAND.

(a) In General.—The Secretary, in coordination with the Director of the Federal Emergency Management Agency, may—

(1) provide technical assistance to the residents of Snug Harbor, in the vicinity of Berlin, Maryland, for the purpose of flood damage reduction;

(2) conduct a study of a project consisting of nonstructural measures for flood damage reduction in the vicinity of Snug Harbor, Maryland, taking into account the relationship of both the Ocean City Inlet and Assateague Island to the flooding; and

(3) after completion of the study, carry out the project under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).

(b) FEMA Assistance.—The Director, in coordination with the Secretary and under the authorities of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), may provide technical assistance and nonstructural measures for flood damage mitigation in the vicinity of Snug Harbor, Maryland.

(c) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the cost of assistance under this section shall not exceed $3,000,000.

(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of assistance under this section shall be determined in accordance with title I of the Water Resources Development Act of 1986 (33 U.S.C. 2211 et seq.) or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), as appropriate.

SEC. 535. WELCH POINT, ELK RIVER, CECIL COUNTY, AND CHESAPEAKE CITY, MARYLAND.

(a) SPILLAGE OF DREDGED MATERIALS.—The Secretary shall carry out a study to determine whether the spillage of dredged materials that were removed as part of the project for navigation, Inland Waterway from Delaware River to Chesapeake Bay, Delaware and Maryland, authorized by the first section of the Act of August 30, 1935 (49 Stat. 1030, chapter 831), is a significant impediment to vessels transiting the Elk River near Welch Point, Maryland. If the Secretary determines that the spillage is an impediment to navigation, the Secretary may conduct such dredging as may be required to permit navigation on the river.

(b) DAMAGE TO WATER SUPPLY.—The Secretary shall carry out a study to determine whether additional compensation is required to fully compensate the city of Chesapeake, Maryland, for damage to the city's water supply resulting from dredging of the Chesapeake and Delaware Canal project. If the Secretary determines that such additional compensation is required, the Secretary may provide the compensation to the city of Chesapeake.

SEC. 536. CAPE COD CANAL RAILROAD BRIDGE, BUZZARDS BAY, MASSACHUSETTS.

(a) ALTERNATIVE TRANSPORTATION.—The Secretary may provide up to $300,000 for meeting the need for alternative transportation that may arise as a result of the operation, maintenance, repair, and rehabilitation of the Cape Cod Canal Railroad Bridge.

(b) OPERATION AND MAINTENANCE CONTRACT RENEGOTIATION.—Not later than 60 days after the date of enactment of this Act, the Secretary shall enter into negotiation with the owner of the railroad right-of-way for the Cape Cod Canal Railroad Bridge for the purpose of establishing the rights and responsibilities for the operation and maintenance of the Bridge. The Secretary may include in any new contract the termination of the prior contract numbered ER-W175–ENG–1.

SEC. 537. ST. LOUIS, MISSOURI.

(a) DEMONSTRATION PROJECT.—The Secretary, in consultation with local officials, shall conduct a demonstration project to improve water quality in the vicinity of St. Louis, Missouri.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,700,000 to carry out this section.

SEC. 538. BEAVER BRANCH OF BIG TIMBER CREEK, NEW JERSEY.

At the request of the State of New Jersey or a political subdivision of the State, using authority under law in effect on the date of enactment of this Act, the Secretary may—

(1) compile and disseminate information on floods and flood damage, including identification of areas subject to inundation by floods; and

(2) provide technical assistance regarding floodplain management for the Beaver Branch of Big Timber Creek, New Jersey.

SEC. 539. LAKE ONTARIO AND ST. LAWRENCE RIVER WATER LEVELS, NEW YORK.

On request, the Secretary may provide technical assistance to the International Joint Commission and the St. Lawrence River Board of Control in undertaking studies on the effects of fluctuating water levels on the natural environment, recreational boating, property flooding, and erosion along the shorelines of Lake Ontario and the St. Lawrence River in New York. The Commission and the Board are encouraged to conduct such studies in a comprehensive and thorough manner before implementing any change to Water Regulation Plan 1958–D.

SEC. 540. NEW YORK-NEW JERSEY HARBOR, NEW YORK AND NEW JERSEY.

(a) IN GENERAL.—The Secretary shall conduct a study to analyze the economic and environmental benefits and costs of potential sediment management and contaminant reduction measures.

(b) COOPERATIVE AGREEMENTS.—In conducting the study, the Secretary may enter into cooperative agreements with non-Federal interests to investigate, develop, and support measures for sediment management and reduction of sources of contaminant that affect navigation in the Port of New York-New Jersey and the environmental conditions of the New York-New Jersey Harbor estuary.

SEC. 541. SEA GATE REACH, CONEY ISLAND, NEW YORK, NEW YORK.

The Secretary may construct a project for shoreline protection that includes a beachfill with revetment and T-groin for the Sea Gate Reach on Coney Island, New York, as identified in the March 1998 report prepared for the Corps of Engineers, New York District, entitled "Field Data Gathering, Project Performance Analysis and Design Alternative Solutions to Improve Sandfill Retention", at a total cost of $9,000,000, with an estimated Federal cost of $5,850,000 and an estimated non-Federal cost of $3,150,000.

SEC. 542. WOODLAWN, NEW YORK.

(a) IN GENERAL.—The Secretary shall provide planning, design, and other technical assistance to non-Federal interests for identifying and mitigating sources of contamination at Woodlawn Beach in Woodlawn, New York.

(b) COST SHARING.—The non-Federal share of the cost of assistance provided under subsection (a) shall be 50 percent.

SEC. 543. FLOODPLAIN MAPPING, NEW YORK.

(a) IN GENERAL.—The Secretary shall provide assistance for a project to develop maps identifying 100- and 500-year flood inundation areas in the State of New York.

(b) REQUIREMENTS.—Maps developed under the project shall include hydrologic and hydraulic information and shall accurately show the flood inundation of each property by flood risk in the floodplain. The maps shall be produced in a high resolution format and shall be made available to all flood prone areas in the State of New York in an electronic format.

(c) PARTICIPATION OF FEMA.—The Secretary and the non-Federal interests for the project shall work with the Director of the Federal Emergency Management Agency to ensure the validity of the maps developed under the project for flood insurance purposes.

(d) FORMS OF ASSISTANCE.—In carrying out the project, the Secretary may enter into contracts or cooperative agreements with the non-Federal interests or provide reimbursements of project costs.

(e) FEDERAL SHARE.—The Federal share of the cost of the project shall be 50 percent.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for the period beginning with fiscal year 2000.

SEC. 544. TOUSSAINT RIVER, CARROLL TOWNSHIP, OTTAWA COUNTY, OHIO.

The Secretary may provide technical assistance for the removal of military ordnance from the Toussaint River, Carroll Township, Ottawa County, Ohio.

SEC. 545. SARDIS RESERVOIR, OKLAHOMA.

(a) IN GENERAL.—The Secretary shall accept from the State of Oklahoma or an agent of the State an amount, determined under subsection (b), as prepayment of 100 percent of the water supply cost obligation of the State under Contract No. DACW56–74–JC–0314 for water supply storage at Sardis Reservoir, Oklahoma.

(b) DETERMINATION OF AMOUNT.—The amount to be paid by the State of Oklahoma under subsection (a) shall be subject to adjustment in accordance with accepted discount purchase methods for Federal Government properties as determined by an independent accounting firm designated by the Director of the Office of Management and Budget. The cost of the determination shall be paid for by the State of Oklahoma or an agent of the State.

(c) EFFECT.—Nothing in this section affects any of the rights or obligations of the parties to the contract referred to in subsection (a).

SEC. 546. SKINNER BUTTE PARK, EUGENE, OREGON.

(a) STUDY.—The Secretary shall conduct a study of the south bank of the Willamette River, in the area of Skinner Butte Park from Ferry Street Bridge to the Valley River footbridge, to determine the feasibility of carrying out a project to stabilize the river bank, and to restore and enhance riverine habitat, using a combination of structural and bioengineering techniques.

(b) FEDERAL PARTICIPATION.—If, on completion of the study, the Secretary determines that the project is technically sound, environmentally acceptable, and economically justified, the Secretary may participate with non-Federal interests in the project.

(c) COST SHARING.—The non-Federal share of the cost of the project shall be 35 percent.

(d) LAND, EASEMENTS, AND RIGHTS-OF-WAY.—

(1) IN GENERAL.—The non-Federal interest shall provide land, easements, rights-of-way, relocations, and dredged material disposal areas necessary for construction of the project.

(2) CREDIT TOWARD NON-FEDERAL SHARE.—The value of the land, easements, rights-of-way, relocations, and dredged material disposal areas provided by the non-Federal interests shall be credited toward the non-Federal share.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for the period beginning with fiscal year 2000.

SEC. 547. WILLAMETTE RIVER BASIN, OREGON.

(a) IN GENERAL.—The Secretary, the Director of the Federal Emergency Management Agency, the Administrator of the Environmental Protection Agency, and the heads of other appropriate Federal agencies shall, using authorities under law in effect on the date of enactment of this Act, assist the State of Oregon in developing and implementing a comprehensive basin-wide strategy in the Willamette River basin, Oregon, for coordinated and integrated management of land and water resources to improve water quality, reduce flood hazards, ensure sustainable economic activity, and restore habitat for native fish and wildlife.

(b) TECHNICAL ASSISTANCE, STAFF, AND FINANCIAL SUPPORT.—The heads of the Federal agencies may provide technical assistance, staff, and financial support for development of the basin-wide management strategy.

(c) FLEXIBILITY.—The heads of the Federal agencies shall exercise flexibility to reduce barriers to efficient and effective implementation of the basin-wide management strategy.

SEC. 548. BRADFORD AND SULLIVAN COUNTIES, PENNSYLVANIA.

The Secretary may provide assistance for water-related environmental infrastructure and resource protection and development projects in Bradford and Sullivan Counties, Pennsylvania, using the funds and authorities provided in title I of the Energy and Water Development Appropriations Act, 1999 (Public Law 105–245), under *the heading "Construction, General" (112 Stat. 1840) for similar projects in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe Counties, Pennsylvania.*

SEC. 549. ERIE HARBOR, PENNSYLVANIA.

The Secretary may reimburse the appropriate non-Federal interest not more than $78,366 for architectural and engineering costs incurred in connection with the Erie Harbor basin navigation project, Pennsylvania.

SEC. 550. POINT MARION LOCK AND DAM, PENNSYLVANIA.

(a) In General.—The project for navigation, Point Marion Lock and Dam, borough of Point Marion, Pennsylvania, authorized by section 301(a) of the Water Resources Development Act of 1986 (100 Stat. 4110), is modified to direct the Secretary, in the operation and maintenance of the project, to mitigate damages to the shoreline, at a total cost of $2,000,000.

(b) Allocation.—The cost of the mitigation shall be allocated as an operation and maintenance cost of a Federal navigation project.

SEC. 551. SEVEN POINTS' HARBOR, PENNSYLVANIA.

(a) In General.—The Secretary may, at full Federal expense, construct a breakwater at the entrance to Seven Points' Harbor, Pennsylvania.

(b) Operation and Maintenance Costs.—All operation and maintenance costs associated with the facility constructed under this section shall be the responsibility of the lessee of the marina complex at Seven Points' Harbor.

(c) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $850,000.

SEC. 552. SOUTHEASTERN PENNSYLVANIA.

Section 566(b) of the Water Resources Development Act of 1996 (110 Stat. 3786) is amended by inserting "environmental restoration," after "water supply and related facilities,".

SEC. 553. UPPER SUSQUEHANNA-LACKAWANNA, PENNSYLVANIA, WATERSHED MANAGEMENT AND RESTORATION STUDY.

(a) In General.—The Secretary shall conduct a study to determine the feasibility of a comprehensive floodplain management and watershed restoration project for the Upper Susquehanna-Lackawanna Watershed, Pennsylvania.

(b) Geographic Information System.—In conducting the study, the Secretary shall use a geographic information system.

(c) Plans.—The study shall formulate plans for comprehensive floodplain management and environmental restoration.

(d) Credit Toward Non-Federal Share.—Non-Federal interests may receive credit toward the non-Federal share for in-kind services and materials that contribute to the study. The Secretary may credit non-Corps Federal assistance provided to the non-Federal interest toward the non-Federal share of the costs of the study to the maximum extent authorized by law.

SEC. 554. AGUADILLA HARBOR, PUERTO RICO.

The Secretary shall conduct a study to determine whether erosion and additional storm damage risks that exist in the vicinity of Aguadilla Harbor, Puerto Rico, are the result of a Federal navigation project. If the Secretary determines that such erosion and additional storm damage risks are the result of the project, the Secretary shall take appropriate measures to mitigate the erosion and storm damage.

SEC. 555. OAHE DAM TO LAKE SHARPE, SOUTH DAKOTA, STUDY.

Section 441 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended—

(1) by inserting "(a) Investigation.—" before "The Secretary"; and

(2) by adding at the end the following:

"(b) Report.—Not later than September 30, 1999, the Secretary shall submit to Congress a report on the results of the investigation under this section. The report shall include the examination of financing options for regular maintenance and preservation of the lake. The report shall be prepared in coordination and cooperation with the Natural Resources Conservation Service, other Federal agencies, and State and local officials.".

SEC. 556. NORTH PADRE ISLAND STORM DAMAGE REDUCTION AND ENVIRONMENTAL RESTORATION PROJECT.

The Secretary is directed to carry out a project for ecosystem restoration and storm damage reduction at North Padre Island, Corpus Christi Bay, Texas, at a total estimated cost of $30,000,000, with an estimated Federal cost of $19,500,000 and an estimated non-Federal cost of $10,500,000, if the Secretary determines that the work is technically sound and environmentally acceptable. The Secretary shall make such a determination not later than 270 days after the date of enactment of this Act.

SEC. 557. NORTHERN WEST VIRGINIA.

The projects described in the following reports are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in the reports, and subject to a favorable report of the Chief of Engineers:

(1) Parkersburg, West Virginia.—Report of the Corps of Engineers entitled "Parkersburg/Vienna Riverfront Park Feasibility Study", dated June 1998, at a total cost of $8,400,000, with an estimated Federal cost of $4,200,000, and an estimated non-Federal cost of $4,200,000.

(2) Weirton, West Virginia.—Report of the Corps of Engineers entitled "Feasibility Master Plan for Weirton Port and Industrial Center, West Virginia Public Port Authority", dated December 1997, at a total cost of $18,000,000, with an estimated Federal cost of $9,000,000, and an estimated non-Federal cost of $9,000,000.

(3) Erickson/Wood County, West Virginia.—Report of the Corps of Engineers entitled "Feasibility Master Plan for Erickson/Wood County Port District, West Virginia Public Port Authority", dated July 7, 1997, at a total cost of $28,000,000, with an estimated Federal cost of $14,000,000, and an estimated non-Federal cost of $14,000,000.

SEC. 558. MISSISSIPPI RIVER COMMISSION.

Section 8 of the Act of May 15, 1928 (33 U.S.C. 702h; 45 Stat. 537, chapter 569) (commonly known as the "Flood Control Act of 1928)"), is amended by striking "$7,500" and inserting "$21,500".

SEC. 559. COASTAL AQUATIC HABITAT MANAGEMENT.

(a) In General.—The Secretary may cooperate with the Secretaries of Agriculture and the Interior, the Administrators of the Environmental Protection Agency and the National Oceanic and Atmospheric Administration, other appropriate Federal, State, and local agencies, and affected private entities, in the development of a management strategy to address problems associated with toxic microorganisms and the resulting degradation of ecosystems in the tidal and nontidal wetlands and waters of the United States.

(b) Assistance.—As part of the management strategy, the Secretary may provide planning, design, and other technical assistance to each participating State in the development and implementation of nonregulatory measures to mitigate environmental problems and restore aquatic resources.

(c) Cost Sharing.—The Federal share of the cost of measures undertaken under this section shall not exceed 65 percent.

(d) Operation and Maintenance.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $7,000,000 for the period beginning with fiscal year 2000.

SEC. 560. ABANDONED AND INACTIVE NONCOAL MINE RESTORATION.

(a) In General.—The Secretary may provide technical, planning, and design assistance to Federal and non-Federal interests for carrying out projects to address water quality problems caused by drainage and related activities from abandoned and inactive noncoal mines.

(b) Specific Measures.—Assistance provided under subsection (a) may be in support of projects for the purposes of—

(1) managing drainage from abandoned and inactive noncoal mines;

(2) restoring and protecting streams, rivers, wetlands, other waterbodies, and riparian areas degraded by drainage from abandoned and inactive noncoal mines; and

(3) demonstrating management practices and innovative and alternative treatment technologies to minimize or eliminate adverse environmental effects associated with drainage from abandoned and inactive noncoal mines.

(c) Non-Federal Share.—The non-Federal share of the cost of assistance under subsection (a) shall be 50 percent, except that the Federal share with respect to projects located on land owned by the United States shall be 100 percent.

(d) Effect on Authority of Secretary of the Interior.—Nothing in this section affects the authority of the Secretary of the Interior under title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231 et seq.).

(e) Technology Database for Reclamation of Abandoned Mines.—The Secretary may provide assistance to non-Federal and nonprofit entities to develop, manage, and maintain a database of conventional and innovative, cost-effective technologies for reclamation of abandoned and inactive noncoal mine sites. Such assistance shall be provided through the Rehabilitation of Abandoned Mine Sites Program managed by the Sacramento District Office of the Corps of Engineers.

(f) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $5,000,000.

SEC. 561. BENEFICIAL USE OF WASTE TIRE RUBBER.

(a) In General.—The Secretary shall, when appropriate, encourage the beneficial use of waste tire rubber (including crumb rubber and baled tire products) recycled from tires.

(b) Included Beneficial Uses.—Beneficial uses under subsection (a) may include marine pilings, underwater framing, floating docks with built-in flotation, utility poles, and other uses associated with transportation and infrastructure projects receiving Federal funds.

(c) Use of Waste Tire Rubber.—The Secretary shall encourage the use, when appropriate, of waste tire rubber (including crumb rubber) in projects described in subsection (b).

SEC. 562. SITE DESIGNATION.

Section 102(c)(4) of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1412(c)(4)) is amended in the third sentence by striking "January 1, 2000" and inserting "January 1, 2003".

SEC. 563. LAND CONVEYANCES.

(a) Toronto Lake and El Dorado Lake, Kansas.—

(1) In general.—The Secretary shall convey to the State of Kansas, by quitclaim deed and without consideration, all right, title, and interest of the United States in and to the 2 parcels of land described in paragraph (2) on which correctional facilities operated by the Kansas Department of Corrections are situated.

(2) Land description.—The parcels of land referred to in paragraph (1) are—

(A) the parcel located in Butler County, Kansas, adjacent to the El Dorado Lake Project, consisting of approximately 32.98 acres; and

(B) the parcel located in Woodson County, Kansas, adjacent to the Toronto Lake Project, consisting of approximately 51.98 acres.

(3) CONDITIONS.—

(A) USE OF LAND.—A conveyance of a parcel under paragraph (1) shall be subject to the condition that all right, title, and interest in and to the parcel shall revert to the United States if the parcel is used for a purpose other than that of a correctional facility.

(B) COSTS.—The Secretary may require such additional terms, conditions, reservations, and restrictions in connection with the conveyance as the Secretary determines are necessary to protect the interests of the United States, including a requirement that the State pay all reasonable administrative costs associated with the conveyance.

(b) PIKE COUNTY, MISSOURI.—

(1) LAND EXCHANGE.—Subject to paragraphs (3) and (4), at such time as Holnam Inc. conveys all right, title, and interest in and to the parcel of land described in paragraph (2)(A) to the United States, the Secretary shall convey all right, title, and interest in the parcel of land described in paragraph (2)(B) to Holnam Inc.

(2) LAND DESCRIPTION.—The parcels of land referred to in paragraph (1) are the following:

(A) NON-FEDERAL LAND.—152.45 acres with existing flowage easements situated in Pike County, Missouri, described as a portion of Government Tract Number FM–9 and all of Government Tract Numbers FM–11, FM–10, FM–12, FM–13, and FM–16, owned and administered by Holnam Inc.

(B) FEDERAL LAND.—152.61 acres situated in Pike County, Missouri, known as Government Tract Numbers FM–17 and a portion of FM–18, administered by the Corps of Engineers.

(3) CONDITIONS.—The exchange of land under paragraph (1) shall be subject to the following conditions:

(A) DEEDS.—

(i) NON-FEDERAL LAND.—The conveyance of the land described in paragraph (2)(A) to the Secretary shall be by a warranty deed acceptable to the Secretary.

(ii) FEDERAL LAND.—The instrument of conveyance used to convey the land described in paragraph (2)(B) to Holnam Inc. shall contain such reservations, terms, and conditions as the Secretary considers necessary to allow the United States to operate and maintain the Mississippi River 9-Foot Navigation Project.

(B) REMOVAL OF IMPROVEMENTS.—Holnam Inc. may remove any improvements on the land described in paragraph (2)(A). The Secretary may require Holnam Inc. to remove any improvements on the land described in paragraph (2)(A). In either case, Holnam Inc. shall hold the United States harmless from liability, and the United States shall not incur cost associated with the removal or relocation of any of the improvements.

(C) TIME LIMIT FOR EXCHANGE.—The land exchange under paragraph (1) shall be completed not later than 2 years after the date of enactment of this Act.

(D) LEGAL DESCRIPTION.—The Secretary shall provide the legal description of the land described in paragraph (2). The legal description shall be used in the instruments of conveyance of the land.

(E) ADMINISTRATIVE COSTS.—The Secretary shall require Holnam Inc. to pay reasonable administrative costs associated with the exchange.

(4) VALUE OF PROPERTIES.—If the appraised fair market value, as determined by the Secretary, of the land conveyed to Holnam Inc. by the Secretary under paragraph (1) exceeds the appraised fair market value, as determined by the Secretary, of the land conveyed to the United States by Holnam Inc. under paragraph (1), Holnam Inc. shall make a payment equal to the excess in cash or a cash equivalent to the United States.

(c) CANDY LAKE PROJECT, OSAGE COUNTY, OKLAHOMA.—

(1) DEFINITIONS.—In this subsection:

(A) FAIR MARKET VALUE.—The term "fair market value" means the amount for which a willing buyer would purchase and a willing seller would sell a parcel of land, as determined by a qualified, independent land appraiser.

(B) PREVIOUS OWNER OF LAND.—The term "previous owner of land" means a person (including a corporation) that conveyed, or a descendant of a deceased individual who conveyed, land to the Corps of Engineers for use in the Candy Lake project in Osage County, Oklahoma.

(2) CONVEYANCES.—

(A) IN GENERAL.—The Secretary shall convey all right, title, and interest of the United States in and to the land acquired by the United States for the Candy Lake project in Osage County, Oklahoma.

(B) PREVIOUS OWNERS OF LAND.—

(i) IN GENERAL.—The Secretary shall give a previous owner of land the first option to purchase the land described in subparagraph (A).

(ii) APPLICATION.—

(I) IN GENERAL.—A previous owner of land that desires to purchase the land described in paragraph (1) that was owned by the previous owner of land, or by the individual from whom the previous owner of land is descended, shall file an application to purchase the land with the Secretary not later than 180 days after the official date of notice to the previous owner of land under paragraph (3).

(II) FIRST TO FILE HAS FIRST OPTION.—If more than 1 application is filed to purchase a parcel of land described in subparagraph (A), the first option to purchase the parcel of land shall be determined in the order in which applications for the parcel of land were filed.

(iii) IDENTIFICATION OF PREVIOUS OWNERS OF LAND.—As soon as practicable after the date of enactment of this Act, the Secretary shall, to the extent practicable, identify each previous owner of land.

(iv) CONSIDERATION.—Consideration for land conveyed under this subsection shall be the fair market value of the land.

(C) DISPOSAL.—Any land described in subparagraph (A) for which an application to purchase the land has not been filed under subparagraph (B)(ii) within the applicable time period shall be disposed of in accordance with law.

(D) EXTINGUISHMENT OF EASEMENTS.—All flowage easements acquired by the United States for use in the Candy Lake project in Osage County, Oklahoma, are extinguished.

(3) NOTICE.—

(A) IN GENERAL.—The Secretary shall notify—

(i) each person identified as a previous owner of land under paragraph (2)(B)(iii), not later than 90 days after identification, by United States mail; and

(ii) the general public, not later than 90 days after the date of enactment of this Act, by publication in the Federal Register.

(B) CONTENTS OF NOTICE.—Notice under this paragraph shall include—

(i) a copy of this subsection;

(ii) information sufficient to separately identify each parcel of land subject to this subsection; and

(iii) specification of the fair market value of each parcel of land subject to this subsection.

(C) OFFICIAL DATE OF NOTICE.—The official date of notice under this subsection shall be the later of—

(i) the date on which actual notice is mailed; or

(ii) the date of publication of the notice in the Federal Register.

(d) LAKE HUGO, OKLAHOMA, AREA LAND CONVEYANCE.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall convey at fair market value to Choctaw County Industrial Authority, Oklahoma, the parcels of land described in paragraph (2).

(2) LAND DESCRIPTION.—

(A) IN GENERAL.—The parcel of land to be conveyed under paragraph (1) is the parcel lying above elevation 445.2 feet (NGVD) located in the S½N½SE¼ and the S½SW¼ of Section 13 and the N½NW¼ of Section 24, T 6 S, R 18 E, of the Indian Meridian, in Choctaw County, Oklahoma, the parcel also being part of the Sawyer Bluff Public Use Area and including parts of Hugo Lake Tracts 134 and 139, and more particularly described as follows: Beginning at a point on the east line of Section 13, the point being 100.00 feet north of the southeast corner of S½N½SE¼ of Section 13; thence S 01° 36′ 24″ 100.00 to a Corps of Engineers brass-capped monument at the southeast corner of S½N½SE¼ of Section 13; thence S 88° 16′ 57″ W, along the south line of the S½N½SE¼ of Section 13, 2649.493 feet, more or less, to a Corps of Engineers brass-capped monument on the centerline of Section 13; thence S 01° 20′ 53″ E, along the centerline of Section 13, 1316.632 feet to a Corps of Engineers brass-capped monument; thence S 00° 41′ 35″ E, along the centerline of Section 24, 1000.00 feet, more or a less, to a point lying 50.00 feet north and 300.00 feet, more or less, east of Road B of the Sawyer Bluff Public Use Area; thence westerly and northwesterly, parallel to Road B, to the approximate location of the 445.2-foot contour; thence meandering northerly along the 445.2-foot contour to a point approximately 100.00 feet west and 100.00 feet north of the southwest corner of the S½N½SE¼ of Section 13; thence east, paralleling the south line of the S½N½SE¼ of Section 13, 2649.493 feet, more or less, to the point of beginning.

(B) SURVEY.—The exact description and acreage of the parcel shall be determined by a metes and bounds survey provided by the Choctaw County Industrial Authority.

(e) CONVEYANCE OF PROPERTY IN MARSHALL COUNTY, OKLAHOMA.—

(1) IN GENERAL.—The Secretary shall convey to the State of Oklahoma all right, title, and interest of the United States in and to real property located in Marshall County, Oklahoma, and included in the Lake Texoma (Denison Dam), Oklahoma and Texas, project, consisting of approximately 1,580 acres and leased to the State of Oklahoma for public park and recreation purposes.

(2) CONSIDERATION.—Consideration for the conveyance under paragraph (1) shall be the fair market value of the real property, as determined by the Secretary. All costs associated with the conveyance under paragraph (1) shall be paid by the State of Oklahoma.

(3) DESCRIPTION.—The exact acreage and legal description of the real property to be conveyed under paragraph (1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be paid by the State of Oklahoma.

(4) ENVIRONMENTAL COMPLIANCE.—Before making the conveyance under paragraph (1), the Secretary shall—

(A) conduct an environmental baseline survey to determine whether there are levels of contamination for which the United States would be responsible under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) ensure that the conveyance complies with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(5) OTHER TERMS AND CONDITIONS.—The conveyance under paragraph (1) shall be subject to such other terms and conditions as the Secretary considers appropriate to protect the interests of the United States, including reservation by the United States of a flowage easement over all portions of the real property to be conveyed that are at or below elevation 645.0 NGVD.

(f) SUMMERFIELD CEMETERY ASSOCIATION, OKLAHOMA.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall transfer to the Summerfield Cemetery Association, Oklahoma, all right, title, and interest of the United States in and to the land described in paragraph (3) for use as a cemetery.

(2) REVERSION.—If the land to be transferred under this subsection ever ceases to be used as a not-for-profit cemetery or for another public purpose, the land shall revert to the United States.

(3) DESCRIPTION.—The land to be conveyed under this subsection is the approximately 10 acres of land located in Leflore County, Oklahoma, and described as follows:

INDIAN BASIN MERIDIAN

SECTION 23, TOWNSHIP 5 NORTH, RANGE 23 EAST

SW SE SW NW
NW NE NW SW
N½ SW SW NW.

(4) CONSIDERATION.—The conveyance under this subsection shall be without consideration. All costs associated with the conveyance shall be paid by the Summerfield Cemetery Association, Oklahoma.

(5) OTHER TERMS AND CONDITIONS.—The conveyance under this subsection shall be subject to such other terms and conditions as the Secretary considers necessary to protect the interests of the United States.

(g) DEXTER, OREGON.—

(1) IN GENERAL.—The Secretary shall convey to the Dexter Sanitary District all right, title, and interest of the United States in and to a parcel of land consisting of approximately 5 acres located at Dexter Lake, Oregon, under lease to the Dexter Sanitary District.

(2) CONSIDERATION.—Land to be conveyed under this subsection shall be conveyed without consideration. If the land is no longer held in public ownership or no longer used for wastewater treatment purposes, title to the land shall revert to the Secretary.

(3) TERMS AND CONDITIONS.—The conveyance by the United States shall be subject to such terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(4) SURVEYS.—The exact acreage and description of the land to be conveyed under paragraph (1) shall be determined by such surveys as the Secretary considers necessary. The cost of the surveys shall be borne by the Dexter Sanitary District.

(h) CHARLESTON, SOUTH CAROLINA.—The Secretary may convey the property of the Corps of Engineers known as the "Equipment and Storage Yard", located on Meeting Street in Charleston, South Carolina, in as-is condition for fair market value, with all proceeds from the conveyance to be applied by the Corps of Engineers, Charleston District, to offset a portion of the costs of moving or leasing an office facility in the city of Charleston, South Carolina.

(i) RICHARD B. RUSSELL DAM AND LAKE, SOUTH CAROLINA.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall convey to the State of South Carolina all right, title, and interest of the United States in and to the parcels of land described in paragraph (2)(A) that are being managed, as of the date of enactment of this Act, by the South Carolina Department of Natural Resources for fish and wildlife mitigation purposes for the Richard B. Russell Dam and Lake, South Carolina, project authorized by section 203 of the Flood Control Act of 1966 (80 Stat. 1420) and modified by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4140).

(2) LAND DESCRIPTION.—

(A) IN GENERAL.—The parcels of land to be conveyed are described in Exhibits A, F, and H of Army Lease No. DACW21–1–93–0910 and associated supplemental agreements or are designated in red in Exhibit A of Army License No. DACW21–3–85–1904, excluding all designated parcels in the license that are below elevation 346 feet mean sea level or that are less than 300 feet measured horizontally from the top of the power pool.

(B) MANAGEMENT OF EXCLUDED PARCELS.—Management of the excluded parcels shall continue in accordance with the terms of Army License No. DACW21–3–85–1904 until the Secretary and the State enter into an agreement under paragraph (6).

(C) SURVEY.—The exact acreage and legal description of the land shall be determined by a survey satisfactory to the Secretary, with the cost of the survey borne by the State.

(3) COSTS OF CONVEYANCE.—The State shall be responsible for all costs, including real estate transaction and environmental compliance costs, associated with the conveyance.

(4) PERPETUAL STATUS.—

(A) IN GENERAL.—All land conveyed under this subsection shall be retained in public ownership and shall be managed in perpetuity for fish and wildlife mitigation purposes in accordance with a plan approved by the Secretary.

(B) REVERSION.—If any parcel of land is not managed for fish and wildlife mitigation purposes in accordance with the plan, title to the parcel shall revert to the United States.

(5) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this subsection as the Secretary considers appropriate to protect the interests of the United States.

(6) FISH AND WILDLIFE MITIGATION AGREEMENT.—

(A) IN GENERAL.—The Secretary may pay the State of South Carolina not more than $4,850,000, subject to the Secretary and the State entering into a binding agreement for the State to manage for fish and wildlife mitigation purposes in perpetuity the parcels of land conveyed under this subsection and excluded parcels designated in Exhibit A of Army License No. DACW21–3–85–1904.

(B) FAILURE OF PERFORMANCE.—The agreement shall specify the terms and conditions under which payment will be made and the rights of, and remedies available to, the Federal Government to recover all or a portion of the payment if the State fails to manage any parcel in a manner satisfactory to the Secretary.

(j) CLARKSTON, WASHINGTON.—

(1) IN GENERAL.—The Secretary shall convey to the Port of Clarkston, Washington, all right, title, and interest of the United States in and to a portion of the land described in the Department of the Army lease No. DACW68–1–97–22, consisting of approximately 31 acres, the exact boundaries of which shall be determined by the Secretary and the Port of Clarkston.

(2) ADDITIONAL LAND.—The Secretary may convey to the Port of Clarkston, Washington, such additional land located in the vicinity of Clarkston, Washington, as the Secretary determines to be excess to the needs of the Columbia River Project and appropriate for conveyance.

(3) TERMS AND CONDITIONS.—The conveyances made under paragraphs (1) and (2) shall be subject to such terms and conditions as the Secretary considers necessary to protect the interests of the United States, including a requirement that the Port of Clarkston pay all administrative costs associated with the conveyances, including the cost of land surveys and appraisals and costs associated with compliance with applicable environmental laws (including regulations).

(4) USE OF LAND.—The Port of Clarkston shall be required to pay the fair market value, as determined by the Secretary, of any land conveyed under paragraphs (1) and (2) that is not retained in public ownership and used for public park or recreation purposes, except that the Secretary shall have a right of reverter to reclaim possession and title to any such land.

(k) MATEWAN, WEST VIRGINIA.—

(1) IN GENERAL.—The United States shall convey by quitclaim deed to the town of Matewan, West Virginia, all right, title, and interest of the United States in and to 4 parcels of land that the Secretary determines to be excess to the structural project for flood control constructed by the Corps of Engineers along the Tug Fork River under section 202 of the Energy and Water Development Appropriation Act, 1981 (94 Stat. 1339).

(2) PROPERTY DESCRIPTION.—The parcels of land referred to in paragraph (1) are as follows:

(A) A certain parcel of land in the State of West Virginia, Mingo County, town of Matewan, being more particularly bounded and described as follows:

Beginning at a point on the southerly right-of-way line of a 40-foot-wide street right-of-way (known as McCoy Alley), having an approximate coordinate value of N228,695, E1,662,397, in the line common to the land designated as U.S.A. Tract No. 834, and the land designated as U.S.A. Tract No. 837, said point being South 51°52′ East 81.8 feet from an iron pin and cap marked M–12 on the boundary of the Matewan Area Structural Project, on the north right-of-way line of said street, at a corner common to designated U.S.A. Tracts Nos. 834 and 836; thence, leaving the right-of-way of said street, with the line common to the land of said Tract No. 834, and the land of said Tract No. 837.

South 14°37′ West 46 feet to the corner common to the land of said Tract No. 834, and the land of said Tract No. 837; thence, leaving the land of said Tract No. 837, severing the lands of said Project.

South 14°37′ West 46 feet.

South 68°07′ East 239 feet.

North 26°05′ East 95 feet to a point on the southerly right-of-way line of said street; thence, with the right-of-way of said street, continuing to sever the lands of said Project.

South 63°55′ East 206 feet; thence, leaving the right-of-way of said street, continuing to sever the lands of said Project.

South 26°16′ West 63 feet; thence, with a curve to the left having a radius of 70 feet, a delta of 33°58′, an arc length of 41 feet, the chord bearing.

South 09°17′ West 41 feet; thence, leaving said curve, continuing to sever the lands of said Project.

South 07°42′ East 31 feet to a point on the right-of-way line of the floodwall; thence, with the right-of-way of said floodwall, continuing to sever the lands of said Project.

South 77°04′ West 71 feet.

North 77°10′ West 46 feet.

North 67°07′ West 254 feet.

North 67°54′ West 507 feet.

North 57°49′ West 66 feet to the intersection of the right-of-way line of said floodwall with the southerly right-of-way line of said street; thence, leaving the right-of-way of said floodwall and with the southerly right-of-way of said street, continuing to sever the lands of said Project.

North 83°01′ East 171 feet.

North 89°42′ East 74 feet.
South 83°39′ East 168 feet.
South 83°38′ East 41 feet.
South 77°26′ East 28 feet to the point of beginning, containing 2.59 acres, more or less.

The bearings and coordinate used in this subparagraph are referenced to the West Virginia State Plane Coordinate System, South Zone.

(B) A certain parcel of land in the State of West Virginia, Mingo County, town of Matewan, being more particularly bounded and described as follows:

Beginning at an iron pin and cap designated Corner No. M2–2 on the southerly right-of-way line of the Norfolk and Western Railroad, having an approximate coordinate value of N228,755 E1,661,242, and being at the intersection of the right-of-way line of the floodwall with the boundary of the Matewan Area Structural Project; thence, leaving the right-of-way of said floodwall and with said Project boundary, and the southerly right-of-way of said Railroad.

North 59°45′ East 34 feet.
North 69°50′ East 44 feet.
North 58°11′ East 79 feet.
North 66°13′ East 102 feet.
North 69°43′ East 98 feet.
North 77°39′ East 18 feet.
North 72°39′ East 13 feet to a point at the intersection of said Project boundary, and the southerly right-of-way of said Railroad, with the westerly right-of-way line of State Route 49/10; thence, leaving said Project boundary, and the southerly right-of-way of said Railroad, and with the westerly right-of-way of said road.
South 03°21′ East 100 feet to a point at the intersection of the westerly right-of-way of said road with the right-of-way of said floodwall; thence, leaving the right-of-way of said road, and with the right-of-way line of said floodwall.
South 79°30′ West 69 feet.
South 78°28′ West 222 feet.
South 80°11′ West 65 feet.
North 38°40′ West 14 feet to the point of beginning, containing 0.53 acre, more or less.

The bearings and coordinate used in this subparagraph are referenced to the West Virginia State Plane Coordinate System, South Zone.

(C) A certain parcel of land in the State of West Virginia, Mingo County, town of Matewan, being more particularly bounded and described as follows:

Beginning at a point on the southerly right-of-way line of the Norfolk and Western Railroad, having an approximate coordinate value of N228,936 E1,661,672, and being at the intersection of the easterly right-of-way line of State Route 49/10 with the boundary of the Matewan Area Structural Project; thence, leaving the right-of-way of said road, and with said Project boundary, and the southerly right-of-way of said Railroad.

North 77°49′ East 89 feet to an iron pin and cap designated as U.S.A. Corner No. M–4.

North 79°30′ East 74 feet to an iron pin and cap designated as U.S.A. Corner No. M–5–1; thence, leaving the southerly right-of-way of said Railroad, and continuing with the boundary of said Project.

South 06°33′ East 102 to an iron pipe and cap designated U.S.A. Corner No. M–6–1 on the northerly right-of-way line of State Route 49/28; thence, leaving the boundary of said Project, and with the right-of-way of said road, severing the lands of said Project.

North 80°59′ West 171 feet to a point at the intersection of the Northerly right-of-way line of said State Route 49/28 with the easterly right-of-way line of said State Route 49/10; thence, leaving the right-of-way of said State Route 49/28 and with the right-of-way of said State Route 49/10.

North 03°21′ West 42 feet to the point of beginning, containing 0.27 acre, more or less.

The bearings and coordinate used in this subparagraph are referenced to the West Virginia State Plane Coordinate System, South Zone.

(D) A certain parcel of land in the State of West Virginia, Mingo County, town of Matewan, being more particularly bounded and described as follows:

Beginning at a point at the intersection of the easterly right-of-way line of State Route 49/10 with the right-of-way line of the floodwall, having an approximate coordinate value of N228,826 E1,661,679; thence, leaving the right-of-way of said floodwall, and with the right-of-way of said State Route 49/10.

North 03°21′ West 23 feet to a point at the intersection of the easterly right-of-way line of said State Route 49/10 with the southerly right-of-way line of State Route 49/28; thence, leaving the right-of-way of said State Route 49/10 and with the right-of-way of said State Route 49/28.

South 80°59′ East 168 feet.

North 82°28′ East 45 feet to an iron pin and cap designated as U.S.A. Corner No. M–8–1 on the boundary of the Western Area Structural Project; thence, leaving the right-of-way of said State Route 49/28, and with said Project boundary.

South 08°28′ East 88 feet to an iron pin and cap designated as U.S.A. Corner No. M–9–1 point on the northerly right-of-way line of a street (known as McCoy Alley); thence, leaving said Project boundary and with the northerly right-of-way of said street.

South 83°01′ West 38 feet to a point on the right-of-way line of said floodwall; thence, leaving the right-of-way of said street, and with the right-of-way of said floodwall.

North 57°49′ West 180 feet.

South 79°30′ West 34 feet to a point of beginning, containing 0.24 acre, more or less.

The bearings and coordinate used in this subparagraph are referenced to the West Virginia State Plane Coordinate System, South Zone.

(l) MCNARY NATIONAL WILDLIFE REFUGE.—

(1) TRANSFER OF ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the McNary National Wildlife Refuge is transferred from the Secretary to the Secretary of the Interior.

(2) LAND EXCHANGE WITH THE PORT OF WALLA WALLA, WASHINGTON.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior may exchange approximately 188 acres of land located south of Highway 12 and comprising a portion of the McNary National Wildlife Refuge for approximately 122 acres of land owned by the Port of Walla Walla, Washington, and located at the confluence of the Snake River and the Columbia River.

(B) TERMS AND CONDITIONS.—The land exchange under subparagraph (A) shall be carried out in accordance with such terms and conditions as the Secretary of the Interior determines to be necessary to protect the interests of the United States, including a requirement that the Port pay—

(i) reasonable administrative costs (not to exceed $50,000) associated with the exchange; and

(ii) any excess (as determined by the Secretary of the Interior) of the fair market value of the parcel conveyed by the Secretary of the Interior over the fair market value of the parcel conveyed by the Port.

(C) USE OF FUNDS.—The Secretary of the Interior may retain any funds received under subparagraph (B)(ii) and, without further Act of appropriation, may use the funds to acquire replacement habitat for the Mid-Columbia River National Wildlife Refuge Complex.

(3) MANAGEMENT.—The McNary National Wildlife Refuge and land conveyed by the Port of Walla Walla, Washington, under paragraph (2) shall be managed in accordance with applicable laws, including section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 564. MCNARY POOL, WASHINGTON.

(a) EXTINGUISHMENT OF REVERSIONARY INTERESTS AND USE RESTRICTIONS.—With respect to each deed listed in subsection (b)—

(1) the reversionary interests and the use restrictions relating to port or industrial purposes are extinguished;

(2) the human habitation or other building structure use restriction is extinguished in each area where the elevation is above the standard project flood elevation; and

(3) the use of fill material to raise low areas above the standard project flood elevation is authorized, except in any low area constituting wetland for which a permit under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) would be required.

(b) AFFECTED DEEDS.—The deeds with the following county auditor's file numbers are referred to in subsection (a):

(1) Auditor's File Numbers 521608 and 529071 of Benton County, Washington.

(2) Auditor's File Numbers 262980, 263334, 318437, and 404398 of Franklin County, Washington.

(3) Auditor's File Numbers 411133, 447417, 447418, 462156, 563333, and 569593 of Walla Walla County, Washington.

(4) Auditor's File Number 285215 of Umatilla County, Oregon, executed by the United States.

(c) NO EFFECT ON OTHER RIGHTS.—Nothing in this section affects the remaining rights and interests of the Corps of Engineers for authorized project purposes.

SEC. 565. NAMINGS.

(a) FRANCIS BLAND FLOODWAY DITCH, ARKANSAS.—

(1) DESIGNATION.—8-Mile Creek in Paragould, Arkansas, shall be known and designated as the "Francis Bland Floodway Ditch".

(2) LEGAL REFERENCE.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the creek referred to in paragraph (1) shall be deemed to be a reference to the "Francis Bland Floodway Ditch".

(b) LAWRENCE BLACKWELL MEMORIAL BRIDGE, ARKANSAS.—

(1) DESIGNATION.—The bridge over lock and dam numbered 4 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall be known and designated as the "Lawrence Blackwell Memorial Bridge".

(2) LEGAL REFERENCE.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the bridge referred to in paragraph (1) shall be deemed to be a reference to the "Lawrence Blackwell Memorial Bridge".

(c) JOHN H. CHAFEE NATIONAL WILDLIFE REFUGE.—Title II of Public Law 100–610 (16 U.S.C. 668dd note; 102 Stat. 3176) is amended—

(1) in the title heading, by striking "PETTAQUAMSCUTT COVE" and inserting "JOHN H. CHAFEE";

(2) in section 201—

(A) in paragraph (3), by striking "and" at the end;

(B) in paragraph (4), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(5) John H. Chafee has been a steadfast champion for the conservation of fish, wildlife, and natural resources throughout a distinguished career of public service to the people of Rhode Island and the United States.";

(3) in section 202, by striking "Pettaquamscutt Cove" and inserting "John H. Chafee"; and

(4) in section 203(1), by striking "Pettaquamscutt Cove" and inserting "John H. Chafee".

SEC. 566. FOLSOM DAM AND RESERVOIR ADDITIONAL STORAGE AND ADDITIONAL FLOOD CONTROL STUDIES.

(a) FOLSOM FLOOD CONTROL STUDIES.—

(1) IN GENERAL.—The Secretary, in consultation with the State of California and local water resources agencies, shall undertake a study of increasing surcharge flood control storage at the Folsom Dam and Reservoir.

(2) LIMITATIONS.—The study of the Folsom Dam and Reservoir undertaken under paragraph (1) shall assume that there is to be no increase in conservation storage at the Folsom Reservoir.

(3) REPORT.—Not later than March 1, 2000, the Secretary shall transmit to Congress a report on the results of the study under this subsection.

(b) AMERICAN AND SACRAMENTO RIVERS FLOOD CONTROL STUDY.—

(1) IN GENERAL.—The Secretary shall undertake a study of all levees on the American River and on the Sacramento River downstream and immediately upstream of the confluence of such Rivers to access opportunities to increase potential flood protection through levee modifications.

(2) DEADLINE FOR COMPLETION.—Not later than March 1, 2000, the Secretary shall transmit to Congress a report on the results of the study undertaken under this subsection.

SEC. 567. WALLOPS ISLAND, VIRGINIA.

(a) EMERGENCY ACTION.—The Secretary shall take emergency action to protect Wallops Island, Virginia, from damaging coastal storms, by improving and extending the existing seawall, replenishing and renourishing the beach, and constructing protective dunes.

(b) REIMBURSEMENT.—The Secretary may seek reimbursement from other Federal agencies whose resources are protected by the emergency action taken under subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $8,000,000.

SEC. 568. DETROIT RIVER, MICHIGAN.

(a) GREENWAY CORRIDOR STUDY.—The Secretary shall conduct a study to determine the feasibility of a project for shoreline protection, frontal erosion, and associated purposes in the Detroit River shoreline area from the Belle Isle Bridge to the Ambassador Bridge in Detroit, Michigan.

(b) POTENTIAL MODIFICATIONS.—As part of the study, the Secretary shall review potential project modifications to any Corps of Engineers project within the Detroit River shoreline area.

(c) REPAIR AND REHABILITATION.—

(1) IN GENERAL.—The Secretary may repair and rehabilitate the seawalls on the Detroit River in Detroit, Michigan, if the Secretary determines that such work is technically sound, environmentally acceptable, and economically justified.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1) $1,000,000 for the period beginning with fiscal year 2000.

SEC. 569. NORTHEASTERN MINNESOTA.

(a) DEFINITION OF NORTHEASTERN MINNESOTA.—In this section, the term "northeastern Minnesota" means the counties of Cook, Lake, St. Louis, Koochiching, Itasca, Cass, Crow Wing, Aitkin, Carlton, Pine, Kanabec, Mille Lacs, Morrison, Benton, Sherburne, Isanti, and Chisago, Minnesota.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program to provide environmental assistance to non-Federal interests in northeastern Minnesota.

(c) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in northeastern Minnesota, including projects for wastewater treatment and related facilities, water supply and related facilities, environmental restoration, and surface water resource protection and development.

(d) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(e) LOCAL COOPERATION AGREEMENT.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project's costs.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) REPORT.—Not later than December 31, 2001, the Secretary shall submit to Congress a report on the results of the pilot program carried out under this section, including recommendations concerning whether the program should be implemented on a national basis.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $40,000,000 for the period beginning with fiscal year 2000, to remain available until expended.

SEC. 570. ALASKA.

(a) DEFINITION OF NATIVE CORPORATION.—In this section, the term "Native Corporation" has the meaning given the term in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

(b) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program to provide environmental assistance to non-Federal interests in Alaska.

(c) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in Alaska, including projects for wastewater treatment and related facilities, water supply and related facilities, and surface water resource protection and development.

(d) OWNERSHIP REQUIREMENTS.—The Secretary may provide assistance for a project under this section only if the project is publicly owned or is owned by a Native Corporation.

(e) LOCAL COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project's costs.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) REPORT.—Not later than December 31, 2001, the Secretary shall submit to Congress a

report on the results of the pilot program carried out under this section, including a recommendation concerning whether the program should be implemented on a national basis.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for the period beginning with fiscal year 2000, to remain available until expended.

SEC. 571. CENTRAL WEST VIRGINIA.

(a) DEFINITION OF CENTRAL WEST VIRGINIA.—In this section, the term "central West Virginia" means the counties of Mason, Jackson, Putnam, Kanawha, Roane, Wirt, Calhoun, Clay, Nicholas, Braxton, Gilmer, Lewis, Upshur, Randolph, Pendleton, Hardy, Hampshire, Morgan, Berkeley, and Jefferson, West Virginia.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program to provide environmental assistance to non-Federal interests in central West Virginia.

(c) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in central West Virginia, including projects for wastewater treatment and related facilities, water supply and related facilities, and surface water resource protection and development.

(d) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(e) LOCAL COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project's costs.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) REPORT.—Not later than December 31, 2001, the Secretary shall submit to Congress a report on the results of the pilot program carried out under this section, including a recommendation concerning whether the program should be implemented on a national basis.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for the period beginning with fiscal year 2000, to remain available until expended.

SEC. 572. SACRAMENTO METROPOLITAN AREA WATERSHED RESTORATION, CALIFORNIA.

(a) LIMITATION.—The Secretary may undertake studies to determine the extent of ground water contamination and the feasibility of prevention and cleanup of such contamination resulting from the acts of a Federal department or agency—

(1) at or in the vicinity of McClellan Air Force Base, Mather Air Force Base, or Sacramento Army Depot, California; or

(2) at any place in the Sacramento metropolitan area watershed where the Federal Government would be a responsible party under any Federal environmental law.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for the period beginning with fiscal year 2000.

SEC. 573. ONONDAGA LAKE, NEW YORK.

(a) IN GENERAL.—The Secretary shall—

(1) plan, design, and construct projects that are consistent with the Onondaga Lake Management Plan and comply with the amended consent judgment and the project labor agreement for the environmental restoration, conservation, and management of Onondaga Lake, New York; and

(2) provide, in coordination with the Administrator of the Environmental Protection Agency, financial assistance, including grants to the State of New York and political subdivisions of the State, for the development and implementation of projects to restore, conserve, and manage the lake.

(b) PARTNERSHIP.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall establish and lead a partnership with appropriate Federal agencies (including the Environmental Protection Agency) and the State of New York and political subdivisions of the State for the purpose of development and implementation of the projects.

(2) COORDINATION WITH ACTIONS UNDER OTHER LAW.—

(A) IN GENERAL.—The partnership shall coordinate the actions taken under this section with actions to restore and conserve Onondaga Lake taken under other provisions of Federal or State law.

(B) NO EFFECT ON OTHER LAW.—Except as provided in subsection (g), this section does not alter, modify, or affect any other provision of Federal or State law.

(3) TERMINATION.—Unless the Secretary and the Governor of the State of New York agree otherwise, the partnership established under this subsection shall terminate not later than the date that is 15 years after the date of enactment of this Act.

(c) REVISIONS TO THE ONONDAGA LAKE MANAGEMENT PLAN.—

(1) IN GENERAL.—In consultation with the partnership established under subsection (b) and after providing for public review and comment, the Secretary and the Administrator of the Environmental Protection Agency shall approve revisions to the Onondaga Lake Management Plan if the Governor of the State of New York concurs in the approval.

(2) NO EFFECT ON MODIFICATION OF AMENDED CONSENT JUDGMENT.—Paragraph (1) has no effect on the conditions under which the amended consent judgment referred to in subsection (a)(1) may be modified.

(d) COST SHARING.—

(1) NON-FEDERAL SHARE.—The non-Federal share of the cost of a project constructed under subsection (a) shall be not less than 30 percent of the total cost of the project and may be provided through the provision of in-kind services.

(2) ADMINISTRATION AND MANAGEMENT.—The Secretary's administration and management of the project shall be at full Federal expense.

(e) NO EFFECT ON LIABILITY.—The provision of financial assistance under this section shall not relieve from liability any person that would otherwise be liable under Federal or State law for damages, response costs, natural resource damages, restitution, equitable relief, or any other relief.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000.

(g) REPEAL.—Title IV of the Great Lakes Critical Programs Act of 1990 (104 Stat. 3010) and section 411 of the Water Resources Development Act of 1990 (104 Stat. 4648) are repealed effective on the date that is 1 year after the date of enactment of this Act.

SEC. 574. EAST LYNN LAKE, WEST VIRGINIA.

The Secretary shall defer any decision relating to the leasing of mineral resources underlying East Lynn Lake, West Virginia, project lands to the Federal entity vested with such leasing authority.

SEC. 575. EEL RIVER, CALIFORNIA.

(a) IN GENERAL.—The Secretary shall conduct a study to determine whether flooding in the city of Ferndale, California, is the result of the Federal flood control project on the Eel River.

(b) MITIGATION MEASURES.—If the Secretary determines that the flooding is the result of the project, the Secretary shall take appropriate measures (including dredging of the Salt River and construction of sediment ponds at the confluence of Francis, Reas, and Williams Creeks) to mitigate the flooding.

SEC. 576. NORTH LITTLE ROCK, ARKANSAS.

The Secretary—

(1) shall review a report prepared by the non-Federal interest concerning flood protection for the Dark Hollow area of North Little Rock, Arkansas; and

(2) if the Secretary determines that the report meets the evaluation and design standards of the Corps of Engineers and that the project is economically justified, technically sound, and environmentally acceptable, may carry out the project.

SEC. 577. UPPER MISSISSIPPI RIVER, MISSISSIPPI PLACE, ST. PAUL, MINNESOTA.

(a) IN GENERAL.—The Secretary may enter into a cooperative agreement to participate in a project for the planning, design, and construction of infrastructure and other improvements at Mississippi Place, St. Paul, Minnesota.

(b) COST SHARING.—

(1) IN GENERAL.—The Federal share of the cost of the project shall be 50 percent. The Federal share may be provided in the form of grants or reimbursements of project costs.

(2) CREDIT FOR NON-FEDERAL WORK.—The non-Federal interest shall receive credit toward

the non-Federal share of the cost of the project for reasonable costs incurred by the non-Federal interest as a result of participation in the planning, design, and construction of the project.

(3) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit toward the non-Federal share of the cost of the project for land, easements, rights-of-way, and relocations provided by the non-Federal interest with respect to the project.

(4) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for the project shall be 100 percent.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000 to carry out this section.

SEC. 578. DREDGING OF SALT PONDS IN THE STATE OF RHODE ISLAND.

The Secretary may acquire for the State of Rhode Island a dredge and associated equipment with the capacity to dredge approximately 100 cubic yards per hour for use by the State in dredging salt ponds in the State.

SEC. 579. UPPER SUSQUEHANNA RIVER BASIN, PENNSYLVANIA AND NEW YORK.

Section 567(a) of the Water Resources Development Act of 1996 (110 Stat. 3787) is amended by adding at the end the following:

"(3) The Chemung River watershed, New York, at an estimated Federal cost of $5,000,000.".

SEC. 580. CUMBERLAND, MARYLAND, FLOOD PROJECT MITIGATION.

(a) IN GENERAL.—The project for flood control and other purposes, Cumberland, Maryland, authorized by section 5 of the Act of June 22, 1936 (commonly known as the "Flood Control Act of 1936") (49 Stat. 1574, chapter 688), is modified to authorize the Secretary to undertake, as a separate part of the project, restoration of the historic Chesapeake and Ohio Canal substantially in accordance with the Chesapeake and Ohio Canal National Historic Park, Cumberland, Maryland, Rewatering Design Analysis, dated February 1998, at a total cost of $15,000,000, with an estimated Federal cost of $9,750,000 and an estimated non-Federal cost of $5,250,000.

(b) IN-KIND SERVICES.—The non-Federal interest for the restoration project under subsection (a)—

(1) may provide all or a portion of the non-Federal share of project costs in the form of in-kind services; and

(2) shall receive credit toward the non-Federal share of project costs for design and construction work performed by the non-Federal interest before execution of a project cooperation agreement and for land, easements, and rights-of-way required for the restoration and acquired by the non-Federal interest before execution of such an agreement.

(c) OPERATION AND MAINTENANCE.—The operation and maintenance of the restoration project under subsection (a) shall be the full responsibility of the National Park Service.

SEC. 581. CITY OF MIAMI BEACH, FLORIDA.

Section 5(b)(3)(C)(i) of the Act of August 13, 1946 (33 U.S.C. 426h), is amended by inserting before the semicolon the following: ", including the city of Miami Beach, Florida".

SEC. 582. RESEARCH AND DEVELOPMENT PROGRAM FOR COLUMBIA AND SNAKE RIVERS SALMON SURVIVAL.

Section 511 of the Water Resources Development Act of 1996 (16 U.S.C. 3301 note; Public Law 104–303) is amended by striking subsection (a) and all that follows and inserting the following:

"(a) SALMON SURVIVAL ACTIVITIES.—

"(1) IN GENERAL.—In conjunction with the Secretary of Commerce and Secretary of the Interior, the Secretary shall accelerate ongoing research and development activities, and may carry out or participate in additional research and development activities, for the purpose of developing innovative methods and technologies for improving the survival of salmon, especially salmon in the Columbia/Snake River Basin.

"(2) ACCELERATED ACTIVITIES.—Accelerated research and development activities referred to in paragraph (1) may include research and development related to—

"(A) impacts from water resources projects and other impacts on salmon life cycles;

"(B) juvenile and adult salmon passage;

"(C) light and sound guidance systems;

"(D) surface-oriented collector systems;

"(E) transportation mechanisms; and

"(F) dissolved gas monitoring and abatement.

"(3) ADDITIONAL ACTIVITIES.—Additional research and development activities referred to in paragraph (1) may include research and development related to—

"(A) studies of juvenile salmon survival in spawning and rearing areas;

"(B) estuary and near-ocean juvenile and adult salmon survival;

"(C) impacts on salmon life cycles from sources other than water resources projects;

"(D) cryopreservation of fish gametes and formation of a germ plasma repository for threatened and endangered populations of native fish; and

"(E) other innovative technologies and actions intended to improve fish survival, including the survival of resident fish.

"(4) COORDINATION.—The Secretary shall coordinate any activities carried out under this subsection with appropriate Federal, State, and local agencies, affected Indian tribes, and the Northwest Power Planning Council.

"(5) REPORT.—Not later than 3 years after the date of enactment of the Water Resources Development Act of 1999, the Secretary shall submit to Congress a report on the research and development activities carried out under this subsection, including any recommendations of the Secretary concerning the research and development activities.

"(6) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 to carry out research and development activities under paragraph (3).

"(b) ADVANCED TURBINE DEVELOPMENT.—

"(1) IN GENERAL.—In conjunction with the Secretary of Energy, the Secretary shall accelerate efforts toward developing and installing in Corps of Engineers-operated dams innovative, efficient, and environmentally safe hydropower turbines, including design of fish-friendly turbines, for use on the Columbia/Snake River hydrosystem.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $35,000,000 to carry out this subsection.

"(c) MANAGEMENT OF PREDATION ON COLUMBIA/SNAKE RIVER SYSTEM NATIVE FISHES.—

"(1) NESTING AVIAN PREDATORS.—In conjunction with the Secretary of Commerce and the Secretary of the Interior, and consistent with a management plan to be developed by the United States Fish and Wildlife Service, the Secretary shall carry out methods to reduce nesting populations of avian predators on dredge spoil islands in the Columbia River under the jurisdiction of the Secretary.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,000,000 to carry out research and development activities under this subsection.

"(d) IMPLEMENTATION.—Nothing in this section affects the authority of the Secretary to implement the results of the research and development carried out under this section or any other law.".

SEC. 583. LARKSPUR FERRY CHANNEL, CALIFORNIA.

The Secretary shall work with the Secretary of Transportation on a proposed solution to carry out the project to maintain the Larkspur Ferry Channel, Larkspur, California, authorized by section 601(d) of the Water Resources Development Act of 1986 (100 Stat. 4148).

SEC. 584. HOLES CREEK FLOOD CONTROL PROJECT, OHIO.

(a) IN GENERAL.—Notwithstanding any other provision of law, the non-Federal share of project costs for the project for flood control, Holes Creek, Ohio, shall not exceed the sum of—

(1) the total amount projected as the non-Federal share as of September 30, 1996, in the Project Cooperation Agreement executed on that date; and

(2) 100 percent of the amount of any increases in the cost of the locally preferred plan over the cost estimated in the Project Cooperation Agreement.

(b) REIMBURSEMENT.—The Secretary shall reimburse the non-Federal interest any amount paid by the non-Federal interest in excess of the non-Federal share.

SEC. 585. SAN JACINTO DISPOSAL AREA, GALVESTON, TEXAS.

Section 108 of the Energy and Water Development Appropriations Act, 1994 (107 Stat. 1320), is amended—

(1) in the first sentence of subsection (a), by inserting "all or any part of" after "absolute title to";

(2) by striking subsection (b) and inserting the following:

"(b) COMPENSATION FOR CONVEYANCE.—

"(1) IN GENERAL.—Upon receipt of compensation from the City of Galveston, the Secretary shall convey the parcel, or any part of the parcel, as described in subsection (a).

"(2) FULL PARCEL.—If the full 605-acre parcel is conveyed, the compensation shall be—

"(A) conveyance to the Department of the Army of fee simple absolute title to a parcel of land containing approximately 564 acres on Pelican Island, Texas, in the Eneas Smith Survey, A–190, Pelican Island, city of Galveston, Galveston County, Texas, adjacent to property currently owned by the United States, with the fair market value of the parcel being determined in accordance with subsection (d); and

"(B) payment to the United States of an amount equal to the difference between the fair market value of the parcel to be conveyed under subsection (a) and the fair market value of the parcel to be conveyed under subparagraph (A).

"(3) PARTIAL PARCEL.—If the conveyance is 125 acres or less, compensation shall be an amount equal to the fair market value of the parcel to be conveyed, with the fair market value of the parcel being determined in accordance with subsection (d)."; and

(3) in the second sentence of subsection (c)—

(A) by inserting ", or any part of the parcel," after "parcel"; and

(B) by inserting ", if any," after "LCA".

SEC. 586. WATER MONITORING STATION.

Section 584(b) of the Water Resources Development Act of 1996 (110 Stat. 3791) is amended by striking "$50,000" and inserting "$100,000".

SEC. 587. OVERFLOW MANAGEMENT FACILITY, RHODE ISLAND.

Section 585 of the Water Resources Development Act of 1996 (110 Stat. 3791) is amended—

(1) in subsection (a), by striking "river" and inserting "sewer"; and

(2) in subsection (b), by striking "$30,000,000" and inserting "$60,000,000".

SEC. 588. LOWER CHENA RIVER, ALASKA.

The Secretary may expend up to $500,000 in fiscal year 2000 to complete the dredging project initiated on the Lower Chena River, Alaska.

SEC. 589. NUMANA DAM FISH PASSAGE, NEVADA.

After the date of enactment of this Act, the Secretary shall complete planning, design, and construction of the Numana Dam Fish Passage

Project, currently being evaluated under section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a), under section 906(b) of that Act (33 U.S.C. 2283(b)).

SEC. 590. EMBREY DAM, VIRGINIA.

(a) In General.—The Secretary shall remove the Embrey Dam on the Rappahannock River at Fredericksburg, Virginia, at full Federal expense.

(b) Use of Existing Studies.—The Secretary shall expedite the feasibility study and preconstruction, engineering, and design of the project by using, to the maximum extent practicable, existing studies prepared by the State and non-Federal interests.

(c) Authorization.—There is authorized to be appropriated to carry out this section $10,000,000.

SEC. 591. ENVIRONMENTAL REMEDIATION, FRONT ROYAL, VIRGINIA.

(a) Participation of Secretary.—

(1) Authorization.—The Secretary shall participate with other Federal departments and agencies in environmental restoration and remediation activities (including the demolition of contaminated buildings) at the Avtex Fibers facility in Front Royal, Virginia, at full Federal expense.

(2) Authorization of appropriations.—There is authorized to be appropriated to carry out this section $12,000,000.

(b) Participation of Secretary of Defense.—

(1) Requirement.—The Secretary of Defense shall make available $5,000,000 for environmental restoration and remediation activities (including the demolition of contaminated buildings) at the Avtex Fibers facility in Front Royal, Virginia.

(2) Source of funds.—The amount made available under paragraph (1) shall be derived from amounts in the Environmental Restoration Account, Formerly Used Defense Sites, established by section 2703 of title 10, United States Code.

SEC. 592. MISSISSIPPI.

(a) Establishment of Program.—The Secretary may establish a pilot program to provide environmental assistance to non-Federal interests in Mississippi.

(c) Form of Assistance.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in Mississippi, including projects for wastewater treatment and related facilities, elimination or control of combined sewer overflows, water supply and related facilities, environmental restoration, and surface water resource protection and development.

(d) Public Ownership Requirement.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(e) Local Cooperation Agreement.—

(1) In general.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) Requirements.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) Plan.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) Legal and institutional structures.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) Cost sharing.—

(A) In general.—The Federal share of project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) Credit for design work.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) Credit for interest.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project's costs.

(D) Land, easements, and rights-of-way credit.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) Operation and maintenance.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) Applicability of Other Federal and State Laws.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) Report.—Not later than December 31, 2001, the Secretary shall submit to Congress a report on the results of the pilot program carried out under this section, including recommendations concerning whether the program should be implemented on a national basis.

(h) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $25,000,000 for the period beginning with fiscal year 2000, to remain available until expended.

SEC. 593. CENTRAL NEW MEXICO.

(a) Definition of Central New Mexico.—In this section, the term "central New Mexico" means the counties of Bernalillo, Sandoval, and Valencia, New Mexico.

(b) Establishment of Program.—The Secretary may establish a pilot program to provide environmental assistance to non-Federal interests in central New Mexico.

(c) Form of Assistance.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in central New Mexico, including projects for wastewater treatment and related facilities, water supply, conservation, and related facilities, stormwater retention and remediation, environmental restoration, and surface water resource protection and development.

(d) Public Ownership Requirement.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(e) Local Cooperation Agreement.—

(1) In general.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) Requirements.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) Plan.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) Legal and institutional structures.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) Cost sharing.—

(A) In general.—The Federal share of project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) Credit for design work.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) Credit for interest.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project's costs.

(D) Land, easements, and rights-of-way credit.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) Operation and maintenance.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) Applicability of Other Federal and State Laws.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) Report.—Not later than December 31, 2001, the Secretary shall submit to Congress a report on the results of the pilot program carried out under this section, including recommendations concerning whether the program should be implemented on a national basis.

(h) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $25,000,000 for the period beginning with fiscal year 2000, to remain available until expended.

SEC. 594. OHIO.

(a) Establishment of Program.—The Secretary shall establish a program to provide environmental assistance to non-Federal interests in Ohio.

(b) Form of Assistance.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in Ohio, including projects for—

(1) wastewater treatment and related facilities;

(2) combined sewer overflow, water supply, storage, treatment, and related facilities;

(3) mine drainage;

(4) environmental restoration; and

(5) surface water resource protection and development.

(c) Public Ownership Requirement.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) PROJECT COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a project cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each project cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities development plan or resource protection plan, including appropriate plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of project costs under each project cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a project cooperation agreement with the Secretary.

(C) CREDIT FOR CERTAIN FINANCING COSTS.—In case of a delay in the reimbursement of the non-Federal share of the costs of a project, the non-Federal interest shall receive credit for reasonable interest and other associated financing costs necessary for the non-Federal interest to provide the non-Federal share of the project costs.

(D) LAND, EASEMENTS, RIGHTS-OF-WAY, AND RELOCATIONS.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations provided by the non-Federal interest toward the non-Federal share of project costs (including costs associated with obtaining permits necessary for the placement of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed under an agreement entered into under this subsection shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) REPORT.—Not later than December 31, 2001, the Secretary shall submit to Congress a report on the results of the program carried out under this section, including recommendations concerning whether the program should be implemented on a national basis.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000.

SEC. 595. RURAL NEVADA AND MONTANA.

(a) DEFINITION OF RURAL NEVADA.—In this section, the term "rural Nevada" means—

(1) the counties of Lincoln, White Pine, Nye, Eureka, Elko, Humbardt, Pershing, Churchill, Storey, Lyon, Carson, Douglas, Mineral, Esmeralda, and Lander, Nevada;

(2) the portions of Washoe County, Nevada, that are located outside the cities of Reno and Sparks; and

(3) the portions of Clark County, Nevada, that are located outside the cities of Las Vegas, North Las Vegas, and Henderson and the unincorporated portion of the county in the Las Vegas Valley.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a program for providing environmental assistance to non-Federal interests in rural Nevada and Montana.

(c) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in rural Nevada and Montana, including projects for—

(1) wastewater treatment and related facilities;

(2) water supply and related facilities;

(3) environmental restoration; and

(4) surface water resource protection and development.

(d) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(e) LOCAL COOPERATION AGREEMENT.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project costs.

(D) LAND, EASEMENTS, RIGHTS-OF-WAY, AND RELOCATIONS.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations provided by the non-Federal interest toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) REPORT.—Not later than December 31, 2001, the Secretary shall submit to Congress a report on the results of the program carried out under this section, including recommendations concerning whether the program should be implemented on a national basis.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for the period beginning with fiscal year 2001—

(1) $25,000,00 for rural Nevada; and

(2) $25,000,000 for Montana;

to remain available until expended.

SEC. 596. PHOENIX, ARIZONA.

Section 1608 of the Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h–6) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) The Secretary, in cooperation with the city of Phoenix, Arizona, shall participate in the planning, design, and construction of the Phoenix Metropolitan Water Reclamation and Reuse Project to utilize fully wastewater from the regional wastewater treatment plant for direct municipal, industrial, agricultural and environmental purposes, groundwater recharge and indirect potable reuse in the Phoenix metropolitan area.";

(2) in subsection (b), by striking the first sentence; and

(3) by striking subsection (c).

SEC. 597. NATIONAL HARBOR, MARYLAND.

(a) IN GENERAL.—The first section of Public Law 99–215 (99 Stat. 1724) is amended in the first sentence of subsection (a)(2) by striking "solely" and inserting "for transportation or".

(b) REVISION OF QUITCLAIM DEED.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall—

(1) with the consent of the grantee, withdraw and revise any terms or conditions in the quitclaim deed of December 16, 1986, between the United States and the Maryland-National Capital Park and Planning Commission that limit the authority of the Maryland-National Capital Park and Planning Commission to use the property for transportation purposes; and

(2) prepare, execute, and record a deed that is consistent with this section and the amendment made by subsection (a).

(c) EFFECT ON ENVIRONMENTAL LAW.—Nothing in this section abrogates any requirement of any environmental law.

TITLE VI—CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION

SEC. 601. DEFINITIONS.

In this title, the following definitions apply:

(1) COMMISSION.—The term "Commission" means the South Dakota Cultural Resources Advisory Commission established by section 605(j).

(2) RESTORATION.—The term "restoration" means mitigation of the habitat of wildlife.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Army.

(4) TERRESTRIAL WILDLIFE HABITAT.—The term "terrestrial wildlife habitat" means a habitat for a wildlife species (including game and nongame species) that existed or exists on an upland habitat (including a prairie grassland, woodland, bottom land forest, scrub, or shrub) or an emergent wetland habitat.

(5) WILDLIFE.—The term "wildlife" has the meaning given the term in section 8 of the Fish and Wildlife Coordination Act (16 U.S.C. 666b).

SEC. 602. TERRESTRIAL WILDLIFE HABITAT RESTORATION.

(a) TERRESTRIAL WILDLIFE HABITAT RESTORATION PLANS.—

(1) IN GENERAL.—In accordance with this subsection and in consultation with the Secretary and the Secretary of the Interior, the State of South Dakota, the Cheyenne River Sioux Tribe, and the Lower Brule Sioux Tribe shall, as a condition of the receipt of funds under this title,

each develop a plan for the restoration of terrestrial wildlife habitat loss that occurred as a result of flooding related to the Big Bend and Oahe projects carried out as part of the Pick-Sloan Missouri River Basin program.

(2) SUBMISSION OF PLAN TO SECRETARY.—On completion of a plan for terrestrial wildlife habitat restoration, the State of South Dakota, the Cheyenne River Sioux Tribe, and the Lower Brule Sioux Tribe shall submit the plan to the Secretary.

(3) REVIEW BY SECRETARY AND SUBMISSION TO COMMITTEES.—The Secretary shall review the plan and submit the plan, with any comments, to the appropriate committees of the Senate and the House of Representatives.

(4) FUNDING FOR CARRYING OUT PLANS.—

(A) STATE OF SOUTH DAKOTA.—

(i) NOTIFICATION.—On receipt of the plan for terrestrial wildlife habitat restoration submitted by the State of South Dakota, each of the Committees referred to in paragraph (3) shall notify the Secretary of the receipt of the plan.

(ii) AVAILABILITY OF FUNDS.—On notification in accordance with clause (i), the Secretary shall make available to the State of South Dakota funds from the South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund established under section 603, to be used to carry out the plan for terrestrial wildlife habitat restoration submitted by the State and only after the Trust Fund is fully capitalized.

(B) CHEYENNE RIVER SIOUX TRIBE AND LOWER BRULE SIOUX TRIBE.—

(i) NOTIFICATION.—On receipt of the plan for terrestrial wildlife habitat restoration submitted by the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe, each of the Committees referred to in paragraph (3) shall notify the Secretary of the Treasury of the receipt of each of the plans.

(ii) AVAILABILITY OF FUNDS.—On notification in accordance with clause (i), the Secretary of the Treasury shall make available to the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe funds from the Cheyenne River Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund and the Lower Brule Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund, respectively, established under section 604, to be used to carry out the plan for terrestrial wildlife habitat restoration submitted by the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe, respectively, and only after the Trust Fund is fully capitalized.

(C) TRANSITION PERIOD.—

(i) IN GENERAL.—During the period described in clause (ii), the Secretary shall—

(I) fund the terrestrial wildlife habitat restoration programs being carried out on the date of enactment of this Act on Oahe and Big Bend project land and the plans established under this section at a level that does not exceed the highest amount of funding that was provided for the programs during a previous fiscal year; and

(II) fund the activities described in sections 603(d)(3) and 604(d)(3).

(ii) PERIOD.—Clause (i) shall apply during the period—

(I) beginning on the date of enactment of this Act; and

(II) ending on the date on which funds are made available for use from the South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund under section 603(d)(3)(A)(i) and the Cheyenne River Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund and the Lower Brule Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund under section 604(d)(3)(A)(i).

(b) PROGRAMS FOR THE PURCHASE OF WILDLIFE HABITAT LEASES.—

(1) IN GENERAL.—The State of South Dakota may use funds made available under section 603(d)(3)(A)(iii) to develop a program for the purchase of wildlife habitat leases that meets the requirements of this subsection.

(2) DEVELOPMENT OF A PLAN.—

(A) IN GENERAL.—If the State of South Dakota, the Cheyenne River Sioux Tribe, or the Lower Brule Sioux Tribe elects to conduct a program under this subsection, the State of South Dakota, the Cheyenne River Sioux Tribe, or the Lower Brule Sioux Tribe (in consultation with the United States Fish and Wildlife Service and the Secretary and with an opportunity for public comment) shall develop a plan to lease land for the protection and development of wildlife habitat, including habitat for threatened and endangered species, associated with the Missouri River ecosystem.

(B) USE FOR PROGRAM.—The plan shall be used by the State of South Dakota, the Cheyenne River Sioux Tribe, or the Lower Brule Sioux Tribe in carrying out the program carried out under paragraph (1).

(3) CONDITIONS OF LEASES.—Each lease covered under a program carried out under paragraph (1) shall specify that the owner of the property that is subject to the lease shall provide—

(A) public access for sportsmen during hunting season; and

(B) public access for other outdoor uses covered under the lease, as negotiated by the landowner and the State of South Dakota, the Cheyenne River Sioux Tribe, or the Lower Brule Sioux Tribe.

(4) USE OF ASSISTANCE.—

(A) STATE OF SOUTH DAKOTA.—If the State of South Dakota conducts a program under this subsection, the State may use funds made available under section 603(d)(3)(A)(iii) to—

(i) acquire easements, rights-of-way, or leases for management and protection of wildlife habitat, including habitat for threatened and endangered species, and public access to wildlife on private property in the State of South Dakota;

(ii) create public access to Federal or State land through the purchase of easements or rights-of-way that traverse such private property; or

(iii) lease land for the creation or restoration of a wetland on such private property.

(B) CHEYENNE RIVER SIOUX TRIBE AND LOWER BRULE SIOUX TRIBE.—If the Cheyenne River Sioux Tribe or the Lower Brule Sioux Tribe conducts a program under this subsection, the Tribe may use funds made available under section 604(d)(3)(A)(iii) for the purposes described in subparagraph (A).

(c) FEDERAL OBLIGATION FOR TERRESTRIAL WILDLIFE HABITAT MITIGATION FOR THE BIG BEND AND OAHE PROJECTS IN SOUTH DAKOTA.—The establishment of the trust funds under sections 603 and 604 and the development and implementation of plans for terrestrial wildlife habitat restoration developed by the State of South Dakota, the Cheyenne River Sioux Tribe, and the Lower Brule Sioux Tribe in accordance with this section shall be considered to satisfy the Federal obligation under the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.) for terrestrial wildlife habitat mitigation for the State of South Dakota, the Cheyenne River Sioux Tribe, and the Lower Brule Sioux Tribe for the Big Bend and Oahe projects carried out as part of the Pick-Sloan Missouri River Basin program.

SEC. 603. SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the "South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund" (referred to in this section as the "Fund").

(b) FUNDING.—For the fiscal year during which this Act is enacted and each fiscal year thereafter until the aggregate amount deposited in the Fund under this subsection is equal to at least $108,000,000, the Secretary of the Treasury shall transfer $10,000,000 from the general fund of the Treasury to the Fund.

(c) INVESTMENTS.—

(1) IN GENERAL.—At the request of the Secretary, the Secretary of the Treasury shall invest the amounts deposited under subsection (b) only in interest-bearing obligations of the United States or in obligations guaranteed by the United States as to both principal and interest.

(2) INTEREST RATE.—The Secretary of the Treasury shall invest amounts in the fund in obligations that carry the highest rate of interest among available obligations of the required maturity.

(d) PAYMENTS.—

(1) IN GENERAL.—All amounts credited as interest under subsection (c) shall be available, without fiscal year limitation, to the State of South Dakota for use in accordance with paragraph (3) after the Fund has been fully capitalized.

(2) WITHDRAWAL AND TRANSFER OF FUNDS.—Subject to section 602(a)(4)(A), the Secretary shall withdraw amounts credited as interest under paragraph (1) and transfer the amounts to the State of South Dakota for use as State funds in accordance with paragraph (3) after the Fund has been fully capitalized.

(3) USE OF TRANSFERRED FUNDS.—

(A) IN GENERAL.—Subject to subparagraph (B), the State of South Dakota shall use the amounts transferred under paragraph (2) only to—

(i) fully fund the annually scheduled work described in the terrestrial wildlife habitat restoration plan of the State developed under section 602(a); and

(ii) with any remaining funds—

(I) protect archaeological, historical, and cultural sites located along the Missouri River on land transferred to the State;

(II) fund all costs associated with the ownership, management, operation, administration, maintenance, and development of recreation areas and other lands that are transferred to the State of South Dakota by the Secretary;

(III) purchase and administer wildlife habitat leases under section 602(b);

(IV) carry out other activities described in section 602; and

(V) develop and maintain public access to, and protect, wildlife habitat and recreation areas along the Missouri River.

(B) PROHIBITION.—The amounts transferred under paragraph (2) shall not be used for the purchase of land in fee title.

(e) TRANSFERS AND WITHDRAWALS.—Except as provided in subsection (d), the Secretary may not transfer or withdraw any amount deposited under subsection (b).

(f) ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated to the Secretary of the Treasury such sums as are necessary to pay the administrative expenses of the Fund.

SEC. 604. CHEYENNE RIVER SIOUX TRIBE AND LOWER BRULE SIOUX TRIBE TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST FUNDS.

(a) ESTABLISHMENT.—There are established in the Treasury of the United States 2 funds to be known as the "Cheyenne River Sioux Tribe Terrestrial Wildlife Restoration Trust Fund" and the "Lower Brule Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund" (each of which is referred to in this section as a "Fund").

(b) FUNDING.—

(1) IN GENERAL.—Subject to paragraph (2), for the fiscal year during which this Act is enacted

and each fiscal year thereafter until the aggregate amount deposited in the Funds under this subsection is equal to at least $57,400,000, the Secretary of the Treasury shall transfer $5,000,000 from the general fund of the Treasury to the Funds.

(2) ALLOCATION.—Of the total amount of funds deposited in the Funds for a fiscal year, the Secretary of the Treasury shall deposit—

(A) 74 percent of the funds into the Cheyenne River Sioux Tribe Terrestrial Wildlife Restoration Trust Fund; and

(B) 26 percent of the funds into the Lower Brule Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund.

(c) INVESTMENTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall invest the amounts deposited under subsection (b) only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

(2) INTEREST RATE.—The Secretary of the Treasury shall invest amounts in the Funds in obligations that carry the highest rate of interest among available obligations of the required maturity.

(d) PAYMENTS.—

(1) IN GENERAL.—All amounts credited as interest under subsection (c) shall be available after the Trust Funds are fully capitalized, without fiscal year limitation, to the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe for their use in accordance with paragraph (3).

(2) WITHDRAWAL AND TRANSFER OF FUNDS.—Subject to section 602(a)(4)(B), the Secretary of the Treasury shall withdraw amounts credited as interest under paragraph (1) and transfer the amounts to the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe for use in accordance with paragraph (3).

(3) USE OF TRANSFERRED FUNDS.—

(A) IN GENERAL.—Subject to subparagraph (B), the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe shall use the amounts transferred under paragraph (2) only to—

(i) fully fund the annually scheduled work described in the terrestrial wildlife habitat restoration plan of the respective Tribe developed under section 602(a); and

(ii) with any remaining funds—

(I) protect archaeological, historical, and cultural sites located along the Missouri River on land transferred to the respective Tribe;

(II) fund all costs associated with the ownership, management, operation, administration, maintenance, and development of recreation areas and other lands that are transferred to the respective Tribe by the Secretary;

(III) purchase and administer wildlife habitat leases under section 602(b);

(IV) carry out other activities described in section 602; and

(V) develop and maintain public access to, and protect, wildlife habitat and recreation areas along the Missouri River.

(B) PROHIBITION.—The amounts transferred under paragraph (2) shall not be used for the purchase of land in fee title.

(e) TRANSFERS AND WITHDRAWALS.—Except as provided in subsection (d), the Secretary of the Treasury may not transfer or withdraw any amount deposited under subsection (b).

(f) ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated to the Secretary of the Treasury such sums as are necessary to pay the administrative expenses of the Fund.

SEC. 605. TRANSFER OF FEDERAL LAND TO STATE OF SOUTH DAKOTA.

(a) IN GENERAL.—

(1) TRANSFER.—

(A) IN GENERAL.—The Secretary shall transfer to the Department of Game, Fish and Parks of the State of South Dakota (referred to in this section as the "Department") the land and recreation areas described in subsections (b) and (c) for fish and wildlife purposes, or public recreation uses, in perpetuity.

(B) PERMITS, RIGHTS-OF-WAY, AND EASEMENTS.—All permits, rights-of-way, and easements granted by the Secretary to the Oglala Sioux Tribe for land on the west side of the Missouri River between the Oahe Dam and Highway 14, and all permits, rights-of-way, and easements on any other land administered by the Secretary and used by the Oglala Sioux Rural Water Supply System, are granted to the Oglala Sioux Tribe in perpetuity to be held in trust under section 3(e) of the Mni Wiconi Project Act of 1988 (102 Stat. 2568).

(2) USES.—The Department shall maintain and develop the land outside the recreation areas for fish and wildlife purposes in accordance with—

(A) fish and wildlife purposes in effect on the date of enactment of this Act; or

(B) a plan developed under section 602.

(3) CORPS OF ENGINEERS.—The transfer shall not interfere with the Corps of Engineers operation of a project under this section for an authorized purpose of the project under the Act of December 22, 1944 (58 Stat. 887, chapter 665; 33 U.S.C. 701–1 et seq.), or other applicable law.

(4) SECRETARY.—The Secretary shall retain the right to inundate with water the land transferred to the Department under this section or draw down a project reservoir, as necessary to carry out an authorized purpose of a project.

(b) LAND TRANSFERRED.—The land described in this subsection is land that—

(1) is located above the top of the exclusive flood pool of the Oahe, Big Bend, Fort Randall, and Gavin's Point projects of the Pick-Sloan Missouri River Basin program;

(2) was acquired by the Secretary for the implementation of the Pick-Sloan Missouri River Basin program;

(3) is located outside the external boundaries of a reservation of an Indian Tribe; and

(4) is located within the State of South Dakota.

(c) RECREATION AREAS TRANSFERRED.—A recreation area described in this section includes the land and facilities within a recreation area that—

(1) the Secretary determines, at the time of the transfer, is a recreation area classified for recreation use by the Corps of Engineers on the date of enactment of this Act;

(2) is located outside the external boundaries of a reservation of an Indian Tribe;

(3) is located within the State of South Dakota;

(4) is not the recreation area known as "Cottonwood", "Training Dike", or "Tailwaters"; and

(5) is located below Gavin's Point Dam in the State of South Dakota in accordance with boundary agreements and reciprocal fishing agreements between the State of South Dakota and the State of Nebraska in effect on the date of enactment of this Act, which agreements shall continue to be honored by the State of South Dakota as the agreements apply to any land or recreation areas transferred under this title to the State of South Dakota below Gavin's Point Dam and on the waters of the Missouri River.

(d) MAP.—

(1) IN GENERAL.—The Secretary, in consultation with the Department, shall prepare a map of the land and recreation areas transferred under this section.

(2) LAND.—The map shall identify—

(A) land reasonably expected to be required for project purposes during the 20-year period beginning on the date of enactment of this Act; and

(B) dams and related structures;

which shall be retained by the Secretary.

(3) AVAILABILITY.—The map shall be on file in the appropriate offices of the Secretary.

(e) SCHEDULE FOR TRANSFER.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Army and the Secretary of the Department shall jointly develop a schedule for transferring the land and recreation areas under this section.

(2) TRANSFER DEADLINE.—All land and recreation areas shall be transferred not later than 1 year after the full capitalization of the Trust Fund described in section 603.

(f) TRANSFER CONDITIONS.—The land and recreation areas described in subsections (b) and (c) shall be transferred in fee title to the Department on the following conditions:

(1) RESPONSIBILITY FOR DAMAGE.—The Secretary shall not be responsible for any damage to the land caused by flooding, sloughing, erosion, or other changes to the land caused by the operation of any project of the Pick-Sloan Missouri River Basin program (except as otherwise provided by Federal law).

(2) EASEMENTS, RIGHTS-OF-WAY, LEASES, AND COST-SHARING AGREEMENTS.—The Department shall maintain all easements, rights-of-way, leases, and cost-sharing agreements that are in effect as of the date of the transfer.

(g) HUNTING AND FISHING.—

(1) IN GENERAL.—Except as provided in this section, nothing in this title affects jurisdiction over the waters of the Missouri River below the water's edge and outside the exterior boundaries of an Indian reservation in South Dakota.

(2) JURISDICTION.—

(A) TRANSFERRED LAND.—On transfer of the land under this section to the State of South Dakota, jurisdiction over the land shall be the same as that over other land owned by the State of South Dakota.

(B) LAND BETWEEN THE MISSOURI RIVER WATER'S EDGE AND THE LEVEL OF THE EXCLUSIVE FLOOD POOL.—Jurisdiction over land between the Missouri River water's edge and the level of the exclusive flood pool outside Indian reservations in the State of South Dakota shall be the same as that exercised by the State on other land owned by the State, and that jurisdiction shall follow the fluctuations of the water's edge.

(C) FEDERAL LAND.—Jurisdiction over land and water owned by the Federal Government within the boundaries of the State of South Dakota that are not affected by this title shall remain unchanged.

(3) EASEMENTS AND ACCESS.—The Secretary shall provide the State of South Dakota with easements and access on land and water below the level of the exclusive flood pool outside Indian reservations in the State of South Dakota for recreational and other purposes (including for boat docks, boat ramps, and related structures), so long as the easements would not prevent the Corps of Engineers from carrying out its mission under the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved December 22, 1944 (commonly known as the "Flood Control Act of 1944") (58 Stat. 887)).

(h) APPLICABILITY OF LAW.—Notwithstanding any other provision of this Act, the following provisions of law shall apply to land transferred under this section:

(1) The National Historic Preservation Act (16 U.S.C. 470 et seq.), including sections 106 and 304 of that Act (16 U.S.C. 470f, 470w–3).

(2) The Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.), including sections 4, 6, 7, and 9 of that Act (16 U.S.C. 470cc, 470ee, 470ff, 470hh).

(3) The Native American Graves Protection Act and Repatriation Act (25 U.S.C. 3001 et

seq.), including subsections (a) and (d) of section 3 of that Act (25 U.S.C. 3003).

(i) IMPACT AID.—The land transferred under subsection (a) shall be deemed to continue to be owned by the United States for purposes of section 8002 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7702).

SEC. 606. TRANSFER OF CORPS OF ENGINEERS LAND FOR INDIAN TRIBES.

(a) IN GENERAL.—

(1) TRANSFER.—The Secretary of the Army shall transfer to the Secretary of the Interior the land and recreation areas described in subsections (b) and (c) for the use of the Indian Tribes in perpetuity.

(2) CORPS OF ENGINEERS.—The transfer shall not interfere with the Corps of Engineers operation of a project under this section for an authorized purpose of the project under the Act of December 22, 1944 (58 Stat. 887, chapter 665; 33 U.S.C. 701–1 et seq.), or other applicable law.

(3) SECRETARY OF THE ARMY.—The Secretary of the Army shall retain the right to inundate with water the land transferred to the Secretary of the Interior under this section or draw down a project reservoir, as necessary to carry out an authorized purpose of a project.

(4) TRUST.—The Secretary of the Interior shall hold in trust for the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe the land transferred under this section that is located within the external boundaries of the reservation of the Indian Tribes.

(b) LAND TRANSFERRED.—The land described in this subsection is land that—

(1) is located above the top of the exclusive flood pool of the Big Bend and Oahe projects of the Pick-Sloan Missouri River Basin program;

(2) was acquired by the Secretary of the Army for the implementation of the Pick-Sloan Missouri River Basin program; and

(3) is located within the external boundaries of the reservation of the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe.

(c) RECREATION AREAS TRANSFERRED.—A recreation area described in this section includes the land and facilities within a recreation area that—

(1) the Secretary determines, at the time of the transfer, is a recreation area classified for recreation use by the Corps of Engineers on the date of enactment of this Act;

(2) is located within the external boundaries of a reservation of an Indian Tribe; and

(3) is located within the State of South Dakota.

(d) MAP.—

(1) IN GENERAL.—The Secretary, in consultation with the governing bodies of the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe, shall prepare a map of the land transferred under this section.

(2) LAND.—The map shall identify—

(A) land reasonably expected to be required for project purposes during the 20-year period beginning on the date of enactment of this Act; and

(B) dams and related structures;

which shall be retained by the Secretary.

(3) AVAILABILITY.—The map shall be on file in the appropriate offices of the Secretary.

(e) SCHEDULE FOR TRANSFER.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary and the Chairmen of the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe shall jointly develop a schedule for transferring the land and recreation areas under this section.

(2) TRANSFER DEADLINE.—All land and recreation areas shall be transferred not later than 1 year after the full capitalization of the State and tribal Trust Fund described in section 604.

(f) TRANSFER CONDITIONS.—The land and recreation areas described in subsections (b) and (c) shall be transferred to, and held in trust by, the Secretary of the Interior on the following conditions:

(1) RESPONSIBILITY FOR DAMAGE.—The Secretary shall not be responsible for any damage to the land caused by flooding, sloughing, erosion, or other changes to the land caused by the operation of any project of the Pick-Sloan Missouri River Basin program (except as otherwise provided by Federal law).

(2) HUNTING AND FISHING.—

(A) IN GENERAL.—Except as provided in this section, nothing in this title affects jurisdiction over the waters of the Missouri River below the water's edge and within the exterior boundaries of the Cheyenne River Sioux and Lower Brule Sioux Tribe reservations.

(B) JURISDICTION.—

(i) IN GENERAL.—On transfer of the land to the respective tribes under this section, jurisdiction over the land and on land between the water's edge and the level of the exclusive flood pool within the respective Tribe's reservation boundaries shall be the same as that over land held in trust by the Secretary of the Interior on the Cheyenne River Sioux Reservation and the Lower Brule Sioux Reservation, and that jurisdiction shall follow the fluctuations of the water's edge.

(ii) JURISDICTION UNAFFECTED.—Jurisdiction over land and water owned by the Federal Government and held in trust for the Cheyenne River Sioux Tribe and Lower Brule Sioux Tribe that is not affected by this title shall remain unchanged.

(C) EASEMENTS AND ACCESS.—The Secretary shall provide the Tribes with such easements and access on land and water below the level of the exclusive flood pool inside the respective Indian reservations for recreational and other purposes (including for boat docks, boat ramps, and related structures), so long as the easements would not prevent the Corps of Engineers from carrying out its mission under the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved December 22, 1944 (commonly known as the "Flood Control Act of 1944") (58 Stat. 887)).

(3) EASEMENTS, RIGHTS-OF-WAY, LEASES, AND COST-SHARING AGREEMENTS.—

(A) MAINTENANCE.—The Secretary of the Interior shall maintain all easements, rights-of-way, leases, and cost-sharing agreements that are in effect as of the date of the transfer.

(B) PAYMENTS TO COUNTY.—The Secretary of the Interior shall pay any affected county 100 percent of the receipts from the easements, rights-of-way, leases, and cost-sharing agreements described in subparagraph (A).

(g) EXTERIOR INDIAN RESERVATION BOUNDARIES.—Nothing in this section diminishes, changes, or otherwise affects the exterior boundaries of a reservation of an Indian Tribe.

SEC. 607. ADMINISTRATION.

(a) IN GENERAL.—Nothing in this title diminishes or affects—

(1) any water right of an Indian Tribe;

(2) any other right of an Indian Tribe, except as specifically provided in another provision of this title;

(3) any treaty right that is in effect on the date of enactment of this Act;

(4) any external boundary of an Indian reservation of an Indian Tribe;

(5) any authority of the State of South Dakota that relates to the protection, regulation, or management of fish, terrestrial wildlife, and cultural and archaeological resources, except as specifically provided in this title; or

(6) any authority of the Secretary, the Secretary of the Interior, or the head of any other Federal agency under a law in effect on the date of enactment of this Act, including—

(A) the National Historic Preservation Act (16 U.S.C. 470 et seq.);

(B) the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.);

(C) the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.);

(D) the Act entitled "An Act for the protection of the bald eagle", approved June 8, 1940 (16 U.S.C. 668 et seq.);

(E) the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.);

(F) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

(G) the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.);

(H) the Federal Water Pollution Control Act (commonly known as the "Clean Water Act") (33 U.S.C. 1251 et seq.);

(I) the Safe Drinking Water Act (42 U.S.C. 300f et seq.); and

(J) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(b) FEDERAL LIABILITY FOR DAMAGE.—Nothing in this title relieves the Federal Government of liability for damage to private property caused by the operation of the Pick-Sloan Missouri River Basin program.

(c) FLOOD CONTROL.—Notwithstanding any other provision of this title, the Secretary shall retain the authority to operate the Pick-Sloan Missouri River Basin program for purposes of meeting the requirements of the Act of December 22, 1944 (58 Stat. 887, chapter 665; 33 U.S.C. 701–1 et seq.).

SEC. 608. STUDY.

(a) IN GENERAL.—The Secretary shall arrange for the United States Geological Survey, in consultation with the Bureau of Indian Affairs and other appropriate Federal agencies, to complete, not later than October 31, 1999, a comprehensive study of the potential impacts of the transfer of land under sections 605(b) and 606(b), including potential impacts on South Dakota Sioux Tribes having water claims within the Missouri River Basin, on water flows in the Missouri River.

(b) NO TRANSFER PENDING DETERMINATION.—No transfer of land under section 605(b) or 606(b) shall occur until the Secretary determines, based on the study, that the transfer of land under either section will not significantly reduce the amount of water flow to the downstream States of the Missouri River.

(c) STATE WATER RIGHTS.—The results of the study shall not affect, and shall not be taken into consideration in, any proceeding to quantify the water rights of any State.

(d) INDIAN WATER RIGHTS.—The results of the study shall not affect, and shall not be taken into consideration in, any proceeding to quantify the water rights of any Indian Tribe or tribal nation.

SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

(a) SECRETARY.—There are authorized to be appropriated to the Secretary such sums as are necessary—

(1) to pay the administrative expenses incurred by the Secretary in carrying out this title;

(2) to fund the implementation of terrestrial wildlife habitat restoration plans under section 602(a) and other activities under sections 603(d)(3) and 604(d)(3); and

(3) to fund the annual expenses (not to exceed the Federal cost as of the date of enactment of this Act) of operating recreation areas to be transferred under sections 605(c) and 606(c) or leased by the State of South Dakota or Indian Tribes, until such time as the trust funds under sections 603 and 604 are fully capitalized.

(b) SECRETARY OF THE INTERIOR.—There are authorized to be appropriated to the Secretary of the Interior such sums as are necessary to pay the administrative expenses incurred by the Secretary of the Interior in carrying out this title.

And the House agree to the same.

BUD SHUSTER,
DON YOUNG,
SHERWOOD BOEHLERT,
RICHARD H. BAKER,
JOHN T. DOOLITTLE,
DON SHERWOOD,
JAMES L. OBERSTAR,
ROBERT A. BORSKI,
ELLEN TAUSCHER,
BRIAN BAIRD,
Managers on the Part of the House.

JOHN H. CHAFEE,
JOHN WARNER,
BOB SMITH,
GEORGE V. VOINOVICH,
MAX BAUCUS,
DANIEL MOYNIHAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 507), to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment that is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

TITLE I—WATER RESOURCES PROJECTS

SECTION 101. PROJECT AUTHORIZATIONS.

101(a) Projects with Chief's Reports

101(a)(1) Nome Harbor Improvements, Alaska. House §101(b)(1), Senate §101(b)(1).—Senate recedes with an amendment.

101(a)(2) Sand Point Harbor, Alaska. House §101(a)(1), Senate §101(a)(1).—Senate recedes.

101(a)(3) Seward Harbor, Alaska. House §101(b)(2), Senate §101(b)(2).—Senate recedes with an amendment.

101(a)(4) Rio Salado, Salt River, Phoenix and Tempe, Arizona. House §101(a)(2), Senate §101(a)(2).—Senate recedes.

101(a)(5) Tucson Drainage Area, Arizona. House §101(a)(3), Senate §101(a)(3).—House recedes.

101(a)(6) American and Sacramento Rivers, California. House §101(a)(4), Senate §101(a)(4).—Senate recedes with an amendment.

101(a)(7) Oakland Harbor, California. House §101(a)(5), Senate §101(b)(5).—Senate recedes.

101(a)(8) South Sacramento County Streams, California. House §101(a)(6), Senate §101(a)(6).—Senate recedes.

101(a)(9) Upper Guadalupe River, California. House §101(a)(7), Senate §101(a)(7).—House recedes.

101(a)(10) Yuba River Basin, California. House §101(a)(8), Senate §101(a)(8).—Senate recedes.

101(a)(11) Delaware Bay Coastline, Delaware and New Jersey-Broadkill Beach, Delaware. House §101(a)(9), Senate §101(a)(9).—Senate recedes.

101(a)(12) Delaware Bay Coastline, Delaware and New Jersey - Port Mahon, Delaware. House §101(a)(10), Senate §101(a)(10).—Senate recedes.

101(a)(13) Delaware Bay Coastline, Delaware and New Jersey-Roosevelt Inlet-Lewes Beach, Delaware. House §101(a)(11), Senate §101(b)(7).—Senate recedes.

101(a)(14) Delaware Bay Coastline, Delaware and New Jersey: Villas and Vicinity, New Jersey. House §101(a)(12), Senate §101(b)(16).—Senate recedes.

101(a)(15) Delaware Coast from Cape Henelopen to Fenwick Island, Bethany Beach/South Bethany Beach, Delaware. House §101(a)(13), Senate §101(b)(8).—Senate recedes.

101(a)(16) Hillsboro and Okeechobee Aquifer, Florida. Senate §101(a)(11). No comparable House section.—House recedes.

101(a)(17) Jacksonville Harbor, Florida. House §101(a)(14), Senate §101(b)(9).—House recedes.

The conferees understand the Report of the Chief of Engineers for the navigation project at Jacksonville Harbor, Florida, recognizes that a re-evaluation of the project based on a potential change in the commercial navigation fleet could result in redesignation of the locally preferred plan as the National Economic Development Plan. Furthermore, if the locally preferred plan is redesignated as the National Economic Development Plan, cost sharing for the recommended plan shall be in accordance with section 101 of the Water Development Act of 1986.

101(a)(18) Tampa Harbor-Big Bend Channel, Florida. House §101(a)(15), Senate §101(a)(14).—House recedes.

101(a)(19) Brunswick Harbor, Georgia. House §101(a)(16), Senate §101(a)(15).—Senate recedes.

101(a)(20) Beargrass Creek, Kentucky. House §101(a)(17), Senate §101(a)(16).—Senate recedes.

101(a)(21) Amite River and Tributaries, Louisiana, East Baton Rouge Parish Watershed. House §101(a)(18), Senate §101(a)(17).—House recedes.

101(a)(22) Baltimore Harbor Anchorages and Channels, Maryland and Virginia. House §101(a)(19), Senate §101(a)(18).—House recedes.

101(a)(23) Red River Lake at Crookston, Minnesota. House §101(a)(20), Senate §101(a)(19).—Senate recedes.

101(a)(24) Turkey Creek Basin, Kansas City, Missouri, and Kansas City, Kansas. House §101(a)(21), Senate §101(b)(13).—Senate recedes.

101(a)(25) Lower Cape May Meadows, Cape May Point, New Jersey. House §101(a)(22), Senate §101(b)(17).—House recedes with an amendment.

101(a)(26) Townsends Inlet to Cape May Inlet, New Jersey. House §101(a)(23), Senate §101(a)(20).—House recedes with an amendment.

101(a)(27) Guanajibo River, Puerto Rico. House §101(a)(24). No comparable Senate section.—Senate recedes.

101(a)(28) Rio Grande de Manati, Barceloneta, Puerto Rico. House §101(a)(25). No comparable Senate section.—Senate recedes.

101(a)(29) Rio Nigua at Salinas, Puerto Rico. House §101(a)(26). No comparable Senate section.—Senate recedes.

101(a)(30) Salt Creek, Graham, Texas. House §101(a)(27), Senate §101(a)(22).—Senate recedes.

101(b) Projects subject to report

The conference report includes project authorizations for which the Chief of Engineers has not yet completed a final report, but for which such reports are anticipated by December 31, 1999. These projects have been included in order to assure that projects anticipated to satisfy the necessary technical documentation by December 31, 1999 are not delayed in each case that the final reports can be completed by the end of 1999.

101(b)(1) Heritage Harbor, Wrangell, Alaska. No comparable House or Senate section.

101(b)(2) Arroyo Pasajero, California. House §518(1), Senate §101(b)(3).—House recedes.

The conferees understand that there may be potentially significant impacts on endangered species and state ecological reserve lands. Consequently, the conferees believe that a full range of reasonable alternatives should be considered.

101(b)(3) Hamilton Airfield, California. House §101(b)(3), Senate §101(b)(4).—House recedes.

In the Water Resources Development Act of 1996, Congress provided that publicly or privately owned upland sites may be considered for dredged material disposal. The Secretary should consider developing a management plan that addresses the equitable distribution of the dredged material in the San Francisco Bay area to various upland sites in cases where dredged material from Corps of Engineers construction or maintenance dredging is available for beneficial use or other upland disposal methods. In comparing the costs and benefits of public and private disposal options, the Secretary shall consider all costs and benefits, including all publicly funded costs, to ensure that an objective and equitable comparison of private and public facilities occurs.

101(b)(4) Success Dam, Tule River Basin, California. House §518(2), Senate §101(b)(6).—House recedes with an amendment.

101(b)(5) Delaware Bay Coastline, Delaware and New Jersey: Oakwood Beach, New Jersey. House §101(b)(4), Senate §101(b)(14).—House recedes with an amendment.

101(b)(6) Delaware Bay Coastline, Delaware and New Jersey: Reeds Beach and Pierces Point, New Jersey. House §101(b)(5), Senate §101(b)(15).—Senate recedes.

101(b)(7) Little Talbot Island, Duval County, Florida. House §101(b)(6), Senate §101(b)(10).—Senate recedes.

101(b)(8) Ponce de Leon Inlet, Florida. House §101(b)(7), Senate §101(b)(11).—Senate recedes.

101(b)(9) Savannah Harbor Expansion, Georgia. House §101(b)(8), Senate §101(b)(12).—Senate recedes.

101(b)(10) Des Plaines River, Illinois. House §101(b)(9). No comparable Senate section.—Senate recedes with an amendment.

101(b)(11) Reelfoot Lake, Kentucky and Tennessee. No comparable House or Senate section.

101(b)(12) Brigantine Inlet to Great Egg Harbor, Brigantine Island, New Jersey. House §101(b)(10), Senate §101(b)(18).—Senate recedes with an amendment.

101(b)(13) Columbia River Channel, Oregon and Washington. House §101(b)(11), Senate §101(b)(19).—Senate recedes.

101(b)(14) Johnson Creek, Arlington, Texas. House §101(b)(12), Senate §101(b)(21).—Senate recedes.

101(b)(15) Howard Hanson Dam, Washington. House §101(b)(13), Senate §101(b)(22).—House recedes.

The managers recognize that the cost sharing for the Howard Hanson Dam project could appropriately be affected by the recent listing of the Puget Sound Chinook Salmon as a protected species under the Endangered Species Act. The United States Department of Commerce, National Marine Fisheries Service, has stated its intent to consult with both the Army Corps of Engineers and the City of Tacoma concerning responsibilities under the Endangered Species Act as it relates to the Howard Hanson Dam project and the City of Tacoma water diversion project. One of the purposes of the project being authorized is to develop a fish passage for downstream migration of salmon. When this consultation process is completed, the appropriate cost sharing allocation for the project may be different from that stated in the report of the Chief of Engineers. Therefore, it is the understanding of the managers that the Secretary, after consultation with the Secretary of Commerce, will, if appropriate, revise the allocation of cost sharing found in the final report of the Chief of Engineers to reflect the responsibilities under the Endangered Species Act for the protection of the threatened Puget Sound Chinook Salmon.

SEC. 102. SMALL FLOOD CONTROL PROJECTS

102(a)(1) Eyak River, Cordova, Alaska. Senate §322. No comparable House section.—House recedes.

102(a)(2) Salcha River and Piledriver Slough, Fairbanks, Alaska. Senate §321. No comparable House section.—House recedes.

102(a)(3) Lancaster, California. House §102(a)(1). No comparable Senate Section.—Senate recedes.

102(a)(4) Magpie Creek, California. No comparable House or Senate section.

102(a)(5) Gateway Triangle Area, Collier County, Florida. House §102(a)(2), Senate §104(1).—Senate recedes.

102(a)(6) Plant City, Florida. House §102(a)(3), Senate §104(m).—Senate recedes.

102(a)(7) Stone Island, Lake Monroe, Florida. House §102(a)(4). No comparable Senate section.—Senate recedes.

102(a)(8) Ohio River, Illinois. House §102(a)(5). No comparable Senate section.—Senate recedes.

102(a)(9) Hamilton Dam, Michigan. Senate §327. No comparable House section.—House recedes.

102(a)(10) Repaupo Creek, New Jersey. House §102(a)(6), Senate §303(2).—Senate recedes with an amendment.

102(a)(11) Irondequoit Creek, New York. Senate §303(3). No comparable House section.—House recedes.

102(a)(12) Owasco Lake Seawall, New York. House §102(7). No comparable Senate section.—Senate recedes.

102(a)(13) Port Clinton, Ohio. House §102(a)(8). No comparable Senate section.—Senate recedes.

102(a)(14) Abington Township, Pennsylvania. House §102(a)(10). No comparable Senate section.—Senate recedes.

102(a)(15) Port Indian, West Norriton Township, Montgomery County, Pennsylvania. House §102(a)(11). No comparable Senate section.—Senate recedes.

102(a)(16) Port Providence, Upper Providence Township, Pennsylvania. House

§102(a)(12). No comparable Senate section.—Senate recedes.

102(a)(17) Springfield Township, Montgomery County, Pennsylvania. House

§102(a)(13). No comparable Senate section.—Senate recedes.

102(a)(18) Tawney Run Creek, Pennsylvania. No comparable House or Senate section.

102(a)(19) Wissahickon Watershed, Pennsylvania. No comparable House or Senate section.

102(a)(20) Tioga County, Pennsylvania. Senate §303(3). No comparable House section.—House recedes.

102(a)(21) First Creek, Knoxville, Tennessee. House §102(a)14. No comparable Senate section.—Senate recedes.

102(a)(22) Metro Center Levee, Cumberland River, Nashville, Tennessee. House §102(a)15). No comparable Senate section.—Senate recedes.

102(b) Festus and Crystal City, Missouri. House §102(b). No comparable Senate section.—Senate recedes with an amendment.

102(b) Subsection (b) provides that the maximum Federal expenditure for the Festus and Crystal City, Missouri flood control project shall be $10,000,000 and directs the Secretary to make corresponding changes to the project cooperation agreement. Nothing in this subsection affects any applicable cost sharing requirements under the Water Resources Development Act of 1986.

SEC. 103. SMALL BANK STABILIZATION PROJECTS

103(a)(1) Arctic Ocean, Barrow, Alaska. Senate §305(a). No comparable House section.—House recedes.

103(a)(2) Saint Joseph River Indiana. House §103(1). No comparable Senate section.—Senate recedes.

103(a)(3) Saginaw River, Bay City, Michigan. House §103(2), Senate §305(b).—Senate recedes.

103(a)(4) Big Timber Creek, New Jersey. House §103(3). No comparable Senate section.—Senate recedes.

103(a)(5) Lake Shore Road, Athol Springs, New York. House §103(4). No comparable Senate section.—Senate recedes.

103(a)(6) Marist College, Poughkeepsie, New York. House §101(5). No comparable Senate section.—Senate recedes.

103(a)(7) Monroe County, Ohio. House §103(6). No comparable Senate section.—Senate recedes.

103(a)(8) Green Valley, West Virginia. House §103(7). No comparable Senate section - Senate recedes.

103(b) Yellowstone River, Billings, Montana. Senate §305(c). No comparable House section.—House recedes.

SEC. 104. SMALL NAVIGATION PROJECTS

104(1) Grand Marais, Arkansas. House §104(1). No comparable Senate section.—Senate recedes.

104(2) Fields Landing Channel, Humboldt Harbor, California. House §104(2), Senate §104(e).—Senate recedes.

104(3) San Mateo (Pillar Point Harbor), California. House §104(3). No comparable Senate section.—Senate recedes.

104(4) Agana Marina, Guam. House §104(4), Senate §104(yy).—Senate recedes.

104(5) Agat Marina, Guam. House §104(5), Senate §104(vv).—Senate recedes.

104(6) Apra Harbor Fuel Piers, Guam. House §104(6), Senate §104(xx).—Senate recedes.

104(7) Apra Harbor Pier F-6, Guam. House §104(7). No comparable Senate section.—Senate recedes.

104(8) Apra Harbor Seawall, Guam. House §104(8), Senate §104(ww).—Senate recedes.

104(9) Guam Harbor, Guam. House §104(9). No comparable Senate section.—Senate recedes.

104(10) Illinois River Near Chautauqua Park, Illinois. House §104(10). No comparable Senate section.—Senate recedes.

104(11) Whiting Shoreline Waterfront, Whiting, Indiana. House §104(11). No comparable Senate section.—Senate recedes.

104(12) Union River, Ellsworth, Maine. House §104(13). No comparable Senate section.—Senate recedes.

104(13) Naraguagus River, Machias, Maine. House §104(12). No comparable Senate section.—Senate recedes.

104(14) Detroit Waterfront, Michigan. House §104(14). No comparable Senate section.—Senate recedes.

104(15) Fortescue Inlet, Delaware Bay, New Jersey. House §104(15), Senate §304(9).—Senate recedes.

104(16) Braddock Bay, Greece, New York. Senate §304(10). No comparable House section.—House recedes.

104(17) Buffalo and LaSalle Park, New York. House §104(16). No comparable Senate section.—Senate recedes.

104(18) Sturgeon Point, New York. House §104(17). No comparable Senate section.—Senate recedes.

104(19) Fairpoint Harbor, Ohio. House §104(18). No comparable Senate section.—Senate recedes.

SEC. 105. SMALL PROJECTS FOR IMPROVEMENT OF THE ENVIRONMENT

House §105(a). No comparable Senate section.—Senate recedes.

105(b) Pine Flat Dam, Kings River, California. House §105(b), Senate §332.—House recedes.

SEC. 106. SMALL AQUATIC ECOSYSTEM RESTORATION PROJECTS

106(1) Contra Costa County, Bay Delta, California. House §106(1). No comparable Senate section.—Senate recedes.

106(2) Indian River, Florida. House §106(2). No comparable Senate section.—Senate recedes.

106(3) Little Wekiva River, Florida. House §106(3). No comparable Senate section.—Senate recedes.

106(4) Cook County, Illinois. House §106(4). No comparable Senate section.—Senate recedes.

106(5) Grand Batture Island, Mississippi. House §106(5). No comparable Senate section.—Senate recedes.

106(6) Hancock, Harrison, and Jackson Counties, Mississippi. House §106(6). No comparable Senate section.—Senate recedes.

106(7) Mississippi River and River Des Peres, St. Louis, Missouri. House §106(7), Senate §201(e)(3).—Senate recedes.

106(8) Hudson River, New York. House §106(8). No comparable Senate section.—Senate recedes.

106(9) Oneida Lake, New York. House §106(9). No comparable Senate section.—Senate recedes.

106(10) Otsego Lake, New York. House §106(10). No comparable Senate section.—Senate recedes.

106(11) North Fork of Yellow Creek, Ohio. House §106(11). No comparable Senate section.—Senate recedes.

106(12) Wheeling Creek Watershed, Ohio. House §106(12). No comparable Senate section.—Senate recedes.

106(13) Springfield Millrace, Oregon. House §106(13), Senate §306.—Senate recedes.

106(14) Upper Amazon Creek, Oregon. House §106(14). No comparable Senate section.—Senate recedes.

106(15) Lake Ontelaunee Reservoir, Berks County, Pennsylvania. House §106(15). No comparable Senate section.—Senate recedes.

106(16) Blackstone River Basin, Rhode Island and Massachusetts. House §106(16). No comparable Senate section.—Senate recedes.

TITLE II—GENERAL PROVISIONS

SEC. 201. SMALL FLOOD CONTROL AUTHORITY.

House §201, Senate §203.—House recedes.

SEC. 202. USE OF NON-FEDERAL FUNDS FOR COMPILING AND DISSEMINATING INFORMATION ON FLOODS AND FLOOD DAMAGES

House §202, Senate §204.—House recedes.

SEC. 203. CONTRIBUTIONS BY STATES AND POLITICAL SUBDIVISIONS

House §203, Senate §207.—House recedes.

SEC. 204. SEDIMENT DECONTAMINATION TECHNOLOGY

House §204, Senate §218.—Senate recedes.

SEC. 205. CONTROL OF AQUATIC PLANTS

House §205, Senate §214.—Senate recedes with an amendment.

SEC. 206. USE OF CONTINUING CONTRACTS REQUIRED FOR CONSTRUCTION OF CERTAIN PROJECTS

House §206. No comparable Senate section.—Senate recedes with an amendment.

SEC. 207. WATER RESOURCES DEVELOPMENT STUDIES FOR THE PACIFIC REGION

House §208, Senate §209.—Senate recedes.

SEC. 208. EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION

House §209, Senate §331, Senate §102(k) and Senate §309.—Senate recedes to the House with an amendment to subsections (a) and (b) and a new subsection (d).

SEC. 209. BENEFICIAL USES OF DREDGED MATERIAL

House §210, Senate §206.—Senate recedes with an amendment.

SEC. 210. AQUATIC ECOSYSTEM RESTORATION

House §212, Senate §205.—Senate recedes with an amendment.

SEC. 211. WATERSHED MANAGEMENT, RESTORATION, AND DEVELOPMENT

House §213, Senate §216.—House recedes with amendments at subsections (1) and (3).

Under this section, the managers support providing technical assistance to the non-Federal interests in the communities of Springfield and Decatur, Illinois in the Illinois River Watershed for the purpose of identifying high nitrate levels in water supplies and assisting with methods for reducing such levels.

SEC. 212. FLOOD MITIGATION AND RIVERINE RESTORATION PILOT PROGRAM

House §214, Senate §201.—Senate recedes to the House with amendments at subsections (b)(e)(g) and (h).

SEC. 213. SHORE MANAGEMENT PROGRAM

House §215. No comparable Senate section.—Senate recedes with an amendment.

SEC. 214. SHORE DAMAGE PREVENTION OR MITIGATION

House §217, Senate §228.—House recedes with amendment.

SEC. 215. SHORE PROTECTION

House §218(a), Senate §202.—House recedes with an amendment.

House §218(b), Senate §211(a).—Senate recedes.

Senate §211(b). No comparable House section.—House recedes.

House §218(c). No comparable Senate section.—Senate recedes with an amendment.

House §218(d). No comparable Senate section.—Senate recedes.

SEC. 216. FLOOD PREVENTION COORDINATION

House §219. No comparable Senate section.—Senate recedes.

SEC. 217. DISPOSAL OF DREDGED MATERIAL ON BEACHES

Senate §219. No comparable House section.—House recedes with an amendment.

SEC. 218. ANNUAL PASSES FOR RECREATION

House §220. No comparable Senate section.—Senate recedes.

SEC. 219. NONSTRUCTURAL FLOOD CONTROL PROJECTS

House §222, Senate §213.—Senate recedes.

SEC. 220. LAKES PROGRAM

House §223, Senate §217.—Senate recedes with an amendment.

SEC. 221. ENHANCEMENT OF FISH AND WILDLIFE RESOURCES

House §225, Senate §220.—Senate recedes.

SEC. 222. PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

House §226. No comparable Senate section.—Senate recedes.

SEC. 223. CONSTRUCTION OF FLOOD CONTROL PROJECTS BY NON-FEDERAL INTEREST

House §224, Senate §221.—Senate recedes with amendments.

SEC. 224. ENVIRONMENTAL DREDGING

House §228, Senate §212.—Senate recedes with an amendment.

SEC. 225. RECREATIONAL USER FEES

Senate §208. No comparable House section.—House recedes.

SEC. 226. SMALL STORM DAMAGE REDUCTION PROJECTS

Senate §227. No comparable House section.—House recedes.

SEC. 227. USE OF PRIVATE ENTERPRISES

Senate §232. No comparable House section.—House recedes with an amendment.

TITLE III—PROJECT RELATED PROVISIONS

SEC. 301. TENNESSEE-TOMBIGBEE WATERWAY WILDLIFE MITIGATION, ALABAMA AND MISSISSIPPI

No comparable House or Senate section.

SEC. 302. OUZINKIE HARBOR, ALASKA

House §302. No comparable Senate section.—Senate recedes to House with an amendment.

SEC. 303. ST. PAUL HARBOR, ST. PAUL, ALASKA

No comparable House or Senate section.

SEC. 304. LOGGY BAYOU, RED RIVER BELOW DENISON DAM, ARKANSAS, LOUISIANA, OKLAHOMA, AND TEXAS

House §305. No comparable Senate section.—Senate recedes to House with an amendment.

SEC. 305. SACRAMENTO RIVER, GLENN-COLUSA, CALIFORNIA

House §306. No comparable Senate section.—Senate recedes with an amendment.

SEC. 306. SAN LORENZO RIVER, CALIFORNIA

House §307, Senate §102(a)(1).—House recedes with an amendment.

SEC. 307. TERMINUS DAM, KAWEAH RIVER, CALIFORNIA

House §308. No comparable Senate section.—Senate recedes with an amendment.

SEC. 308. DELAWARE RIVER, MAINSTEM AND CHANNEL DEEPENING, DELAWARE, NEW JERSEY, AND PENNSYLVANIA

House §309. No comparable Senate section.—Senate recedes.

SEC. 309. POTOMAC RIVER, WASHINGTON, DISTRICT OF COLUMBIA

House §310. No comparable Senate section.—Senate recedes with an amendment.

SEC. 310. BREVARD COUNTY, FLORIDA

House §311. No comparable Senate section.—Senate recedes with an amendment.

SEC. 311. BROWARD COUNTY AND HILLSBORO INLET, FLORIDA

House §312. No comparable Senate section.—Senate recedes.

SEC. 312. LEE COUNTY, CAPTIVA ISLAND SEGMENT, FLORIDA, PERIODIC BEACH NOURISHMENT

House §227(a), Senate §102(u).—House recedes.

SEC. 313. FORT PIERCE, FLORIDA

House §313, Senate §102(b)(1).—Senate recedes with an amendment.

SEC. 314. NASSAU COUNTY, FLORIDA

House §314. No comparable Senate section.—Senate recedes with an amendment.

SEC. 315. MIAMI HARBOR CHANNEL, FLORIDA

House §315. No comparable Senate section.—Senate recedes with an amendment.

SEC. 316. ST. AUGUSTINE, FLORIDA

House §363(d), Senate §102(a)(2).—Senate recedes.

SEC. 317. MILO CREEK, IDAHO

No comparable House or Senate section.

SEC. 318. LAKE MICHIGAN, ILLINOIS

House §316, Senate §102(l).—House recedes.

SEC. 319. SPRINGFIELD, ILLINOIS

House §317. No comparable Senate section.—Senate recedes.

SEC. 320. OGDEN DUNES, INDIANA

House §319. No comparable Senate section.—Senate recedes with an amendment.

SEC. 321. SAINT JOSEPH RIVER, SOUTH BEND, INDIANA

House §320. No comparable Senate section.—Senate recedes.

SEC. 322. WHITE RIVER, INDIANA

House §321, Senate §102(s).—House recedes.

SEC. 323. DUBUQUE, IOWA

Senate §102(n). No comparable House section.—House recedes.

SEC. 324. LAKE PONTCHARTRAIN, LOUISIANA

House §322, Senate §104(y).—Senate recedes with an amendment.

SEC. 325. LAROSE TO GOLDEN MEADOW, LOUISIANA

House §323, Senate §104(w).—Senate recedes with an amendment.

SEC. 326. LOUISIANA STATE PENITENTIARY LEVEE, LOUSIANA

House §324, Senate §102(o).—House recedes.

SEC. 327. TWELVE-MILE BAYOU, CADDO PARISH, LOUISIANA

House §325, Senate §104(a).—Senate recedes with an amendment.

SEC. 328. WEST BANK OF THE MISSISSIPPI RIVER (EAST OF HARVEY CANAL) LOUISIANA

House §326. No comparable Senate section.—Senate recedes with an amendment.

SEC. 329. TOLCHESTER CHANNEL S-TURN, BALTIMORE, MARYLAND

House §327, Senate §102(d).—House recedes.

SEC. 330. SAULT SAINTE MARIE, CHIPPEWA COUNTY, MICHIGAN

House §328. No comparable Senate section.—Senate recedes.

SEC. 331. JACKSON COUNTY, MISSISSIPPI

House §329, Senate §102(p).—House recedes.

SEC. 332. BOIS BRULE DRAINAGE AND LEVEE DISTRICT, MISSOURI

House §331. No comparable Senate section.—Senate recedes.

SEC. 333. MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MISSOURI

House §332. No comparable Senate section.—Senate recedes.

SEC. 334. MISSOURI RIVER MITIGATION PROJECT, MISSOURI, KANSAS, IOWA, AND NEBRASKA

House §333. No comparable Senate section.—Senate recedes.

SEC. 335. WOOD RIVER, GRAND ISLAND, NEBRASKA

House §334, Senate §102(a)(3).—Senate recedes.

SEC. 336. ABSECON ISLAND, NEW JERSEY

House §335, Senate §102(a)(4).—Senate recedes.

SEC. 337. NEW YORK HARBOR AND ADJACENT CHANNELS, PORT JERSEY, NEW JERSEY

House §336, Senate §102(b)(4).—Senate recedes with an amendment.

SEC. 338. ARTHUR KILL, NEW YORK AND NEW JERSEY

House §339, Senate §102(a)(5).—House recedes with an amendment.

SEC. 339. KILL VAN KULL AND NEWARK BAY CHANNELS, NEW YORK AND NEW JERSEY

No comparable House or Senate section.

SEC. 340. NEW YORK CITY WATERSHED

House §340, Senate §325.—Senate recedes with an amendment.

SEC. 341. NEW YORK STATE CANAL SYSTEM

House §341. No comparable Senate section.—Senate recedes.

SEC. 342. FIRE ISLAND INLET TO MONTAUK POINT, NEW YORK

House §342. No comparable Senate section.—Senate recedes with an amendment.

SEC. 343. BROKEN BOW LAKE, RED RIVER BASIN, OKLAHOMA

House §343. No comparable Senate section.—Senate recedes.

SEC. 344. WILLAMETTE RIVER TEMPERATURE CONTROL, MCKENZIE SUBBASIN, OREGON

House §344, Senate §102(b)(5).—Senate recedes with an amendment.

SEC. 345. CURWENSVILLE LAKE, PENNSYLVANIA

House §346. No comparable Senate section.—Senate recedes with an amendment.

SEC. 346. DELAWARE RIVER, PENNSYLVANIA AND DELAWARE

House §347. No comparable Senate section.—Senate recedes with an amendment.

SEC. 347. MUSSERS DAM, PENNSYLVANIA

House §348. No comparable Senate section.—Senate recedes.

SEC. 348. PHILADELPHIA, PENNSYLVANIA

No comparable House or Senate section.

SEC. 349. NINE-MILE RUN, ALLEGHENY COUNTY, PENNSYLVANIA

House §349, Senate §316.—House recedes.

SEC. 350. RAYSTOWN LAKE, PENNSYLVANIA

House §350. No comparable Senate section.—Senate recedes with an amendment.

SEC. 351. SOUTH CENTRAL, PENNSYLVANIA

House §351. No comparable Senate section.—Senate recedes.

SEC. 352. FOXPOINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND

Senate §102(t). No comparable House section.—House recedes.

SEC. 353. COOPER RIVER, CHARLESTON HARBOR, SOUTH CAROLINA

House §352, Senate §102(f).—House recedes.

SEC. 354. CLEAR CREEK, TEXAS

House §354. No comparable Senate section.—Senate recedes with an amendment.

SEC. 355. CYPRESS CREEK, TEXAS

House §355. No comparable Senate section.—Senate recedes.

SEC. 356. DALLAS FLOODWAY EXTENSION, DALLAS, TEXAS

House §356, Senate §102(g).—Senate recedes.

SEC. 357. UPPER JORDAN RIVER, UTAH

House §357. No comparable Senate section.—Senate recedes with an amendment.

SEC. 358. ELIZABETH RIVER, CHESAPEAKE, VIRGINIA

House §358, Senate §102(i).—House recedes.

SEC. 359. COLUMBIA RIVER CHANNEL, WASHINGTON AND OREGON

Senate §102(v). No comparable House section.—House recedes.

SEC. 360. GREENBRIER BASIN, WEST VIRGINIA

House §360. No comparable Senate section.—Senate recedes with an amendment.

SEC. 361. BLUESTONE LAKE, OHIO RIVER BASIN, WEST VIRGINIA

House §359. No comparable Senate section.—Senate recedes.

SEC. 362. MOOREFIELD, WEST VIRGINIA

House §361, Senate §102(j).—Senate recedes.

SEC. 363. WEST VIRGINIA AND PENNSYLVANIA FLOOD CONTROL

House §362. No comparable Senate section.—Senate recedes.

SEC. 364. PROJECT REAUTHORIZATIONS

House §363(b), (c), (e), (f), (g) and (h), Senate §101(a)(12), (13), (21) and (b)(20).—Senate recedes with an amendment.

SEC. 365. PROJECT DEAUTHORIZATIONS

House §364(a)(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (b), (c), Senate §103(a), (b), (c), (d), (e), (f), and 102(b)(3).—Senate recedes with an amendment.

SEC. 366. AMERICAN AND SACRAMENTO RIVERS, CALIFORNIA

House §365. No comparable Senate section.—Senate recedes.

SEC. 367. MARTIN, KENTUCKY

House §366. No comparable Senate section.—Senate recedes.

SEC. 368. SOUTHERN WEST VIRGINIA PILOT PROGRAM

House §367. No comparable Senate section.—Senate recedes.

SEC. 369. BLACK WARRIOR AND TOMBIGBEE RIVERS, JACKSON, ALABAMA

House §368. No comparable Senate section.—Senate recedes with an amendment.

SEC. 370. TROPICANA WASH AND FLAMINGO WASH, NEVADA

House §369, Senate §102(e).—House recedes.

SEC. 371. COMITE RIVER, LOUISIANA

House §370. No comparable Senate section.—Senate recedes.

SEC. 372. ST. MARYS RIVER, MICHIGAN

House §371. No comparable Senate section.—Senate recedes.

SEC. 373. CHARLEVOIX, MICHIGAN

House §372, Senate §326.—House recedes.

SEC. 374. WHITE RIVER BASIN, ARKANSAS AND MISSOURI

Senate §104(d). No comparable House section.—House recedes with an amendment.

SEC. 375. WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES

House §555, Senate §102(a)(6).—Senate recedes with an amendment.

TITLE IV—STUDIES

SEC. 401. DEEP DRAFT HARBOR COST SHARING

House §211. No comparable Senate section.—House recedes with an amendment.

SEC. 402. BOYDSVILLE, ARKANSAS

Senate §104(b). No comparable House section.—House recedes.

SEC. 403. GREERS FERRY LAKE, ARKANSAS

House §303. No comparable Senate section.—Senate recedes with an amendment.

SEC. 404. DEL NORTE COUNTY, CALIFORNIA

House §428. No comparable Senate section.—Senate recedes.

SEC. 405. FRAZIER CREEK, TULARE COUNTY, CALIFORNIA

Senate §104(f). No comparable House section.—House recedes.

SEC. 406. MARE ISLAND STRAIT, CALIFORNIA

No comparable House or Senate section.

SEC. 407. STRAWBERRY CREEK, BERKELEY, CALIFORNIA

Senate §104(g). No comparable House section.—House recedes.

SEC. 408. SWEETWATER RESERVOIR, SAN DIEGO COUNTY, CALIFORNIA

House §404. No comparable Senate section.—Senate recedes.

SEC. 409. WHITEWATER RIVER BASIN, CALIFORNIA

House §405. No comparable Senate section.—Senate recedes with an amendment.

SEC. 410. DESTIN-NORIEGA POINT, FLORIDA

Senate §104(k). No comparable House section.—House recedes.

SEC. 411. LITTLE ECONLACKHATCHEE RIVER BASIN, FLORIDA

House §406. No comparable Senate section.—Senate recedes.

SEC. 412. PORT EVERGLADES INLET, FLORIDA

House §407, Senate §104(j).—Senate recedes with an amendment.

SEC. 413. LAKE ALLATOONA, ETOWAH RIVER, AND LITTLE RIVER WATERSHED, GEORGIA

House §533. No comparable Senate section.—Senate recedes with an amendment.

SEC. 414. BOISE, IDAHO

Senate §104(n). No comparable House section.—House recedes.

SEC. 415. GOOSE CREEK WATERSHED, OAKLEY, IDAHO

Senate §104(o). No comparable House section.—House recedes.

SEC. 416. LITTLE WOOD RIVER, GOODLING, IDAHO

Senate §104(p). No comparable House section.—House recedes.

SEC. 417. SNAKE RIVER, LEWISTON, IDAHO

Senate §104(q). No comparable House section.—House recedes.

SEC. 418. SNAKE RIVER AND PAYETTE RIVER, IDAHO

Senate §104(r). No comparable House Section.—House recedes.

SEC. 419. UPPER DES PLAINES RIVER AND TRIBUTARIES, ILLINOIS AND WISCONSIN

House §408. No comparable Senate section.—Senate recedes with an amendment.

SEC. 420. CAMERON PARISH WEST OF CALCASIEU RIVER, LOUISIANA

House §409, Senate §104(t).—House recedes.

SEC. 421. COASTAL LOUISIANA

Senate §104(u). No comparable House section.—House recedes with an amendment.

SEC. 422. GRAND ISLE AND VICINITY, LOUISIANA

House §410. No comparable Senate section.—Senate recedes.

SEC. 423. GULF INTRACOASTAL WATERWAY ECOSYSTEM, CHEF MENTEUR TO SABINE RIVER, LOUISIANA

Senate §104(x). No comparable House section.—House recedes.

SEC. 424. MUDDY RIVER, BROOKLINE AND BOSTON, MASSACHUSETTS

Senate §104(aa). No comparable House section Section recedes with an amendment.

SEC. 425. WESTPORT, MASSACHUSETTS

House §412. No comparable Senate section.—Senate recedes with an amendment.

SEC. 426. ST. CLAIR RIVER AND LAKE ST. CLAIR, MICHIGAN

House §429. No comparable Senate section.—Senate recedes.

SEC. 427. ST. CLAIR SHORES, MICHIGAN

Senate §104(cc). No comparable House section.—House recedes.

SEC. 428. WOODTICK PENINSULA, MICHIGAN, AND TOLEDO HARBOR, OHIO

Senate §104(dd). No comparable House section.—House recedes.

SEC. 429. PASCAGOULA HARBOR, MISSISSIPPI

Senate §104(ee). No comparable House section.—House recedes.

SEC. 430. TUNICA LAKE, WEIR, MISSISSIPPI

House §330, Senate §104(ff).—House recedes.

SEC. 431. YELLOWSTONE RIVER, MONTANA

Senate §104(hh). No comparable House section.—House recedes.

SEC. 432. LAS VEGAS VALLEY, NEVADA

Senate §104(ii). No comparable House section.—House recedes with an amendment.

SEC. 433. SOUTHWEST VALLEY, ALBUQUERQUE, NEW MEXICO

House §413. No comparable Senate section.—Senate recedes.

SEC. 434. CAYUGA CREEK, NEW YORK

House §414. No comparable Senate section.—Senate recedes.

SEC. 435. LAKE CHAMPLAIN, NEW YORK AND VERMONT

No comparable House or Senate section.

SEC. 436. OSWEGO RIVER BASIN, NEW YORK

Senate §104(jj). No comparable House section.—House recedes.

SEC. 437. WHITE OAK RIVER, NORTH CAROLINA

House §552. No comparable House or Senate section.—Senate recedes with an amendment.

SEC. 438. ARCOLA CREEK WATERSHED, MADISON, OHIO

House §415. No comparable Senate section.—Senate recedes.

SEC. 439. CLEVELAND HARBOR, CLEVELAND, OHIO

Senate §104(ll). No comparable House section.—House recedes.

SEC. 440. TOUSSAINT RIVER, CARROLL TOWNSHIP, OHIO

House §553, Senate §104(nn).—House recedes.

SEC. 441. WESTERN LAKE ERIE BASIN, OHIO, INDIANA, AND MICHIGAN

House §416, Senate §225.—Senate recedes.

SEC. 442. SCHUYLKILL RIVER, NORRISTOWN, PENNSYLVANIA

House §417. No comparable Senate section.—Senate recedes with an amendment.

SEC. 443. SOUTH CAROLINA COASTAL AREAS

Senate §104(rr). No comparable House section.—House recedes.

SEC. 444. SANTEE DELTA FOCUS AREA, SOUTH CAROLINA

House §427, Senate §104(oo).—House recedes.

SEC. 445. WACCAMAW RIVER, SOUTH CAROLINA

Senate §104(pp). No comparable House section.—House recedes.

SEC. 446. DAY COUNTY, SOUTH DAKOTA

House §419. No comparable Senate section.—Senate recedes.

SEC. 447. NIOBRARA RIVER AND MISSOURI RIVER, SOUTH DAKOTA

Senate §104(ss). No comparable House section.—House recedes.

SEC. 448. CORPUS CHRISTI, TEXAS

House §420. No comparable Senate section.—Senate recedes.

SEC. 449. MITCHELL'S CUT CHANNEL (CANEY FORK CUT), TEXAS

House §421. No comparable Senate section.—Senate recedes.

SEC. 450. MOUTH OF THE COLORADO RIVER, TEXAS

House §422. No comparable Senate section.—Senate recedes.

SEC. 451. SANTA CLARA RIVER, UTAH

Senate §104(tt). No comparable House section.—House recedes.

SEC. 452. MOUNT ST. HELENS, WASHINGTON

Senate §104(uu). No comparable House section.—House recedes.

SEC. 453. KANAWHA RIVER, KAYETTE COUNTY, WEST VIRGINIA

House §423. No comparable Senate section.—Senate recedes.

SEC. 454. WEST VIRGINIA PORTS

House §424. No comparable Senate section.—Senate recedes.

SEC. 455. JOHN GLENN GREAT LAKES BASIN PROGRAM

House §425, Senate §223.—House recedes with an amendment.

SEC. 456. GREAT LAKES NAVIGATIONAL SYSTEM

Senate §104(aaa). No comparable House section.—House recedes.

SEC. 457. NUTRIENT LOADING RESULTING FROM DREDGED MATERIAL DISPOSAL

House §426. No comparable Senate section.—Senate recedes.

SEC. 458. UPPER MISSISSIPPI AND ILLINOIS RIVERS LEVEES AND STREAMBANKS PROTECTION

House §401. No comparable Senate section.—Senate recedes.-

SEC. 459. UPPER MISSISSIPPI RIVER COMPREHENSIVE PLAN

House §402, Senate §338.—House recedes with an amendment.

SEC. 460. SUSQUEHANNA RIVER AND UPPER CHESAPEAKE BAY

No comparable House or Senate section.

TITLE V—MISCELLANEOUS

SEC. 501. CORPS ASSUMPTION OF NRCS PROJECTS

501(a) Llagas Creek, California. House §501(a), Senate §101(a)(5).—Senate recedes.

501(b) Thornton Reservoir, Cook County, Illinois. House §501(b), Senate §102(b)(2).—House recedes.

SEC. 502. ENVIRONMENTAL INFRASTRUCTURE

House §502 and §517. No comparable Senate section.—Senate recedes with an amendment.

SEC. 503. CONTAMINATED SEDIMENT DREDGING TECHNOLOGY

House §503, Senate §230.—Senate recedes with an amendment.

SEC. 504. DAM SAFETY

House §504. No comparable Senate section.—Senate recedes with an amendment.

SEC. 505. GREAT LAKES REMEDIAL ACTION PLANS

House §505. No comparable Senate section.—Senate recedes.

SEC. 506. PROJECTS FOR THE IMPROVEMENT OF THE ENVIRONMENT

House §506, Senate §224.—House recedes.

SEC. 507. MAINTENANCE OF NAVIGATION CHANNELS

House §507, Senate §104(s) and §104(v).—Senate recedes with an amendment.

SEC. 508. MEASUREMENT OF LAKE MICHIGAN DIVERSIONS

House §508, Senate §102(m).—House recedes.

SEC. 509. UPPER MISSISSIPPI RIVER ENVIRONMENTAL MANAGEMENT PROGRAM

House §509, Senate §314.—House recedes with an amendment.

SEC. 510. ATLANTIC COAST OF NEW YORK MONITORING

House §510, Senate §229.—House recedes.

SEC. 511. WATER CONTROL MANAGEMENT

House §511. No comparable Senate section.—Senate recedes.

SEC. 512. BENEFICIAL USE OF DREDGED MATERIAL

House §512. No comparable Senate section.—Senate recedes.

SEC. 513. DESIGN AND CONSTRUCTION ASSISTANCE

House §513. No comparable Senate section.—Senate recedes.

SEC. 514. MISSOURI AND MIDDLE MISSISSIPPI RIVERS ENHANCEMENT PROJECT

House §514, Senate §210.—House recedes.

SEC. 515. IRRIGATION DIVERSION PROTECTION AND FISHERIES ENHANCEMENT ASSISTANCE

House §515, Senate §226.—House recedes with an amendment.

SEC. 516. INNOVATIVE TECHNOLOGIES FOR WATERSHED RESTORATION

House §516. No comparable Senate section.—Senate recedes with an amendment.

SEC. 517. EXPEDITED CONSIDERATION OF CERTAIN PROJECTS.

House §318, §518 and §574, Senate §307 and §313.—Senate recedes with an amendment.

SEC. 518. DOG RIVER, ALABAMA

House §519. No comparable Senate section.—Senate recedes with an amendment.

SEC. 519. LEVEES IN ELBA AND GENEVA, ALABAMA

House §520 and 521, Senate §333.—House recedes.

SEC. 520. NAVAJO RESERVATION, ARIZONA, NEW MEXICO, AND UTAH

House §522. No comparable Senate section.—Senate recedes.

SEC. 521. BEAVER LAKE, ARKANSAS

House §524, Senate §102(c).—House recedes.

SEC. 522. BEAVER LAKE TROUT PRODUCTION FACILITY, ARKANSAS

House §525. No comparable Senate section.—Senate recedes with an amendment.

SEC. 523. CHINO DAIRY PRESERVE, CALIFORNIA

House §526. No comparable Senate section.—Senate recedes with an amendment.

SEC. 524. ORANGE AND SAN DIEGO COUNTIES, CALIFORNIA

House §528. No comparable Senate section.—Senate recedes with an amendment.

SEC. 525. RUSH CREEK, NOVATO, CALIFORNIA

House §527. No comparable Senate section.—Senate recedes with an amendment.

SEC. 526. SANTA CRUZ HARBOR, CALIFORNIA

House §530. No comparable Senate section.—Senate recedes with an amendment.

SEC. 527. LOWER ST. JOHNS RIVER BASIN, FLORIDA

House §532. No comparable Senate section.—Senate recedes.

SEC. 528. MAYO'S BAR LOCK AND DAM, COOSA RIVER, ROME, GEORGIA

House §534. No comparable Senate section.—Senate recedes.

SEC. 529. COMPREHENSIVE FLOOD IMPACT RESPONSE MODELING SYSTEM, CORALVILLE RESERVOIR AND IOWA RIVER WATERSHED, IOWA

House §535, Senate §318.—House recedes with an amendment.

SEC. 530. ADDITIONAL CONSTRUCTION ASSISTANCE IN ILLINOIS

House §536. No comparable Senate section.—Senate recedes.

SEC. 531. KANOPOLIS LAKE, KANSAS

House §537, Senate §324.—House recedes with an amendment.

SEC. 532. SOUTHERN AND EASTERN KENTUCKY

House §538. No comparable Senate section.—Senate recedes with an amendment.

SEC. 533. SOUTHEAST LOUISIANA

House §539. No comparable Senate section.—Senate recedes with an amendment.

Because the Corps of Engineers has entered into project cooperation agreements (PCA's) with respect to the projects identified in the Southeast Louisiana Project Technical Reports, dated April 1996, May 1996, and May 1996, the conferees understand that these projects meet the requirements of section 533(d) of WRDA 1996. This determination could only be modified by a subsequent determination made by the Chief of Engineers at his sole discretion.

SEC. 534. SNUG HARBOR, MARYLAND

House §540. No comparable Senate section.—Senate recedes.

SEC. 535. WELCH POINT, ELK RIVER, CECIL COUNTY, AND CHESAPEAKE CITY, MARYLAND

House §541. No comparable Senate section.—Senate recedes.

SEC. 536. CAPE COD CANAL RAILROAD BRIDGE, BUZZARDS BAY, MASSACHUSETTS

House §544. No comparable Senate section.—Senate recedes.

SEC. 537. ST. LOUIS, MISSOURI

House §545. No comparable Senate section.—Senate recedes.

SEC. 538. BEAVER BRANCH OF BIG TIMBER CREEK, NEW JERSEY

House §546. No comparable Senate section.—Senate recedes.

SEC. 539. LAKE ONTARIO AND ST. LAWRENCE RIVER WATER LEVELS, NEW YORK

House §547. No comparable Senate section.—Senate recedes with an amendment.

SEC. 540. NEW YORK-NEW JERSEY HARBOR, NEW YORK AND NEW JERSEY

House §548. No comparable Senate section.—Senate recedes with an amendment.

SEC. 541. SEA GATE REACH, CONEY ISLAND, NEW YORK, NEW YORK

House §549. No comparable Senate section.—Senate recedes.

SEC. 542. WOODLAWN, NEW YORK

House §550. No comparable Senate section.—Senate recedes.

SEC. 543. FLOODPLAIN MAPPING, NEW YORK

House §551. No comparable Senate section.—Senate recedes with an amendment.

SEC. 544. TOUSSAINT RIVER, CARROLL TOWNSHIP, OTTAWA COUNTY, OHIO

House §553, Senate §104(nn).—Senate recedes.

SEC. 545. SARDIS RESERVOIR, OKLAHOMA

House §554, Senate §312.—Senate recedes.

The conferees understand the State of Oklahoma may use a portion of the savings from the buy-out to reduce the loan necessary to build a water distribution system for the surrounding area residents. The conferees also understand that the Sardis Lake Authority, the Choctaw Nation of Oklahoma, and the State of Oklahoma may form an entity to benefit equally from the sale of surplus water from the appropriate agreed upon lake level of Sardis Lake.

SEC. 546. SKINNER BUTTE PARK, EUGENE, OREGON

House §556. No comparable Senate section.—Senate recedes with an amendment.

SEC. 547. WILLAMETTE RIVER BASIN, OREGON

House §557, Senate §201(e)(7).—Senate recedes with an amendment.

SEC. 548. BRADFORD AND SULLIVAN COUNTIES, PENNSYLVANIA

House §558. No comparable Senate section.—Senate recedes.

SEC. 549. ERIE HARBOR, PENNSYLVANIA

House §559. No comparable Senate section.—Senate recedes.

SEC. 550. POINT MARION LOCK AND DAM, PENNSYLVANIA

House §560, Senate §305(d).—Senate recedes.

SEC. 551. SEVEN POINTS' HARBOR, PENNSYLVANIA

House §561. No comparable Senate section.—Senate recedes with an amendment.

SEC. 552. SOUTHEASTERN PENNSYLVANIA

House §562. No comparable Senate section.—Senate recedes.

SEC. 553. UPPER SUSQUEHANNA-LACKAWANNA, PENNSYLVANIA, WATERSHED MANAGEMENT AND RESTORATION STUDY

House §563, Senate §104(qq).—House recedes.

SEC. 554. AGUADILLA HARBOR, PUERTO RICO

House §564. No comparable Senate section.—Senate recedes.

SEC. 555. OAHE DAM TO LAKE SHARPE, SOUTH DAKOTA, STUDY

House §565. No comparable Senate section.—Senate recedes.

SEC. 556. NORTH PADRE ISLAND STORM DRAINAGE REDUCTION AND ENVIRONMENTAL RESTORATION PROJECT

House §569, Senate §323.—House recedes with an amendment.

The conferees understand the authorized project is described in the Nueces County Commissioners Court report dated March 31, 1997.

SEC. 557. NORTHERN WEST VIRGINIA

House §570. No comparable Senate section.—Senate recedes with an amendment.

SEC. 558. MISSISSIPPI RIVER COMMISSION

House §572, Senate §231.—Senate recedes.

SEC. 559. COASTAL AQUATIC HABITAT MANAGEMENT

House §573. No comparable Senate section.—Senate recedes.

SEC. 560. ABANDONED AND INACTIVE NONCOAL MINE RESTORATION

House §575. No comparable Senate section.—Senate recedes.

SEC. 561. BENEFICIAL USE OF WASTE TIRE RUBBER

House §576. No comparable Senate section.—Senate recedes with an amendment.

SEC. 562. SITE DESIGNATION

House §577. No comparable Senate section.—Senate recedes with an amendment.

SEC. 563. LAND CONVEYANCES

House §578, Senate §334, §320, §102(q), §102(r), §339, §340.—Senate recedes with an amendment.

SEC. 564. MCNARY POOL, WASHINGTON

Senate §339. No comparable House section.—House recedes with an amendment.

SEC. 565. NAMINGS

House §579, Senate §308.—Senate recedes with an amendment.

SEC. 566. FOLSOM DAM AND RESERVOIR ADDITIONAL STORAGE AND WATER SUPPLY STUDIES.

House §580. No comparable Senate section.—Senate recedes.

SEC. 567. WALLOPS ISLAND, VIRGINIA

House §581. No comparable Senate section.—Senate recedes.

SEC. 568. DETROIT RIVER, DETROIT, MICHIGAN

House §582, Senate §104(bb).—Senate recedes with an amendment.

SEC. 569. NORTHEASTERN MINNESOTA

House §583. No comparable Senate section.—Senate recedes.

SEC. 570. ALASKA

House §584. No comparable Senate section.—Senate recedes.

SEC. 571. CENTRAL WEST VIRGINIA

House §585. No comparable Senate section.—Senate recedes.

SEC. 572. SACRAMENTO METROPOLITAN AREA WATERSHED RESTORATION, CALIFORNIA.

House §586. No comparable Senate section.—Senate recedes with an amendment.

SEC. 573. ONONDAGA LAKE

House §587. No comparable Senate section.—Senate recedes with an amendment.

SEC. 574. EAST LYNN LAKE, WEST VIRGINIA

House §588. No comparable Senate section.—Senate recedes.

SEC. 575. EEL RIVER, CALIFORNIA

House §589. No comparable Senate section.—Senate recedes.

SEC. 576. NORTH LITTLE ROCK, ARKANSAS

House §590. No comparable Senate section.—Senate recedes with an amendment.

SEC. 577. UPPER MISSISSIPPI RIVER, MISSISSIPPI PLACE, ST. PAUL, MINNESOTA

House §591. No comparable Senate section.—Senate recedes.

SEC. 578. DREDGING OF SALT PONDS IN THE STATE OF RHODE ISLAND.

Senate §301. No comparable House section.—House recedes.

SEC. 579. SUSQUEHANNA RIVER BASIN, PENNSYLVANIA

Senate §302. No comparable House section.—House recedes.

SEC. 580. CUMBERLAND, MARYLAND, FLOOD PROJECT MITIGATION

Senate §310. No comparable House section.—House recedes.

SEC. 581. CITY OF MIAMI BEACH, FLORIDA

Senate §311. No comparable House section.—House recedes.

SEC. 582. RESEARCH AND DEVELOPMENT PROGRAM FOR COLUMBIA AND SNAKE RIVERS SALMON SURVIVAL

Senate §315. No comparable House section.—House recedes.

SEC. 583. LARKSPUR FERRY CHANNEL, CALIFORNIA

Senate §317. No comparable House section.—House recedes.

SEC. 584. HOLES CREEK FLOOD CONTROL PROJECT, OHIO

Senate §328. No comparable House section.—House recedes.

SEC. 585. SAN JACINTO DISPOSAL AREA, GALVESTON, TEXAS

Senate §335. No comparable House section.—House recedes with an amendment.

SEC. 586. WATER MONITORING STATION

Senate §337. No comparable House section.—House recedes.

SEC. 587. OVERFLOW MANAGEMENT FACILITY, RHODE ISLAND

Senate §329. No comparable House section.—House recedes.

SEC. 588. LOWER CHENA RIVER, ALASKA

No comparable House or Senate section.

SEC. 589. NUMANA DAM FISH PASSAGE, NEVADA

No comparable House or Senate section.

SEC. 590. EMBREY DAM, VIRGINIA

No comparable House or Senate section.

SEC. 591. ENVIRONMENTAL REMEDIATION, FRONT ROYAL, VIRGINIA

No comparable House or Senate section.

SEC. 592. MISSISSIPPI

No comparable House or Senate section.

SEC. 593. CENTRAL NEW MEXICO

No comparable House or Senate section.

SEC. 594. OHIO

No comparable House or Senate section.

SEC. 595. RURAL NEVADA AND MONTANA

No comparable House or Senate section.

SEC. 596. PHOENIX, ARIZONA

No comparable House or Senate section.

SEC. 597. NATIONAL HARBOR, MARYLAND

No comparable House or Senate section.

TITLE VI. CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE HABITAT RESTORATION.

Senate §401. No comparable House section.—House recedes with an amendment.

Miscellaneous

PASSAIC RIVER, NEW JERSEY

House §337. No comparable Senate section.—House recedes to Senate.

The conferees understand that the Transportation Equity Act for the 21st Century (P.L. 105–206) included funding for the design and construction of a facility for safe pedestrian access, specifically an esplanade in the vicinity of Joseph G. Minish Waterfront Park, Newark, New Jersey. The conferees understand it is the intent of the local proponents that the esplanade is to have an overall width of 600 feet. The conferees encourage the Corps of Engineers to provide appropriate technical assistance in the planning of such project to ensure its coordination with existing Corps' projects and activities along the Passaic River.

BUD SHUSTER,
DON YOUNG,
SHERWOOD BOEHLERT,
RICHARD H. BAKER,
JOHN T. DOOLITTLE,
DON SHERWOOD,
JAMES L. OBERSTAR,
ROBERT A. BORSKI,
ELLEN TAUSCHER,
BRIAN BAIRD,
Managers on the Part of the House.

JOHN H. CHAFEE,
JOHN WARNER,
BOB SMITH,
GEORGE V. VOINOVICH,
MAX BAUCUS,
DANIEL MOYNIHAN,
Managers on the Part of the Senate.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The SPEAKER. Pursuant to House Resolution 273 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2670.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes, with Mr. HASTINGS of Washington in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Wednesday, August 4, 1999, the amendment offered by the gentleman from Oklahoma (Mr. COBURN) had been disposed of and the bill was open for amendment from page 47 line 6 through page 48 line 5.

Are there further amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

In addition, for expenses to collect and publish statistics for other periodic censuses and programs provided for by law, $142,320,000, to remain available until expended.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, as provided for by law, of the National Telecommunications and Information Administration (NTIA), $10,940,000, to remain available until expended: *Provided*, That, notwithstanding 31 U.S.C. 1535(d), the Secretary of Commerce shall charge Federal agencies for costs incurred in spectrum management, analysis, and operations, and related services and such fees shall be retained and used as offsetting collections for costs of such spectrum services, to remain available until expended: *Provided further*, That hereafter, notwithstanding any other provision of law, NTIA shall not authorize spectrum use or provide any spectrum functions pursuant to the NTIA Organization Act, 47 U.S.C. 902–903, to any Federal entity without reimbursement as required by NTIA for such spectrum management costs, and Federal entities withholding payment of such cost shall not use spectrum: *Provided further*, That the Secretary of Commerce is authorized to retain and use as offsetting collections all funds transferred, or previously transferred, from other Government agencies for all costs incurred in telecommunications research, engineering, and related activities by the Institute for Telecommunication Sciences of the NTIA, in furtherance of its assigned functions under this paragraph, and such funds received from other Government agencies shall remain available until expended.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

For grants authorized by section 392 of the Communications Act of 1934, as amended, $18,000,000, to remain available until expended as authorized by section 391 of the Act, as amended: *Provided*, That not to exceed $1,800,000 shall be available for program administration as authorized by section 391 of the Act: *Provided further*, That, notwithstanding section 391 of the Act, prior year unobligated balances may be made available for grants for projects for which applications have been submitted and approved during any fiscal year.

INFORMATION INFRASTRUCTURE GRANTS

For grants authorized by section 392 of the Communications Act of 1934, as amended, $13,000,000, to remain available until expended as authorized by section 391 of the Act, as amended: *Provided*, That not to exceed $3,000,000 shall be available for program administration and other support activities as authorized by section 391: *Provided further*, That, of the funds appropriated herein, not to exceed 5 percent may be available for telecommunications research activities for projects related directly to the development of a national information infrastructure: *Provided further*, That, notwithstanding the requirements of section 392(a) and 392(c) of the Act, these funds may be used for the planning and construction of telecommunications networks for the provision of educational, cultural, health care, public information, public safety, or other social services: *Provided further*, That notwithstanding any other provision of law, no entity that receives telecommunications services at preferential rates under section 254(h) of the Act (47 U.S.C. 254(h)) or receives assistance under the regional information sharing systems grant program of the Department of Justice under part M of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796h) may use funds under a grant under this heading to cover any costs of the entity that would otherwise be covered by such preferential rates or such assistance, as the case may be.

PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Patent and Trademark Office provided for by law, including defense of suits instituted against the Commissioner of Patents and Trademarks, $735,538,000, to remain available until expended: *Provided*, That of this amount, $735,538,000 shall be derived from offsetting collections assessed and collected pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376, and shall be retained and used for necessary expenses in this appropriation: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 2000, so as to result in a final fiscal year 2000 appropriation from the General Fund estimated at $0: *Provided further*, That, during fiscal year 2000, should the total amount of offsetting fee collections be less than $735,538,000, the total amounts available to the Patent and Trademark Office shall be reduced accordingly: *Provided further*, That any amount received in excess of $735,538,000 in fiscal year 2000 shall remain available until expended, but shall not be available for obligation until October 1, 2000: *Provided further*, That not to exceed $116,000,000 from fees collected in fiscal year 1999 shall be made available for obligation in fiscal year 2000.

SCIENCE AND TECHNOLOGY

TECHNOLOGY ADMINISTRATION

UNDER SECRETARY FOR TECHNOLOGY/OFFICE OF TECHNOLOGY POLICY

SALARIES AND EXPENSES

For necessary expenses for the Under Secretary for Technology/Office of Technology Policy, $7,972,000.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For necessary expenses of the National Institute of Standards and Technology, $280,136,000, to remain available until expended, of which not to exceed $282,000 may be transferred to the "Working Capital Fund".

INDUSTRIAL TECHNOLOGY SERVICES

For necessary expenses of the Manufacturing Extension Partnership of the National Institute of Standards and Technology, $99,836,000, to remain available until expended: *Provided*, That none of the funds provided under this heading may be provided for Federal financial assistance to a Regional Center for the Transfer of Manufacturing Technology ("Center"), beyond six years at a rate in excess of one-third of the Center's total annual costs or the level of funding in the sixth year, whichever is less, subject before any renewal to a positive evaluation of the Center through an independent review.

CONSTRUCTION OF RESEARCH FACILITIES

For construction of new research facilities, including architectural and engineering design, and for renovation of existing facilities, not otherwise provided for the National Institute of Standards and Technology, as authorized by 15 U.S.C. 278c–278e, $56,714,000, to remain available until expended: *Provided*, That of the amounts provided under this heading, $44,916,000 shall be available for obligation and expenditure only after submission of a plan for the expenditure of these funds, in accordance with section 605 of this Act.

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill through page 53 line 13 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including maintenance, operation, and hire of aircraft; not to exceed 250 commissioned officers on the active list as of September 30, 2000; grants, contracts, or other payments to nonprofit organizations for the purposes of conducting activities pursuant to cooperative agreements; and relocation of facilities as authorized by 33 U.S.C. 883i; $1,477,738,000, to remain available until expended: *Provided*, That fees and donations received by the National Ocean Service for the management of the national marine sanctuaries may be retained and used for the salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302: *Provided further*, That in addition, $67,226,000 shall be derived by transfer from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries": *Provided further*, That grants to States pursuant to sections 306 and 306A of the Coastal Zone Management Act of 1972, as amended, shall not exceed $2,000,000: *Provided further*, That, of the $1,621,616,000 provided for in direct obligations under this heading (of which $1,477,738,000 is appropriated from the General Fund, $71,226,000 is provided by transfer, $34,000,000 is derived from fees, if enacted into law, and $38,652,000 is derived from unobligated balances and deobligations from prior years), $235,900,000 shall be for the National Ocean Service, $350,545,000 shall be for the National Marine Fisheries Service, $260,560,000 shall be for Oceanic and Atmospheric Research, $599,196,000 shall be for the National Weather Service, $100,656,000 shall be for the National Environmental Satellite, Data, and Information Service, $57,594,000 shall be for Program Support, $7,000,000 shall be for Fleet Maintenance, and $10,165,000 shall be for Facilities Maintenance: *Provided further*, That not to exceed $31,439,000 shall be expended for Executive Direction and Administration, which consists of the Offices of the Under Secretary, the Executive Secretariat, Policy and Strategic Planning, International Affairs, Legislative Affairs, Public Affairs, Sustainable Development, the Chief Scientist, and the General Counsel: *Provided further*, That the aforementioned offices, excluding the Office of the General Counsel, shall not be augmented by personnel details, temporary transfers of personnel on either a reimbursable or nonreimbursable basis or any other type of formal or informal transfer or reimbursement of personnel or funds on either a temporary or long-term basis above the level of 33 personnel: *Provided further*, That no general administrative charge shall be applied against any assigned activity included in this Act and, further, that any direct administrative expenses applied against assigned activities shall be limited to five percent of the funds provided for that assigned activity: *Provided further*, That any use of deobligated balances of funds provided under this heading in previous years shall be subject to the procedures set forth in section 605 of this Act.

In addition, for necessary retired pay expenses under the Retired Serviceman's Family Protection and Survivor Benefits Plan, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), such sums as may be necessary.

AMENDMENT NO. 22 OFFERED BY MR. EHLERS

Mr. EHLERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 22 offered by Mr. EHLERS:

Page 53, line 26, after the dollar amount insert "(increased by $390,000)".

Page 54, line 12, after the dollar amount insert "(increased by $390,000)".

Page 54, line 13, after the dollar amount insert "(increased by $390,000)".

Page 54, line 18, after the dollar amount insert "(increased by $390,000)".

Page 56, line 9, after the dollar amount insert "(reduced by $390,000)".

Mr. EHLERS. Mr. Chairman, I offer an amendment dealing with the problem on the Great Lakes, and I thank the chairman for all he has done on the Great Lakes in this legislation. Notably, the committee has funded the Great Lakes Environmental Research Laboratory at last year's level after the administration cut it in their budget submission, and we appreciate the chairman's action on that.

In May of this year, NOAA's National Ocean Service proposed the elimination of 13 of 49 water level gauging stations on the Great Lakes-St. Lawrence River system. These stations provide valuable water level data used by several different agencies and institutions to predict water levels and monitor water flows at specific points in the lakes.

I am proposing an amendment that would increase NOAA's operation budget by $390,000 to upgrade these stations and ensure that they will continue to provide valuable research data.

Due to record-low water levels in the Great Lakes, it is more important than ever to maintain a monitoring network for research into the hydrologic cycles in the Great Lakes Basin.

The downsizing was prompted by the need to upgrade and automate these stations, which NOAA claims could not be accomplished within the existing operational budget constraints. Several agencies, including the Army Corps of Engineers, the Environmental Protection Agency, the Great Lakes Environmental Research Laboratories, and the International Joint Commission, which is currently conducting a year-long study of water levels on the Great Lakes, objected to the closure of these stations.

Several of the affected stations provide key comparisons for the long-term record of water levels, and many stations located in connecting channels provide key information on water transfer between the lakes.

Local communities would be the most severely affected by the loss of data from stations located at upstream sites. For example, Lake Erie water levels are most directly affected by the rate of water flow through the Detroit and St. Clair Rivers.

This is a very important issue in the Great Lakes. I appreciate all the chairman has done. I understand that he also looks favorably upon this amendment. I hope that is correct, and, if so, we can bring this debate to a rapid conclusion.

Mr. ROGERS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the gentleman has brought to the Committee's attention a very important matter. We have examined the amendment and agree with the gentleman and thank him for bringing this matter to our attention and support the amendment.

Mr. QUINN. Mr. Chairman, I rise today in support of Mr. EHLERS' amendment to increase funding for the National Oceanic and Atmospheric Administration (NOAA) operations budget by $390,000. It is imperative that the 13 National Ocean Services (NOS) water level gauging stations upgrade their computer networks to Y2K compliance.

Sturgeon Point—the gauging station in my district—is essential. It predicts floods in times of high water and aids navigation in times of low water on Lake Erie. Without Sturgeon Point, and the other 12 stations, much industry and recreation could be paralyzed in Buffalo and all of the Great Lakes region.

The $390,000 provided to the National Ocean Service by the amendment meets the estimated cost of upgrading the additional 13 stations. When the new technology comes on line, NOAA estimates that operational expenses should fall to approximately half of the current level. Using those estimates, the system upgrades should pay for themselves in just over five years.

Mr. Chairman, if there was ever a summer that we could see the need for these stations, it is this one. With water levels falling from drought and the threat of despair we can see that these stations can aid us in getting through the heat of the summer and thaw of the spring.

Mr. DINGELL. Mr. Chairman, I rise in strong support of the amendment offered by my colleague and friend from Grand Rapids.

Earlier this year, the National Ocean Service proposed eliminating 13 of 49 water level gauging stations in the Great Lakes and St. Lawrence River system due to a budget insufficient to address Y-2-K compliance problems.

This proposal was advanced without consulting many of the constituencies who rely on the data of this Water Level Observation Network, including shoreline residents, local governments, recreational and commercial fishermen, and shippers of commerce from Great Lakes ports to points worldwide.

In my own district, two water-gauging stations were proposed for closing: one on the Detroit River and one in Lake Erie near the City of Monroe. Without these stations, other federal agencies such as the U.S. Army Corps of Engineers, the EPA, the Fish and Wildlife Service cannot provide needed services that support recreational uses, commercial uses, and the ecological integrity of the Great Lakes.

Mr. Chairman, my colleague from Michigan is offering a commonsense amendment to address a critical need for Great Lakes protections, and I urge the House to accept it.

The CHAIRMAN. Is there further discussion on the amendment?

If not, the question is on the amendment offered by the gentleman from Michigan (Mr. EHLERS).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to this section?

Ms. RIVERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today not to speak to what is in the bill but what is not in the bill. Specifically, the Advanced Technology Program. This program was created with bipartisan support under the Bush administration.

The Advanced Technology Program has as its basic mission to benefit the U.S. economy by cost-sharing research within industry to foster new and innovative technologies. The ATP invests in risky, challenging technologies that have the potential for a big payoff for the U.S. economy.

There have been many arguments made about the ATP over the years, but most of them have been addressed. Unfortunately, this has not been included in this year's appropriations, and I think it is to the detriment of our economy and to our high-tech industries as well.

The ATP is industry driven. Its research priorities are set by industry, not the government. For-profit companies conceive, propose, and execute ATP projects and programs based on their understanding of the marketplace and research opportunities. Far too often this particular fact has either been misunderstood or misrepresented.

The ATP is not a product development program, as many people have argued. The ATP does not fund companies to do product development, it instead funds R&D to develop high-risk technology to the point where it is feasible for companies to begin product development, but that they must do on their own.

ATP also embodies fair competition. They are rigorous, they are fair, and they are based entirely on technical and business merit. Too often people argue about this program by saying the government is picking winners and losers. That is not true. And small companies compete just as effectively as large companies for ATP grants. Roughly half of the ATP awards have gone to small companies or joint ventures led by a small company. ATP is in fact a partnership. It is not a free ride for winning companies.

Many people have argued that we can sustain this loss of funding because tax credits can take the place of the ATP. In fact, tax credits cannot replace ATP. R&D tax credits are an important policy tool for encouraging research and innovation by industry, but they are not a substitute for the Advanced Technology Program.

The Advanced Technology Program has been evaluated and reevaluated. It has shown that many of the projects that have taken place would not have been done or would not have been done in the same way or as quickly without the ATP.

Lastly, two more issues I want to point out is that university participation in ATP is an important aspect of the program. Out of the 352 projects selected by the ATP since its inception, 189 of the proposals included plans to involve one or more universities. Lastly, small businesses also participate greatly in this program.

The ATP works, Mr. Chairman, and it would be a shame for us to lose it. This body should oppose its elimination.

AMENDMENT OFFERED BY MR. TERRY

Mr. TERRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TERRY:

Page 53, line 26, after the dollar amount insert "(reduced by $3,000,000)".

Page 54, line 12, after the dollar amount insert "(reduced by $3,000,000)".

Page 54, line 13, after the dollar amount insert "(reduced by $3,000,000)".

Page 54, line 24, after the dollar amount insert "(reduced by $3,000,000)".

Page 88, line 3, after the dollar amount insert "(increased by $2,000,000)".

Mr. TERRY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

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Mr. TERRY. Mr. Chairman, I am pleased that my colleague from New York (Mr. ACKERMAN) is a cosponsor of this amendment. We are joined by the gentleman from North Carolina (Mr. JONES) and the gentleman from Georgia (Mr. BARR) and others.

Our amendment addresses a situation that was first brought to my attention by Bruce and Christine Bowen of Omaha, Nebraska. They are parents of two Merchant Marine Academy midshipmen. As one who believes strongly that we must do right by those who serve our country, what they told me and showed me upset me into action. The Terry-Ackerman amendment will help correct a problem that has been lingering for quite some time.

The U.S. Merchant Marine Academy, located in Kings Point, New York, is in desperate need of repair. This 55-year-old academy has been neglected for far too long. The last 5 years it has been funded at roughly $31 million annually, which is just enough to operate the facility without doing any maintenance. Consequently, a backlog of basic maintenance projects exists, totaling $20 million. This is unacceptable. Something has to be done.

Let me tell my colleagues how serious the situation is at the Merchant Marine Academy. The lack of maintenance has caused pipes to explode in the library, damaging a collection of rare books. Water pipes are so old that there are signs posted in the building "Lead in Drinking Water." The heating system is so antiquated that the temperature in the rooms is regulated by opening all the doors and windows.

I have some pictures here that illustrate some of what I am saying. Mr. Chairman, the Merchant Marine Academy has become the lost son. All of our other military academies have received or will receive substantial sums of money for new construction or improvements. The U.S. Military Academy at West Point received $30 million to upgrade its cadet mess hall and will receive $75 million to build a new gym.

The U.S. Naval Academy will receive $41 million per year for the next 12 years to upgrade all of its midshipmen dorms. The Merchant Marine Academy is not looking for a new building. It just wants those that it has repaired.

If we demand a commitment of 10 years from the graduates of the academy, we should make sure that they have a learning environment conducive to that commitment.

Mr. Chairman, our amendment will begin the process of returning the Merchant Marine Academy to the level it deserves. The amendment I am offering now is a modification of the original version. It will provide $2 million for maintenance at the academy, enough to repair some of those leaky roofs, under the Maritime Administration.

Before concluding, I would like to ask the gentleman from Kentucky (Chairman ROGERS) a question.

It has been the practice of the Maritime Administration to pay for certain overhead expenses of the entire agency, including the academy. There have been proposals to require the academy to pay portions of the overhead costs, which could result in a loss as much as $1.8 million to the academy.

I understand that the committee intends that all the monies provided to the academy in fiscal year 2000 are to be used for the same functions as was the case in fiscal year 1999. In other words, no additional administrative expenses may be imposed on the academy by the Department of Transportation or Maritime Administration.

I ask the gentleman, am I correct, Mr. Chairman?

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. TERRY. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, the gentleman is correct. It is the intent of the committee that the Maritime Administration will continue to pay certain administrative costs related to the academy in the same fashion as in 1999.

Mr. TERRY. Mr. Chairman, reclaiming my time, I thank the gentleman for his comments.

Mr. Chairman, in conclusion, I urge support for this amendment.

Mr. ACKERMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I thank the gentleman from Nebraska (Mr. TERRY) for his strong initiative.

I rise in support of the Terry-Ackerman amendment, which, as we have heard, would add $2 million for the critical facility maintenance program at the U.S. Merchant Marine Academy, which is located in my district on the north shore of Long Island.

The academy plays a vital role in maintaining the economic and national security of our country and is one of the five Federal Service academies. Kings Point's mission is to train young men and women to serve and to lead in our Merchant Marine, our Armed Forces, and in the transportation field.

In times of peace, these Merchant Mariners contribute to our international trading prosperity. In times of war, it is the Merchant Mariners who enable our country to move troops and materiel anywhere, anytime.

Despite rising costs over the years, the funding has remained nearly static for each of the last 5 years. The result of this level of funding is a real dollar budget cut for Kings Point. The 55-year-old infrastructure is in need of millions of dollars of capital maintenance repair projects.

Included in these projects are barracks renovation, Y2K compliance requirements, maintenance of the 220-foot training vessel, the King's Pointer, instructional technology and training requirements, and improvements in waterfront renovation.

Congress has already recognized the need for additional funds for the Merchant Marine Academy. In their report for the Defense Authorization Bill for fiscal year 1999, the House Committee on Armed Services said that they are "concerned about the deteriorating material condition of the physical plant of the midshipmen barracks at the Merchant Marine Academy."

They go on to say, "The plant is antiquated and in need of replacement before it becomes a health and safety concern to the midshipmen and the staff."

It is to this facility, Mr. Chairman, that, as Members of Congress, we nominate some of the finest young men and women so that they might study and become graduates of the academy. We must work to ensure that the academy is safe and conducive to this training.

This funding for fiscal year 2000 will help it achieve this goal so that the U.S. Merchant Marine Academy can achieve their mission of providing our country with the highest quality Merchant Marine officers.

I ask all of our colleagues to join with us in supporting this critical amendment.

Mr. BATEMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as the chairman of the panel that authorizes the funding for the Maritime Administration and under it the Merchant Marine Academy, I rise in strong support of the amendment offered by the gentleman from Nebraska.

The Merchant Marine Academy is one of the most distinguished higher educational institutions in America. If we rated it in keeping with the outstanding record of its graduates, it would be in the top 15 colleges or universities of America. It is truly an outstanding institution.

It also is in outstanding need of long-deferred maintenance that this amendment, at least, will contribute toward.

My panel authorized a $7-million increase for maintenance at the Merchant Marine Academy. But I understand that the distinguished chairman of the subcommittee that handles this in the appropriations has not had the funding that he could do that.

I appreciate that which I understand he is willing to do to contribute toward a building on this badly needed maintenance program. I can only tell my colleague and forewarn him that in the next budget submission we will see larger sums because this only begins to address a need that is clearly identifiable and must be addressed. It has been neglected too long.

Mr. SERRANO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment of the gentleman. It is true that the Merchant Marine Academy has in so many ways been totally forgotten, and the description and presentation of the gentleman shows the problem.

So I just want to, very briefly, be supportive of the amendment but at the same time remind us that we would accomplish helping the Merchant Marine Academy by cutting some funds from NOAA. So I would hope that, in the process that continues here as we go on to conference, we can find the monies to make up the changes that we have made. But I rise in strong support of the amendment and hope it can be approved.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate that the gentleman from Nebraska (Mr. TERRY) has worked with us and the Committee on Resources in proposing this amendment.

I also continue to hear from alumni and families of current students at the academy about the dire state of the facilities there. I believe this amendment will help to address that problem, particularly to improve the living conditions of the midshipmen.

I have no objection to the amendment and support its adoption and commend the gentleman for his fine work.

Mr. WU. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in opposition of the Terry amendment. While I applaud the gentleman's effort for attempting to increase funding for the Merchant Marine Academy, the offsets that the gentleman has proposed will be devastating to an already depleted National Marine Fishery Service budget and thus devastating to America's rural fishermen.

Like farmers, fishermen are a cornerstone of our country's cultural heritage as well as our economy. The U.S. commercial and recreational fishing industries generate more than $25 billion to our economy and employ approximately 300,000 men and women per year.

As important as they are to our economy, many fishermen in my district and in the Northwest are going through difficult times. Stocks are minimal and harvest is declining. Rural fishermen in my district, especially in towns like Astoria, Warrenton, Hammond and Clatskanie are going through a difficult transition period as we work to rebuild depleted stocks of salmon and steelhead. Their livelihood depends on what they yield from the rivers and oceans.

As a country, we have recognized that through a variety of different causes, the fish that these fishermen harvest are threatened to the point of extinction. We have committed desperately needed resources to help restore salmon runs and trout populations. By cutting the NMFS budget further, we are underfunding fishermen in my state and all over the country.

The National Marine Fishery Service works with state and local entities to ensure the stability and restoration of our ecosystem. An additional $14 million cut to the NMFS budget, beyond the $27 million already cut in the bill, would significantly reduce the agency's already compromised ability to fulfill its congressional mandates to conserve and rebuild our nation's valuable marine fisheries and marine resources. Not funding NMFS at adequate levels is equal to an unfunded mandate.

We have heard the rhetoric of this country's commitment to rural Americans, and yet this is one more attack on rural America. These rural fishermen depend on the harvest they get from their nets and depend on NMFS to ensure that there will be a harvest for their children. The monitoring of fish stocks that NMFS oversees is helpful in two ways: one, if the stocks are improving, fishermen are made aware and harvest will increase; two, if the stocks are collapsing, fishermen are made aware and harvest will decrease, so that the remaining fish are saved.

The gentleman's amendment strikes at the very heart of NMFS ability to help endangered and threatened species recover. A 15% cut in conservation and management programs and a 20% cut in endangered species recovery programs would gut much needed assistance to rural farmers.

I urge my colleagues to join with me in voting against the Terry amendment.

Mr. ROGERS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. TERRY).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read, as follows:

PROCUREMENT, ACQUISITION AND CONSTRUCTION

(INCLUDING TRANSFERS OF FUNDS)

For procurement, acquisition and construction of capital assets, including alteration and modification costs, of the National Oceanic and Atmospheric Administration, $480,720,000, to remain available until expended: *Provided*, That unexpended balances of amounts previously made available in the "Operations, Research, and Facilities" account for activities funded under this heading may be transferred to and merged with this account, to remain available until expended for the purposes for which the funds were originally appropriated.

COASTAL ZONE MANAGEMENT FUND

Of amounts collected pursuant to section 308 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456a), not to exceed $4,000,000, for purposes set forth in sections 308(b)(2)(A), 308(b)(2)(B)(v), and 315(e) of such Act.

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

FISHERIES PROMOTIONAL FUND

(RESCISSION)

All unobligated balances available in the Fisheries Promotional Fund are rescinded: *Provided*, That all obligated balances are transferred to the "Operations, Research, and Facilities" account.

FISHERMEN'S CONTINGENCY FUND

For carrying out the provisions of title IV of Public Law 95–372, not to exceed $953,000, to be derived from receipts collected pursuant to that Act, to remain available until expended.

FOREIGN FISHING OBSERVER FUND

For expenses necessary to carry out the provisions of the Atlantic Tunas Convention Act of 1975, as amended (Public Law 96–339), and the Magnuson-Stevens Fishery Conservation and Management Act of 1976, as amended (Public Law 100–627), and the American Fisheries Promotion Act (Public Law 96–561), to be derived from the fees imposed under the foreign fishery observer program authorized by these Acts, not to exceed $189,000, to remain available until expended.

FISHERIES FINANCE PROGRAM ACCOUNT

For the cost of direct loans, $238,000, as authorized by the Merchant Marine Act of 1936, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That none of the funds made available under this heading may be used for direct loans for any new fishing vessel that will increase the harvesting capacity in any United States fishery.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of Commerce provided for by law, including not to exceed $3,000 for official entertainment, $30,000,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App. 1–11 as amended by Public Law 100–504), $22,000,000.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 201. During the current fiscal year, applicable appropriations and funds made available to the Department of Commerce by this Act shall be available for the activities specified in the Act of October 26, 1949 (15 U.S.C. 1514), to the extent and in the manner prescribed by the Act, and, notwithstanding 31 U.S.C. 3324, may be used for advanced payments not otherwise authorized only upon the certification of officials designated by the Secretary of Commerce that such payments are in the public interest.

SEC. 202. During the current fiscal year, appropriations made available to the Department of Commerce by this Act for salaries and expenses shall be available for hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefore, as authorized by law (5 U.S.C. 5901–5902).

SEC. 203. None of the funds made available by this Act may be used to support the hurricane reconnaissance aircraft and activities that are under the control of the United States Air Force or the United States Air Force Reserve.

SEC. 204. None of the funds provided in this or any previous Act, or hereinafter made available to the Department of Commerce, shall be available to reimburse the Unemployment Trust Fund or any other fund or account of the Treasury to pay for any expenses authorized by section 8501 of title 5, United States Code, for services performed by individuals appointed to temporary positions within the Bureau of the Census for purposes relating to the decennial censuses of population.

SEC. 205. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Commerce in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 206. (a) Should legislation be enacted to dismantle or reorganize the Department of Commerce, or any portion thereof, the Secretary of Commerce, no later than 90 days thereafter, shall submit to the Committees on Appropriations of the House of Representatives and the Senate a plan for transferring funds provided in this Act to the appropriate successor organizations: *Provided*, That the plan shall include a proposal for transferring or rescinding funds appropriated herein for agencies or programs terminated under such legislation: *Provided further*, That such plan shall be transmitted in accordance with section 605 of this Act.

(b) The Secretary of Commerce or the appropriate head of any successor organization(s) may use any available funds to carry out legislation dismantling or reorganizing the Department of Commerce, or any portion thereof, to cover the costs of actions relating to the abolishment, reorganization, or transfer of functions and any related personnel action, including voluntary separation incentives if authorized by such legislation: *Provided*, That the authority to transfer funds between appropriations accounts that may be necessary to carry out this section is provided in addition to authorities included under section 205 of this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 207. Any costs incurred by a Department or agency funded under this title resulting from personnel actions taken in response to funding reductions included in this title or from actions taken for the care and protection of loan collateral or grant property shall be absorbed within the total budgetary resources available to such Department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 208. The Secretary of Commerce may award contracts for hydrographic, geodetic, and photogrammetric surveying and mapping services in accordance with title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541 et seq.).

SEC. 209. The Secretary of Commerce may use the Commerce franchise fund for expenses and equipment necessary for the maintenance and operation of such administrative services as the Secretary determines may be performed more advantageously as central services, pursuant to section 403 of Public Law 103–356: *Provided*, That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made for the purpose of providing capital shall be used to capitalize such fund: *Provided further*, That such fund shall be paid in advance from funds available to the Department and other Federal agencies for which such centralized services are performed, at rates which will return in full all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of automated data processing (ADP) software and systems (either acquired or donated), and an amount necessary to maintain a reasonable operating reserve, as determined by the Secretary: *Provided further*, That such fund shall provide services on a competitive basis: *Provided further*, That an amount not to exceed 4 percent of the total annual income to such fund may be retained in the fund for fiscal year 2000 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment, and for the improvement and implementation of Department financial management, ADP, and other support systems: *Provided further*, That such amounts retained in the fund for fiscal year 2000 and each fiscal year thereafter shall be available for obligation and expenditure only in accordance with section 605 of this Act: *Provided further*, That no later than 30 days after the end of each fiscal year, amounts in excess of this reserve limitation shall be deposited as miscellaneous receipts in the Treasury: *Provided further*, That such franchise fund pilot program shall terminate pursuant to section 403(f) of Public Law 103–356.

This title may be cited as the "Department of Commerce and Related Agencies Appropriations Act, 2000".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there amendments to that portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—THE JUDICIARY

Supreme Court of the United States

SALARIES AND EXPENSES

For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase or hire, driving, maintenance, and operation of an automobile for the Chief Justice, not to exceed $10,000 for the purpose of transporting Associate Justices, and hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; not to exceed $10,000 for official reception and representation expenses; and for miscellaneous expenses, to be expended as the Chief Justice may approve, $35,041,000.

CARE OF THE BUILDING AND GROUNDS

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon the Architect by the Act approved May 7, 1934 (40 U.S.C. 13a–13b), $6,872,000, of which $3,971,000 shall remain available until expended.

United States Court of Appeals for the Federal Circuit

SALARIES AND EXPENSES

For salaries of the chief judge, judges, and other officers and employees, and for necessary expenses of the court, as authorized by law, $16,101,000.

United States Court of International Trade

SALARIES AND EXPENSES

For salaries of the chief judge and 8 judges, salaries of the officers and employees of the court, services as authorized by 5 U.S.C. 3109, and necessary expenses of the court, as authorized by law, $11,804,000.

Courts of Appeals, District Courts, and Other Judicial Services

SALARIES AND EXPENSES

For the salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the United States Court of Federal Claims, bankruptcy judges, magistrate judges, and all other officers and employees of the Federal Judiciary not otherwise specifically provided for, and necessary expenses of the courts, as authorized by law, $2,934,138,000 (including the purchase of firearms and ammunition); of which not to exceed $13,454,000 shall remain available until expended for space alteration projects; and of which not to exceed $10,000,000 shall remain available until expended for furniture and furnishings related to new space alteration and construction projects.

In addition, for expenses of the United States Court of Federal Claims associated with processing cases under the National Childhood Vaccine Injury Act of 1986, not to exceed $2,138,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

In addition, for activities of the Federal Judiciary as authorized by law, $156,539,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as authorized by section 190001(a) of Public Law 103–322, and sections 818 and 823 of Public Law 104–132.

DEFENDER SERVICES

For the operation of Federal Public Defender and Community Defender organizations; the compensation and reimbursement of expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended; the compensation and reimbursement of expenses of persons furnishing investigative, expert and other services under the Criminal Justice Act (18 U.S.C. 3006A(e)); the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel; the compensation and reimbursement of travel expenses of guardians ad litem acting on behalf of financially eligible minor or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences; and the compensation of attorneys appointed to represent jurors in civil actions for the protection of their employment, as authorized by 28 U.S.C. 1875(d), $361,548,000, to remain available until expended as authorized by 18 U.S.C. 3006A(i).st

In addition, for activities of the Federal Judiciary as authorized by law, $26,247,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as authorized by section 19001(a) of Public Law 103–322, and sections 818 and 823 of Public Law 104–132.

FEES OF JURORS AND COMMISSIONERS

For fees and expenses of jurors as authorized by 28 U.S.C. 1871 and 1876; compensation of jury commissioners as authorized by 28 U.S.C. 1863; and compensation of commissioners appointed in condemnation cases pursuant to rule 71A(h) of the Federal Rules of Civil Procedure (28 U.S.C. Appendix Rule 71A(h)), $63,400,000, to remain available until expended: *Provided*, That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code.

COURT SECURITY

For necessary expenses, not otherwise provided for, incident to the procurement, installation, and maintenance of security equipment and protective services for the United States Courts in courtrooms and adjacent areas, including building ingress-egress control, inspection of packages, directed security patrols, and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100–702), $190,029,000, of which not to exceed $10,000,000 shall remain available until expended for security systems, to be expended directly or transferred to the United States Marshals Service, which shall be responsible for administering elements of the Judicial Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General.

Administrative Office of the United States Courts

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts as authorized by law, including travel as authorized by 31 U.S.C. 1345, hire of a passenger motor vehicle as authorized by 31 U.S.C. 1343(b), advertising and rent in the District of Columbia and elsewhere, $54,500,000, of which not to exceed $7,500 is authorized for official reception and representation expenses.

Federal Judicial Center

SALARIES AND EXPENSES

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90–219, $17,716,000; of which $1,800,000 shall remain available through September 30, 2001, to provide education and training to Federal court personnel; and of which not to exceed $1,000 is authorized for official reception and representation expenses.

Judicial Retirement Funds

PAYMENT TO JUDICIARY TRUST FUNDS

For payment to the Judicial Officers' Retirement Fund, as authorized by 28 U.S.C. 377(o), $29,500,000; to the Judicial Survivors' Annuities Fund, as authorized by 28 U.S.C. 376(c), $8,000,000; and to the United States Court of Federal Claims Judges' Retirement Fund, as authorized by 28 U.S.C. 178(l), $2,200,000.

United States Sentencing Commission

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, $8,500,000, of which not to exceed $1,000 is authorized for official reception and representation expenses.

General Provisions—The Judiciary

SEC. 301. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 302. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Judiciary in this Act may be transferred between such appropriations, but no such appropriation, except "Courts of Appeals, District Courts, and Other Judicial Services, Defender Services" and "Courts of Appeals, District Courts, and Other Judicial Services, Fees of Jurors and Commissioners", shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 303. Notwithstanding any other provision of law, the salaries and expenses appropriation for district courts, courts of appeals, and other judicial services shall be available for official reception and representation expenses of the Judicial Conference of the United States: *Provided*, That such available funds shall not exceed $10,000 and shall be administered by the Director of the Administrative Office of the United States Courts in the capacity as Secretary of the Judicial Conference.

This title may be cited as the "Judiciary Appropriations Act, 2000".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any amendments to that portion of the bill?

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is an amendment pending to this title in the bill. The offeror is on his way to the floor as we speak, and I did not want to let this title pass without the gentleman being able to offer his amendment.

I am wondering if we can secure unanimous consent that when the gentleman from Florida (Mr. STEARNS) arrives on the floor he would be able to offer his amendment out of turn.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. SERRANO. Mr. Chairman, reserving the right to object, I am trying just to find out what the gentleman from Kentucky (Mr. ROGERS) is trying to accomplish.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, the gentleman from Florida (Mr. STEARNS) is preparing to offer an amendment to this title. We moved rather swiftly on the preceding matters, and he is on his way to the floor as we speak. I am hoping that we could be able to proceed and do his amendment, even out of turn, when he arrives.

Mr. SERRANO. Mr. Chairman, reclaiming my time, I ask the gentleman, when do we expect the gentleman to be here?

Mr. ROGERS. Mr. Chairman, if the gentleman will continue to yield, I am told momentarily.

Mr. SERRANO. Mr. Chairman, I have no objection, and I withdraw my reservation of objection .

The CHAIRMAN. Is there objecton to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read, as follows:

TITLE IV—DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including expenses authorized by the State Department Basic Authorities Act of 1956, as amended, the Mutual Educational Exchange Act of 1961, as amended, and the United States Information and Educational Exchange Act of 1948, as amended, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed $700,000 of this appropriation), as authorized by section 801 of such Act; expenses authorized by section 9 of the Act of August 31, 1964, as amended; representation to certain international organizations in which the United States participates pursuant to treaties, ratified pursuant to the advice and consent of the Senate, or specific Acts of Congress; arms control, nonproliferation and disarmanent activities as authorized by the Arms Control and Disarmament Act of September 26, 1961, as amended; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, $2,482,825,000: *Provided*, That, of the amount made available under this heading, not to exceed $4,000,000 may be transferred to, and merged with, funds in the "Emergencies in the Diplomatic and Consular Service" appropriations account, to be available only for emergency evacuations and terrorism rewards: *Provided further*, That of the amount made available under this heading, $306,057,000 shall be available only for public diplomacy international information programs: *Provided further*, That of the amount made available under this heading, not to exceed $1,162,000 shall be available for transfer to the Presidential Advisory Commission on Holocaust Assets in the United States: *Provided further*, That any amount transferred pursuant to the previous proviso shall not result in a total amount transferred to the Commission from all Federal sources that exceeds the authorized amount: *Provided further*, That, notwithstanding any other provision of law, not to exceed $267,000,000 of offsetting collections derived from fees collected under the authority of section 140(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public law 103–236) during fiscal year 2000 shall be retained and used for authorized expenses in this appropriation and shall remain available until expended: *Provided further*, That any fees received in excess of $267,000,000 in fiscal year 2000 shall remain available until expended, but shall not be available for obligation until October 1, 2000.

In addition, not to exceed $1,252,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act (Public Law 90–553), as amended; in addition, as authorized by section 5 of such Act, $490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed $6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs, and from fees from educational advising and counseling, and exchange visitor programs; and, in addition, not to exceed $15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities in accordance with section 46 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2718(a)).

In addition, for the costs of worldwide security upgrades, $254,000,000, to remain available until expended.

CAPITAL INVESTMENT FUND

For necessary expenses of the Capital Investment Fund, $80,000,000, to remain available until expended, as authorized in Public Law 103–236: *Provided*, That section 135(e) of Public Law 103–236 shall not apply to funds available under this heading.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App.), $28,495,000, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980, as amended (Public Law 96–465), as it relates to post inspections.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), and Reorganization Plan No. 2 of 1977, as amended (91 Stat. 1636), $175,000,000, to remain available until expended as authorized by section 105 of such Act of 1961 (22 U.S.C. 2455): *Provided*, That not to exceed $800,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching and educational advising and counseling programs as authorized by section 810 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1475e).

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 905 of the Foreign Service Act of 1980, as amended (22 U.S.C. 4085), $4,350,000.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services in accordance with the provisions of section 214 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4314) and 3 U.S.C. 208, $8,100,000, to remain available until September 30, 2001.

SECURITY AND MAINTENANCE OF UNITED STATES MISSIONS

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292–300), preserving, maintaining, repairing, and planning for, buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Main State Building, and carrying out the Diplomatic Security Construction Program as authorized by title IV of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4851), $403,561,000, to remain available until expended as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)): *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture and furnishings and generators for other departments and agencies.

In addition, for the costs of worldwide security upgrades, $313,617,000, to remain available until expended.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service pursuant to the requirement of 31 U.S.C. 3526(e), and as authorized by section 804(3) of the United States Information and Educational Exchange Act of 1948, as amended, $5,500,000, to remain available until expended as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)), of which not to exceed $1,000,000 may be transferred to and merged with the Repatriation Loans Program Account, subject to the same terms and conditions.

REPATRIATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, $593,000, as authorized by section 4 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, $607,000, which may be transferred to and merged with the Diplomatic and Consular Programs account under Administration of Foreign Affairs.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96–8, $14,750,000.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, $128,541,000.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, $842,937,000: *Provided*, That any payment of arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: *Provided further*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings: *Provided further*, That, of the funds appropriated in this paragraph, $100,000,000 may be made available only on a semi-annual basis pursuant to a certification by the Secretary of State on a semi-annual basis, that the United Nations has taken no action during the preceding 6 months to increase funding for any United Nations program without identifying an offsetting decrease during that 6-month period elsewhere in the United Nations budget and cause the United Nations to exceed either the reform budget for the biennium 1998–1999 of $2,533,000,000 or a zero nominal growth budget for the biennium 2000–2001: *Provided further*, That funds appropriated under this paragraph may be obligated and expended to pay the full U.S. assessment to the civil budget of the North Atlantic Treaty Organization.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, $200,000,000: *Provided*, That none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless, at least 15 days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency, as far in advance as is practicable): (1) the Committees on Appropriations of the House of Representatives and the Senate and other appropriate committees of the Congress are notified of the estimated cost and length of the mission, the vital national interest that will be served, and the planned exit strategy; and (2) a reprogramming of funds pursuant to section 605 of this Act is submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: *Provided further*, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers: *Provided further*, That none of the funds made available under this heading are available to pay the United States share of the cost of court monitoring that is part of any United Nations peacekeeping mission.

ARREARAGE PAYMENTS

For an additional amount for payment of arrearages to meet obligations of authorized membership in international multilateral organizations, and to pay assessed expenses of international peacekeeping activities, $244,000,000, to remain available until expended: *Provided*, That none of the funds appropriated or otherwise made available under this heading for payment of arrearages may be obligated or expended unless such obligation or expenditure is expressly authorized by the enactment of an Act that makes payment of arrearages contingent upon United Nations reform: *Provided further*, That none of the funds appropriated or otherwise made available under this heading for payment of arrearages may be obligated or expended until such time as the share of the total of all assessed contributions for any designated specialized agency of the United Nations does not exceed 22 percent for any single member of the agency, and the designated specialized agencies have achieved zero nominal growth in their biennium budgets for 2000–2001 from the 1998–1999 biennium budget levels of the respective agencies: *Provided futher*, That not to exceed $107,000,000, which is owed by the United Nations to the United States as a reimbursement, including any reimbursement under the Foreign Assistance Act of 1961 or the United Nations Participation Act of 1945, that was owed to the United States before the date of enactment of this Act shall be applied or used, without fiscal year limitations, to reduce any amount owed by the United States to the United Nations, except that any such reduction pursuant to the authority in this paragraph shall not be made unless expressly authorized by the enactment of an Act that makes payment of arrearages contingent upon United Nations reform.

AMENDMENT NO. 8 OFFERED BY MR. HALL OF OHIO

Mr. HALL of Ohio. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 Offered by Mr. HALL of Ohio:

In title IV, under DEPARTMENT OF STATE, ARREARAGE PAYMENTS, strike the first proviso.

□ 1415

Mr. HALL of Ohio. Mr. Chairman, my amendment is a very straightforward amendment. It removes the requirement that the $244 million in the bill for paying our U.N. arrearages be subject to an authorization. My amendment does not change the reforms in this bill which the U.N. must meet before receiving the money. I want to repeat that again. This amendment does not change the reforms in the bill.

The U.S. owes the U.N. around $1 billion. I find it embarrassing that the world's only superpower is the U.N.'s biggest deadbeat. We have a legal obligation and I believe that great nations should pay their bills.

Do not just take my word. Here is what seven former U.S. Secretaries of State have said. In a letter earlier this year to House and Senate leaders, former Secretaries Henry Kissinger, Alexander Haig, James Baker, Warren Christopher, Cyrus Vance, George Shultz, and Lawrence Eagleburger said:

> Our great nation is squandering its moral authority, leadership, and influence in the world. It's simply unacceptable that the richest nation on earth is also the biggest debtor to the United Nations.

As a pro-life Democrat, I oppose linking payment of U.N. back dues to the Mexico City restrictions. These are different issues which need to be considered separately. When we link abortion with U.N. arrears, in my opinion, we take a moral issue and we twist it to serve other purposes. We try to make it fit where it does not belong.

Mr. Chairman, the American people support the work of the United Nations and they want us to pay the dues that we owe. Polls show that 70 percent have a favorable opinion of the United

Nations and 80 percent of Americans, 80 percent of American voters, oppose linking provisions related to abortion policy.

Now is not the time to move the goal post. It is time to quit making excuses. It is time to do the right thing. It is time for Congress to keep its word and pay our dues.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the amendment. I agree with the gentleman that this country should pay the amounts that we owe to the U.N. and other international organizations, but we cannot do so at the cost of abandoning the progress made on reforms at U.N. From the beginning, our approach has been to provide the arrearages only upon the achievement of real and substantial reforms.

Over the past 2 years, we have made available a total of $575 million for arrears. That funding remains available, pending authorization. It has been this subcommittee's position for many years now, under bipartisan leadership, that the United Nations needs to reform. We are after a more effective United Nations. We think that only by reforming the bureaucracy, streamlining the processes at the U.N., only then can we achieve an effective United Nations. That has been the policy goal of this subcommittee and of this Congress, both bodies. That drive for U.N. reform continues even today. Thus, we have conditioned the payment of the arrearages upon effective, real reform at the U.N. I must say it is working. There are achievements that we can point to at the United Nations that we can be proud of in reforming the process, in streamlining the way they do business, in cutting unnecessary and wasteful costs.

The bill provides the final installment of $351 million to arrive at a total of $926 million in arrearages, the full amount that has been agreed to by the administration in the pending authorization.

The reforms that have taken place thus far at the U.N., as I say, have been due in large part to the fact that this subcommittee, the Committee on International Relations of the House, and of the Congress, because we have insisted on these reforms just as we continue to do in this bill.

Reform has been a priority of this Member since I have been chairman of this subcommittee and, like it or not, the only leverage that we have to ensure that these reforms take place is by making them a condition of arrearage payments. We have deferred to the authorization committee as is the rules of the House. And we defer to the authorization committee in this bill with this very language, making the payment subject to authorization. I think that is the appropriate way to handle this matter, just as it is the appropriate way to handle all matters. The Committee on Appropriations, of course, defers to the authorizing committees of the House except where they are in consent for some change that they would like in the appropriations bill.

The pending authorization bill passed by the Senate reflects that. It sets out an extensive series of necessary reforms, including reducing the U.S. share of assessments and maintaining a zero nominal growth budget, that is, a freeze. The rates of assessments that are being paid to the U.N. are based on 1945 standards. I submit to the Chair that the condition of the nations that make up the U.N. have changed dramatically in that period of 50-plus years. There are new world economic powers that did not exist at that time, i.e., Japan, Germany, and, yes, even China, to name a few. Yet the assessment level has not changed in all that time.

Mr. Chairman, it is time that we achieved a change, a reduction, in the rate of payment that the U.S. has to pay to support the U.N. It is a modest change, from 25 percent down to 22. I would like to see 20. But, nevertheless, it is a substantial change.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. ROGERS) has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, these reforms are essential and we should all insist upon them as our responsibility to the U.S. taxpayer, and the Congress has gone along with our recommendations for the last several years.

The gentleman's amendment would give an unauthorized $244 million to the U.N., and send the signal to the U.N. and the rest of the world that we are no longer committed to reform. That is exactly the wrong message that we should be sending.

I urge rejection of the gentleman's amendment.

Mr. SERRANO. Mr. Chairman, I rise in strong support of the gentleman from Ohio's amendment. First of all let me say that I congratulated the gentleman from Kentucky, and I do once again, for taking serious steps to deal with this issue. I continue to ask him to do even more in conference and in the future to make sure that we pay our bills. But I do not want the gentleman to think that our support of this amendment does not salute and compliment the fact that he has tried to pay our bills. It is the fact that we are paying our bills in a very strange way, by dealing with issues that are not related to the fact that we have to pay our bills. That is the problem.

The problem, as the gentleman from Ohio has well stated, is that we run the risk of losing our vote and our membership in the U.N., our vote in certain parts of the U.N. and our membership in certain world organizations related to the U.N., if we do not pay our dues. We should really be very careful here today to understand that those of us who rise in support, in strong support, of the Hall amendment are not doing it because we want to somehow stop our involvement in the U.N. On the contrary. It is those who attach riders to this issue who may want to find this as an excuse to tie up our involvement in the U.N. We want our involvement to continue. We want the U.N. to reform.

Please understand that the moneys that we have approved in the past and that are pending now speak to reform at the U.N. But we cannot be asking for reform at the U.N. and then behaving in somewhat of a childish way in suggesting that whatever dollars go to pay our dues, not extra dollars we are giving them for something else but dollars that go to pay our dues, have to be based on whether or not they will do things that nobody else in the world agrees with us on. It is totally improper to do that.

I would hope that as we look at the gentleman from Ohio's amendment, we fully realize what is at stake here. If the U.S. does not pay its arrears to the U.N. in the 106th Congress or approve payment of our fiscal year 2000 dues without strings and conditions in the U.N., we could lose our General Assembly vote by January of 2000. I do not think anyone has really paid attention to that. I mean, the thought of us losing our vote by January of 2000 at the U.N. is something that no one should be planning to do.

We keep calling on the U.N. to participate with us in some missions, that not everybody, by the way, agrees with, but we keep calling on the U.N. to participate, to support us, to be a partner, and at the same time we continue to say that we will run the risk of not being a full-fledged member.

I would hope, and I will close with this, I do not want to take too much time, that we separate the fact that the gentleman from Kentucky in my opinion has done a very good job at making sure that we move forward on this issue from the fact that as we move forward to pay up part, or all of it, it should never be linked to anything else.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Kentucky

Mr. ROGERS. Mr. Chairman, I think it is important for us to note at this early stage of this discussion, there are actually two different types of conditions, if you will, that we are talking about the appropriation being subject to: One is the population control matter that is in the authorization process. The other is other types of reform of the operation of the U.N. that are unrelated to that population control matter. There is a whole series of those conditions for reform, such as reduction of the U.S. rate of assessment to

22 percent, such as guaranteeing a frozen budget in the out years, and various other procedural conditions that are in the authorization process. I want us to be sure we understand there are two different types of conditions that are being attached to the appropriation. One is the population control matter. The other are procedural reforms at the U.N. that I think most all of us would agree with.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, if I could respond to the gentleman's comments. The assertion that the Hall amendment eliminates the reforms that this committee is pressing forward with is totally, absolutely false and misinformed. The Hall amendment eliminates lines 8 through 18 in the bill on page 80. That is only the language that refers to the requirement for authorization.

It leaves in place the following language:

> None of the funds appropriated or otherwise made available under this heading for payment of arrearages may be obligated or expended until such time as the share of the total of all assessed contributions for any designated specialized agency of the U.N. does not exceed 22 percent for any single member of the agency.

The CHAIRMAN. The time of the gentleman from New York (Mr. SERRANO) has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. SERRANO was allowed to proceed for 2 additional minutes.)

Mr. OBEY. I am continuing to read:

> And the agencies have achieved zero nominal growth in their biennium budgets for 2000–2001 from the 1998–1999 biennium budget levels of the respective agencies.

That makes it clear. Those reforms stay in place. What the gentleman from Ohio is trying to do is to simply get us out of the business of being a deadbeat because he understands that we have more leverage, not less, if we paid our bills. The fact that we have not paid our bills has already cost us $100 million because since we had not paid our bills we were not able to convince the U.N. to lower our percentage payments for the shared cost of those programs.

□ 1430

So if my colleagues are interested in saving the taxpayers' dollars, pass the amendment offered by the gentleman from Ohio (Mr. HALL). If they are interested in keeping the reforms in place for the U.N., pass the Hall amendment. Let us not confuse the facts.

Mr. SERRANO. Reclaiming my time, Mr. Chairman, I think that the gentleman's point has to be clear to everyone. That on which we agree on, the reforms stay in place under the Hall amendment. It is that which has been used as an excuse for us not to pay our dues and to get into areas we should not be involved in that he strikes, and that is important to note.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the last word.

I would say to my friend I rise against the Hall amendment, and I will give my colleagues a few reasons, and I think even some of my colleagues on the other side of the issue would agree.

First of all, I have got the two absolute best daughters in this body; but when they are bad, I do not reward them, but when they are good, I give them an incentive; and when we are talking about the reforms, these long overdue reforms, they have had years to do this, and they will not do it.

The U.N. needs the United States when we are talking about losing a vote. We pay the lion's share; with all the different countries in there, we pay the lion's share. We only get one vote, and the U.N. votes against the United States the majority of time because we only get one vote; and as my colleagues know, the other Communist countries are in there that always put us down.

Let me give my colleagues a couple of examples of the U.N. In Somalia we lost 18 rangers because U.N. troops had armor there. India, for example, had T-64 tanks. They would not commit them. This was when butt Butros Butros Gahli was there. Our own President denied armor, and so there was none for these troops; and under U.N. leadership in control of our troops, we lost a bunch of people.

Second example. Some of my colleagues may remember when we bombed Iraq for the first time. Neither the President nor the Vice President nor the Secretary of Defense knew that the United States had gone to war. Our troops are bombing, but yet not even our President knew that we were in a war time, and I think that is wrong.

It is not just the U.N.; it is the other organizations as well. For example, NATO. Can we afford still that every conflict that we get into with NATO for us to pay for 86 percent of the sorties of the flights and to pay for 90 percent of the weapons dropped? I think we need a reorganization in NATO. Either they need to upgrade their capability, or they need to pay the United States. Our next supplemental ought to be a check.

In the U.N. just the cash is counted. When we deploy troops, when we have our carriers, when we have our assets there, none of that is counted against our 22 percent. I think that is wrong, and when they make those concessions, then I am willing to help my colleagues, but I think that gives a good incentive first to do that, and I think the way that we do it now is wrong.

If we look at the U.N. members, the limousines, let them stay in the Quality Inn. But do they? No. One was quoted: "No, we deserve to stay in the Ritz because it is to the standing of a U.N. member." Well, I beg to disagree.

So those kinds of reforms, I think, Mr. Chairman, are very, very valuable before, and we pay our arrears, and I am opposed to the gentleman's amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to put this in hard-headed Midwestern terms. I do not believe that anybody in this House should vote to spend one dime on the United Nations if they think it is to help the United Nations or to help somebody else. We are supposed to be defending taxpayers' money, and what I would say to my colleagues is: "Don't contribute to the United Nations unless you think that those contributions are helping our own country and helping us defend our own national interests," and they most certainly are.

What are the fund supposed to be spent for that the gentleman is talking about? He is talking about money that has been withheld from the World Health Organization. What does that agency do? It is helping to eradicate polio around the world. One of its responsibilities is to try to deal with one of the most dangerous items known to man, ebola, which causes wretched epidemics whenever it breaks out. In a world of instant transportation, the United States can just as easily be the victim of that as some African or European country. We need to eradicate worldwide diseases not just because we are trying to help somebody else, but because we are trying to defend our own populations from those kinds of diseases.

Those funds are also supposed to be going to the Food and Agriculture Organization to address global famine conditions. Now, if my colleagues do not think that it is in the American national interest to eliminate famine, then I invite them to remember what has happened in region after region around the world when economies are destroyed and when agricultural bases are destroyed. What happens is we have political instability that leads to the rise of governments that are not in our interests, and that often leads to war, and we often get involved in those wars.

We are also holding back funds for the International Labor Organization. That is the agency that is supposed to monitor compliance with child labor laws. We have had fights week after week on this floor about protecting American workers from competition, from goods produced in slave labor conditions or produced by child labor around the world. What the gentleman from Ohio (Mr. HALL) is saying is that we do good for the world, we do good for America, we do good for our own people when we pay our bills and participate fully in an agency that frankly we have far more influence in than any other country in the world. Does anybody really think the United Nations makes any major political decision without the agreement of the United States? Very few that I know.

It just seems to me that it is time to recognize that if we want to save our money, if we want us to be able to negotiate a lower payment rate to the United Nations, if we want to enhance our ability to do tough bargaining at the United Nations, we are in a stronger position if we paid our bills than if we have not. And I would point out if we do not pay our bills, we will lose our U.S. voting rights in the General Assembly eventually.

So I would suggest there are plenty of reasons to listen to the wise counsel of the gentleman from Ohio. We ought to pass this amendment and end this outrageous linkage that occurs when a tiny band of Members each year find one issue that matters to them more than any other, and so they tie up virtually every other issue in this place until they get their way.

Let us have clean, stand-up, up-or-down votes on all of these issues rather than linking them until we are virtually tied like Gulliver because we have got these lilliputian issues that do not allow the Congress to accomplish anything. The gentleman from Ohio is right. He saves taxpayers' money in the long run; he serves the U.S. national interest. We ought to support him.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words.

The gentleman mentioned the WHO debt, the WHO. The WHO arrearage that the gentleman mentioned arose in 1989. It an old bill, and it is a fairly small amount, $35 million. We pay our annual contribution to the WHO annually. No one disputes that. We are up to date on our annual payments. There is an old arrearage in 1989, $35 million; that is still in dispute. This arrearage, it is small, it is an old bill, it does not impact current operations. I want to be sure that people understand that the WHO is up to date on our payments, with our annual payments.

Let me try very briefly to try to put in perspective a very complicated matter. For the last 3 years mainly the Senate has been putting conditions on the payment of the arrearages, the so-called Helms-Biden bipartisan compromise on U.N. reform. There are 18 of those reforms signed off by the President. We are all in agreement on this. The President, Helms and Biden in the Senate, and we have deferred to that agreement.

Those conditions for reform, I think most all of us can agree are legitimate and correct, recognizing American sovereignty, one; no taxation by the U.N.; no standing Army by the U.N.; no interest fees by the U.N.; recognition of U.S. real property rights; termination of borrowing authority; the assessed share for U.S. peacekeeping contributions not to exceed 25 percent; limitations on assessed share of regular budget; limitations on the other parts of the budget; inspectors general for certain international organizations; new budget procedures for the U.N.; a sunset policy for certain U.N. programs; U.N. Advisory Committee on Administrative and Budgetary questions; access by the General Accounting Office; personnel rules; reduction in budget authorities to a flat budget; new budget procedures and financial regulations; limitations on the assessed share of the regular budget for the designated specialized agencies of the U.N. and so forth. There are 18 of those conditions; I think we all agree on them.

That is really what we are talking about. The President has agreed, the Senate has agreed, the House has agreed. We are all in agreement on these 18 conditions for reform, and unless and until they are agreed to, the arrearages have been withheld. It is a fairly complicated thing, but it is simple in that respect.

Mr. Chairman, I want us to be sure that we understand where we are. No one wants us to lose our voting rights in the U.N. I do not think we are at that point. We never will be at that point in the Security Council, I will point out to my colleagues, and that is the important place. But I think we all have to understand that in order to achieve these very creditable reforms that the administration and the Congress have agreed upon that we should make our moneys subject to, should be withheld until we see these substantial reforms.

Now the amendment that is pending, if it passes, would say, no, let us forget all of the conditions that we have required before paying these moneys, and let us go ahead and pay the moneys and forget about reform. We have too many years invested, we have too much money invested. More importantly, we have too much of an international stake involved here to let the U.N. continue to be the bureaucratically entrenched organization that it is. We want, I want, a more effective U.N. We need a U.N. We need an effective U.N. It is not effective now, and I think we all can agree upon that. The only way that we have seen work has been to force change by the withholding of funds, Mr. Chairman, and that is what this debate has been about for these several years.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Wisconsin.

Mr. OBEY. I would just like to ask, why does the gentleman continue to say that this amendment eliminates the conditions when in fact the conditions still remain in the bill. I mean saying something 15 times that is not so does not make it so.

Mr. ROGERS. Reclaiming my time, Mr. Chairman, our bill that is on the floor only contains two conditions. The authorization that would be forgiven by this amendment contains 18. The two conditions that are in the appropriation bill occur at page 80, and I quote Line 18:

> None of the funds appropriated or otherwise made available under this heading may be obligated or expended until such time as the share of the total of all assessed contributions for any designated specialized agency of the U.N. does not exceed 22 percent for any single member of the agency, and the designated specialized agencies have achieved zero nominal growth in their biennial budgets for 2000/2001 from the 1998/1999 levels.

Those apply to three international organizations other than the U.N.

□ 1445

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. ROGERS) has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. ROGERS was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, in the interests of time, I would ask the gentleman one additional question: Why should we continue to allow appropriation bills to get bogged down by authorization issues? When is the last time the authorization committee has been able to pass their legislation, except for the year when they were able to attach it to the Committee on Appropriations? The answer is 1994. On the foreign aid bill, that committee has gone over 10 years without being able to pass a foreign aid bill. Why on Earth should we allow a committee that can never get its own work done to interfere in our ability to get our work done?

Mr. ROGERS. Mr. Chairman, reclaiming my time, the gentleman will have to change the rules of the House. The Committee on Appropriations works subject to the authorization committees. We appropriate, they pass laws. I am still of the belief that the House rules should prevail.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, just so my colleagues may know, I chair the Subcommittee on International Operations and Human Rights of the Committee on International Relations, and the gentleman from Wisconsin was incorrect. Last Congress, the 105th Congress, we passed and sent to the President, he said when did we last passed one, we had a conference report, it went down to the President, on State Department, it included reform, it included arrearages, $926 million for arrearages with very strong conditions and a very, very compromised Mexico City policy. Regrettably, the President vetoed that bill.

This issue of arrearages would not be before this body except for the appropriations amount that the gentleman from Kentucky, the chairman, has put into his bill. We had all of these conditions, but the President chose to veto that bill. That is unfortunate. Our hope is to take another shot at it.

We are now going to conference soon, it is already staff-to-staff, to try to work out this arrearage language that has been passed by Senator HELMS and Senator BIDEN working together.

The CHAIRMAN. The time of the gentleman from Kentucky (Mr. ROGERS) has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. ROGERS was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, it is nice to have a little exchange, instead of five minute speeches.

Let me simply say in response to my good friend, you do not pass a bill if all you do is get it out of the Congress. The Constitution says that a bill becomes law only when you have agreement between the authorizing committee and the executive branch.

The problem with your committee, very frankly, is it has been so extreme in its positions, it has not been able to pass its bills except when they attach them to appropriation bills. You have not been able to put together a one-car funeral in your own jurisdiction in over 10 years on foreign aid. Yes, we have an authorization in an appropriation process, but that implies that the authorization committee be functional. Yours has demonstrated that it is not.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Just let me point out to my colleagues, and I think they realize this, that the appropriators certainly have an advantage in that they are bringing to the floor must-pass bills. The authorizers almost by definition are disadvantaged because an administration that may not like this provision or that will just say we will wait for the money to arrive, because it has to arrive to begin the new fiscal year, from the appropriators.

So the honest negotiation that we hope would take place between House, Senate, and the executive branch is largely truncated and precluded precisely because the money in some form, usually less because of the inability or the lack of wanting to deal with us in good faith.

So the gentleman from New York (Mr. GILMAN) has led I think a very, very fine effort as chairman of our full committee, but we are disadvantaged, because, again, it is hard to work out the policy language, when they get their money anyway at the end of the day.

That has not been the case with arrearages. We have insisted on very strong, very tight, 15 pages of conditions on the United Nations, 15 single-spaced pages that the Hall amendment would vacate. It makes our bargaining position vis-a-vis the Executive Branch very much disadvantaged, and we want strong reform with regard to the U.N., not weak.

Mrs. LOWEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to get back to the basic issue today and rise in strong support of this reasonable amendment to begin to put the United States back in good standing at the United Nations.

When the gentleman from Connecticut (Mr. SHAYS), the gentleman from Iowa (Mr. LEACH), the gentleman from New York (Mr. ENGEL), and I joined in creating the bipartisan Congressional United Nations working group at the beginning of the 105th Congress, we never imagined that we would be here over 2 years later still demanding that the United States pay its arrears to the U.N. It is really extraordinary. But here we are, still outraged, still embarrassed, still trying to get the United States to live up to its commitments.

Let me be very clear. It is outrageous that the United States, the wealthiest country in the world, is the biggest deadbeat at the United Nations.

This amendment is very straightforward. It takes the empty U.N. arrears language in this bill and makes it real. It makes the reforms in the bill real. It makes the $244 million in arrears payments in the bill real. Quite simply, it removes the smoke and mirrors from the bill and puts us back on the road to acting like the world leader we are.

This funding is critical to United States foreign policy. It shows the international community that a commitment made by the United States means something, and it gives the U.N. the resources it needs to carry on the important work it is doing around the globe.

The United States has a tremendous amount of influence within the U.N., but, frankly, that influence is decreasing with every day that we do not pay our arrears. In fact, at the end of this year, as you heard, we face the unimaginable prospect of losing our vote in the General Assembly under the requirements of Article 19.

But this issue goes beyond simple embarrassment. How are we to expect the U.N. to continue to act in our interests around the world? How can we expect them to fund the projects we support, to send peacekeeping troops to areas where we want to see more stability, when we do not pay our debt? How do we expect to reform the U.N., and I agree with my colleagues on the reform measures which are in this bill, and most of them, it is my understanding, remain in this bill if we do not pay our U.N. dues?

As a member of the Committee on Appropriations, I am well aware of the limited resources we have been given to fund our international activities in recent years. I have seen the United States foreign assistance decreased to an almost unimaginable level in the last few years. But in this context, paying our debt to the U.N. is even more important. The U.N. is a cost effective way for us to leverage U.S. funding with that of the other members of the U.N. to make a difference around the world.

I want to reiterate again for my colleagues that what this commonsense amendment does is it essentially removes the language which makes meaningless the arrears section already in the bill because it is tying it to another issue. It leaves in place the reforms included in the bill that caps our future U.N. dues at 22 percent and mandates a zero growth budget for the U.N.

So I want to say to my colleagues once again, too often in this body we cannot pass and there remains a stalemate on issues such as this that are really very important, because we want to tie it, as our ranking member said, to another issue. Let us vote on that other issue as a clean issue. Let us have that vote, up or down.

I respect my colleague from New Jersey. Let us have that vote up or down. But let us not tie paying our U.N. dues to that issue. Let us have that vote cleanly.

So, again, I want to urge my colleagues to support the Hall amendment. Let us pay our U.N. arrears. Let us not be a deadbeat. Let us not tie that payment to other issues where there is some controversy. I would think that the majority of this body wants to stand tall, work together, and pay our U.N. arrears. If there are other controversial issues, let us have that debate, but let us take it as a separate issue, let us have a clean vote on paying our U.N. arrears with the provisions which are included in this bill to reform the U.N.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we all want to pay U.N. arrears, but we also want to reform the U.N. at the same time. I am opposing this amendment for three reasons: The Hall amendment is the wrong move at the wrong time on the wrong bill.

I commend the distinguished chairman of the Subcommittee on Commerce, Justice, State, and Judiciary of the Committee on Appropriations, the gentleman from Kentucky (Mr. ROGERS) and his staff for supporting the foreign relations attempts to reform the U.N. and the Committee on International Relations in our efforts to craft a sensible U.N. arrearage and reform package. Until this amendment was offered, we felt we had made considerable progress in finding a bipartisan way to pay our dues and at the same time to reform the United Nations.

I understand the administration may now have backed away from supporting the Helms-Biden compromise, and for that we have deep regrets. I note that the foundation of this reform effort was laid by our counterparts in the Senate, Senator Helms and his ranking Democratic member, Senator Biden. It passed the Senate by an historic vote of 98 to 1. The Helms-Biden U.N. reform package is clearly the way this Congress should go in paying our arrearages to the U.N. and at the same time fixing the U.N. Regrettably, the Hall amendment would wipe out that compromise.

The effect of the Hall amendment would be to fork over $244 million to the U.N. without requiring any new major reform already agreed to by our President. As the chairman of the Committee on International Relations and as a Member representing part of New York, I strongly support paying our U.N. dues, but I do not think we should move ahead by waiving the Helms-Biden compromise. That compromise lays out the plan for strong bipartisan support for the U.N. in years to come. Without it, we will roll back the clock to the bad old days of the U.N.

The reforms in the Helms-Biden compromise reform plan make sense. They require U.N. actions in our Nation to be subordinate to the U.S. Constitution; they deny the authority of the U.N. to levy taxes against our Nation or to keep standing armies; they require inspectors general, budget discipline and access by our own General Accounting Office; and they cut our share of the budget from amounts over 30 percent to 25 percent and below.

These reforms make sense and should not be overturned. I ask the House to defeat this amendment to keep the U.N. reform process on track.

I would also respond to concerns about the linkage between the payment of U.N. arrears and the Mexico City family planning policy. I supported the Campbell-Gilman amendment to fund the UNFPA, without the gentleman from Ohio's vote, and we won that historic victory. It is clear after that vote that Congress will provide a U.S. contribution to the UNFPA.

I also backed the Greenwood-Gilman compromise amendment on the Mexico City policy, also without the support of the gentleman from Ohio. That amendment prevailed in another historic vote that showed we did not have to have the Mexico City policy attached to foreign policy bills in the House.

It is ironic that the gentleman from Ohio fought family planning advocates on those two amendments, and now seeks to override the entire U.N. reform process.

I strongly support family planning and U.N. reform, and I urge defeat of the amendment.

In response to the gentleman from Wisconsin, I would like to note that we are committed to paying our U.N. dues, but the Hall amendment guts the requirement for the authorization bill written by our Committee on International Relations and passed by this House 2 weeks ago. The Senate bill, S. 886, has 18 major U.N. reforms that would not be needed by deleting our authorization requirement. The Senate's authorization bill, which includes the Helms-Biden reforms, does not become must-pass legislation. Without that, these reforms will die.

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Accordingly, I urge my colleagues to strongly oppose the Hall amendment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, does the gentleman understand that the Helms-Biden agreement includes 18 conditions for the payment of the arrearages to the U.N. were agreed to by President Clinton?

Mr. GILMAN. Agreed to by the President and also by the entire Senate.

Mr. ROGERS. Is it also the gentleman's understanding that this amendment would undo all of that agreement?

Mr. GILMAN. The gentleman is precisely correct. That is what we are concerned about.

Mr. ROGERS. Except for the two minor conditions in the bill that we had?

Mr. GILMAN. I thank the gentleman for underscoring that. He is absolutely correct.

Mrs. MALONEY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the United States has become the deadbeat of the world in its failure to pay its U.N. dues and arrears. I rise in strong support of the Hall amendment, and would like the gentleman from Ohio (Mr. HALL) to respond to the gentleman's presentation.

Mr. HALL of Ohio. Mr. Chairman, will the gentlewoman yield?

Mrs. MALONEY of New York. I yield to the gentleman from Ohio.

Mr. HALL of Ohio. Mr. Chairman, I want to thank the gentlewoman for yielding to me.

I just want to respond to the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations.

The fact is that the reforms that are in the Committee on Appropriations before us are still in the bill. I do not touch those. I do release $244 million through this amendment without authorization. The money is already appropriated, so it is not an item that we have to offset.

Secondly, I support the Helms-Biden amendments and the reforms they were trying to do. As a matter of fact, they are still in the legislation that is before us, not this legislation but legislation that passed in 1998 and 1999, because the Helms-Biden amendment and all the reforms are still in that money, which has not been released because it is subject to authorization.

Herein lies the problem. Mr. Chairman, I have been waiting for 3 years and have been patient to have a clean vote on U.N. arrears. I have been hearing the same rhetoric over and over again, that we are going to get a chance, that we are going to get a chance. It is always subject to the authorization.

But the authorization bill never passes. What they do is they hold hostage this debt that we owe. I think it makes us look bad. Great nations pay their bills. We are not paying our bills on this. The reforms are still intact in this bill. The gentleman is wrong when he says that they are not. I strike the provision that says, pay the U.N. arrears; not the full amount, only a downpayment of about $244 million, which is 25 percent of what we owe.

That is what this really is all about. This is the first time we have ever had a chance to vote on U.N. arrears and have a clean vote. What I have trouble with, and the reason why I have offered this amendment, is I have trouble with the fact that we have very good moral issues here on the floor. Paying U.N. arrears is a moral issue. We owe it, we should pay it.

The issue of pro-life or pro-choice to me, I am a pro-life Member, that is a moral issue to me. But when we take an issue like this and we twist it for our reasons, for political reasons, in a way in which they should not be linked, I think it hurts the whole cause. I think it is not honoring.

That is why I have waited, as a pro-life Member, for a chance to say, these two issues do not belong in the same bill. And in holding the U.N. hostage because of abortion policy, because of the Mexico City policy, that is what it is all about, Members want leverage. What I am trying to do is release money in the fairest way possible.

We are trying to be honorable about this. I think the whole world is looking at us. I know the American people support this. There have been a number of polls, and 80 percent of the American people, of the American voters, say, pay the dues. That is what this vote is all about, pay the dues.

Mrs. MALONEY of New York. Mr. Chairman, I strongly support the Hall amendment for the reasons he outlined. As the gentleman pointed out, it leaves alone the reforms in the bill. We all support the reforms of the United Nations. It would allow the U.S. to make a long overdue $244 million downpayment on the $1 billion that we already owe.

We should pay our dues, our arrears, because it is in America's national interest. If we do not pay our dues without restrictions, without conditions, without riders that are totally unrelated, we could lose our vote in the U.N. General Assembly.

I am very, very privileged to have the U.N. in my district, a body that serves America's interests every single day. It serves to end conflicts by negotiating peace agreements. It serves to prevent nuclear proliferation. It serves to make our children around the world have immunizations against deadly diseases. It serves to alleviate hunger, which the gentleman has been a great leader on in this body by providing relief to some of the world's most desperate areas.

It is just plain good policy to pay what we owe, to strengthen our voice in this important body. And we should not link our dues, our arrears, to foreign policy riders that have absolutely nothing to do with the issue that is before us.

I strongly support the amendment of the gentleman from Ohio (Mr. HALL), and I urge all of our colleagues to support it.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me begin by saying that I do, indeed, have the greatest respect for the sponsor of this amendment. The gentleman from Ohio (Mr. HALL) is a Member of this body who is admired by all of us for his deep convictions and constant and consistent work on behalf of the human rights of all people.

Not only do we respect him for his professional and humane commitment to these matters, but most of us, I say to the gentleman from Ohio, most of us see the gentleman as a good personal friend. It strikes me as one of the really unusual moments here to see the gentleman from Ohio (Mr. HALL) and the gentleman from New Jersey (Mr. SMITH) in such a heartfelt debate on this issue on different sides when one recognizes the acute friendship they have for one another. But that is the way of a legislative body.

Mr. Chairman, on the issue of the United Nations arrears, there are a range of views. We hear them expressed here. At one end there are many people who believe we do not owe any back dues to the U.N. The notion that we do in many people's judgment is based on bad accounting and bad policy.

There are other people in the middle of this spectrum, people like the gentleman from New York (Mr. GILMAN), like the colorful gentleman, Mr. HELMS from North Carolina, like the equally colorful Mr. BIDEN, and even the President of the United States, as represented by his own Secretary of State, who agree that we should provide some additional funds to the U.N., but only in return for commonsense reforms; and I mean basic reforms, such that the U.N. should use Inspectors General, adopt budget discipline, and reduce the American share of its budget to reflect our share of the world economy.

Then, Mr. Chairman, on the other extreme, is this amendment before us today. This amendment expresses the unique proposition that we should give $244 million of our taxpayers' money to the United Nations without insisting on our reform package. That is $244 million given with no authorization strings attached to the most bloated and wasteful bureaucracy since Byzantium.

This would be wrong. Even the best friends of the United Nations, and I would count the gentleman from New York (Mr. GILMAN) among them, should oppose this amendment because it denies the Congress of the United States, in conjunction with the presidency, the ability to reform our relationship with the U.N. and make it better and a stronger institution.

There has been some talk about linkages here. We all understand that it is a simple fact that the administration would have a better time getting its request for U.N. funding if it would deal with a variety of other issues.

But let me tell the Members about the linkages issues that we refer to here. I saw an effort last year in the authorization bill agreed upon now by the House and Senate to put some of those linkages in that authorization language, and I saw the distinguished chairman of the Senate, Mr. HELMS, who agreed with the linkages that we refer to, keep them out. Not in this bill, he said. We have worked hard on this bill. We have worked with the House and we have worked in good faith with the administration. I saw Mr. HELMS say, no, we will not put these kinds of linkages in our bill because we are working with the administration.

He honored that relationship, to protect the hard-won gains that they had done between the House and Senate authorizing committees and their relationship with the administration; I thought a deeply honorable thing, albeit for me at the moment, an inconvenient position for the distinguished chairman to take; a position, by the way, that I had rather assertively been reminded of by our own distinguished chairman, the gentleman from New York (Mr. GILMAN).

Now we have this same hardline work, all of these reforms so painstakingly negotiated between the Congress, the House, the other body, the White House, and the Secretary of State threatened again, threatened again, not this time by the effort to impose linkages into them, but this time by the idea, let us throw them overboard, forget all that work. Let us just give them the money, no strings attached. Forget all that hard work.

I am sure, Mr. Chairman, I am sure after the frankly heroic effort by the distinguished chairman, the gentleman from New York (Mr. GILMAN), and the distinguished efforts of the gentleman from the other body, Mr. HELMS, to keep those linkages out of the commitment as a matter of cordiality with the administration, just a year ago, I am certain, Mr. Chairman, that they would expect that the administration, the Secretary of State, would protect that work, too, by opposing this effort we have on the floor today to throw it over.

That is the story of linkages. Honor is as honor does. Honor should beget honor. The House and Senate chairman honored their working relationship with the administration. They have every right to expect the administration, and I am sure the administration does, to protect that work and oppose this amendment. If they do not, what a shame that there is not such respect for these two chairmen, for their honorable efforts.

What I am suggesting that we do is continue to honor the hard work of our committees, as this Committee on Appropriations has done, and say, as the bill does, the $244 billion is available subject to authorization. Let us enact those very necessary reforms agreed on by Republican and Democrat leaders alike in the House, in the Senate, in the administration, and then we will, of course, couple, again, the money and the agreement and the reforms, and do this properly.

Mr. Chairman, I just regret the impatience of the gentleman from Ohio (Mr. HALL). I understand his commitments. I understand his devotion. I understand his sense of urgency to make things right. He does that in many ways, and many times we respect and appreciate that.

But not this time, Mr. Chairman. I think the amendment of the gentleman from Ohio (Mr. HALL) is ill-advised. I think it reflects a lack of appreciation for the hard work, the commitment, the reform needed for the security of this Nation within a more secure and effective United Nations, and that work should be honored.

I would hope this House would honor our committees, honor the effort made by the administration, oppose this amendment, and carry forward those reforms that would reflect the will of the American people to have an American association with the United Nations that is honorable and respectful on both sides.

Mr. GEJDENSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are the most powerful Nation on Earth. There has never been a time in the history of man when there has been one country that has singularly had the power to influence the globe that the United States does today. There is no country in second place.

This Congress, if it continues to play these games with a number of international organizations, we may squander this position of power and hurt future generations.

The argument that process is more important than substance today is a little hard to take. I am the ranking Democrat on the Committee on International Relations. With a little luck and hard work and the sense of the American people, hopefully I will be the next chairman of that committee.

But let me tell the Members something, we have to get the work done. It is a little hard to take as sincere the statement that this is on the level, because it sounds a lot like the number one deadbeat dad in the country telling the kids that the check is in the mail. We have been doing this for a decade. We tie it up over abortion and Mexico City, we tie it up with territorial battles in the Congress between authorizers and appropriators.

Some people hate international organizations. I look at the U.N. and understand that it carries out America's interests, fighting disease, fighting poverty, trying to stop wars. I am not afraid of the United Nations, and I think most of the American people in every poll, in every view, understand it is vital to our interests to be engaged.

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My colleagues want to set standards for how it behaves, but they do not want to pay the bill. They keep tying it up in knots time and time again. The deadbeat dad that, for a decade, has been behind on payments says, yes, the check will be in the mail, but you have got to take care of Mexico City. The check will be in the mail, but we have got to get it through the right process in the House. We do not want to offend the House Committee on International Relations. The check is in the mail, but we have all these behavioral modifications we want to see.

We are not going to get the reforms that we want if we do not pay our fair share. We are not going to get the reduction in the rate that we are supposed to pay if we do not pay up. The longer we take to complete this process, the more it is going to cost the American taxpayer.

I close with what I started with. Today, unlike any time in the history of the world, this country, the United States of America, is the most powerful Nation on earth in a manner unequal in history, not the Romans, not the Greeks. No Nation on Earth has this kind of power, this kind of wealth, this kind of influence on every corner of the globe.

We in this Congress, if we continue to be irresponsible in how we fulfill our obligations, we will squander that leadership and come back here a decade from now seeing conflict arise again, losing our voice in the United Nations, losing our ability to influence the future of this planet for better.

Our children are better situated today than any children in the history of the world. Let us not squander that leadership.

Pay the bill, and we will be able to reform the U.N. and achieve the goals we seek in the world.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just let me make a quick observation on how we got here in terms of the so-called arrearages. If one looks at the aggregate, the $926 million, a portion of that had to do with legislative policy withholdings. For example, no funds for the implementation for the General Assembly resolution which equated racism equals Zionism; the Kassebaum-Solomon amendment, which withheld 20 percent of U.S. assessed dues to the U.N. and specialized agencies unless those agencies granted voting rights on budgetary matters proportionate to budget contributions by each country. These were important policies, there was nothing frivolous about withholding funds to encourage reform.

In 1994, the House & Senate passed, and the President signed, legislation, best described as burden-sharing legislation that said the U.S. is going to reduce its assessed contribution for peacekeeping from 31 percent down to 25. Since 1996, our contribution has dropped from 31 down to 25. That is one reason why we have such an enormous so-called arrearage at the U.N.

We lowered our subsidy in a way reminiscent of our efforts to get other NATO nations to share more of the defense burden in Western Europe. We took the bull by the horns and lowered US contributions to UN peacekeeping—assessed peacekeeping—down to 25 percent. This talk about the U.S. being a deadbeat is absurd. We pay more than our fair share.

So I must register my very strong opposition to this amendment, offered by the gentleman from Ohio (Mr. HALL), my very good friend. Let me note that I would like nothing better but to put this dispute behind us. But passage of this amendment today would likely make it harder, not easier, to resolve the dispute over U.N. arrearages and especially to get real and meaningful U.N. reform. The Amendment also seeks to delink the connection between the Mexico City policy and arrears. That would be wrong.

We have passed reform legislation in the past. With arguable results. Reform has been spotty at best. So to maximize our reform efforts the appropriations bill before us would effectively advance U.N. reform by making any payment of the disputed arrearages expressly conditional on passage of a separate authorization bill.

The Hall amendment would delete this important requirement so that the U.N. would get its money without real reform. Yes, the underlying language in the bill would require reduction of dues, to 22 percent.

But most importantly, it says nothing about reducing our share of peacekeeping assessments from 31 to 25 percent. However, the U.S. government has already enacted this reduction—so arrearages may continue to expand unless the U.N. reduces our 25 percent ceiling.

The Hall amendment says nothing about U.N. inspectors general or about corruption, about nepotism, overspending, U.N. taxation, infringements on United States sovereignty, or other issues addressed by the U.N. reform package.

Mr. Chairman, by providing over $244 million to the U.N. without the careful process of deliberation and negotiation that is necessary for a true dispute resolution, we would seriously undermine and likely defeat the prospects for real reform. We would enable and empower continued bad behavior on the part of the U.N. officials and specialized agencies.

Mr. Chairman, again I want to respond to this spurious accusation that the United States has been a deadbeat in its financial support of the United Nations. Rhetoric like that is particularly embarrassing when it comes from the mouths of the U.S. officials whose job it is to defend our interests, and it does violence to the facts about the relationship between the United States and the U.N.

It would be far more accurate to say that the United States is by far the U.N.'s largest benefactor. Not deadbeat, benefactor—with a capital B.

Consider this in the first 51 years of the U.N.'s existence, the United States paid approximately $35 billion into the U.N. system and somewhere between $6 and $15 billion additional dollars for costs for U.N.-authorized peacekeeping missions. That amount dwarfs the contributions of all other countries in the world.

In fiscal year 1997, for example, the U.S. paid roughly three times more into the U.N. system than Germany. The U.K. donates Five percent, that is all. We are 25 percent dues to 31 percent peacekeeping. We give five times more than France, 35 times more than the People's Republic of China. They are under 1 percent. Time for some burden sharings adjustments it would seem to me.

Last year, Uncle Sam provided $1.5 billion to the U.N., and $300 million of that was voluntary not assessed. And we get no credit for that. In most cases we are glad to give it, to advance humanitarian goals that feed, clothe and vaccinate children.

Still Mr. Chairman, many Americans and their representatives are deeply skeptical of some of the U.N's work. Some, seeing the waste and the fraud and the abuse that is rampant, some feel that drastic cuts in the U.N. funding are in order.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. SMITH) has expired.

(By unanimous consent, Mr. SMITH was allowed to proceed for 3 additional minutes.)

Mr. SMITH of New Jersey. Mr. Chairman, some believe that the U.N. owes the U.S. for billions of dollars we spent in support of U.N. authorized peacekeeping missions that have been paid by our government, an amount many times larger than the amount that the U.N. claims that we owe.

As a matter of fact, a 1996 GAO report looked at just a few peacekeeping missions, Haiti, the former Yugoslavia, Somalia, and Rwanda, and found that, in just 4 years, from 1992 to 1995, the U.S. Government shelled out $6.6 billion. None of that $6.6 billion or any of the other money that has gone for the so-called incremental military costs are reflected anywhere in the computation about what we have donated to the U.N. and has nothing to do with the U.N. arrears debate. We get no credit for it.

If we had all U.S. donations on the table, with absolute transparency, the aggregate of funds that American taxpayers give would make this arrearage fight look frivolous.

Mr. Chairman, let me also point out that some top U.N. officials, got their jobs, not because of their qualifications, but as a form of patronage for member states. That needs reform.

There is no effective inspectors general for the various specialized agencies against waste, fraud, and unethical conduct, no effective protection for whistleblowers, no effective system of personnel evaluation.

The U.N. continues to have major difficulties controlling their own spending. When actual spending exceeds the budget adopted by the General Assembly, nothing happens. It just exceeds the amount.

The U.N. procurement system is almost as scandalous as the personnel and budget systems. There are no requirements of public announcements, and contracts are awarded under dubious and questionable criteria.

All these defects, Mr. Chairman, need to be fixed, and they need to be fixed now. Last year, we made a sincere effort. The foreign relations authorization bill passed by the House and Senate required the U.S. share of dues to be reduced to 20 percent and, importantly, required before we provided this money that it drop from 31 to 25 percent for assessed peacekeeping. Of course this change at the U.N. would comport with U.S. law. Again, remember, we passed the law; it is part of the U.S. Code, that we are not going to pay more than 25.

Among other important reforms, the authorization bill we passed last Congress also contained tough conditions against U.N. attempts to violate U.S. sovereignty, to perhaps raise a standing army, or impose a U.N. tax. All of that is "waived" in the language that Mr. HALL offers today.

Vote "no" on the Hall amendment.

Mr. ENGEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Hall amendment. I come from the old school. I believe that if one wants to do something, one finds a way to do it. If one really does not want to do it, one makes excuses as to why it cannot be done.

We have in this Congress, for the past several years, nitpicked to death our arrearage question involving the United States' dues that are owed to the United Nations. I am embarrassed and ashamed that the United States has not paid its dues, and I am embarrassed and ashamed that we use every other issue as a rationale as to why somehow or other the United States cannot pay its dues.

Everyone here says, oh, yes, we think that the United States will pay its dues and can pay its dues, and we are still in negotiation and still doing this and we are still doing that. But here we are year after year after year after year, and nothing changes.

We have the United Nations working group here, co-chaired by myself and the gentlewoman from New York (Mrs. LOWEY) and the gentleman from Iowa (Mr. LEACH) and the gentleman from Connecticut (Mr. SHAYS). We did not think that month after month, year after year, we would still be fighting for the same thing. So a time has really come for us to put up or shut up.

The United Nations arrearages should not be mixed in with abortion language or Mexico City or any other issue or any of the reforms or any of the things, the negotiations between the Senate and the House. We owe that money, and that money ought to be paid. It is an embarrassment that it is not paid.

Poll after poll has shown that anywhere from two-thirds to three-quarters of the American people support our paying the dues which we owe. Do my colleagues know that every former Secretary of State that is living, Republican and Democratic serving in Republican and Democratic administrations, supports the paying of the U.N. dues? Every one, Republican and Democratic, supports it.

Now, the U.N. has undergone reforms. It needs more reforms. But let us not pretend they have not tried and made great strides in reforming themselves over the past years.

The U.N. has an inspector general. They have reduced their peacekeeping costs substantially. These are all things that we have demanded they do. They have responded. They have had a zero growth now for 6 years. There are 900 positions cut in the United Nations. So they are responding to what we are saying. They ought to respond more.

But as was pointed out by several of my colleagues, will they respond more if we pay our dues, or will they respond more if we do not pay our dues? If we do not pay our dues and we have this arrogant attitude and we are thumbing our nose at the world body, well, why should they respond to our demands for reform?

But if we are paying what we owe, then we have a right to be influential, and we have a right to say what we feel, and then there will be a response; and there has been a response.

But it seems to me that we cannot talk out of both sides of our mouth. What really upsets me and has not come out in this debate is that there is sort of an underlying feeling amongst many colleagues here, particularly on the other side of the aisle, underlying feelings of hostility towards the United Nations, that somehow the United Nations is there to tell us what to do or to dominate us or not act in the interest of the United States.

□ 1530

I think it is quite the opposite. I think the United Nations does work in the interest of the United States and in the interest of peace throughout the world.

We have seen in crisis after crisis, in incidents such as in Kosovo and in Iraq and all over the world that we can utilize the United Nations to back up United States policy. But are we again in a better position to do that if we do not pay our dues or are we in a better position to have the United Nations back up U.S. foreign policy if we do pay our dues? I think it is quite evident that if we pay our dues we will have more influence in that body.

So I think what the gentleman from Ohio (Mr. HALL) is trying to do, and he is showing the frustration that all of us feel, is that simply the United States ought to pay its dues and this Congress ought to have an up or down vote on the paying of the dues, not mixed into any other issue, not blown away because we are having a fight with the Senate or some people here do not like the administration or some people here feel strongly about other issues. We owe the money, we ought to pay the money.

The United Nations is an important organization, the United States is the leader of the world, and we ought to do what is right. And what is right is to pay our dues, and what is right is for this Congress to unequivocally say let us stop bashing the U.N., let us stop bashing other nations, let us act like leaders for a change. We are the leaders, we ought to be the leaders, and we ought to pay what we owe. Support the Hall amendment.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio. It is pretty straightforward. I think we have heard all sides about the issue. What it simply does is it strikes some language that is in the bill which requires that funds that are appropriated for U.N. arrears must be authorized before they are disbursed.

The bill's funding includes the third and the last installment on our arrears payments to the United Nations. However, the U.N. has been unable to receive any of the money which was previously appropriated because it was conditioned, as is the money in this bill, on the passage of an authorization bill which has not passed.

The other body has crafted an agreement with the administration to deal with the question of U.N. reforms and has approved repayment of our arrears by a large margin. But the House has been unable to follow suit because passage of the U.N. authorization has been tied to unrelated issues. It is time that the question of U.N. funding be considered on its merits and not held hostage by other agendas.

Release of these funds is particularly important because we are facing the possibility of losing our vote in the General Assembly. Every living former Secretary of State, including James Baker, Alexander Hague, George Schultz, Henry Kissinger all support repayment of our U.N. arrears.

They support U.N. funding not only because it is a legal obligation but because it serves our national interest in contributing to global peace, prosperity, and security, and because it serves humanitarian interests in assisting refugees, improving human rights, and establishing the rule of law. Our continued failure to honor our obligation threatens our interests by threatening the U.N.'s financial and political viability.

I have great respect for the chairman of the authorizing committee, very great respect, he is my friend, and I do want him to know that I do think that this amendment is appropriate and I urge support for the Hall amendment.

Mr. BOEHLERT. Mr. Chairman, will the gentlewoman yield?

Mrs. MORELLA. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I thank the gentlewoman for yielding to me.

The United States needs to pay up. That is very basic. Crippling the U.N. by withholding U.S. economic support will not only hurt the reputation of the United States in the world community, but it will make it even more difficult for the U.N. to push forward with needed reforms.

I say needed reforms because, as this debate has brought to the surface, this Congress, on a bipartisan basis, has said quite emphatically that certain reforms are very much in order, not just in the interest of the United States but in the interest of the long-term effectiveness of the United Nations.

Personally, I do not think we hear enough about the U.N. successes: The feeding of over 50 million people last year, the immunization of hundreds of thousands of needy children, reducing the use of ozone depleting substances, and a whole list of very good deeds. Now, more than any other time in history, countries are connected through problems, since many problems today are global in scope. The U.N. has been the only body to convene all parties to broker agreements on these global issues.

Now, the U.N. has not always succeeded, but its successes have been many, and it has always tried. Issues such as armed conflict resolution, nuclear site inspections, cross-border pollution, crime, drugs, armed trafficking, money laundering, and epidemics, all of which are beyond the capability of any one country or group of countries have been addressed. So much better to be debating these issues in an international forum rather than fighting about them on some distant battlefield.

Mr. Chairman, a strong majority of Americans favor us paying our U.N. dues. They understand that if we belong to an organization and that organization has dues, the obligation is to pay those dues. That is basic. We should heed their wisdom and pass the Hall amendment. The world counts on the U.N., it is time that the U.N. can count on the U.S.

Ms. PELOSI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a representative from California, specifically San Francisco, where the U.N. was born, I rise with particular pride today in support of the Hall amendment. In our community, we have a great appreciation for the United Nations and the work that it does. So I rise today to say let us pay our dues to the U.N.; and, in addition to that, let us give the U.N. its due.

It is a great institution. It is capable of helping to solve many problems in the world on a multilateral basis. We have urged the U.N. to put a new leader in and, with U.S. support, that happened; and we still turn our back.

I am pleased as a representative of San Francisco to join my colleagues from New York, where the U.N. is domiciled, in praise of the United Nations and its work. And I am very, very pleased to salute the gentleman from Ohio (Mr. HALL) for his courage and his leadership in bringing this amendment to the floor.

Everyone is making a little sacrifice on this issue so that we can have a big payoff for poor people in the world, for protecting the environment, for promoting the rule of law and human rights and peace throughout the world.

This debate, to me, seems full of contradictions. On the one hand we are told by our colleagues who oppose the U.N. that their objection to U.N. funding was based on concerns about inefficiencies and bureaucracy at the U.N. Those issues have been addressed. Certainly more needs to be done, but we are in the process of improving that. The U.N. has already implemented significant reforms, and the Hall amendment preserves the package of U.N. reforms in the State Department authorization bill.

Another contradiction we hear here is that we need to have more say at the U.N. But by not paying our dues, we will lose our vote in the General Assembly. I cannot believe that this body, this House of Representatives, would even consider allowing such a step to occur. But, unfortunately, we have done that repeatedly in the past, and there is a real possibility that we will vote that way again this year and lose the vote. Passage of the Hall amendment is a step toward ensuring that Congress takes the right path this year, the path to paying our U.N. arrears.

Now, another contradiction I hear, the distinguished majority leader came to the floor and over and over and over again he said that we must respect the sanctity, or whatever the word he used, of the authorizing committee, or of the committee process. I think that is an excellent idea, and I think that we should start to do it soon, but we must be consistent.

If that was the gentleman's view, I wish he would have stood with us on this floor last week when we did not want the Smith amendment, an authorizing measure, made in order on an appropriations bill to stop the U.N. population funds from going forth without the gag rule. So let us be consistent or else let us not sing as a mantra that we must protect the committee system if we are doing it very selectively.

Another contradiction is that the U.S. must not be the policemen of the world, and we must not bear all the burden of peacekeeping and resolving conflict in the world. And yet we are ready to turn our backs here today, hopefully not, on the institution of multilateralism, the most significant instrument that we have at our disposal to solve the world's problems in a multilateral way, and that means with financial resources, intellectual resources, energy, idealism and the rest.

It was reported that today our ambassador will be sworn in, will be confirmed on the Senate side, Richard Holbrooke. I do not know if I am allowed to say that, Mr. Chairman. When he is confirmed, and our ambassador goes to the U.N., a position of high honor in our country, the ambassador to the U.N., when he goes there, we want him to be able to serve effectively. We want him to be able to hold his head up high, that we have paid our dues and given our due respect to the United Nations for what it does.

So that is why I commend the gentleman from Ohio (Mr. HALL), because I know it is with considerable sacrifice and compromise that he puts this amendment forward. Everyone is making a little sacrifice. I hope we all can so that we can pass the Hall amendment and hold our heads up high at the U.N.

Mrs. KELLY. Mr. Chairman, I rise today in opposition to the amendment offered by the gentleman from Ohio, (Mr. HALL). This amendment would allow the United States to make good on its commitment and pay $244 million in arrearages to the U.N. Unfortunately, it does so while dismissing the work of a bi-partisan, bi-cameral coalition which has worked together with the Administration, as well as the Secretary of State, to achieve broad agreement as to the reforms that need to be made in the U.N. so that the U.S. and its citizens can continue to work with the U.N. in good faith.

The Appropriations Subcommittee on Commerce, Justice and State, under the leadership of Chairman ROGERS, has brought forth a bill that includes two very responsible reforms dealing with the U.N. budget. Additionally, the Subcommittee in their wisdom, also made the payment of the $244 million in arrears, contingent upon authorization language by the House Committee on International Relations. Currently, the House is in Conference with the Other Body to reconcile the differences between the two authorization vehicles. It is important that the Conferees are able to continue their bi-partisan, bi-cameral workings on this legislation. It is expected that this Conference will be addressing the need for U.N. reforms, as well as the need to pay our arrearages.

Mr. Chairman, this amendment prematurely seeks to address the concern that the arrearages will not be authorized. The Other Body has worked with the Administration and the Executive Agencies to ensure that all parties are in agreement about the conditions to which we appropriate these monies for the U.N. I will vote against this amendment to preserve the agreement made by these groups. I firmly believe that we must live up to our obligations and pay our U.N. debts, but I want to be clear. I believe the best way to do this is to allow the Conferees to complete their consideration of these measures and not legislate this matter on an appropriations bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HALL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HALL of Ohio. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 206, noes 221, not voting 7, as follows:

[Roll No. 380]

AYES—206

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett (WI)
Bass
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Cooksey
Coyne
Cramer
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Ehlers
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frelinghuysen
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Porter
Price (NC)
Pryce (OH)
Rahall
Rangel
Rivers
Rodriguez
Roemer
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shays
Sherman
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOES—221

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Costello
Cox
Crane
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Paul
Pease
Peterson (MN)
Petri
Phelps
Pickering
Pitts
Pombo
Portman
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Bilbray
Lantos
McDermott
Meek (FL)
Mollohan
Peterson (PA)
Reyes

□ 1603

Messrs. GILCHREST, COBURN, LaTOURETTE, DAVIS of Illinois, and

EHRLICH changed their vote from "aye" to "no."

Mr. SHERMAN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 23 OFFERED BY MR. STEARNS

Mr. STEARNS. Mr. Chairman, pursuant to the permission previously granted, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 23 offered by Mr. STEARNS: On page 72, line 5, strike "$2,482,825,000" and insert "$2,482,325,000".

Mr. STEARNS. Mr. Chairman, there are times when Congress must act to protect the interest of individuals, in particular Federal civil servants, who have been unfairly harmed by the actions of the Federal Government. In this instance, the Federal employee is Linda Shenwick.

I had intended to offer an amendment that would have presented the expenditure of the Secretary of State's entertainment account until Linda Shenwick was reinstated, reimbursed and had her personnel files expunged of negative information and evaluations.

Unfortunately, this was difficult under existing House rules for appropriations bills. Therefore, I have drafted an amendment that will reduce the general administration expenses for the Department of State by an amount equal to $5 million in order to send a message that this body objects to the treatment of an innocent Federal civil servant.

But, Mr. Chairman, I intend to withdraw this amendment after engaging in a colloquy with the gentleman from Kentucky (Mr. ROGERS) and the gentleman from Indiana (Mr. BURTON).

I would like to commend the gentleman from Kentucky for agreeing to work with us to attempt to defend Linda Shenwick and attempt to have her reinstated. In addition, I would like to encourage the gentleman from Indiana, the chairman of the Committee on Government Reform, to conduct a hearing on how this Federal whistleblower, Linda Shenwick, has been illegally removed from her position, and to create a solution to have her reinstated, reimbursed for her personal expenses, and have her personnel records expunged of negative information.

In the performance of her duties, she came across time and time again evidence of deliberate waste, fraud and abuse in the United Nations. When she began reporting such evidence to her superiors at the start of the Clinton administration, her reports were ignored.

So how has the Clinton administration and the State Department rewarded this stellar career employee? They actually began to hurt her career by threatening her directly with removal from her position, with threats to destroy her financially, and by beginning a process of false accusations and unsatisfactory reviews to harm her personnel files.

She has been unfairly and illegally removed from her Federal position in contradiction to Federal laws to protect civil servants and in contradiction to Federal laws to protect whistleblowers.

It behooves us to concern ourselves with this case and Congress to act now to protect the interests of an exemplary public servant.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. I thank the gentleman for yielding to me.

Let me just say that we have had a number of hearings involving those who are whistle-blowers for various agencies of government. The problem that the gentleman from Florida is talking about is not unique. We had three people before our committee just recently who wanted to testify about reprisals against them because they were telling Congress about waste, fraud, abuse or mistakes made in their agencies and they were threatened with their jobs. Many of them were penalized.

Ms. Shenwick is another example of people being taken to the cross, so to speak, and nailed to it because they are telling Congress about waste, fraud and abuse.

One of the biggest debates we have on this floor is the United Nations. We just had one. For us to chastise somebody who is contacting the Congress about waste, fraud and abuse of taxpayers' money over there borders on the criminal as far as I am concerned. Madeleine Albright and the State Department should be made aware that we are not going to stand still in this Congress and let people be penalized who are telling Congress about this kind of waste, fraud and abuse. Ms. Shenwick should be vindicated. That is why we are both talking to the chairman of the appropriations subcommittee, the gentleman from Kentucky, to see if something cannot be done.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from Kentucky.

Mr. ROGERS. I appreciate the gentleman bringing this case to the attention of the body. I agree with the gentleman that whistle-blowers play a vital role in identifying and eradicating waste, fraud and abuse in government. Also, I agree that such individuals should be protected from reprisals and that we have a responsibility to support them in that respect.

I want to assure the gentleman that we will take a close look at this particular case, and if it is determined that this person has suffered reprisals as a result of making the Congress aware of waste, fraud and abuse at the U.N., we will take appropriate action in conference.

Mr. STEARNS. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

I understand what the three gentlemen who spoke are trying to accomplish, but I just want to say that this is a very serious situation. We spoke about it yesterday. We should speak about it again. First of all, this whole discussion we were having today is really unnecessary because there is at this point the office of special counsel which has been taking evidence from both sides and interviewing witnesses and expects to issue a decision in the near future.

Now, what troubles me about the conversation I just heard and what we heard yesterday, while I am pleased that the gentleman has withdrawn the amendment, I am troubled by the fact that we continue to try to subvert the actions of the special counsel. We should allow those people that we set in law to do the work that they have to do and we should not try to undo that work.

I would hope that the comments that were made yesterday by myself were taken fully for what they meant, and, that is, that I would hope the gentleman would just allow for the process to take its place.

□ 1615

First of all, this young lady has not been determined a whistle-blower yet; that is part of the investigation. So why we are saying what we are saying I do not understand. And lastly, not to take too much time, I will be the first one to join if I know there has been discrimination or unfairness in any way, shape, or form. But we need for this process to take its due course.

Mr. STEARNS. Mr. Chairman, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Florida.

Mr. STEARNS. Mr. Chairman, I know the gentleman means that sincerely, and I respect him, but this woman was removed before the investigation was complete. Generally the woman is kept in office, the whistleblower, while the investigation proceeds, but the investigation started and then removed her, and they have not even completed the investigation.

So I submit that that is not the kind of behavior that I am sure that the gentleman from New York condones.

Mr. SERRANO. I understand, and it is certainly not the kind of behavior that I would condone; and if that is the case, it is part of what we have to look at. That is why I respect the gentleman and I thank him for withdrawing the amendment, but I just want us to make sure that this is an issue that has other people involved and other situations going on, and we should pay attention to that as we pay attention to our intent here.

Mrs. MINK of Hawaii. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to express my very deep disappointment that there is no funding for the East-West Center in this appropriations bill. As my colleagues know, several days ago the House debated this matter about funding the East-West Center as well as the North-South Center and the Asia Foundation, and by an overwhelming vote the provisions for funding in the authorization bill were retained, and in the case of the East-West Center, it was funded at $17.5 million.

The East-West Center is an internationally respected research and educational institution that was based in Hawaii 39 years ago. It was a bipartisan effort by the Eisenhower administration, the Congress, and the center has worked very successfully to improve relations and understanding between the United States and the peoples of Asia and the Pacific region. Presidents from these nations, prime ministers, ambassadors, scholars, people that are in business, in journalism, have traveled from all over the Pacific region to come to study at the East-West Center.

Mr. Chairman, it is not something which we have any proprietary interest as the State of Hawaii. It is a national institution, and it serves more than half of the world's population and has provided some tremendous input to the scholars that come, to those who study, as well as to the country as a whole.

We have very, very important programs ongoing, and to each year face this situation of no support from the Committee on Appropriations is very, very disturbing.

Mr. Chairman, I yield to the gentleman from Hawaii (Mr. ABERCROMBIE). My colleague and I have worked very hard to try to bring to the awareness of the Members of this House how important this institution is.

Mr. ABERCROMBIE. Mr. Chairman, I see the distinguished members of the Committee on International Relations are here, others who are associated with this bill. Mr. Chairman, I just want to make clear a personal note, if I might, to the other Members.

The East-West Center is a Federally chartered institution. It is not an entity which the gentlewoman from Hawaii (Mrs. MINK) or myself are associated with as Members of Congress per se. It is not an institution of the University of Hawaii or the State of Hawaii.

I was there when it was founded 39 years ago when I was a student at the University of Hawaii. I am well acquainted with many of the alumni, Mr. Chairman, some 40,000 plus.

We just finished today the conference report on the Committee on Armed Services. We have to fund our Armed Services because of our relationships to be prepared to defend the strategic interests of the United States and the Pacific Rim to the tune of billions and billions of dollars. We have 40,000 friends in Asia as a result of their experience at the East-West Center, which happens to be in Hawaii, which is the gateway for the United States of America and to all of Asia and South Asia and the Pacific Rim.

I urge the Chair, and I urge the committee members who will be conference members as they deal with the Senate, to have an open mind based on the facts as I have outlined them and the gentlewoman from Hawaii (Mrs. MINK) has outlined them and based on the fact that the East-West Center is very much in the strategic interests of the United States as a Federally chartered institution and as a catalyst for friendship throughout all of Asia for the United States of America.

Mrs. MINK of Hawaii. Mr. Chairman, the most powerful force of the United States in the Pacific region has always been our ideas, and the East-West Center is a place where these ideas can be shared by the people who will be the future leaders of the Asian Pacific country, and therefore it seems to me that it is so obvious that the national interest is centered in the maintenance and in the increasing of the possibility of the East-West Center to extend its influence over the Asia Pacific area.

So each year when we confront this negative funding from this body, it is very discouraging, and I know that we do rely upon gifts from the Asian Pacific countries and from individual companies, but in every case they set the parameters of how this money is to be spent. We want to give the East-West Center a strong foundation, a strong basis on which our points of view, our ideas, our philosophy, our political approach, our understanding of democracy can be the center for our existence as an institution; and therefore I would hope that the members of this committee will take that outlook as they meet with the Senate on this matter.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as we vote today for or against the appropriation that will pay for the State Department's operating expenses, I would like to draw the attention of my colleagues to an ongoing controversy concerning the State Department's dealings with the Taliban regime that now controls Afghanistan. The Taliban, I remind my colleagues, have been ruling most of Afghanistan with an iron fist. They are competing with the SLORC dictatorship in Burma for the role of the world's largest producer of heroin. They are harboring anti-American terrorists like Osama bin Laden and other murderers who have killed and maimed Americans in attacks like those on American embassies in Africa.

The Taliban fanatical leaders are waging a psychotic war of terror and repression against anything that they deem Western and have singled out women in Afghanistan as the targets of their medieval wrath. In short, they are to women what the Nazis were to Jews in the 1930's. Specifically, they are a monstrous threat to the freedom and well-being of tens of millions of women who live in Muslim countries around the world.

Now here is the kicker. Under the Clinton administration, the Taliban has established control over most of Afghanistan and has wiped out its opposition. Rather than being a force to combat the expansion of the Taliban, it appears that the United States under this administration has acquiesced to Taliban rule and even undermined the resistance to the Taliban. In short, it appears that the United States may have a covert policy of supporting the Taliban.

As a senior member of the Committee on International Relations, I requested documents well over a year ago that would confirm or lay to rest this suspicion about possible U.S. support for the Taliban. I repeatedly requested Assistant Secretary of State Rick Indefurth and other State Department officials formally and informally, officially and unofficially, to provide the documentation.

The chairman of the Committee on International Relations, the gentleman from New York (Mr. GILMAN), joined me in this request. Secretary of State Albright made a commitment to the committee during a hearing that documents would be forthcoming, and that was November of last year. After over a year of stalling and foot dragging, a year of either cover-up or incompetence, the State Department finally turned over a small batch of documents a couple of weeks ago, and only, by the way only then, after the chairman, Chairman GILMAN, threatened to subpoena.

Mr. Chairman, the paltry packet delivered from the State Department contained for the most part photocopies of newspaper articles about Afghanistan. This arrogance should be noted as we vote for the State Department's budget. This thumbing their noses at Congressional oversight cannot and should not be tolerated. This is an issue of utmost importance, and at this point, Mr. Chairman, I insert into the RECORD a letter that I sent yesterday to Assistant Secretary of State Indefurth:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, August 3, 1999.
Hon. KARL F. INDEFURTH,
Assistant Secretary of State for South Asian Affairs, Department of State, Washington, D.C.

DEAR SECRETARY INDEFURTH: After over a year of requesting documents and information concerning the Administration's policies and activities concerning Afghanistan and the Taliban, your office transmitted an envelope with pitifully few documents. Most of those documents were photocopies of newspaper articles. You may think this is funny, Mr. Indefurth. It is an insult to me as a senior member of the International Relations committee, it is an insult to Chairman Gilman who joined me in this request, and it is an affront to the Congress. Your actions suggest a disdain for Congress' oversight responsibility.

Let me again remind you, I have asked for all documents concerning administration policy toward Afghanistan and the Taliban, including cables and diplomatic correspondence with American diplomats engaged in foreign policy initiatives and analysis. Chairman Gilman joined me in that request over six months ago. In November of last year, Secretary Albright promised the Committee that the requested documents would be forthcoming. As far as I am concerned, you are in contempt of Congress in both a legal and personal sense. There is no excuse for the delays and stonewalling instead of providing information requested by a legitimate Congressional oversight committee.

There are only a few explanations for your continued intransigence in meeting this lawful request for documents and information. All of those explanations reflect poorly on you, Secretary Albright and the Administration as a whole. Incompetence may be a reason, raw arrogance may be a reason. However, it is also possible, considering other actions taken by you and the Administration, that what we see is a reflection of a coverup of a covert policy supporting the Taliban in Afghanistan.

Considering the Taliban's assault on human rights, especially those of Afghan women, the charges of a convert policy of support for the Taliban deserved the utmost clarification by your office through the documents I requested. Instead, we've had delay and obfuscation. Taliban's current offensive aimed at destroying the last remnants of resistance to their tyrannical rule, makes your actions even more questionable. This letter will be sent to every member of the International Relations Committee and will be made part of the Congressional Record. Upon return from the Summer break, I will be asking that subpoenas be issued and that prosecution for contempt of Congress be considered.

Sincerely,
DANA ROHRABACHER,
Member of Congress.

At this moment the Taliban are on an offensive that it is attempting to wipe out its last resistance, and that is about 10 percent of the country that now is in the Panjer Valley and that has resisted the Taliban efforts, and that is under a man named Commander Massoud. This is a life and death struggle. Thousands of people are being killed. Unfortunately, the people of Afghanistan who fought so bravely as friends of the United States and helped us end the Cold War, we now have deserted them; and it is possible that we are actually helping their oppressors.

Unfortunately, it appears that the Saudis and the Pakistanis have sent foreign troops into Afghanistan with the acquiescence of the United States. I hope that the people of Afghanistan understand that as this offensive against Massoud and the Panjer Valley goes forward this is their chance to rise up against the Taliban and to win their own freedom, because I am afraid that as long as this administration is in Washington, D.C., that we will not be taking those efforts to support the freedom-loving people of Afghanistan who stood with us against the Soviet Union; and instead it is possible that we have a covert policy of supporting the Taliban control, which would be a monstrous violation of the principles of freedom and justice for all that our country supposedly stands for.

So I would ask my colleagues to pay attention to this, and I would ask the State Department to please provide the documentation that I have been trying and I am asking for for over a year, when the gentleman from New York (Mr. GILMAN) has been asking for it for over a year and not to arrogantly thumb their noses at us by sending us newspaper clippings in response to our request for official documents.

The CHAIRMAN. If there are no further amendments to this section, the Clerk will read.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the remainder of title IV be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The text of the remainder of title IV is as follows:

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed $6,000 for representation; as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, $19,551,000.

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, $5,750,000, to remain available until expended, as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)).

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103–182, $5,733,000, of which not to exceed $9,000 shall be available for representation expenses incurred by the International Joint Commission.

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, $14,549,000: *Provided*, That the United States' share of such expenses may be advanced to the respective commissions, pursuant to 31 U.S.C. 3324.

OTHER

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, as authorized by section 501 of Public Law 101-246, $8,000,000, to remain available until expended, as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)).

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM TRUST FUND

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204–5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, 2000, to remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A–110 (Uniform Administrative Requirements) and A–122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services.

ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, 2000, to remain available until expended.

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, $31,000,000 to remain available until expended.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For expenses necessary to enable the Broadcasting Board of Governors, as authorized by the United States Information and Education Exchange Act of 1948, as amended, the Radio Broadcasting to Cuba Act, as amended, the Television Broadcasting to Cuba Act, the United States International Broadcasting Act of 1994, as amended, Reorganization Plan No. 2 of 1977 as amended, and the Foreign Affairs Reform and Restructuring Act of 1998, to carry out international communication activities, including the purchase, installation, rent, construction, and improvement of facilities for radio and television transmission and reception to Cuba, $410,404,000, of which not to exceed $16,000 may be used for official receptions within the United States as authorized by section 804(3) of such Act of 1948 (22 U.S.C. 1747(3)), not to exceed $35,000 may be used for representation abroad as authorized by section 302 of such Act of 1948 (22 U.S.C. 1452) and section 905 of the Foreign Service Act of 1980 (22 U.S.C. 4085), and not to exceed $39,000 may be used for official reception and representation expenses of Radio Free Europe/Radio Liberty; and in addition, notwithstanding any other provision of law, not to exceed $2,000,000 in receipts from advertising and revenue from business ventures, not to exceed $500,000 in receipts from cooperating international organizations, and not to exceed $1,000,000 in receipts from privatization efforts of the Voice of America and the International Broadcasting Bureau, to remain available until expended for carrying out authorized purposes.

BROADCASTING CAPITAL IMPROVEMENTS

For the purchase, rent, construction, and improvement of facilities for radio transmission and reception, and purchase and installation of necessary equipment for radio and television transmission and reception as authorized by section 801 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471), $11,258,000, to remain available until expended, as authorized by section 704(a) of such Act of 1948 (22 U.S.C. 1477b(a)).

GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCY

SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of title 5, United States Code; for services as authorized by 5 U.S.C. 3109; and hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the Broadcasting Board of Governors in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided further*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. The Secretary of State is authorized to administer summer travel and work programs without regard to preplacement requirements.

SEC. 404. Beginning in fiscal year 2000 and thereafter, section 410(a) of the Department of State and Related Agencies Appropriations Act, 1999, as included in Public Law 105–277, shall be in effect.

SEC. 405. None of the funds made available in this Act may be used by the Department of State or the Broadcasting Board of Governors to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

This title may be cited as the "Department of State and Related Agency Appropriations Act, 2000".

The CHAIRMAN. Are there any amendments to this title?

If not, the Clerk will read.

The Clerk read as follows:

TITLE V—RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

MARITIME SECURITY PROGRAM

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, $98,700,000, to remain available until expended.

OPERATIONS AND TRAINING

For necessary expenses of operations and training activities authorized by law, $69,303,000.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by the Merchant Marine Act, 1936, $5,400,000, to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,000,000,000.

In addition, for administrative expenses to carry out the guaranteed loan program, not to exceed $3,725,000, which shall be transferred to and merged with the appropriation for Operations and Training.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received therefore shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy for items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

Mr. TALENT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if the gentleman from Kentucky (Mr. ROGERS) would engage me in a brief colloquy?

I thank the gentleman for his indulgence. I want to thank him for his excellent work on the bill. I know he has had a difficult time and made some difficult choices, and I think he has produced a great product.

I would like to ask him about funding for the National Veterans Business Development Corporation. The bill authorized in this program, H.R. 1568, passed the House by a voice vote, has not yet passed the Senate. We certainly expect it to soon. It was originally my intent to offer an amendment providing the $2 million necessary for the program, but that would have been subject to a point of order.

It is my understanding the Senate will pass H.R. 1568 soon, perhaps yet this week, and that a bill can be sent to the White House.

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I would like to ask the chairman if once we have an authorization, he would be willing to work with me and the Senate conferees to see if we can obtain funding for this important program.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. TALENT. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I am aware of the corporation and the gentleman's efforts on the committee on small business to aid veterans through this program. However, because we were uncertain of the final form of the authorization, we did refrain from providing funding. It is my understanding that the bill is not being significantly changed. Therefore, I would be happy to work with the chairman of the Subcommittee on Small Business to see what might be accomplished in the conference.

Mr. TALENT. Mr. Chairman, reclaiming my time, I want to thank the chairman for his time. I appreciate his offer to work with me on this, and, more importantly, I thank him on behalf of the veterans and the small business community who will be helped by the bill and the funding.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act or in any prior appropriation Act.

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD

SALARIES AND EXPENSES

For expenses for the Commission for the Preservation of America's Heritage Abroad, $265,000, as authorized by section 1303 of Public Law 99–83.

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

For necessary expenses of the Commission on Civil Rights, including hire of passenger motor vehicles, $8,900,000: *Provided*, That not to exceed $50,000 may be used to employ consultants: *Provided further*, That none of the funds appropriated in this paragraph shall be used to employ in excess of 4 full-time individuals under Schedule C of the Excepted Service exclusive of 1 special assistant for each Commissioner: *Provided further*, That none of the funds appropriated in this paragraph shall be used to reimburse Commissioners for more than 75 billable days, with the exception of the chairperson, who is permitted 125 billable days.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For necessary expenses of the Commission on Security and Cooperation in Europe, as authorized by Public Law 94–304, $1,170,000, to remain available until expended as authorized by section 3 of Public Law 99–7.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621–

634), the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); non-monetary awards to private citizens; not to exceed $29,000,000 for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act of 1964, as amended, sections 6 and 14 of the Age Discrimination in Employment Act, the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991; $279,000,000: *Provided*, That the Commission is authorized to make available for official reception and representation expenses not to exceed $2,500 from available funds.

Federal Communications Commission

SALARIES AND EXPENSES

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by 5 U.S.C. 5901–02; not to exceed $600,000 for land and structure; not to exceed $500,000 for improvement and care of grounds and repair to buildings; not to exceed $4,000 for official reception and representation expenses; purchase (not to exceed 16) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, $192,000,000, of which not to exceed $300,000 shall remain available until September 30, 2001, for research and policy studies: *Provided*, That $185,754,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, as amended, and shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year 2000 so as to result in a final fiscal year 2000 appropriation estimated at $6,246,000: *Provided further*, That any offsetting collections received in excess of $185,754,000 in fiscal year 2000 shall remain available until expended, but shall not be available for obligation until October 1, 2000.

Federal Maritime Commission

SALARIES AND EXPENSES

For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act of 1936, as amended (46 U.S.C. App. 1111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–02, $14,150,000: *Provided*, That not to exceed $2,000 shall be available for official reception and representation expenses.

Federal Trade Commission

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $2,000 for official reception and representation expenses, $77,207,000: *Provided*, That not to exceed $300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718, as amended: *Provided further*, That, notwithstanding any other provision of law, not to exceed $77,207,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18(a)) shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 2000, so as to result in a final fiscal year 2000 appropriation from the General Fund estimated at not more than $0, to remain available until expended: *Provided further*, That none of the funds made available to the Federal Trade Commission shall be available for obligation for expenses authorized by section 151 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102–242, 105 Stat. 2282–2285).

Legal Services Corporation

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, $141,000,000, of which $134,575,000 is for basic field programs and required independent audits; $1,125,000 is for the Office of Inspector General, of which such amounts as may be necessary may be used to conduct additional audits of recipients; and $5,300,000 is for management and administration.

ADMINISTRATIVE PROVISION—LEGAL SERVICES CORPORATION

None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502, 503, 504, 505, and 506 of Public Law 105–119, and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 1999 and 2000, respectively.

Marine Mammal Commission

SALARIES AND EXPENSES

For necessary expenses of the Marine Mammal Commission as authorized by title II of Public Law 92–522, as amended, $1,240,000.

Securities and Exchange Commission

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, and not to exceed $3,000 for official reception and representation expenses, $193,200,000 from fees collected in fiscal year 2000 to remain available until expended, and from fees collected in fiscal year 1998, $130,800,000, to remain available until expended; of which not to exceed $10,000 may be used toward funding a permanent secretariat for the International Organization of Securities Commissions; and of which not to exceed $100,000 shall be available for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations, appropriate representatives and staff to exchange views concerning developments relating to securities matters, development and implementation of cooperation agreements concerning securities matters and provision of technical assistance for the development of foreign securities markets, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance at such consultations and meetings including: (1) such incidental expenses as meals taken in the course of such attendance; (2) any travel and transportation to or from such meetings; and (3) any other related lodging or subsistence: *Provided*, That fees and charges authorized by sections 6(b)(4) of the Securities Act of 1933 (15 U.S.C. 77f(b)(4)) and 31(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78ee(d)) shall be credited to this account as offsetting collections.

Small Business Administration

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration as authorized by Public Law 105–135, including hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344, and not to exceed $3,500 for official reception and representation expenses, $245,500,000: *Provided*, That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan servicing activities: *Provided further*, That, notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to be available for carrying out these purposes without further appropriations.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App.), $10,800,000.

BUSINESS LOANS PROGRAM ACCOUNT

For the cost of direct loans, $762,000, to be available until expended; and for the cost of guaranteed loans, $128,030,000, as authorized by 15 U.S.C. 631 note, of which $45,000,000 shall remain available until September 30, 2001: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That during fiscal year 2000, commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958, as amended, shall not exceed the amount of financings authorized under section 20(e)(1)(B)(ii) of the Small Business Act, as amended: *Provided further*, That during fiscal year 2000, commitments for general business loans authorized under section 7(a) of the Small Business Act, as amended, shall not exceed $10,000,000,000 without prior notification of the Committees on Appropriations of the House of Representatives and Senate in accordance with section 605 of this Act: *Provided further*, That during fiscal year 2000, commitments to guarantee loans under section 303(b) of the Small Business Investment Act of 1958, as amended, shall not exceed the amount of guarantees of debentures authorized under section 20(e)(1)(C)(ii) of the Small Business Act, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $94,000,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

DISASTER LOANS PROGRAM ACCOUNT

For the cost of direct loans authorized by section 7(b) of the Small Business Act, as amended, $139,400,000 to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended.

In addition, for direct administrative expenses of loan making and servicing to carry out the direct loan program, $116,000,000, of which $500,000 is for the Office of Inspector General of the Small Business Administration for audits and reviews of disaster loans and the disaster loan program and shall be transferred to and merged with appropriations for the Office of Inspector General.

ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION

Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the remainder of title IV be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any amendments to this section?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 603. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 604. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of each provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 605. (a) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2000, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions, or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2000, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Appropriations Committees of both Houses of Congress are notified 15 days in advance of such reprogramming of funds.

SEC. 606. None of the funds made available in this Act may be used for the construction, repair (other than emergency repair), overhaul, conversion, or modernization of vessels for the National Oceanic and Atmospheric Administration in shipyards located outside of the United States.

SEC. 607. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 608. None of the funds made available in this Act may be used to implement, administer, or enforce any guidelines of the Equal Employment Opportunity Commission covering harassment based on religion, when it is made known to the Federal entity or official to which such funds are made available that such guidelines do not differ in any respect from the proposed guidelines published by the Commission on October 1, 1993 (58 Fed. Reg. 51266).

SEC. 609. None of the funds appropriated or otherwise made available by this Act may be obligated or expended to pay for any cost incurred for: (1) opening or operating any United States diplomatic or consular post in the Socialist Republic of Vietnam that was not operating on July 11, 1995; (2) expanding any United States diplomatic or consular post in the Socialist Republic of Vietnam that was operating on July 11, 1995; or (3) increasing the total number of personnel assigned to United States diplomatic or consular posts in the Socialist Republic of Vietnam above the levels existing on July 11, 1995; unless the President certifies within 60 days the following:

(A) Based upon all information available to the United States Government, the Government of the Socialist Republic of Vietnam is fully cooperating in good faith with the United States in the following:

(i) Resolving discrepancy cases, live sightings, and field activities.

(ii) Recovering and repatriating American remains.

(iii) Accelerating efforts to provide documents that will help lead to fullest possible accounting of prisoners of war and missing in action.

(iv) Providing further assistance in implementing trilateral investigations with Laos.

(B) The remains, artifacts, eyewitness accounts, archival material, and other evidence associated with prisoners of war and missing in action recovered from crash sites, military actions, and other locations in Southeast Asia are being thoroughly analyzed by the appropriate laboratories with the intent of providing surviving relatives with scientifically defensible, legal determinations of death or other accountability that are fully documented and available in unclassified and unredacted form to immediate family members.

SEC. 610. None of the funds made available by this Act may be used for any United Nations undertaking when it is made known to the Federal official having authority to obligate or expend such funds: (1) that the United Nations undertaking is a peacekeeping mission; (2) that such undertaking will involve United States Armed Forces under the command or operational control of a foreign national; and (3) that the President's military advisors have not submitted to the President a recommendation that such involvement is in the national security interests of the United States and the President has not submitted to the Congress such a recommendation.

SEC. 611. None of the funds made available in this Act shall be used to provide the following amenities or personal comforts in the Federal prison system—

(1) in-cell television viewing except for prisoners who are segregated from the general prison population for their own safety;

(2) the viewing of R, X, and NC-17 rated movies, through whatever medium presented;

(3) any instruction (live or through broadcasts) or training equipment for boxing, wrestling, judo, karate, or other martial art, or any bodybuilding or weightlifting equipment of any sort;

(4) possession of in-cell coffee pots, hot plates or heating elements; or

(5) the use or possession of any electric or electronic musical instrument.

SEC. 612. None of the funds made available in title II for the National Oceanic and Atmospheric Administration (NOAA) under the headings "Operations, Research, and Facilities" and "Procurement, Acquisition and Construction" may be used to implement sections 603, 604, and 605 of Public Law 102–567: *Provided*, That NOAA may develop a modernization plan for its fisheries research vessels that takes fully into account opportunities for contracting for fisheries surveys.

SEC. 613. Any costs incurred by a Department or agency funded under this Act resulting from personnel actions taken in response to funding reductions included in this Act shall be absorbed within the total budgetary resources available to such Department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 614. None of the funds made available in this Act to the Federal Bureau of Prisons may be used to distribute or make available any commercially published information or material to a prisoner when it is made known to the Federal official having authority to obligate or expend such funds that such information or material is sexually explicit or features nudity.

SEC. 615. Of the funds appropriated in this Act under the heading "Office of Justice Programs—State and Local Law Enforcement Assistance", not more than 90 percent of the amount to be awarded to an entity under the Local Law Enforcement Block Grant shall be made available to such an entity when it is made known to the Federal official having authority to obligate or expend such funds that the entity that employs a public safety officer (as such term is defined in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968) does not provide such a public safety officer who retires or is separated from service due to injury suffered as the direct and proximate result of a personal injury sustained in the line of duty while responding to an emergency situation or a hot pursuit (as such terms are defined by State law) with the same or better level of health insurance benefits at the time of retirement or separation as they received while on duty.

SEC. 616. None of the funds provided by this Act shall be available to promote the sale or export of tobacco or tobacco products, or to seek the reduction or removal by any foreign country of restrictions on the marketing of tobacco or tobacco products, except for restrictions which are not applied equally to all tobacco or tobacco products of the same type.

SEC. 617. None of the funds appropriated pursuant to this Act or any other provision of law may be used for (1) the implementation of any tax or fee in connection with the implementation of 18 U.S.C. 922(t); (2) any system to implement 18 U.S.C. 922(t) that does not require and result in the destruction of any identifying information submitted by or on behalf of any person who has been determined not to be prohibited from owning a firearm.

SEC. 618. Notwithstanding any other provision of law, amounts deposited in the Fund established under 42 U.S.C. 10601 in fiscal year 1999 in excess of $500,000,000 shall not be available for obligation until October 1, 2000.

SEC. 619. None of the funds made available in this Act may be used to publish or issue an assessment required under section 106 of the Global Change Research Act of 1990 unless—

(1) the supporting research has been subjected to peer review and, if not otherwise publicly available, posted electronically for public comment prior to use in the assessment; and

(2) the draft assessment has been published in the Federal Register for a 60 day public comment period.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the remainder of the bill through page 108, line 21, be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Are there any amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

SEC. 620. None of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol which was adopted on December 11, 1997, in Kyoto, Japan at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol.

AMENDMENT OFFERED BY MR. INSLEE

Mr. INSLEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. INSLEE:

Page 108, strike line 22 and all that follows through page 109, line 8 (section 620).

Mr. INSLEE. Mr. Chairman, we are proposing an amendment which many of us believe will address an issue which we have too long ignored, and that is the issue of global climate change. Unfortunately, the language of the bill at this moment contains language which would prevent us from addressing this important issue on an international basis.

The language specifically we are addressing is in section 620 of the bill, and, unfortunately, the existing language of the bill would prevent any expenditure of funds in preparation for implementation of the Kyoto Protocol regarding global climate change. The problem with this language is that it would prevent our diplomatic efforts to bring forth the developing world into our efforts to get a handle on global climate change.

Many of us know that in the Kyoto Protocol, despite its adoption, we have a desire, and the administration has expressed a desire, to work with developing nations to get the developing nations to agree to limitations, to agree to research in new technology, to try to reduce our emissions globally, the developed world and the developing world, to reduce CO2 emissions and prevent the kind of summers we have had recently.

We need to remove this language, because, unfortunately, the Nation is coming to feel like Time Magazine. If you see this week's Time magazine, there is an article that is entitled "Capitol Hill Meltdown." The subtitle is, "While the Nation sizzles, Congress fiddles over measures to slow down future climate change."

Now, there is lots of work to be done between here and now on the solution to this problem, but the one thing we should not do, the one thing we cannot do, is shoot ourselves in the foot in an effort to go forth and try to bring the developing nations into this international agreement, to try to get them to join us in the efforts to reduce climate change emissions.

Many of us believe and all of us should believe that there should be no cardinal sin in going forth and trying to get others to talk with you internationally on how to deal with this problem. I would encourage any Member who has questions about this issue when we finish our mysteries at the beach this August to take a look at the literature on this issue because there is an overwhelming scientific consensus that this phenomena is occurring, number one, and, number two, it is going to continue to occur unless we, on an international basis, do something about it.

So we are offering this amendment, which would allow us, internationally, to go to the developed nations and urge them to join us in efforts to reduce these emissions and to enter into international agreements.

I want to make clear, this amendment does not, repeat, does not attempt to implement the Kyoto Protocol. The Senate has not ratified that, obviously. But it will allow us to continue diplomatic efforts to get the developed nations to help us and join us in this international effort to prevent the kind of summers we have had in the past year, in the past month, becoming unfortunately our predestined future.

Mr. KNOLLENBERG. Mr. Chairman, I rise in very strong objection to the gentleman's amendment.

Mr. Chairman, we have been down this road many, many times, but I would just like to assert a little bit of the history behind why this language is in the bill. Incidentally, it is in a number of bills, and it was signed into law, I would point out, last year by the President.

There is strong bipartisan support in this body and the other body for this language, and all it is designed to do and destined to do is to prevent implementation of the Kyoto treaty before it is ratified by the Senate. As the gentleman well knows, the Senate does have something to say about this.

I could say to you that nowhere in our wording does it say that we are stopping voluntarily any efforts that are being made in the direction of improving conditions, as you seek. But the developing nations of this world, as has been determined by that Senate vote of 95 to 0, must be participants. That does not mean that we have to pay with taxpayer dollars for implementation of the treaty until there is ratification.

Now, I can say further, education and research is something that is very clear. That can be done. But I think the gentleman errs when he says that this language prevents any kind of voluntary effort. What it is designed to do, and it says very clearly, and I can read it, if you would like, "none of the funds appropriated by this act shall be used to propose, issue rules or regulations or decrees or orders for the purpose of implementation."

That is the story, plain and simple.

I would tell the gentleman that it was not just a bipartisan effort, because if you look at the vote through the various subcommittees, committees, on the floor, et cetera, in the Senate, I think there is overwhelming respect for the idea that we should not bypass the Constitution, we should not implement before we ratify.

I would just say to the gentleman from Washington (Mr. INSLEE), that is what this language is for. If you strike this language, you have opened up enough room for a truck to drive through to actually implement the treaty. That is what we do not want to do.

I want to get to a point where we have made this world a cleaner place in terms of the air we breathe I think as much as anybody, but we are not going to do it in a constitutional bypass, and that is, frankly, what you do when you strike this language, you leave it open to that.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. KNOLLENBERG. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding, and I thank the gentleman for being the author of this language that was inserted into this bill.

Mr. Chairman, this is I think the sixth of these appropriations bills that this exact same language has been included in. The House has passed five previous bills this year, appropriations bills, with this same language, and it is in this bill, and I commend the gentleman for his efforts, because he has been the driving force behind our efforts.

This language was accepted I think unanimously in the full committee. I do not think anyone objected to it. I would certainly oppose the amendment to strike it out, and commend the gentleman for putting the language in. I urge a "no" vote on the amendment.

Mr. INSLEE. Mr. Chairman, will the gentleman yield?

Mr. KNOLLENBERG. I yield to the gentleman from Washington.

Mr. INSLEE. Mr. Chairman, it is a question as much as a statement. What many of us are concerned about is the language that says none of the funds can be used in preparation for implementation.

Let me tell you what the concern is, and perhaps we can work together in conference to resolve this. The concern is that that language would prevent the State Department from going to developed nations and trying to get them to prepare for the Kyoto Protocol, to try to get them to agree to improve their participation in this protocol, to try to get them to agree to some of the measures.

We are very concerned this language will prevent us from moving ahead at all on international consideration. I guess I would ask the Chair if you would consider in conference looking at this language.

Mr. KNOLLENBERG. Mr. Chairman, reclaiming my time, let me assure the gentleman that there is nothing in this wording, which was worked out, by the way, in conference last year with the Senate and the House, with Senator BYRD. This language, by the way, was further, I would say, changed from what we had passed on the House floor last year. So this has the approval and the backing of Senator BYRD and the Senate, and it was passed without any kind of interruption in the conference last year.

□ 1645

So the gentleman is suggesting I reopen that. What I would tell the gentleman is that we would continue to say that this language only is intended not to challenge or to stop any kind of research or education, but when we cross the line to advocacy, we have gone too far. When we spend money in the hopes of the developing nations of the world coming on board, we are crossing that line.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. INSLEE. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Washington.

Mr. INSLEE. Mr. Chairman, I appreciate this discussion.

Let me just ask the chairman, does he believe it would be appropriate in this language for our State Department or other agencies of the government to continue a dialogue with the developing nations to try to get them to come into the umbrella of the Kyoto Protocol, to try to get them to agree to join us in some of the standards which many of us want to be implemented; what the gentleman believes is an appropriate expenditure under this language? Because that is our concern.

Mr. KNOLLENBERG. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Michigan.

Mr. KNOLLENBERG. Mr. Chairman, let me just say that I went to both Kyoto and Buenos Aires, and we tried in the hardest way we could to get the developing nations on board in a voluntary fashion. I say again, if we were to expend monies to help the developing nations come into the picture, and I think that may be what they want, we are in violation of the very wording, the very language we have here. We would be in violation, in fact, of the Senate, which voted 95 to zero to say simply, bring the developing nations into the picture, bring them on board. They must be participants. It does not mean we do it for them, they have to be participants.

That is what this language simply says, is do not do anything until they become, on their own, participants in this process. Along the way we do not stop any, any voluntary action on the part of anybody. It is taxpayer dollars that we are talking about here.

Mr. INSLEE. If the gentleman from Massachusetts will continue to yield, Mr. Chairman, let me take one more stab at this to see if we could reach some meeting of the minds in some regard.

What I am searching for is some way for the gentleman to express or this Congress to express the belief that it is appropriate for us to be able to negotiate with some of these developing nations to urge them to agree to some of the limitations we need them to agree to so we can get to a global treaty in this regard.

I am searching for some indication from the Chair that he believes that is appropriate, and if so, some manifestation of that.

Mr. KNOLLENBERG. If the gentleman from Massachusetts will yield further, let me respond by saying that this language has been very, very carefully crafted. It is not to say that I would be a cement wall in terms of resisting conversation. I never have been. I have continued to be open, and on three different occasions last year we changed this language. It has been in a state of evolution.

I think it is at a point where very honestly, even though we would entertain conversations or suggestions from anybody, it would only be to the extent of not spending dollars for implementation.

If we cross that line, and the gentleman from Wisconsin (Mr. OBEY) to his credit, and I respect him and thank him for it, shares that whole position. If Members read the amendment that was passed last year on the House floor, it was his amendment. It clarified where we are on this business of implementation. I think it would be worthwhile rereading that.

Obviously I would be happy to talk to the gentleman in the future. But I would say, do a re-read of that amendment. It is pretty specific about what we can or cannot do. We are not stopping research, we are not stopping development, we are not stopping voluntary movement. What we are saying, however, is do not spend any taxpayer dollars until the Senate ratifies the treaty.

So to that end, I am always willing to talk to anybody about this subject, and I am not stifling debate, but I think for purposes of this bill and at this moment, that I can just say to the gentleman, yes, we will have that conversation in the future. But I think this language should stand, because it is the will of this body. It is a bipartisan will, too. It is both bodies.

Mr. FRANK of Massachusetts. If hope still springs eternal, I yield again to the gentleman from Washington.

Mr. INSLEE. As a new Member, hope still springs eternal. We will consider that a crack in the door, to some degree.

Mr. KNOLLENBERG. If the gentleman will continue to yield, Mr. Chairman, the doors are not necessarily cracked, but we can talk out in front of those doors, if you will.

I do not mean to suggest this language is going down. I am just saying, I would be happy to talk to the gentleman about it.

Mr. INSLEE. Mr. Chairman, if the gentleman will continue to yield, I will say two things. We will withdraw the amendment at this time, but I do think it very important for us in this Chamber to find out how we can get the developing nations to join us to go forward on solving this problem so that our institution is not seen as the institution that puts our head in the sand on this issue.

I will have a dialogue with the Chair and other Members.

Mr. UDALL of Colorado. Mr. Chairman, climate change is a global problem that requires a global solution. The Administration's is engaged in a full court press to ensure that developing countries are part of this global solution and to ensure that international efforts to address climate change are cost effective. The Congress has called on the President to engage developing countries and to protect the economic interests of the United States.

Section 620 of the bill apparently would make it difficult—maybe impossible—for our government to advance these foreign policy objectives and interests of the United States.

Providing technical assistance to developing countries, sharing the U.S.'s successful experiences with market-based mechanisms and vigorously advancing U.S. business interests does NOT constitute a backdoor implementation of the Kyoto Protocol.

We should be encouraging the Administration to continue to advance the interests of the U.S. in the on-going international climate change negotiations. But instead, the language now in the bill directs us to put our heads in the sand. That's the wrong message to send, and we should delete it from the bill.

Mr. INSLEE. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT OFFERED BY MR. TIAHRT

Mr. TIAHRT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment printed in House Report 106-284 offered by Mr. Tiahrt:

At the end of title VI, insert the following:

SEC. . NONDISCRIMINATION BASED ON RELIGIOUS OR MORAL BELIEFS.

No part of any appropriation contained in this Act may be used, directly or indirectly, to discriminate against, denigrate, or otherwise undermine the religious or moral beliefs of students who participate in programs for which financial assistance is provided from that appropriation or of the parents or legal guardians of such students.

The CHAIRMAN. Pursuant to House Resolution 273, the gentleman from Kansas (Mr. TIAHRT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Kansas (Mr. TIAHRT).

AMENDMENT, AS MODIFIED, OFFERED BY MR. TIAHRT

Mr. TIAHRT. Mr. Chairman, I ask unanimous consent to modify the language in my amendment, and to proceed with the modified amendment.

The CHAIRMAN. The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment printed in House Report 106-284, as modified, offered by Mr. TIAHRT:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available to the Department of Justice in this Act may be used to discriminate against, denigrate, or otherwise undermine the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. TIAHRT. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, this Nation has a tradition of protecting religious liberties. Our forefathers fought for these liberties here and around the globe. Even today, we encourage other nations like Russia and China to respect the religious liberty of their own citizens.

But right here in our own government, under the guise of youth violence protection, we devalue and demean the religious liberty we have worked so hard to protect. Our own Justice Department has sanctioned literature that undermines the values and virtues our parents are trying to pass on to their children.

Specific faiths, such as Baptist and Pentecostal, have been linked to hate groups. Who knows what faith the Justice Department will denigrate next, the Jewish faith? The American Methodist Episcopal? Catholics?

In their curriculum, the Department of Justice ties prejudice directly to religious organizations, violating the long-held belief that our government will protect religious liberty for our citizens. All this amendment does is restrict the Department of Justice from spending our tax dollars to undermine the values that parents are trying to teach their kids.

All I am saying is we should not devalue the religious liberty we fought so hard to protect, both here in our own country and across the globe. This amendment respects parents' faith and supports their efforts to raise children with a set of values in hopes of making a better America than the one we live in today.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition?

Mr. SERRANO. I seek the time in opposition, Mr. Chairman, and I yield that time to the gentleman from Massachusetts (Mr. FRANK).

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. FRANK).

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, may I split the time and reserve some of it under that yielding?

The CHAIRMAN. Yes, the gentleman may.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I understand the thrust of this amendment. Some of it seems to me unobjectionable, but I think it would be a mistake to adopt it. The gentleman did narrow it substantially. There is a mismatch between the description of the amendment and the text. There is less of a mismatch, but there still is one.

To the amendment as originally made in order by the Committee on Rules we did not object, because I do think it ought to be able to go forward without objection. But had we objected, it would have covered all programs in the Department of Commerce and the Department of State. It now, however, covers all Justice Department programs, so we are not now just dealing with juvenile justice.

To the extent that the Department of Justice funds any law school studies, this would be covered by this amendment.

Here are the problems. Discriminate against? No, we should certainly ban discrimination. I believe we already do by statute. Denigrate directly? I think the government should not denigrate. But undermine? What about those who have a religious belief that evolution is a mistake? That would appear to include the majority whip of this House, from our debate on juvenile justice. If adopted, this amendment would prohibit any program funded by the Justice Department to teach evolution.

Among the religions, by the way, whose beliefs could not be undermined or denigrated would be the Nation of Islam. I mention that because they appear to me to have a creation theory that is very strange, and I would hope if that came up it could be undermined.

This says we cannot fund any program through the Department of Justice, not just in juvenile justice but any program that undermines someone's religious beliefs, no matter how strange their religious beliefs. We cannot, under this bill, undermine beliefs of those in the Church of Scientology.

Now, this is not an opt-out. This is not an amendment that said that if you are personally offensive to Scientologists, Nation of Islam, and a few others, they can leave. No one can teach something which undermines the beliefs of those groups. I think our students are of sterner stuff, and not only should not be, but they cannot be protected in a free society from anything which would undermine their religious beliefs.

Indeed, we have religions which believe directly contrary things on common facts. There are different religions. We do religion no service if we homogenize it. There are sharply different versions of important fact questions and value questions among certain religions.

Do we then say that if we teach monogamy, we are violating the rights of those members of Islam who who believe in polygamy? Polygamy is legal and supported in many Muslim countries. That is the problem. We cannot literally come close to refraining from undermining religious beliefs.

So what we are doing here in the guise of protecting liberty is in fact to undermine it. We dumb down educational programs. Again, we are not just talking about violence protection programs, we are talking about anything that the Department of Justice funds.

If the Department of Justice wants to fund a study on this or that or the other and wants to bring law schools in, it cannot be involved. I do think it is legitimate to say there are religions of which I do not think a great deal. I do not want the government officially to denigrate them, but I do not think we should say it in that way.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair would inquire of the gentleman from New York (Mr. SERRANO), does the gentleman from New York intend to control the time in opposition?

Mr. SERRANO. No, Mr. Chairman, the gentleman from Massachusetts (Mr. FRANK) controls the time.

The CHAIRMAN. The gentleman asks unanimous consent that the gentleman from Massachusetts (Mr. FRANK) control the time?

Mr. SERRANO. Yes, I do.

Mr. TIAHRT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would say that we are talking about dissenting views on evolution. I just think that we should not be in a position where we are picking one side or another in our tax dollars. We should just recognize both sides, and not demean one side or the other.

Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. DEAL).

Mr. DEAL of Georgia. Mr. Chairman, I thank the gentleman for yielding time to me.

Too often when issues like this that have moral or religious overtones are raised here, they are rejected on theories of constitutional purity. The constitutional prohibition, for example, against the establishment of religions, or the companion philosophy of separation of church and State, many times become excuses for avoiding debates that focus on morality and character of citizens.

I believe that the erection of these phrases as roadblocks to such discussions is wrong and does a disservice to the intentions of our Founding Fathers, who never intended that governmental interaction with its people be sanitized of all religious flavors.

In fact, I think they intended exactly the opposite. They understood that it was the multitude of religious beliefs that undergirded the character of the citizenry. This amendment simply makes one small statement of reaffirmation of that concept by prohibiting those who receive funds through the Office of Juvenile Justice and Delinquency Prevention from using those funds to undermine or denigrate the religious beliefs of children or adults who participate in the programs.

I urge support for the amendment.

☐ 1700

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, I appreciate the intellectual honesty from the gentleman from Kansas. He now makes it clear. The purpose and intent of this amendment would be, for instance, to prevent any program which taught evolution as a fact, because evolution is contested. It would prevent, it would appear to me, any program which taught that monogamy was the preferred form of marital relationship since Islam, a very respectable religion, increasingly represented in America, in some of its forms allows polygamy. It is not allowed by American law; but, theoretically, there is strong support for it. There is also of course the position of the black Muslims.

So I would hope that we would not do this. I understand the intent, but the effect of this would be very severely to circumscribe the intellectual content of any program that can be offered by the Department of Justice. I do not think we should make that assault in the name of something that is quite valuable, religious liberty.

So discriminate against, we should not do that; and denigrate people's religion, we should not do that. But when one prohibits undermining any religious tenant by any program from the Department of Justice, one quite literally would ban the chances of any serious and thoughtful intellectual program and would, in fact, I believe, undercut a number of things.

Let me throw in one other. There are important religions in this country which believe that the death penalty is a mistake. These are people who have firm religious convictions that say "thou shalt not kill" is absolute. Pass this amendment, and no Justice Department study could, it seems to me, be funded to show the validity and importance of the death penalty.

Mr. TIAHRT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this legislation is not about the Scopes trial and evolution. It is not about monogamists or polygamy. It is not about the creation theory of Islam. This is about youth violence programs, and we do not think it is proper for the Department of Justice to take one side or the other when it comes to religious liberties.

Mr. Chairman, I yield the balance of the time to the gentleman from Indiana (Mr. SOUDER) to close.

Mr. SOUDER. Mr. Chairman, overheated rhetoric aside, and let me make it clear, I do not think the Justice Department should be teaching evolution or creation. It is not the business of the Justice Department. I, furthermore, do not believe the Justice Department should be advocating or not advocating the death penalty.

Studies are not affected here. This is the advocacy. Discriminate against, denigrating. Quite frankly, the word "otherwise" here is qualified by discriminating and denigrating. It says otherwise undermine, which is in the English language predicated on the first two definitions. I believe we are chasing a red herring here.

Religious freedom is a basic constitutional right in this country, as is freedom of speech. Obviously there are limitations in any right. No right to yell in a theater. No right to sexually harass. One cannot violate other laws. Christians should not use government funds to discriminate or to denigrate Hindus. Muslims should not use government funds to discriminate against or to denigrate Jews.

If Christians like myself, joined by nearly every other major religion on these particular points, believe that whatever predispositions one may or may want have, that some behaviors are morally wrong, such as child sexual abuse or alcoholism or spouse abuse, the government has no right to denigrate charasmatics, Catholics, Mormons, Lutherans, Hindus or anyone else who would hold such beliefs.

If one practices hate like those evil persons who murdered homosexuals, blacks, Christians, or Jews in our country; like those who have harassed through physical threats or church burnings, one has no protection for illegal and immoral acts here in America or without repentance eternally.

But where moral principles differ, the government has no business whatsoever in discriminating against, denigrating, or otherwise undermining religions and religious belief.

At a time when America is in a moral crisis, the last thing we need is the government attacking religions.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Kansas (Mr. TIAHRT).

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. BASS

Mr. BASS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment printed in House Report 106-284 offered by Mr. BASS:

At the appropriate place in the title relating to "GENERAL PROVISIONS", insert the following new section:

SEC. . EFFICIENT ALLOCATION OF TELEPHONE NUMBERS.

(a) PLAN.—Not later than March 31, 2000, the Federal Communications Commission shall develop and implement a plan for the efficient allocation of telephone numbers.

(b) ELEMENTS.—The plan under subsection (a) shall—

(1) include mechanisms to ensure portability of telephone numbers among services and service providers within individual rating areas, if there is a bona fide demand, and establish rules applicable to service providers not subject to or otherwise not in compliance with such number portability requirements;

(2) take into account any telecommunications technology widely available as of March 31, 2000, that requires a telephone number;

(3) consider and take steps to minimize the total societal costs and impacts of the plan for the efficient allocation of telephone numbers and any specific number relief or conservation measures that may arise therefrom; and

(4) provide for allocating unassigned telephone numbers among telecommunications carriers in blocks of 1,000 in order to fairly share such numbers without the waste associated with allocating in blocks of 10,000.

(c) DELEGATION OF NUMBERING JURISDICTION.—During the period beginning 60 days after the date of the enactment of this Act and ending upon the Commission fully implementing the plan required by subsection (a), the Commission shall, upon the request of a State commission whose State has been determined to be within 12 months of telephone number capacity, delegate to the State commission the jurisdiction of the Commission over telecommunications numbering with respect to the State under section 251(e)(1) of the Communications Act of 1934 (47 U.S.C. 251(e)(1)) to the extent that such delegation will permit the State commission to implement measures to conserve telephone numbers, including measures as follows:

(1) To conduct audits of the use of telephone numbers and central office codes.

(2) To require telecommunications carriers to return unused central office codes and to return central office codes that have been obtained in a manner contrary to Federal or State numbering guidelines or protocols.

(3) To develop and establish dialing protocols applicable for calls placed within the same area code or local calling area (or both) of the calling party that will consider, in addition to the potential effect upon competition, matters of public convenience and safety and the public interest generally.

(4) To develop and implement, where the State commission finds it to be in the public interest and supportive of number conservation measures that it may adopt, area code relief measures involving the use of overlay area codes applicable to telecommunications service providers not subject to or otherwise not in compliance with local number portability, including a requirement that existing telephone numbers assigned to or in use (or both) by such service providers be transferred to the overlay area code, and including a requirement that calls placed within a calling party's home area code continue to be dialable on a 7-digit basis.

The CHAIRMAN. Pursuant to House Resolution 273, the gentleman from New Hampshire (Mr. BASS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Hampshire.

Mr. BASS. Mr. Chairman, I ask unanimous consent to yield 2½ minutes of my time to the gentleman from Ohio (Mr. KUCINICH) for purposes of control.

The CHAIRMAN. Without objection, the gentleman from New Hampshire (Mr. BASS) and the gentleman from Ohio (Mr. KUCINICH) each will control 2½ minutes.

There was no objection.

The Chair recognizes the gentleman from New Hampshire (Mr. BASS).

Mr. BASS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in support of this amendment, and I want to thank the gentleman from Virginia (Mr. BLILEY), chairman of the Committee on Commerce, and the gentleman from Kentucky (Mr. ROGERS), chairman of the Subcommittee on Commerce, Justice, State, and Judiciary, for their good-faith efforts to work on this amendment with me.

Mr. Chairman, this amendment addresses a problem that is needlessly affecting the telephone service of millions of Americans. Year after year, new area codes are created, and they are created unnecessarily. One of the reasons for that is that the FCC has allocated telephone number blocks in blocks of 10,000 rather than 1,000. So the result is, if one has a central exchange in a small town or small area, one uses 9,999 numbers, and one only has a couple of hundred telephones.

What this amendment does is force the FCC to solve this problem by the end of March of next year so that we do not have a situation where, in 22 different States across the country, new area codes are assigned needlessly.

Mr. Chairman, this is not an issue of political philosophy. It is not an issue of partisanship. It is an issue of dealing with the bureaucracy.

I urge all of my colleagues who support this amendment that it will save countless thousands of dollars to small businesses and families who have to adjust to new area codes needlessly because the FCC has not moved rapidly enough on their rulemaking proposal to support this amendment and move forward.

Mr. Chairman, I also want to recognize and thank the chairman of the House Commerce Committee, Mr. BLILEY, and the chairman of the Commerce, Justice, State Appropriations Subcommittee, Mr. ROGERS, for their good faith negotiations on this amendment.

Mr. Chairman, a serious problem is needlessly affecting the telephone service of millions of Americans. Year after year, new area codes are created and imposed on consumers and businesses across the country. We could all understand and accept new area codes if we actually ran out of numbers in the old ones. The truth, however, is that more phone numbers in each area code are stranded by bureaucracy than ever get assigned to a residential or commercial line.

One of the main problems is that phone numbers are distributed in blocks of 10,000—without regard to demand. That means that there are thousands of phone numbers in many area codes that never get used and are wasted. This amendment would require that phone numbers are allocated in blocks of 1,000. Therefore, if a location only needs 2,000 numbers then they can get 2,000 numbers—and not tie up the full 10,000 numbers.

The FCC has been working on the problem now for well over a year. Meanwhile, millions of Americans have had their area code changed.

Sometimes new area codes are added geographically. A state gets split in two—half keeps the old code and half gets a new code. Sometimes new codes are overlaid on top of the existing code, where you would keep the area code you have for existing phone numbers, but would use the new area code for new numbers. Sometimes you get a combination of these solutions.

Almost one-third of the 215 area codes in the United States are likely to be exhausted within two years. California, Florida, Kentucky, Louisiana, Michigan, New York, and Virginia each have at least two area codes that are in extreme jeopardy and require immediate action. Another 11 states, including my own state of New Hampshire, have at least one area code that will be exhausted within the next 16 months.

This bipartisan amendment would require the FCC to address this problem by March 31,

2000. This amendment also provides states that have been determined to be in jeopardy by the North American Numbering Plan Administrator with limited flexibility to conserve their current area codes. Again, this state jurisdiction would only be provided to states that are in jeopardy.

Because we allocate phone numbers so inefficiently, we will exhaust the remaining pool of area codes by 2008. To fix this could cost up to $150 billion and would have to add at least one additional digit to all phone numbers in America.

We know this problem is coming. Let's act before it becomes another crisis that could have been avoided.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek to claim time in opposition?

Mr. SERRANO. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from New York (Mr. SERRANO) is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Ohio (Mr. KUCINICH) for the purpose of control.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. KUCINICH) is recognized for 7½ minutes.

Mr. KUCINICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. DIXON).

Mr. DIXON. Mr. Chairman, I thank the gentleman for yielding to me, and I congratulate the gentleman from New Hampshire (Mr. BASS) and the gentleman from Ohio (Mr. KUCINICH). This is an excellent amendment that allows the PUCs of States to do the right thing.

Mr. Chairman, I rise in support of the amendment offered by Representatives BASS and KUCINICH. Ordinarily, I would oppose the addition of this type of legislation to our appropriations bill. However, from my district in Los Angeles, California to the state of Maine, we face an area code crisis that demands the extraordinary.

The public outcry in my district in California began with the California Public Utilities Commission's (CPUC) imposition of mandatory one plus ten digit dialing in preparation for an area code "overlay." For the uninitiated, instead of splitting the geographic area and adding a new area code, the new area code is simply overlayed to the existing area; all callers in the area are then required to use the area code for all local calls. Consequently, my next door neighbor may have a different area code; two phones in the same household may have a different area code. On the other hand, the consumer is ensured of holding on to his/her current number indefinitely.

The point here is not to debate the merits of the geographic split versus overlay, but to understand that for many consumers, this sudden and increasingly frequent upheaval with respect to that most valued possession—the telephone—is troubling. Moreover, there have been unforeseen costs to consumers and businesses as a result of mandatory ten digit dialing; for example, no one anticipated that existing apartment building entry code systems would be rendered useless with the imposition of ten digit dialing.

Indeed, it is the lack of "anticipating" which I find most troubling about this current situation. From the Congress, which failed to anticipate the problems that deregulation of the telecommunications industry would pose for a monopoly driven number allocation system, to the Federal Communications Commission (FCC) and state public utilities commissions that have been slow to respond. There is an urgency to this problem that seems to have escaped government and industry.

Let me share with you what the result in my state has been. From 1947 to the end of 1992, the number of area codes in California grew from three to 13: ten new area codes over a 45 year period. In the three year period from January 1997 to the end of 1999, the state will have doubled that figure for a total of 26 area codes. The CPUC has approved relief plans for another seven new area codes just in the last ten months. Demand in California is such that new area codes are being placed in jeopardy of exhaust as soon as they become operational.

Everyone agrees that the current number allocation system is inefficient. These inefficiencies are directly related to policies of the FCC. I am encouraged that the Notice of Proposed Rulemaking initiated by the FCC on May 27, 1999, reflects some understanding by the agency of its role in the area code exhaust crisis facing many states and localities. FCC Chairman Kennard also recently indicated that the FCC would be granting pending state petitions requesting greater authority to initiate number conservation strategies. However, I regret that the situation was allowed to deteriorate to the degree it has.

We deregulated the telecommunications industry to enhance competition and spur technological innovation to benefit the economy and American consumers. I am increasingly concerned that while technology grows by leaps and bounds, the average American consumer is being asked to carry a disproportionate burden of the costs and—in the case of this area code mess—the inconvenience of progress.

This is an exceedingly complicated matter: as we have found in so many of the matters surrounding telecommunications policy and deregulation. Complexity, however, should no longer be an excuse for us to leave it to the experts to sit down and solve the problem. They need to be pushed.

Much of what the Bass/Kucinich Amendment seeks to accomplish, the FCC is currently engaged in. Other provisions are more controversial and certainly deserve more than the ten minutes of debate allotted here today. Adoption of the amendment signals our willingness to engage more fully in this issue. I offer my strong support for the amendment and commend the gentlemen from New Hampshire and Ohio for bringing the issue to the floor.

Mr. KUCINICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BERMAN).

Mr. BERMAN. Mr. Chairman, I thank the gentleman from Ohio very much for yielding to me. Mr. Chairman, I rise in very strong support of the gentleman's amendment.

Mr. Chairman, I rise in support of the Bass-Kucinich amendment which addresses the efficient allocation of telephone numbers. I wholeheartedly agree that the FCC should develop and implement a plan to address the problem of area code proliferation which is plaguing communities across the United States. Moreover, I concur that State Commissions should be given the authority to implement number conservation methods, especially if the state is about to reach its capacity of numbers. States should be given the authority to deal with the hoarding of unused area codes by local carriers.

Throughout California, the proliferation of area codes is a problem. During the last two years, the number of area codes in California has risen from 13 to 28, and as many as 14 additional area codes may be implemented by 2002. By contrast, it took 45 years for California to acquire 13 area codes.

In fact, there is a plan in my district either to split the San Fernando Valley into two area codes or subject us to an "overlay." I have heard from many constituents who feel either option will inconvenience them unnecessarily. Homeowners have told me that they do not want to dial ten numbers to call their next-door neighbors. Business owners are upset because they fear they will lose contact with their customers. Their feelings of frustration and annoyance are totally understandable.

I want to leave you with one statistic: the California Public Utilities Commission estimates that only 35 to 40 million numbers are in use, while 206 million numbers will be available by the end of this year in California. It is clear that the current capacity of numbers has not been exhausted. I believe California is not alone in its predicament and many reports have documented a similar underutilization in other states.

I urge my colleagues to support this much-needed amendment.

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from California (Mr. DIXON) and the gentleman from California (Mr. BERMAN) for their support of this amendment. I thank the gentleman from New Hampshire (Mr. BASS) for his cooperation in working on this and to the senior Members, who are the chairmen of the committees.

Mr. Chairman, there are more than 2 billion potential telephone numbers right now, but only 10 percent of them are in use. So there are plenty of telephone numbers. But due to the FCC mismanagement, roughly 70 million customers have been told they have to switch area codes due to a scarcity of numbers in their area code.

Now, the U.S. is only a few years away from running out of area codes. This will necessitate adding an extra digit to all telephone numbers. Now think about that for a moment. If one's phone number is 224-3121, and they want to make it 224-31210, just adding that extra digit is going to cost consumers in this country $150 billion. We are talking about the largest telephone rate hike in history here.

The Bass-Kucinich amendment would direct the FCC to make sure that more telephone numbers were assigned efficiently before new area codes are imposed. That would save consumers $150 billion in preventable telephone bill charges.

The State Regulatory Utility Commissioners support the goal of this amendment. Mr. Chairman, I have a letter from the Chairman of the National Association of Regulatory Utility Commissioners as well as the resolution of that body which, in effect, endorses the principles that are in this amendment by myself and the gentleman from New Hampshire (Mr. BASS).

I include the letter and resolution for the RECORD as follows:

THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS,
August 5, 1999.

Re: Number conservation

Hon. THOMAS BLILEY,
Chairman, House Commerce Committee, U.S. House of Representatives, Washington DC.

DEAR CHAIRMAN BLILEY: I write to request that you support enabling state commissions to respond effectively to telephone number exhaustion. I am Chairman of the Telecommunications Committee of the National Association of Regulatory Utility Commissioners (NARUC). NARUC represents state and territorial commissions which regulate telecommunications services. We have appreciated Congress's close concern with Telecommunications Act implementation, and its interest in the views of state public utility commissions.

Many state commissioners in affected states support current Congressional proposals to enable state commissions to respond to the numbering crisis. NARUC itself has not endorsed specific Congressional action, as opposed to Federal Communications Action to broaden state commission ability to respond, subject to Congressional oversight. However the problem is addressed, the need for state authority is compelling and is urgent.

Telephone number exhaustion is perhaps the most heated and controversial issue state public utility commissions in large and medium-sized states. Residential and business customers become more upset about area code changes than about most rate increases. Customers associate their area code with their physical location and also resent the expense and confusion caused by area code changes. Customers perceive numbering and area codes as state issues and focus their anger on state public utility commissions. State commissions are blamed for the train wreck but lack adequate tools either to avoid it or to clean up the mess after it occurs.

State public utility commissions have taken a proactive and constructive approach to numbering issues. State commissions have been fully engaged with the Federal Communications Commission, where several petitions are currently pending, and with the North American Numbering Council on all aspects of number planning. State commissions have emphasized conservation measures before exhaustion occurs and have devised appropriate measures for their states when area code relief is required. Unfortunately, state commissions are currently hamstrung in their efforts to conserve numbers and respond to numbering exhaust.

Recently, NARUC adopted a resolution concerning numbering exhaust and conservation, focusing primarily on possible FCC action. Among other things NARUC urges that states be allowed to implement thousand block number pooling and be granted strong enforcement authority over number conservation. I have attached a copy of the resolution.

Expanded state commission ability to mitigate and respond to number exhaustion is consistent with the cooperative federalist design of the Telecommunications Act, is consistent with the development of competition, and is the right thing to do for telecommunications customers.

Sincerely,

BOB ROWE,
Chairman.

Enclosure.

RESOLUTION ON THE FCC'S NUMBER RESOURCE OPTIMIZATION RULEMAKING PROCEEDING

Whereas, The current numbering administration process for the North American Numbering Plan has proven to be inadequate and has led to the inefficient use of numbering resources and the premature assignment of new area codes; and

Whereas, The current numbering crisis demands immediate action by the FCC, and failure to act expeditiously will result in substantial disruption, including the activation of new, unnecessary area codes that will permanently destroy geographic associations with specific area codes, will needlessly subject both residential and business customers to unnecessary costs, confusion and inconvenience, and will wastefully consume the limited resources of both telecommunications providers and State regulators; and

Whereas, Companion number conservation bills, H.R. 2439 and S.B. 765, have been introduced in Congress by Representative Kucinich and Senator Collins, respectively, to reduce the need for new area codes that are being created due to the inefficient practices of the telephone companies; and

Whereas, The FCC's Notice of Proposed Rulemaking in the Number Resource Optimization Docket, CC Docket No. 99–200, FCC 99–122 (June 2, 1999), requests comments on many important issues and proposes several different approaches to resolve the numbering crisis; and

Whereas, The States and territories believe that adherence to the principles and approaches outlined below is essential to the creation of an effective, competitively-neutral, administratively feasible numbering administration system; now therefore be it

Resolved, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its 1999 Summer Meeting in San Francisco, California, that NARUC supports the FCCs efforts in its NPRM on numbering resources and encourages State commissions to file comments with the FCC that:

a. Urge the FCC to abandon the voluntary Central Office Code Administration Guidelines and establish more stringent, enforceable number assignment rules and regulations, and

b. Urge the FCC not to give carriers the freedom to "pick and choose" the number conservation measures in which they wish to participate and instead grant States and territories, which have an obligation to protect the public interest, flexibility in developing a number conservation plan which is consistent with national standards but which also meets the State's specific needs; and

c. Urge the FCC to establish uniform standards for thousand block pooling and allow States and territories to require the implementation of thousand block pooling as soon as possible; and

d. Urge the FCC to allow States and territories to implement thousand block pooling in all LNP-capable switches in all areas of the country, not just the top 100 MSAs; and

e. Urge the FCC not to condition the implementation of thousand block pooling upon rate center consolidation; and

f. Request that States and territories be given strong enforcement authority over all code holders (including wireless carriers) and access to all information collected by the FCC and NANPA; and be it further,

Resolved, That NARUC counsel is directed to file comments consistent with this resolution with the FCC.

Mr. Chairman, I would quote from the letter which says that "Expanded state commission ability to mitigate and respond to number exhaustion is consistent with the cooperative Federalist design of the Telecommunications Act, is consistent with the development of competition, and is the right thing to do for telecommunications customers."

So this is from the chairman of the National Association of Regulatory Utility Commissioners in support of the principles established in the Bass-Kucinich amendment.

So, Mr. Chairman, I am asking for the support of the Members of this House so that those tens of millions in telephone customers who are our constituents across this country will not be burdened with the inconvenience and with the extra expense of having to go through one area code change after another when, in fact, there are plenty of telephone numbers to go around, and there is a way to manage efficiently the use of telephone numbers, and this legislation guarantees that.

Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding to me. I understand under the rules that the opposition was seized by the gentleman from New York (Mr. SERRANO). I just want to say a word that the Committee on Commerce strongly opposes this amendment and asked me to make sure that the House is aware that there is strong opposition to this amendment, particularly because of the fact that number portability and wireless phones is something that creates great confusion and problems. This amendment could lead to those kinds of problems. The Committee on Commerce has examined this amendment in great detail and has urged me and the House to reject it on that basis.

This could, in fact, create enormous expense on some of the local telephone companies because they would have to service number portability over long areas. Many of us have petitioned the FCC, and the FCC has agreed not to require this kind of portability in mobile phones or to have a different number system for mobile and fixed telephones as this amendment might end up requiring.

So I would urge my colleagues to reject this amendment and to go along with the Committee on Commerce on this amendment.

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to again assert that I have a letter from the chairman of the Telecommunications Committee of the National Association of Regulatory Utility Commissioners in support of the principles that are in this Bass-Kucinich amendment.

I also have a resolution on the FCC's resource optimization rulemaking proceeding which has been passed by the National Association of Regulatory Utility Commissioners which, in fact, states that they are asking for support of, again, the principles embodied in Bass-Kucinich.

I would further assert that the problem is caused by the FCC preemption of States' abilities to solve this area code situation.

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The States have the ability to do that. Our amendment gives the States the power to resolve this issue. And before preemption happened, New York State solved a New York City problem with a 917 area code. Since then, they were preempted by the FCC.

Now, telephone number exhaustion is perceived as a local problem, but the truth is that the States are best able to solve the local problem, and it is self-evident at this point. Just think about it. About 10 percent of the numbers are being used. This is a practical matter which affects millions of Americans. Ten percent of their phone numbers are being used, and yet the FCC permits new area codes to be created until there will be no more area codes left and we will have to add another digit and that will cost consumers $150 billion.

Give this amendment a chance. Give consumers a chance. Do not pave the way for the largest telephone rate hike in history. Let us enforce a discipline upon the FCC for number conservation and for conservation of the fiscal resources of our constituents. We do not need more area codes, we need an FCC which has the direction from this Congress to do its job and to quit wasting the telecommunications resources of this Nation.

Mr. Chairman, Mr. BASS and I offer a commonsense amendment to protect consumers. Our amendment will eliminate the inconvenience and cost experienced by consumers when the telephone company announces that the area code has to change. Our amendment deals with the root cause of area code changes. Our amendment will prevent the exhaustion of telephone numbers and save the economy about $150 billion in preventable emergency measures.

If the rate at which new area codes are being introduced continues, we may run out of area codes by as soon as 2007. If that occurs, we could be forced to add one more digit to all US phone numbers.

The FCC and other reliable sources estimate that the cost to the economy of adding an extra digit to all telephone numbers could be as high as $150-billion. The cost would cover reprogramming all computer networks and data bases to recognize the expanded numbering format.

It is about the same as the cost of fixing the Y2K bug. But unlike the Y2K problem, the coming crisis in telephone number allocation is entirely preventable.

Through years of wastefulness, there is now a crisis in area code exhaustion. Residents all over this nation are familiar with the proliferation of new area codes due to the exhaustion of number supply. Residents in my own district of Parma, Ohio, have first hand knowledge. In Parma, the telephone Company declared that it had to split Parma into two areas codes. The residents decided to fight back and have contested the need for the area code split in the Ohio Supreme Court. In the process of that effort, they learned that over ninety percent of the telephone numbers in the old area code were not even in use, but were wasted because of telephone company allocation practices. Indeed, Lockheed Martin, the private company that now manages the assignment of new area codes in the nation, has said that only five percent of the nearly 6.4-billion potential telephone numbers are actually in use. Lockheed Martin has also said that if an alternative to these wasteful practices is not adopted immediately, the hundred billion dollar solution of adding a new digit to all telephone numbers will have to be employed.

Our amendment directs the FCC to move quickly to prevent the exhaustion of area codes, minimize cost to consumers and, in case of emergency, delegate to state utility commissioners the ability to prevent area code exhaust. Our amendment promotes competition by ensuring that consumers can take their telephone numbers with them if they choose to switch carriers. Our amendment restores the ability of consumers to dial only seven digits and reach anyone in their area code. And, our amendment will save the economy about $150 billion in unproductive, and preventable emergency remedial action.

The Bass-Kucinich amendment is pro-consumer.

Mr. Chairman, I urge a "yes" vote on this for all of those people across this country who are fed up with what has happened, with area codes being split, and there not being an exhaustion of telephone numbers.

Mr. BASS. Mr. Chairman, I yield myself the balance of my time, and I want to urge all Members of Congress to support this important amendment.

If the issue is cost, no cost is greater than the unnecessary addition of an area code versus what might have been easily avoided in States all over the country. I know that if there are any concerns that have been voiced on the part of the Committee on Commerce we can work them out in conference.

We need to move now because many States across the country are going to get second or third or fourth or fifth area codes within the next 12 months and it will be totally needless. So I urge support of the pending amendment.

Mr. BALDACCI. Mr. Chairman, I rise today in support of the amendment offered by my friends Congressman BASS and Congressman KUCINICH. Currently, my home State of Maine faces a problem. Due to Federal Communications Commission rules governing the distribution of telephone numbers, Maine is allegedly "running out" of phone numbers.

Maine has one area code: 207. Last year, our Public Utilities Commission was informed that the numbers in the 207 area code would be "depleted" by July 2000. If nothing changes, Maine will be forced to implement a new area code, dividing the state and forcing individuals and small businesses to make expensive changes.

We have been examining this issue closely. Much to our surprise, we found that Maine isn't really running out of phone numbers. In fact, there are plenty of numbers still available—5.7 million of them, to be exact. However, because of the current administration of numbers, Maine's Public Utilities Commission currently has no way to make use of these surplus numbers. Instead, they will continue to go unused, while my State will be forced to implement a second area code. We could avoid this situation for a long time to come, but only if allowed to carry out a more practical and flexible assignment of numbers.

The current practice of allocating blocks of 10,000 numbers minimum to each carrier is wasteful. Even if a small local carrier only uses 100 lines, they are forced to keep the other 9,900 possible numbers in reserve. This simply makes no sense, Mr. President.

That is why I support the Bass-Kucinich amendment which would allow for smaller, more flexible minimum blocks of numbers to be allocated to each local carrier in a state. This amendment also calls on the Federal Communications Commission to conduct a study of conservation methods that could be implemented so that we can forestall the unnecessary nationwide depletion of phone numbers by 2007 and avoid having to take extraordinary measures such as adding a fourth digit to area codes.

It may surprise my colleagues to learn that there are currently no plans to conserve the available phone numbers we have today. The FCC also has not allowed states such as Maine to implement efforts they have devised in order to conserve numbers. If we simply gave states the flexibility to allocate numbers in smaller blocks, say of 1,000, then my State of Maine would not be facing the need for a new area code. If we implement area code conservation, then we will be able to forestall the depletion of available phone numbers. These are things my State's Public Utilities Commission has petitioned to do. I congratulate my colleagues for offering this common sense approach to the allocation of telephone numbers, and urge my colleagues to support this amendment.

Mr. BLILEY. Mr. Chairman, today I reluctantly rise to express my extreme disappointment that this amendment is being offered today as a part of this appropriations process. I have attempted to work with both the gentleman from New Hampshire, Mr. BASS, and the gentleman from Ohio, Mr. KUCINICH, in order to help achieve the objective of more efficient allocation of telephone numbers. It is unfortunate that despite efforts to broker a solution, Mr. BASS and Mr. KUCINICH feel the need to proceed with an amendment outside the regular authorizing process. I must strongly oppose this amendment.

It is no secret that many states are facing changes in area codes as a result of an explosion in demand for telephone numbers caused by new services such as fax machines and home computers. We have the Telecommunications Act of 1996 to thank for this explosion of technological services that exist today. But telephone numbering is a Federal issue affecting interstate commerce, and requires one set of cohesive national rules. Congress decided in the Telecommunications Act to place the responsibility for crafting these national rules with our nation's expert agency, the Federal Communications Commission.

It is imperative that we maintain a cohesive and coherent set of national rules for the allocation of telephone numbers, both to preserve this important public resource and to ensure that the Telecommunications Act continues to deliver on its promise of competition and transparency in the telecommunications industry.

I have been working with the FCC to expedite improvements to a process to efficiently assign telephone numbers. I will submit for the RECORD a letter that I recently received from FCC Chairman William Kennard about progress in this area. He states that the FCC plans to adopt a plan for the efficient allocation of telephone numbers by March 31, 2000. Chairman Kennard writes, "With respect to the provision of mandatory delegation of additional authority to the States, the Commission recognizes that many numbering problems are local in nature. The Commission has invited States to seek delegations of authority to implement numbering conservation measures."

I reluctantly oppose this amendment, and urge my colleagues to allow for further deliberation under regular order.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, August 4, 1999.

Hon. THOMAS BLILEY,
Chairman, Committee on Commerce,
Washington, DC.

DEAR MR. CHAIRMAN: I am writing you with respect to Representative Charles F. Bass's Amendment to H.R. 2670 regarding area code allocations. As you know, the Commission is very concerned with the numbering problems faced by many states. The Commission is committed to working closely with the States to resolve these problems. Very recently, the Commission proposed a plan that will both ameliorate these problems and at the same time assure that the numbering program contributes to the establishment of a national pro-competitive telecommunications policy.

On June 2, 1999, the Commission released a unanimously approved Notice of Proposed Rulemaking to put in place a national area code conservation plan. Public comments on these proposed rules are now being collected. I would like to confirm to you that I will urge my fellow colleagues to support release of an order by March 31, 2000 that will authorize implementation of a plan for the efficient allocation of telephone numbers.

The Commission can adopt a plan by March 31, 2000, but it is my understanding that the telecommunications industry estimates that it will take between 10 and 19 months following a regulatory order to implement thousands-block pooling. Other needed or proposed changes may also require additional investments of time and equipment and further technological development.

With respect to the provision of mandatory delegation of additional authority to the States, the Commission recognizes that many numbering problems are local in nature. The Commission, therefore, has invited States to seek delegations of authority to implement numbering conservation measures. Currently the Commission is processing applications received from California, Massachusetts, New York, Maine, Florida, and Texas. We intend to address these petitions expeditiously.

Given the strong working relationship the Commission has developed with the States in addressing numbering problems, I do not believe the mandatory delegation of numbering authority to the States proposed in the Amendment is necessary. I would strongly recommend that the Commission retain the flexibility to assess States' showing of a need for a delegation of authority prior to granting such authority. The FCC could comply with a requirement that it process State requests within a 90-day timeframe. This would allow time for compliance with APA notice requirements.

Sincerely,
WILLIAM E. KENNARD,
Chairman.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New Hampshire (Mr. BASS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BASS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentleman from New Hampshire (Mr. BASS) will be postponed.

The Clerk will read.

The Clerk read as follows:

TITLE VII—RESCISSIONS

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

IMMIGRATION EMERGENCY FUND

(RESCISSION)

Of the unobligated balances available under this heading, $1,137,000 are rescinded.

DEPARTMENT OF STATE AND RELATED AGENCIES

UNITED STATES INFORMATION AGENCY

INTERNATIONAL BROADCASTING OPERATIONS

(RESCISSION)

Of the unobligated balances available under this heading, $14,829,000 are rescinded.

RELATED AGENCIES

SMALL BUSINESS ADMINISTRATION

BUSINESS LOANS PROGRAM ACCOUNT

(RESCISSION)

Of the unobligated balances available under this heading, $12,400,000 are rescinded.

AMENDMENT OFFERED BY MR. DEAL OF GEORGIA

Mr. DEAL of Georgia. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment printed in House Report 106-284 offered by Mr. DEAL of Georgia:

At the end of the bill, insert after the last section (preceding the short title) the following new title:

TITLE VIII—LIMITATION PROVISIONS

SEC. . None of the funds appropriated in this Act shall be available for the purpose of processing or providing immigrant or nonimmigrant visas to citizens, subjects, nationals, or residents of countries that the Attorney General has determined deny or unreasonably delay accepting the return of citizens, subjects, nationals, or residents under section 243(d) of the Immigration and Nationality Act.

The CHAIRMAN. Pursuant to House Resolution 273, the gentleman from Georgia (Mr. DEAL) and a Member opposed each will control 5 minutes.

The gentleman from Georgia (Mr. DEAL) is recognized for 5 minutes.

Mr. DEAL of Georgia. Mr. Chairman, I wish to express my appreciation to the chairman of the subcommittee and to the ranking member of the subcommittee with regard to this amendment.

The problem this amendment addresses is the fact that there are thousands of individuals who are criminal aliens that are being detained in U.S. detention facilities that are in a limbo status.

Currently, we have over 3,300 individuals in those detention facilities that are deportable criminal aliens. The reason that they are in a deportable status and in limbo is the fact their native countries refuse to accept their return. It is estimated that the cost of these being detained indefinitely is in excess of $80 million a year.

What this amendment does is simply put further teeth in the law that was recognized and passed by this Congress years ago. The current law states that if the Attorney General notifies the Secretary of State that a country refuses to accept a deportable alien back, that the suspension will take place as to the processing of visas for individuals of that country until the deportees are allowed to return.

This amendment simply puts further teeth that the funding for that purpose will be withheld until the country accepts their citizens back.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DEAL of Georgia. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding to me, and I rise in support of this amendment.

I understand that the INS is holding over 3,300 cases of aliens with deportation orders who are awaiting return to their home countries but for whom their home countries will not provide the necessary travel documents to allow their return.

Of the 3,300 cases, most of them are from only four countries. Over half, obviously, are from Cuba, 1,800; Vietnam, 674; Cambodia, 30; and Laos, 35. Of the remaining cases, the majority of them are more than 6 months old and come from 102 different countries. So the four countries are the big numbers here.

In some instances, the home country will not accept the person because they do not want "only criminals" back, or they will simply refuse to recognize an individual once they have established residence in the U.S. Others will claim paperwork delays are long because of recordkeeping problems.

In an effort to remedy the problem, the 1996 Immigration Act contained a provision which stated that upon being notified by the Attorney General that the government of a foreign country refuses to take back its nationals, the Secretary of State shall order consular officers in that country to stop issuing immigrant and nonimmigrant visas to nationals of that country until the Attorney General notifies her that the country has accepted their nationals.

Even though the INS has stated that there are problems returning persons to some countries, we are told the Secretary of State has never ordered the suspension of issuance of visas for this purpose. The State Department claims that neither INS or the Attorney General have ever formally notified them of problems, although the State Department admits that they have been contacted by INS about their troubles in returning some persons.

I think it is time, Mr. Chairman, that the Secretary gets serious in assisting the Attorney General in returning these criminal and illegal aliens. We are using valuable and scarce and declining detention spaces, bed spaces, on persons for whom deportation has already been ordered and the country refuses to receive them. So I urge our colleagues to support the gentleman's amendment. It is well thought out, and it constitutes a real problem.

Mr. DEAL of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Chairman, I support the Deal amendment. We have noncitizens committing felonies in America, we are incarcerating them, and we are paying $80 million a year to keep them in prison. The law says that we can deny the issuance of visas to their countries of origin and to their citizens of their countries of origin, but we are not doing it.

The Deal amendment is absolutely needed. I want to commend and compliment the gentleman for his effort.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I would point out to the gentleman from Ohio (Mr. TRAFICANT) that the law says the Secretary of State shall, not may, but shall deny visas to other people from that country until they accept their criminal aliens back.

Mr. TRAFICANT. Mr. Chairman, reclaiming my time, the Deal amendment makes sure that the respective officials understand the intent of Congress to enforce this law.

Mr. FOLEY. Mr. Chairman, the United States must maintain a tough and uncompromising policy on deportation of criminal noncitizens.

U.S. prisons and INS detention facilities are bulging to the point that many non-citizen convicts could be released into society in the near future.

This is wrong.

Those who abuse their immigration status by committing crimes in this country must not be allowed to stay.

The INS is already overburdened and underfunded to the extent that it cannot fulfill its enforcement mission.

This situation is only made worse when it is forced to deal with individuals whose home countries refuse to take them back. The Federal Government spends approximately $67 per day and $80 million per year to detain these individuals—sometimes indefinitely.

For this reason, I am in strong support of Congressman DEAL's amendment. I have been working on similar legislation myself.

It is ridiculous that we continue to grant immigration visas to countries who will not cooperate with our law enforcement efforts.

There must be some recourse.

In fact, we already have the legal authority to do something.

The State Department can sanction these countries by denying them immigrant and nonimmigrant visas. However, the agency has never used this authority.

We cannot continue to let U.S. taxpayers bear the burden of other countries' reprehensible behavior and of our own government's unwillingness to take aggressive action to correct this problem.

We must put the Administration and the State Department on notice that weakening our policies toward criminal non-citizens is not acceptable.

If a criminal from Mexico or Israel must be deported, so must a criminal from Vietnam or Russia.

Therefore, I would urge my colleagues to support Congressman DEAL's amendment.

Mr. DEAL of Georgia. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman's time has expired. All time has expired.

The question is on the amendment offered by the gentleman from Georgia (Mr. DEAL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available to the Department of Justice in this Act may be used for the purpose of transporting an individual who is a prisoner pursuant to conviction for crime under State or Federal law and is classified as a maximum or high security prisoner, other than to a prison or other facility certified by BOP as appropriately secure for housing such a prisoner.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, the amendment is straightforward. It says none of the funds made available in this bill can be used by the Justice Department to, in fact, transport an individual who is a prisoner pursuant to conviction for crime under State or Federal law, and is classified as a maximum or high-security prisoner, other than to a prison or another facility which is certified by the Bureau of Prisons as appropriately secure for housing such prisoners.

Here is the bottom line of the Traficant amendment. It stops the utilization of any funds by the Department of Justice to transport a dangerous maximum high-security prisoner to a prison or a detention facility that is not secure enough or adequately staffed or rated or certified to house that type of dangerous criminal.

This is absolutely necessary. It will reduce the incidence of crimes against our security guards and other fellow inmates, and it is a commonsense, practical decision that I recommend very strongly the House support.

Mr. ROGERS. Mr. Chairman, I rise in support of the gentleman's amendment. The classifications of inmates should match the classifications of the facilities, especially in the case of maximum security inmates who need the heightened security features to protect the general public, the prison employees, and other inmates.

I believe that this rule is followed in the Federal prison system, but for the last 2 years we have heard testimony that certain D.C. inmates, being transferred to alternative facilities while waiting transfer to more permanent facilities, were incorrectly transferred to facilities with a lower classification. This meant that inmates that the Federal system would classify as maximum or high security were being placed in medium-security facilities.

As a result, several incidents occurred, including the death of several inmates and the escape of several others into the community.

Let me make this clear. The director of the Federal Bureau of Prisons has testified that classifications are important and that facilities should provide the necessary level of security for its inmates. So I would urge our colleagues to support the amendment of the gentleman, and I thank him for offering it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. VITTER

Mr. VITTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VITTER:

Page 110, after line 6, insert the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds appropriated or otherwise made available by this Act may be used for participation by United States delegates to the Standing Consultative Commission in any activity of the Commission to implement the Memorandum of Understanding Relating to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems of May 26, 1972, entered into in New York on September 26, 1997, by the United States, Russia, Kazakhstan, Belarus, and Ukraine.

□ 1730

Mr. VITTER. Mr. Chairman, this amendment is about missile defense. It is very simple. It simply states that no funds in the act shall be used to implement the memorandum of understanding entered into on September 26, 1997, between the United States, Russia, Kazakhstan, Belarus, and the Ukraine.

This is a memorandum of understanding regarding the 1972 ABM Treaty. Precisely the same amendment word for word passed this House last year easily, 240-188. And so this amendment merely continues that status quo in the law and does not change present law in that sense.

The memorandum of understanding of September 26, 1997, and related documentation essentially does two things. First of all, it changes the parties to the 1972 ABM Treaty, updates that treaty if you will, by supplementing instead of the old Soviet Union, the former Soviet Republic that I mentioned.

The second thing the memorandum and related documents does is it really expands that treaty, expands the scope to disallow more theater missile systems.

The Clinton administration has frankly admitted, and this House has voted on many occasions, that this is a new treaty and this must be put before the United States Senate and ratified by the United States Senate. This has never happened. The memorandum has not gone there. It has never been ratified.

Now, I strongly believe we should develop aggressively missile defense systems and not renew and expand the old ABM treaty, particularly to expand its scope and disallow more theater systems. But really, this amendment is far simpler than that and really deals with much more of a threshold question. This is not so much a defense issue but a constitutional issue.

The memorandum of understanding has not been put before the United States Senate. It has not been ratified by the United States Senate.

Everyone, including the Clinton administration, agrees that this must occur because it is essentially a new treaty. That has not happened.

So until and unless that happens, we should not spend money enforcing that new regime, particularly when it is highly controversial and goes to the heart of our missile defense debate, particularly when this House has voted not to spend that money in the past, particularly when this House and this Congress has voted affirmatively to aggressively develop missile defense systems, including theater systems.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. VITTER).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MR. GEORGE MILLER OF CALIFORNIA

Mr. GEORGE MILLER of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. GEORGE MILLER of California:

At the end of the bill (preceding the short title), add the following:

TITLE—LIMITATION

SEC. . Of the amounts made available by this Act, not more than $2,350,000 may be obligated or expended for the Inter-American Tropical Tuna Commission.

Mr. GEORGE MILLER of California. Mr. Chairman, this amendment that I am offering this evening does nothing more than ensure that the current law regarding the funding of the Inter-American Tropical Tuna Commission is being followed. It does so by limiting the U.S. contribution to no more than 50 percent of the Tropical Tuna Commission, thereby ending the long-standing taxpayer subsidy of foreign nations who are members and benefit from the work of this commission.

There are two principal benefits from this amendment. It ensures countries pay their fair share for the Tropical Tuna Commission of its expenses which they committed to when they signed on to the commission in 1997. The law requires that it frees up money for other international fishing commissions that are already funded below the President's request.

Mr. Chairman, in 1949 the United States signed onto a convention establishing the Inter-American Tropical Tuna Commission. This commission was designed to coordinate international efforts to maintain a healthy population of tuna and other marine species taken from the eastern Tropical Pacific Ocean.

Currently 11 nations are members of this commission: Costa Rica, Panama, Japan, France, Vanuatu, Nicaragua, Venezuela, El Salvador, Equador, Mexico, and the United States.

The Tropical Tuna Commission is involved in many activities that affect all member nations, and there are costs associated with these activities and the convention specifies how the commission should be funded.

It says that those countries that harvest more fish pay more. Specifically the commission states: "The proportion of joint expenses to be paid by each of the high-contracting parties shall be related to the proportion of total catch of the fisheries covered by the Convention and utilized by the high-contracting party."

This made sense in 1949, and it makes sense today. We paid our share then and we still do now. In fact, we pay a good deal more than our share. Circumstances have changed and changes must be made in our payments.

The United States is no longer the largest beneficiary of tuna from the eastern Tropical Pacific. In fact, we only catch about 5 percent of the tuna from this area. And our average utilization over the last 10 years has been around 40 percent.

Despite this, the United States continues to pay the lion's share of funding for the Tropical Tuna Commission, as much as 90 percent in recent years.

The taxpayers' subsidy of foreign fishing nations must stop, and it is time for these other countries to carry their own weight.

In fact, in 1997, the International Dolphin Conservation Program Act requires that member countries pay their fair share of the Tropical Tuna Commission. And in fact that same agreement has incentives for them to do so, and it is written into law that clearly states the countries that fail to pay their fair share cannot export their tuna into the United States.

Mr. Chairman, all my amendment does is uphold these requirements of the current law. It does not change the 1997 Dolphin Protection Act or the international agreements in any way. It simply assumes a critical provision of law will be enforced.

In addition, it has no effect on the International Dolphin Conservation Program, funding for observers, or other activities. The funding for those programs come from fees on the tuna vessels, not from the country contributions. So this in no way impacts the

International Dolphin Conservation Program.

Regardless of how we feel about modifying the dolphin-safe label, surely we can all agree that our taxpayers should not be underwriting the fishing interest of these other countries. This is a fair position. That is the position that the Senate just over a week ago on a bipartisan vote agreed to 61–35.

The money saved will still be available to the State Department to spend on 12 other international fisheries commissions which we belong to and which are funded at $2 million below the President's request in this legislation. So let us not undercut a dozen other important commissions so that our constituents can continue to subsidize countries that refuse to pay their fair share contrary to U.S. law, contrary to the agreement that they entered into on the International Dolphin Conservation.

If they get the benefits of the act, they are supposed to pay their fair share. These countries have refused to do so.

This amendment would still have the United States picking up 50 percent of the cost of this commission. That will leave the other 10 countries the need to pick up the other 50 percent even though they utilize it far in excess of that amount.

I think this is simply about equity for the taxpayers. It is about upholding the agreements that people have entered into. And I think it is an amendment that we should adopt as did the Senate by the bipartisan vote of 61–35.

This amendment does nothing more than ensure that current law regarding the funding of the Inter-American Tropical Tuna Commission is being followed.

It does so by limiting the U.S. contribution to no more than 50 percent of the *IATTC budget,* thereby ending the longstanding taxpayer subsidy of foreign nations who are members of, and benefit from the work of the Commission.

There are 2 principal benefits from this amendment:

(1) it ensures countries pay their fair share of IATTC expenses, which they committed to when they signed onto the Commission and as the 1997 law requires;

(2) it frees up money for other international fisheries commissions that are already funded below the President's request.

Mr. Speaker, in 1949, the United States signed a convention establishing the Inter-American Tropical Tuna Commission (IATTC). This Commission was designed to coordinate international efforts to maintain health populations of tuna and other marine species taken in the eastern tropical Pacific Ocean (ETP).

Currently 11 nations are members of the commission—Costa Rica, Panama, Japan, France, Nicaragua, Vanuatu, Venezuela, El Salvador, Ecuador, Mexico and the United States.

The IATTC is involved in many activities that affect all member nations. And there are costs associate with these activities. The convention specifies how the Commission should be founded.

It says that those countries that harvest more fish should pay more. Specially the Convention states: "The proportion of joint expenses to be paid by each high Contracting Party *shall be related to the proportion of the total catch from the fisheries covered* by this Convention utilized by the High Contracting Party."

This made sense in 1949, and it makes sense now. We paid our share then, and we still do now. In fact, we now pay a good deal more than our share.

Circumstances have changed and changes must be made to our payments. *The United States is no longer the largest beneficiary of tuna from the ETP.* In fact, *we only catch only five percent of the tuna* from the ETP. And our average utilization over the last 10 years is around 40 percent. Despite this, the United States continues to pay the lion's share of funding for the IATTC—*as much as 90 percent in recent years. This taxpayer subsidy of foreign fishing nations must stop. It is time for those other countries to carry their own weight.*

In fact, the 1997 International Dolphin Conservation Program Act requires that member counties must pay their fair share of the IATTC expenses. *And there is no incentive* for them *to do that written into the law which clearly states that countries that fail to pay their fair share cannot export their tuna to the United States.*

Mr. Speaker, *all my amendment does is uphold the requirements* of *current law.* It does not change the 1997 dolphin protection law or the international agreement in any way. It simply assumes a critical provision of that law will be enforced. *In addition, it has no effect on the International Dolphin Conservation program funding for observers* and other activities. The funding for that program comes from fees on tuna vessels, not from country contributions.

Regardless of how we felt about modifying the "Dolphin Safe" label, surely we can all agree that our taxpayers should not be underwriting the fishing interests of other countries. That is a fair position the Senate agreed to by a bipartisan vote of 61–35.

The money saved will still be available to the State Department to spend on more than 12 other international fisheries commissions to which we belong which are funded at $2 million below the President's request in this bill. So let's not undercut a dozen other important commissions so that our constituents can continue to subsidize countries that refuse to pay their fair share, contrary to U.S. law.

Mr. FARR of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this amendment.

Frankly, this is the situation: in 1997, we passed a law saying that the ability for these countries to fish in the area which is called the eastern Tropical Pacific for tuna and in order for them to market that tuna in the United States as dolphin-free tuna or dolphin-safe tuna that they would all have to participate in the Inter-American Tropical Tuna Commission.

Unfortunately, they are not carrying their fair share. So what happens is the United States, they are using our market. That is the only reason this is all here, they are all shipping their tuna into the United States. What we are saying is that they ought to be paying their fair share.

Countries like Costa Rica catch about 70 percent of it, and they pay nothing. Venezuela catches about 16 percent or uses 16 percent of the market. They pay nothing. Ecuador fishes about 26 percent of the fish. They pay nothing.

So what this amendment does is say that the United States should not have to pay more than its fair share. But even at that, the bottom line is that we would be paying 50 percent of the commission's cost.

So I mean, this is a no-brainer that the United States has got to stop carrying the heavy burden. The advantage for all these fisheries is that they can come and sell their product in the United States to American consumers, and we ought to require them to pay their fair share of the commission expenses.

Mr. Chairman, I insert the following:

GROUPS SUPPORTING THE GEORGE MILLER OF CALIFORNIA AMENDMENT:

The Humane Society of the United States.
Animal Welfare Institute.
Defenders of Wildlife.
Friends of Animals.
Public Citizen.
Whale Rescue Team.
Greenpeace Foundation.
Massachusetts Audubon Society.
ASPCA.
Dolphin Connection.
Society for Animal Protective Legislation.
Earth Trust.
Friends of the Earth.
Brigantine New Jersey Marine Mammal Stranding Center.
American Oceans Campaign.
The Fund for Animals.
Marine Mammal Fund.
South Carolina Association for Marine Mammal Protection.
Earth Island Institute.
Animal Protection Institute.
American Humane Association.

Mr. GILCHREST. Mr. Chairman, will the gentleman yield?

Mr. FARR of California. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Chairman, the gentleman made mention that Equador pays nothing? Is that the country he said? He said they pay nothing?

$142,000 from Ecuador. Venezuela $67,000. Costa Rica $29,000. Significantly smaller countries. But the United States is telling these other 10 countries how they have to fish to meet our standards. This is an international agreement decided upon by the United States to protect the dolphin and the tuna industry.

Mr. GEORGE MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. FARR of California. I yield to the gentleman from California.

Mr. GEORGE MILLER of California. Mr. Chairman, the fact of the matter is they pay very little in terms of their participation.

We are telling them this is what they signed on to, this is an agreement they agreed to. They are signatories to this operation. We changed it to meet their concerns and so that they can import the tuna in this country, and they agreed.

A contract is a contract. They signed a contract saying this is what they agreed they would do. Now they are not doing it. So we end up paying 70 or 80 percent of the cost of this commission. It is not much more complicated than that.

Mr. FARR of California. Mr. Chairman, reclaiming my time, let me just point out that this is really an equity issue. It is all based on the fact that we would not even have a law if it was not for that these other countries want to fish for tuna and have to use an international law which we have led with so that they can sell their tuna in this country. That is where the market is.

The American consumers are making all of this happen. We are just asking that these countries bear their fair share. It is big business. It is a lot of money. And they certainly can afford it.

Mr. GILCHREST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to make a comment. The gentleman from California (Mr. GEORGE MILLER) said that the fees from the fishermen will pay for the implementation of the dolphin-safe fishing techniques, something to that end, the fees of the fishermen pay for the program. That is how I interpret it.

What I want to make a comment on is the fees from the fishermen do not cover the funding for the dolphin program. It is only about 50 percent of the total cost of this program.

The biological work from the commission comes from the contributions from the participating countries.

I rise in opposition to the amendment, strong opposition, Mr. Chairman. I do not often oppose the gentleman from California (Mr. GEORGE MILLER) on marine resource issues. But I think the gentleman is wrong on two counts.

Number one, if we cut the funding by the amount the gentleman from California wants to cut the funding, this will completely cripple the program entirely. The participating nations at this point have not negotiated the total amount of money that is necessary. That is going to happen in October.

My colleague has made several points about the role of the United States in the Inter-American Tropical Tuna Commission versus our actual participation in the fishery. I want to make a comment about the utilization. Between 30 and 83 percent of the tuna in the last 10 years, with passage of the International Dolphin Conservation Program, comes to the United States. And that number will go up.

□ 1745

Until the U.S. fleet was effectively driven out by the tuna-dolphin regulations, the United States caught the bulk of the tuna fish in the eastern tropical Pacific. As soon as this negotiation goes through and as soon as the science is done, as long as we do not have a million-dollar cut in the appropriation, we will do two major things: We will save the dolphins, who used to be slaughtered at about 100,000 a year, down to below 2,000 a year; and, number two, we will increase the tuna fishing industry in California. Also, the vast majority of the costs of dolphin protection are borne not by the international agreement but by the fishermen themselves. The fishermen now have to buy extra speed boats, rafts, divers to assist in the dolphin nets, added cost to carry the mandatory observers on board, et cetera, et cetera, et cetera. Contributions to the Inter-American Tropical Tuna Commission effectively fund this management regime.

My colleague has also argued that the International Dolphin Conservation Program Act of 1997 was passed in part to end these heavy subsidies. Well, that is what is in the process of happening right now. The heavy subsidies are being reduced. No one disagrees that it is necessary to eventually bring the U.S. contribution in line with its present share of the fishery. The International Dolphin Conservation Program Act even contains a sense of Congress that the parties should negotiate a more equitable scheme for contributions. However, while almost any program might be able to cut costs incrementally over time, slashing funding by one-third all at once is a crippling blow to the research and conservation efforts of this most important program. Participating nations will meet in October to work out a more equitable schedule for annual contributions. I fully expect the parties to this agreement to meet their responsibilities and bear a more proportionate share of the Inter-American Tropical Tuna Commission's budget. If that does not happen, I would quite happily support a cut to their budget next year, a small cut to their budget, but enough to send a strong signal. In the meantime, we should meet our commitment, allow the negotiations to proceed, and work in good faith to develop a more equitable allocation.

We cannot solve an international problem with a unilateral cut like the gentleman from California is proposing here. A vote against the amendment of the gentleman from California saves dolphins, substantially invigorates the tuna fishing industry in California, goes a long way to saving other marine mammals, and goes a long way to saving the vast fishery and the marine ecosystem in the eastern tropical Pacific.

I strongly urge my colleagues to vote against the amendment proposed by the gentleman from California.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 16 minutes and that the time be equally divided between the gentleman from California (Mr. GEORGE MILLER) and the gentleman from California (Mr. CUNNINGHAM).

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield myself 2 minutes simply to respond to what the gentleman from Maryland says.

This amendment has no impact on his concerns. What this amendment simply says is that these nations who sought to change the law, who sought to change the access to the American market, who signed an agreement to do so, that they keep their word, that the taxpayers of this country get the benefit of that.

We have been funding over 90 percent of this. We have not taken anywhere near that amount of tuna over the last 10 years. All of those things that the fishers have to do now in terms of speed boats and monitors, all the rest of that is what they agreed to do because that is what they said they would do in order to get access to the American market. That is why they signed the agreement. That is why you changed the label. That is why we changed the law, so that they could do this. Clearly that is a very small expenditure compared to finally having, after many years, access to the American consumer market. That is the deal.

Yes, they will start negotiating. We all know how the international bodies negotiate. They will pick out a lovely city somewhere in the world, they will go there month after month after month after month and 3 or 4 years from now, because this is about negotiating the entire treaty, they will come back to us. In that time the American consumers are going to be out 6, 8, $10 million. That could be used to shore up the other international fisheries commissions that are not properly funded under this legislation or in request with what the President has sought for those.

This is not about dolphin safety. All of the things to protect the dolphin are in place under the agreements. This is about the enforcement. One of the conditions to participating in the program is that you meet your commitments under the law in terms of your financial responsibility. These countries have chosen not to do that. Once again, the good old United States comes in and picks up the fall. You have 10 countries that would have to whack up half of the budget, yet they are harvesting 70, 80 percent of all the tuna. This is just a matter about equity for the United States taxpayers. It is that simple.

Mr. CUNNINGHAM. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Chairman, when my legislative staff talked to me about this amendment, they pointed out that my friend the gentleman from California (Mr. GEORGE MILLER) was offering the amendment. They also pointed out that the gentleman from Maryland (Mr. GILCHREST) was opposing the amendment and they said, "Where do you stand?" I gave the typical political answer. I said, "I stand with my friends." But you cannot get away with that. You have got to look at this. I have looked at it very carefully. I oppose the amendment.

This, as I see it, is a battle of "might happens." As the State Department points out, this amendment is unnecessary, because they are working on renegotiating a more favorable U.S. allocation. It is also counterproductive. Why is that? Because it might jeopardize the U.S. position on other conservation issues. Since the State Department folks are the ones who are actually sitting at the table for these negotiations, I tend to feel, and I agree with the gentleman from Maryland, that we should take these "might happens" a little more seriously.

According to a lot of folks who participate in these discussions, World Wildlife Fund is a good example, the humane groups and the Earth Island Institute, they do not participate in this process. I look at who is supporting it and who is opposing it. When I look at the opposition to the amendment, I see the administration, the Center for Marine Conservation, the World Wildlife Fund, Greenpeace, the U.S. State Department, the U.S. tuna fishing industry. That is an eclectic and diverse group. I actually think this may cause us to violate treaty obligations. That really concerns me.

I am mindful of the fact that this amendment was considered in the committee and it was rejected. I am mindful of the fact that what we did in the last Congress, the 105th Congress, and I think this would undermine the tuna-dolphin protection legislation which we passed by an overwhelming majority in the last Congress.

For all of those reasons and more that I do not have the time to cover, I stand with my friend against a friend. I oppose the amendment and urge its defeat.

Mr. CUNNINGHAM. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Chairman, I just have a closing comment. We passed a law directing that the parties negotiate the terms of the agreement so that all nations pay their fair share. All nations will pay their fair share. That process is continuing. There will be a meeting of the Inter-American Tropical Tuna Commission in October. It is the United States that wants to ensure, with its negotiating parties, that this agreement does not fall apart, that more dolphins are not killed. If this agreement falls apart, not only will you have more dolphins killed, but you will be catching immature tuna fish in a manner in which it will play out. You will kill more sea turtles. You will kill more sea lions.

If $1 million is cut from the budget of the Inter-American Tropical Tuna Commission, not enough biological work will be done, not enough money will be out there buying the kinds of equipment that will be necessary to ensure the success of this program. I urge my colleagues to vote against the amendment.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield myself the balance of my time.

Those are all interesting arguments from my colleague from Maryland. They are just not factual. It is just not the situation as it exists. This is not an agreement to work out payment in the future. This is the treaty. This is what they agreed to:

"The proportion of joint expenses to be paid by each high contracting party shall be related to the proportion of the total catch of the fisheries covered by the covenant."

That is not what they have agreed to do. They suggest here, well, the dolphin agreement will fall apart. If it falls apart, they lose their access to the American market. They have been trying for a decade to pry that market open. It is now there based upon this agreement. You say they are going to start meeting in October to negotiate these. Every day they do not negotiate them they win because Uncle Sam is picking up the tab. So there is no urgency in this. There is no urgency in this.

Why do you not send them a message that we are more than willing to pay our fair share and even then some, but they have to contribute something to this effort? They ought to participate in this. They are getting the benefit. I mean, we argued here for a couple of hours about our unwillingness to pay a debt owed to the United Nations and here we are willing to pay money we do not even owe, that is not even called for under the treaty. This is turning Uncle Sam into Uncle Sucker. What is going on here? People signed an agreement, they signed a covenant, they signed a treaty, they signed a contract, they say this is what we are willing to do to have access to the American market and then they do not do it.

And so what happens? You go out and you pass the hat among the American taxpayers, we cough up a few million dollars and the bureaucrats and the diplomats just continue on about their way. This has nothing to do with the safety of the dolphin. They have agreed to fish in a dolphin-safe fashion under the guidelines that the gentleman promoted. We had that fight. They also agreed to the terms and conditions of this treaty. If they fish differently, if they start killing dolphins, then they lose the American market, and we know what that means to them. Because that is the biggest financial plum they possibly have.

Why do we keep selling the American market so cheap? This is not a lot of money but it is an important principle, it is a very important principle, that people should pay their fair share. Again, we go back to the debate earlier about who is paying their fair share and who is paying too much at the United Nations. Well, this is just a small commission. But if the other countries do not pay their fair share, we pay more here and then other international fisheries commissions do not get the allotment that is necessary to them to do the kinds of protective programs that you say you want.

That is why this amendment is supported by the Humane Society, by the Defenders of Wildlife, by the Friends of the Earth, the American Humane Association, the Fund for Animals, because they recognize the need to get these countries to pay their share as they agreed to do. That is the nature of contracts, that is the nature of treaties, that is the nature of binding agreements. What do we have? Do we have an invisible clause that is known only to the diplomats, only to the negotiators that says in the event you decide not to pay, the U.S. treasury will pick up the difference? I do not think so. I do not think that is the way it should be, but that is the way it has been on this commission since 1949. We have been shoveling the money to this commission and these countries have been going along for the ride. Now we have provided a very, very substantial benefit and access to the American markets and we are not requiring that they pay their fair share.

Remember, under this amendment, we are picking up 50 percent of the cost. We are harvesting 5 percent of the tuna. So I am giving them the benefit of the doubt that they are small and they are poor and they are a lot of things. But this is 50 percent of the cost.

Do your taxpayer a favor tonight. Support this amendment, support it in the same manner that it was supported in the United States Senate and, that is, on an overwhelming 2-to-1 vote on a bipartisan basis, recognizing the need to enforce the agreement as it is written, as it was agreed to and the need to protect the taxpayer.

We talk a lot in these international agreements about mission creep. Well, this is sort of cost creep. The budget keeps going up, they keep agreeing to it, and we just keep laying off a little bit more on the American taxpayer. Let us stop the cost creep. Let us stop the unfairness creep, if you will, and let us go with the guidelines in the treaty. As I say, we will continue to pick up 50 percent. They can then negotiate and they can negotiate whatever terms they want, but the fact of the matter is, we will not be sitting around waiting for them to do that and continuing to dip into the U.S. Treasury on behalf of these countries that have just decided they are simply not going to pay in spite of the fact that this Congress in a dramatic move opened up the best market there is for this tuna and the least expensive market there is for them to get this tuna to market.

□ 1800

So when we talk about the expenditures that they might have, we have done them a tremendous favor. I hope it will all work out, and they ought not to take advantage. They ought not to take advantage of our goodwill, they ought not to take advantage of our taxpayers, they ought not take advantage of our patience in terms of complying with this agreement that provided them with such incredible, incredible benefits.

The CHAIRMAN. The gentleman from California (Mr. CUNNINGHAM) is recognized for the balance of his time.

Mr. CUNNINGHAM. Mr. Chairman, for 2 years the gentleman from California, tried everything that he could to kill the tuna-dolphin bill along with the gentlewoman in the other body from California. We thought that was wrong, and we still do. For the gentleman to claim that this is a fiscal responsibility issue is laughable. They have done everything that they can to kill this, and it is bipartisan opposition they face.

In the Senate I talked to the Senators. They said the B-2 should have such stealth. They came in, they did not know this killed the tuna-dolphin bill. We had not had a chance to gear up for the letters, and no wonder it passed. They did not know that it was going to hurt the tuna-dolphin bill which they voted for overwhelmingly I would say, Mr. Chairman, the President, the Vice President, the State Department, bipartisan Congress, Center for Marine Conservation, Green Peace, Scripps Institute of Oceanography and 11 other nations, they said build it and they will come. Eleven other nations, build it and save the dolphins, save all marine mammals, and 11 nations will come. And they did come.

Mr. Chairman, I would say: "Shoeless GEORGE MILLER, tell me it is not so. Please, Shoeless GEORGE MILLER, tell me it is not so, that you would offer this anti-environment amendment. Tell me, please, GEORGE MILLER, that one of the groups that oppose this was a group that wanted in California to stop trout and bass fishing because it hurt the fish.

Tell me it ain't so, shoeless GEORGE MILLER. Tell me that the other group that opposes this of all the environmental groups is the group that the unibomber supported. They spike trees to kill loggers. Tell me it ain't so, Mr. GEORGE MILLER. Tell me it ain't so."

For them to say that this is a fiscal issue is just wrong.

Let me give my colleagues some letters. Clinton-Gore administration State Department: "The amendment would seriously jeopardize important programs being undertaken by the IATCC." The President highlighted this. He had a Rose Garden signature, and the gentleman is trying to kill that. He tried to kill it for 2 years. This is his way to do it and claim fiscal responsibility.

The Center for Marine Conservation, Green Peace: "It will result in the death of dolphins, sea turtles, sharks and other bill fish."

Here is the Director of World Wildlife Fund: "IDCP program works. Consequently it should not be the target of Mr. MILLER's, quote, 'anti-environment action.'"

We hear all the time that we support things for special interest groups. Well, the groups we have are about 90 percent of the environmental groups, and we have got two groups, two special interests, that want to kill this bill. Do not let that happen. This is one of our most shining moments working together in a bipartisan way.

Here is the vote: overwhelming here in the House. Here it is right here. Do not throw that away. We always talk about when we can work together as a body, when we can support each other, when we can work on the environment together. This is one of those shining moments that the House did come together, the Senate did come together, the President signed it, the Vice President; he supports our position and against this amendment.

Please come back and help us.

We have our sports fishermen. This is tied to Mexico as well. Our sports fishermen work with Secretary of Mexico Carlos Comacho. Mexico has been part of this for 4 months, and guess what? They are already kicking in a share of the payment.

The act itself says that all the payments will be addressed, and they are under that auspices as we speak.

So this is an amendment with an attempt to kill the tuna-dolphin bill which the gentleman from California tried to kill for 2 years. Now he has that right. He felt it was wrong. But the overwhelming majority of this body, the other body, and all the other environmental organizations disagree with my friend from California.

We do not pay too much. I would ask my colleagues not to turn their backs on a program that has saved over 97,000 dolphins, 97,000, each year. The group that the gentleman from California (Mr. GEORGE MILLER) is espousing controls the tuna-dolphin label. They stand to lose millions of dollars. Do we allow a group, a special interest group, to pocket money at the expense of the environment? And that is why the letter of this anti-environment amendment.

I would ask my colleagues, reject the Miller amendment. Stand for the bipartisan tuna-dolphin bill.

Mr. BILIRAKIS. Mr. Chairman, I rise today in support of the George Miller of California amendment which reduces U.S. taxpayer subsidy for foreign tuna fishermen.

The International Dolphin Conservation Program Act of 1997 allows previously embargoed countries to export their tuna to the United States. In exchange for opening our markets, Congress required countries meet the legal and financial obligations of membership in the Inter-American Tropical Tuna Commission (IATTC), which regulates tuna fishing and the International Dolphin Conservation program. These obligations include funding the IATTC.

The operating expenses of the IATTC are to be divided between member countries based on the proportion of the amount of tuna which each nation harvests from the fisheries.

The key word is "proportion." The numbers speak for themselves. Historically, the United States has paid for 75% of the IATTC's operating expenses, but the U.S. share of the tuna catch is less than 40%. Should American taxpayers subsidize foreign fishing fleets by paying almost double our contribution? The State Department seems to think so.

It has proposed using taxpayer money to pay for "lapses" in the contribution for the IATTC. In other words, the State Department wants the American taxpayer to pay almost "double" our share rather than impose stipulations on those members who have delinquent financial obligations.

The George Miller of California amendment will reduce the U.S. financial contribution by $1 million, meaning that the U.S. will still be paying for 50% of the IATTC's annual budget. Since contributions by other countries have been based in the large part on the amount paid by the United States, supporting this amendment would force other fishing nations to begin paying their fair share. The Miller amendment does not undermine the International Dolphin Conservation program, particularly the observer program, which is funded by the tuna vessels and not by country contributions.

Mr. Chairman, over the past nine years, American taxpayers have paid almost $15 million above our obligation under the Convention. Isn't it time that those nations benefitting from the International Dolphin Conservation Program Act of 1997 and profiting from our open markets, meet their financial obligations to the IATTC?

I urge my colleagues to support the George Miller of California amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California (Mr. GEORGE MILLER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GEORGE MILLER of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentleman from California (Mr. GEORGE MILLER) will be postponed.

Mr. ROGERS. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. HASTINGS of Washington, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes, had come to no resolution.

LIMITING AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 2670, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

Mr. ROGERS. Mr. Speaker, we are nearing the end of this bill, and we have had good progress so far. We are on the very last title, as my colleagues know, and there are only 9 amendments remaining, and in the interests of attempting to expeditiously move the bill and to finish the bill at an early hour this evening, I wish to propose a unanimous consent request:

That during the further consideration of H.R. 2670 in the Committee of the Whole, no amendment shall be in order except for pro forma amendments offered by the chairman and ranking member and the following amendments which may be offered only by the Member designated, shall be considered as read, if printed, shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and shall be debatable for 10 minutes, equally divided and controlled by the proponent and a Member opposed thereto:

An amendment by Mr. KUCINICH numbered 1;.

An amendment by Mr. CAMPBELL numbered 5;

An amendment by Mr. CROWLEY numbered 7;

An amendment by Mr. TAUZIN and Mr. DINGELL regarding FCC regulations;

An amendment by Mr. WYNN increasing EEOC, with a decrease in the State Department funds;

An amendment by Mr. HAYWORTH regarding U.N. World Heritage Sites;

An amendment by Ms. JACKSON-LEE of Texas regarding hate crimes;

An amendment by Mr. DAVIS of Illinois regarding law enforcement grants; and

An amendment by Mr. DINGELL regarding criminal records upgrade.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Kentucky?

Mr. SERRANO. Reserving the right to object, Mr. Speaker, and I will not be objecting, I just wanted to ask two questions, one of whomever. Is it our intent on any votes that may be involved here to roll those votes or cluster those votes?

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. SERRANO. I yield to the gentleman from Kentucky.

Mr. ROGERS. The intent is that we will roll the votes until concluded and then take all of the votes at the same time.

Mr. SERRANO. And secondly, does the gentleman from Kentucky know if we could save any more time? Are there any of these amendments that the gentleman is willing to accept from our side without any further debate?

Mr. ROGERS. There very well may be.

Mr. SERRANO. But he is not about to tell me right now.

Mr. ROGERS. Time will tell, Mr. Speaker.

Mr. SERRANO. Time is what I had in mind, and saving even more.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The SPEAKER pro tempore. Pursuant to House Resolution 273 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2670.

□ 1810

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes, with Mr. HASTINGS of Washington in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose earlier today, a request for a recorded vote on the amendment by the gentleman from California (Mr. GEORGE MILLER) had been postponed.

Pursuant to the order of the House today, no amendment shall be in order except pro forma amendments offered by the chairman and ranking member and the following amendments which may be offered only by the Member designated, shall be considered read, if printed, shall not be subject to amendment or to a demand for a division of the question and shall be debatable for 10 minutes equally divided and controlled by a proponent and an opponent:

An amendment by Mr. KUCINICH numbered 1;

An amendment by Mr. CAMPBELL numbered 5;

An amendment by Mr. CROWLEY numbered 7;

An amendment by Mr. TAUZIN and Mr. DINGELL regarding FCC regulations;

An amendment by Mr. WYNN increasing EEOC, with decrease in State Department;

An amendment by Mr. HAYWORTH regarding U.N. World Heritage Sites;

An amendment by Ms. JACKSON-LEE of Texas regarding hate crimes;

An amendment by Mr. DAVIS of Illinois regarding law enforcement grants; and

An amendment by Mr. DINGELL regarding criminal records history upgrade.

AMENDMENT OFFERED BY MR. HAYWORTH

Mr. HAYWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYWORTH:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used for any activity in support of adding or maintaining any World Heritage Site in the United States on the List of World Heritage in Danger as maintained under the Convention Concerning the Protection of the World Cultural and Natural Heritage.

Mr. HAYWORTH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. HAYWORTH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment has a simple purpose. It prohibits spending any money on any activity in support of adding or maintaining any World Heritage site in the United States on the list of world heritage in danger. It is based on the provision in the American Land Sovereignty Protection Act, H.R. 883 which passed in this House on May 20 of this year by voice vote.

The World Heritage Committee influences activities that occur around World Heritage Sites by putting such sites on what is entitled the "List of World Heritage in Danger." As many of my colleagues know, Mr. Chairman, the World Heritage Committee has been attempting to extend the reach of the convention concerning the protection of the world's cultural and natural heritage beyond a world heritage site in an effort to influence activities around the site. Unfortunately, the World Heritage Committee has interfered several times in ongoing internal economic development permitting processes of sovereign nations, including a project on private land in the United States.

The World Heritage Committee, with the approval of the executive branch, has ignored Federal law and infringed on constitutionally protected private property rights by disrupting the National Environmental Policy Act process for a project located on private land. Under the World Heritage Convention, the World Heritage Committee monitors activities in and around a site in danger, and the country in which the site in danger is located is obligated to aid the committee in this monitoring.

□ 1815

A site remains on the list of World Heritage sites in danger until the host country agrees to implement the committee's recommendations concerning land use around the site, which generates international pressure on the country to follow the World Heritage committee's recommendations. Policies implemented in accordance with recommendations of the World Heritage committee can limit the use of privately owned property, thereby reducing its value.

This amendment, Mr. Chairman, will help stop international organizations from interfering in United States land use decisions.

Mr. Chairman, if one supports American sovereignty, I urge them to support this amendment. If one supports the constitutionally granted right of Congress to affect Federal land policy, I urge them to support this amendment. If one supports the American Land Sovereignty Act, I urge them to support this amendment.

Mr. Chairman, I ask Members to vote yes on this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Who seeks time in opposition?

Mr. SERRANO. I claim the time in opposition to the amendment, and I ask unanimous consent to yield that time to the gentleman from Minnesota (Mr. VENTO) and have him control that time.

The CHAIRMAN. The gentleman from Minnesota (Mr. VENTO) is recognized for 5 minutes.

Mr. VENTO. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in strong opposition to this amendment. One of the historians wrote about our Nation and about some of the American spirit, one of the things that they observed was our parks, and they pointed out that our parks and conservation of our landscape is one of the best ideas that Americans ever had.

Back in the 1960s, then President Nixon was successful in leading globally in terms of establishing the World Heritage Convention Treaty. Since we first signed that treaty, we have 152 different nations that have signed the treaty and have identified over 500 World Heritage sites. These are some parks in our country, only about 20 sites are recognized in our country as being World Heritage sites, but in other countries, almost 500 sites are recognized in those countries, the other 151 countries.

It is a way we can obviously lead in terms of demonstrating voluntary conservation. Every one of these sites, first of all, before it can be included and designated or recognized on this list, must be already protected. The land is already protected before it is included in this treaty provision.

Secondly, the requirement is completely voluntary. If the country does not want it listed, it does not become listed, so we have to nominate these particular sites.

So my point is that this amendment would pull the rug out from under the U.S. leadership on an international basis for voluntary conservation of park-like sites in our country.

One of the recommendations, if in fact the country does not proceed in terms of protecting the sites that they have agreed to protect, that they had protected before they nominated them for listing, is that they can be delisted. In some cases where there is degradation that goes on to a park or cultural site, they will obviously recognize that as a site at risk.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, first of all I want to state that the statement made by the author of this amendment is just not based on fact. There is no problem with the World Heritage Convention. It is essentially an international agreement where the host country, in this case the United States, has to say that we will participate and we will protect those lands before we even bring them to you to be on the list.

I rise as cochair of the Congressional Tourism Caucus. We have places like Yellowstone, places that are already protected under the National Park System. We have to do that as a country. The World Heritage Commission cannot do it. They have no authority over how to regulate land. That is uniquely an American and State and local government process.

But if you are very proud of a piece of land that you protected, as we have been in California in protecting a lot of parks and have nominated our State parks, and even some county water districts have nominated their lands to be part, they want this designation, because it is a prestigious designation. It is like the Good Housekeeping Seal of Approval. It is essentially saying that this area is recognized as a special spot on the Earth for wildlife preservation and for the program to manage the land well.

This is all done by the host country, not by any international organization. It is a convention where all with like kinds of land can come together and say if you do these things in your host country, then you can be on this list.

So the gentleman who has offered this amendment, in saying that this has ability to affect private lands, is totally wrong, unless that landowner, as we have in Big Sur, California, had nominated their private lands to be protected. Then it can be protected, if it meets the criteria. But to come along unilaterally and designate it is totally false.

I ask for a rejection of this amendment in strong terms.

Mr. VENTO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think that this amendment, at best, could be described as a misunderstanding. But the fact is for us, after being emulated by 151 nations, to pull the rug out from under this program which is conserving and preserving many other areas simply on a voluntary basis, I think is a wrong decision to make here tonight. I think that the parks and cultural sites are one of the things that our Nation is most proud about.

I would say that in the future, our Nation needs to lead on an international basis, and if we cannot do it on a voluntary basis, one wonders where we can do it. If there is something wrong with what is happening in the Everglades and that area is at risk or something in the Yellowstone, the fact of the matter is it is up to us to try to correct that. If other nations are calling our attention to it, as we do in their Nation when there are problems, I think it is entirely appropriate.

There is no effect on private lands that comes from the World Heritage Convention. It may come from the generic laws with regard to parks or public lands, but it does not flow from that. I think in that case we do it in a very democratic manner.

I urge Members to reject this bad amendment.

Mr. HAYWORTH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I listened with great interest to the comments from my friend from Minnesota and my other friend from California. I heard some sort of analogy that this designation equated with the Good Housekeeping Seal of Approval.

Mr. Chairman, this is not simply some sort of travel guide, something to be desired, for what it does is establish a framework by which, in essence, another body, an international body, exerts control and influence on property decisions of the United States.

Mr. Chairman, the question is not about parks, for we all stand in favor of our National Parks and Heritage Sites that this Congress articulates, that this Congress commemorates, but there should be no misunderstanding that in some way, shape, or fashion we would cede any of that authority, which rests constitutionally, which rests traditionally with this body in this legislative branch, with the Congress of the United States.

To allow the opportunity, as my friend from Minnesota mentioned, economic development outside of Yellowstone National Park and reasonable proximity, to have these types of actions by an international body to, in essence, condemn economic activity, I believe is wrong. The Congress of the United States and landowners who are American citizens should make those decisions.

Accordingly, if you want to stand for sovereignty and the primacy of American law, so there is no misunderstanding, so there is no usurpation of that authority by any international body, I urge my colleagues to support this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Arizona (Mr. HAYWORTH).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. HAYWORTH. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentleman from Arizona (Mr. HAYWORTH) will be postponed.

The CHAIRMAN. The Committee will rise informally.

The Speaker pro tempore (Mr. KOLBE) assumed the chair.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 507) "An Act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes."

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 2000

The Committee resumed its sitting.

AMENDMENT OFFERED BY MR. DAVIS OF ILLINOIS

Mr. DAVIS of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Illinois: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used by the Department of Justice to provide a grant to any law enforcement agency except one identified in an annual summary of data on the use of excessive force published by the Attorney General pursuant to 210402(c) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14142(c)).

The CHAIRMAN. The gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment that we offer today, the Davis-Meek-Rush amendment, merely requires that the Attorney General put into practice what is already existing law. It does not impose any new requirements or change existing law.

The 1994 Crime Control Act requires the Attorney General to collect data from State and local law enforcement agencies relative to complaints regarding the use of excessive force. We find it necessary to introduce this amendment because efforts to get this data from the more than 17,000 law enforcement agencies, to date, by the Attorney General have been less than satisfactory.

It is my understanding that there have been efforts that could have made this information available, but, instead of requiring that it be provided, it has been asked for on a volunteer basis. We find that totally unacceptable. It does not provide the information that is needed. We want to make sure that local authorities are providing the information relative to the level of complaints about police brutality and misconduct.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition?

Mr. ROGERS. Mr. Chairman, I claim the time in opposition and would reserve my time.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 1½ minutes to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Chairman, I rise in strong support of this amendment, and the reason is very simple. The only way we can begin to solve the police brutality problem is to hold municipalities accountable for wrongdoings. This amendment would allow the Department of Justice to limit the funding of police departments if they do not give vital statistics on police brutality to the Department of Justice.

Through the current law, the Attorney General collects data and provides a summary. If they have a problem retrieving data from a police department which is cited in the summary, funds should not go to that municipality or that police department.

□ 1830

As the cochairman of the Congressional Black Caucus on police brutality with the gentleman from Illinois (Mr. DAVIS), we have heard hours of testimony on the need to hold law enforcement departments accountable for egregious acts against citizens.

In every city, Chicago, Washington, D.C., and New York, and we will be traveling to Los Angeles, it is the same complaint. If we do not have cooperation from our police departments, we should not give them funding. We need some legislation with teeth to enforce the fact that we will not be blind to police brutality and misconduct.

This amendment is a step in the right direction. We demand and must have integrity of our government and integrity of the police department so that the good police officers are not branded with the bad. By making sure that these municipalities report the figures so that we can truly solve the problem, this is the way that we can combat that and resolve our problems with respect to to the police force.

Mr. DAVIS of Illinois. Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. Mr. Chairman, I rise in support of this amendment. As a Member of this body, I have heard victim after victim, attorney after attorney, family after family, express to me the severity of the problem of police brutality and misconduct in our Nation' cities and our Nation's towns.

In 1994, this Congress passed legislation requiring the Department of Justice to collect data on police use of excessive force. However, we failed to appropriate any funding for the data collection. Furthermore, this year the Department of Justice failed to even request the funding to collect police misconduct data.

Let me be clear, Mr. Chairman, I support law enforcement. People in the First Congressional District support law enforcement. However, I do not and cannot support police use of excessive force. To begin to treat the misconduct, we must, we should, gather the statistics.

This amendment simply requires that State and local law enforcement agencies report data regarding police use of excessive force to the U.S. Attorney General. By collecting this data, by examining this problem, we will be able to determine the severity of the problem, and we will be able to develop solutions to reduce police brutality and misconduct incidents.

I urge my colleagues to vote for this timely amendment.

Mr. DAVIS of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think it is clear that police brutality and misconduct are serious matters in many communities throughout America. The Congressional Black Caucus is seriously interested in and concerned about this problem. We simply want to have the information available so that the Attorney General can investigate practices and patterns that may involve police brutality and misconduct.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Kentucky (Mr. ROGERS), if I could.

Mr. ROGERS. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I appreciate the Chairman's willingness to engage in this colloquy.

As the chairman knows, Section 210402 of the Crime Control Act of 1994 requires the Attorney General to acquire data about the use of excessive force by law enforcement officers, and shall publish an annual summary report.

I am concerned that this requirement is not getting the priority treatment within the Department of Justice that it needs to produce an effective report.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Illinois. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I want to thank the gentleman for raising this important issue. The committee recognizes the importance of collecting this data, and will work with the gentleman to raise this issue in conference.

I will also be happy to join with the gentleman and the ranking member in a letter to the Attorney General on this issue, and I look forward to working with the gentleman on it.

Mr. DAVIS of Illinois. Mr. Chairman, I thank the gentleman. We appreciate the gentleman's sensitivity to the issue. I also want to thank the gentleman from New York (Mr. MEEKS) and the gentleman from Illinois (Mr. RUSH) for joining me in this amendment.

Mr. SERRANO. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from New York.

Mr. SERRANO. Mr. Chairman, I want to thank the chairman for his colloquy, and I want to thank the gentleman from Illinois (Mr. DAVIS) for his fine presentation.

This is something that concerns me, and I am glad to hear that the chairman is willing to join the gentleman from Illinois (Mr. DAVIS) in this effort. I want to be very much a part of this effort and make sure that this is something that we deal with.

Mr. Chairman, I have often said, my greatest concern is, throughout all of my years growing up in the Bronx, I always saw the older folks in my community very supportive of the police. Now I see a lot of those folks upset, terrified, nervous about the police. That in itself is a sign to me that we have to do something to make sure that we regain that confidence that we have lost.

So we are on the side of law enforcement. That is why we are doing what we are doing. I am glad that we can join together.

Mr. DAVIS of Illinois. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT NO. 5 OFFERED BY MR. CAMPBELL

Mr. CAMPBELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. CAMPBELL:

H.R. 2670

AMENDMENT NO. 5. At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. . None of the funds appropriated under this Act may be used to enforce the provisions of 8 U.S.C. 1534(e)(3)(F)(ii).

The CHAIRMAN. Under a previous order, the gentleman from California (Mr. CAMPBELL) is recognized for 5 minutes.

Mr. CAMPBELL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, there are 24 persons either in jail or otherwise facing deportation in the United States under a very unusual law. I am quoting from the Washington Post description:

"A little-known provision of immigration law in effect since the 1950s allows secret evidence to be introduced in certain immigration proceedings. The classified information, usually from the FBI, is shared with judges but withheld from the accused and their lawyers.

"Lately, the rarely used provision has fallen most heavily on Arabs, and their advocates say this is no coincidence."

Mr. Chairman, this use of secret evidence, the evidence that the accused cannot see, has been held unconstitutional every time it has been challenged: the Ninth Circuit, the D.C. Circuit; just in the last year, three immigration judges. But the Department of Justice nevertheless continues to use secret evidence in the other circuits, where they can get away with it. This to me is unconstitutional.

It strikes the editorial boards of the Washington Post, the St. Petersburg Times, and the Miami Herald as unconstitutional, as well. The Washington Post, for example, says, "The use of secret evidence in pursuing adverse judicial actions against people is a blight on our legal system that ought to be changed."

The St. Petersburg, Florida, Times points out, in the case of Dr. Mazen Al-Najjar, "If investigators have incriminating evidence against Al-Najjar, then let him, his family, and the rest of the Nation see it. Either Al-Najjar should be tried with evidence of his activities in plain view, or he should be set free. The U.S. Constitution calls for no less. He deserves no less."

The Miami Herald concludes "The INS and Justice Department must cease immediately this condemnation by innuendo, denial of liberty based on secret testimony, and destruction of reputation on the basis of guilt by association."

Mr. Chairman, my coauthor in this effort is the gentleman from Michigan (Mr. BONIOR), the distinguished minority whip. If he comes to the floor, I wish to reserve time for him. If not, I will have additional comments.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Who seeks time in opposition?

Mr. DIXON. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from California (Mr. DIXON) is recognized for 5 minutes.

Mr. DIXON. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I rise in support of the Campbell amendment.

Mr. Chairman, I rise today in support of the amendment to the Commerce-Justice-State Appropriations Bill offered by Mr. CAMPBELL. This amendment stops the funding for the use of secret evidence by the Immigration Naturalization Service.

In 1996 an amendment was added to the Antiterrorism and Effective Death Penalty Act, authorizing the INS to use secret evidence in barring or deporting immigrants as well as denying benefits such as asylum. However, this law restricts two rights Americans hold very dear: (1) the right to due process and (2) the right to free speech. This country has always and must continue to value the right to a fair trial and the freedom to hold and practice personal beliefs.

However, allowing the use of secret evidence undermines the rights and liberty of both citizens and legal aliens alike because it lessens the constraints of both Constitutional considerations and conscience on INS cases. The case of the Iraqi seven clearly illustrates the flawed use of secret evidence.

Seven Iraq individuals were among the many Iraqi Arabs and Kurds who were part of a CIA-backed plot to overthrow Saddam Hussein. While attempting to gain political asylum in the United States after their work in Iraq with 1,200 other Iraqis, these seven individuals were singled out and detained by the United States Immigration and Naturalization Service on the claim that they were a risk to national security. These seven individuals, who had worked with the U.S. in opposition to Saddam Hussein, were now seen as a threat to our national security based on secret evidence. Evidence that no one was allowed to see. Not the 7 Iraqis. And not their attorneys. Evidence that could be used to deny them asylum and deport them back to Iraq where they would surely meet their death.

After much pressure, 500 pages of this so-called secret evidence was released. Closer examination revealed the evidence was tarnished due to its faulty translations, misinformation and use of ethnic and religious stereotyping. There have been about 50 cases where secret evidence was used to detain and deport individuals. This is unAmerican. The cornerstone of our judicial system is that evidence cannot be used against someone unless he or she had the chance to confront it. The INS is relying more and more on the use of secret evidence. If we continue to fund the use of secret evidence against non-citizens, then soon secret evidence will be used against American citizens too. There will be no limit to its use.

So, I encourage my colleagues to support this amendment. I ask you to maintain and defend the civil rights of all citizens living in the United States under the U.S. Constitution. Vote "yes" on the Campbell amendment.

Mr. Chairman, I include material relating to this matter for the RECORD.

The material referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
August 2, 1999.

DEAR COLLEAGUE, we invite you to join us in cosponsoring "The Secret Evidence Repeal Act of 1999," a bill to repeal the use of "secret evidence" in Immigration and Naturalization Service deportation hearings.

Under the Anti-Terrorism and Effective Death Penalty Act of 1996, the INS is allowed to arrest, detain and deport non-citizens on the basis of "secret evidence"—evidence whose source and substance is not revealed to those who are targeted or their counsel.

The right to confront your accuser, hear the evidence against you and secure a speedy trial are fundamental tenets of the American justice system. This violates our deepest faith in the right to due process, and violates our democracy's most sacred document, the United States Constitution.

We are very concerned about the arrest, imprisonment and even forced deportation of individuals here in the United States based on evidence that the individual is not afforded an opportunity to review or challenge. The use of such "secret evidence" directly contradicts our sense of due process and fairness.

The Bonior-Campbell bill would correct this injustice by ensuring that no one is removed, or otherwise be deprived of liberty based on evidence kept secret from them.

People should know the crimes with which they are being charged and should be given a chance to challenge their accusers in court. I am proud to join my colleague, Congressman David Bonior, in proposing legislation to end this practice.

Most affected by the INS and Justice Department's use of "secret evidence" are Muslims and perhaps the most egregious case is that of Dr. Mazen Al-Najjar of Tampa, Florida, arrested two years ago by INS agents.

Virtually all of the "secret evidence" cases have been directed at Muslims and people of Arab descent. This law is clearly discriminatory and unconstitutional, and we need to take a strong stand against it.

TOM CAMPBELL.
DAVID BONIOR.

IT'S UNTHINKABLE THAT IN AMERICA AN INDIVIDUAL COULD BE IMPRISONED WITHOUT SHOWING THAT PERSON THE EVIDENCE

OUR AMENDMENT WOULD BLOCK FUNDING ONLY FOR THIS SECTION:

"(ii) Restrictions on disclosure

A special attorney receiving classified information under clause (i)—

(I) shall not disclose the information to the alien or to any other attorney representing the alien, and

(II) who discloses such information in violation of subclause (I) shall be subject to a fine under Title 18, imprisoned for not less than 10 years nor more than 25 years, or both."

AMENDMENT TO H.R. 2670, AS REPORTED OFFERED BY MR. CAMPBELL OF CALIFORNIA

At the end of the bill, insert after the last section (preceding the short title) the following:

SEC. . None of the funds appropriated under this Act may be used to enforce the provision of 8 U.S.C. 1534(e)(3)(F)(ii).

[From the LA Times, Dec. 15, 1997]

USE OF SECRET EVIDENCE BY INS ASSAILED

(By Jeff Leeds)

While a judge weighs a decision in his case, Ali Mohammed-Karim is still waiting to hear the evidence against him.

Along with hundreds of other Iraqis who worked with the Central Intelligence Agency in a failed effort to oust Saddam Hussein, he fled northern Iraq last year and sought political asylum in this country.

Upon his arrival, he and 12 other refugees were thrown in jail, accused by the Immigration and Naturalization Service of posing a "danger to the security of the United States," an allegation the agency has refused to explain.

The case of the Iraqi refugees is the latest front in the widening legal battle over the INS use of classified evidence.

In the proceedings against the refugees, the INS has argued its case and questioned its witnesses—one of whom is employed by an agency it will not identify—behind closed doors. Lawyers for the refugees were not present. They had to put on a defense based essentially on guesswork.

"It's completely frustrating," said Niels Frenzen, an attorney with Public Counsel, who represents the eight Iraqi men who are jailed in San Pedro. "How are we doing? We don't know. Have we guessed the secret evidence? We don't know."

Both sides have rested their cases and are awaiting immigration Judge D.D. Sitgraves' decision. She has indicated that she may not rule until early 1998 on whether six of the men jailed in San Pedro are security risks.

Sitgraves already has ruled that two others are not, but they remain incarcerated while they seek political asylum. Another group of Iraqis faces similar proceedings in Northern California.

In a telephone interviews from the INS detention facility in San Pedro, Mohammed-Karim, 35, said he is a doctor who was excited about starting a new life with his family in the United States. He said he once treated an American CIA operative in Iraq for a migraine headache, and denied that he was an agent for Hussein.

"I was never a single agent," he said. "How could I be a doubt agent?" He added that the allegations against them are "just illusions."

Although the use of secret evidence is prohibited in criminal courts, the INS says its use of such information to deny political asylum is permitted under Supreme Court decisions dating from the 1950s. And under new legislation, the immigration service is allowed to use secret evidence to deport residents suspected of associating with terrorists.

David Cole, a Georgetown University law professor who is suing the federal government over its use of secret evidence in a New York immigration case, says the Iraqi men were evacuated and transported to this country by the government and are entitled to due process.

"Even the most minimal due process protection would invalidate the use of secret evidence," Cole said.

But the INS has refused to reveal the nature of its suspicions about the Iraqis. INS officials noted that national security is typically used as a basis for keeping out spies or potential terrorists, and has been used to block members of the Irish Republican Army from staying in the country.

Before being flown to the United States, the jailed Iraqi men worked for their country's two main resistance groups: the Iraqi National Congress and the Iraqi National Accord. Those groups produced newspaper articles and radio broadcasts critical of Hussein, and mobilized soldiers to battle his forces.

Many experts believe that despite the CIA's support, the resistance was never strong enough to pose a serious threat to the Iraqi leadership, in part because the groups were riven by internal political disputes. And even the resistance leaders concede that Hussein's spies may have infiltrated the groups.

In August, Iraqi military forces rolled into northern Iraq and crushed the resistance effort. U.S. forces evacuated more than 6,000 Iraqis and Kurds to a NATO air base in Turkey before flying them to Guam.

During their five-month stay in Guam, the refugees were taught American civics—including, Frenzen notes with irony, the right to face one's accuser in court. They also submitted to FBI interviews.

Frenzen contends that disgruntled resistance workers, motivated in some cases by petty personal disputes with his clients, intentionally misled the FBI about their backgrounds.

But because the FBI's reports of those interviews are classified, federal authorities will not disclose why the refugees are considered potential threats to national security. The INS has granted asylum to their wives and children.

The proceedings—at least the portion that was open to the public—have shed little light on the evidence. Sitgraves has repeatedly stopped the Iraqis' lawyers from probing too deeply into classified evidence, forcing them to essentially guess what in their clients' background raised red flags for the FBI.

In a typical exchange recently, FBI Agent Mark Merfalen testified that he interviewed one of the refugees about his experience with chemical weapons, his service in the Iraqi military before he deserted to join the resistance and his earlier request for political asylum filed in Saudi Arabia.

But Merfalen, a counterintelligence specialist assigned to the FBI's Oakland office, did not indicate what information led him to conclude that the man, Mohammed Al-Ammary, posed a security threat.

"I don't have enough facts" to form an opinion about whether Al-Ammary represented a threat, Merfalen said at one point.

A key witness for the accused was Ahmad Chalabi, president of the Iraqi National Congress, who testified by telephone from an INS office in Arlington, Va.

"I do not believe that any of them is an agent for the Iraqi government," Chalabi said. He said the congress conducted background checks on its members, and that he was also assured that the men were not spies for Iran, Syria or Turkey.

"It is inconceivable to the Iraqi people why these people are jailed," he said.

[From the LA Times, Aug. 15, 1997]

Secret Evidence—A Local Professor Languishes in Jail, Even Though He Has Been Charged With No Crime, Thanks to a Troubling Provision of a New Anti-Terrorism Law.

In their zeal to protect U.S. citizens against acts of domestic terrorism, such as the World Trade Center and Oklahoma City bombings, President Clinton and Congress passed the Anti-terrorism and Effective Death Penalty Act of 1996. Unfortunately, the legislation undermines some of the constitutional rights that make America the free nation it is.

Nothing illustrates this dilemma better than the case involving Palestinian refugee Mazen Al-Najjar, a 40-year-old, American-educated engineer who taught Arabic part time at the University of South Florida in Tampa. He was not rehired after his visa was not renewed.

Al-Najjar has been in an Immigration and Naturalization Service holding facility at the Manatee County Jail since four agents grabbed him from his northeast Tampa home the morning of May 19. He has been denied bail based on "secret evidence" said to connect him with the Islamic Jihad, a notorious terrorist organization in the Middle East.

INS officials allege that the World and Islam Studies Enterprise, the USF think tank that Al-Najjar managed, is a fund-raising front for terrorists and that Al-Najjar is an Islamic Jihad shill. Troubles started for Al-Najjar and others connected to WISE on Oct. 26, 1995, when the head of Palestine Islamic Jihad was shot to death on the Mediterranean island of Malta. Days later, Ramadan Shallah, who had been an instructor at USF and a member of WISE, became the new leader of Islamic Jihad.

Authorities assumed they would find a terrorist cell at USF. But no convincing evidence to support that suspicion has been made public. After an internal investigation. USF President Betty Castor said: "Was there illegal activity, subversive activity, terrorist activity? We don't have any evidence of that."

Was USF's investigation incomplete? Were Castor's conclusions self-serving? If the government possesses evidence that the USF investigation missed, it isn't revealing it.

Yet Al-Najjar remains in jail. No formal charges have been brought against him. He is being held under an unconstitutional provision of the Anti-terrorism Act. The merit of the case notwithstanding, the anti-terrorism legislation allows the government to use informant testimony or other forms of secret evidence to imprison and deport legal immigrants suspected of terrorism without letting the suspects cross-examine their accusers.

Remember, the U.S. supreme Court has ruled that aliens have the same rights of due process that U.S. citizens enjoy. U.S. citizens should expect their government to take all reasonable steps to protect them from terrorism, both foreign and domestic. But officials have a responsibility to balance the need for security with the obligation to protect the constitutional rights of everyone.

If investigators have incriminating evidence against Al-Najjar, then let him, his family and the rest of the nation see it. Either Al-Najjar should be tried—with evidence of his activities in plain view—or he should be set free. The U.S. Constitution calls for no less. He deserves no less.

Mr. DIXON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there is certainly no one more distinguished here in the Chamber on constitutional law than the gentleman from California (Mr. CAMPBELL).

Mr. Chairman, I will be brief. In Jay versus Boyd, a U.S. Supreme Court decision, the court ruled that classified information could be used in an in camera or ex parte proceeding.

Now, there are clearly are constitutional grounds that do not exist for this. However, it is a policy issue. What this amendment says is that if an alien is being held for deportation and is going through a hearing process, one, that if the Justice Department does not disclose to him all of the facts in the case, or evidentiary material that they held against him, then he should be released from custody and obviously not deported.

I would point out first that these are not criminal proceedings. Therefore, the alien is not subject to the protection of the Sixth Amendment. These are administrative proceedings, and as I have indicated, under certain circumstances where the national security of our country is at risk, where disclosing the entire information to the alien would risk either sources and methods or individuals, as to how they obtained the information, I think it is appropriate for the court to allow ex parte hearing.

The gentleman from California (Mr. CAMPBELL) recognizes that this is very rarely used. In over hundreds of thousands of cases in the past 2 years dealing with deportation, there have been only 30.

But most importantly, this is a very complicated issue, and there are merits on both sides of the issue. It should not be decided on the State-Commerce-Justice bill. It should be, rather, examined quite thoroughly in the appropriate committees of the House and we then should make some recommendation.

Mr. Chairman, on those grounds I would oppose the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. CAMPBELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. BONIOR), the Democratic whip.

Mr. BONIOR. Mr. Chairman, I want to thank my colleague for this amendment. This is a serious issue that needs to be addressed.

Our country was founded on the principles of individual liberty, and our Constitution deliberately and specifically protects the rights of individuals against the abuses of government. But unfortunately, we in this country have not always fulfilled this essential promise. It started out with Native Americans, affected African-Americans, it affected Japanese Americans, it affected German Americans during World War II, and now it is affecting Arab Americans and Muslim Americans in this country.

The anti-terrorism law that was passed in 1996 allows the Immigration and Naturalization Service to arrest, to detain, and to deport legal immigrants on the basis of secret evidence, evidence which is not revealed to the detainee. These legal immigrants are not charged with a crime, they are not allowed to see the evidence against them. Some of them are not even allowed to post bail.

In this country, if we can imagine, some of the detainees have not been charged with any crime, have been in jail for over 2 years, not knowing why, their attorneys not knowing why, languishing there, and their families not having any recourse to get them out or have them have a hearing.

The right to confront one's accuser, to hear the evidence against you, and to secure a speedy trial are fundamental tenets of the American justice system, and secret evidence violates our deepest faith in the right of due process, and violates our democracy's most sacred document, which is the Constitution.

The Washington Post said, "Nothing is more inimical to the American system of justice than the use of secret evidence to deprive someone of his liberty." This practice is clearly discriminatory, it is unconstitutional, and we need to stand up here in this body and take a strong stand against it; if not tonight, certainly in the future.

Virtually all the secret evidence, as I said, in these cases are against Arabs and Muslims in this country, some of whom have lived here for years with their families and with their children. I would just ask my friends to pay attention to this issue.

I want to commend my colleague, the gentleman from California, for raising this tonight. I hope that we can address this issue tonight and in the months to come.

Mr. DIXON. Mr. Chairman, I yield one minute to the gentleman from Kentucky (Mr. ROGERS), the distinguished chairman of the subcommittee.

Mr. ROGERS. Mr. Chairman, I am opposed to this amendment. The Justice Department has supported this proceeding as a necessary tool to fight terrorism. They oppose the amendment, as does the gentleman from Texas (Chairman SMITH) of the Subcommittee on Immigration and Claims, as does the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on the Judiciary, the gentleman from Florida (Mr. GOSS), the chairman of the Permanent Select Committee on Intelligence, and the gentleman from Florida (Mr. MCCOLLUM), the chairman of the Subcommittee on Crime.

We all urge a no vote on the amendment.

□ 1845

Mr. DIXON. Mr. Chairman, I yield 1 minute to the gentleman from San Diego, California (Mr. FILNER).

Mr. FILNER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. CAMPBELL) and thank him for his recognition that legal residents in our country have human and constitutional rights.

As his amendment shows, many changes to our Nation's immigration laws in 1996 have proven to be anti-American, denying those living in the United States the right to due process and judicial review of their cases. Remember, we are talking about legal immigrants, many who have been in the United States for most of their lives and are the primary bread winners for their families.

They are denied due process, denied bail, and cannot even see the evidence in many cases with which they are accused. We are deporting as criminals thousands of legal residents who committed minor crimes 20 or 30 years ago, served their sentences or probations and have become hard-working taxpayers, men and women with families. They are being ripped from those families, their children, their jobs, their businesses, and held without bail. This is not what America should be, Mr. Chairman.

I support this amendment to reinstate a little bit of sunshine into our deportation process. This House needs to go further and reverse many of the unintended consequences of so-called immigration reform bills of 1996.

Mr. CAMPBELL. Mr. Chairman, parliamentary inquiry. Do I have the right to close?

The CHAIRMAN. The gentleman from California (Mr. DIXON) has the right to close.

Mr. CAMPBELL. Mr. Chairman, I reserve the balance of my time.

Mr. DIXON. Mr. Chairman, I do have the right to close. I am allowing anyone who wanted to speak on this issue, not necessarily for or against; and I have two speakers. I am wondering if the gentleman from California (Mr. CAMPBELL) will yield to one of those speakers.

Mr. CAMPBELL. Mr. Chairman, I have a minute left. I would like a half a minute to close.

Mr. DIXON. Mr. Chairman, I yield 30 seconds to the gentleman from New York (Mr. MEEKS).

Mr. CAMPBELL. Mr. Chairman, I yield 30 additional seconds to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Chairman, I want to thank the gentlemen for giving me this time.

I rise to support the amendment of the gentleman from California (Mr. CAMPBELL) because this amendment will withhold funds when enforcing provisions that deny legal immigrants evidence on why they were arrested, detained, or deported.

This secret evidence provision is unfair. As a former prosecutor, I am a firm believer of the discovery period and due process. When all the facts are presented, only then will the court of law be able to adequately decide if a person is innocent or guilty.

The American justice system is built on the fundamental tenets of a fair trial and innocent until proven guilty. The current provisions under the Antiterrorism and Effective Death Penalty Act of 1996 violates an individual's constitutional right to know why they are being charged. Noncitizens who are legal immigrants who are detained by the INS are individuals who have the same rights as U.S. citizens. Why are they punishing legal immigrants?

What if the U.S. citizens visiting a foreign country were unjustly charged and detained without any evidence provided? As Members of Congress, we would be outraged and demand intervention by the State Department. In fact, we would probably reevaluate our relationship with that nation, whether that nation be friend or foe.

Mr. CAMPBELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is unthinkable that in our country people are in jail tonight based on evidence that they could not see. That is not my country. I would hazard to guess that most of us are shocked that that is the law. But it is the law, and it should be changed.

I want to thank the gentleman from Texas (Mr. SMITH), the chairman of the subcommittee, who has agreed to hold a one-panel hearing on this subject.

Mr. RODRIGUEZ. Mr. Chairman, I rise in support of the Campbell amendment. I think in this day and age it is unfair to hold anyone with secret evidence.

I have met with families of some non-citizens who have been held.

It is very frustrating when you have people held in such a manner.

These are people with families and ties to the community here. Some have fled and sought asylum. None have been shown to be a threat to society.

But, neither the individual nor the lawyer can see the evidence. So they wait in jail, with no country to go to.

I urge adoption of this amendment so the INS would be forced to disclose evidence on these people it continues to detain.

I thank the gentleman for his work on this issue.

Mr. CAMPBELL. Mr. Chairman, in recognition of the kindness of the gentleman from Texas (Mr. SMITH) I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Illinois (Mr. PORTER) for a colloquy.

Mr. PORTER. Mr. Chairman, I thank the distinguished gentleman from Kentucky (Mr. ROGERS), the chairman of the subcommittee, for the opportunity to very briefly discuss the funding level for Radio Free Asia.

I realize the tight budget constraints the subcommittee is under, but I am concerned that if RFA receives only $22 million, last year's funding level, it may have to reduce its broadcast hours to China from 24 hours a day to 18 hours a day. A funding level of $23.1 million, by contrast, would fund inflationary costs, and allow Radio Free Asia to retain its current programming and continue to provide timely and accurate news to those who would not otherwise receive it.

As the bill goes forward to conference, I ask that the gentleman from Kentucky (Mr. ROGERS) work with me to ensure that Radio Free Asia is funded at a level sufficient to maintain its current programming.

Mr. ROGERS. Mr. Chairman, I thank the gentleman from Illinois for expressing that concern. The funding level of Radio Free Asia is, indeed, a reflection of the tight budgetary circumstances facing my subcommittee, and we will endeavor to fund RFA at a level sufficient to maintain current programming.

AMENDMENT OFFERED BY MR. WYNN

Mr. WYNN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYNN:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. The amounts otherwise provided by this Act are revised by increasing the amount made available for "Equal Employment Opportunity Commission—Salaries and Expenses", and reducing each amount appropriated for "DEPARTMENT OF STATE—Administration of Foreign Affairs" that is not required to be appropriated by a provision of law, by $33,000,000 or 0.8462 percent.

The CHAIRMAN. Under the previous order, the gentleman from Maryland (Mr. WYNN) is recognized for 5 minutes.

Mr. WYNN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment is designed to restore $33 million to the Equal Employment Opportunity Commission budget as originally requested by the President.

Although we do not like to talk about it in this body, we do have a problem with race and ethnic diversity in America. Unfortunately, in addition, we found that we have a problem of racial discrimination in our own backyard, that being the Federal workplace.

This amendment is designed to restore funds so that EEOC can more effectively and more efficiently process those complaints.

My colleagues may ask, well, how bad is it? Consider the following fact: at EEOC from 1991 to 1997, the backlog from hearing requests from complainants increased 218 percent, from 3,100 to over 10,000. The backlog of appeals increased during this same period 581 percent, from 1,400 to over 9,000 appeal requests. In addition, requests for new hearings at EEOC increased 94 percent from 5,000 to over 11,000.

My point is this: we have a problem in this country with discrimination. People who suffer discrimination attempt to have their complaints in the employment arena resolved through EEOC. But the underfunding, the chronic underfunding of EEOC has resulted in these horrendous backlogs.

Now, whenever people talk about discrimination, the first thing we will hear is, well, we have sufficient laws already on the books to handle discrimination. The problem is, with this underfunding and these backlogs, justice delayed is justice denied.

Who is hurt because we underfund EEOC? Well, clearly employees are hurt. Their careers are hurt. They are hurt by discrimination, the lack of promotion, the lack of advancement. Their health is sometimes injured as a result of the frustration, anger, and anxiety they have to suffer. Their finances are hurt as they give up on the EEOC process and go hire lawyers.

The taxpayer loses. The employer loses the loss of good employees whose productivity declines, the loss of good employees who leave government as a result of discrimination, and finally the loss of productivity and lower moral as people become frustrated because they are discriminated against.

We can resolve this problem. We should fully fund EEOC so we can address the concerns of African-Americans, Hispanics, gays, women, and other minorities who suffer discrimination here in America.

For these reasons, I urge the passage of this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Kentucky seek to claim the time in opposition?

Mr. ROGERS. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Kentucky (Mr. ROGERS) is recognized for 5 minutes.

Mr. ROGERS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise in opposition. The amendment would give a 12 percent increase to EEOC. That would be on top of a whopping 15 percent increase for the current year. An increase of this magnitude would be totally out of place in this bill where the budgets of every single other related agency is frozen at best. Some are cut even beyond. Federal Communications Commission, frozen. Securities and Exchange Commission, frozen. Federal Trade Commission, frozen.

The President's budget request for EEOC for 1999 promised that, if we provided $279 million, the backlog of private sector discrimination charges would be reduced to around 28,000 by the end of fiscal 2000.

Well, we gave them $279 million, every penny. Guess what? The 2000 budget request said they really need $33 million more and 150 more staff to meet those very same targets they had earlier missed.

This indicates that it is time to take a step back and see how the commission is able to absorb and put to good use the big increase we provided for this current year. I wish them well. We have confidence in the new chairwoman. But this is not the time for another huge funding increase.

The offsets the gentleman proposes are totally unacceptable to this Member. The amendment would cut $4.6 million from one of the top priorities of this country, and that is providing security for our personnel in the embassies overseas. This would require cutbacks in security measures undertaken in the wake of the East Africa bombings, I will not tolerate that, Mr. Chairman.

We pressed the administration to come forward with a request in their budget to address the security in the embassies. They have done so. We have made sacrifices in other parts of the bill to provide that money, the full amount requested to ensure that our personnel overseas are protected to the best we can from terrorist attacks.

This is a critical requirement with life and death consequences as we saw so tragically last fall. In addition, the amendment takes an additional $21 million from the base operating costs of the State Department that are already funded at a level that is minimally adequate to allow the Department to continue to function near current levels. This cut would effectively freeze the Department at current levels and raise the possibility of post closings and reduction in personnel at the State Department.

The amendment would take an additional $1.5 million from the educational and cultural exchange programs at a cap that is already reduced 14 percent from current levels.

For these reasons, I urge a rejection of the gentleman's amendment. I wish we had more funding to provide increases in a number of agencies in the bill. But I believe it would be a serious mistake to cut State Department security funds and operating funds to provide a huge increase for the EEOC.

Mr. WYNN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to respond to the comments that were just made on several fronts.

First, with respect to the funding that was provided last year, I would thank the gentleman. But my colleagues will note in his comments, the chairman said this funding will allow us to have a backlog of only 28,000 cases, only 28,000 cases.

My point is this: those are the cases of American citizens who believe they have been denied fundamental opportunities and are trying to pursue their appropriate redress through the vehicle, the EEOC, which we provided to solve these problems. The fact that this backlog continues even with the funding which was provided last year suggests, as I indicated, that justice is being denied.

We believe that additional funding will help alleviate this problem, not just in the private sector, but in the public sector where we have even more complaints of discrimination among our own Federal workers.

So I think this is a question of priorities. Should we not take the time and should we not expend the funds to provide the true rights of all American citizens to those who are being discriminated against? I think we should.

But I am not unmindful of the gentleman's comments, and I certainly respect his efforts in this regard. The State Department cut would be serious with respect to embassy security. I think that is certainly a consideration that we cannot overlook.

In light of that fact and in consideration of conversations I have had with our own ranking member, it would be my desire and intention to withdraw the amendment at this time with the hope that, during the conference committee process, we can work to provide additional funds for EEOC.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

AMENDMENT OFFERED BY MR. TAUZIN

Mr. TAUZIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAUZIN:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used to administer or enforce the Uniform System of Accounts for Telecommunications Companies of the Federal Communications Commission (47 C.F.R. part 32) with respect to any common carrier that—

(1) was determined to be subject to price cap regulation by the Commission's order in CC Docket No. 87-313, In the Matter of Policy and Rules Concerning Rates for Dominant Carriers (9-19-90), at paragraph 262; or

(2) has elected to be subject to price cap regulation pursuant to section 61.41(a)(3) of the Commission's regulations (47 C.F.R. 61.41(a)(3)).

The CHAIRMAN. Under the previous order, the gentleman from Louisiana (Mr. TAUZIN) is recognized for 5 minutes.

Mr. TAUZIN. Mr. Chairman, I ask unanimous consent to yield half of my time to the gentleman from Michigan (Mr. DINGELL), the cosponsor of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TAUZIN. Mr. Chairman, I yield myself such time as I may consume.

Incredibly, all of the businesses in this great country who file accounting papers, documents with the SEC, the IRS, all our Federal agencies file under one set of accounting, the generally accepted principles adopted by the Federal Accounting Standards Board.

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One set of companies only, one set of telephone companies only, your local telephone companies, have to file two sets of books. They have to do it because in 1935 our FCC adopted its own system of accounting and has required the local telephone companies to file under that system ever since.

Now, they have tried, to some degree, to adopt the general accounting standards, but they have not yet gotten there. The Senate just recently adopted a similar amendment saying to the FCC one set of books, one set of accounting for all the companies who file.

Incredibly, the local telephone companies' competitors file under the general accounting standards. All of the other companies in America do, but the local phone companies have to file two books. Arthur Andersen says it costs the government, the phone companies and American consumers $270 million, wasted dollars, to have this double book accounting.

Now, maybe we could make an argument for it when we used to regulate telephone companies on cost-base rates. Today, since 1991, we regulate telephone companies entirely differently, on price caps. With the new changes and modernization, it is time to deregulate this terribly regulatory burdensome double-book accounting system of the Federal Communications Commission. I urge my colleagues to adopt this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume, and I rise in opposition to this amendment.

Mr. Chairman, we are in a telecommunications crisis out here on the floor. We are legislating on an appropriations bill. An emergency. A telecommunications emergency. And who is declaring the emergency? The chairman of the authorizing subcommittee. It is an emergency.

We do not have time to introduce a bill, we do not have time to have any hearings, we do not have time to give any consumer groups an audience so they can complain about this bill. By the way, the Consumer Federation of America opposes the bill, as does the Consumer Union, as does the National Retail Federation. Every business in America opposes it, as do the States, by the way, my colleagues. This is quite a coalition.

But we do not have time because we are in a telecommunications emergency. And I can tell my colleagues why. Because Senator ENZI from Wyoming attached this amendment over on the floor of the Senate. He is not a member of the Committee on Appropriations over there, he is not a member of the telecommunications committee over there. He attached this to a Senate appropriations bill, so we have to debate it with no time and no hearings. Thank God Senator ENZI has not gotten his own tax proposal. He would wrap this chamber in knots for weeks. We would have to consider what Senator ENZI did on the Senate floor as an emergency.

I can tell my colleagues what the emergency is. Under the existing accounting standards the FCC found that the telephone companies, the monopolies in America, were hiding $5 billion worth of assets that they could not find, that they had on their books and were telling regulators were there for purposes of billing consumers across the country. That is their emergency. And this accounting standard that we are going to take off the books found that $5 billion.

We are concerned about tax breaks out here? Multiply that out by 10 years, my colleagues. We are talking chump change compared to most of the things we are talking about here. So that is the emergency, my colleagues. I look forward to the rest of the debate.

Mr. Chairman, I reserve the balance of my time.

Mr. TAUZIN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, we did hold hearings. Every time the FCC has come up for authorization, we have discussed with them this topic. In 1985, the FCC agreed to go to the general accounting standards so that everybody had the same reporting requirements. The FCC agreed to do this in 1985 and still has not done it today. Instead, one set of telephone companies have to spend $270 million extra a year.

And what does that mean for the competitors? It means they can charge higher rates. The competitors do not want this to happen, because if it does, they suddenly have to charge lower rates for their services in competition with those local companies.

Mr. DINGELL. Mr. Chairman, I yield myself 45 seconds.

Mr. Chairman, the gentleman has demonstrated extraordinary outrage, but it does not have anything to do with the facts before us. Today, the local government requires local telephone service companies to keep two sets of books. The requirement no longer serves to protect consumers because the companies have been subject to price caps since 1991.

This amendment will leave the telephone companies responsible for general accounting principles and they will be required to function under that way. The law as it now is is simply obsolete, burdensome, and discriminatory, and costs consumers $270 million a year. None of the competitors to local phone companies, including industry giants such as AT&T, TCI and MCI WorldCom is required to keep two sets of books, nor should they have to.

What we are talking about here is a fair and even situation, one in which universal service and the benefits thereof could be made available more easily to American consumers by the $270 million that this will make available to them.

By this amendment, we will do away with so-called Uniform System of Accounts for companies that are not subject to traditional rate of return regulation. This system of accounting no longer serve to protect consumers. It is antiquated, obsolete, yet it costs over $300 million per year to maintain. Unfortunately, these unnecessary costs are borne by the public and they must be eliminated.

The Uniform System of Accounts date back to 1935. They certainly made sense when Ma

Bell was subject to a different regulatory scheme—that is, traditional rate of return regulation. But rate of return regulation was done away with in 1991 for the Nation's largest telephone companies who serve over 90% of the public. This amendment simply repeals these highly burdensome accounting rules for companies that are no longer subject to this regulatory regime.

The amendment makes consummate sense. It will save Government, industry, and, most importantly, the American public, a tremendous amount of money. It will enable companies to use just one set of books—those which follow Generally Accepted Accounting Principles, or GAAP. After all, GAAP accounting systems are what Certified Public Accountants are trained to audit, and are required of all companies by the Internal Revenue Service and the Securities and Exchanges Commission. If it's good enough for the IRS, the SEC, Wall Street and the public at large, it certainly should be good enough for the FCC.

In fact, it is good enough for the FCC The FCC moved toward adopting GAAP in 1988. At that time, the FCC conformed about 90% of the Uniform System of Accounts to GAAP standards. The reason the FCC didn't go all the way in 1988 is because local telephone companies were still subject to rate of return regulation. But that is no longer the case. In 1991, the FCC permitted these companies to migrate from traditional rate of return to price cap regulation. Unfortunately, the FCC never finished the job of completely adopting GAAP accounting, even though they've had 8 years to do it.

There is no mystery about this amendment and its effect on consumers. Since these companies are now subject to price cap regulation, consumers are protected by a ceiling on what telephone companies can charge. Costs are no longer relevant, and so the minute cost detail that is maintained in a second set of books is no longer necessary. It's that simple. This amendment simply finishes the job the FCC set out to do in the first place.

Who opposes this amendment? Companies that for competitive reasons want to keep incumbent local telephone companies tied up in red tape. The companies who oppose are not required to keep two sets of books. But they certainly want the competition to suffer that burden. They resort to rhetoric about the need to keep these obsolete rules in place, such as "local telephone rates will go up," or "universal service will be jeopardized.

None of this is true. Local rates are set by the States and will not be affected by this amendment at all. The FCC can continue to collect all the data it needs for universal service calculations. However, the truth is the FCC doesn't even use actual costs, GAAP or otherwise, for calculating universal service requirements. It uses a theoretical costing model that has been the subject of much dispute for four years now, and should be the subject of another debate on another day.

Who benefits from the amendment? The Government, industry, and consumers alike. All will share in costs savings that result. The goal of the Telecommunications Act of 1996 was to create more competition and consumer choice. We must unburden the players in the market and create a level playing field if that is to occur. I cannot think of a more irrelevant, burdensome, and discriminatory regulation than the Uniform System of Accounts.

When we passed the Telecommunications Act of 1996, the vast majority of us, on both sides of the aisle, praised it as being "deregulatory." As many of you know, I don't believe it has worked out quite that way, largely due to misplaced priorities at the FCC. But this amendment is in keeping with the spirit of the act, and it is a small, but important, step in the right direction. I urge my colleagues to join me in voting yes on the Tauzin-Dingell amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. MARKEY. Mr. Chairman, can you tell me how much time is remaining?

The CHAIRMAN. The gentleman from Massachusetts (Mr. MARKEY) has 2½ minutes remaining, the gentleman from Louisiana (Mr. TAUZIN) has 30 seconds remaining, and the gentleman from Michigan (Mr. DINGELL) has 1¾ minutes remaining, and the gentleman from Louisiana (Mr. TAUZIN) has the right to close.

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume, and hope they are consumed at the same rate of duration as the gentleman from Michigan's minutes.

Mr. Chairman, let me say that there has been no process here. There has been no opportunity to be heard. If I could, I would like to request from the subcommittee chairman that he engage in a colloquy with me, and I would request that the gentleman from Louisiana, the chairman of the subcommittee, over the next 6 weeks, call a subcommittee hearing on this issue so that witnesses of all sides could be heard on this subject.

Mr. TAUZIN. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Louisiana for a response to that request.

Mr. TAUZIN. Well, Mr. Chairman, let me say to my friend that this issue has already been engaged in. We have had discussions at authorization hearings with the FCC.

Mr. MARKEY. Reclaiming my time, Mr. Chairman, I would like to pose the question again. We have never had a hearing where consumer groups and the States have been able to testify on this issue. So I ask for a hearing not where the telephone monopolies are allowed to testify with their unhappiness with this accounting system that caught them bilking the public but rather with the consumer groups and the others who are also allowed to testify.

Mr. TAUZIN. If the gentleman will continue to yield, Mr. Chairman, I can answer with a statement. This amendment does not change the auditing by the FCC. They can still catch any company, AT&T, MCI, any Bell company, doing anything wrong. This amendment does not change that.

Mr. MARKEY. Well, Mr. Chairman, I asked the gentleman if he would grant a hearing before the conference is completed.

Mr. TAUZIN. The gentleman prefaced his request with statements I disagree with. I would like to correct the record, if I could, if the gentleman will allow me.

Mr. MARKEY. I will reclaim my time requesting one more time if the gentleman would grant us a hearing.

Mr. TAUZIN. The answer is that the hearings, as the gentleman knows, are set by the chairman of the Committee on Commerce. I cannot commit to any dates nor time for that hearing. The gentleman knows that at this time.

More importantly, this issue is now enjoined. This will be in the conference committee and this is our chance to strike a single blow at deregulation at a commission with a 1930s attitude.

Mr. MARKEY. Reclaiming my time, Mr. Chairman, I will make this point. The United States Telephone Association has never contacted me, the ranking Democrat on the Subcommittee on Telecommunications, Trade, and Consumer Protection on this issue. There has never been a hearing where consumers or the States or the National Retail Association have been allowed to testify, and I think all Members should know that.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DINGELL. Mr. Chairman, I yield 30 seconds to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise to support this amendment.

In New York, our State's public service commissioner is on the verge of granting the local telephone company, Bell Atlantic, permission to enter the long distance market. If this happens, Bell Atlantic will probably be the first regional Bell operating company to enter into the long-distance market under the historic Telecommunications Act of 1996.

The reason they will be able to provide long-distance service is because competition is very much alive in New York, to the benefit of all consumers. This amendment continues that progress, protects the interests of all consumers and ensures the intent of the Telecommunications Act, which is to provide true competition.

With none of the competitors to the local phone companies required to conform to these accounting rules, if we do not adopt this amendment, consumers will suffer greatly.

Mr. TAUZIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by the Chairman of the Subcommittee on Telecommunications, Trade and Consumer Protection, Mr. TAUZIN, and the Subcommittee's ranking member, Mr. DINGELL. This amendment would eliminate yet another needless, costly and burdensome regulatory requirement that has outlived whatever merits it may have once had. Local telephone companies, both large and small, must submit highly detailed financial accounting records on a continuing basis to both the IRS and the Securities and Exchange Commission. These records use an accounting method approved by the Financial Accounting Services Board. One could reasonably ask the question, "If it's good enough for the IRS and the SEC, shouldn't it be good enough for the FCC?"

Mr. Chairman, this is not a complex issue. It is a simple case of unnecessary, archaic federal regulation that requires companies to spend millions of dollars to prepare two separate sets of regulatory accounting records for use by one agency of the government. This defies logic and common sense. I urge my colleagues to join me in supporting the Tauzin amendment.

Mr. TAUZIN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in favor of the amendment introduced by Mr. TAUZIN to start the process of getting rid of the FCC's so-called "Uniform System of Accounts."

It's become clear to me that what we have on our hands here is a 64-year-old dinosaur, a creature of the FCC, designed for an arcane accounting purpose, which has been rendered totally useless by time and progress but the price tag on American consumers continues. This has to end.

It has been estimated that allowing this accounting dinosaur to exist, and allowing the FCC to require telephone companies to follow it, is now costing American consumers and our economy as much as $300 million every year, that's more than a million dollars every working day. The good news, Mr. Chairman, is this is a situation we can banish to the business trivia history books today by supporting Mr. TAUZIN's amendment.

The truth is, Mr. Chairman, the FCC does not need to use this second, artificial system of accounting and it already uses the business world's so-called "GAAP" method of accounting, Generally Accepted Accounting Principles, throughout its operations.

And Mr. TAUZIN's amendment will in no way endanger the availability of low-cost "universal" telephone service. It also will not change the FCC's oversight role, it will only make FCC operations more cost effective.

Mr. Chairman, the only purpose the Uniform System of Accounts serves today is to uniformly penalize the American consumer and the rest of us all. Let's put this dinosaur out of it's misery, right now.

Mr. Chairman, in closing, I urge my colleagues to vote "yes" in support of the Tauzin amendment.

Mr. TAUZIN. Mr. Chairman, I yield 15 seconds to the gentleman from Texas (Mr. BONILLA).

Mr. BONILLA. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Louisiana. It is a big step toward cutting red tape for good, solid, reputable telephone companies. It is long overdue.

This is not 1934, it is 1999, and it is long overdue that we take action now.

Mr. DINGELL. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. FROST), the chairman of our caucus.

Mr. FROST. Mr. Chairman, I rise in support of the amendment by my good friend, the gentleman from Michigan (Mr. DINGELL).

I think the point has been adequately made that local telephone companies, like every other U.S. business, keep their books according to generally accepted accounting principles, yet they must also keep a second set of books developed by the FCC in 1935. It is time to change this process, this procedure.

Mr. DINGELL. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. GONZALEZ), whose father was my good friend.

Mr. GONZALEZ. Mr. Chairman, I will keep it brief, I do not want to consume the whole argument here with facts, but let us see what has happened in the recent past.

The FCC has basically changed its own rules, which it can, to presently conform to 90 to 95 percent of what is now the generally accepted accounting principles. They are almost there, but they are not quite there, and as a result it does result in the keeping of two sets of books.

The second set of facts is that this amendment leaves in place the FCC's ability to require information on costs from the local telephone companies. This is not an end run, this is simply regulatory reform, and we need it now. Please support the amendment.

Mr. DINGELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. RUSH).

Mr. MARKEY. Mr. Chairman, may I inquire as to how much time is remaining in the debate?

The CHAIRMAN. The gentleman from Michigan (Mr. DINGELL) has 15 seconds remaining, and the gentleman from Louisiana (Mr. TAUZIN) has 15 seconds remaining.

Mr. RUSH. Mr. Chairman, I rise in support of the amendment.

I rise today in support of the Tauzin-Dingell amendment. Today local telephone companies have to follow GAAP procedures for the IRS and the SEC, and the Uniform System of Accounts for the FCC. This unnecessary duplication costs the industry and its consumers $270 million each year, and serves no purpose.

The Tauzin-Dingell amendment eliminates unnecessary regulation and levels the playing field for all telecommunications companies. I urge my colleagues on both sides of the aisle to support this amendment.

Mr. DINGELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. BOUCHER).

Mr. BOUCHER. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of the Tauzin amendment.

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Mr. DINGELL. Mr. Chairman, I yield such time as she may consume to the distinguished gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-McDONALD. Mr. Chairman, I stand in support of this amendment.

Mr. Chairman, I rise today in support of the Tauzin/Dingell amendment to the Commerce, Justice, State Appropriations bill. The Gentleman from Louisiana, Mr. TAUZIN and the Gentleman from Michigan, Mr. DINGELL have crafted an amendment that would prohibit the Federal Communications Commission from requiring persons to use accounting methods that do not conform to Generally Accepted Accounting Principles (GAAP).

Today, the Federal Communications Commission requires local telephone companies to keep two sets of books.

No other industry is required to do this and it is unfair for the government to treat one segment of the telecommunications industry differently than we do others. This current requirement serves no purpose and should be eliminated.

Local telephone companies keep their financial records according to generally accepted accounting principles (GAAP), the standard required by the IRS, SEC, and the investment community. In addition, they must also keep another set of records that follows the Uniform Systems of Accounts, developed by the FCC in 1935 to facilitate the Commission's oversight of the "old" AT&T. This costs customers $270 million.

The Tauzin/Dingell amendment would simply prohibit the FCC from requiring companies to provide financial records in a format other than what is generally accepted. The amendment also leaves in place the FCC's ability to require information on costs and to set depreciation schedules necessary for universal service calculations.

The use of GAAP will not jeopardize universal service. In today's market, rapid advances in technology drive the introduction of new products at an incredible pace. Costly and unnecessary regulations slow the pace and place certain companies on an unlevel playing field. The Tauzin/Dingell amendment *helps promote competition and levels the playing field among telecommunications companies.* Support the Tauzin/Dingell amendment and I yield back the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield 15 seconds to my dear friend, the gentleman from Virginia (Mr. GOODLATTE).

Mr. TAUZIN. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Louisiana (Mr. TAUZIN) and urge my colleagues to do likewise. By adopting this provision, we will be able to achieve several objectives.

First, we can save the American consumer and telephone industry a significant amount of money. Second, we can take a step towards further reducing government regulation. And third, we will be achieving competitive balance in the industry. We should support this amendment.

It has been estimated that this double-accounting regime costs the industry and consumers $270 million. That is money that could be reinvested in telephone infrastructure, and used to introduce new products and services so essential in today's rapidly changing telecommunications market.

The phone companies already keep one set of books for the IRS and SEC. Yet, the FCC makes them keep a whole other set of books for its accounting purposes. If the GAAP system is good enough for the IRS, it is good enough for the SEC, in fact is good enough for most of the American business world, it ought to be good enough for the FCC.

No other segment of the telecommunications industry is required to keep these books, and it is unfair for one sector to be singled out for different treatment. These costly and unnecessary regulations skew the balance among the companies, and slow the ability of the companies subject to the regulation to introduce new products and services.

Commissioner Harold Furchgott-Roth of the FCC has indicated that, and I quote, "In today's increasing competitive telecommunications marketplace, the Commission should be focusing its efforts on transitioning to a more competitive environment. The amount of detailed information and regulatory scrutiny required under our accounting and ARMIS rules is inordinate and should be reduced." Mr. Speaker, that comes from one of the sitting Commissioners.

I urge my colleagues to vote in favor of Mr. TAUZIN's amendment, and eliminate unnecessary regulation, save resources, and level the playing field for all telephone companies. I thank the gentleman and yield back the balance of my time.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair must remind all Members to refrain from characterizing actions of or in the Senate.

Mr. BARTON of Texas. Mr. Chairman, I would like to commend my fellow Commerce Committee colleagues on the amendment they are offering today. This should be an easy vote which will achieve real regulatory reform by requiring the FCC to take an action it should have taken years ago.

I doubt that many of our constituents would be shocked to know that the federal government has made certain industries duplicative, unnecessary, work since 1935. For the last 64 years, the federal government has required local telephone companies to keep two different sets of accounting books.

The Internal Revenue Service and the Securities and Exchange Commission both require a standard for all businesses to follow when keeping their books, which is according to the "Generally Accepted Accounting Principles" (GAAP). However, the Federal Communications Commission (FCC) makes local telephone companies keep a separate set of books in order to comply with the "Uniform System of Accounts," which was put in place in 1935 in order to facilitate the Commission's oversight of AT&T.

Like many other aspects of the federal government that have remained in place for decades, the Uniform System of Accounts is unnecessary and needs to be changed. This needless system costs the industry and its consumers an estimated $300 million dollars every year. In addition, the FCC requires longer depreciation lives for high tech equipment that telephone companies need to provide advanced services to consumers. Slower depreciation may mean slower recovery of costs, which would reduce the incentives these companies have to deploy new technology.

I urge all Members to support this amendment. By following GAAP, the FCC will not be jeopardizing universal service, local competition or any other congressional policy. I urge a "yes" vote.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Louisiana (Mr. TAUZIN).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. RYAN of Wisconsin. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentleman from Louisiana (Mr. TAUZIN) will be postponed.

AMENDMENT NO. 7 OFFERED BY MR. CROWLEY

Mr. CROWLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. CROWLEY:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used for joint training programs between the Royal Ulster Constabulary and any Federal law enforcement agency.

Mr. CROWLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment would limit the funding from being expended for any joint training programs between the Royal Ulster Constabulary and any Federal law enforcement agencies here in the United States.

This year the FBI began joint training between the FBI and the Royal Ulster Constabulary, the RUC, the police force of Northern Ireland.

The purpose of this program is to address "the new challenges that societal changes are having on law enforcement in the region."

In a press release, the FBI said topics discussed between the FBI and the RUC included interaction between the police and the public in a new environment, human rights, recognition of the diversity and anti-terrorism strategies.

The FBI National Academy has long been a vital element in continuing the improvement of law enforcement standards around the world through knowledge, training, and cooperation.

Unfortunately, the RUC, in my opinion and in the opinion of many others, is not worthy of training with our best and brightest in the Federal enforcement field.

Mr. Chairman, I have the pleasure of serving on the Committee on International Relations and on this committee. Through the efforts of our fine chairman and my good friend, the gentleman from New York (Mr. GILMAN), we recently held a hearing on new and acceptable policing in Northern Ireland.

One of those witnesses who testified before us was one Diane Hamill. Diane is the sister of Robert Hamill, a Nationalist who was killed by a Loyalist mob in downtown Portadown in Northern Ireland in 1997 while the RUC stood by and watched.

Last year before the Subcommittee on Human Rights of my colleague the gentleman from New Jersey (Mr. SMITH), Northern Ireland defense attorney Rosemary Nelson testified that what she feared most from her work defending the Nationalist community in the north of Ireland was the RUC. She feared for her life because of the RUC's collusion with Loyalist militias and the history of lack of protection of the Nationalist minority in the six counties of Northern Ireland.

Sadly, Rosemary Nelson is not here with us today. She was killed by a Loyalist militia car bomb. Her death silenced the voice for human rights and justice for all people in the north of Ireland.

Mr. Chairman, these are just two examples of human rights violations and the RUC's history of collusion with Loyalist forces and lack of protection for the Nationalist community.

Mr. Chairman, let us also talk about diversity. The north of Ireland is roughly 55 percent Protestant, mostly Unionist, and 45 percent Catholic and mostly Nationalists. The makeup of the men and women in the RUC is 93 percent Protestant, presumably Unionist, not what I would call reflective of the population of Northern Ireland.

Mr. Chairman, we all know that the peace process has come to a virtual standstill in the north of Ireland. I and many of my colleagues and constituents are not happy about that.

One of the processes put into place by the peace process was the reformation of the RUC. This commission, called the Northern Ireland Independent Commission on Policing, is chaired by the Honorable Christopher Patten, the former British commissioner of Hong Kong. The commission is due to publish their report this fall.

Mr. Chairman, here are just a few of the suggestions to the commission that have already been reported to the press: the RUC must recruit more Catholics. The RUC must become a more representative police force of its community. And the RUC must protect all residents of Northern Ireland, both Nationalist and Unionists.

Mr. Chairman, I am not saying that we do not have problems with our own police forces here in the U.S. In fact, I encourage every police department, including those in my own city, New York, to take advantage of the FBI's resources and skills this fine law enforcement agency has to offer.

Mr. Chairman, what my amendment does say is that training programs with the FBI should be for legitimate police forces. The RUC is certainly, in my opinion, not a legitimate police force for Northern Ireland.

Mr. Chairman, I am looking forward to the publishing of the report from the Patten commission and ways to bring about a new police force in Northern Ireland, a force that represents the whole population and reflects the makeup of a diverse society.

Until that time, I do not believe that the RUC should be allowed to train with America's best and brightest in blue.

Let us move the peace process forward. Let us support fair representation of policing in the north of Ireland. Support an amendment endorsed by the Irish National Caucus and Irish-Americans from all around.

Mr. SMITH of New Jersey. Mr. Chairman, I ask unanimous consent to claim the time in opposition to the amendment even though I support the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just say, first of all, I want to commend the gentleman from New York (Mr. CROWLEY) and thank my good friend for offering this amendment. It is modeled after section 408 of my bill, which passed the House two weeks ago, the American Embassy Security Act and State Department bill, H.R. 2415.

Section 408 of my bill, which the gentleman from New York (Mr. KING) and I proposed as an amendment during the markup, seeks "to end the intimidation of defense attorneys in Northern Ireland and to secure impartial investigations of the murders of two heroic defense attorneys, Rosemary Nelson and Patrick Finnucane."

To accomplish this, we proposed cutting off U.S.-sponsored exchange and training programs between the FBI and the RUC until the President certifies that the Northern Irish police force, known as the Royal Ulster Constabulary (RUC), has cleaned up its act.

The gentleman from New York (Mr. CROWLEY) deserves credit for his efforts to raise this issue today in a way that hopefully will push the ball forward.

Let me just point out to my colleagues, Rosemary Nelson appeared before the Committee on International Operations and Human Resources on September 29, 1998 and gave riveting and chilling testimony as to how the RUC had intimidated her, had roughed her up, and then made death threats against her. She said that in open hearing. All those at the hearing listened to her with rapt attention—both the Members that were there and those interested citizens in attendance. She pointed out that while she feared for her life at the hands of the RUC, she was, nevertheless, totally committed to pursuing her human rights work in the north of Ireland. She was inspiring, courageous and smart.

Then, in an act of cowardly terrorism, she was assassinated by a car bomb. Astonishingly, the British Government had the audacity and insensitivity, to put the very people, the RUC, in charge of the investigation. And then they proceeded to use a minimal FBI presence as cover.

So we checked into it. It turned out the FBI had a very superficial role—a role used by the RUC for public relations purposes and, thankfully, none of us on either side of the aisle were deceived by it.

Secretary Mo Moland met with members of our Committee and immediately launched into how the FBI was on the job. I, for one was underwhelmed and unimpressed. So our amendment seeks to suspend a collaboration used to cover up possible complicity and collusion. And to get serious about honest policies. So until we get a transparent, honest investigation into both Pat Finnucane and Rosemary Nelson and real tangible protections for defense attorneys, it would be unseemingly and unethical for us to continue that collaboration between the RUC and the FBI.

I yield back the balance of my time

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I just want to associate myself with the proposal of the gentleman from New York (Mr. CROWLEY) and the gentleman from New Jersey (Mr. SMITH).

Our committee conducted extensive hearings on the RUC problems. We have submitted that report to the British Government. We are hoping that they are going to reform the RUC. But until such time as they do, I would join with the gentleman from New York (Mr. CROWLEY) in asking that we stop assisting the RUC and training them by the FBI.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I appreciate the interest of the gentleman in this issue, obviously.

It is my understanding that the matter is being addressed in the State Department authorization bill, which recently passed the House. I hope that we can continue to allow the authorizers to address this issue and would hope that the gentleman, in that light, could withdraw his amendment at this time.

Mr. CROWLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from New York.

Mr. CROWLEY. Mr. Chairman, I appreciate the comments of the chairman. And I recognize the considerable gains made in the State Department authorization bill.

Mr. CROWLEY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from New York (Mr. CROWLEY) is withdrawn.

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. HANSEN) assumed the chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

DEPARTMENTS OF COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The Committee resumed its sitting.

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from New York (Mr. LAZIO).

Mr. LAZIO. Mr. Chairman, I want to thank the distinguished gentleman for yielding.

Mr. Chairman, I want to address to the chairman, as a father of two young daughters, on June 7 of this year, Mr. Chairman, the House overwhelmingly passed my bill, H.R. 1915, known as Jennifer's Law.

The bill was inspired by the disappearance in 1993 of a young Long Island woman named Jennifer Wilmer, who is still missing.

The bill would provide $2 million for grants to States to collect and input information on unidentified victims in a national database to assist in the location of missing persons, providing law enforcement officials with the tools to identify missing persons reported as unidentified and so as to close many unsolved cases.

I am wondering if I could ask the distinguished chairman of the committee if he would provide assistance in ensuring that we can fund this important program.

Mr. ROGERS. Mr. Chairman, reclaiming my time, I thank the gentleman from New York (Mr. LAZIO) on his leadership on this issue.

I understand that the bill has a very good chance of being signed into law this year. My bill provides $60 million for grants authorized by the Crime Identification Technology Act of 1998 for grants to upgrade information and ID technologies.

I believe that the authorizing legislation would include information systems like Jennifer's Law when enacted that would be covered by this grant program.

I would be happy to continue to work with the gentleman from New York (Mr. LAZIO) on this issue.

Mr. LAZIO. Mr. Chairman, if the gentleman would continue to yield, I just want to thank the chairman for his pledge to collaborate. Based on his legislative skills and his reputation, I think we can take that to the bank.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL:

At the end of the bill, insert after the last section (preceding the short title) the following new title:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. (a)(1) None of the funds provided under this Act for grants authorized by section 102(e) of the Crime Identification Technology Act of 1998 in the item relating to "DEPARTMENT OF JUSTICE—Community Oriented Policing Services" may be used to provide funds to a State that has not certified on a quarterly basis to the Attorney General that 95 percent or more of the records of the State evidencing a State judicial or executive determination by reason of which a person is described in paragraph (2) are sent to the Federal Bureau of Investigation to support implementation of the National Instant Criminal Background Check System established under section 103 of the Brady Handgun Violence Protection Act.

(2) A person is described in this paragraph if the person is described in paragraph (1), (2), (3), (4), (8), or (9) of subsection (g) or subsection (n) of section 922 of title 18, United States Code.

(b) The Attorney General may prescribe guidelines and issue regulations necessary to carry out this section.

(c) This section shall take effect on the date that is 180 days after the date of the enactment of this Act.

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment is simple. It will ensure that the National Instant Criminal Background Check System, NICS, will catch more criminals and it will ensure that the system works properly as the Congress intended.

The Instant Check System took 5 years to build and cost roughly a quarter of a billion dollars of the taxpayers' money. However, despite the time and money expended, the system is not working.

The FBI has stated that 1,700 prohibited purchasers have received firearms because the Federal system does not have all the records it needs.

□ 1930

The New York Times reports that Colorado has stopped using the Federal system because it is incomplete. States are not carrying out their responsibilities under this. The amendment would fix these problems. Quite simply, it would require States to certify quarterly that 95 percent of all available records are in the national criminal database. By demanding accountability from the States, the Congress will ensure that FBI background checks will be complete, accurate and thorough. If that can be accomplished, fewer criminals will slip through the cracks and the national system of instant checks will work.

I would like to think of my amendment as putting "instant" back into instant check. There will be more records, better records and citizens will not face unnecessary delays. This is how the Congress intended it to work.

Mr. Chairman, I yield to the distinguished gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. I would simply say that I very much agree with the intent of the gentleman's amendment and I hope that it can be accomplished.

Mr. DINGELL. I thank my good friend for his comments.

Mr. Chairman, I am happy to yield to my distinguished friend from New York.

Mrs. McCARTHY of New York. Mr. Chairman, I rise to stand with the gentleman from Michigan and to express my support for improving the National Instant Check System.

Just this week the State of Colorado announced its intention to return to a State-based instant check system because of a deadly mistake that occurred under the Federal instant check system. In June, Simon Gonzalez, who should have been prevented from buying a firearm, was able to buy a gun. After buying the gun, he used it to kill his three sleeping children. It is clear that we need a better instant check system.

Do not get me wrong. The National Instant Check System has been an important tool in keeping guns out of the hands of felons. Since November last year, when the system was started, 50,000 prohibited persons have been stopped from purchasing firearms. But we can do better.

I look forward to working with the gentleman from Michigan to ensure that our instant check system is improved. In particular, we will be watching to ensure that States and the FBI increase their cooperation and bring the National Instant Check System up to speed.

Mr. DINGELL. I thank the gentlewoman for her comments.

Mr. Chairman, I yield to my good friend from Kentucky, the distinguished chairman of the subcommittee, for any comments he wants to make. I think desperately we need to make this system work and I would ask his comments.

Mr. ROGERS. Mr. Chairman, I would hope that the gentleman would be withdrawing the amendment.

Mr. DINGELL. I do intend to withdraw the amendment, but I would like to hear the thoughts of the gentleman first.

Mr. ROGERS. I commend the gentleman for taking this active interest in the matter. I will continue to work with the gentleman to ensure that the system works as Congress intended.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent to withdraw the amendment and hope that we can do something to make this system work, to make the States participate, and to see to it that the Federal Government does what it is supposed to do to make the system work to catch criminals and to abate the pressure on honest, law-abiding citizens.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 1 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. KUCINICH:

At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used for the filing of a complaint, or any motion seeking declaratory or injunctive relief pursuant thereto, in any legal action brought under section 102(b)(2) of the North American Free Trade Agreement Implementation Act (19 U.S.C. 3312(b)(2)) or section 102(b)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3512(b)(2)).

The CHAIRMAN. Under the previous order of the House, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Chairman, I rise in strong support of the Kucinich/Ros-Lehtinen amendment.

We have a strong and proud tradition in this country of respecting local decisionmaking, particularly when it furthers broad public interests. And those public interests include clean air and water, consumer protections and workers' rights.

A good number of us in this chamber have expressed our concerns about NAFTA because of provisions in that treaty that pose a threat to our national interests in safeguarding our environment and upholding workers' rights. In one instance, a Canadian chemical firm is challenging a California law crafted to protect that state's drinking water. If the company prevails, an important environmental protection would be overturned and U.S. taxpayers would have to foot the bill for any damages awarded.

A similar scenario could also unfold through the World Trade Organization, where a foreign corporation or government can take issue with a local or state law in the United States. A favorable ruling from the WTO would compel the U.S. government to use its resources to overturn the offending local statute. The Kucinich/Ros-Lehtinen amendment would stop the federal government from taking such action, and protect the rights of state and local governments.

As the pace of economic globalization heightens, we should be very wary of sacrificing state and local laws at the altar of ill-defined international investor rights. Free trade should mean fair trade, and fair trade should not trammel the power of state and local governments to act in the public interest.

I urge adoption of the Kucinich/Ros-Lehtinen amendment.

Mr. KUCINICH. Mr. Chairman, I ask unanimous consent to divide the time, 2½ minutes for myself and 2½ minutes that would be managed by the gentlewoman from Florida (Ms. ROS-LEHTINEN).

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KUCINICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by Representatives KUCINICH and ROS-LEHTINEN, which protects American laws from being overridden by the NAFTA tribunal.

Here's the story:

A Canadian funeral conglomerate, the Loewen Group, was the defendant in a Mississippi lawsuit alleging fraudulent and malicious practices to ruin a local small funeral home operator. The jury found Loewen liable for huge damages.

Now, Loewen is claiming that the Mississippi Court ruling violated protections granted by NAFTA, and is seeking hundreds of millions of dollars in compensation. If the NAFTA tribunal finds in favor of Loewen, then the Justice Department would be obliged to sue the State of Mississippi.

This is nuts!

The Kucinich/Ros-Lehtinen amendment will deny taxpayer funds to the Justice Department for that legal challenge, thereby protecting Mississippi's laws.

We must stand together to protect the sovereignty of American laws. We should not allow American taxpayer dollars pay American lawyers to help a foreign corporation fight American state laws in court.

Support this important amendment!

Mr. KUCINICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Chairman, I thank my colleague for yielding time and I support his amendment.

Earlier in the year, California issued a ban on the gasoline additive MTBE which is known to cause cancer. A Canadian company that makes the additive is now attempting to use NAFTA in order to claim $1 billion in losses, saying their right to make a profit has been diminished, which may force California to consider rolling back the ban.

The question this amendment addresses is the question that this issue addresses, as it is very clear: Should the rights of an investor come before the rights to enact a chemical ban to prevent cancer? What is happening in these trade laws is that they are rolling back State and local laws all across the country, designed to help the environment, designed to promote human rights, designed to move this country forward on issues that consumers care deeply about.

This is a good amendment. I urge my colleagues to support the Kucinich amendment.

The CHAIRMAN. Who seeks time in opposition to the amendment?

Mr. KOLBE. Mr. Chairman, I rise in opposition to the amendment and seek the time in opposition.

The CHAIRMAN. The gentleman from Arizona (Mr. KOLBE) is recognized for 5 minutes.

Mr. KOLBE. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, I do rise in opposition to the Kucinich amendment. The U.S. Trade Representative, Ambassador Charlene Barshefsky, recently wrote a letter expressing her very strong opposition to this amendment. In that letter she said, and I quote, "This is unnecessary and ill-advised."

Mr. Chairman, I could not agree more with what Ambassador Barshefsky said. This amendment is unnecessary. Never in the history of either the GATT, its 50 years, or NAFTA, its 5 years, has the Federal Government brought suit against a State, municipal or local government to enforce a NAFTA or GATT panel decision. Never.

Now, opponents will say, well, if it is unnecessary, why not just go ahead and vote for it? Because, to use the other half of Ambassador Barshefsky's phrase, it is ill-advised. This amendment revisits a question that was resolved by the American people over 200 years ago, the relationship between the regulation of international commerce and the rights of States and local governments to enact their own laws, and we did decide that. In 1789, our Founding Fathers put this argument to rest. We had had the fiasco of the Articles of Confederation where each State could impose its own tariff and tax structure and that was put aside and replaced with, as we know, "a more perfect union."

Article 1, section 8 of the Constitution says, "The Congress shall have the power to regulate commerce with foreign nations and among the several States." Article 6 of the Constitution says the laws and the treaties of the U.S. are the "supreme law of the land." The fact is international agreements are entered into on behalf of the American people, all the American people, not just a single town or State, and they are for the benefit of all Americans, and necessarily they sometimes do preempt State, local and municipal laws.

Our Founding Fathers made that decision a long time ago. We ought not to pass this. I urge my colleagues to defeat this.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE,
Washington, DC, August 3, 1999.

Hon. JIM KOLBE,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE KOLBE: I am writing to express my strong opposition to the Kucinich/Ros-Lehtinen amendment to the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act for fiscal year 2000. That amendment would prevent the Administration from taking legal action to enforce U.S. international trade and investment obligations at the State and local level. The amendment is unnecessary and ill-advised.

The amendment appears to be founded on a faulty premise. The premise is that dispute settlement panels convened under the World Trade Organization (WTO) and under our other trade and investment agreements have the authority to compel the United States to follow their recommendations and thus will inevitably lead the federal government to sue our State and local governments into compliance. That is simply wrong.

In fact, neither WTO dispute settlement panels, nor the WTO itself, has any power to compel the United States to change its laws and regulations. More specifically, the federal government is under no obligation to sue a State or municipality on the basis of any WTO or other trade panel report. Only the United States can decide how it will respond, if at all, to panel reports.

In fact, trade panel reports are not binding as a matter of U.S. law and cannot form the basis for bringing suit in U.S. Courts. Indeed, federal law (section 102(a)(2)(B)(i) of the Uruguay Round Agreements Act) specifically precludes the federal courts from giving WTO panel reports any special deference.

Global trade rules have been in effect now for over 50 years. Despite scores of panel reports over the past decades, the federal government has never brought suit, or even threatened suit, to enforce a panel report against a state or local government.

Congress has carefully considered the question of federal-state relations under both the WTO and the NAFTA. Federal law today contains elaborate consultation and cooperation requirements to ensure that the Executive Branch will work with, not against, our state and local governments both in dispute settlement proceedings and in carrying out U.S. obligations under our trade agreements. Those arrangements are working well, as our experience with the Commonwealth of Massachusetts demonstrates, where USTR worked closely and cooperatively with Commonwealth of Massachusetts officials in consultations convened by the European Union and Japan last year.

Over the past five years, fully one-third of U.S. economic growth has been tied to our dynamic export sector. American workers and companies depend on open markets around the world. Congress and the Administration have worked very hard, over many decades, to put trade rules in place that open those markets—and to keep them open through effective dispute settlement procedures. The United States is by far the most frequent user of international trade dispute settlement mechanisms. They have benefitted U.S. workers and industries across a wide range of sectors, and were put in place at U.S. insistence with our sovereignty concerns fully in mind. No change in U.S. law is needed to ensure that this remains the case.

Sincerely,

CHARLENE BARSHEFSKY.

Mr. Chairman, I reserve the balance of my time.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, in support of the Kucinich/Ros-Lehtinen amendment.

Mr. GILMAN. Mr. Chairman, I thank the gentlewoman for yielding me this time. I rise in support of the Kucinich/Ros-Lehtinen amendment.

The States have police power rights under the Constitution that the executive branch of our Nation ought to respect.

If the States are taking action contrary to a U.S. treaty obligation, it is the Congress that should resolve the problem. On the other hand, the parties that are being hurt can sue and get relief. This is not a place for unelected Federal bureaucrats to involve themselves by attacking these laws in the courts.

The Simon Wiesenthal Center backs this amendment. That is because some States have, quite rightly, pressured foreign companies who have unreturned Holocaust-era assets to make restitution to the victims a condition of the granting of the right to do business. These policies may be subject to attack by the executive branch unless this amendment passes.

Accordingly, I fully support the amendment.

Mr. KUCINICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Chairman, I rise in strong support of the Kucinich/Ros-Lehtinen amendment so that NAFTA will not force California to have to live with MTBE gasoline additives.

I rise in support of the Kucinich/Ros-Lehtinen amendment because I believe that state and local governments should be able to act to protect the public interest without being unnecessarily restrained by trade agreements.

Increasingly we have seen that international trade agreements like NAFTA and the World Trade Organization, instead of promoting high international standards, can undermine the most basic protections for workers and the environment. Federal laws to protect clean air and endangered turtles have been weakened to comply with WTO rulings, and numerous state and local laws are currently threatened. In California alone, 95 laws have been identified as potentially "WTO illegal" by the Georgetown University Law Center.

Just last month, a Canadian company initiated a NAFTA suit against the state of California's phase out of MTBE, a gasoline additive that has polluted water supplies nationwide. If the Canadian company succeeds, the federal government could sue California to change its law. This amendment would deny funding for that type of lawsuit and thereby protect state and local laws.

I think that California, like other states, has a legitimate right to protect the health of its citizens and should not be subject to a lawsuit for this action.

Unfortunately, this lawsuit against California's action is just the tip of the iceberg. The laws of many other states and local governments could be challenged next. Potentially trade-illegal are laws to promote recycled materials, encourage the purchase, of local or American goods, and protect human rights.

I urge my colleagues to support the Kucinich/Ros-Lehtinen amendment to ensure that all levels of government are able to act in the public interest without the threat of trade lawsuits.

Mr. KUCINICH. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the Kucinich/Ros-Lehtinen amendment protects State and local laws and sovereignty.

The past year has proven that State and local laws are under assault by means of NAFTA and the World Trade Organization. In the past year, foreign corporations have challenged laws in Mississippi and California, claiming that the States violated NAFTA's chapter 11 foreign investor rights.

In Mississippi, a Canadian-based funeral conglomerate is seeking hundreds of millions of U.S. taxpayer dollars in compensation. In California, a Canadian chemical company is challenging a State ban prohibiting the use of a harmful gasoline additive on the grounds that the Canadian company will lose future profits as a result of the ban. The State of New Jersey has enacted "buy local" materials requirements for the construction of public works projects that the European Union says is WTO illegal.

California, Connecticut, Illinois, Indiana, Iowa, Massachusetts, New Hampshire, New York, Ohio and West Virginia have adopted tax regulations so that foreign-owned corporations would pay their fair share of taxes. The European Union says this is WTO illegal.

Is Congress prepared to allow the States to be the subject of an assault by foreign corporations and nations? This amendment says "no."

Mr. KOLBE. Mr. Chairman, I yield 1½ minutes to the gentleman from Illinois (Mr. CRANE), the distinguished chairman of the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. I thank the distinguished gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. KUCINICH). As chairman of the Committee on Ways and Means Subcommittee on Trade, I oppose this amendment because of the damaging effect it would have on U.S. firms and workers whose success in export markets depends on a system of fair and transparent international trade rules.

The WTO has no power to compel a change in United States Federal law or regulation or a State law or regulation. Any decision to comply with a WTO panel report is solely an internal decision of the United States. As a practical matter, this means Congress and the administration can choose to act, but only in close consultation with the States, as is required under legislation Congress passed enacting the Uruguay Round Trade Agreements and NAFTA. My colleagues should recall that Congress gave careful consideration to the interests of the States when it implemented these trade agreements.

As the world's largest exporter and the greatest beneficiary of a fair and transparent set of trade rules, the U.S. cannot afford to allow a conflicting web of international trade rules at the local level. Unless trade sanctions are well-conceived and imposed in a uniform manner, consistent with our international trade obligations, the result will be a hodgepodge of trade sanctions that tells our trading partners that the U.S. does not intend to respect the international trade agreements it signs.

I urge a "no" vote on the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio, Mr. KUCINICH.

This amendment would prohibit the use of funds appropriated by this bill to challenge a State law on the grounds that it is inconsistent with the Uruguay Round Trade Agreement or NAFTA. This is an antitrade, anti-export amendment that would encourage States and localities to enact legislation imposing trade sanctions on trading partners, in violation of our international obligations.

The House defeated this amendment soundly when it was offered last Congress to H.R. 4276 and I urge strong defeat tonight.

As chairman of the Ways and Means Trade Subcommittee, I oppose this amendment because of the damaging effect it would have on United States firms and workers whose success in export markets depends on a system of fair and transparent international trade rules. By denying the authority of the Federal Government to take legal action to enforce international trade obligations of the United States, the amendment gives free reign to those supporting the proliferation of ad hoc trade sanctions at the State and local level.

The Founding Fathers were clear in their view that local communities are not in a good position to legislate on international trade and foreign policy matters. The need for uniformity among the States in the conduct of international trade is enshrined in Article I, section 8 of the Constitution, which grants Congress the authority "to regulate commerce with foreign nations." As Daniel Webster described, "the prevailing motive (of Article I, section 8) was to regulate commerce; to rescue it from the embarrassing and destructive consequences resulting from legislation of so many States, and to place it under the protection of a uniform law." In cases where there is a conflict between an act of Congress that regulates commerce, and state or local legislation, Federal law enjoys supremacy.

The proponents of this amendment seek to establish the ability of States and localities to pass legislation prohibiting their agencies from procuring goods and services from foreign companies that do business with target countries. The case they often site is a Massachusetts law sanctioning companies that do business with Burma. It should be mentioned that the Federal District Court has ruled that the Massachusetts Burma law is an impermissible intrusion into areas reserved for the federal government. The First Circuit Court of Appeals upheld this decision.

Mr. Chairman, I would like to include in the RECORD a letter we received from Ambassador Charlene Barshefsky opposing this amendment. She points out that the Kucinich amendment is founded on a faulty premise. This faulty premise is that dispute settlement panels convened under the WTO have the authority to compel the Federal Government to sue State and local governments into compliance with the WTO. This is simply incorrect.

The WTO has no power to compel a change in United States federal law or regulation or a state law or regulation. Any decision to comply with a WTO panel report is solely an internal decision of the United States. As a practical matter, this means Congress and the Administration can choose to act, but only in close consultation with the States, as is required under legislation Congress passed enacting the Uruguay Round Trade Agreements and NAFTA. My colleagues should recall that Congress gave careful consideration to the interests of the States when it implemented these trade agreements. The fact of the matter is that during the 50 years of operation of the GATT/WTO trading system, the federal government has never brought suit against a state or locality, or even threatened a suit, to enforce a panel report.

As the world's largest exporter and the greatest beneficiary of a fair and transparent set of trade rules, the United States cannot afford to allow a conflicting web of international trade rules at the local level. Unless trade sanctions are well-conceived and imposed in a uniform manner, consistent with our international trade obligations, the result will be a hodgepodge of trade sanctions that tells our trading partners that the United States does not intend to respect the international trade agreements it signs.

I urge a "no" vote on the amendment.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this amendment seeks to prevent the use of taxpayer funds to defend the interests of foreign companies and governments against our own States and municipalities and laws that are aimed at protecting the American people.

This amendment is in keeping with the commerce clause in the Constitution and with the Uruguay Round Agreements Act of 1994. Through the WTO, several doctrines which the U.S. Supreme Court has recognized govern the stewardship of property and natural resources are directly threatened. Even free speech in the form of consumer choice campaigns is being threatened. At immediate risk are laws that various State legislatures have passed or are considering against Swiss banks that have held assets stolen from Holocaust victims. NAFTA has also become a tool of choice by corporations such as the Canadian firm Methanex which is petitioning for a NAFTA tribunal to overturn a California law which bans certain gasoline additives because it poisons the drinking water. My own State of Florida, which has enacted inspection requirements, is facing possible NAFTA and WTO challenges.

Are my colleagues to allow families' health and that of our children, our friends and neighbors to be threatened because of foreign bureaucrats? I ask my colleagues to support our amendment.

Mr. KOLBE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, I rise in opposition to the Kucinich amendment.

The Kucinich/Ros-Lehtinen amendment would prohibit the federal government from challenging state or local laws that are inconsistent with U.S. treaty obligations. The purpose of the amendment is to protect unconstitutional trade sanctions levied by localities and states against foreign nations.

In recent years, there has been a proliferation of economic sanctions enacted by municipalities and states against foreign countries. These laws are in direct conflict with the U.S. Constitution, in that they interfere with the federal government's exclusive authority to conduct foreign policy and regulate foreign commerce.

A key element of U.S. foreign policy is the ability of the federal government to influence the actions of foreign governments through the use of very powerful tool: the withholding of United States economic engagement. The federal government must have a cohesive and coherent policy in order to bring this power to bear.

The future of our economic prosperity in the global market depends on the United States having balanced trade relations with foreign nations. We must confront rogue nations, not as fifty states or countless municipalities, but as a strong, unified nation with a clear foreign policy agenda. The Kucinich/Ros-Lehtinen amendment would undercut these goals by promoting state and local infringements on federal foreign policy making.

Mr. KOLBE. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Chairman, I strongly oppose the Kucinich amendment.

Make no mistake about it, Mr. Chairman, this is nothing but a back-door attempt at protectionism.

Think about what would happen if we pass this amendment. We would let our cities and states and counties decide what our trade policy is. We would be setting up the same kind of protectionism and breaking down the kind of standards that we have fought so hard to protect under the World Trade Organization and under the GATT.

We're having enough trouble getting other countries to keep their markets open. Think about their response if we were to enact this amendment.

Those other countries whose products are being discriminated against will retaliate against the United States, and they would have every right to do it under the trade agreements we have signed. They would not have the right to do it so long as the U.S. follows the rules. But if we allow our cities and states and counties to break the trade rules we've agreed to, then we give them free license to discriminate against American products and hurt American workers.

I realize there are many in this body who do not like the NAFTA agreement who would like to take some feel-good unilateral actions without suffering any consequences.

I would say to those people—if you don't like NAFTA, let's talk about NAFTA. If you don't like WTO, which was also passed by a Democrat Congress and signed by a Democrat President, then let's talk about it. One-third of the growth of this wonderful economic situation we find ourselves in today is due to exports. If you want to pretend that American workers don't benefit from trade, we can (and will) debate that.

But it's wrong to go around and suggest that—instead of having a national trade policy—we are going to let Cleveland or Cincinnati or San Francisco or Des Moines or any other city determine our nation's trade policy. I'm as pro-federalism as any Member of this body, but I don't believe that city councils, county commissions and state legislatures should dictate our trade policy with other countries. And make no mistake about it, that's what this bill would do.

Let's fight for a fair and free trading system. Let's protect and improve the trading system we have. Reject this senseless amendment.

Mr. KOLBE. Mr. Chairman, I yield 45 seconds to the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. I thank the gentleman for yielding me this time.

Mr. Chairman, I respectfully rise in strong opposition to the Kucinich amendment. This is clearly an anti-trade, anti-export amendment that would have the effect of encouraging a breakdown in our system of international commerce. The Constitution specifically grants Congress and only

Congress the authority to regulate commerce with foreign nations. The authors of the Constitution intended for this section to protect international commerce from the destructive consequences of varying trade legislation across hundreds and hundreds of local and State governments.

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This amendment goes in the other direction. It would effectively take away the ability to conduct foreign policy away from Congress and away from the President.

I would ask everyone in the body, strongly support a no vote on this amendment.

Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I respectfully rise in strong opposition to the amendment offered by my friend from Ohio, Mr. KUCINICH. This is clearly an anti-trade, anti-export amendment that would have the effect of encouraging a breakdown in our system of international commerce.

Article I, Section 8 of the United States Constitution specifically grants Congress, and only Congress, the authority "to regulate commerce with foreign nations."

The authors of the Constitution intended for this section to protect international commerce from the destructive consequences of varying trade legislation across hundreds of state and local governments. As a result of this foresight, in cases where there are conflicts between an act of Congress that regulates international commerce and a state or local law, the federal law prevails.

In order to maintain our international agreements and expand trade opportunities for American workers and businesses, it is essential to uphold this constitutional authority of the federal government.

This amendment, however, proposes to take our country in another direction. This amendment would effectively take the ability to conduct foreign policy away from Congress and the President and place it in the hands of hundreds of state and local governments. Obviously, this would remove the stability of U.S. foreign relations and damage the credibility of the United States in negotiating international treaties. In addition, the stability and predictability of international business relations in the United States would be threatened, angering our allies and forcing them to consider retaliatory actions.

Numerous Congresses and presidents have worked extremely hard to establish trade agreements that open markets around the world and keep them open through effective dispute settlement procedures. These procedures have benefited American workers and companies across many sectors and were put in place at U.S. insistence with our sovereignty concerns fully in mind. This amendment would undermine this system and risk breakdowns in international agreements we have made with our allies.

One third of this country's economic growth is tied to our dynamic export sector and American companies and workers depend on open markets throughout the world. We have made great progress by encouraging the exchange of American values, goods, and services with our trading partners. Now is not the time to reverse this progress by building protectionist walls around the U.S.

I urge my colleagues to support free trade and U.S. engagement throughout the world and oppose this protectionist amendment.

Mr. KUCINICH. Mr. Chairman, I reserve the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield 45 seconds to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I rise in strong objection to the amendment. I regret having to do that, but we tried the other approach; it was called the Articles of Confederation. We gave it up in 1789. My colleagues have heard reference to that. This amendment would jeopardize U.S. trade and international relations around the globe. No longer would our trading partners have any assurance that the agreements they entered into with the United States are safe from being arbitrarily changed or even nullified by any one of our 50 States.

Without the ability to speak as one voice, the United States would lose the leverage it needs in both bilateral negotiations and multilateral rules-based organizations like the WTO to break down foreign barriers to American exports. The resulting impact on American exports and American jobs on these exports would really be severely harmed.

This is a very serious amendment; it is very seriously wrong. I urge my colleagues to reject it.

Mr. Chairman, as the Vice-Chairman of the Committee on International Relations, this Member rises in strong opposition to the Kucinich/Ros-Lehtinen amendment which would prohibit the Federal Government from challenging State and local laws that conflict with valid obligations the United States has made under international agreements including the World Trade Organization (WTO) and the North American Free Trade Agreement (NAFTA). This amendment strikes at the very ability of the United States Government to negotiate and implement international agreements by allowing individual States to enact their own discriminatory trade and foreign policy laws.

It appears to this Member that the underlying motivation for this amendment is that its principal proponents do not like the WTO and NAFTA and are seeking a back-door way to repeal these beneficial trade agreements behind the guise of protecting State and local laws. This amendment is nothing more than another attempt at protectionism and it comes with very serious and negative constitutional and international relations ramifications.

Article I, Section 8 of the United States Constitution grants Congress, not the individual States, the authority to "regulate commerce with foreign nations." Recognizing the inherent weaknesses of the Articles of Confederation in this regard, the drafters of the Constitution understood the need for uniformity among the States in the conduct of international trade. We tried this approach and abandoned it in 1789. In cases where there is a conflict between an act of Congress that regulates commerce and State or local legislation, Federal law enjoys supremacy. The Kucinich amendment would undermine the Federal Government's ability to challenge State and local laws in court when they conflict with Federal commitments and, therefore, upsets this important constitutional balance.

As fully debated in the House during the consideration of both the WTO and NAFTA, American sovereignty is in no way diminished by these trade agreements. The implementing statutes of both agreements clearly state that panel reports under the World Trade Organization dispute settlement mechanism or under NAFTA are not binding as a matter of U.S. law. Federal law remains supreme and neither the WTO nor the NAFTA dispute settlement panels have any power to compel any change in U.S. law or regulation. The U.S. Government decides how it will respond, if it responds at all, to WTO and NAFTA panel reports. Indeed, no foreign entity can nullify State or local laws.

Furthermore, in consideration of both the WTO and NAFTA, the Congress established elaborate consultation procedures to protect the interests of the States and to ensure that the States do have a formal role in any international dispute settlement proceeding that affects State laws or policies. Therefore, the Kucinich/Ros-Lehtinen amendment is unnecessary.

The pending amendment could also harm American exports and the jobs these exports support in other ways. For example, with this amendment, Ohio could put in place a self-serving policy that discriminates against Japanese exports in violation of U.S.-Japan trade agreements or the WTO agreement. In response, Japan would likely retaliate against American—not just Ohio—exports. Japan, for example, could target American agricultural products, hurting farmers and agribusiness everywhere from Maine to California. Indeed, the self-serving actions of just one State to make some symbolic political statement or protect a handful of local jobs could jeopardize billions of dollars in key American exports that support tens of thousands of American jobs across the United States.

Mr. Chairman, this amendment radically changes American trade laws. Given the adverse and serious constitutional and international relations implications of this amendment, this Member strongly urges its rejection.

Mr. KUCINICH. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio is recognized for 30 seconds.

Mr. KUCINICH. Mr. Chairman, neither NAFTA nor the Uruguay round of GATT is a treaty. Neither received a two-thirds vote of the other body as the Constitution requires for treaties. Congress can support my amendment, and the U.S. will still be in full compliance with all treaties. We must protect the States from challenges from foreign corporations and countries. Let us stand by our States and stand by our local communities. Vote for the Kucinich/Ros-Lehtinen amendment.

Ms. ROS-LEHTINEN. Mr. Chairman, I yield myself the remaining time.

The CHAIRMAN. The gentlewoman from Florida is recognized for 30 seconds.

Ms. ROS-LEHTINEN. This amendment is not anti-trade. It allows for the negotiation and implementation of trade agreements, and it even allows for constitutional challenges, but it brings that decision within our congressional jurisdiction. We are proud of the support that we have received from many different groups. Public Citizen supports the amendment, Citizen Trade Campaign, United States Business and Industry Council, and the Simon Wiesenthal Center which says that this amendment will have the effect of forcing foreign companies seeking to do business in the United States to comply with the historic responsibility to the victims of the holocaust.

I urge my colleagues to do the right thing and support our amendment.

Mr. KOLBE. Mr. Chairman to close our debate, I yield the balance of my time to the very distinguished gentleman from California (Mr. DREIER), the chairman of the Committee on Rules and champion of free trade under NAFTA.

The CHAIRMAN. The gentleman from California is recognized for 1¼ minutes.

Mr. DREIER. Mr. Chairman, at the dawn of the second millennium it was clear that under the system of feudalism that existed in Europe virtually every single township, community, hamlet was able to embark upon negotiations for trade outside of its area. The tragic thing is that the vision that my friend from Ohio (Mr. KUCINICH) has as we are poised for the third millennium is to continue that kind of preposterous policy. This is anti-trade, anti-export at a time when our economy is thriving, because of the fact that we are gaining opportunities in new markets around the world, and the world has access to us. Let us not turn backwards. Vote no on the Kucinich amendment.

Mr. WAXMAN. Mr. Chairman, I rise in strong support of Congressman KUCINICH's amendment to the Commerce-Justice-State Appropriations Bill, which would require the Federal Communications Commission (FCC) to fix the inefficiences in the way area codes are distributed. It would also allow states to implement their own number conservation plans if the FCC does not act in a timely manner.

The current system for managing numbers is wasteful and illogical, and it has caused a completely unnecessary proliferation of new area codes in California. From 1947 to 1992, California increased the number of area codes to thirteen. It opened a fourteenth area code in 1997 and will almost double that number to twenty-six by the end of this year. If the system is left in place, forty-one area codes will be in existence in the State by 2002. The federal government must exercise leadership and relieve this tremendous burden on consumers.

On May 27, 1999, the FCC adopted a notice of proposed rulemaking to consider ways to improve the efficiency of telephone numbers. Congressman KUCINICH's amendment would simply ensure that the FCC make this rulemaking a priority so that meaningful reforms can be adopted as quickly as possible. I urge my colleagues to vote for this important consumer amendment.

Mr. BROWN of Ohio. Mr. Chairman, I rise in strong support of this amendment.

International trade pacts like NAFTA must not be used as an excuse to put profits over public health and the environment. But that's what NAFTA's Chapter 11 does. It gives corporations the right to challenge our public health laws, environmental laws, even civil jury verdicts as "barriers to trade."

Just ask the residents of California, who don't want the gasoline additive MTBE in their wells, groundwater, and lakes.

MTBE smells and tastes like turpentine and may cause cancer, yet the Canadian corporation Methenex is suing U.S. taxpayers for nearly a billion dollars because under NAFTA California's ban of MTBE is classified as a barrier to trade.

Mr. Speaker, we were elected to protect the health and well-being of our constituents, not corporations. We need to give our communities the right to enact legislation that protects their well-being, not Wall Street's profits. I urge my colleagues to support the amendment.

Mr. LEVIN. Mr. Chairman, I rise in reluctant opposition to this amendment.

Reluctant because I believe the underlying aim of its sponsors is a positive one.

States and local communities have played an active role in efforts to express and implement their citizens' conscience on a number of vital social, moral and economic issues.

I have been working actively for us to broaden our perspective on trade. As the nature of trade has changed, so has our need to broaden our view beyond the conventional, too-narrow focus.

Trade is about more than just opening foreign countries to our goods and services. It is also about the ways in which countries regulate their labor markets as well as their capital markets, and the discussion of trade policy must take that fact into account. That debate also must include issues of human and environmental resources, as well as intellectual property.

The trouble with the approach in this amendment is that it overreaches, as previous trade policy has underreached.

The struggle to develop a new consensus on trade policies revolves around hammering out national trade policy.

This does not mean there is no role for the States and local institutions. It does mean that it won't work if we end up with 50 or 150 different international trade policies.

In the 50 year history of the GATT, including the more recent era of the WTO, the U.S. Government has never challenged or threatened to challenge a State or local law as violative of world trade agreements.

In fact, on the rare occasions when this issue has arisen in the past, the administration has worked with State, local and foreign governments to reach out-of-court solutions.

Indeed, in enacting the laws that implement the Uruguay Round agreements, we were very careful to establish mechanisms that would ensure a cooperative relationship between the Federal administration and State and local governments on international trade matters. For example, measures in the Uruguay Round agreements act include:

A requirement that the U.S. Trade Representative establish a Federal State consultation process, including procedures for taking into account information and advice from States in formulating positions on matters that directly affect them;

A requirement that USTR notify a State and consult with its legal officers when a foreign government complains about a law of the State;

When a WTO dispute settlement panel holds a State law to be violative of WTO agreements, the USTR must "consult with the State concerned in an effort to develop a mutually agreeable response . . . and shall make every effort to ensure that the State concerned is involved in the development of the United States position regarding the response."

In short, existing law is designed to bring State and local governments into the process of formulating trade policies that directly affect them, while preserving the Federal Government as the central decisionmaking hub. This division of labor facilitates our ability to deal with our foreign trading partners and encourages that trade policy makers take into consideration the interests of all Americans.

I understand the desire to send a message on the shortcomings of American trade policy. We also need to consider the form of our message since we are legislators and the consequences of a particular proposal if it were to become law must be taken into account.

The exact language of this amendment says, in sum, that never, under any circumstances, could funds under the act be used by the Government to participate in any legal action, brought by itself or by any other party, where it was argued that a State or local action contravened obligations of the national Government under specified comprehensive international agreements.

This kind of an absolute handcuff on Federal power has been urged in earlier decades on other vital matters. As we fight for a stronger, broader, more relevant American national trade policy, we need to remember the role of State and local initiatives. But we cannot retrogress to an article of confederation in the vital field of national and international economic/trade issues.

Accordingly, I will vote "no" on this amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I strongly oppose the amendment offered by Mr. KUCINICH of Ohio, which states that none of the funds made available in this Act may be used by the Overseas Private Investment Corporation to provide any administrative or other support or assistance for any environmentally sensitive Investment Fund Project. This amendment is bad for the American people who will lose the benefits of new exports, jobs and expanding global markets. It is bad for developing countries in need of investment. And finally, environmental concerns are protected by the requirement that OPIC complete assessments and reports in accordance with stringent standards.

Private Sector investment overseas contributes substantially to both the national and foreign policy interests of U.S. citizens. It strengthens and expands the U.S. economy by improving U.S. competitiveness in the international marketplace. It also helps less developed nations expand their economies and become valuable markets for U.S. goods and services, thereby increasing U.S. exports and creating U.S. jobs.

OPIC has a broad base of clients from virtually every state and industrial sector. In Texas, there has been $5 billion in OPIC financing and insurance commitments for projects sponsored by Texas companies, $5 billion in U.S. exports generated by Texas Projects and 18,757 American jobs created by Texas projects. In the last five years, OPIC committed projects identified $1 billion in goods and services that they will buy from Texas suppliers, 60% of which are small Texas businesses. These exports will create 4,515 local jobs in Texas.

This amendment is bad for developing countries. The Overseas Private Investment Corporation is an independent U.S. government agency that sells investment services to assist U.S. companies investing in some 140 emerging economies around the world. Emerging economies need assistance in strengthening and in many cases building proper infrastructure for successful trade. These projects may involve waterways, land, trees, mountains and the atmosphere. Development of roads, railways, power sources, telecommunications and other necessary projects are all potentially environmental sensitive. We can not stop our efforts to assist developing economies as they become competitive and enter the global marketplace. We must support these developing economies.

The House of Representatives recently passed the African Growth and Opportunity Act supporting an expanded global marketplace. We agreed that sub-Saharan Africa with its emerging economies offer a potential 700 million new consumers for our goods and products. The inclusion of developing countries into the broader market has been proven as an effective development tool. Viable infrastructures are mandatory. OPIC funding should not be hampered.

This amendment is bad for the environment. OPIC's fund investments must meet stringent environmental standards which are higher than any other bilateral export credit, investment or insurance agency in the world. Environmentally sensitive fund investments undergo a complete environmental impact assessment. Environmental sensitive fund projects meet OPIC obligations to mitigate potential environmental harm.

I do not support any action that will reverse U.S. commitment to the expansion of the global marketplace and the continuation of our economic prosperity. I urge my colleagues to oppose this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. KUCINICH).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KUCINICH. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 273, further proceedings on the amendment offered by the gentleman from Ohio (Mr. KUCINICH) will be postponed.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas:

Add at the end of the bill, the following new title:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. SHORT TITLE.

This title may be cited as the "Hate Crimes Prevention Act of 1999".

SEC. 802. FINDINGS.

Congress finds that—

(1) the incidence of violence motivated by the actual or perceived race, color, national origin, religion, sexual orientation, gender, or disability of the victim poses a serious national problem;

(2) such violence disrupts the tranquility and safety of communities and is deeply divisive;

(3) existing Federal law is inadequate to address this problem;

(4) such violence affects interstate commerce in many ways, including—

(A) by impeding the movement of members of targeted groups and forcing such members to move across State lines to escape the incidence or risk of such violence; and

(B) by preventing members of targeted groups from purchasing goods and services, obtaining or sustaining employment or participating in other commercial activity;

(5) perpetrators cross State lines to commit such violence;

(6) instrumentalities of interstate commerce are used to facilitate the commission of such violence;

(7) such violence is committed using articles that have traveled in interstate commerce;

(8) violence motivated by bias that is a relic of slavery can constitute badges and incidents of slavery;

(9) although many State and local authorities are now and will continue to be responsible for prosecuting the overwhelming majority of violent crimes in the United States, including violent crimes motivated by bias, Federal jurisdiction over certain violent crimes motivated by bias is necessary to supplement State and local jurisdiction and ensure that justice is achieved in each case;

(10) Federal jurisdiction over certain violent crimes motivated by bias enables Federal, State, and local authorities to work together as partners in the investigation and prosecution of such crimes; and

(11) the problem of hate crime is sufficiently serious, widespread, and interstate in nature as to warrant Federal assistance to States and local jurisdictions.

SEC. 803. DEFINITION OF HATE CRIME.

In this title, the term "hate crime" has the same meaning as in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

SEC. 804. PROHIBITION OF CERTAIN ACTS OF VIOLENCE.

Section 245 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

"(c)(1) Whoever, whether or not acting under color of law, willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived race, color, religion, or national origin of any person—

"(A) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(B) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both if—

"(i) death results from the acts committed in violation of this paragraph; or

"(ii) the acts omitted in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(2)(A) Whoever, whether or not acting under color of law, in any circumstance described in subparagraph (B), willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived religion, gender, sexual orientation, or disability of any person—

"(i) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(ii) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both, if—

"(I) death results from the acts committed in violation of this paragraph; or

"(II) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(B) For purposes of subparagraph (A), the circumstances described in this subparagraph are that—

"(i) in connection with the offense, the defendant or the victim travels in interstate or foreign commerce, uses a facility or instrumentality of interstate or foreign commerce, or engages in any activity affecting interstate or foreign commerce; or

"(ii) the offense is in or affects interstate or foreign commerce.".

SEC. 805. DUTIES OF FEDERAL SENTENCING COMMISSION.

(a) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall study the issue of adult recruitment of juveniles to commit hate crimes and shall, if appropriate, amend the Federal sentencing guidelines to provide sentencing enhancements (in addition to the sentencing enhancement provided for the use of a minor during the commission of an offense) for adult defendants who recruit juveniles to assist in the commission of hate crimes.

(b) CONSISTENCY WITH OTHER GUIDELINES.—In carrying out this section, the United States Sentencing Commission shall—

(1) ensure that there is reasonable consistency with other Federal sentencing guidelines; and

(2) avoid duplicative punishments for substantially the same offense.

SEC. 806. GRANT PROGRAM.

(a) AUTHORITY TO MAKE GRANTS.—The Office of Justice Programs of the Department of Justice shall make grants, in accordance with such regulations as the Attorney General may prescribe, to State and local programs designed to combat hate crimes committed by juveniles, including programs to train local law enforcement officers in investigating, prosecuting, and preventing hate crimes.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 807. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, for fiscal years 1998, 1999, and 2000 such sums as are necessary to increase the number of personnel to prevent and respond to alleged violations of section 245 of title 18, United States Code (as amended by this Act).

SEC. 808. SEVERABILITY.

If any provision of this title, an amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this title, the amendments made by this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

Ms. JACKSON-LEE of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Mr. ROGERS. Mr. Chairman, on this amendment I reserve a point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, I heard earlier this evening one of the amendments that was discussed on this floor. The reason given to its discussion is that we have a crisis and an emergency. I believe that we have a crisis.

We have a crisis right now as it relates to the standards of violence and hatred in America. We had a hearing yesterday on the Hate Crimes Prevention Act, or 2 days ago in the Committee on the Judiciary, a bill authored by the gentleman from Michigan (Mr. CONYERS) with now 180 sponsors. And in that hearing I offered as an example of the ugly hatred in America the description of the dismembered body of James Byrd out of Jasper, Texas. Although that community rose to the occasion, it was a horrific crime that saw his head severed from his body, being dragged along a road, his arm severed, his torso one other place. And I cited as well the horrible death of Matthew Shepherd, where his attackers beat him repeatedly, a gay person in Wyoming, and left him for dead. Tragically just a few weeks ago evidence of hatred in Illinois. We find out that racial violence in 1997, 58 percent against African Americans and 17 percent religious-biased, anti-semitic, sexual orientation 13 percent.

This bill answers the question of our concern. In particular it adds protection to religion and gender and sexual orientation, and it also provides a nexus to interstate commerce. It was tragic yesterday, Mr. Chairman, to hear the grandmother of the woman killed in California with her daughter and two daughters, the mother of this woman and the grandmother of these two daughters killed, and that grandmother repeated to us tragically that the only reason that man beat those women to death, the mother and her two daughters, was because I wanted to kill women.

Mr. Chairman, I can tell my colleagues that now is the time for us to act. The Senate passed the Hate Crimes Prevention Act more than 2 months ago. I believe we have a crisis, and I believe the American people want us to set high community standards, and those community standards, Mr. Chairman, are in fact to pass a Hate Crimes Prevention act.

I would say we have a crisis, we have an emergency, and I would seek a waiver, as has been on other amendments, to allow this amendment to be passed.

Mr. Chairman, I yield 30 seconds to the gentleman from Michigan (Mr. BONIOR), the distinguished minority whip.

Mr. BONIOR. I would like to, Mr. Chairman, commend the gentlewoman from Texas for her amendment.

The Senate, as she has pointed out, has acted 2 months ago. We need to address the questions that she raises which are before this country in so very ugly ways, the James Byrd, the Matthew Shepherd, the Illinois situation and the hatred against women that happens in this country on a regular basis needs to be addressed. This legislation has many cosponsors, it needs to come to the floor, and I commend her for her activity on this issue; and I would hope my colleagues would find it in their hearts and minds to support this amendment tonight.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Chairman, I thank the gentlewoman for yielding, and once again she has brought to our attention a real emergency.

I heard my colleagues debating on the floor, double booking at telephone companies as some kind of an emergency. It does not rise to the same level that the nexus affords here that the gentlewoman from Texas (Ms. Jackson-Lee) has brought to our attention with reference to hate crimes. Churches and synagogues have been bombed and desecrated often in this country. Gays have been crucified, lesbians run out of towns, Jews, blacks, Hispanics and Asians are often set upon just because of their race, their national origin or their religion. This country fully expects all of us to do all we can to assist in alleviating these terrible crimes in our society, and this is a methodology that we might employ in order to be able to do that.

A blues singer once wrote that unless man puts an end to this damnable sin, hate will put the world in a flame. If there was ever an emergency that needed a waiver, this is the one.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 30 seconds to the gentleman from New York (Mr. SERRANO), the distinguished ranking member.

Mr. SERRANO. Mr. Chairman, I thank the gentlewoman for the work she has done on this issue and to tell her that I agree with her, as I do with other Members, that this is a serious issue. If we really want to talk about emergency in this country, we have come a long way in race relations and in understanding each other, but we have a long way to go; and it seems that now, when we are having the better economic times, this whole issue seems to come back to haunt us, and it is time we did something about it, and I commend her on this work. That legislation with all those cosponsors should come to the floor. We should address this issue and not run away from it any longer.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentlewoman from Texas is recognized for 30 seconds.

Ms. JACKSON-LEE of Texas. Let me say, Mr. Chairman, in closing, and I would like to be able to yield to the distinguished chairman, this is not a bill that is going to be rampant across the Nation, ensnaring any criminal that would act upon a violent act. This is specific. It deals with multiple weapons and multiple perpetrators as defined by the FBI, mutilation overkill. We will know when it is a hate crime. We will not have to convince prosecutors whether to proceed under a simple assault or murder as opposed to a hate crimes offense.

This is a crisis in our Nation. We must stand up and be heard that we do not adhere to hate crimes.

Mr. Chairman, I want to take this time to express my gratitude to Chairman HYDE and Ranking Member CONYERS for recently convening an oversight hearing on hate crimes violence in the House Judiciary. I listened with keen interest to the testimony of the panelists who were invited by the majority. They were overwhelmingly opposed to enacting H.R. 1082, the Hate Crimes Prevention Act of 1999. I was moved by the testimony of the victims and family of victims and I am convinced more now than ever before that Congress must move with all deliberate speed to enact H.R. 1082 this session.

Mr. Chairman, this nation just celebrated Independence day. We reaffirmed the truths that are self-evident, that all men [and women] are created equal, that they are endowed by their Creator with certain unalienable rights, that among these rights, are life, liberty and the pursuit of happiness. And yet there are individuals out there who believe that if you are not of their race, nationality, gender, religion or sexual orientation you do not deserve these rights.

Opponents of hate crimes legislation claim that prosecution of hate crimes would be indistinguishable from offenses that are presently on the books on the state and local level. I respect the sophistry and sophistication of the arguments that the witnesses posted. However, I must state in the most emphatic manner that I can that I disagree with their reasoning. I am sure that by now all of you are familiar with brutal murder of James Byrd. Can anyone honestly state that it is difficult to determine that his killers were motivated by racial animus as they dragged his struggling body behind their pickup truck until his head and right arm were sheared off upon striking a culvert in the road?

Is it that hard to perceive, after viewing Matthew Shepard's badly fractured skull and nearly frozen body left for dead that he was beaten by his savage attackers because he was gay? It is this kind of excessive brutality that readily indicates that a crime is intended to put a whole group in their place. The wounding of community spirit caused by these crimes is not addressed anywhere in our laws—hence the need for the Hate Crimes Prevention Act of 1999.

Benjamin Nathaniel Smith's intent was certainly clear, as he went on murderous, hate-filled rampage during the Fourth of July weekend in Illinois and Indiana. Smith, a follower of the white supremacist group, the World Church of the Creator, wounded six Orthodox Jews leaving their synagogue in Chicago on Friday, July 2, 1999. Later that day, former Northwestern University basketball coach Ricky Byrdsong died after being shot in the back by Smith while walking with two of his four young children near his suburban Chicago home. Smith then proceeded to fire at an Asian couple in the suburb of Northbrook, Illinois.

Mr. Smith's diabolical work did not end there. Saturday, July 3, 1999 Smith continued his assault by firing at two black men in Springfield, Illinois. Twelve hours later, near the University of Illinois, Smith shot at six Asian men. One of the men, a graduate student, was seriously wounded.

In the July 4th attack, Smith lay in wait outside of the Korean United Methodist Church in Bloomington, Indiana before fatally shooting 26-year-old Won-Joon Yoon in the back twice. Smith then ended his own life after being cornered by the police in a high speed chase. In the aftermath of this killing spree, people are asking why this 21-year-old college student and son of affluent parents committed such atrocities. Chicago Police Department spokesman Patrick Camden may have summed it up best when he said that ". . . beyond just pure hate, we may never know what set him off."

According to a Sunday, July 11, 1999 Washington Post article, hate is what led two brothers, Benjamin Matthew Williams and James Tyler Williams to have allegedly shot and killed a gay couple sleeping in their home north of San Francisco. These same brothers are suspects in the arsons at three Sacramento area synagogues where the damage is estimated to be more than $1 million. Police authorities discovered an arsenal in the Williams' car which included two assault rifles, two handguns, a shotgun and a substantial amount of ammunition. Authorities have also found in the brothers' home materials from the World Church of the Creator.

World Church of the Creator members have been connected to numerous hate crimes in recent years, including the 1993 bombing of an NAACP office in Tacoma, Washington, the 1997 beating of a black man and his teenage son outside a theater in Sunrise, Florida, and last year's beating of a Jewish video store owner in Hollywood, Florida.

The World Church of the Creator and its members are not the only individuals responsible for hate crimes. Indeed, the number of hate crimes may be vastly underreported. Silent victims afraid of reporting crimes to the police, bureaucratic snags and confusion over what constitutes a hate crime are some of the reasons such crimes are underreported and undercounted nationwide, experts say.

The Hate Crimes Statistics Act, passed in 1990, required the FBI to report annually on the number of bias crimes committed. The problem, according to Donald Green, a Yale University Professor of Political Science and an expert on hate crimes is that the reporting of hate crimes is voluntary. In the study that Professor Green conducted in the State of New York, for example, only 32 of the 502 law enforcement agencies submitted reports to the FBI in 1997. Nationwide, of the 100 most populous cities in the U.S., 10 did not participate in the reporting of hate crime data at all. Professor Green sums it up, thusly, "The places where hate crimes are taken seriously and reported get singled out as bastions of hate, [b]ut jurisdictions that don't give a hoot seem like happy bastions of tolerance."

What more has to happen before we move to pass H.R. 1082, the Hate Crimes Prevention Act of 1999? Existing federal laws are inadequate to assist the States and local authorities in prosecuting those who commit violent acts against others based upon race, color, national origin, religion, sexual orientation, gender or disability. H.R. 1082 would rectify this by making it a federal crime to commit a hate crime. I am a staunch supporter of the First Amendment right to freedom of speech. I defend an individual's right to believe in whatever his or her mind can so conceive, however morally repugnant. When these beliefs spawn hate-related violence, we need to have a mechanism to bring perpetrators like Benjamin Smith and Williams brothers to justice.

Currently, only 22 States and the District of Columbia have adopted hate crimes laws that extend protection to individuals targeted based on their sexual orientation. Only 22 States cover gender, and 21 cover disability. These critical gaps in State laws underscore the need for stronger hate crimes protection on the national level.

Out of the 8,049 hate crimes reported in the most recent FBI statistics, 58.5% were racially based; 17.2% were religious based; 10.4% were based on ethnicity; and 13.7% were based on sexual orientation.

This bill is bipartisan with more than 180 cosponsors, I am confident that H.R. 1082 will pass on the House floor, if partisan polarization does not kill the bill in committee. We in the Congress have a higher moral authority to address crimes that are an affront to human dignity; H.R. 1082 is the appropriate measure to address these particularly heinous crimes.

I ask the Chairman to accept this amendment.

Mr. Chairman, with the point of order now being expressed against this, let me ask that we can work on this together, and with great sadness I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas.

There was no objection.

Mr. ROGERS. Mr. Chairman I move to strike the last word.

I yield to the gentleman from Illinois (Mr. BLAGOJEVICH) to engage in a colloquy.

Mr. BLAGOJEVICH. Mr. Chairman, I have recently introduced legislation with the gentleman from Florida (Mr. STEARNS) regarding a national instant background check system. The NIC system has been, as my colleagues know, very successful. Since 1998 over 50,000 prescribed people have been restricted persons, that is, criminals and others are restricted from getting guns. We are learning that this is a tool that law enforcement can even do better with; and therefore this legislation would require the immediate notification of local law enforcement authorities when an individual fails an NICS background check. Even though criminals and other restricted persons who attempt to purchase firearms are in violation of Federal, State and local laws, rarely are such violations reported in a timely manner to proper law enforcement authorities.

Mr. Chairman, establishing a timely notification system would allow law enforcement to determine when they believe that there is a threat to public safety in their communities. The Illinois State Police has recently established a voluntary program modeled on my legislation to notify local law enforcement of such checks. I hope to work with the gentleman from Kentucky (Mr. ROGERS) and the Justice Department to implement this system at a national level.

Mr. ROGERS. Mr. Chairman, I appreciate the gentleman bringing his proposal to our attention. We have not really had a full amount of time to study the proposal, but I would be happy to work with him to enhance our enforcement efforts.

Mr. BLAGOJEVICH. Mr. Chairman, if the gentleman would continue to yield, I would again like to thank him and the ranking member for their support and willingness to work with me on this very important matter. As my colleagues know, this is a concept that has the support of both Handgun Control and the NRA, and when we think of Charlton Heston, I have heard him several times talk about the necessity to enforce existing laws so that criminals do not get guns. It is as if he were playing Moses again, and he came down from the mountain top, and this was his eleventh commandment. I think we are working in that direction to do that, and I again would applaud the gentleman from Kentucky (Mr. ROGERS) for allowing us to work together on this.

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Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are at the conclusion of this bill. We have several amendments ready for the Members to cast their votes on very shortly. Before we do that, I wanted to take a moment to thank some people for their help on this bill. This has been a tough bill to draft and to mark up and to process through this great body. We have had the cooperation of so many people.

I want to first mention my compadre, my friend, our coworker, the gentleman from New York (Mr. SERRANO), the ranking member of this subcommittee, who has been a real gentleman in his first year on the subcommittee, and that year as the ranking member. This is a tough bill to understand and to comprehend, it covers a lot of ground, and the gentleman did so with great grace and humor and expertise.

I want to thank him personally, as well as the chairman of the full committee, the gentleman from Florida (Mr. YOUNG) and the ranking member of the full committee, the gentleman from Wisconsin (Mr. OBEY), and all the members of the subcommittee who put so many hours into the hearings, a total of 23 hearings on this bill.

I want to thank the members of the full Committee, and, of course, the Members of this body who have paid attention to this debate, who participated, who had a lot of amendments and had their full say. So we appreciate that very much.

We would not be here without our staff on both sides of the aisle and of the Committee staff, who have done such a wonderful job in trying to keep track of all the amendments and all the major portions of this bill. The staff that is with us on the floor on both sides of the aisle, the staff in our offices, who participated in this as well. We could not be here without their great work in making this happen.

I want to say also, and I think my colleagues would join me, in saying what a great job the Chairman of this Committee of the Whole has done in governing the debate of this bill. The gentleman from Washington (Mr. HASTINGS) has done a wonderful job, and we all appreciate the great fairmindedness and fair-handedness with which he has handled this debate. We appreciate it.

Mr. SERRANO. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. SERRANO. Mr. Chairman, I also want to join the gentleman in thanking and congratulating the Chair. I have done that in the past, and hope to do it in the future, by the way, but I sat there in the past and know how it is. I also want to thank him for a very liberal stop watch. I think the word "liberal" is fitting at this point.

To you, Mr. Chairman, I want to thank you for setting the tone for the debate the last 2 days. They have been long hours, a lot of amendments, a lot of discussion, but I think your opening remarks kind of set the tone for the behavior.

I want to join the gentleman in thanking the staff on both sides and thanking the staffs in our offices, who only got to see us on TV and have not seen us for the last 2 days.

Once again, I want to thank you, sir, for the respect you show me and the courtesy you show me. No matter what the end vote is tonight, as we move on to conference and to the work we have to do, I look forward to working with you in the same friendship and amity that we have shared for all this time.

Mr. ROGERS. Mr. Chairman, reclaiming my time, I thank the gentleman.

The CHAIRMAN. The Clerk will read the last 3 lines of the bill.

The Clerk read as follows:

> This Act may be cited as the "Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000".

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 273, proceedings will now resume on those amendments on which further proceedings were postponed in the following order:

First amendment in House Report 106–284 by Mr. BASS of New Hampshire;

Amendment No. 13 by Mr. GEORGE MILLER of California;

Amendment by Mr. HAYWORTH of Arizona;

Amendment by Mr. TAUZIN of Louisiana;

Amendment No. 1 by Mr. KUCINICH of Ohio.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. BASS

The CHAIRMAN. The pending business is the demand for a recorded vote on the first amendment printed in House Report 106–284 offered by the gentleman from New Hampshire (Mr. BASS), on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 256, not voting 8, as follows:

[Roll No. 381]

AYES—169

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barr
Bartlett
Bass
Becerra
Bentsen
Bereuter
Berman
Biggert
Bishop
Blagojevich
Blunt
Boehlert
Bono
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Castle
Chabot
Clay
Clyburn
Conyers
Cook
Costello
Coyne
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dixon
Dreier
Duncan
Edwards
Ehlers
Engel
English
Eshoo
Evans
Farr
Filner
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Gejdenson
Gilchrest
Gilman
Goode
Goodling
Green (TX)
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (WA)
Herger
Hinchey
Holden
Holt
Horn
Hostettler
Hulshof
Hunter
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (CT)
Jones (NC)
Jones (OH)
Kaptur
Kasich
Kelly
Kennedy
Kingston
Kleczka
Kucinich
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Maloney (CT)
Manzullo
Martinez
Matsui
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller, Gary
Miller, George
Mink
Moakley
Myrick
Nadler
Napolitano
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Petri
Pitts
Portman
Quinn
Radanovich
Ramstad
Reynolds
Rodriguez
Rohrabacher
Rothman
Roybal-Allard
Royce
Rush
Ryun (KS)
Sanchez
Sanders
Sawyer
Schakowsky
Sensenbrenner
Serrano
Shays
Sherman
Sherwood
Simpson
Slaughter
Stark
Sununu
Tancredo
Tauscher
Taylor (MS)
Terry
Thompson (MS)
Thornberry
Tiahrt
Toomey
Towns
Udall (CO)
Velazquez
Walden
Wamp
Waters
Waxman
Weldon (PA)
Whitfield
Wise
Woolsey

NOES—256

Aderholt
Archer
Armey
Bachus
Baird
Baker
Baldwin
Ballenger
Barrett (NE)
Barrett (WI)
Barton
Bateman
Berkley
Berry
Bilirakis
Bliley
Blumenauer
Boehner
Bonilla
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Chambliss
Chenoweth
Clayton
Clement
Coble
Coburn
Collins
Combest
Condit

Cooksey
Cox
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dunn
Ehrlich
Emerson
Etheridge
Everett
Ewing
Fattah
Fletcher
Foley
Ford
Fossella
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gillmor
Gonzalez
Goodlatte
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Hansen
Hastings (FL)
Hayes
Hayworth
Hefley
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Hooley
Houghton
Hoyer
Hutchinson
Inslee
Isakson
Istook
Jefferson
John
Johnson, E.B.
Johnson, Sam
Kanjorski
Kildee
Kilpatrick
Kind (WI)
King (NY)
Klink
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (NY)
Markey
Mascara
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McKeon
Meek (FL)
Meeks (NY)
Metcalf
Mica
Miller (FL)
Minge
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pease
Peterson (MN)
Phelps
Pickering
Pickett
Pombo
Pomeroy
Porter
Price (NC)
Pryce (OH)
Rahall
Rangel
Regula
Riley
Rivers
Roemer
Rogan
Rogers
Ros-Lehtinen
Roukema
Ryan (WI)
Sabo
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaffer
Scott
Sessions
Shadegg
Shaw
Shimkus
Shows
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sweeney
Talent
Tanner
Tauzin
Taylor (NC)
Thomas
Thompson (CA)
Thune
Thurman
Tierney
Traficant
Turner
Udall (NM)
Upton
Vento
Visclosky
Vitter
Walsh
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weller
Wexler
Weygand
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—8

Bilbray
Frank (MA)
Lantos
Leach
McDermott
Mollohan
Peterson (PA)
Reyes

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Ms. McCARTHY of New York, and Messrs. DEUTSCH, ROEMER, PHELPS, ROGAN, KING, and WU, Mrs. MALONEY of New York, Mr. CUMMINGS, and Mr. DOYLE changed their vote from “aye” to “no.”

Messrs. PITTS, GILCHREST, TIAHRT, and BEREUTER, Ms. DEGETTE, and Messrs. MCHUGH, HOLDEN, and ROHRABACHER, Ms. SLAUGHTER, Ms. NAPOLITANO, and Mr. WHITFIELD changed their vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to House Resolution 273, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 13 OFFERED BY MR. GEORGE MILLER OF CALIFORNIA

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 13 offered by the gentleman from California (Mr. GEORGE MILLER) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 211, noes 215, not voting 7, as follows:

[Roll No. 382]

AYES—211

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bilirakis
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Burr
Campbell
Capps
Capuano
Cardin
Carson
Chabot
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crane
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Franks (NJ)
Frost
Gejdenson
Gephardt
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hoeffel
Holden
Holt
Hooley
Horn
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Lee
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Myrick
Nadler
Napolitano
Neal
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Petri
Phelps
Pickett
Pomeroy
Portman
Price (NC)
Rahall
Ramstad
Rangel
Rivers
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Scarborough
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shays
Sherman
Shows
Sisisky
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOES—215

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (TX)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hinojosa
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Menendez
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Ortiz
Ose
Oxley
Packard
Pease
Pickering
Pitts
Pombo
Porter
Pryce (OH)
Quinn
Radanovich
Regula
Reynolds
Riley
Rodriguez
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Saxton
Schaffer
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller

Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Bilbray
Frank (MA)
Lantos
McDermott
Mollohan
Peterson (PA)
Reyes

□ 2034

Mr. ROTHMAN and Mr. DOOLEY of California changed their vote from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HAYWORTH

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona (Mr. HAYWORTH) on which further proceedings were postponed and on which the ayes prevailed by a voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 217, noes 209, not voting 7, as follows:

[Roll No. 383]

AYES—217

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Berry
Biggert
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehrlich
Emerson
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Gallegly
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sandlin
Sanford
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Wamp
Watkins
Watts (OK),
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—209

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Bentsen
Bereuter
Berkley
Berman
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Ehlers
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Franks (NJ)
Frelinghuysen
Frost
Ganske
Gejdenson
Gephardt
Gilchrest
Gonzalez
Gordon
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Porter
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shays
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—7

Bilbray
Frank (MA)
Lantos
McDermott
Mollohan
Peterson (PA)
Reyes

□ 2042

Mr. HOBSON and Mr. DAVIS of Virginia changed their vote from "nay" to "yea."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. TAUZIN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Louisiana (Mr. TAUZIN) on which further proceedings were postponed and on which the ayes prevailed by a voice vote.

The Clerk will designate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 374, noes 49, not voting 10, as follows:

[Roll No. 384]

AYES—374

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
Delahunt
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Ewing
Fattah
Fletcher
Foley
Ford
Fossella
Fowler
Frank (MA)
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood

Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kuykendall
LaHood
Lampson
Larson
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (NY)
Manzullo
Mascara
Matsui
McCarthy (NY)
McCollum
McCrery
McGovern
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Ose
Oxley
Packard
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wise
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—49

Baird
Barrett (WI)
Brown (OH)
Clement
Conyers
Coyne
DeGette
DeLauro
Deutsch
Doggett
Eshoo
Farr
Filner
Forbes
Franks (NJ)
Frelinghuysen
Gejdenson
Hinchey
Kucinich
LaFalce
Largent
Lee
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Markey
Martinez
McCarthy (MO)
McHugh
McKinney
Miller, George
Mink
Nadler
Oberstar
Obey
Owens
Pallone
Pomeroy
Rogers
Royce
Sanders
Schakowsky
Stark
Stupak
Waters
Waxman
Wilson

NOT VOTING—10

Bilbray
DeFazio
Edwards
Gutierrez
Lantos
Levin
McDermott
Mollohan
Peterson (PA)
Reyes

□ 2049

Ms. PELOSI changed her vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. LEVIN. Mr. Chairman, I was absent on rollcall vote 384. Had I been present, I would have voted "aye."

AMENDMENT NO. 1 OFFERED BY MR. KUCINICH

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 1 offered by the gentleman from Ohio (Mr. KUCINICH) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 196, noes 226, not voting 11, as follows:

[Roll No. 385]

AYES—196

Abercrombie
Ackerman
Aderholt
Andrews
Baird
Baldacci
Baldwin
Barcia
Barr
Barrett (WI)
Bartlett
Berkley
Bilirakis
Bishop
Blagojevich
Bonior
Borski
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Burton
Capps
Capuano
Carson
Chabot
Chenoweth
Clay
Clayton
Clyburn
Coburn
Condit
Conyers
Cook
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dixon
Doggett
Doyle
Duncan
Emerson
Engel
Evans
Everett
Farr
Fattah
Filner
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Gephardt
Gibbons
Gilman
Goode
Goodling
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hayes
Hilleary
Hilliard
Hinchey
Hoeffel
Holden
Holt
Hostettler
Hunter
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
King (NY)
Kleczka
Klink
Kucinich
Lee
Lewis (GA)
Lipinski
LoBiondo
Lucas (OK)
Luther
Markey
Martinez
Mascara
McCarthy (NY)
McGovern
McHugh
McIntosh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Mica
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Murtha
Nadler
Ney
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Paul
Pelosi
Peterson (MN)
Phelps
Pickering
Pitts
Pombo
Pomeroy
Quinn
Rahall
Riley
Rivers
Roemer
Rohrabacher
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Ryun (KS)
Sanders
Saxton
Scarborough
Schakowsky
Scott
Serrano
Sherman
Shows
Shuster
Sisisky
Slaughter
Smith (NJ)
Spratt
Stabenow
Stark
Strickland
Stupak
Sweeney
Tancredo
Taylor (MS)
Taylor (NC)
Thompson (MS)
Thurman
Tiahrt
Tierney
Towns
Traficant
Udall (NM)
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watt (NC)
Waxman
Weiner
Weldon (PA)
Wicker
Wise
Wolf
Woolsey
Wynn
Young (FL)

NOES—226

Allen
Archer
Armey
Bachus
Baker
Ballenger
Barrett (NE)
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Biggert
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Brady (TX)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chambliss
Clement
Coble
Collins
Combest
Cooksey
Cox
Crane
Cunningham
Davis (FL)
Davis (VA)
DeLay
DeMint
Dickey
Dicks
Dingell
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
English
Eshoo
Etheridge
Fletcher
Foley
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gillmor
Gonzalez
Goodlatte
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hinojosa
Hobson
Hoekstra
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Jefferson
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Kasich
Kind (WI)
Kingston
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lofgren
Lowey
Lucas (KY)
Maloney (CT)
Maloney (NY)
Manzullo
Matsui
McCarthy (MO)
McCollum
McCrery
McInnis
McKeon
Menendez
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Napolitano
Neal
Nethercutt
Northup
Norwood
Nussle
Ortiz
Ose
Oxley
Packard
Pastor
Payne
Pease
Petri
Pickett
Porter
Portman
Price (NC)
Pryce (OH)
Radanovich
Ramstad
Rangel
Regula
Reynolds
Rodriguez
Rogan
Rogers
Roukema
Royce
Ryan (WI)
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simpson
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Stenholm
Stump
Sununu

Talent
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Toomey
Turner
Udall (CO)
Upton
Vitter
Walden
Watkins
Watts (OK)
Weldon (FL)
Weller
Wexler
Weygand
Whitfield
Wilson
Wu
Young (AK)

NOT VOTING—11

Bilbray
Bliley
Cubin
Ewing
Istook
Lantos
McDermott
Mollohan
Peterson (PA)
Reyes
Stearns

☐ 2055

Ms. PELOSI changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. STEARNS. Mr. Chairman, on rollcall No. 385, I was inadvertently detained. Had I been present, I would have voted "yes."

Stated against.

Mr. EWING. Mr. Chairman, on rollcall No. 385, I was inadvertently detained. Had I been present, I would have voted "no."

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in opposition to H.R. 2670, the Commerce, Justice, State and Judiciary Appropriations Bill for Fiscal Year 2000.

This is my first year on the Appropriations Committee as well as on the Commerce-Justice Subcommittee, and I have very much enjoyed my tenure so far. Chairman HAL ROGERS, who has served on the subcommittee for many years and who demonstrated his experience through weeks of budget oversight hearings, graciously welcomed my participation and made me and other new members of the subcommittee feel at home. The new members also include JOSÉ SERRANO, who has been a pleasure to work with and has demonstrated outstanding ability as ranking member.

The wide range of agencies and activities funded by the bill present a real challenge. The FBI, the Drug Enforcement Administration (DEA), the Bureau of Prisons in the Department of Justice and the trade, science, and economic development activities of the Department of Commerce as well as the operations of the State Department, create significant budget tensions as we wrestle with the fairest way in which to distribute our limited budget allocation. In addition to the entire judicial branch of government, the bill also funds important independent agencies such as the Federal Communications Commission (FCC), the Securities and Exchange Commission (SEC), and the Small Business Administration (SBA). To say this is a complex bill to put together and to fund adequately is an understatement.

I would like to thank Chairman ROGERS for including a number of projects and issues that are important to me, my congressional district and California.

Funding is included for two important crime prevention activities which affect my district directly. The Los Angeles Dads Young Men and Fathers Program is a collaborative effort between the juvenile court and community schools and the Los Angeles County Probation Department working together with law enforcement, business and community partners. This program reaches out to males, ages 14 to 18, who are under the authority of the Juvenile Court and are either fathers themselves or father figures. The goal is to help young fathers take responsibility for the health and well-being of their families and themselves.

Funding is also provided for a community violence initiative in Los Angeles that will expand the successful LAPD domestic abuse response team that both deals with women and children at the scene and allocates special investigative and prosecution services to act quickly against crimes of domestic violence.

I was also pleased that the full committee adopted report language about sexual misconduct by staff of the Bureau of Prisons (BOP). The Bureau of Prisons generally has a good record of dealing with sexual misconduct by staff and sexual harassment of female inmates. However, a recent General Accounting Office report revealed that there were some deficiencies in the records maintained by BOP about sexual abuse that prevented them from recognizing trends and responding to problem areas. The language directs BOP to comply with the GAO recommendations, and I'm pleased that BOP already is moving ahead to do so.

Several items are of enormous importance to California.

The State Criminal Alien Assistance Program (SCAAP) is funded at last year's funding level, $585 million. However, I will be working with other members of a united California delegation to see if we can't increase this funding level to $650 million this year. California will spend over $570 million this year for housing and parole supervision of undocumented aliens. Since California receives only a portion of this SCAAP funding, it is important to raise this funding level as high as possible.

Within Community Oriented Policing Services, the methamphetamine program is very important to California. Recent Justice Department statistics indicate that 90% of the "meth" seized throughout the United States originated in California. These funds will assist the California Bureau of Narcotics in coping with this newer but alarming drug threat.

As a coastal state, California is very dependent on the important oceanic and atmospheric research underway by NOAA's National Ocean Service. Funding for the geodesy programs will play a key role in the important research underway at the Scripps Institute at the University of California at San Diego and its California Spatial Reference Center.

Despite these many worthwhile initiatives, I will reluctantly have to vote against the bill.

Simply put, this bill's budget allocation is not sufficient to fund the many other deserving programs and activities carried out by the Departments of State, Justice, and Commerce.

Trying to overcome this inadequate funding, the Republican majority has decided to designate $4.5 billion for the census to be emergency spending outside the budget caps and our budget allocation. However, the total amount is still nearly $3 billion less than the President's budget request. As a result, many programs or agencies are cut severely, and other important agencies are set at the level of last year's appropriations bill, meaning they must absorb both cost-of-living adjustments for personnel and other uncontrollable cost increases.

In addition, the bill provides no funding for the President's 21st Century policing initiative modeled after the Community Oriented Policing Services (COPS) initiative which has been so successful in helping our cities and communities reduce crime. The original committee recommendation cut Legal Services Corporation severely—from $300 million to $141 million—thereby undermining our commitment to ensuring that all Americans, regardless of income, have access to the judicial system. Reduced funding affects the FBI, the DEA, anti-drug program initiatives as well as activities to protect against chemical and biological weapons and other counter-terrorism activities. The successful Advanced Technology Program, which Congress has established at a level of approximately $200 million for many years, is eliminated. Inadequate funding is provided for the President's Lands Legacy initiative, and other National Oceanic and Atmospheric Administration (NOAA) funding is significantly reduced. The SBA's salaries and expenses account is cut so severely that the Office of Management and Budget (OMB) estimates that 75 percent of the agency's current staff level—up to 2,400 staff positions—would have to be eliminated. There is no funding for SBA's promising new markets initiatives which many of us are counting on to spur economic development in targeted urban and rural areas.

In short, the funding is inadequate, so our bill falls short of what the American people require and should expect from the important programs and agencies in this bill. I believe Chairman ROGERS and those who serve on this subcommittee recognize its shortcomings, and I believe we will need to make this a far better bill before it becomes law later this year.

Although I must in all good conscience vote against the bill today, I will be working with Chairman ROGERS, Ranking Democrat SERRANO and the rest of our members to fund this bill adequately and pass it into law so our people and our communities can continue to receive the types of assistance provided in this bill, and we can work together to fight crime, improve trade, stimulate economic development, and carry out the many important activities represented by the Commerce-Justice-State bill.

Mrs. MINK of Hawaii. Mr. Chairman, I rise today in strong opposition to this appropriations bill because it cuts funding for some of the most important programs that we provide for this nation.

For instance, this bill seriously cuts funding for the COPS program by 81%. When President Clinton was first elected in 1992, he promised to put 100,000 additional cops on the streets. With the help of Congress, he managed to do this. However, it is imprudent to think that the hiring of these cops is enough. There is still much more we can do to ensure that our streets are safe.

President Clinton asked for funding to his 21st Century Policing Initiative which would put 50,000 more officers in our districts. It would also allow our communities to hire new prosecutors, and more importantly it would expand community-based prevention efforts. We need to continue funding this program adequately to ensure that our streets are safe. Unfortunately, H.R. 2670 does not do that.

And I am extremely disappointed that this bill eliminates funding for the East-West and the North-South Centers.

The East-West Center is an internationally respected research and educational institution based in Hawaii with a 39-year record of achievement. It is an important forum for the development of policies to promote stability and economic and social development in the Asia-Pacific region.

The Asia-Pacific region accounts for more than half the world's population, about a third of the world's economy, and vast marine and land resources. The United States has a vital national interest in connecting itself in partnership with the region. As the Asia-Pacific region continues to develop and change, it is essential that the United States be seen as a part of the region rather than an outsider.

The East-West Center is the only program that has a strategic mission of developing a consensus on key policy issues in U.S.-Asia-Pacific relations through intensive cooperative research and training. Likewise, the North-South Center plays a key role in the development of U.S. interest in Latin America.

These Centers are small but very cost-effective organizations. They complement the foreign policy objectives of the United States by providing another dimension of engagement with leaders in Asia, the Pacific. And they help to increase the mutual understanding and cooperation that is essential for constructive relationships among the nations of these important regions. They must not be cut.

H.R. 2670 also appropriates $4.8 billion for the Census Bureau. Although this is an increase of $3.4 billion, the appropriators designated $4.5 billion of this as emergency spending.

This should not be classified as an emergency. It is not an emergency. We have known for over 200 years that we were going to need money for the 2000 Census; it is required by our Constitution. We have had all that time to plan for this Census, yet we did nothing.

Classifying this money as emergency spending, does nothing more than take money away from our surpluses. We keep taking money away from our surpluses for emergencies that aren't really emergencies. Our surpluses should be reserved for saving Social Security and Medicare.

In all actuality, we don't even have surpluses to use for this emergency spending. This excess money that we keep touting as our wonderful budget surpluses is Social Security's money. If we don't count the revenue that is brought in from Social Security taxes, our surplus would be nonexistent.

An increase to the Census Bureau is essential. The 1990 census left out four million Americans. It was the most inaccurate census in history, and the undercount severely impacted communities with large minority populations. For Asians and Pacific Islanders, the undercount was 2.3 percent, which led to a significant reduction in funding for federal programs.

According to the National Academy of Sciences, the key to an accurate census is the use of modern statistical methods. However, a recent Supreme Court decision is requiring the Census Bureau to do a traditional head count next year. That system is an expensive, slow and cumbersome process. And it is incredibly difficult to count the urban and rural poor and minorities under the traditional approach. The increased funding is needed to ensure everyone is counted.

We cannot afford to make the same mistakes as we did in 1990. The stakes are too high. We need increased funding, however, we can't do it at the expense of Social Security and Medicare.

Unfortunately, I could go on and on about the horrible cuts in this bill.

For instance, cuts in the Small Business Administration could lead to the elimination of 75% of the agency's current staff level. My colleagues across the aisle are often touting their commitment to small businesses, however, this bill fails to live up to their promises. It is apparent from this bill, that their main concern does not lie with small businesses but with large ones.

The Small Business Administration is vital to small business across the country. It provides technical services, financial advice, and general support for those businesses. Large corporations have the luxury of in-house counsel to assist in these needs. Small businesses do not. They often turn to the SBA to provide them with the guidance and assistance they need. Unfortunately, without the proper staffing levels, the SBA will be unable to assist the majority of the businesses that make requests for help.

This bill also has deep cuts in the National Oceanic and Atmospheric Administration and the National Weather Service that will have a devastating impact on all Americans. The National Weather Service is essential to the safety of every single one of us. I am always amazed when there is an effort to eliminate or cut the funding for this agency.

The National Weather Service provides warnings to thousands of Americans about tornadoes, hurricanes, flash floods, and countless other weather conditions that are or could be dangerous to communities. Because of these warnings, thousands of lives are saved each year. In my state of Hawaii, it is essential that we are kept up to date about possible hurricanes.

I cannot support a bill that could hurt my state's ability to deal with these natural disasters.

This bill has a number of good things in it. It calls for increases in a number of extremely important programs and services. However, I cannot support it. I cannot support this bill, because at the same time it increases funding for essential and vital programs, it slashes or eliminates funding for countless others.

Because of these unwise and crippling cuts, I urge my colleagues to oppose H.R. 2670.

Mr. COSTELLO. Mr. Chairman, I want to express my concerns about the funding level included in this bill for NOAA's programs, particularly those of the National Weather Service. The funding levels in this bill fall short of the Administration's request and the Science Committee's recommendations for these programs.

The programs of the National Weather Service are of great importance to the people of my district, and indeed to all of our constituents. Over the past few Congresses, we have invested several billion dollars in the weather service modernization program. The Weather Service has not completed the deployment of the Advanced Weather Information Processing System (AWIPS). Now, when we are about to reap the largest benefits of this program, we are unable to provide the additional $18 million to deploy advanced software which will improve severe storm warning lead times, reduce false alarm rates, and improve severe storm detection—improvements which can save lives. The importance of this new technology was recently demonstrated during the May tornado outbreak in Oklahoma and Kansas. The funding levels in this bill represent a penny-wise, pound-foolish approach to government spending.

In order to accommodate the funding needs of the Small Business Administration and the Census Bureau, the Committee designated almost $5 billion dollars as "emergency" spending to take these expenditures off-budget. I don't deny the importance of these programs, but they can hardly be classified as emergencies. We know the Census Bureau has a constitutional responsibility to conduct the census periodically. The Small Business Administration programs are worthy of our support, but if they are funded under emergency provisions, I cannot understand why we wouldn't fully fund the National Weather Service Programs under the same criteria.

The National Weather Service is a critical federal agency that affects every citizen, every day. The employees in the National Weather Service offices across this country need adequate resources to continue to deliver the fine service to us that we have all become accustomed to. I hope that the Conference with the Senate will produce a bill that contains more realistic funding levels for NOAA and for the other essential programs funded under this appropriations bill.

Mr. SMITH of Washington. Mr. Chairman, I rise today in support of funding to help the Northwest Region respond to the listings of 13 salmon and steelhead populations under the Endangered Species Act and to implement the recently signed Pacific Salmon Treaty between the U.S. and Canada.

I understand that the Commerce, Justice, State Subcommittee was unable, under the current allocations, to provide funding for these administration requests. Unfortunately, this puts our region in a very difficult position for trying to comply with the federal law.

In March, the National Marine Fisheries Service listed the salmon and steelhead populations whose habitat encompasses nearly the entire west coast. In the Puget Sound region, which I represent, we are working to respond to these listings. The listings threaten to completely halt all routine activities in the area such as development, operations of ports, and basic transportation projects.

Our state has responded positively, with both the state and local government taking a proactive approach to dealing with these problems, but federal funds are critical. Currently, we are working with the National Marine Fisheries Services to develop locally-driven, scientifically credible recovery strategies to restore these populations but we cannot do this alone. I ask that we find the federal funding to help address this situation.

In addition, I am extremely please about the recently announced agreement between the U.S. and Canada on the Pacific Salmon Treaty which sets harvest and conservation measures for the multi-jurisdictional salmon populations. This agreement solves a number of long-standing disputes and is an incredibly important step for saving the salmon in the Northwest region. Now, to ensure that the necessary conservation and restoration goals are met, the White House has asked Congress to create an endowment fund for both the Northern and Southern boundary areas. I strongly support Congress finding the funding to ensure implementation of this historic agreement.

Mr. BEREUTER. Mr. Chairman, this Member rises today to express his great appreciation to the Chairman of the Commerce, Justice, State, and Judiciary Subcommittee, the distinguished gentleman from Kentucky (Mr. ROGERS), and the Ranking Member on the Subcommittee, the distinguished gentleman from New York (Mr. SERRANO), and to all members of the Subcommittee for the inclusion of a $500,000 appropriation for planning and site money for a detention center in Grand Island, Nebraska.

This country's interior illegal immigration problems have grossly been ignored, in part because the Immigration and Naturalization Service (INS) has been unwilling to acknowledge the exponential increase in the interior's illegal alien population. In addition to failing to acknowledge the population increase, the agency has not devoted the necessary funds for the development of the infrastructure to allow its officials to implement one of this country's fundamental immigration laws—that illegal aliens are to be deported from the United States.

Although the proposed project will not be in this Member's district, this Member strongly believes the facility will serve an important role in building the aforementioned infrastructure. The detention facility will provide a crucial link between the apprehension and the deportation of illegal aliens in Nebraska and Iowa. It will be beneficial not only in conjunction with worksite enforcement programs such as Operation Vanguard, which the Subcommittee mentions, but also with efforts to deter alien smuggling.

In recent years, Interstate 80, which traverses the states, has become a popular venue for alien smuggling. After apprehending suspected illegal aliens, the Immigration and Naturalization Service (INS) has few options for detaining the suspects. Detention space in county jails has become severely limited. As a city centrally located along I–80, Grand Island, Nebraska, certainly will serve well as the primary site of the modular detention center.

In closing Mr. Chairman, this Member wishes to acknowledge and express his most sincere appreciation for the assistance that Chairman ROGERS, the Subcommittee, especially the gentleman from Iowa (Mr. LATHAM), and the Subcommittee staff provided thus far on this important project.

The CHAIRMAN. There being no further amendments under a previous order of the House, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. QUINN) having assumed the chair, Mr. HASTINGS of Washington, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes, pursuant to House Resolution 273, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. BONIOR

Mr. BONIOR. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BONIOR. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. BONIOR moves to recommit the bill H.R. 2670 to the Committee on Appropriations with instructions to report the same back to the House with an amendment that increases the amount provided for community oriented policing services to the amount requested in the President's budget, with corresponding adjustments to keep the bill within the committee 302(b) allocation.

POINT OF ORDER

Mr. OBEY. Mr. Speaker, I make a point of order that the House could not hear the motion, and I would ask that the Clerk reread the motion.

The Speaker pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The Clerk will reread the motion.

The Clerk reread the motion to recommit.

□ 2100

Mr. BONIOR. Mr. Speaker, before I begin, let me just take this opportunity to commend the distinguished gentleman from Washington State (Mr. HASTINGS) for the efficient and fair way in which he handled the proceedings over the last 2 days and, I might also add, the way that the chairman of the committee the gentleman from Kentucky (Mr. ROGERS) and the gentleman from New York (Mr. SERRANO) have also conducted themselves. We appreciate their work this evening.

Mr. Speaker, the shootings in Littleton, Atlanta, and just today in Pelham, Alabama, strike fear into our hearts. As parents, we worry about our children. We worry about our safety. We worry about our children's safety in the schools.

Fortunately, Mr. Speaker, the statistics show that crime is declining in America. Thanks to the bravery and the hard work of our police, the numbers of burglaries and assaults and vehicle thefts and murders and robberies all dropped again last year.

But we still have a long way to go. We need tougher law enforcement. We need to keep our streets and our schools and our homes safe. We cannot do any of this without more police officers in our communities, Mr. Speaker, walking the beat, patrolling our neighborhoods, cracking down on crime.

The COPS program helps local police departments hire more officers and puts them out on the street. To date this funding has put 80,000 officers into action across this country fighting crime and getting results.

In my district alone, 85 extra police officers now walk the beat or patrol the streets. Just this spring, Macomb County, Port Huron, Fort Gratiot, Capac and Clay Townships all got grants to hire new officers. And that has happened in every district throughout this country. They help avert problems before they happen and give people a sense of security.

Mr. Speaker, all this is happening in communities, as I say, across the country. So why in the world would this Congress slash funding for more police officers? Why would we cut $1 billion below last year's level? It just does not make any sense.

I am offering this motion to restore full funding for the COPS program for community policing so that we can win the war on crime.

The President has promised to veto this bill if it arrives at his desk without enough money to hire police that this country needs. If we are going to win the fight against crime, we are going to have to restore these monies.

Mr. Speaker, we are going to win this battle. It is going to happen either tonight in this motion or it is going to happen in conference. But we will win this battle.

Let us send back this bill and fund the COPS program and then bring it back to this body. Please vote "yes" on the motion to recommit.

Mr. ROGERS. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, this bill provides $268 million, that is the authorized level, for fiscal 2000 for the COPS program. Every penny of the authorized level is in this bill.

About 3 weeks ago there was a big ceremony down at the White House where they celebrated, they say, the addition and the completion of the

COPS program, 100,000 cops on the beat. Now they want a new program. We fully funded the COPS program as we have known it. Now they want a new program.

In fact, the administration's request is not only not authorized, but the administration has not even bothered to submit authorizing legislation for this new $1.3 billion program.

Instead of the administration's so-called COPS II program, this bill provides big grant programs for our local and State police. It gives our local governments the ability to decide how best to spend the money on fighting crime, not what some bureaucrat in Washington says we should do in spending the money.

By the way, on school violence, in this bill is $192.5 million for school violence programs, $130 million for local law enforcement technology grant, $25 million for bulletproof vests for law enforcement, and $285 million for juvenile justice prevention programs.

In this bill is the Congressional version of COPS, the local grants that allow our communities to decide how and when to spend the money. It does not require a matching grant, as does the COPS program. We give it all, and we do not limit it to what they can spend it for.

In this bill we provide $1.2 billion, more than the administration requested, for State and local law enforcement; $523 million for local law enforcement block grants, they requested zero; $686 million for truth-in-sentencing block grants, they requested $75 million; $250 million for the juvenile accountability block grant, they requested zero; $585 million for the State Criminal Alien Assistance Program, more than they requested; $552 million for the Byrne Grant Program, for which they requested $100 million less.

These grants provide the assistance to our State and local law enforcement that they want, not what the bureaucrats in Washington want.

These are the programs, my colleagues, that would be required to be cut to fund this new, unauthorized COPS program that the administration feels so strongly about that they have not even bothered to send up legislation to authorize it. These are the programs that have helped bring about the crime rate reductions that are making historic notes today.

We can tell our colleagues today that, mainly because of the local block grants that this Congress provided over the last 3 years, the violent crime rate is at its lowest level since it has been recorded. These are the programs that would be cut by this recommittal amendment.

Let me finish by saying this: This motion would kill this bill. It would require the whole bill to go back to subcommittee and full committee for rehearings and a re-determination of how we would fund the cut required by this amendment.

We would be here tomorrow, we would be here Saturday, we would be here next week, at least, trying to find the money. I urge a "no" vote.

The SPEAKER pro tempore (Mr. QUINN). The question is on the motion to recommit offered by the gentleman from Michigan (Mr. BONIOR).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BONIOR. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—ayes 208, noes 219, not voting 6, as follows:

[Roll No. 386]

AYES—208

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOES—219

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—6

Bilbray
Lantos
McDermott
Mollohan
Peterson (PA)
Reyes

□ 2125

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. ARMEY was allowed to speak out of order.)

LEGISLATIVE PROGRAM

Mr. ARMEY. Mr. Speaker, I would like to announce the schedule for the rest of the evening.

Mr. Speaker, we will next take up the rule for VA-HUD which is debatable for 1 hour. We expect a recorded vote on the VA-HUD rule.

We then plan to call up the conference report on H.R. 1905, the Legislative Branch Appropriations Act. The conference report will be debated for 20 minutes, followed by a recorded vote. Mr. Speaker, Members should note that we expect the vote on the Legislative Branch conference report to be the last vote for the evening.

The House will then consider a number of noncontroversial bills:

H.R. 2116, the Veterans Millennium Health Care Act; a motion to go to conference on S. 1467, a bill to extend the funding levels for aviation programs for 60 days; S. 507, the conference report for the Water Resources Development Act.

Mr. Speaker, that means we will be in late tonight, but I know that Members will be pleased to finish all legislative business tonight so that they can return to their districts and their families first thing in the morning.

The SPEAKER pro tempore (Mr. QUINN). The question is on the passage of the bill.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The Chair will remind the Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 217, nays 210, not voting 7, as follows:

[Roll No. 387]

YEAS—217

Abercrombie
Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boucher
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Chambliss
Coble
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hilleary
Hobson
Hoekstra
Horn
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (NY)
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Oxley
Packard
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rodriguez
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Traficant
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—210

Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barr
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chenoweth
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Ganske
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hefley
Hill (IN)
Hill (MT)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hostettler
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Klink
Kucinich
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Rivers
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schaffer
Schakowsky
Scott
Sensenbrenner
Sherman
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tancredo
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—7

Bilbray
Kleczka
Lantos
McDermott
Mollohan
Peterson (PA)
Reyes

□ 2142

Mr. DINGELL changed his vote from "yea" to "nay."

Mr. CRANE and Mr. ROHRABACHER changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. KLECZKA. Mr. Speaker, on rollcall No. 387, I was unavoidably detained. Had I been present, I would have voted "no."

CONFERENCE REPORT ON H.R. 2587, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mr. ISTOOK submitted the following conference report and statement on the bill (H.R. 2587) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes:

CONFERENCE REPORT (H. REPT. 106–299)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2587) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 2000, and for other purposes, namely:

TITLE I—FISCAL YEAR 2000 APPROPRIATIONS

FEDERAL FUNDS

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

For a Federal payment to the District of Columbia for a program to be administered by the Mayor for District of Columbia resident tuition support, subject to the enactment of authorizing legislation for such program by Congress, $17,000,000, to remain available until expended: Provided, That such funds may be used on behalf of eligible District of Columbia residents to pay an amount based upon the difference between in-State and out-of-State tuition at public institutions of higher education, usable at both public and private institutions of higher education: Provided further, That the awarding of such funds may be prioritized on the basis of a resident's academic merit and such other factors as may be authorized: Provided further, That if the authorized program is a nationwide program, the Mayor may expend up to $17,000,000: Provided further, That if the authorized program is for a limited number of states, the Mayor may expend up to $11,000,000: Provided further, That the District of Columbia may expend funds other than the funds provided under this heading, including local tax revenues and contributions, to support such program.

FEDERAL PAYMENT FOR INCENTIVES FOR ADOPTION OF CHILDREN

For a Federal payment to the District of Columbia to create incentives to promote the adoption of children in the District of Columbia foster care system, $5,000,000: Provided, That such funds shall remain available until September 30, 2001 and shall be used in accordance with a program established by the Mayor and the Council of the District of Columbia and approved by the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That funds provided under this heading may be used to cover the costs to the District of Columbia of providing tax credits to offset the costs incurred by individuals in adopting children in the District of Columbia foster care system and in providing for the health care needs of such children, in accordance with legislation enacted by the District of Columbia government.

FEDERAL PAYMENT TO THE CITIZEN COMPLAINT REVIEW BOARD

For a Federal payment to the District of Columbia for administrative expenses of the Citizen Complaint Review Board, $500,000, to remain available until September 30, 2001.

FEDERAL PAYMENT TO THE DEPARTMENT OF HUMAN SERVICES

For a Federal payment to the Department of Human Services for a mentoring program and for hotline services, $250,000.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA CORRECTIONS TRUSTEE OPERATIONS

For salaries and expenses of the District of Columbia Corrections Trustee, $176,000,000 for the administration and operation of correctional facilities and for the administrative operating costs of the Office of the Corrections Trustee, as authorized by section 11202 of the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105–33; 111 Stat. 712): Provided, That notwithstanding any other provision of law, funds appropriated in this Act for the District of Columbia Corrections Trustee shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies: Provided further, That in addition to the funds provided under this heading, the District of Columbia Corrections Trustee may use a portion of the interest earned on the Federal payment made to the Trustee under the District of Columbia Appropriations Act, 1998, (not to exceed $4,600,000) to carry out the activities funded under this heading.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

For salaries and expenses for the District of Columbia Courts, $99,714,000 to be allocated as follows: for the District of Columbia Court of Appeals, $7,209,000; for the District of Columbia Superior Court, $75,651,000; for the District of Columbia Court System, $8,854,000; and $8,000,000, to remain available until September 30, 2001, for capital improvements for District of Columbia courthouse facilities: Provided, That of the amounts available for operations of the District of Columbia Courts, not to exceed $2,500,000 shall be for the design of an Integrated Justice Information System and that such funds shall be used in accordance with a plan and design developed by the courts and approved by the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration [GSA], said services to include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

For payments authorized under section 11–2604 and section 11–2605, D.C. Code (relating to representation provided under the District of Columbia Criminal Justice Act), payments for counsel appointed in proceedings in the Family Division of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Code, and payments for counsel authorized under section 21–2060, D.C. Code (relating to representation provided under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986), $33,336,000, to remain available until expended: Provided, That in addition to the funds provided under this heading, the Joint Committee on Judicial Administration in the District of Columbia may use a portion (not to exceed $1,200,000) of the interest earned on the Federal payment made to the District of Columbia courts under the District of Columbia Appropriations Act, 1999, to make payments described under this heading for obligations incurred during fiscal year 1999 if the Comptroller General certifies that the amount of obligations lawfully incurred for such payments during fiscal year 1999 exceeds the obligational authority otherwise available for making such payments: Provided further, That such funds shall be administered by the Joint Committee on Judicial Administration in the District of Columbia: Provided further, That notwithstanding any other provision of law, this appropriation shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration [GSA], said services to include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

For salaries and expenses of the Court Services and Offender Supervision Agency for the District of Columbia, as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997, (Public Law 105–33; 111 Stat. 712), $93,800,000, of which $58,600,000 shall be for necessary expenses of Parole Revocation, Adult Probation, Offender Supervision, and Sex Offender Registration, to include expenses relating to supervision of adults subject to protection orders or provision of services for or related to such persons; $17,400,000 shall be available to the Public Defender Service; and $17,800,000 shall be available to the Pretrial Services Agency: Provided, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies: Provided further, That of the amounts made available under this heading, $20,492,000 shall be used in support of universal drug screening and testing for those individuals on pretrial, probation, or parole supervision with continued testing, intermediate sanctions, and treatment for those identified in need, of which $7,000,000 shall be for treatment services.

CHILDREN'S NATIONAL MEDICAL CENTER

For a Federal contribution to the Children's National Medical Center in the District of Columbia, $2,500,000 for construction, renovation, and information technology infrastructure costs associated with establishing community pediatric health clinics for high risk children in medically underserved areas of the District of Columbia.

FEDERAL PAYMENT FOR METROPOLITAN POLICE DEPARTMENT

For payment to the Metropolitan Police Department, $1,000,000, for a program to eliminate open air drug trafficking in the District of Columbia: Provided, That the Chief of Police shall provide quarterly reports to the Committees on Appropriations of the Senate and House of Representatives by the 15th calendar day after the end of each quarter beginning December 31, 1999, on the status of the project financed under this heading.

DISTRICT OF COLUMBIA FUNDS

OPERATING EXPENSES

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $162,356,000 (including $137,134,000 from local funds, $11,670,000 from Federal funds, and $13,552,000 from other funds): Provided, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for official purposes: Provided further, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: Provided further, That no revenues from Federal sources shall be used to support the operations or activities of the Statehood Commission and Statehood Compact Commission: Provided further, That the District of Columbia shall identify the sources of funding for Admission to Statehood from its own locally-generated revenues: Provided further, That all employees permanently assigned to work in the Office of the Mayor shall be paid from funds allocated to the Office of the Mayor: Provided further, That, notwithstanding any other provision of law now or hereafter enacted, no Member of the District of Columbia Council eligible to earn a part-time salary of $92,520, exclusive of the Council Chairman, shall be paid a salary of more than $84,635 during fiscal year 2000.

Economic Development and Regulation

Economic development and regulation, $190,335,000 (including $52,911,000 from local funds, $84,751,000 from Federal funds, and $52,673,000 from other funds), of which $15,000,000 collected by the District of Columbia in the form of BID tax revenue shall be paid to the respective BIDs pursuant to the Business Improvement Districts Act of 1996 (D.C. Law 11–134; D.C. Code, sec. 1–2271 et seq.), and the Business Improvement Districts Temporary Amendment Act of 1997 (D.C. Law 12–23): Provided, That such funds are available for acquiring services provided by the General Services Administration: Provided further, That Business Improvement Districts shall be exempt from taxes levied by the District of Columbia.

Public Safety and Justice

Public safety and justice, including purchase or lease of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, $778,770,000 (including $565,511,000 from local funds, $29,012,000 from Federal funds, and $184,247,000 from other funds): Provided, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Department of Fire and Emergency Medical Services of the District of Columbia is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: Provided further, That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: Provided further, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department: Provided further, That notwithstanding any other provision of law, or Mayor's Order 86–45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be $500,000: Provided further, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed $500,000: Provided further, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: Provided further, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for emergency services involved: Provided further, That the Metropolitan Police Department is authorized to maintain 3,800 sworn officers, with leave for a 50 officer attrition: Provided further, That no more than 15 members of the Metropolitan Police Department shall be detailed or assigned to the Executive Protection Unit, until the Chief of Police submits a recommendation to the Council for its review: Provided further, That $100,000 shall be available for inmates released on medical and geriatric parole: Provided further, That commencing on December 31, 1999, the Metropolitan Police Department shall provide to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives, quarterly reports on the status of crime reduction in each of the 83 police service areas established throughout the District of Columbia: Provided further, That up to $700,000 in local funds shall be available for the operations of the Citizen Complaint Review Board.

Public Education System

Public education system, including the development of national defense education programs, $867,411,000 (including $721,847,000 from local funds, $120,951,000 from Federal funds, and $24,613,000 from other funds), to be allocated as follows: $713,197,000 (including $600,936,000 from local funds, $106,213,000 from Federal funds, and $6,048,000 from other funds), for the public schools of the District of Columbia; $10,700,000 from local funds for the District of Columbia Teachers' Retirement Fund; $17,000,000 from local funds, previously appropriated in this Act as a Federal payment, for resident tuition support at public and private institutions of higher learning for eligible District residents; $27,885,000 from local funds for public charter schools: Provided, That if the entirety of this allocation has not been provided as payments to any public charter schools currently in operation through the per pupil funding formula, the funds shall be available for new public charter schools on a per pupil basis: Provided further, That $480,000 of this amount shall be available to the District of Columbia Public Charter School Board for administrative costs: $72,347,000 (including $40,491,000 from local funds, $13,536,000 from Federal funds, and $18,320,000 from other funds) for the University of the District of Columbia; $24,171,000 (including $23,128,000 from local funds, $798,000 from Federal funds, and $245,000 from other funds) for the Public Library; $2,111,000 (including $1,707,000 from local funds and $404,000 from Federal funds) for the Commission on the Arts and Humanities: Provided further, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: Provided further, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for official purposes: Provided further, That none of the funds contained in this Act may be made available to pay the salaries of any District of Columbia Public School teacher, principal, administrator, official, or employee who knowingly provides false enrollment or attendance information under article II, section 5 of the Act entitled "An Act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes", approved February 4, 1925 (D.C. Code, sec. 31–401 et seq.): Provided further, That this appropriation shall not be available to subsidize the education of any nonresident of the District of Columbia at any District of Columbia public elementary and secondary school during fiscal year 2000 unless the nonresident pays tuition to the District of Columbia at a rate that covers 100 percent of the costs incurred by the District of Columbia which are attributable to the education of the nonresident (as established by the Superintendent of the District of Columbia Public Schools): Provided further, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 2000, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area: Provided further, That the District of Columbia Public Schools shall not spend less than $365,500,000 on local schools through the Weighted Student Formula in fiscal year 2000: Provided further, That notwithstanding any other provision of law, the Chief Financial Officer of the District of Columbia shall apportion from the budget of the Public Education System a sum totaling 5 percent of the total budget to be set aside until the current student count for Public and Charter schools has been completed, and that this amount shall be apportioned between the Public and Charter schools based on their respective student population count: Provided further, That the District of Columbia Public Schools may spend $500,000 to engage in a Schools Without Violence program based on a model developed by the University of North Carolina, located in Greensboro, North Carolina.

Human Support Services

Human support services, $1,526,361,000 (including $635,373,000 from local funds, $875,814,000 from Federal funds, and $15,174,000 from other funds): Provided, That $25,150,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: Provided further, That a peer review committee shall be established to review medical payments and the type of service received by a disability compensation claimant: Provided further, That the District of Columbia shall not provide free government services such as water, sewer, solid waste disposal or collection, utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit organization, as defined in section 411(5) of the Stewart B. McKinney Homeless Assistance Act (101 Stat. 485; Public Law 100–77; 42 U.S.C. 11371), providing emergency shelter services in the District, if the District would not be qualified to receive reimbursement pursuant to such Act (101 Stat. 485; Public Law 100–77; 42 U.S.C. 11301 et seq.).

Public Works

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and leasing of passenger-carrying vehicles, $271,395,000 (including $258,341,000 from local funds, $3,099,000 from Federal funds, and $9,955,000 from other funds): Provided, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

Receivership Programs

For all agencies of the District of Columbia government under court ordered receivership, $342,077,000 (including $217,606,000 from local funds, $106,111,000 from Federal funds, and $18,360,000 from other funds).

WORKFORCE INVESTMENTS

For workforce investments, $8,500,000 from local funds, to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act for which employees are properly payable.

RESERVE

For a reserve to be established by the Chief Financial Officer of the District of Columbia and the District of Columbia Financial Responsibility and Management Assistance Authority, $150,000,000.

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY

For the District of Columbia Financial Responsibility and Management Assistance Authority, established by section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (109 Stat. 97; Public Law 104–8), $3,140,000: Provided, That none of the funds contained in this Act may be used to pay any compensation of the Executive Director or General Counsel of the Authority at a rate in excess of the maximum rate of compensation which may be paid to such individual during fiscal year 2000 under section 102 of such Act, as determined by the Comptroller General (as described in GAO letter report B–279095.2).

REPAYMENT OF LOANS AND INTEREST

For payment of principal, interest and certain fees directly resulting from borrowing by the District of Columbia to fund District of Columbia capital projects as authorized by sections 462, 475, and 490 of the District of Columbia Home Rule Act, approved December 24, 1973, as amended, and that funds shall be allocated for expenses associated with the Wilson Building, $328,417,000 from local funds: Provided, That for equipment leases, the Mayor may finance $27,527,000 of equipment cost, plus cost of issuance not to exceed 2 percent of the par amount being financed on a lease purchase basis with a maturity not to exceed 5 years: Provided further, That $5,300,000 is allocated to the Metropolitan Police Department, $3,200,000 for the Fire and Emergency Medical Services Department, $350,000 for the Department of Corrections, $15,949,000 for the Department of Public Works and $2,728,000 for the Public Benefit Corporation.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,286,000 from local funds, as authorized by section 461(a) of the District of Columbia Home Rule Act (105 Stat. 540; D.C. Code, sec. 47–321(a)(1)).

PAYMENT OF INTEREST ON SHORT-TERM BORROWING

For payment of interest on short-term borrowing, $9,000,000 from local funds.

CERTIFICATES OF PARTICIPATION

For lease payments in accordance with the Certificates of Participation involving the land site underlying the building located at One Judiciary Square, $7,950,000 from local funds.

OPTICAL AND DENTAL INSURANCE PAYMENTS

For optical and dental insurance payments, $1,295,000 from local funds.

PRODUCTIVITY BANK

The Chief Financial Officer of the District of Columbia, under the direction of the Mayor and the District of Columbia Financial Responsibility and Management Assistance Authority, shall finance projects totaling $20,000,000 in local funds that result in cost savings or additional revenues, by an amount equal to such financing: Provided, That the Mayor shall provide quarterly reports to the Committees on Appropriations of the House of Representatives and the Senate by the 15th calendar day after the end of each quarter beginning December 31, 1999, on the status of the projects financed under this heading.

PRODUCTIVITY BANK SAVINGS

The Chief Financial Officer of the District of Columbia, under the direction of the Mayor and the District of Columbia Financial Responsibility and Management Assistance Authority, shall make reductions totaling $20,000,000 in local funds. The reductions are to be allocated to projects funded through the Productivity Bank that produce cost savings or additional revenues in an amount equal to the Productivity Bank financing: Provided, That the Mayor shall provide quarterly reports to the Committees on Appropriations of the House of Representatives and the Senate by the 15th calendar day after the end of each quarter beginning December 31, 1999, on the status of the cost savings or additional revenues funded under this heading.

PROCUREMENT AND MANAGEMENT SAVINGS

The Chief Financial Officer of the District of Columbia, under the direction of the Mayor and the District of Columbia Financial Responsibility and Management Assistance Authority, shall make reductions of $14,457,000 for general supply schedule savings and $7,000,000 for management reform savings, in local funds to one or more of the appropriation headings in this Act: Provided, That the Mayor shall provide quarterly reports to the Committees on Appropriations of the House of Representatives and the Senate by the 15th calendar day after the end of each quarter beginning December 31, 1999, on the status of the general supply schedule savings and management reform savings projected under this heading.

ENTERPRISE AND OTHER FUNDS

WATER AND SEWER AUTHORITY AND THE WASHINGTON AQUEDUCT

For operation of the Water and Sewer Authority and the Washington Aqueduct, $279,608,000 from other funds (including $236,075,000 for the Water and Sewer Authority and $43,533,000 for the Washington Aqueduct) of which $35,222,000 shall be apportioned and payable to the District's debt service fund for repayment of loans and interest incurred for capital improvement projects.

For construction projects, $197,169,000, as authorized by An Act authorizing the laying of watermains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes (33 Stat. 244; Public Law 58–140; D.C. Code, sec. 43–1512 et seq.): Provided, That the requirements and restrictions that are applicable to general fund capital improvements projects and set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982 (95 Stat. 1174 and 1175; Public Law 97–91), for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia (D.C. Law 3–172; D.C. Code, sec. 2–2501 et seq. and sec. 22–1516 et seq.), $234,400,000: Provided, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally generated revenues: Provided further, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

SPORTS AND ENTERTAINMENT COMMISSION

For the Sports and Entertainment Commission, $10,846,000 from other funds for expenses incurred by the Armory Board in the exercise of its powers granted by the Act entitled "An Act To Establish A District of Columbia Armory Board, and for other purposes" (62 Stat. 339; D.C. Code, sec. 2–301 et seq.) and the District of Columbia Stadium Act of 1957 (71 Stat. 619; Public Law 85–300; D.C. Code, sec. 2–321 et seq.): Provided, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 442(b) of the District of Columbia Home Rule Act (87 Stat. 824; Public Law 93–198; D.C. Code, sec. 47–301(b)).

DISTRICT OF COLUMBIA HEALTH AND HOSPITALS PUBLIC BENEFIT CORPORATION

For the District of Columbia Health and Hospitals Public Benefit Corporation, established by D.C. Law 11–212, D.C. Code, sec. 32–262.2, $133,443,000 of which $44,435,000 shall be derived by transfer from the general fund and $89,008,000 from other funds.

DISTRICT OF COLUMBIA RETIREMENT BOARD

For the District of Columbia Retirement Board, established by section 121 of the District of Columbia Retirement Reform Act of 1979 (93 Stat. 866; D.C. Code, sec. 1–711), $9,892,000 from the earnings of the applicable retirement funds to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: Provided, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: Provided further, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an itemized accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report: Provided further, That section 121(c)(1) of the District of Columbia Retirement Reform Act (D.C. Code, sec. 1–711(c)(1)) is amended by striking "the total amount to which a member may be entitled" and all that follows and inserting the following: "the total amount to which a member may be entitled under this subsection during a year (beginning with 1998) may not exceed $5,000, except that in the case of the Chairman of the Board and the Chairman of the Investment Committee of the Board, such amount may not exceed $7,500 (beginning with 2000).".

CORRECTIONAL INDUSTRIES FUND

For the Correctional Industries Fund, established by the District of Columbia Correctional Industries Establishment Act (78 Stat. 1000; Public Law 88–622), $1,810,000 from other funds.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For the Washington Convention Center Enterprise Fund, $50,226,000 from other funds.

CAPITAL OUTLAY

(INCLUDING RESCISSIONS)

For construction projects, $1,260,524,000 of which $929,450,000 is from local funds, $54,050,000 is from the highway trust fund, and $277,024,000 is from Federal funds, and a rescission of $41,886,500 from local funds appropriated under this heading in prior fiscal years, for a net amount of $1,218,637,500 to remain available until expended: Provided, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: Provided further, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: Provided *further, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968 (82 Stat. 827; Public Law 90–495; D.C. Code, sec. 7–134, note), for which funds are provided by this appropriation title, shall expire on September 30, 2001, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 2001: Provided further, That upon expiration of any such project authorization, the funds provided herein for the project shall lapse.*

GENERAL PROVISIONS

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official, and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 103. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: Provided, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101–7 (Federal Travel Regulations).

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: Provided, That in the case of the Council of the District of Columbia, funds may be expended with the authorization of the chair of the Council.

SEC. 106. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: Provided, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947 (70 Stat. 78; Public Law 84–460; D.C. Code, sec. 47–1812.11(c)(3)).

SEC. 107. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982 (D.C. Law 4–101; D.C. Code, sec. 3–205.44), and for the payment of the non-Federal share of funds necessary to qualify for grants under subtitle A of title II of the Violent Crime Control and Law Enforcement Act of 1994.

SEC. 108. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 110. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the Subcommittee on the District of Columbia of the House Committee on Government Reform, the Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative.

SEC. 111. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977 (D.C. Law 2–20; D.C. Code, sec. 47–421 et seq.).

SEC. 112. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

SEC. 113. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: Provided, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowings and spending progress compared with projections.

SEC. 114. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 115. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 116. None of the funds provided under this Act to the agencies funded by this Act, both Federal and District government agencies, that remain available for obligation or expenditure in fiscal year 2000, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for an agency through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or responsibility center; (3) establishes or changes allocations specifically denied, limited or increased by Congress in the Act; (4) increases funds or personnel by any means for any program, project, or responsibility center for which funds have been denied or restricted; (5) reestablishes through reprogramming any program or project previously deferred through reprogramming; (6) augments existing programs, projects, or responsibility centers through a reprogramming of funds in excess of $1,000,000 or 10 percent, whichever is less; or (7) increases by 20 percent or more personnel assigned to a specific program, project, or responsibility center; unless the Appropriations Committees of both the Senate and House of Representatives are notified in writing 30 days in advance of any reprogramming as set forth in this section.

SEC. 117. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia government.

SEC. 118. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980 (94 Stat. 1824; Public Law 96–425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: Provided, That this section shall not apply to security, emergency rescue, or armored vehicles.

SEC. 119. (a) CITY ADMINISTRATOR.—The last sentence of section 422(7) of the District of Columbia Home Rule Act (D.C. Code, sec. 1–242(7)) is amended by striking ", not to exceed" and all that follows and inserting a period.

(b) BOARD OF DIRECTORS OF REDEVELOPMENT LAND AGENCY.—Section 1108(c)(2)(F) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1–612.8(c)(2)(F)) is amended to read as follows:

"(F) Redevelopment Land Agency board members shall be paid per diem compensation at a rate established by the Mayor, except that such rate may not exceed the daily equivalent of the annual rate of basic pay for level 15 of the District Schedule for each day (including travel time) during which they are engaged in the actual performance of their duties.".

SEC. 120. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Law 2–139; D.C. Code, sec. 1–601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Home Rule Act (87 Stat. 790; Public Law 93–198; D.C. Code, sec. 1–242(3)), shall apply with respect to the compensation of District of Columbia employees: Provided, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5, United States Code.

SEC. 121. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, 2000, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year 2000 revenue estimates as of the end of the first quarter of fiscal year 2000. These estimates shall be used in the budget request for the fiscal year ending September 30, 2001. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 122. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6–85; D.C. Code, sec. 1–1183.3), except that the District of Columbia government or any agency thereof may renew or extend sole source contracts for which competition is not feasible or practical: Provided, That the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated rules and procedures and said determination has been reviewed and approved by the District of Columbia Financial Responsibility and Management Assistance Authority.

SEC. 123. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (99 Stat. 1037; Public Law 99–177), the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: Provided, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 124. In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (99 Stat. 1037; Public Law 99–177), after the amounts appropriated to the District of Columbia for the *fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: Provided, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by such Act.*

SEC. 125. (a) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 2000 if—

(1) the Mayor approves the acceptance and use of the gift or donation: Provided, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor; and

(2) the entity uses the gift or donation to carry out its authorized functions or duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 126. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979 (D.C. Law 3–171; D.C. Code, sec. 1–113(d)).

SEC. 127. (a) The University of the District of Columbia shall submit to the Mayor, the District of Columbia Financial Responsibility and Management Assistance Authority and the Council of the District of Columbia no later than 15 calendar days after the end of each quarter a report that sets forth—

(1) current quarter expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditure projections versus budget broken out on the basis of control center, responsibility center, and object class, and for all funds, non-appropriated funds, and capital financing;

(2) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and for all funding sources;

(3) a list of all active contracts in excess of $10,000 annually, which contains the name of each contractor; the budget to which the contract is charged, broken out on the basis of control center and responsibility center, and contract identifying codes used by the University of the District of Columbia; payments made in the last quarter and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals; and specific modifications made to each contract in the last month;

(4) all reprogramming requests and reports that have been made by the University of the District of Columbia within the last quarter in compliance with applicable law; and

(5) changes made in the last quarter to the organizational structure of the University of the District of Columbia, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

(b) The Mayor, the Authority, and the Council shall provide the Congress by February 1, 2000, a summary, analysis, and recommendations on the information provided in the quarterly reports.

SEC. 128. Funds authorized or previously appropriated to the government of the District of Columbia by this or any other Act to procure the necessary hardware and installation of new software, conversion, testing, and training to improve or replace its financial management system are also available for the acquisition of accounting and financial management services and the leasing of necessary hardware, software or any other related goods or services, as determined by the District of Columbia Financial Responsibility and Management Assistance Authority.

SEC. 129. None of the funds contained in this Act may be made available to pay the fees of an attorney who represents a party who prevails in an action, including an administrative proceeding, brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) if—

(1) the hourly rate of compensation of the attorney exceeds the hourly rate of compensation under section 11–2604(a), District of Columbia Code; or

(2) the maximum amount of compensation of the attorney exceeds the maximum amount of compensation under section 11–2604(b)(1), District of Columbia Code, except that compensation and reimbursement in excess of such maximum may be approved for extended or complex representation in accordance with section 11–2604(c), District of Columbia Code.

SEC. 130. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

SEC. 131. None of the funds made available in this Act may be used to implement or enforce the Health Care Benefits Expansion Act of 1992 (D.C. Law 9–114; D.C. Code, sec. 36–1401 et seq.) or to otherwise implement or enforce any system of registration of unmarried, cohabiting couples (whether homosexual, heterosexual, or lesbian), including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples.

SEC. 132. The Superintendent of the District of Columbia Public Schools shall submit to the Congress, the Mayor, the District of Columbia Financial Responsibility and Management Assistance Authority, and the Council of the District of Columbia no later than 15 calendar days after the end of each quarter a report that sets forth—

(1) current quarter expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditure projections versus budget, broken out on the basis of control center, responsibility center, agency reporting code, and object class, and for all funds, including capital financing;

(2) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and agency reporting code, and for all funding sources;

(3) a list of all active contracts in excess of $10,000 annually, which contains the name of each contractor; the budget to which the contract is charged, broken out on the basis of control center, responsibility center, and agency reporting code; and contract identifying codes used by the District of Columbia Public Schools; payments made in the last quarter and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals; and specific modifications made to each contract in the last month;

(4) all reprogramming requests and reports that are required to be, and have been, submitted to the Board of Education; and

(5) changes made in the last quarter to the organizational structure of the District of Columbia Public Schools, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

SEC. 133. (a) IN GENERAL.—The Superintendent of the District of Columbia Public Schools and the University of the District of Columbia shall annually compile an accurate and verifiable report on the positions and employees in the public school system and the university, respectively. The annual report shall set forth—

(1) the number of validated schedule A positions in the District of Columbia public schools and the University of the District of Columbia for fiscal year 1999, fiscal year 2000, and thereafter on full-time equivalent basis, including a compilation of all positions by control center, responsibility center, funding source, position type, position title, pay plan, grade, and annual salary; and

(2) a compilation of all employees in the District of Columbia public schools and the University of the District of Columbia as of the preceding December 31, verified as to its accuracy in accordance with the functions that each employee actually performs, by control center, responsibility center, agency reporting code, program (including funding source), activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(b) SUBMISSION.—The annual report required by subsection (a) of this section shall be submitted to the Congress, the Mayor, the District of Columbia Council, the Consensus Commission, and the Authority, not later than February 15 of each year.

SEC. 134. (a) No later than October 1, 1999, or within 30 calendar days after the date of the enactment of this Act, whichever occurs later, and each succeeding year, the Superintendent of the District of Columbia Public Schools and the University of the District of Columbia shall submit to the appropriate congressional committees, the Mayor, the District of Columbia Council, the Consensus Commission, and the District of Columbia Financial Responsibility and Management Assistance Authority, a revised appropriated funds operating budget for the public school system and the University of the District of Columbia for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

(b) The revised budget required by subsection (a) of this section shall be submitted in the format of the budget that the Superintendent of the District of Columbia Public Schools and the University of the District of Columbia submit to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia pursuant to section 442 of the District of Columbia Home Rule Act (Public Law 93–198; D.C. Code, sec. 47–301).

SEC. 135. The District of Columbia Financial Responsibility and Management Assistance Authority, acting on behalf of the District of Columbia Public Schools [DCPS] in formulating the DCPS budget, the Board of Trustees of the University of the District of Columbia, the Board of Library Trustees, and the Board of Governors of the University of the District of Columbia School of Law shall vote on and approve the respective annual or revised budgets for such entities before submission to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia in accordance with section 442 of the District of Columbia Home Rule Act (Public Law 93–198; D.C. Code, sec. 47–301), or before submitting their respective budgets directly to the Council.

SEC. 136. (a) CEILING ON TOTAL OPERATING EXPENSES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 2000 under the caption "Division of Expenses" shall not exceed the lesser of—

(A) the sum of the total revenues of the District of Columbia for such fiscal year; or

(B) $5,515,379,000 (of which $152,753,000 shall be from intra-District funds and $3,113,854,000 shall be from local funds), which amount may be increased by the following:

(i) proceeds of one-time transactions, which are expended for emergency or unanticipated operating or capital needs approved by the District of Columbia Financial Responsibility and Management Assistance Authority; or

(ii) after notification to the Council, additional expenditures which the Chief Financial Officer of the District of Columbia certifies will produce additional revenues during such fiscal year at least equal to 200 percent of such additional expenditures, and that are approved by the Authority.

(2) ENFORCEMENT.—The Chief Financial Officer of the District of Columbia and the Authority shall take such steps as are necessary to assure that the District of Columbia meets the requirements of this section, including the apportioning by the Chief Financial Officer of the appropriations and funds made available to the District during fiscal year 2000, except that the Chief Financial Officer may not reprogram for operating expenses any funds derived from bonds, notes, or other obligations issued for capital projects.

(b) ACCEPTANCE AND USE OF GRANTS NOT INCLUDED IN CEILING.—

(1) IN GENERAL.—Notwithstanding subsection (a), the Mayor, in consultation with the Chief Financial Officer, during a control year, as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (Public Law 104–8; 109 Stat. 152), may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(2) REQUIREMENT OF CHIEF FINANCIAL OFFICER REPORT AND AUTHORITY APPROVAL.—No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to paragraph (1) until—

(A) the Chief Financial Officer of the District of Columbia submits to the Authority a report setting forth detailed information regarding such grant; and

(B) the Authority has reviewed and approved the acceptance, obligation, and expenditure of such grant in accordance with review and approval procedures consistent with the provisions of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(3) PROHIBITION ON SPENDING IN ANTICIPATION OF APPROVAL OR RECEIPT.—No amount may be obligated or expended from the general fund or other funds of the District government in anticipation of the approval or receipt of a grant under paragraph (2)(B) of this subsection or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such paragraph.

(4) QUARTERLY REPORTS.—The Chief Financial Officer of the District of Columbia shall prepare a quarterly report setting forth detailed information regarding all Federal, private, and other grants subject to this subsection. Each such report shall be submitted to the Council of the District of Columbia, and to the Committees on Appropriations of the House of Representatives and the Senate, not later than 15 days after the end of the quarter covered by the report.

(c) REPORT ON EXPENDITURES BY FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY.—Not later than 20 calendar days after the end of each fiscal quarter starting October 1, 1999, the Authority shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Government Reform of the House, and the Committee on Governmental Affairs of the Senate providing an itemized accounting of all non-appropriated funds obligated or expended by the Authority for the quarter. The report shall include information on the date, amount, purpose, and vendor name, and a description of the services or goods provided with respect to the expenditures of such funds.

SEC. 137. If a department or agency of the government of the District of Columbia is under the administration of a court-appointed receiver or other court-appointed official during fiscal year 2000 or any succeeding fiscal year, the receiver or official shall prepare and submit to the Mayor, for inclusion in the annual budget of the District of Columbia for the year, annual estimates of the expenditures and appropriations necessary for the maintenance and operation of the department or agency. All such estimates shall be forwarded by the Mayor to the Council, for its action pursuant to sections 446 and 603(c) of the District of Columbia Home Rule Act, without revision but subject to the Mayor's recommendations. Notwithstanding any provision of the District of Columbia Home Rule Act (87 Stat. 790; Public Law 93–198; D.C. Code, sec. 1–101 et seq.) the Council may comment or make recommendations concerning such annual estimates but shall have no authority under such Act to revise such estimates.

SEC. 138. (a) Notwithstanding any other provision of law, rule, or regulation, an employee of the District of Columbia public schools shall be—

(1) classified as an Educational Service employee;

(2) placed under the personnel authority of the Board of Education; and

(3) subject to all Board of Education rules.

(b) School-based personnel shall constitute a separate competitive area from nonschool-based personnel who shall not compete with school-based personnel for retention purposes.

SEC. 139. (a) RESTRICTIONS ON USE OF OFFICIAL VEHICLES.—Except as otherwise provided in this section, none of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer's or employee's official duties. For purposes of this paragraph, the term "official duties" does not include travel between the officer's or employee's residence and workplace (except: (1) in the case of an officer or employee of the Metropolitan Police Department who resides in the District of Columbia or is otherwise designated by the Chief of the Department; (2) at the discretion of the Fire Chief, an officer or employee of the District of Columbia Fire and Emergency Medical Services Department who resides in the District of Columbia and is on call 24 hours a day; (3) the Mayor of the District of Columbia; and (4) the Chairman of the Council of the District of Columbia).

(b) INVENTORY OF VEHICLES.—The Chief Financial Officer of the District of Columbia shall submit, by November 15, 1999, an inventory, as of September 30, 1999, of all vehicles owned, leased or operated by the District of Columbia government. The inventory shall include, but not be limited to, the department to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.

SEC. 140. (a) SOURCE OF PAYMENT FOR EMPLOYEES DETAILED WITHIN GOVERNMENT.—For purposes of determining the amount of funds expended by any entity within the District of Columbia government during fiscal year 2000 and each succeeding fiscal year, any expenditures of the District government attributable to any officer or employee of the District government who provides services which are within the authority and jurisdiction of the entity (including any portion of the compensation paid to the officer or employee attributable to the time spent in providing such services) shall be treated as expenditures made from the entity's budget, without regard to whether the officer or employee is assigned to the entity or otherwise treated as an officer or employee of the entity.

(b) MODIFICATION OF REDUCTION IN FORCE PROCEDURES.—The District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1-601.1 et seq.), is further amended in section 2408(a) by deleting "1999" and inserting, "2000"; in subsection (b), by deleting "1999" and inserting "2000"; in subsection (i), by deleting "1999" and inserting, "2000"; and in subsection (k), by deleting "1999" and inserting, "2000".

SEC. 141. Notwithstanding any other provision of law, not later than 120 days after the date that a District of Columbia Public Schools [DCPS] student is referred for evaluation or assessment—

(1) the District of Columbia Board of Education, or its successor, and DCPS shall assess or evaluate a student who may have a disability and who may require special education services; and

(2) if a student is classified as having a disability, as defined in section 101(a)(1) of the Individuals with Disabilities Education Act (84 Stat. 175; 20 U.S.C. 1401(a)(1)) or in section 7(8) of the Rehabilitation Act of 1973 (87 Stat. 359; 29 U.S.C. 706(8)), the Board and DCPS shall place that student in an appropriate program of special education services.

SEC. 142. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a–10c).

(b) SENSE OF THE CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each agency of the Federal or District of Columbia government

shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 143. None of the funds contained in this Act may be used for purposes of the annual independent audit of the District of Columbia government (including the District of Columbia Financial Responsibility and Management Assistance Authority) for fiscal year 2000 unless—

(1) the audit is conducted by the Inspector General of the District of Columbia pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 (D.C. Code, sec. 1–1182.8(a)(4)); and

(2) the audit includes a comparison of audited actual year-end results with the revenues submitted in the budget document for such year and the appropriations enacted into law for such year.

SEC. 144. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the District of Columbia Financial Responsibility and Management Assistance Authority. Appropriations made by this Act for such programs or functions are conditioned only on the approval by the Authority of the required reorganization plans.

SEC. 145. Notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating District of Columbia Public School employees shall be a non-negotiable item for collective bargaining purposes.

SEC. 146. None of the funds contained in this Act may be used by the District of Columbia Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

SEC. 147. None of the funds contained in this Act may be used to transfer or confine inmates classified above the medium security level, as defined by the Federal Bureau of Prisons classification instrument, to the Northeast Ohio Correctional Center located in Youngstown, Ohio.

SEC. 148. (a) Section 202(i) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (Public Law 104–8), as added by Section 155 of the District of Columbia Appropriations Act, 1999, is amended to read as follows:

"(j) RESERVE.—

"(1) IN GENERAL.—Beginning with fiscal year 2000, the plan or budget submitted pursuant to this Act shall contain $150,000,000 for a reserve to be established by the Mayor, Council of the District of Columbia, Chief Financial Officer for the District of Columbia, and the District of Columbia Financial Responsibility and Management Assistance Authority.

"(2) CONDITIONS ON USE.—The reserve funds—

"(A) shall only be expended according to criteria established by the Chief Financial Officer and approved by the Mayor, Council of the District of Columbia, and District of Columbia Financial Responsibility and Management Assistance Authority, but, in no case may any of the reserve funds be expended until any other surplus funds have been used;

"(B) shall not be used to fund the agencies of the District of Columbia government under court ordered receivership; and

"(C) shall not be used to fund shortfalls in the projected reductions budgeted in the budget proposed by the District of Columbia government for general supply schedule savings and management reform savings.

"(3) REPORT REQUIREMENT.—The Authority shall notify the Appropriations Committees of both the Senate and House of Representatives in writing 30 days in advance of any expenditure of the reserve funds.".

(b) Section 202 of such act (Public Law 104–8), as amended by subsection (a), is amended by adding at the end the following:

"(k) POSITIVE FUND BALANCE.—

"(1) IN GENERAL.—The District of Columbia shall maintain at the end of a fiscal year an annual positive fund balance in the general fund of not less than 4 percent of the projected general fund expenditures for the following fiscal year.

"(2) EXCESS FUNDS.—Of funds remaining in excess of the amounts required by paragraph (1)—

"(A) not more than 50 percent may be used for authorized non-recurring expenses; and

"(B) not less than 50 percent shall be used to reduce the debt of the District of Columbia.".

SEC. 149. (a) No later than November 1, 1999, or within 30 calendar days after the date of the enactment of this Act, whichever occurs later, the Chief Financial Officer of the District of Columbia shall submit to the appropriate committees of Congress, the Mayor, and the District of Columbia Financial Responsibility and Management Assistance Authority a revised appropriated funds operating budget for all agencies of the District of Columbia government for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal-services, respectively, with anticipated actual expenditures.

(b) The revised budget required by subsection (a) of this section shall be submitted in the format of the budget that the District of Columbia government submitted pursuant to section 442 of the District of Columbia Home Rule Act (Public Law 93–198; D.C. Code, sec. 47–301).

SEC. 150. None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug, or for any payment to any individual or entity who carries out any such program.

SEC. 151. (a) RESTRICTIONS.—None of the funds contained in this Act may be used to make rental payments under a lease for the use of real property by the District of Columbia government (including any independent agency of the District) unless—

(1) the lease and an abstract of the lease have been filed with the central office of the Deputy Mayor for Economic Development; and

(2)(A) the District of Columbia government occupies the property during the period of time covered by the rental payment; or

(B) within 60 days of the enactment of this Act the Mayor certifies to Congress and the landlord that occupancy is impracticable and submits with the certification a plan to terminate or renegotiate the lease or rental agreement.

(b) UNOCCUPIED PROPERTY.—After 120 days from the date of the enactment of this Act, none of the funds contained in this Act may be used to make rental payments for property described in subsection (a)(2)(B) of this section.

(c) SEMI-ANNUAL REPORTS BY MAYOR.—Not later than 20 days after the end of each 6-month period that begins on October 1, 1999, the Mayor of the District of Columbia shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate listing the leases for the use of real property by the District of Columbia government that were in effect during the 6-month period, and including for each such lease the location of the property, the name of any person with any ownership interest in the property, the rate of payment, the period of time covered by the lease, and the conditions under which the lease may be terminated.

SEC. 152. None of the funds contained in this Act or the District of Columbia Appropriations Act, 1999, may be used to enter into a lease on or after the date of the enactment of this Act (or to make rental payments under such a lease) for the use of real property by the District of Columbia government (including any independent agency of the District) or to purchase real property for the use of the District of Columbia government (including any independent agency of the District) or to manage real property for the use of the District of Columbia (including any independent agency of the District) unless—

(1) the Mayor certifies to the Committees on Appropriations of the House of Representatives and the Senate that existing real property available to the District (whether leased or owned by the District government) is not suitable for the purposes intended;

(2) notwithstanding any other provisions of law, there is made available for sale or lease all property of the District of Columbia which the Mayor from time to time determines is surplus to the needs of the District of Columbia;

(3) the Mayor implements a program for the periodic survey of all District property to determine if it is surplus to the needs of the District; and

(4) the Mayor within 60 days of the date of the enactment of this Act has filed a report with the appropriations and authorizing committees of the House and Senate providing a comprehensive plan for the management of District of Columbia real property assets and is proceeding with the implementation of the plan.

SEC. 153. Section 603(e)(2)(B) of the Student Loan Marketing Association Reorganization Act of 1996 (Public Law 104–208; 110 Stat. 3009-293) is amended—

(1) by inserting "and public charter" after "public"; and

(2) by adding at the end the following: "Of such amounts and proceeds, $5,000,000 shall be set aside for use as a credit enhancement fund for public charter schools in the District of Columbia, with the administration of the fund (including the making of loans) to be carried out by the Mayor through a committee consisting of 3 individuals appointed by the Mayor of the District of Columbia and 2 individuals appointed by the Public Charter School Board established under section 2214 of the District of Columbia School Reform Act of 1995.".

SEC. 154. The Mayor, District of Columbia Financial Responsibility and Management Assistance Authority, and the Superintendent of Schools shall implement a process to dispose of excess public school real property within 90 days of the enactment of this Act.

SEC. 155. Section 2003 of the District of Columbia School Reform Act of 1995 (Public Law 104–134; D.C. Code, sec. 31–2851) is amended by striking "during the period" and "and ending 5 years after such date.".

SEC. 156. Section 2206(c) of the District of Columbia School Reform Act of 1995 (Public Law 104–134; D.C. Code, sec. 31–2853.16(c)) is amended by adding at the end the following: ", except that a preference in admission may be given to an applicant who is a sibling of a student already attending or selected for admission to the public charter school in which the applicant is seeking enrollment."

SEC. 157. (a) TRANSFER OF FUNDS.—There is hereby transferred from the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter referred to as the "Authority") to the District of Columbia the sum of $18,000,000 for severance payments to individuals separated from employment during fiscal year 2000 (under such terms and conditions as the Mayor considers appropriate), expanded contracting authority of the Mayor, and the implementation of a system of managed competition among public and private providers of goods and services by and on behalf of the District of Columbia: Provided, That such funds shall be used only in accordance with a plan agreed to by the Council and the Mayor and approved by the Committees on Appropriations of the House of Representatives and the Senate: Provided further, That the Authority and the Mayor shall coordinate the spending of funds for this program so that continuous progress is made. The Authority shall release said funds, on a quarterly basis, to reimburse such expenses, so long as the Authority certifies that the expenses reduce re-occurring future costs at an annual ratio of at least 2 to 1 relative to the funds provided, and that the program is in accordance with the best practices of municipal government.

(b) SOURCE OF FUNDS.—The amount transferred under subsection (a) shall be derived from interest earned on accounts held by the Authority on behalf of the District of Columbia.

SEC. 158. (a) IN GENERAL.—The District of Columbia Financial Responsibility and Management Assistance Authority (hereafter referred to as the "Authority"), working with the Commonwealth of Virginia and the Director of the National Park Service, shall carry out a project to complete all design requirements and all requirements for compliance with the National Environmental Policy Act for the construction of expanded lane capacity for the Fourteenth Street Bridge.

(b) SOURCE OF FUNDS; TRANSFER.—For purposes of carrying out the project under subsection (a), there is hereby transferred to the Authority from the District of Columbia dedicated highway fund established pursuant to section 3(a) of the District of Columbia Emergency Highway Relief Act (Public Law 104–21; D.C. Code, sec. 7–134.2(a)) an amount not to exceed $5,000,000.

SEC. 159. (a) IN GENERAL.—The Mayor of the District of Columbia shall carry out through the Army Corps of Engineers, an Anacostia River environmental cleanup program.

(b) SOURCE OF FUNDS.—There are hereby transferred to the Mayor from the escrow account held by the District of Columbia Financial Responsibility and Management Assistance Authority pursuant to section 134 of division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–552), for infrastructure needs of the District of Columbia, $5,000,000.

SEC. 160. (a) PROHIBITING PAYMENT OF ADMINISTRATIVE COSTS FROM FUND.—Section 16(e) of the Victims of Violent Crime Compensation Act of 1996 (D.C. Code, sec. 3–435(e)) is amended—

(1) by striking "and administrative costs necessary to carry out this chapter"; and

(2) by striking the period at the end and inserting the following: ", and no monies in the Fund may be used for any other purpose.".

(b) MAINTENANCE OF FUND IN TREASURY OF THE UNITED STATES.—

(1) IN GENERAL.—Section 16(a) of such Act (D.C. Code, sec. 3–435(a)) is amended by striking the second sentence and inserting the following: "The Fund shall be maintained as a separate fund in the Treasury of the United States. All amounts deposited to the credit of the Fund are appropriated without fiscal year limitation to make payments as authorized under subsection (e).".

(2) CONFORMING AMENDMENT.—Section 16 of such Act (D.C. Code, sec. 3–435) is amended by striking subsection (d).

(c) DEPOSIT OF OTHER FEES AND RECEIPTS INTO FUND.—Section 16(c) of such Act (D.C. Code, sec. 3–435(c)) is amended by inserting after "1997," the second place it appears the following: "any other fines, fees, penalties, or assessments that the Court determines necessary to carry out the purposes of the Fund.".

(d) ANNUAL TRANSFER OF UNOBLIGATED BALANCES TO MISCELLANEOUS RECEIPTS OF TREASURY.—Section 16 of such Act (D.C. Code, sec. 3–435), as amended by subsection (b)(2), is amended by inserting after subsection (c) the following new subsection:

"(d) Any unobligated balance existing in the Fund in excess of $250,000 as of the end of each fiscal year (beginning with fiscal year 2000) shall be transferred to miscellaneous receipts of the Treasury of the United States not later than 30 days after the end of the fiscal year.".

(e) RATIFICATION OF PAYMENTS AND DEPOSITS.—Any payments made from or deposits made to the Crime Victims Compensation Fund on or after April 9, 1997 are hereby ratified, to the extent such payments and deposits are authorized under the Victims of Violent Crime Compensation Act of 1996 (D.C. Code, sec. 3–421 et seq.), as amended by this section.

SEC. 161. CERTIFICATION.—None of the funds contained in this Act may be used after the expiration of the 60–day period that begins on the date of the enactment of this Act to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District) who has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to the officer and their agency as a result of this Act.

SEC. 162. The proposed budget of the government of the District of Columbia for fiscal year 2001 that is submitted by the District to Congress shall specify potential adjustments that might become necessary in the event that the management savings achieved by the District during the year do not meet the level of management savings projected by the District under the proposed budget.

SEC. 163. In submitting any document showing the budget for an office of the District of Columbia government (including an independent agency of the District) that contains a category of activities labeled as "other", "miscellaneous", or a similar general, nondescriptive term, the document shall include a description of the types of activities covered in the category and a detailed breakdown of the amount allocated for each such activity.

SEC. 164. (a) AUTHORIZING CORPS OF ENGINEERS TO PERFORM REPAIRS AND IMPROVEMENTS.—

(1) IN GENERAL.—In using the funds made available under this Act or any other Act for carrying out improvements to the Southwest Waterfront in the District of Columbia (including upgrading marina dock pilings and paving and restoring walkways in the marina and fish market areas) for the portions of Federal property in the Southwest quadrant of the District of Columbia within Lots 847 and 848, a portion of Lot 846, and the unassessed Federal real property adjacent to Lot 848 in Square 473, any entity of the District of Columbia government (including the District of Columbia Financial Responsibility and Management Assistance Authority or its designee) may place orders for engineering and construction and related services with the Chief of Engineers of the United States Army Corps of Engineers. The Chief of Engineers may accept such orders on a reimbursable basis and may provide any part of such services by contract. In providing such services, the Chief of Engineers shall follow the Federal Acquisition Regulations and the implementing Department of Defense regulations.

(2) EFFECTIVE DATE.—This subsection shall take effect as if included in the District of Columbia Appropriations Act, 1999, and shall apply to fiscal year 1999 and each fiscal year thereafter.

(b) TIMING FOR AVAILABILITY OF FUNDS UNDER 1999 ACT.—

(1) IN GENERAL.—The District of Columbia Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681–124) is amended in the item relating to "FEDERAL FUNDS—FEDERAL PAYMENT FOR WATERFRONT IMPROVEMENTS"—

(A) by striking "existing lessees" the first place it appears and inserting "existing lessees of the Marina"; and

(B) by striking "existing lessees" the second place it appears and inserting "such lessees".

(2) EFFECTIVE DATE.—This subsection shall take effect as if included in the District of Columbia Appropriations Act, 1999.

SEC. 165. It is the sense of the Congress that the District of Columbia should not impose or take into consideration any height, square footage, set-back, or other construction or zoning requirements in authorizing the issuance of industrial revenue bonds for a project of the American National Red Cross at 2025 E Street Northwest, Washington, D.C., in as much as this project is subject to approval of the National Capital Planning Commission and the Commission of Fine Arts pursuant to section 11 of the joint resolution entitled "Joint Resolution to grant authority for the erection of a permanent building for the American National Red Cross, District of Columbia Chapter, Washington, District of Columbia", approved July 1, 1947 (Public Law 100–637; 36 U.S.C. 300108 note).

SEC. 166. (a) PERMITTING COURT SERVICES AND OFFENDER SUPERVISION AGENCY TO CARRY OUT SEX OFFENDER REGISTRATION.—Section 11233(c) of the National Capital Revitalization and Self-Government Improvement Act of 1997 (D.C. Code, sec. 24–1233(c)) is amended by adding at the end the following new paragraph:

"(5) SEX OFFENDER REGISTRATION.—The Agency shall carry out sex offender registration functions in the District of Columbia, and shall have the authority to exercise all powers and functions relating to sex offender registration that are granted to the Agency under any District of Columbia law.".

(b) AUTHORITY DURING TRANSITION TO FULL OPERATION OF AGENCY.—

(1) AUTHORITY OF PRETRIAL SERVICES, PAROLE, ADULT PROBATION AND OFFENDER SUPERVISION TRUSTEE.—Notwithstanding section 11232(b)(1) of the National Capital Revitalization and Self-Government Improvement Act of 1997 (D.C. Code, sec. 24–1232(b)(1)), the Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee appointed under section 11232(a) of such Act (hereafter referred to as the "Trustee") shall, in accordance with section 11232 of such Act, exercise the powers and functions of the Court Services and Offender Supervision Agency for the District of Columbia (hereafter referred to as the "Agency") relating to sex offender registration (as granted to the Agency under any District of Columbia law) only upon the Trustee's certification that the Trustee is able to assume such powers and functions.

(2) AUTHORITY OF METROPOLITAN POLICE DEPARTMENT.—During the period that begins on the date of the enactment of the Sex Offender Registration Emergency Act of 1999 and ends on

the date the Trustee makes the certification described in paragraph (1), the Metropolitan Police Department of the District of Columbia shall have the authority to carry out any powers and functions relating to sex offender registration that are granted to the Agency or to the Trustee under any District of Columbia law.

SEC. 167. None of the funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 802) or any tetrahydrocannabinols derivative.

SEC. 168. (a) IN GENERAL.—There is hereby transferred from the District of Columbia Financial Responsibility and Management Assistance Authority (hereinafter referred to as the "Authority") to the District of Columbia the sum of $5,000,000 for the Mayor, in consultation with the Council of the District of Columbia, to provide offsets against local taxes for a commercial revitalization program, such program to be available in enterprise zones and low and moderate income areas in the District of Columbia: Provided, That in carrying out such a program, the Mayor shall use Federal commercial revitalization proposals introduced in Congress as a guideline.

(b) SOURCE OF FUNDS.—The amount transferred under subsection (a) shall be derived from interest earned on accounts held by the Authority on behalf of the District of Columbia.

(c) REPORT.—Not later than 180 days after the date of enactment of this Act, the Mayor shall report to the Committees on Appropriations of the Senate and House of Representatives on the progress made in carrying out the commercial revitalization program.

SEC. 169. WIRELESS COMMUNICATIONS. (a) IN GENERAL.—Not later than 7 days after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the National Park Service, shall—

(1) implement the notice of decision approved by the National Capital Regional Director, dated April 7, 1999, including the provisions of the notice of decision concerning the issuance of right-of-way permits at market rates; and

(2) expend such sums as are necessary to carry out paragraph (1).

(b) ANTENNA APPLICATIONS.—

(1) IN GENERAL.—Not later than 120 days after the receipt of an application, a Federal agency that receives an application submitted after the enactment of this Act to locate a wireless communications antenna on Federal property in the District of Columbia or surrounding area over which the Federal agency exercises control shall take final action on the application, including action on the issuance of right-of-way permits at market rates.

(2) EXISTING LAW.—Nothing in this subsection shall be construed to affect the applicability of existing laws regarding:

(A) judicial review under chapter 7 of title 5, United States Code [the Administrative Procedure Act], and the Communications Act of 1934,

(B) the National Environmental Policy Act, the National Historic Preservation Act and other applicable federal statutes, and

(C) the authority of a State or local government or instrumentality thereof, including the District of Columbia, in the placement, construction, and modification of personal wireless service facilities.

SEC. 170. (a) FINDINGS.—The Congress finds the following:

(1) The District of Columbia has recently witnessed a spate of senseless killings of innocent citizens caught in the crossfire of shootings. A Justice Department crime victimization survey found that while the city saw a decline in the homicide rate between 1996 and 1997, the rate was the highest among a dozen cities and more than double the second highest city.

(2) The District of Columbia has not made adequate funding available to fight drug abuse in recent years, and the city has not deployed its resources as effectively as possible. In fiscal year 1998, $20,900,000 was spent on publicly funded drug treatment in the District compared to $29,000,000 in fiscal year 1993. The District's Addiction and Prevention and Recovery Agency currently has only 2,200 treatment slots, a 50 percent drop from 1994, with more than 1,100 people on waiting lists.

(3) The District of Columbia has seen a rash of inmate escapes from halfway houses. According to Department of Corrections records, between October 21, 1998 and January 19, 1999, 376 of the 1,125 inmates assigned to halfway houses walked away. Nearly 280 of the 376 escapees were awaiting trial including 2 charged with murder.

(4) The District of Columbia public schools system faces serious challenges in correcting chronic problems, particularly long-standing deficiencies in providing special education services to the 1 in 10 District students needing program benefits, including backlogged assessments, and repeated failure to meet a compliance agreement on special education reached with the Department of Education.

(5) Deficiencies in the delivery of basic public services from cleaning streets to waiting time at Department of Motor Vehicles to a rat population estimated earlier this year to exceed the human population have generated considerable public frustration.

(6) Last year, the District of Columbia forfeited millions of dollars in Federal grants after Federal auditors determined that several agencies exceeded grant restrictions and in other instances, failed to spend funds before the grants expired.

(7) Findings of a 1999 report by the Annie E. Casey Foundation that measured the well-being of children reflected that, with 1 exception, the District ranked worst in the United States in every category from infant mortality to the rate of teenage births to statistics chronicling child poverty.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that in considering the District of Columbia's fiscal year 2001 budget, the Congress will take into consideration progress or lack of progress in addressing the following issues:

(1) Crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets.

(2) Access to drug abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs.

(3) Management of parolees and pretrial violent offenders, including the number of halfway house escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapes.

(4) Education, including access to special education services and student achievement.

(5) Improvement in basic city services, including rat control and abatement.

(6) Application for and management of Federal grants.

(7) Indicators of child well-being.

SEC. 171. The Mayor, prior to using Federal Medicaid payments to Disproportionate Share Hospitals to serve a small number of childless adults, should consider the recommendations of the Health Care Development Commission that has been appointed by the Council of the District of Columbia to review this program, and consult and report to Congress on the use of these funds.

SEC. 172. GAO STUDY OF DISTRICT OF COLUMBIA CRIMINAL JUSTICE SYSTEM. Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall—

(1) conduct a study of the law enforcement, court, prison, probation, parole, and other components of the criminal justice system of the District of Columbia, in order to identify the components most in need of additional resources, including financial, personnel, and management resources; and

(2) submit to Congress a report on the results of the study under paragraph (1).

This title may be cited as the "District of Columbia Appropriations Act, 2000".

TITLE II—TAX REDUCTION

SEC. 201. COMMENDING REDUCTION OF TAXES BY DISTRICT OF COLUMBIA.

Congress commends the District of Columbia for its action to reduce taxes, and ratifies D.C. Act 13–111 (commonly known as the Service Improvement and Fiscal Year 2000 Budget Support Act of 1999).

SEC. 202. RULE OF CONSTRUCTION.

Nothing in this title may be construed to limit the ability of the Council of the District of Columbia to amend or repeal any provision of law described in this title.

And the Senate agree to the same.

ERNEST J. ISTOOK, Jr.,
RANDY "DUKE" CUNNINGHAM,
TODD TIAHRT,
ROBERT B. ADERHOLT,
JO ANN EMERSON,
JOHN E. SUNUNU,
BILL YOUNG,
Managers on the Part of the House.

KAY BAILEY HUTCHISON,
JON KYL,
TED STEVENS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2587) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the actions agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the District of Columbia Appropriations Act, 2000, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 106–249 and Senate Report 106–88 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary. The agreement agreed to herein, while repeating some report language for emphasis, does not negate the language referenced above unless expressly provided. General provisions which are identical in the House and Senate passed versions of H.R. 2587 are unchanged by the conference agreement and are approved unless provided to the contrary herein.

A summary chart appears later in this statement just before the explanations of the general provisions showing the Federal appropriations by account and the allocation of District funds by agency or office under each appropriation title showing the fiscal year

1999 appropriation, the fiscal year 2000 request, the House and Senate recommendations and the conference allowance.

TITLE I—FISCAL YEAR 2000 APPROPRIATIONS

FEDERAL FUNDS

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

Appropriates $17,000,000 as proposed by the House and the Senate and makes modifications specifying that the entire $17,000,000 will be available if the authorized program is a nationwide program and $11,000,000 will be available if the program is for a limited number of States. The language also allows the District to use local tax revenues for this program.

FEDERAL PAYMENT FOR INCENTIVES FOR ADOPTION OF CHILDREN

Appropriates $5,000,000 instead of $8,500,000 as proposed by the House and includes language allowing the funds to be used for local tax credits to offset costs incurred by individuals in adopting children in the District's foster care system and for health care needs of the children in accordance with legislation to be enacted by the District government.

FEDERAL PAYMENT TO THE CITIZEN COMPLAINT REVIEW BOARD

Appropriates $500,000 instead of $1.200,000 as proposed by the House. This amount together with $700,000 in local funds will provide a total of $1,200,000 for the Board's operations in fiscal year 2000. The conferees recognize the importance of an independent review body to act as a forum for the review and resolution of complaints against officers of the Metropolitan Police Department and special officers employed by the District of Columbia. The conferees also request that the Mayor's office provide a comprehensive plan for the use of the Civilian Complaint Review Board. The plan/report should contain information about the problems of the previous review board and what will be done to avoid these problems with the new board.

FEDERAL PAYMENT TO THE DEPARTMENT OF HUMAN SERVICES

Appropriates $250,000 for a mentoring program and for hotline services as proposed by the House.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA CORRECTIONS TRUSTEE OPERATIONS

Appropriates $176,000,000 as proposed by the Senate instead of $183,000,000 as proposed by the House and includes language allowing the Corrections Trustee to use interest earnings of up to $4,600,000 to assist the Trustee with the sharp, rather unexpected increase in the overall inmate population.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

Appropriates $99,714,000 instead of $100,714,000 as proposed by the House and $136,440,000 as proposed by the Senate. The reduction below the House allowance reflects the $1,000,000 in the capital program as proposed by the Senate.

Courts' budget.—The conferees request that budget information submitted by the Courts with their FY 2001 and future budgets include grants and reimbursements from all other sources so that information on total resources available to the courts will be available.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

Appropriates $33,336,000 as proposed by the House and includes language proposed by the Senate requiring monthly financial reports. The conferees have included language allowing the Joint Committee on Judicial Administration to use interest earnings of up to $1,200,000 to make payments for obligations incurred during fiscal year 1999 for services provided by attorneys for indigents. The availability of this additional amount is contingent on a certification by the Comptroller General. The Courts have reported that they anticipate a shortfall of "approximately $1,000,000" in fiscal year 1999 for the Criminal Justice Act program.

Federal Payment to the Court Services and Offender Supervision Agency for the District of Columbia

Appropriates $93,800,000 instead of $105,500,000 as proposed by the House and $80,300,000 as proposed by the Senate. The increase above the Senate allowance includes $7,000,000 for increased drug testing and treatment and $6,500,000 for additional parole and probation officers instead of $13,200,000 and $10,000,000, respectively, as proposed by the House.

CHILDREN'S NATIONAL MEDICAL CENTER

Appropriates $2,500,000 for Children's National Medical Center instead of $3,500,000 as proposed by the House.

FEDERAL PAYMENT FOR METROPOLITAN POLICE DEPARTMENT

Appropriates $1.000,000 for the Metropolitan Police as proposed by the Senate. The conferees recognize the devastating problems caused by illegal drug use and fully support this program to eliminate open air drug trafficking in all four quadrants of the District of Columbia. The conferees have included language requiring quarterly reports to the Congress on all four quadrants. The reports should include, at a minimum, the amounts expended, the number of personnel involved, and the overall results and effectiveness of the open air drug program in eliminating the drug trafficking problem.

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

The conference action inserts language proposed by the Senate concerning the salary of members of the Council of the District of Columbia.

OFFICE OF THE CHIEF TECHNOLOGY OFFICER

The conferees are concerned that the District's child support system is not Y2K compliant. The conferees have been advised that the Office of Corporation Counsel is responsible for developing, operating, and maintaining this system which is used by the District's courts to collect child support payments from absentee parents, disburse payments to custodial parents, and account for these activities. The conferees urge the District's Chief Technology Officer to provide the Office of Corporation Counsel with the necessary support to ensure that: (1) The system is promptly remediated and tested, and (2) a business continuity and contingency plan that includes the Courts' child support functions is in place. The conferees request a report on this matter by November 1, 1999.

PUBLIC SAFETY AND JUSTICE

Appropriates $778,770,000 including $565,511,000 from local funds and $184,247,000 from other funds instead of $785,670,000 including $565,411,000 from local funds and $191,247,000 from other funds as proposed by the House and $778,470,000 including $565,211,000 from local funds and $184,247,000 from other funds as proposed by the Senate. The increase of $300,000 above the Senate allowance will provide a total of $1.200,000 for the Citizen Complaint Review Board consisting of $500,000 in Federal funds and $700,000 in local funds instead of a total of $900,000 in local funds as proposed by the Senate.

The conference action retains the proviso that caps the number of police officers assigned to the Mayor's security detail at 15 as proposed by the House.

The conference action includes a proviso that allows up to $700,000 in local funds for the Citizen Complaint Review Board instead of $900,000 in local funds as proposed by the Senate.

FIRE DEPARTMENT

The conferees recommend that the Fire and Emergency Medical Services Department conduct a study about the need for placement of automated external defribillators in Federal buildings.

PUBLIC EDUCATION SYSTEM

The conference action includes the proviso proposed by the Senate concerning the Weighted Student Formula and the setting aside of five percent of the total budget which is to be apportioned when the current student count for public and charter schools has been completed. The conference action also includes a proviso proposed by the Senate allowing $500,000 for a Schools Without Violence program.

HUMAN SUPPORT SERVICES

Appropriates $1,526,361,000 including $635,373,000 from local funds as proposed by the House instead of $1,526,111,000 including $635,123,000 as proposed by the Senate.

PUBLIC WORKS

The conference action deletes the proviso earmarking funds as proposed by the Senate.

RECEIVERSHIP PROGRAMS

Appropriates $342,077,000 including $217,606,000 from local funds instead of $345,577,000 including $221,106,000 from local funds as proposed by the House and $337,077,000 including $212,606,000 from local funds as proposed by the Senate.

RESERVE

The conference action deletes the proviso concerning expenditure criteria as proposed by the Senate.

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY

The conference action retains the proviso concerning the cap on the salary levels of the Executive Director and the General Counsel as proposed by the House.

PRODUCTIVITY BANK

The conference action retains the proviso requiring quarterly reports as proposed by the House.

PRODUCTIVITY BANK SAVINGS

The conference action retains the proviso requiring quarterly reports as proposed by the House.

PROCUREMENT AND MANAGEMENT SAVINGS

The conference action restores the proviso requiring quarterly reports as proposed by the House and deletes the proviso requiring Council approval of a resolution authorizing management reform savings proposed by the Senate.

D.C. RETIREMENT BOARD

The conference action amends the cap on the compensation of the Chairman of the Board and the Chairman of the Investment Committee of the Board to $7,500 instead of $10,000 as proposed by the House.

CAPITAL OUTLAY

The conference action revises the first paragraph for clarity as proposed by the House.

SUMMARY TABLE OF CONFERENCE RECOMMENDATIONS BY AGENCY

A summary table showing the Federal appropriations by account and the allocation of District funds by agency or office under each appropriation heading for fiscal year 1999, the fiscal year 2000 request, the House and Senate recommendations, and the conference allowance follows:

SUMMARY
FY 2000 D. C. APPROPRIATIONS BILL

	House Bill		Senate Bill		Conference	
	FTEs	Amount	FTEs	Amount	FTEs	Amount
TITLE I						
FEDERAL FUNDS						
Federal Payment for Resident Tuition Support	0	17,000,000	0	17,000,000	0	17,000,000
Federal Payment for Incentives for Adoption of Children	0	8,500,000	0	0	0	5,000,000
Federal Payment to the Citizen Complaint Review Board	0	1,200,000	0	0	0	500,000
Federal Payment to the Department of Human Services	0	250,000		0	0	250,000
Federal Payment to the District of Columbia Corrections Trustee Operations	0	183,000,000	0	176,000,000	0	176,000,000
Federal Payment to the District of Columbia Courts	0	100,714,000	0	136,440,000	0	99,714,000
Defender Services in District of Columbia Courts	0	33,336,000	0	0	0	33,336,000
Federal Payment to the Court Services and Offender Supervision Agency for the District of Columbia	0	105,500,000	0	80,300,000	0	93,800,000
Federal Payment for Metropolitan Police Department	0	0	0	1,000,000	0	1,000,000
Children's National Medical Center	0	3,500,000	0	0	0	2,500,000
Total, Title I, Federal funds to the District of Columbia	0	453,000,000	0	410,740,000	0	429,100,000

	House Bill		Senate Bill		Conference	
	FTEs	Amount	FTEs	Amount	FTEs	Amount
DISTRICT OF COLUMBIA FUNDS						
Operating expenses:						
Governmental Direction and Support	2,297	162,356,000	2,297	162,356,000	2,297	167,356,000
Economic Development and Regulation	1,439	190,335,000	1,439	190,335,000	1,439	190,335,000
Public Safety and Justice	9,264	785,670,000	9,264	778,470,000	9,264	778,770,000
Public Education System	11,359	867,411,000	11,359	867,411,000	11,359	867,411,000
Human Support Services	3,742	1,526,361,000	3,742	1,526,111,000	3,742	1,526,361,000
Public Works	1,686	271,395,000	1,686	271,395,000	1,686	271,395,000
Receivership Programs	2,755	345,577,000	2,755	337,077,000	2,755	342,077,000
Workforce Investments	0	8,500,000	0	8,500,000	0	8,500,000
Buyouts and Other Management Reforms	0	20,000,000	0	0	0	18,000,000
Reserve	0	150,000,000	0	150,000,000	0	150,000,000
D.C. Financial Responsibility and Management Assistance Authority	33	3,140,000	33	3,140,000	33	3,140,000
Repayment of Loans and Interest	0	328,417,000	0	328,417,000	0	328,417,000
Repayment of General Fund Recovery Debt	0	38,286,000	0	38,286,000	0	38,286,000
Payment of Interest on Short-Term Borrowing	0	9,000,000	0	9,000,000	0	9,000,000
Certificates of Participation	0	7,950,000	0	7,950,000	0	7,950,000
Optical and Dental Payments	0	1,295,000	0	1,295,000	0	1,295,000
Productivity Bank	0	20,000,000	0	20,000,000	0	20,000,000
Productivity Bank Savings	0	(20,000,000)	0	(20,000,000)	0	(20,000,000)
Procurement and Management Savings	0	(21,457,000)	0	(21,457,000)		(21,457,000)
Water and Sewer Enterprise Fund	0	279,608,000	0	279,608,000	0	279,608,000
Lottery and Charitable Games Enterprise Fund	100	234,400,000	100	234,400,000	100	234,400,000
Sports and Entertainment Commission	0	10,846,000	0	10,846,000	0	10,846,000
D.C. General Hospital (Public Benefit Corporation)	0	89,008,000	0	89,008,000	0	89,008,000
D.C. Retirement Board	13	9,892,000	13	9,892,000	13	9,892,000
Correctional Industries Fund	31	1,810,000	31	1,810,000	31	1,810,000
Washington Convention Center Enterprise Fund	0	50,226,000	0	50,226,000	0	50,226,000
Total, operating expenses	32,719	5,370,026,000	32,719	5,334,076,000	32,719	5,362,626,000
Capital Outlay:						
General fund	0	1,218,637,500	0	1,218,637,500		1,218,637,500
Water and Sewer fund	0	197,169,000	0	197,169,000	0	197,169,000
Total, capital outlay	0	1,415,806,500	0	1,415,806,500	0	1,415,806,500
Grand Total, District of Columbia Funds	32,719	6,785,832,500	32,719	6,749,882,500	32,719	6,778,432,500

GOVERNMENTAL DIRECTION AND SUPPORT

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Council of the District of Columbia	9,388,000	10,477,000	10,477,000	10,477,000	10,477,000
Office of the District of Columbia Auditor	1,048,000	1,183,000	1,183,000	1,183,000	1,183,000
Advisory Neighborhood Commissions	0	623,000	623,000	623,000	623,000
Office of the Mayor	2,256,000	4,207,000	4,207,000	4,207,000	9,207,000 1/
Office of the Secretary	2,146,000	1,816,000	1,816,000	1,816,000	1,816,000
Office of Communications	350,000	0	0	0	0
Office of Intergovernmental Relations	1,271,000	0	0	0	0
Office of the City Administrator	926,000	25,132,000	12,821,000	12,821,000	12,821,000
Office of Personnel	8,963,000	10,445,000	10,445,000	10,445,000	10,445,000
Human Resource Development	0	3,766,000	3,766,000	3,766,000	3,766,000
Office of Finance and Resource Management	0	778,000	778,000	778,000	778,000
Office of Contracts and Procurement	17,080,000	14,150,000	14,150,000	14,150,000	14,150,000
Office of the Chief Technology Officer	14,924,000	3,740,000	3,740,000	3,740,000	3,740,000
Office of Property Management	9,445,000	9,152,000	9,152,000	9,152,000	9,152,000
Contract Appeals Board	603,000	687,000	687,000	687,000	687,000
Board of Elections and Ethics	2,954,000	3,238,000	3,238,000	3,238,000	3,238,000
Office of Campaign Finance	920,000	978,000	978,000	978,000	978,000
Public Employee Relations Board	559,000	632,000	632,000	632,000	632,000
Office of Employee Appeals	1,213,000	1,337,000	1,337,000	1,337,000	1,337,000
Metropolitan Washington Council of Governments	374,000	367,000	367,000	367,000	367,000
Office of Inspector General	7,430,000	6,827,000	6,827,000	6,827,000	6,827,000
Chief Financial Officer	82,294,000	75,132,000	75,132,000	75,132,000	75,132,000
Total, Appropriation for Governmental Direction and Support	164,144,000	174,667,000	162,356,000	162,356,000	167,356,000
Plus Intra-District funds	39,796,000	32,796,000	32,796,000	32,796,000	32,796,000
Total	203,940,000	207,463,000	195,152,000	195,152,000	200,152,000

1/ General Provision, Sec. 168, $5,000,000.

ECONOMIC DEVELOPMENT AND REGULATION

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Business Services and Economic Development	18,640,000	22,515,000	22,515,000	22,515,000	22,515,000
Office of Zoning	956,000	1,275,000	1,275,000	1,275,000	1,275,000
Department of Housing and Community Development	55,509,000	56,739,000	56,739,000	56,739,000	56,739,000
Housing Authority	2,080,000	0	0	0	0
Department of Employment Services	56,804,000	63,690,000	63,690,000	63,690,000	63,690,000
Board of Appeals and Review	203,000	240,000	240,000	240,000	240,000
Board of Real Property Assessments and Appeals	293,000	291,000	291,000	291,000	291,000
Department of Consumer and Regulatory	24,554,000	27,125,000	27,125,000	27,125,000	27,125,000
Office of Banking and Financial Institutions	0	870,000	870,000	870,000	870,000
Public Service Commission	0	5,327,000	5,327,000	5,327,000	5,327,000
Office of People's Counsel	0	2,823,000	2,823,000	2,823,000	2,823,000
Department of Insurance and Securities Regulation	0	6,990,000	6,990,000	6,990,000	6,990,000
Office of Cable Television and Telecommunications	0	2,450,000	2,450,000	2,450,000	2,450,000
Total, Economic Development and Regulation	159,039,000	190,335,000	190,335,000	190,335,000	190,335,000
Plus Intra-District Funds	3,634,000	3,136,000	3,136,000	3,136,000	3,136,000
Total	162,673,000	193,471,000	193,471,000	193,471,000	193,471,000

PUBLIC SAFETY AND JUSTICE

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Metropolitan Police Department	296,854,000	301,774,000	300,574,000	301,574,000	301,574,000
Fire and Emergency Medical Services				0	
Department	104,806,000	111,870,000	111,870,000	111,870,000	111,870,000
Police and Fire Retirement System	35,100,000	39,900,000	39,900,000	39,900,000	39,900,000
Office of the Corporation Counsel	39,835,000	46,425,000	46,425,000	46,425,000	46,425,000
Settlements and Judgments	19,700,000	26,900,000	26,900,000	26,900,000	26,900,000
Department of Corrections	254,857,000	245,577,000	252,577,000	245,577,000	245,577,000
National Guard	1,783,000	1,748,000	1,748,000	1,748,000	1,748,000
Office of Emergency Preparedness	2,627,000	2,641,000	2,641,000	2,641,000	2,641,000
Commission on Judicial Disabilities and Tenure	138,000	143,000	143,000	143,000	143,000
Judicial Nomination Commission	86,000	85,000	85,000	85,000	85,000
Office of Citizen Complaint Review	0	900,000	2,100,000	900,000	1,200,000
Advisory Commission on Sentencing	0	707,000	707,000	707,000	707,000
Total, Public Safety and Justice	755,786,000	778,670,000	785,670,000	778,470,000	778,770,000
Plus Intra-District funds	10,500,000	5,726,000	5,726,000	5,726,000	5,726,000
Total	766,286,000	784,396,000	791,396,000	784,196,000	784,496,000

PUBLIC EDUCATION SYSTEM

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Board of Education (Public Schools)	644,805,000	713,197,000	713,197,000	713,197,000	713,197,000
D.C. Resident Tuition System	0	0	17,000,000	17,000,000	17,000,000
Teachers' Retirement System	27,857,000	10,700,000	10,700,000	10,700,000	10,700,000
Public Charter Schools	18,600,000	27,885,000	27,885,000	27,885,000	27,885,000
University of the District of Columbia	72,088,000	72,347,000	72,347,000	72,347,000	72,347,000
Public Library	23,419,000	24,171,000	24,171,000	24,171,000	24,171,000
Commission on the Arts and Humanities	2,187,000	2,111,000	2,111,000	2,111,000	2,111,000
Total, Public Education System	788,956,000	850,411,000	867,411,000	867,411,000	867,411,000
Plus Intra-District funds	12,791,000	13,768,000	13,768,000	13,768,000	13,768,000
Total	801,747,000	864,179,000	881,179,000	881,179,000	881,179,000

HUMAN SUPPORT SERVICES

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recommendation	Senate Recommendation	Conference Allowance
Department of Human Development	391,416,000	393,441,000	393,691,000	393,441,000	393,691,000
Department of Health	996,080,000	1,004,113,000	1,004,113,000	1,004,113,000	1,004,113,000
Department of Recreation and Parks	24,119,000	26,196,000	26,196,000	26,196,000	26,196,000
Office on Aging	17,616,000	18,616,000	18,616,000	18,616,000	18,616,000
Public Benefit Corporation Subsidy	46,835,000	44,435,000	44,435,000	44,435,000	44,435,000
Unemployment Compensation Fund	10,678,000	7,200,000	7,200,000	7,200,000	7,200,000
Disability Compensation Fund	21,089,000	25,150,000	25,150,000	25,150,000	25,150,000
Department of Human Rights	1,044,000	1,106,000	1,221,000	1,221,000	1,221,000
Office on Latino Affairs	655,000	880,000	880,000	880,000	880,000
D.C. Energy Office	5,219,000	4,859,000	4,859,000	4,859,000	4,859,000
Total, Human Support Services	1,514,751,000	1,525,996,000	1,526,361,000	1,526,111,000	1,526,361,000
Plus Intra-District funds	7,232,000	6,568,000	6,568,000	6,568,000	6,568,000
	1,521,983,000	1,532,564,000	1,532,929,000	1,532,679,000	1,532,929,000

PUBLIC WORKS

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Department of Public Works	118,281,000	106,209,000	106,209,000	106,209,000	106,209,000
Department of Motor Vehicles	12,065,000	25,393,000	25,393,000	25,393,000	25,393,000
Taxicab Commission	716,000	730,000	730,000	730,000	730,000
Washington Metropolitan Area Transit Commission	81,000	81,000	81,000	81,000	81,000
Washington Metropolitan Area Transit Authority (Metro)	132,319,000	135,532,000	135,532,000	135,532,000	135,532,000
School Transit Subsidy	3,450,000	3,450,000	3,450,000	3,450,000	3,450,000
Total, Public Works	266,912,000	271,395,000	271,395,000	271,395,000	271,395,000
Plus Intra-District funds	22,274,000	19,382,000	19,382,000	19,382,000	19,382,000
Total	289,186,000	290,777,000	290,777,000	290,777,000	290,777,000

RECEIVERSHIPS

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Child and Family Services Agency	107,131,000	119,355,000	119,355,000	119,355,000	119,355,000
Incentives for Adoption of Children	0	0	8,500,000	0	5,000,000
Commission on Mental Health Services	198,548,000	204,422,000	204,422,000	204,422,000	204,422,000
Corrections Medical Receiver	13,300,000	13,300,000	13,300,000	13,300,000	13,300,000
Total, Receivership Programs	318,979,000	337,077,000	345,577,000	337,077,000	342,077,000
Plus Intra-District funds	0	1,200,000	1,200,000	1,200,000	1,200,000
Total	318,979,000	338,277,000	346,777,000	338,277,000	343,277,000

OTHER

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Workforce Investment	0	8,500,000	8,500,000	8,500,000	8,500,000
Buyouts and Other Management Reforms	0	0	20,000,000	0	18,000,000
Reserve	0	150,000,000	150,000,000	150,000,000	150,000,000
D.C. Financial Responsibility and Management Assistance Authority	7,840,000	3,140,000	3,140,000	3,140,000	3,140,000
Total, Other	7,840,000	161,640,000	181,640,000	161,640,000	179,640,000

1/ General Provisions, Sec. 157.

FINANCING AND OTHER

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Washington Convention Center Transfer Payment	5,400,000	0	0	0	0
Repayment of Loans and Interest	382,170,000	328,417,000	328,417,000	328,417,000	328,417,000
Repayment of General Fund Deficit	38,453,000	38,286,000	38,286,000	38,286,000	38,286,000
Interest on Short-Term Borrowing	11,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Certificate of Participation	7,926,000	7,950,000	7,950,000	7,950,000	7,950,000
Human Resources Development	6,674,000	0	0	0	0
Optical and Dental Payments	0	1,295,000	1,295,000	1,295,000	1,295,000
Productivity Bank	0	20,000,000	20,000,000	20,000,000	20,000,000
Productivity Bank Savings	0	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Total, Financing and Other Uses	451,623,000	384,948,000	384,948,000	384,948,000	384,948,000

PROCUREMENT AND MANAGEMENT SAVINGS

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom- mendation	Senate Recom- mendation	Conference Allowance
Management Reform and Productivity Savings	(10,000,000)	(7,000,000)	(7,000,000)	(7,000,000)	(7,000,000)
General Supply Schedule Savings	0	(14,457,000)	(14,457,000)	(14,457,000)	(14,457,000)
Total, Procurement and Management Savings	(10,000,000)	(21,457,000)	(21,457,000)	(21,457,000)	(21,457,000)

ENTERPRISE AND OTHER

Agency/Activity	FY 1999 Approved	FY 2000 Request	House Recom-mendation	Senate Recom-mendation	Conference Allowance
Water and Sewer Authority	239,493,000	236,075,000	236,075,000	236,075,000	236,075,000
Washington Aqueduct	33,821,000	43,533,000	43,533,000	43,533,000	43,533,000
Total, Water and Sewer Enterprise Fund	273,314,000	279,608,000	279,608,000	279,608,000	279,608,000
Lottery and Charitable Games Board	225,200,000	234,400,000	234,400,000	234,400,000	234,400,000
Office of Cable Television and Telecommunications	2,108,000	0	0	0	0
Public Service Commission	5,026,000	0	0	0	0
Office of People's Counsel	2,501,000	0	0	0	0
Department of Insurance and Securities Regulation	7,001,000	0	0	0	0
Office of Banking and Financial Institutions	640,000	0	0	0	0
Sports and Entertainment Commission	8,751,000	10,846,000	10,846,000	10,846,000	10,846,000
Public Benefit Corporation	66,764,000	89,008,000	89,008,000	89,008,000	89,008,000
Retirement Board	18,202,000	9,892,000	9,892,000	9,892,000	9,892,000
Correctional Industries Fund	3,332,000	1,810,000	1,810,000	1,810,000	1,810,000
Washington Convention Center Authority	48,139,000	50,226,000	50,226,000	50,226,000	50,226,000
Total, Enterprise Funds	660,978,000	675,790,000	675,790,000	675,790,000	675,790,000
Plus Intra-District funds	36,685,000	70,177,000	70,177,000	70,177,000	70,177,000
Total	697,663,000	745,967,000	745,967,000	745,967,000	745,967,000

GOVERNMENT OF THE DISTRICT OF COLUMBIA
AS APPROVED BY CONFERENCE ACTION, AUGUST 4, 1999
TOTAL ESTIMATED RESOURCES AVAILABLE TO THE DISTRICT OF COLUMBIA, FISCAL YEAR 2000
(Amount in Thousands)

		Local Funds		Federal Grants		Private & Other		Subtotal FY 2000		Intra-District		FY 2000 Total Resources	
	Code	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Governmental Direction and Support:													
Council of the District of Columbia	AB	153	10,471	0	0	0	6	153	10,477	0	0	153	10,477
Office of the D.C. Auditor	AC	14	1,183	0	0	0	0	14	1,183	0	0	14	1,183
Advisory Neighborhood Commissions	DX	0	623	0	0	0	0	0	623	0	0	0	623
Office of the Mayor	AA	67	4,207	0	0	0	5,000 1/	67	9,207	0	0	67	9,207
Office of the Secretary	BA	25	1,737	0	0	2	79	27	1,816	0	0	27	1,816
Office of the City Administrator	AE	36	2,064	17	10,757	0	0	53	12,821	4	246	57	13,067
Office of Personnel	BE	126	9,204	0	0	21	1,241	147	10,445	24	1,179	171	11,624
Human Resource Development	HD	10	3,766	0	0	0	0	10	3,766	0	0	10	3,766
Office of Finance and Resource Management	AS	11	778	0	0	0	0	11	778	12	1,205	23	1,983
Office of Contracting and Procurement	PO	223	14,150	0	0	0	0	223	14,150	0	0	223	14,150
Office of the Chief Technology Officer	TO	42	3,740	0	0	0	0	42	3,740	13	1,771	55	5,511
Office of Property Management	AM	77	7,229	0	0	2	1,923	79	9,152	199	21,956	278	31,108
Contract Appeals Board	AF	6	687	0	0	0	0	6	687	0	0	6	687
Board of Elections and Ethics	DL	50	3,238	0	0	0	0	50	3,238	0	0	50	3,238
Office of Campaign Finance	CJ	15	978	0	0	0	0	15	978	0	0	15	978
Public Employee Relations Board	CG	4	632	0	0	0	0	4	632	0	0	4	632
Office of Employee Appeals	CH	15	1,337	0	0	0	0	15	1,337	0	0	15	1,337
Metropolitan Washington Council of Governments	EA	0	367	0	0	0	0	0	367	0	0	0	367
Office of Inspector General	AD	60	6,827	0	0	0	0	60	6,827	0	0	60	6,827
Office of the Chief Financial Officer	AT	919	63,916	5	913	41	10,303	965	75,132	104	6,439	1,069	81,571
Total, Governmental Direction and Support		1,853	137,134	22	11,670	66	18,552	1,941	167,356	356	32,796	2,297	200,152
Economic Development and Regulation:													
Business Services & Economic Development	EB	55	7,515	0	0	0	15,000	55	22,515	0	0	55	22,515
Office of Zoning	BJ	16	1,275	0	0	0	0	16	1,275	0	0	16	1,275
Department of Housing & Community Development	DB	7	3,889	125	48,388	0	4,462	132	56,739		1,200	132	57,939
Department of Employment Services	CF	71	11,489	391	35,867	174	16,334	636	63,690	0	0	636	63,690
Board of Appeals and Review	DK	3	240	0	0	0	0	3	240	0	0	3	240
Board of Real Property Assessments and Appeals	DA	3	291	0	0	0	0	3	291	0	0	3	291
Department of Consumer and Regulatory Affairs	CR	373	25,523	4	392	6	1,210	383	27,125	0	1,500	383	28,625
Office of Banking and Financial Institutions	BI	5	381	0	0	5	489	10	870	0	0	10	870
Public Service Commission	DH	0	0	2	104	56	5,223	58	5,327	0	0	58	5,327
Office of People's Counsel	DJ	0	0	0	0	28	2,823	28	2,823	0	0	28	2,823
Department of Insurance and Securities Regulation	SR	0	0	0	0	89	6,990	89	6,990	0	0	89	6,990
Office of Cable Television and Telecommunications	CT	11	2,308	0	0	3	142	14	2,450	12	436	26	2,886
Total, Economic Development and Regulation		544	52,911	522	84,751	361	52,673	1,427	190,335	12	3,136	1,439	193,471

	Code	Local Funds FTE	Local Funds Amount	Federal Grants FTE	Federal Grants Amount	Private & Other FTE	Private & Other Amount	Subtotal FY 2000 FTE	Subtotal FY 2000 Amount	Intra-District FTE	Intra-District Amount	FY 2000 Total Resources FTE	FY 2000 Total Resources Amount
Public Safety and Justice:													
Metropolitan Police Department	FA	4,622	282,792	24	13,695	0	5,087	4,646	301,574	2	3,454	4,648	305,028
Fire and Emergency Medical Services Department	FB	1,828	111,861	0	0	0	9	1,828	111,870	0	72	1,828	111,942
Police and Fire Retirement System	FD	0	39,900	0	0	0	0	0	39,900	0	0	0	39,900
Office of the Corporation Counsel	CB	297	28,801	180	13,554	12	4,070	489	46,425	24	1,900	513	48,325
Settlement and Judgments	ZH	0	26,900	0	0	0	0	0	26,900	0	0	0	26,900
Department of Corrections	FL	979	69,696	0	800	1,197	175,081	2,176	245,577	0	300	2,176	245,877
National Guard	FK	30	1,748	0	0	0	0	30	1,748	0	0	30	1,748
Office of Emergency Preparedness	BN	26	1,678	13	963	0	0	39	2,641	0	0	39	2,641
Commission on Judicial Disabilities and Tenure	DQ	2	143	0	0	0	0	2	143	0	0	2	143
Judicial Nomination Commission	DV	1	85	0	0	0	0	1	85	0	0	1	85
Office of Citizen Complaint Review	FH	21	1,200	0	0	0	0	21	1,200	0	0	21	1,200
Advisory Commission on Sentencing	FZ	6	707	0	0	0	0	6	707	0	0	6	707
Total, Public Safety and Justice		7,812	565,511	217	29,012	1,209	184,247	9,238	778,770	26	5,726	9,264	784,496
Public Education System:													
Public Schools	GA	8,864	600,936	869	106,213	77	6,048	9,810	713,197	33	4,091	9,843	717,288
D.C. Resident Tuition Support		0	17,000	0	0	0	0	0	17,000	0	0	0	17,000
Teachers' Retirement System	GX	0	10,700	0	0	0	0	0	10,700	0	0	0	10,700
Public Charter Schools	GC	0	27,885	0	0	0	0	0	27,885	0	0	0	27,885
University of the District of Columbia	GF	581	40,491	167	13,536	189	18,320	937	72,347	162	9,677	1,099	82,024
Public Library	CE	400	23,128	8	798	0	245	408	24,171	0	0	408	24,171
Commission on the Arts and Humanities	BX	2	1,707	7	404	0	0	9	2,111	0	0	9	2,111
Total, Public Education System		9,847	721,847	1,051	120,951	266	24,613	11,164	867,411	195	13,768	11,359	881,179
Human Support Services:													
Department of Human Development	JA	821	199,643	1,126	189,742	7	4,306	1,954	393,691	27	1,653	1,981	395,344
Department of Health	HC	363	319,720	689	676,115	53	8,278	1,105	1,004,113	2	183	1,107	1,004,296
Department of Recreation and Parks	HA	477	24,029	0	34	19	2,133	496	26,196	93	3,954	589	30,150
Office on Aging	BY	14	13,316	9	5,300	0	0	23	18,616	3	648	26	19,264
Public Benefit Corporation Subsidy	JC	0	44,435	0	0	0	0	0	44,435	0	0	0	44,435
Unemployment Compensation Fund	BH	0	7,200	0	0	0	0	0	7,200	0	0	0	7,200
Disability Compensation Fund	BG	0	25,150	0	0	0	0	0	25,150	0	100	0	25,250
Office of Human Rights	HM	16	1,000	0	221	0	0	16	1,221	0	0	16	1,221
Office on Latino Affairs	BZ	4	880	0	0	0	0	4	880	0	30	4	910
Energy Office	JF	0	0	13	4,402	6	457	19	4,859	0	0	19	4,859
Total, Human Support Services		1,695	635,373	1,837	875,814	85	15,174	3,617	1,526,361	125	6,568	3,742	1,532,929

	Code	Local Funds FTE	Local Funds Amount	Federal Grants FTE	Federal Grants Amount	Private & Other FTE	Private & Other Amount	Subtotal FY 2000 FTE	Subtotal FY 2000 Amount	Intra-District FTE	Intra-District Amount	FY 2000 Total Resources FTE	FY 2000 Total Resources Amount
Public Works:													
Department of Public Works	KA	1,044	96,646	14	3,099	47	6,464	1,105	106,209	267	18,872	1,372	125,081
Department of Motor Vehicles	KV	191	22,336	0	0	66	3,057	257	25,393	48	510	305	25,903
Taxicab Commission	TC	6	296	0	0	3	434	9	730	0	0	9	730
Washington Metropolitan Area Transit Commission	KC	0	81	0	0	0	0	0	81	0	0	0	81
Washington Metropolitan Area Transit Authority	KE	0	135,532	0	0	0	0	0	135,532	0	0	0	135,532
School Transit Subsidy	KD	0	3,450	0	0	0	0	0	3,450	0	0	0	3,450
Total, Public Works		1,241	258,341	14	3,099	116	9,955	1,371	271,395	315	19,382	1,686	290,777
Receivership Programs:													
Child and Family Services Agency	RL	321	75,556	196	43,799	0	0	517	119,355	0	1,200	517	120,555
Incentives for Adoption of Children		0	5,000	0	0	0	0	0	5,000	0	0	0	5,000
Commission on Mental Health Services	RM	1,568	123,750	660	62,312	0	18,360	2,228	204,422	0	0	2,228	204,422
Corrections Medical Receiver	RR	10	13,300	0	0	0	0	10	13,300	0	0	10	13,300
Total, Receivership Programs		1,899	217,606	856	106,111	0	18,360	2,755	342,077	0	1,200	2,755	343,277
Workforce Investments	UP	0	8,500	0	0	0	0	0	8,500	0	0	0	8,500
Buyouts and Other Management Reforms		0	0	0	0	0	18,000 2/	0	18,000	0	0	0	18,000
Reserve	RD	0	150,000	0	0	0	0	0	150,000	0	0	0	150,000
D.C. Financial Responsibility and Management Assistance Authority	XB	33	3,140	0	0	0	0	33	3,140	0	0	33	3,140
Financing and Other:													
Repayment of Loans and Interest	DS	0	328,417	0	0	0	0	0	328,417	0	0	0	328,417
Repayment of General Fund Deficit	ZD	0	38,286	0	0	0	0	0	38,286	0	0	0	38,286
Interest on Short-Term Borrowing	ZA	0	9,000	0	0	0	0	0	9,000	0	0	0	9,000
Certificate of Participation	CP	0	7,950	0	0	0	0	0	7,950	0	0	0	7,950
Optical and Dental Insurance Payments	DI	0	1,295	0	0	0	0	0	1,295	0	0	0	1,295
Productivity Bank	PB	0	20,000	0	0	0	0	0	20,000	0	0	0	20,000
Productivity Savings	PY	0	(20,000)	0	0	0	0	0	(20,000)	0	0	0	(20,000)
Total, Financing and Other		0	384,948	0	0	0	0	0	384,948	0	0	0	384,948
Procurement and Management Savings:													
General Supply Schedule Savings	PS	0	(14,457)	0	0	0	0	0	(14,457)	0	0	0	(14,457)
Management Reform Savings	PC	0	(7,000)	0	0	0	0	0	(7,000)	0	0	0	(7,000)
Total, Procurement and Management Savings		0	(21,457)	0	0	0	0	0	(21,457)	0	0	0	(21,457)
Total, General Fund - Operating Expenses		24,924	3,113,854	4,519	1,231,408	2,103	341,574	31,546	4,686,836	1,029	82,576	32,575	4,769,412

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement	BA Request	BA House	BA Senate	BA Conference
DIVISION A TITLE I PROCUREMENT									
Aircraft Procurement, Army	1,229,888	1,415,211	1,498,188	229,800	1,459,688	1,229,888	1,415,211	1,498,188	1,459,688
Missile Procurement, Army	1,358,104	1,415,959	1,411,104	(99,806)	1,258,298	1,358,104	1,415,959	1,411,104	1,258,298
Procurement of Weapons and Tracked Combat Vehicles, Army	1,416,765	1,575,096	1,678,865	154,900	1,571,665	1,416,765	1,575,096	1,678,865	1,571,665
Procurement of Ammunition, Army	1,140,816	1,196,216	1,209,816	74,400	1,215,216	1,140,816	1,196,216	1,209,816	1,215,216
Other Procurement, Army	3,423,870	3,799,895	3,647,370	239,051	3,662,921	3,423,870	3,799,895	3,647,370	3,662,921
Chemical Agents and Munitions Destruction, Army									
Operation & Maintenance	593,500	0	0	(45,000)	548,500	593,500	0	0	548,500
Procurement	241,500	0	0	(50,000)	191,500	241,500	0	0	191,500
Research, Development, Test & Evaluation	334,000	0	0	(50,000)	284,000	334,000	0	0	284,000
Aircraft Procurement, Navy	8,228,655	8,826,051	8,927,255	570,129	8,798,784	8,228,655	8,826,051	8,927,255	8,798,784
Weapons Procurement, Navy	1,357,400	1,764,655	1,392,100	59,700	1,417,100	1,357,400	1,764,655	1,392,100	1,417,100
Procurement of Ammunition, Navy and Marine Corps	484,900	612,900	542,700	49,800	534,700	484,900	612,900	542,700	534,700
Shipbuilding and Conversion, Navy	6,678,454	6,687,172	7,016,454	338,000	7,016,454	6,678,454	6,687,172	7,016,454	7,016,454
Other Procurement, Navy	4,100,091	4,238,444	4,197,791	166,800	4,266,891	4,100,091	4,238,444	4,197,791	4,266,891
Procurement, Marine Corps	1,137,220	1,297,463	1,302,070	159,750	1,296,970	1,137,220	1,297,463	1,302,070	1,296,970
Aircraft Procurement, Air Force	9,302,086	9,647,651	9,704,886	456,800	9,758,886	9,302,086	9,647,651	9,704,886	9,758,886
Procurement of Ammunition, Air Force	419,537	560,537	411,837	48,000	467,537	419,537	560,537	411,837	467,537
Missile Procurement, Air Force	2,359,608	2,303,661	2,389,208	36,000	2,395,608	2,359,608	2,303,661	2,389,208	2,395,608
Other Procurement, Air Force	7,085,177	7,077,762	7,142,177	73,350	7,158,527	7,085,177	7,077,762	7,142,177	7,158,527
Procurement, Defense-wide	2,128,967	2,107,839	2,293,417	216,201	2,345,168	2,128,967	2,107,839	2,293,417	2,345,168
Procurement, National Guard and Reserve Equipment	0	60,000	0	60,000	60,000	0	60,000	0	60,000
Chemical Agents and Munitions Destruction, Defense									
Operation & Maintenance	0	550,000	589,000	0	0	0	550,000	589,000	0
Procurement	0	232,000	241,500	0	0	0	232,000	241,500	0
Research, Development, Test & Evaluation	0	230,000	334,000	0	0	0	230,000	334,000	0
Procurement, Defense Health Program	356,970	356,970	356,970	0	356,970	0	0	0	0
Procurement, Office of the Inspector General	2,100	2,100	2,100	0	2,100	0	0	0	0
Defense Export Loan Guarantee Program		1,250	0	0	0	0	0	0	0
Total Procurement	53,379,608	55,958,832	56,288,808	2,687,875	56,067,483	53,020,538	55,598,512	55,929,738	55,708,413
TITLE II RESEARCH, DEVELOPMENT, TEST & EVALUATION									
Research, Development, Test & Evaluation, Army	4,426,194	4,708,194	4,695,894	365,049	4,791,243	4,426,194	4,708,194	4,695,894	4,791,243
Research, Development, Test & Evaluation, Navy	7,984,016	8,358,529	8,207,616	378,500	8,362,516	7,984,016	8,358,529	8,207,616	8,362,516
Research, Development, Test & Evaluation, Air Force	13,077,829	13,212,671	13,573,308	552,244	13,630,073	13,077,829	13,212,671	13,573,308	13,630,073

General Provisions

The conference action changes several section numbers for sequential purposes and makes technical revisions in certain citations.

The conference action restores section 117 of the House bill prohibiting the use of Federal funds for a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia government.

The conference action approves section 119 of the House bill in lieu of section 118 of the Senate bill concerning the cap on the salary of the City Administrator and the per diem compensation to the directors of the Redevelopment Land Agency.

The conference action approves section 127 of the Senate bill (new section 128) concerning financial management services.

The conference action revises the ceiling on operating expenses in section 135 (new section 136) to $5,515,379,000 including $3,113,854,000 from local funds instead of $5,522,779,000 including $3,117,254,000 as proposed by the House and $5,486,829,000 including $3,108,304,000 as proposed by the Senate.

The conference action deletes subsection (d) of section 135 of the House bill concerning the application of excess revenues as proposed by the Senate.

The conference action deletes section 137 of the House bill concerning a report on public school openings as proposed by the Senate.

The conference action requires the inventory of motor vehicles required by section 139 of the House bill and 138 of the Senate bill (new section 139) to be submitted by the Chief Financial Officer as proposed by the House instead of by the Mayor as proposed by the Senate.

The conference action restores section 142 of the House bill concerning Compliance with Buy American Act as section 142.

The conference action deletes section 141 of the Senate bill concerning certain real property in the District of Columbia. The language was made permanent in Public Law 105–277.

The conference action deletes the date referenced in section 146 of the Senate bill concerning the correctional facility in Youngstown, Ohio as proposed by the Senate.

The conference action approves section 148 of the Senate bill concerning a reserve and positive fund balance for the District of Columbia. The conferees believe that the reserve fund will now serve as a true "rainy day" fund. Further, the conferees have now required the District to maintain a budget surplus of not less than 4 percent. Any funds in excess of this level could be used for debt reduction and non-recurring expenses. The conferees believe that this combination of reforms will provide the District with a stable financial situation that will in time reduce the District's debt and lead to an improved bond rating.

The conference action restores section 150 of the House bill concerning the prohibition on the use of Federal and local funds for a needle exchange program or for payments to individuals or entities that carry out any such program.

The conference action deletes section 151 of the House bill which prohibits the use of Federal funds for legalizing marijuana or reducing penalties. Section 168 of the House bill (new section 167) prohibits Federal and local funds for legalizing marijuana or reducing penalties.

The conference action restores section 152 of the House bill (new section 151) concerning the monitoring of real property leases.

The conference action restores section 153 of the House bill (new section 152) concerning new leases and purchases of real property and modifies the language to allow the use of funds appropriated for the Southwest Waterfront in the District of Columbia Appropriations Act for fiscal year 1999.

The conference action restores section 154 of the House bill (new section 153) concerning public charter school construction and repair funds and amends the language to provide $5,000,000 for a credit enhancement fund.

The conference action restores section 156 of the House bill (new section 155) concerning the authorization period for public charter schools.

The conference action restores section 157 of the House bill (new section 156) concerning sibling preference at public charter schools.

The conference action restores section 158 of the House bill (new section 157) concerning buyouts and management reforms and provides $18,000,000 instead of $20,000,000 as proposed by the House. The conference action also inserts a proviso concerning the spending and release of the funds.

The conference action restores section 159 of the House bill (new section 158) concerning the 14th Street Bridge and provides $5,000,000 instead of $7,400,000 as proposed by the House. The conference action also changes the source of funds from the infrastructure fund to the District's highway trust fund. The conferees direct that responsibility for this project along with these funds be transferred to the Federal Highway Administration for execution.

The conference action restores section 160 of the House bill (new section 159) concerning the Anacostia River environmental cleanup.

The conference action restores section 161 of the House bill (new section 160) concerning the Crime Victims Compensation Fund and amends the language so that funds are retained each year to pay crime victims at the beginning of the next year. The conference action also inserts language that ratifies payments and deposits to conform with the Revitalization Act (Public Law 105–33).

The conference action restores section 162 of the House bill (new section 161) requiring the chief financial officers of the District of Columbia government to certify that they understand the duties and restrictions required by this Act.

The conference action restores section 163 of the House bill (new section 162) requiring the fiscal year 2001 budget to specify potential adjustments that might be necessary if the proposed management savings are not achieved.

The conference action restores section 164 of the House bill (new section 163) requiring descriptions of certain budget categories.

The conference action restores section 165 of the House bill (new section 164) concerning improvements to the Southwest Waterfront in the District and modifies the language to provide flexibility for the Mayor in executing new 30-year leases with the existing lessees or their successors at the Municipal Fish Wharf and the Washington Marina.

The conference action restores section 166 of the House bill (new section 165) expressing the sense of Congress concerning the American National Red Cross project at 2025 E Street Northwest.

The conference action restores section 167 of the House bill (new section 166) concerning sex offender registration.

The conference action restores section 168 of the House bill (new section 167) prohibiting the use of funds to legalize marijuana or reduce penalties.

The conference action retains and amends section 149 of the Senate bill (new section 168) providing $5,000,000 to offset local taxes for a commercial revitalization program in enterprise zones and low and moderate income areas in the District of Columbia. The conferees believe that the Commercial Revitalization program will be an important tool for the city to improve blighted neighborhoods in the District of Columbia. The conferees believe it is important to bring new commercial enterprises into neglected areas of the city. The conferees direct the District to review Congressional proposals on this issue in order to use the funds effectively.

The conference action retains and amends section 150 of the Senate bill (new section 169) concerning wireless communication and antenna applications. The language recommended by the conferees requires the National Park Service to implement the notice of decision approved by the National Capital Regional Director, dated April 7, 1999, including the issuance of right-of-way permits within 7 days of the enactment of this Act subject to judicial review. Concerning future applications for siting on Federal land, the responsible Federal agency is directed to take final action to approve or deny each application, including action on the issuance of right-of-way permits at market rates, within 120 days of the receipt of such application. This 120 day directive does not change or eliminate the obligation that the responsible Federal agency must comply with existing laws. As provided in current law, including the National Capital Planning Act, a Federal agency considering applications involving Federal land within the District of Columbia area may consider, but is not bound by, recommendations of the National Capital Planning Commission.

The conference action inserts section 151 of the Senate bill (new section 170) concerning quality-of-life issues and changes the findings from a sense of the Senate to a sense of the Congress.

The conference action inserts section 152 of the Senate bill (new section 171) concerning the use of Federal Medicaid payments to Disproportionate Share Hospitals.

The conference action inserts section 153 of the Senate bill (new section 172) concerning a study by the General Accounting Office of the District's criminal justice system. The conferees request that this be a comprehensive study of all components of the criminal justice system including law enforcement, courts, corrections, probation, and parole. The report should include recommendations for improving the performance of the overall system as well as the individual agencies and programs.

The conference action deletes section 154 of the Senate bill concerning termination of parole for illegal drug use.

TITLE II—TAX REDUCTION

The conference action restores Title II—Tax Reduction commending the District of Columbia for its action to reduce taxes and ratifying the District's Service Improvement and Fiscal Year 2000 Budget Support Act of 1999 as proposed by the House.

Conference Total—With Comparisons

The total new budget (obligational) authority for the fiscal year 2000 recommended by the Committee of Conference, with comparisons to the fiscal year 1999 amount, the 2000 budget estimates, and the House and Senate bills for 2000 follow:

Federal Funds:

New budget (obligational) authority, fiscal year 1999	683,639,000

Budget estimates of new (obligational) authority, fiscal year 2000	393,740,000
House bill, fiscal year 2000	453,000,000
Senate bill, fiscal year 2000	410,740,000
Conference agreement, fiscal year 2000	429,100,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1999	(254,539,000)
Budget estimates of new (obligations) authority, fiscal year 2000	35,360,000
House bill, fiscal year 2000	(23,900,000)
Senate bill, fiscal year 2000	18,360,000
District of Columbia funds:	
New Budget (obligational) authority, fiscal year 1999	*6,790,168,737*
Budget estimates of new (obligational) authority, fiscal year 2000	*6,745,278,400*
House bill, fiscal year 2000	*6,785,832,400*
Senate bill, fiscal year 2000	*6,749,882,400*
Conference agreement, fiscal year 2000	*6,778,432,400*
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1999	*(11,736,237)*
Budget estimates of new (obligations) authority, fiscal year 2000	*33,154,000*
House bill, fiscal year 2000	*(7,400,000)*
Senate bill, fiscal year 2000	*28,400,000*

ERNEST J. ISTOOK, Jr.,
RANDY "DUKE" CUNNINGHAM,
TODD TIAHRT,
ROBERT B. ADERHOLT,
JO ANN EMERSON,
JOHN E. SUNUNU,
BILL YOUNG,
Managers on the Part of the House.

KAY BAILEY HUTCHISON,
JON KYL,
TED STEVENS,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. GUTIERREZ. Mr. Speaker, I was inadvertently not recorded on rollcall vote 379, the conference report on H.R. 2488, the Financial Freedom Act. Had I been recorded, I would have been recorded as a no vote on final passage of H.R. 2488.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 167. Concurrent resolution authorizing the Architect of the Capitol to permit temporary construction and other work on the Capitol Grounds that may be necessary for construction of a building on Constitution Avenue Northwest, between 2nd Street Northwest and Louisiana Avenue Northwest.

The message also announced that the Senate agrees to the report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2488) "An Act to provide for reconciliation pursuant to sections 105 and 211 of the concurrent resolution on the budget for fiscal year 2000."

The message also announced that the Senate has passed a bill and a concurrent resolution of the following titles in which concurrence of the House is requested:

S. 1543. An act to amend the Agricultural Adjustment Act of 1938 to release and protect the release of tobacco production and marketing information.

S. Con. Res. 51. Concurrent resolution providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives.

PERMISSION FOR COMMITTEE ON COMMERCE TO HAVE UNTIL MIDNIGHT, SEPTEMBER 7, 1999, TO FILE REPORTS ON H.R. 1714, H.R. 1858, H.R. 486, H.R. 2130, AND H.R. 2506

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on Commerce be permitted to file its reports on the following bills no later than midnight September 7, 1999:

H.R. 1714;
H.R. 1858;
H.R. 486;
H.R. 2130; and
H.R. 2506.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

MAKING IN ORDER AT ANY TIME ON LEGISLATIVE DAY OF AUGUST 5, 1999, CONSIDERATION OF CONFERENCE REPORT ON H.R. 1905, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2000

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that it be in order at any time on the legislative day of August 5, 1999, to consider the conference report to accompany the bill (H.R. 1905) making appropriations for the legislative branch for the fiscal year ending September 30, 2000, and for other purposes; the conference report be considered as read and all points of order against the conference report and against its consideration be waived, and; the previous question be ordered to final adoption without intervening motion except 20 minutes of debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations or their designees and one motion to recommit.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2684, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2000

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 275 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 275

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2684) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2000, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived except as follows: beginning with "Provided" on page 70, line 15, through "Act:" on line 22; and page 93, lines 1 through 6. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. Before consideration of any other amendment it shall be in order to consider the amendment printed in the report of the Committee on Rules accompanying this resolution, which may be offered only by a Member designated in the report, shall be considered as read, may amend portions of the bill not yet read for amendment, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Points of order against the amendment printed in the report for failure to comply with clause 2 of rule XXI are waived. During consideration of the bill for further amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my good friend, the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 275.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. PRYCE of Ohio. Mr. Speaker, House Resolution 275 is an open rule that governs the consideration of H.R. 2684, the fiscal year 2000 appropriations bill for the Departments of Veterans Affairs, Housing and Urban Development, and independent agencies.

The rule provides for 1 hour of general debate, equally divided and controlled by the ranking member and the chairman of the Committee on Appropriations. All points of order against consideration of the bill with respect to unauthorized or legislative provisions as well as the transfer of funds in the general appropriations bill are waived, except as specified by the rule.

After general debate, it shall first be in order to consider the amendment printed in the Committee on Rules report. This amendment would restore funding for the Selective Service, which the bill itself eliminates. The Committee on Rules understands that Members on both sides of the aisle have strong feelings about the value of the selective service.

Therefore, we felt it was appropriate and fair to provide waivers for this amendment and let the House work its will. The amendment is bipartisan, and will be offered by the gentleman from California (Mr. CUNNINGHAM), a member of the Committee on Appropriations, along with the gentleman from South Carolina (Mr. SPENCE), who chairs the Committee on Armed Services. Other cosponsors include the gentleman from Virginia (Mr. MORAN), the gentleman from Indiana (Mr. BUYER) and the gentleman from Texas (Mr. ORTIZ), all of whom serve either on the Committee on Appropriations or Committee on Armed Services.

Points of order against the amendment for failure to comply with clause 2 of Rule XXI are waived. The amendment shall be debatable for 20 minutes, equally divided and controlled by a proponent and an opponent, and it is not subject to amendment or division of the question.

To ensure orderly consideration of the bill, the rule provides priority recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD. Further, the rule allows the Chair to postpone votes and reduce voting time on postponed questions to 5 minutes, as long as the first vote in a series is a 15-minute vote.

Finally, the rule provides for the customary motion to recommit, with or without instructions.

Mr. Speaker, the VA-HUD appropriations bill combines fiscal responsibility with social responsibility. Under the Republican majority, Congress has fought tooth and nail for a balanced budget through lower government spending. We have combed the budget for waste, duplication, and inefficiency; and we have made the tough decisions necessary to ensure that the Federal Government lives within its means. Today we are seeing the fruits of our labor in a balanced budget and projected surpluses as far as the eye can see.

But this is no time to rest on our laurels. We must be ever vigilant in our responsibility to the taxpayers to spend their hard-earned dollars wisely, while fulfilling the many obligations of government.

One of our most important obligations is to the veterans of this country, who have been willing to trade their lives for the freedom and democracy that we enjoy. It may be impossible to compensate these individuals for their contributions and sacrifices, but this legislation makes a good faith effort by increasing funding for veterans' medical care by $1.7 billion. While the President recommended a freeze in spending on VA health in his budget, this legislation provides the largest increase in veterans' healthcare that we have seen in decades.

This increase brings spending for veterans' medical care to a total of $19 billion. We did not pull this figure out of thin air. The Committee on Veterans Affairs heard testimony from the veterans service organizations and the VA healthcare officials from across the country before agreeing that a $1.7 billion boost in spending would meet our veterans' needs.

We all want to give our veterans the best healthcare possible, and we probably all agree that the VA health system is inadequate in many respects, but money alone will not solve all of these problems. But an additional $1.7 billion is significant. This money will provide the needed injection into VA healthcare while the system as a whole is examined with an eye toward reforms that can have a much more profound impact on veterans' health.

The Federal Government also has a responsibility to the poorest, most vulnerable of our citizens. We all have debated the importance of Medicare and Social Security as we watch our elderly population grow and life expectancies increase. This bill maintains our commitment to America's senior citizens by providing $660 million for seniors' housing assistance.

The bill also recognizes the challenges faced by people with disabilities, who will receive $194 million in housing aid through this legislation.

To ensure the continued availability of affordable housing for low income families, this legislation increases funding for the Housing Certificate Fund by $1 billion. This fund is used for the renewal and administration of Section 8 contracts. In other words, the bill provides 100 percent full funding for expiring Section 8 housing contracts.

In addition to the government's responsibilities to our veterans and the poor, Americans have a shared responsibility to protect our environment for future generations. This VA-HUD bill provides $7.3 billion for the Environmental Protection Agency, which is $106 million more than the President requested. Not only is this commitment to the environment more generous than the President's, but it targets the money to local programs designed to protect our resources, rather than bolstering the salaries and expenses of bureaucrats in government agencies in Washington.

For example, the State and Tribal Assistance Grants, which include the State revolving funds for clean and safe drinking water, will receive almost $2.3 billion under this bill. That is $362 million more than the President requested.

Through the VA-HUD bill, we also fulfill our responsibility to so many of our communities that have experienced the devastation of natural disaster. In times of true emergencies and catastrophic loss, our Federal Government has a responsibility to reach out and help people put their lives back together.

This legislation provides more than $3 billion for the Federal Emergency Management Agency, which represents an increase of almost $400 million over last year. In fact, disaster relief programs, emergency management planning and assistance, the Emergency Food and Shelter Program and the flood mitigation fund will all be funded above last year's level.

Mr. Speaker, I congratulate the hard work of the gentleman from New York (Chairman WALSH) to fulfill these many responsibilities and still pare back spending to stay within the limits set in the budget agreement between Congress and the President. It is the fiscal restraint that the gentleman from New York (Chairman WALSH) and the Committee on Appropriations have demonstrated through this bill that is required if our budget surplus is to materialize and be maintained into the future.

This VA-HUD bill funds our priorities, from supporting our Nation's veterans and housing our Nation's poor, to protecting our environment and rebuilding communities devastated by natural disasters. At the same time, this legislation will lower government spending by $1.2 billion.

Some may not agree with the allocation of dollars among the many important programs in this bill. Fortunately, under this wide open rule they are free to offer amendments to rearrange the spending in this bill, so long as their amendments comply with the rules of the House.

Mr. Speaker, this bill is one more challenge we must be willing to meet as we work to change the culture in Washington. We cannot continue to accept the expenditure of taxpayers' dollars merely because it is dedicated to a program with a popular name or one with good intentions. We must be diligent in our protection of taxpayer interests, both as wage earners and as members of a free society, where government fulfills its legitimate functions and gets out of the way.

We recognize that veterans' programs, environmental protection, and emergency assistance are all key government functions, but we also understand that the government can be more efficient in achieving its desired purpose. There are always places where we can trim spending without undermining our objectives. It is our challenge to reconcile these realities to achieve multiple goods.

□ 2200

Mr. Speaker, I hope my colleagues will join me in voting yes on this open rule, and in support of the principles of fiscal and social responsibility which the VA-HUD bill protects.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, congressional spending is all about making choices, and the VA-HUD appropriation bill shows us very loud and clear the choices made by my Republican colleagues.

In short, Mr. Speaker, with this bill they have chosen tax breaks for the very rich over health care for veterans and housing for low-income families. They are determined to give the richest Americans a whopping tax break at the expense of just about everybody else, and they have even resorted to shortchanging veterans on their health care.

When this bill is properly funded, it makes sure we keep our promises to our veterans. It helps keep roofs over the heads of low-income disabled and elderly Americans. It protects the environment. It helps make repairs after natural disasters, and it turns scientific research on the heavens into real answers for today's problems on the Earth.

But these cuts mean those worthy programs will begin to decline. The agency that takes the biggest cut, Mr. Speaker, despite the great service they perform, is NASA. Mr. Speaker, NASA expands our frontiers into space. They perform research on issues like El Nino and droughts, issues that have real meaning to the people of the United States.

But Mr. Speaker, this bill cuts their funding. It cuts the funding they received last year by $1 billion. It will hurt American competitiveness, and could mean over 30 space missions either get canceled or deferred.

The other agency that gets big cuts is the housing department. Even though 5 million very low-income families get no housing assistance at all, even though there is an average wait of about 2 years for Section 8 housing, this bill cuts housing programs, not only by what they need to keep up with inflation but also below the actual dollar amount that was spent last year.

Mr. Speaker, as someone who grew up in public housing, these people save lives, these people give people hope, they give people dignity, they give people a chance, especially when so many Americans do not earn a living wage, despite working full time jobs. Jobs may be more plentiful these days, Mr. Speaker, but affordable housing is not. But this bill cuts public housing by hundreds of millions of dollars.

Finally and most importantly, Mr. Speaker, this bill does not provide enough for veterans' health care. It lowers the standard of medical care for the men and women who risk their lives in military service. Over 60 veterans' groups say this bill falls $1.3 billion short of the amount needed to provide adequate health care for veterans. That, Mr. Speaker, is inexcusable.

Last night in the Committee on Rules we tried to do something about that. My Democratic colleagues and I tried to include the amendment of the gentleman from Texas (Mr. EDWARDS) to delay the capital gains tax break and use $730 million of that savings for veterans' health care. But we were opposed by every single Republican on the committee.

Unfortunately, Mr. Speaker, I am opposed to this bill because this bill sells our veterans short. It risks leaving low-income families out in the cold, and it will drop the United States out of first place in space exploration.

Mr. Speaker, I urge my colleagues to vote no on the previous question. If the previous question is defeated, I will offer an amendment to the rule to make in order the amendment offered by the gentleman from Texas (Mr. EDWARDS) restoring $730 million to veterans' health care. The additional funding will come from delaying the capital gains tax for about 1 year.

Mr. Speaker, there was also a matter on which we agreed and for that I want to thank my chairman, Chairman DREIER, for his leadership. He worked out a compromise for a Democratic colleague, Mr. EDWARDS. Then he graciously reconvened the Rules Committee so that the authorizing committee could withdraw their objection to Mr. EDWARDS' veterans hospital.

Mr. Speaker, I include the text of the amendment of the gentleman from Texas and extraneous materials in the RECORD.

The material referred to is as follows:

At the end of the resolution add the following new section:

"SECTION . Notwithstanding any other provision of this resolution, it shall be in order without intervention of any point of order to consider the following amendment if offered by Representative Edwards of Texas or his designee. The amendment shall be considered as read and shall be debatable for 60 minutes equally divided and controlled by the proponent and an opponent. The amendment is not subject to amendment or to a division of the question. The previous question shall be considered as ordered on the amendment."

In the paragraph in title I for the Department of Veterans Affairs, Veterans Health Administration, Medical Care, account—

(1) after the second dollar amount, insert "(increased by $730,000,000)"; and

(2) strike the period at the end and insert a colon and the following:

Provided further, That any reduction in the rate of tax on net capital gain of individuals or corporations under the Internal Revenue Code of 1986 enacted during 1999 shall not apply to a taxable year beginning before January 1, 2001.

Mr. Speaker, I urge my colleagues to vote no on the question so we can give our veterans more of the health care they deserve.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 5 minutes to my distinguished colleague, the gentleman from New York (Mr. WALSH), the chairman of the subcommittee who has worked so hard on this bill.

Mr. WALSH. Mr. Speaker, let me first thank the gentlewoman from Ohio (Ms. PRYCE) for the courtesy of yielding me time, and to the Committee on Rules, both the gentleman from California (Mr. DREIER) and the ranking member, the gentleman from Massachusetts (Mr. MOAKLEY), for the way they received this bill in committee. I thought we had a good hearing, and we got a good rule.

Mr. Chairman, it is with some sadness that I bring this rule before the House today. I have worked with my partner on this bill from the beginning, a gentleman who I really did not know that well when I began as chair of the subcommittee. As I said, sadly, he is not with us tonight to bring this rule before the House.

That is my good friend and colleague, the gentleman from West Virginia (Mr. MOLLOHAN), who suffered a tragic loss this week when his father, Robert, who served with such distinction and honor in this House for 18 years as a member of the Committee on Armed Services, passed away. The gentleman from West Virginia asked that we delay the full debate on this bill. It was obviously a heartfelt request. We honored that request, but we do bring the rule before the House, and we will withhold the consideration of the bill until we return in the fall.

So I miss him and I wish him well, and I offer my condolences and those of my family and those of my colleagues to the gentleman from West Virginia (Mr. MOLLOHAN) and his family.

Mr. Speaker, I think we have done the best we can with a very difficult allocation in a very difficult environment, given the constraints and the budget caps we voted for in 1997. We have brought before the House a bill that hold discretionary spending at $68.5 billion. That is $3.4 billion below the President's request. It is $1.2 billion below the 1999 funding level.

Much has been said already tonight about veterans' medical care. Mr. Speaker, I know that Members know there is no higher priority in this Congress than our commitment to our veterans, and to meeting and keeping the promises that we made. That is why, Mr. Speaker, we raised the President's request for veterans by $1.7 billion.

My colleague stated earlier that we have left the veterans short. If we had left the veterans short, what did the President do, Mr. Speaker? This is the request of the authorizing committee, fully funded, at $1.7 billion. This is the budget resolution level of funding.

I have with me today a packet, a letter and some attachments that I have provided here on the Republican leadership desk that is available to all Members. I hope they would take advantage of it.

If I could just briefly read a couple of lines from it, in addition to the $1.7 billion increase for medical care, H.R. 2684 provides an increase for the medical and prosthetic research account, provides additional claims analysis in the Veterans' Benefits Administration, and doubles the request for the State extended care facilities grants program.

H.R. 2684 also fully funds the budget for the National Cemetery Administration, the State Cemetery Construction Program, and the Court of Appeals for Veterans' Claims. This is a dramatic increase, Mr. Speaker. There has never been, never been an increase as large as the increase that is incorporated in this bill for veterans' medical care.

For those who would suggest that we have not supported our veterans, I would remind them that in the 1990 budget of this House of Representatives, VA medical care was at a level of $11.3 billion. If this bill is enacted, Mr. Speaker, that amount will increase to $19 billion. That is a 70 percent increase over this past decade. No other Federal department, to my knowledge, has had those kinds of increases, nor that level of commitment from the Members of this body.

Mr. Speaker, I would also offer for consideration and include in the RECORD letters from the National Commander of the American Legion and the national legislative director of the Veterans of Foreign Wars, who urge all Members to support this bill, to support this level of funding. It is their consideration that this is the proper level of funding.

I would ask all Members to consider those important veterans' service organizations when they vote.

Mr. Speaker, veterans health care and the Veterans Administration is not the only aspect of this bill. It is a very broad-reaching complex bill. It includes HUD. And in the area of HUD funding, we have fully funded the Section 8 housing voucher program, which is a good program, a successful program. We have fully funded senior and disabled housing in this bill.

Have there been cuts? There have been cuts, Mr. Speaker, but we had to find places within the budget to reduce spending in order to meet our spending allocations. None of the cuts are draconian cuts.

Mr. Speaker, the most difficult and severest of cuts were in the NASA budget. However, the committee went back in and put $400 million back into the NASA budget. We are still below the level that we need to make these commitments, but I would remind my colleagues in all of these, in FEMA, EPA, the National Science Foundation, we are in the third inning of a 9-inning ballgame. We have a long way to go.

I would ask my colleagues to work with us on this as we go towards conference to try to provide, if possible, additional resources to meet those commitments.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, today this House passed a tax bill that is not real. It is a campaign document more than it is legislation. This bill is not real, either. It is another political document that is not legislation.

We all want to be able to cut taxes, but the majority party apparently wants to push its political plans so hard that they are willing to say no new dollars for social security, no new dollars for Medicare. Now they are willing, in this bill, to crush our ability to conduct science, except for the station and the shuttle. They are willing to trash one of the President's top priorities, AmeriCorps. They are willing to take a half a billion dollar cut in public housing. They are willing to take $3 billion out of the Labor-Health-Education appropriation bill to pay for this bill.

The majority party is telling the country that to pay for their tax scheme and to pay for this bill, they are willing to cut education, cut health care, cut the National Institutes of Health by one-third. Members know that is a phony promise. That is a false promise. It is a phony budget.

Mr. Speaker, we asked the Committee on Rules for one amendment, to delay for one year the capital gains gift to the high rollers of this society, and use that money to pay for additional veterans' health care, because the President's request was inadequate and so is this bill on the item of health care. But the majority party says no, we cannot do that, because we will bend jurisdictional rules.

Mr. Speaker, I would say to my friends on the majority side of the aisle, they have obliterated budget rules. One day they use CBO spending estimates. The next day they use OMB spending estimates. The next day they make the most laughable claims that routine activities like the Census are emergencies in order to cover spending.

If they can do all of that, it seems to me that they can bend their rules a little to help veterans who did not bother about budget rules when they answered their country's call.

In the words of the old song, "Whose side are you on?" Are we on the side of the high rollers, or are we on the side of the schoolkids, on the side of sick people, and on the side of veterans?

What Members do on this vote will speak more loudly than all of the summer speeches we give when we go home tonight after this session is over. I urge Members to support the Paralyzed Veterans of America, support the Disabled American Veterans, support the Vietnam Veterans of America. Vote no on the previous question on this rule. Get a new rule. Put veterans ahead on the train, rather than having them ride in the caboose.

I urge Members to vote no on the previous question on the rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 3 minutes to my distinguished colleague, the gentleman from Texas (Mr. Paul).

Mr. PAUL. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I rise to express my support for this rule. It is a fair rule. There is plenty of room for debate and room for amendment.

I would like to congratulate the Committee on Appropriations for doing something very important in this bill by deleting all the funding for the Selective Service System. I think that is very important.

As was described by the gentlewoman earlier, there will be an attempt early on. The first amendment that will come to the floor will be to put that money back in.

I would like my colleagues to consider very seriously not to do that, because there is no need for the Selective Service System. There is only one purpose for the Selective Service System. That is to draft young 18-year-olds. That is unfair.

There is no such thing as a fair draft system. It is always unfair to those who are less sophisticated, who either avoid the draft or are able to get into the National Guard, or as it was in the Civil War, pay to get their way out.

□ 2015

The draft is a 20th century phenomenon, and I am delighted to see and very pleased that the Committee on Appropriations saw fit to delete this money because this, to me, is reestablishing one of the American traditions, that we do not believe in conscription. Conscription and drafting is a totalitarian idea.

I would like to remind many of my conservative colleagues that, if we brought a bill to this floor where we would say that we would register all of our guns in the United States, there would be a hue and cry about how horrible it would be. Yet, we casually accept this program of registering 18-year-old kids to force them to go and fight the political wars that they are not interested in. This is a very, very serious idea and principle of liberty.

So when the time comes in September to vote for this, I beg that my fellow colleagues will think seriously about this, the needlessness to spend $25 million to continue to register young people to go off to fight needless wars. They are not even permitted to drink beer; and, yet, we expect them to be registered and to use them to fight the wars that the older generation starts for political and narrow-minded reasons.

So when the time comes in September, please consider that there are ways that one can provide for an army without conscription. We have had the reinstitution of registration of the draft for 20 years. It has been wasted money. We can save the $25 million. We should do it. We should not put this money back in. We do not need the Selective Service System.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. FROST), the chairman of the Democratic Caucus.

Mr. FROST. Mr. Speaker, this rule should be defeated. Members of the Republican Party have shamelessly turned their backs on the veterans of this Nation, and they have done so in this rule and this bill.

My Republican colleagues have shown, by failing to make in order the Edwards amendment, that they are perfectly willing to sacrifice the health care for the veterans of this Nation. For what, Mr. Speaker? For a capital gains tax cut that will provide the lion's share of its benefits, some 76 percent to those Americans making over $200,000.

Our veterans who depend upon the Veterans Administration for their health care have sacrificed much for their country and are now being asked to sacrifice yet again to the very wealthiest in this Nation. In my book, Mr. Speaker, that simply does not add up.

The gentleman from Texas (Mr. EDWARDS) asked the Committee on Rules for the right to offer an amendment to the VA-HUD appropriations bill that would increase veterans health care by $730 million and delay the capital gains tax cut for 1 year. While the Committee on Appropriations is to be commended for adding more funds to veterans health care, the money available simply will not cover the need. Yet, the Republican majority is willing to ignore this critical need all in the name of preserving a tax cut that will provide most of its benefits for the very richest among us.

For that reason, I must oppose this rule. I cannot in good conscience go home to my constituents next week and tell them I am supporting cutting veterans health care so that those who have all they need and want, who can afford the very best health care available, might enjoy a benefit of a tax cut.

This is a shameless situation, Mr. Speaker, and one I know my constituents will not soon forget.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Speaker, I really feel compelled to comment. This bill is real. This bill involves many difficult decisions and very hard choices, and it is prioritizing. This bill does not have anything to do with a tax cut. It is not a revenue bill. This is a spending bill.

I would suggest, what is real? What is real about the offset that is being proposed by the minority to fund the veterans medical care? They are suggesting that we use revenues from a tax cut that they have urged and that, indeed, the President has pledged to veto. Is that real? No. Is it disingenuous? Absolutely.

Now, if there is a real effort to provide veterans with additional funds, then make the hard decisions. That is what we did. We made hard, tough decisions. These were not fun.

I do not particularly like the reductions that we had to make in NASA. I like to look forward, and the subcommittee is the same way. We believe in the research and the science that is occurring there. But those were hard decisions. We did not just pull a figure out of a hat like a proposed tax cut.

Now, if there was some support on the other side for the tax cut, maybe it would be more real. It still is fiction. But the fact is, if there is going to be an offset, let us offer a real offset. What we have done is put $1.7 billion on top of the frozen budget that the President has offered for the veterans for the last 3 years. This is a true commitment.

The Congress has been a friend to the veteran. It is obvious in this bill that this was a priority of the subcommittee. I would say once again this is very real. Is it completed? No. This is a work in progress. But these are real decisions. I would ask that, if there are changes to be made, then real offsets, real suggestions, real decisions need to be made here.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. EDWARDS), the former ranking member of the Subcommittee on Health of the Committee on Veterans' Affairs.

Mr. EDWARDS. Mr. Speaker, a Congress that can pass a risky trillion dollar tax cut today surely should be able to adequately fund veterans health care tonight.

I want to genuinely thank the gentleman from New York (Mr. WALSH), the chairman, and the gentleman from West Virginia (Mr. MOLLOHAN) for their work to end a hard freeze on veterans health care, given a budget devastated by massive irresponsible tax cuts.

Honestly, they did as well as anyone could. However, I rise tonight in opposition to this rule because it prohibits this House from adequately funding veterans health care.

A Congress that can find a trillion dollar tax cut just 9 hours ago to cut taxes mainly for the wealthy surely, surely can find one-tenth of 1 percent of that amount to keep our Nation's commitment to veterans, to middle- and low-income veterans, veterans who are waiting months for basic health services if, indeed, they have not been cut off from those services already.

The question before us, Mr. Speaker, is very straightforward. Whose side are we on? Are we on the side of veterans tonight who have fought, sacrificed, and suffered to defend our Nation, or are we going to be on the side of the wealthiest Americans who do not really need a tax cut to affect their life style?

Is this Congress going to fight for veterans who have fought for us on the battlefield, or are we going to fight for the wealthiest 1 percent of Americans?

Some say this is an open rule. But the truth is this rule shut the door on the Edwards-Stabenow-Evans amendment that would provide 730 million real dollars more for veterans health care.

Our amendment is supported by organizations such as the Disabled American Veterans, the Paralyzed Veterans of America, and the American Legion because they know this money, and they have said this money, is necessary to adequately fund veterans health care.

The Edwards-Stabenow-Evans amendment is paid for by simply delaying until January 1 of 2001 the just-passed capital gains tax cut. It is a fiscally responsible straightforward amendment. It says that we think that providing more adequate health care for veterans is worth delaying one-tenth of 1 percent of the Republican tax cut, especially when we note that 76 percent of the just-passed capital gains tax cut goes to individuals making over $200,000 a year.

Mr. Speaker, by voting no on the previous question, we can allow this House to vote its will on whether to put $730 million more into the veterans health care system. Have we not already asked our veterans to sacrifice enough on the battlefield? Must we ask them to sacrifice needed health care services to help pay for a tax cut for our wealthiest Americans?

Let me finish, not with my words, but the words of the national commander of the Disabled American Veterans: "It is shameful that veterans cannot receive a $3 billion increase in veterans health care at a time we have a $1.1 trillion surplus expected and a $792 billion tax cut proposal."

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I might consume.

I am having a hard time following the logic here. We are increasing funding for veterans medical care by $1.7 billion. That is $1.7 billion more than the President asked for, and it is the amount that was authorized by the Committee on Veterans' Affairs.

The gentleman is acting as if we are cutting spending when we are increasing it by 10 percent. If there is some cause and effect between the tax bill and this increase, one would think the veterans would push for tax relief legislation every year.

Mr. Speaker, there is no logic here.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Mr. Speaker, I rise this evening asking my colleagues to oppose the rule for VA-HUD, because it does not allow a vote on the Edwards-Stabenow-Evans amendment.

The VA estimates that the adoption of our amendment would have allowed an additional 140,000 veterans to receive the health care that they need. Instead, this budget continues to underfund these critical services for our veterans.

Today, there are 20,000 fewer VA medical staff than there were 5 years ago. The dollars that we are talking about tonight are just attempting to get us back to where we were, and it does not even do that.

Due to staffing shortages, for example, a veteran in Tennessee with multiple sclerosis was forced to wait 4 months to be seen by a doctor. We have veterans across this country that travel over 300 miles just to get an X-ray.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise in strong opposition to this rule and to the bill that is to follow it. Frankly, it does not reflect the values or priorities that this Congress should be setting. We started with a make-believe budget, and now we are passing make-believe spending bills.

But the cuts in here that are being proposed I think speak to the values of where we are going. We have an obligation in this society to help those that are in need. This budget cuts housing $1 billion below what it was last year.

Furthermore, it goes on in the supplemental spending measures that we have had. We have repeatedly used the housing budget as a honey pot to fund other programs, continually taking money out of them and denying the funds that are needed to house people in this country.

It is $2 billion below what the President asked in the housing programs. Of course it eliminates the AmeriCorps. It cuts into the regular and general science programs. This is a budget that has repeatedly denied the opportunity to respond to the needs of the neediest in our society, those that need housing.

I hope we can reject this rule and reject the bill.

Mr. Speaker, I rise in opposition to this rule which will put in place a convoluted process to consider a seriously flawed bill when we return in September. This bill gives short shrift to housing and community development programs, to proven programs like AmeriCorps, and others of import to the science and environmental communities.

This rule will allow the consideration of a bill that will continue the theme of the past few years: making housing the honey pot for budget spending increases elsewhere and tax cuts for special interests and the wealthy. The VA, HUD and Independent Agencies bill has been irreparably harmed by the flawed process set up by the initial budget blue print drawn by the Majority who thumbs their noses at the realities of funding needs in social programs, ensuring confrontation this fall with Democrats and the Clinton Administration.

Unfortunately, the VA–HUD Appropriations bill cuts well over a billion dollars in funds from HUD's budget last year and is some $2 billion below the Administration's request. It is a sort of water torture of cuts—a drip here, a drip there—but in the end, the programs are suffering from the budget drought.

Since last week, the overall VA–HUD bill has lost some of the emergency spending gimmicks that other bills retained, such as calling the Decennial Census an "emergency." So, the GOP Majority appropriators chose instead to gouge yet deeper into the Labor-HHS-Education 302(b) allocation of funds in order to spare the popular Veterans and NASA programs. Predictably, the powerless in our society, the housing and community programs have been left with cuts to key programs, the Community Development Block Grant (CDBG), the McKinney Homeless Assistance programs, HOPWA, and public housing. This bill would provide no new housing assistance despite the commitments to authorize 100,000 new vouchers made in the 1999 budget authorization and the Administration's request to fund such units. This is at a time when millions of people are on waiting lists for housing are on the streets, and according to a Department of Housing study, 5.3 million families have worst case housing needs.

The real emergency, the real needs of the VA–HUD bill should be preserving our federally-assisted housing from the "opt-out" or prepayment phenomenon by matching state programs to keep buildings affordable, or marking up market rents so landlords stay with our successful programs. The real housing needs of this country will not be met under the VA–HUD Appropriations bill that this Rule would bring before the House.

This spending measure makes no effort to reconcile the loss of hundreds of millions of dollars of rescinded Section 8 monies that have been usurped for emergency spending this year and the last. This year, for example, we lost $350 million in Section 8 that is made up, if at all, on the backs of other critical housing program like the CDBG block grant which serves low- and moderate-income folks in cities across the country.

While the House has now passed the Conference Agreement providing for a trillion dollar tax cut pie for those who are well off, we are left in housing accounts with nothing but a bad taste in our mouths because the commitments to bring affordable housing opportunities to more people have been broken. We cannot stay even in funding for housing programs with the spending levels in this bill, and this future spending policy path provides no light at the end of the tunnel for the housing crisis.

While the Committee may claim inadequate appropriation authority under the budget, the fact is that there are 215 earmarks spending money on special interest projects. The conclusion of this bill is to deny funding for housing and other needs but to buy off votes to pass it with projects and earmarked funds!

I urge a "no" vote on the rule.

The SPEAKER pro tempore (Mr. QUINN). The Chair would inform both managers that the gentlewoman from Ohio (Ms. PRYCE) has 10½ minutes remaining. The gentleman from Massachusetts (Mr. MOAKLEY) has 15 minutes remaining.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. FILNER), the ranking member of the Subcommittee on Benefits of the Committee on Veterans' Affairs.

Mr. FILNER. Mr. Speaker, on behalf of the veterans of San Diego, California, I rise in opposition to this rule.

Mr. Speaker, this bill simply does not address the emergency our veterans are facing. Keeping the promises that we made to our veterans is an emergency; providing veterans health care is an emergency.

It is vital to improve the Montgomery G.I. Education bill, reducing incredible backlog in claims, provide care to those facing illness of unknown causes from the Persian Gulf War.

Not only has this bill failed to address these critical needs, it has compounded this emergency situation by approving hundreds of dollars of individual congressional projects, most of which pale in importance to the health care of our veterans.

So our veterans can wait months for a doctor's appointment, die from hepatitis C because care is being rationed, live on the streets because there are no services to help them get back into productive lives.

But this bill answers these needs by putting $1 million into a machine to grow plants in space and a half million dollars into improving paints for ship bottoms. Well, improve my ship bottom. Defeat this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. RODRIQUEZ).

□ 2230

Mr. RODRIGUEZ. Mr. Speaker, I rise today in opposition to the rule. I support the efforts of the gentleman from Texas (Mr. EDWARDS), and during the committee process, I want to just share with my colleagues, that we had a substitute motion to try to put $3.1 billion that was needed in this particular piece of legislation and that particular motion was not even allowed, despite the fact that it was a proper motion.

I want to also indicate that there is a tremendous need out there. These resources are not sufficient. We are going to be seeing some closure of some hospitals and some services that are drastically needed, and I would appeal to my colleagues to please consider the proposal that is here before us. We have an opportunity to be able to do that. We need to make sure that we go out there and provide the services that are needed to some of our veterans that are hurting.

The fact is there are extended services in terms of health care, in terms of hepatitis C, and emergency care in certain areas that are right now in drastic need of additional resources. We have an opportunity to address that when this vote comes up today. There is no need for us to be going out and verbalizing we are in favor of the veterans while at the same time we are not showing the action that is needed. I ask we vote "no" on the rule.

Mr. Speaker, I rise today in opposition to the rule on H.R. 2684. I support the efforts of CHET EDWARDS, DEBBIE STABENOW, DAVID OBEY and LANE EVANS to add $730 million for veterans' medical care in fiscal year 2000. However, the effort to amend the VA-HUD Appropriations bill with this increase was denied by the House Rules Committee. If the amendment were to be in order, I would support this rule, and urge the House leadership to reconsider this decision to deny needed increase in VA spending.

This amendment and the denial of even considering it is nothing new. Members ,have attempted to offer increased funding ever since the budget recommendations were offered in the House Veterans' Affairs Committee. That effort was based upon the Independent Veterans budget offered the major veterans service organizations such as the Disabled Veterans of America, the Veterans of Foreign Wars, AMVETS and Paralyzed Veterans of America. Many of these groups and the American Legion sent letters to the Rules Committee in support of the Edwards amendment as well, and have been instrumental in raising this issue in VSO halls, rallies, and meeting across the country.

Throughout this budget cycle, I have joined my colleagues in meeting with the Administration. Our goal was to remind the Administration that it must put veterans first. We then secured a revised budget request from Vice-President Gore to add a billion dollars to next year's VA appropriation.

The VA is in a position to make real progress in comprehensive health care: Expanded mental health care, long-term and nursing home health care, Hepatitis C, emergency care and other initiatives that had never been fully funded. But how can we promise these expanded goals without an adequate budget to keep our promises.

Now is the time to keep our commitment to those who served our nation when she called.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I rise in opposition to this rule. I am privileged to represent a caring and proud community that cherishes freedom and deeply respects the men and women who have fought and died to protect those freedoms.

As I think about the tremendous service veterans have provided our country, I am outraged that this rule does not make in order an important amendment to improve health care for veterans. This amendment would increase funding for veterans' health care by $730 million, which would help 140,000 veterans. I can think of few things more important than making certain that our veterans receive the medical care they deserve and medical care that they were promised.

This bill and this rule do not meet this challenge, and I urge my colleagues to oppose it.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, this rule represents a cold-hearted approach to the needs of the homeless, including 6,500 veterans who will be left in the lurch.

Public housing is cut down from the President's request, community development block grant programs, which help to rebuild low- and moderate-income communities and enhance the quality of life, are all cut.

This is a weak response to the needs of the most vulnerable and is a disservice to the men and women who have made great sacrifices to serve their country.

It is a bad rule, it is a bad bill. I urge that we vote "no."

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, I thank my colleague from Boston for yielding me this time.

Mr. Speaker, this week The Washington Post wrote about the great accomplishment that we have made in welfare to work; how we have been able to transition people from welfare into work programs, but how we also provided them with the very tools to make that transition.

This bill and this rule takes away some of the most essential parts of that transition. It strips out all kinds of incremental vouchers that allows people to go from welfare into work and still pay for some housing and get some assistance. What will their choice be with this rule and this bill? Either go back into welfare or go into underqualified, unsubsidized, and poor quality housing.

Housing is one of the most basic and fundamental essential parts of life, yet we are stripping that opportunity out and away from these people. We are not giving them hope but despair. We are not providing them with self-respect but with pity. We are not providing them with opportunity but a dead end.

Oppose this rule because it does nothing to provide that continuation of welfare to work.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. WALSH), the chairman of the committee.

Mr. WALSH. Mr. Speaker, I wish to address this issue of housing, because as an urban Republican, and having been a city council president in Syracuse, it is something I feel very, very strongly about. That is why, while we did have to make reductions in the budget, we made no draconian cuts in any of the programs.

I would just submit that when the President presented his budget that has been talked about thus far, the President used a budget gimmick. It is called advanced appropriations or forward funding. He put a figure of $4.2 billion in advanced appropriations in this bill as an offset to cover the cost.

But what that says, Mr. Speaker, is that HUD cannot spend that money until the first day of the next year. In other words, the first day of October of the year 2001. So, in effect, that money is not available to the poor people and to the people who are going from welfare to work in this country in the next budget year, which is what we are talking about.

It is an advanced funding gimmick that we rejected. And if we take that out, we are $2 billion above the President's request for Section 8 housing.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise in opposition to this rule. The cuts that the Republicans have made in the VA-HUD appropriations bill really define who they are and what they care about.

Let me just list a few of the cuts for my colleagues. A $515 million cut in public housing programs, a $250 million cut in Community Development Block Grants, a $10 million cut in housing opportunities for People With AIDS Program; a $3.5 million cut in grants to historically black colleges and universities, a $195 million cut in economic development initiatives.

As a result of these cuts, my own home State of California will receive $151 million less than the amount requested by HUD. Specifically, my own district that I represent will receive $4.6 million less than the amount requested by HUD.

Why are the Republicans doing this? I will tell my colleagues why. These cuts are calculated to provide a $792 billion tax giveaway that favors the wealthiest 1 percent, who would get an average tax cut of $46,000 a year. This is at the expense of 60 percent of taxpayers in the middle income bracket and below who would receive less than 8 percent of the total tax cuts.

Mr. MOAKLEY. Mr. Speaker, would the Chair be kind enough to provide my colleague and I the time remaining to us?

The SPEAKER pro tempore (Mr. QUINN). The Chair would inform both sides that the gentleman from Massachusetts (Mr. MOAKLEY) and the gentlewoman from Ohio (Ms. PRYCE) each have 9½ minutes remaining.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Ms. BROWN) a member of the Committee on Veterans' Affairs.

Ms. BROWN of Florida. Mr. Speaker, we cannot have a surplus if we have not paid our bills. Let me repeat that. We cannot have a surplus if we have not paid our bills, and we have not paid our bills.

It is simply outrageous that the Republicans today have passed a trillion dollar tax cut when the veterans budget is billions, that is billions of dollars short in funding.

As the ranking member of the Subcommittee on Oversight and Investigations of the Committee on Veterans Affairs, I have seen how this shortfall is hurting our veterans. A nursing home in my district had to delay its opening. Hospitals are understaffed and underfunded. Waiting periods for treatments are still weeks too long, and cemetery space is disappearing.

While the Republicans celebrate a tax cut bill, they have cut the veterans out of this budget. I urge my colleagues to cut them out. Defeat this rule. This is simply unjust to American heroes.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise to support the rule and to congratulate the gentleman from New York (Mr. WALSH) and our committee for the work it has done to support veterans throughout the United States.

I heard a few minutes ago, Mr. Speaker, reference made to staffing shortages in VA hospitals. In many ways that has a lot to do with a lack of presidential leadership and it has a lot to do with the leadership of the Veterans Administration, which has been absent in many ways in supporting and properly advocating on behalf of veterans. And that was clearly evidenced through hearings that the VA-HUD committee had and that the gentleman from New York (Mr. WALSH) led. We had inadequate testimony from Secretary West.

And as has been pointed out, over the last 4 years, the President has flatlined the veterans' medical care portion of the budget, and it is only through the leadership of this committee that these dollars have been restored each and every year way over what the President has presented, $1.7 billion towards medical care. That would not have happened without the bipartisan leadership of our committee.

One of the other issues, of course, if there are staffing shortages, little wonder, considering the fact that the VA is using a managed care model, a managed care model that is being managed by nonveterans, basically forcing veterans from our hospitals into the communities.

The bottom line is that our committee is providing essential medical care money, more than the President, $1.7 billion. The committee knows the value of veterans, the value of medical care, and we have the endorsements from both the American Legion's national commander and the VFW commander supporting our efforts.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, I rise to oppose this rule because it is the first step in ripping off the roof over people's heads. That is what we are doing when we cut $2 billion from the HUD budget.

Now, some people will argue that cutting the budget is good government. But this is not just some government program, it is a roof over people's heads. When we cut this program, we are taking away some seniors' rent money, we are throwing families out of their homes, and we are denying people on fixed and low incomes the safety and security of an affordable home.

The residents of over 500,000 affordable apartments are at risk of losing their homes over the next 5 years if HUD does not renew the contracts with the private landlords who own them. The money to do that was cut.

Last March, we cut $350 million from the Section 8 program, with solid promises it would be back in the budget; but it is not. Well, we can put the $350 million back if we do not give $800 billion to wealthy special interests in the form of an irresponsible tax cut. And we should put in the $1 billion that the President requested because 500,000 households are depending on us.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Speaker, that last statement was bordering on the outrageous. No one, no one, will be turned out of their homes. And to say that is irresponsible.

Not one individual, not one family that is now in public housing will lose their home. Not one individual, not one family that is in Section 8 housing will lose their home. In fact, as I stated earlier, if we take the President's budget gimmick of $4 billion out of this bill, we are $2 billion above the President's request for Section 8 housing.

Now, who is kidding whom? This class warfare sort of approach is not going to work. There are people on this side of the aisle who care deeply about all American citizens, regardless of their income. And it is sort of an old song that has worked in the past; but, Mr. Speaker, I am not going to stand for it.

There is a commitment to public housing. If we are short in some areas of this bill, it is because we had hard choices to make. And if we can put additional resources in, we will.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I rise in opposition to this rule. All of us claim to support human rights in faraway lands. This Republican appropriations bill demonstrates a disrespect for basic human rights for the least of these in our own country.

And I say this because it does cut $5 million for homeless assistance, it cuts $50 million for renovation of severely distressed public housing, it cuts $250 million for Community Development Block Grants, and it cuts $1 billion from the President's request for assistance to landlords in exchange for affordable housing.

Of course this is not a tax bill, but as we make these cuts, we must remember that, unfortunately, the Republicans did pass a major tax bill earlier that gives $731 million in capital gains tax cuts and $169 million in special interest tax breaks.

It is mind-boggling that those who talk about family values resort to gutting our families' basic foundation. This is a human rights violation of the highest order. I ask for a "no" vote on the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished ranking member for yielding me this time.

I believe maybe we should reconsider the name of this rule, Mr. Speaker, and really call it "I have got mine, you get yours rule" for the night.

I cannot imagine why the veterans' amendment to restore $730 million for the veterans' health care was not allowed, particularly with the sacrifice that our veterans make on behalf of this country, and especially in light of the fact that when I visit my veterans' facilities and go to veterans' meetings, we talk about the denial of health care that many of them face. That amendment should have been made in order.

Then we need particularly to look at those who are struggling every day to make ends meet and need Section 8 certificates. Why would we cut and provide less than what we need? Why would we cut $5 million from homeless programs?

□ 2245

Why would we indicate in a market where there is not enough affordable housing that they do not need section 8? It is because I have got mine, you have got yours. And then NASA. We are cutting NASA $1 billion. We are losing jobs. We are denying research on HIV, on diabetes and heart disease.

This is a bill for those who got theirs and they tell the rest of us to get ours. Vote down this rule. This is a bad rule and a bad bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Speaker, I thank the gentleman for yielding me the time.

I rise to oppose the rule and the appropriations bill. As if the damage to housing and to veterans were not enough, the bill before us contains deep cuts to research and development. Research and development is the engine which is driving our robust economy.

The $25 million cut to the National Science Foundation below the current level, among other critical research, includes a cut even to critical science education programs. And the incredible $1 billion slash in the NASA budget below the current level will be felt by scientists who will be forced to end long-standing research in astronomy and space science.

As a scientist, I know that today's research will produce further major scientific advancement that can improve the quality of life of the American people.

In this time of economic prosperity where we discuss budget surpluses and tax cuts, it is unwise to cut at the heart of that prosperity.

Let us send this appropriations bill back to the drawing board and oppose cuts to the National Science Foundation and NASA.

The SPEAKER pro tempore (Mr. QUINN). The Chair would inform the managers that the gentlewoman from Ohio (Ms. PRYCE) has 6½ minutes remaining. The gentleman from Massachusetts (Mr. MOAKLEY) has 4½ minutes remaining.

Mr. MOAKLEY. Mr. Speaker, I yield the remaining 4½ minutes to the gentleman from Texas (Mr. EDWARDS), the former chairman of the Subcommittee on Health of the Committee on Veterans' Affairs.

Mr. EDWARDS. Mr. Speaker, let me make a very clear statement of fact that no one can refute in this House.

If the Republican House leadership was not committed to a trillion dollar tax cut, billions of dollars more would be available for veterans health care.

Let me repeat that statement of fact. If the House Republican leadership was not committed to a trillion dollar tax cut, billions of dollars more would be available for veterans health care.

That is the question that we are raising tonight. Do you want to have a tax cut for the wealthiest Americans who are doing quite well, thank you, or do we want to adequately fund veterans health care?

Let me respond to some of the statements made by my friend and colleague from New Jersey who suggested a few minutes ago that the veterans were supporting basically his position. While the veterans may be glad that we are getting some increase and a hard freeze on veterans care funding, let me be exactly clear, perfectly clear.

The veterans' organizations he referred to are supporting my amendment and asking Republicans and Democrats tonight to oppose this rule and allow my amendment to come up.

Gordon Mansfield, executive director, Paralyzed Veterans of America: "Making this amendment in order would be a giant step forward in providing the resources and the health care our Nation's sick and disabled veterans have earned and deserve."

The American Legion, Steve Robertson, director of their National Legislative Commission: "The VA has an extremely long list of veterans seeking various types of long-term care. The VA's budgetary constraints limit its ability to effectively and efficiently meet these needs. Currently waiting times for appointments in the VA system are staggering. We are not talking days or weeks but months. If the veteran needs to see a specialist, the wait is even longer."

He goes on to say, and I quote: "The American Legion supports this amendment and any waiver that may be in order for this amendment to proceed on the floor."

Let me go on to clarify this point with a quote from Andrew Kisler, the national commander of the 2.3 million Disabled American Veterans' Organization: "On behalf of the more than 2.3 million disabled veterans, including the more than 1 million members of the DAV, I strongly urge you to consider a rule to allow this amendment," referring to the Edwards-Stabenow-Evans amendment.

He goes on to express my views I think very well and the views of many Democrats in this House. "While we greatly appreciate the $1.7 billion increase over the Administration's budget request contained in the VA appropriations bill, it does not go far enough to provide for the health care needs of a sicker, older veterans' population."

Let me clarify another point. Several of my colleagues have said the President's health care proposal in his budget is inadequate. I agree. We all agree. Nobody is disagreeing. But let the American people know and let us be honest with them in saying that Presidents do not write budgets. That is our responsibility.

Let me tell my colleagues what we in Congress have done over the last several years. It was not the President who flat-lined VA health care spending for 5 years. It was this Congress on a bipartisan basis but under the leadership of the Republican Speaker that flat-lined VA health care spending for 5 years.

Why do we not just admit tonight we have made a mistake? I think admitting we made a mistake 2 years ago is a lot more responsible than trying to maintain our commitment to that terrible mistake and the inadequate funding for veterans health care. Congress passes budgets and has that responsibility, not the President.

This Congress has made assumptions in the past several years of budgets that have said we are going to have 20 percent more veterans needing care, but we are going to bring in 10 percent extra VA health care income from outside sources. But surprise, this Congress did not pass the Medicare subvention law that was the basis to that assumption.

This Congress, not the President, assumed that the VA would provide veterans care 30 percent cheaper per veteran. Which Member of this House has been willing to make that promise to his or her constituents?

We appreciate the efforts of the gentleman from New York (Mr. Walsh) and the gentleman from Arizona (Mr. Stump) and others' efforts. But let us say no to this rule. Let us adequately fund VA health care, and let us do it tonight.

Ms. PRYCE of Ohio. Mr. Speaker, I submit for the RECORD an explanation of the previous question, a procedural, not a substantive vote.

THE PREVIOUS QUESTION VOTE

The previous question is a motion made in order under House Rule XIX, and accorded precedence under clause 4 of Rule XVI, and is the only parliamentary device in the House used for both closing debate and preventing amendment. The effect of adopting the previous question is to bring the pending proposition or question to an immediate, final vote. The motion is most often made at the conclusion of debate on a special rule, motion or legislation considered in the House prior to a vote on final passage. A Member might think about ordering the previous question in terms of answering the question "is the House ready to proceed to an immediate vote on adopting the pending question?"

Furthermore, in order to amend a special rule (other than by the managers offering an amendment to it or by the manager yielding for the purpose of amendment), the House must vote against ordering the previous question. If the motion for the previous question is defeated, the House is, in effect, turning control of the Floor over to the Member who led the opposition (usually a Member of the minority party). The Speaker then recognizes the Member who led the opposition (usually a minority member of the Rules Committee) to control an additional hour of debate during which a germane amendment may be offered to the rule. This minority Member then controls the House Floor for the hour.

The vote on the previous question is simply a procedural vote on whether to proceed to an immediate vote on adopting the resolution that sets the ground rules for debate and amendment on the legislation it would make in order. Therefore, the vote on the previous question has no substantive legislative or policy implications.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing, I would like to remind my colleagues that this is an open rule. Any Member may offer any amendment to this legislation so long as it complies with House rules.

The VA-HUD bill reduces spending by $1.2 billion while adequately funding our top priorities, not the least of which is veterans and medical care. In fact, this bill increases VA health care by $1.7 billion. This is a 10 percent increase, far more than Congress has provided for VA medical care in any one year.

Mr. Speaker, again I will take this opportunity to commend the gentleman from New York (Chairman WALSH) for his hard work to craft a bill that strikes a delicate balance between fiscal and social responsibility.

Mr. Speaker, I yield the balance of my time to the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE) for the courtesy that she has extended and for the remarkably solid debate that we have had.

I would like to use my time just to make a couple of points. One, to correct the gentleman that just spoke prior to the gentleman from Texas. The President has requested no increase in the budget for the last 5 years, but the Congress has put in an increase every single time. This being the largest increase in veterans health care history, this bill is before us today.

As I said, in 10 years veterans medical care has gone up over 70 percent because the Congress, both parties, has stuck with our veterans, unlike the President.

This bill is a good bill. It is full of hard decisions, but it is a good bill and it is a fair bill.

Most of the debate has been around the issue of veterans' medical.

I would like to insert for the RECORD the following letter from the Veterans of Foreign Wars:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, August 3, 1999.

Hon. JAMES T. WALSH,
Chairman, Committee on VA, HUD, and Independent Agencies,
Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the 1.9 million members of the Veterans of Foreign Wars of the United States (VFW), I want to express our sincere appreciation to you and the other members of the House Appropriations Committee for the $1.7 billion increase for VA Health Care you have prescribed in the VA–HUD–IA appropriation for FY 2000.

This action by you and the committee will prove instrumental toward ensuring veterans receive quality health care delivered in a timely manner at VA medical facilities throughout the nation. Furthermore, this increase will avert unnecessary layoffs of critical medical personnel as well as prevent the curtailment of essential veterans programs and services.

It is also our view that the elevated baseline established by these necessary dollars will contribute toward addressing the long-term health care needs of our rapidly aging veteran population within the context of congressional deliberations for VA funding in FY 2001 and out-years.

Once again, the VFW salutes your vision, compassion, and political courage in providing an additional $1.7 billion for VA health care. We of the VFW look forward to working with you and other members of Congress on behalf of all veterans in need. You have shown yourself to be a true champion in their service.

Sincerely,

DENNIS M. CULLINAN,
Director, National Legislative Service.

Mr. Speaker, I include for the RECORD a letter from the American Legion:

THE AMERICAN LEGION,
Washington, DC, August 3, 1999.

Hon. JAMES T. WALSH,
Chairman, Appropriations Subcommittee on VA, HUD, and Independent Agencies, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your hard work and that of your colleagues in putting together a difficult appropriations bill. The American Legion understands and deeply appreciates the Subcommittee's efforts to adequately fund the Department of Veterans Affairs in FY 2000.

Clearly, you and your colleagues recognized the inadequacy of the President's budget request. You heard the deafening cries of the entire veterans' community to increase funding for medical care. No other group of Americans deserves the thanks of a grateful Nation that those service-connected veterans. For many of them, VA is their life-support system. To "nickel and dime" this national resource would be criminal; the ultimate victims are those who have paid the greatest price for freedom.

The American Legion applauds full Committee's decision to increase in VA Medical Care of $1.7 billion above current funding. This will prevent the adverse impact under funding would have on the quality, timeliness, and availability of health care for service-connected veterans across the country.

But before the ink is dry, we need to begin planning for FY 2001. It is extremely important that as the FY 2001 budget cycle approaches that the new, adjusted VA medical care baseline be established at $19 billion. To regress to the spending caps contained in the Balanced Budget Act of 1997 would revert back to unrealistic spending recommendations. VA, just like the rest of the health care industry, has fixed costs associated with pharmaceuticals, cost-of-living adjustments, inflation, disaster assistance, and other internal and external economic factors that must be considered annually.

There are two still key funding areas where the mark up falls short. As the House begins debate on this bill, The American Legion urges consideration to bringing medical construction (both major and minor) and State Home Care Grants Program construction funding to acceptable levels.

The ever-increasing demand for VA long-term care is not being met. The State Home Care Grants Program allows the States to help assist in meeting this demand for such care in local communities.

Thank you again for your continued leadership on behalf of America's veterans and their families.

Sincerely,

HAROLD L. "BUTCH" MILLER,
National Commander.

Lastly, Mr. Speaker, I would like to enter the following letter also for the RECORD. This is a letter that I received on July 22, just 2 weeks ago, from the Democratic members of the Committee on Veterans' Affairs.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, July 22, 1999.

Hon. BILL YOUNG,
Chairman, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR CHAIRMAN YOUNG: For many months, Members, various veterans' service organizations and others have been sounding the alarm about funding for the Department of Veterans Affairs (VA) health care system. With the House Appropriations Committee poised to take action on VA fiscal year 2000 discretionary spending, we urge you to consider the mounting evidence of need for a significant increase in VA appropriations to avert catastrophe in veterans' health care in fiscal year 2000. We believe the budget resolution's $1.7 billion increase in VA discretionary spending for fiscal year 2000 is the minimum increase needed.

Just as the Committee on Ways and Means recently adopted a tax measure consistent with the budget resolution conference agreement, we strongly believe the $1.7 billion increase in VA discretionary spending that is part of that same agreement should be enacted. The increase in fiscal year 2000 VA discretionary spending should not come at the expense of reasonable funding for other discretionary spending accounts in the appropriations reported by the VA, HUD, Independent Agencies Subcommittee or the full Committee.

On July 15th, the Health Subcommittee of the Committee on Veterans' Affairs conducted a public hearing to examine VA's experience with veterans' enrollment for VA health care benefits. VA health care network directors representing diverse regions around the country acknowledged the serious problems VA will have in delivering comprehensive health care to meet veterans' demand without adequate funding.[1] The General Accounting Office (GAO) and VA's Acting Under Secretary for Health (USH) agreed that the budget request for FY 2000 could require VA to disenroll veterans and deny them access to VA health care. They estimated the decision could affect, not only "higher income" discretionary veterans, but also veterans exposed to Agent Orange, Ionizing Radiation, environmental hazards, those who served in the Persian Gulf War, and medically indigent veterans for whom VA health care has been a safety net.

The officials testifying on July 15th echoed the views shared at a February Health Subcommittee hearing on the VA health care budget proposed for fiscal 2000.[2] All foretell of: massive layoffs (at least 8,500[3] employees); denials of care; hospital closures; closing or delaying the opening of popular community-based outpatient clinics; and limitations on or termination of many types of benefits, including inpatient psychiatric care, substance abuse, and pharmaceutical drugs.

VA officials already acknowledge problems with excessive waiting times for VA clinical services. The Acting Under Secretary admitted in testimony that "we are especially cognizant of the need to reduce waiting times in areas that are experiencing particularly long waits" and that almost 40% of veterans do not receive primary care appointments within the 30-day goal established by VA.

Clinicians in VA are also acknowledging serious problems with care delivery. Access to effective treatment in VA's networks for Hepatitis C, an emerging epidemic in the veterans' community, is spotty at best; a physician in Louisville, Kentucky reportedly stated he was able to provide treatment for only 35 of the 500 veterans with Hepatitis C under his care. One facility director in Florida advised a Member of Congress that VA does not have any funds to provide Hepatitis C treatment. Others acknowledge problems in staffing. A former nurse on a Spinal Cord Unit in Texas says, "One of my reasons for leaving...was the lack of staffing which in turn creates unsafe conditions." RIFs and future Buy-Outs will exacerbate these reports. These compromises in the quality of our veterans' health care are absolutely unacceptable.

We implore you, Mr. Chairman, that Congress provide nothing less than the $1.7 billion increase in discretionary spending for VA included in the fiscal year 2000 budget resolution conference agreement. Our veterans' health care system and the essential care it provides are at stake.

Sincerely,

Lane Evans; Luis Gutierrez; Corrine Brown; Mike Doyle; Silvestre Reyes; Ciro Rodriguez; Ronnie Shows; Julia Carson; Baron Hill; John Dingell; Jan Schakowsky; John Tierney; Carolos Romero-Barcelo; Collin Peterson; Shelly Berkley; Tom Udall; Dave Bonior; Bill Pascrell; Dennis Moore; Elijah Cummings.

FOOTNOTES

[1] VISN Directors from Central Plains (VISN 14), Florida and Puerto Rico (VISN 8), New York and New Jersey (VISN 3), South Central (VISN 16), and the Northwest (VISN 20) amended.

[2] VISN directors from Ohio (VISN 10), the Northwest (VISN 22), and New York/New Jersey (VISN 3) accompanied the Under Secretary for Health. A recently retired director from the Southwest (VISN 18) also provided testimony.

[3] As proposed in the FY 2000 Budget Submission. A retired VISN director estimates that layoffs could impact up to 20,000 FTE; the former USH asserts that the need to cut will become greater over time.

"Just as the Committee on Ways and Means recently adopted a tax measure consistent with the budget resolution conference agreement, we strongly believe the $1.7 billion increase in VA discretionary spending that is part of the same agreement should be enacted."

Now, if it was good enough for them 2 weeks ago, Mr. Speaker, I submit it should be good enough for them today.

So with that I will close my comments and thank the courtesy of the Chair, thank my distinguished colleague, who unfortunately was not able to be here with us this evening, and look forward to passing the rule and completing work on this in September.

Ms. PRYCE of Ohio. Mr. Speaker, I urge my colleagues to support this fair and open rule and to vote "yes" on the previous question.

Mr. EVANS. Mr. Speaker, I rise today in opposition to the rule on H.R. 2684. Last night, I joined CHET EDWARDS, DEBBIE STABENOW, and DAVID OBEY in asking our Rules Committee to support a waiver to allow Mr. EDWARDS' amendment to add $730 million for veterans' medical care in fiscal year 2000 to be considered by this House. Had the amendment been made in order, we could have been assured it would be debated and voted on by the full House.

To offset the cost of providing the additional funds for veterans' health care, the Edwards amendment would have delayed implementation of a proposed cut in the capital gains tax, a part of the nearly $800 billion tax cut passed by the House. The Edwards amendment was considered earlier by the House Appropriations Committee and was defeated by a one-vote margin on a 26–25 straight party-line vote.

Earlier this year, the Committee on Veterans Affairs had a contentious debate on next year's funding for VA health care. At that time, I was denied the opportunity to offer an amendment providing more funding than proposed by our Chairman. The Edwards Amendment would have provided approximately the same increase in discretionary funding for VA next fiscal year, $2.4 billion, as I had earlier sought to provide.

Mr. Speaker, veterans' service organizations have steadfastly supported efforts to add funds to the VA health care budget. The American Legion, Disabled Veterans of America, and Paralyzed Veterans of America sent letters to the Rules Committee in support of the Edwards amendment being made in order. A coalition of veterans' groups had earlier supported the increased funding level I planned to propose to the VA Committee.

The last few years in VA health care system have been pivotal. VA has reformed its delivery system, bringing its acute care system into line with modern health care practices. But clinicians and patients alike have begun to cite waiting times and other problems with access to care that have been affected by this sea change. Recognizing the urgent need for funding, I, and other Democratic Members, have met repeatedly with members of the Administration. Our meetings ultimately succeeded in securing a revised budget request offered by Vice-President GORE to add a billion dollars to next year's appropriation for VA health care and construction. Our efforts with the Republicans in this body, however, have not been as successful.

This latest vote against making the Edwards amendment in order is "déjà vu all over again". We only asked the Republican majority to give us a chance for an honest debate on where veterans fit into our Nation's priorities. The priority of Congressional Republicans is obviously cutting capital gains taxes and not providing added funding for veterans programs. I can understand why Republicans want to avoid an open debate on funding for veterans programs vs. capital gains tax breaks.

Unfortunately there will be real consequences for this partisanship. VA needs this money, and I am convinced that given the opportunity the House would pass the Edwards amendment. Members are aware that VA's progress in implementing some positive and necessary changes has come at a price. Shifting health care practice styles are eroding some of the VA's best programs—its long-term care programs, its rehabilitative and extended care for seriously disabled veterans, and its mental health care treatment for veterans with Post-Traumatic Stress Disorder or substance abuse issues.

We are now at a point where we must restore certain programs to their past distinction. Congress must take the initiative to fund VA and allow it to re-build its most excellent programs—those that serve the veterans who were injured physically or psychically on the battleground—those that have borne the battle. The Edwards amendment would have allowed VA to do this. I regret the Republican majority has, once again, seen fit to thwart an honest debate on National priorities.

Ms. SCHAKOWSKY. Mr. Speaker, when the House of Representatives returns next month, it will consider the VA–HUD appropriations bill. It is critical that we include adequate funding to meet the housing and community development needs of the country. On any given night, there are 600,000 homeless persons—including children and veterans—living on our streets. There are another 5.3 million families who pay over half of their income on housing. Millions of them live in substandard housing. This is a crisis.

Footnotes at end of letter.

Tragically, the VA–HUD appropriations bill falls far short. In fact, in most areas, it represents a step backwards. I hope my colleagues will consider the following letter, signed by fifty organizations. Those organizations include the U.S. Conference of Mayors, NAACP, AFSCME, the National Low-Income Housing Coalition, National Council of Senior Citizens, National Council of Jewish Women and many other community, faith-based, and civic groups. They are calling on us to respond to this enormous need and to meet our responsibilities by providing more funding for housing and community development.

FULLY FUND HOUSING AND COMMUNITY DEVELOPMENT, NATIONAL LOW INCOME HOUSING COALITION,
Washington, DC, August 3, 1999.

Hon. JANICE SCHAKOWSKY,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE SCHAKOWSKY, this year marks the 50th anniversary of the Housing Act of 1949, in which Congress declared the national goal of a decent home and a suitable living environment for every American family. We believe, as do most Americans, that this nation is capable of achieving this worthy goal.

However, we have a long way to go. Even while most Americans are thriving in our remarkably healthy economy, many families still struggle with excessive housing costs and insufficient income to meet basic needs. Over 9,000,000 very low income households pay more than half of their income for housing. The 1999 report by the Joint Center for Housing Studies at Harvard, *The State of the Nation's Housing*, clearly documents the paradox of record accomplishments in housing production and home ownership while rents are increasing faster than wages. Nowhere in the country can a household with one full time minimum wage earner afford basic housing costs. Families who apply for housing assistance wait longer than they ever have before, and in many communities, waiting lists are closed indefinitely.

We believe that a time when we are celebrating bountiful budget surpluses is also the time to address our severe national shortage of affordable housing. This can best be done by strengthening the proven federal housing and community development programs that lift up low-income Americans. There is ample evidence that housing assistance helps low income families gain the housing stability that is necessary for family members to succeed at work and in school.

Unfortunately, the action of the House Appropriations Committee last week weakens our housing and community development programs. Rather than building on the success of our economy by extending its rewards to more and more people, the Committee moved us backwards by failing to fully fund the President's FY2000 HUD budget request. The bill cuts CDBG, HOME, HOPWA, Public Housing Operating Fund, and Homeless Assistance, among others, and does not fund a single new housing voucher.

We find it inconceivable that in this period of extraordinary economic prosperity that Congress continues to purport that we are unable to fund modest expansions of programs that improve the housing and economic opportunities of low wage earners and people on fixed incomes. The substantial tax cuts that are under consideration in the House will not improve the housing circumstances of low income people, but more housing assistance will.

We urge you to vote against the HUG–VA–IA Appropriations bill when it comes to the full House. We are capable of doing much better.

Sincerely,

ACORN, AFSCME, AIDS Policy Center for Children, Youth and Families, Alliance for Children and Families, Campaign for America's Future, Center for Community Change, Child Welfare League of America, Children's Defense Fund, Children's Foundation, Coalition on Human Needs, Development Training Institute, Employment Support Center, Feminist Majority, Friends Committee on National Legislation (Quaker), International Brotherhood of Teamsters, Jesuit Conference, Lawyers' Committee for Civil Rights Under Law, Leadership Conference on Civil Rights, Lutheran Services in America, McAuley Institute, Mennonite Central Committee U.S., Washington Office, NAACP, National Alliance to End Homelessness, National Association of Child Advocates, National Association of Housing Cooperataives, National Association of School Psychologists, National Center on Poverty Law Inc., National Coalition for the Homeless, National Council of Churches, National Council of Jewish Women, National Council of Senior Citizens, National Housing Law Project, National Housing Trust, National League of Cities, National Low Income Housing Coalition, National Ministries, American Baptist Churches, USA, National Neighborhood Coalition, National Network for Youth, National Puerto Rican Coalition, National Rural Housing Coalition, National Urban League, Neighbor to Neighbor, Network, A National Catholic Social Justice Lobby, Preamble Center, Public Housing Authorities Directors Association, Surface transportation Policy Project, Unitarian Universalist Affordable Housing Corporation, United Church of Christ, Office of Church in Society, U.S. Conference of Mayors, and the Volunteers of America.

Mrs. CAPPS. Mr. Speaker, I rise today with grave concern for our nation's veterans. For the past few years, the Department of Veterans Affairs has struggled to maintain health care services for veterans under essentially flat-lined budgets. According to the Veterans of Foreign Wars, the Disabled American Veterans, and the Paralyzed Veterans of America, we need to increase the budget for VA medical care by $3 billion in order to simply maintain current levels of medical care for veterans.

The FY2000 VA–HUD Appropriations bill improves upon the President's budget for veterans' health care with an increase of $1.7 billion—the largest increase since the 1980's. It also provides a $10 million increase for Veterans Medical and Prosthetic Research and an additional $30 million for the Veterans Benefits Administration to expedite claims processing. This bill also doubles the President's request for Veterans State Extended Care Facilities from $40 million to $80 million.

Mr. Speaker, I applaud these efforts, but we need to do more—much more. I am very disappointed that the amendment offered by Mr. EDWARDS of Texas—which would have made an additional $730 million available to the Department of Veterans Affairs for better health care services for our veterans—was not made in order.

In a related issue, I want to call to the House's attention a recent Washington Post article which linked a high incidence of the fatal neurological disease, ALS, to service in the Persian Gulf War. The VA and Department of Defense have identified 28 cases of ALS—also known as Lou Gehrig's disease—among veterans of Desert Storm. Although it is still unclear whether or not there is a direct link between service in the Persian Gulf and cases of ALS, there is an unusually high number of victims in this relatively small group of veterans.

As the author of the ALS Treatment and Assistance Act, I am very concerned that we make every effort to help veterans who suffer from this tragic disease. I am pleased to have introduced the ALS Treatment and Assistance Act. This bipartisan bill would help those tragically afflicted with ALS by making Medicare coverage more accessible to them and by covering drugs to treat ALS symptoms.

Mr. Speaker, veterans have served this nation honorably and made countless sacrifices on our behalf. They deserve the very best support services we can provide them. As veterans make the often difficult re-adjustment to civilian life, they sometimes need a helping hand to figure out what benefits they are eligible for and where to turn for assistance. Despite the wide array of services offered by the Department of Veterans Affairs, many veterans assistance programs are unknown to the constituency they are intended to support.

Today I introduced the Veterans Emergency Telephone Service Act. The VETS Act sets up a national veterans' hotline service which would operate 24-hours-a-day, 7-days-a-week and provide immediate access to counseling and crisis intervention. This toll free service would also have a staff knowledgeable in VA benefits and programs who could provide immediate information on medical treatment, substance abuse rehabilitation, emergency food and shelter services, employment training and opportunities, and counseling services.

This combination "411–911" number for veterans provides a one-stop, toll free number veterans can call at any time of day or night and receive encouragement and assistance. Current toll free information lines for veterans typically dump them into a frustrating automated system which requires repeated transfers and long waiting periods.

I called the VA toll free information line myself two days ago and, after being put on hold for 26 minutes, I was told that the VA did not have a crisis hotline.

Mr. Speaker, this simply isn't good enough. We can and should do better than this for our veterans. That's why I'm pleased to introduce this bipartisan bill with two distinguished veterans, LANE EVANS and STEVE KUYKENDALL.

This bill was inspired by Shad Meeshad, a Vietnam veteran and a close friend of my late husband Walter. Through the National Veterans Foundation in Los Angeles, California, Shad has worked tirelessly to provide support for veterans in California and around the country. Shad runs a hotline for veterans called the "Lifeline For American Veterans," which provides veterans with counseling and referral services. This important program has assisted thousands of veterans around the country and has literally saved lives. I want to expand on

Shad's work and make this valuable resource available to vets at any hour of the day and in every part of this country.

Mr. Speaker, I hope we can improve the VA–HUD Appropriations bill and ensure that this legislation is truly worthy of the veterans who have put their lives on the line for our nation and our way of life.

Mrs. CHRISTENSEN. Mr. Speaker, I rise today in opposition to the rule on the VA/HUD Appropriations bill for fiscal year 2000, because our majority colleagues have prohibited the gentleman from Texas, Mr. EDWARDS from offering an amendment to increase funding for our veterans' medical care.

Mr. Speaker, as a strong supporter of the men and women who answered our country's call to serve, I was elated when Vice President GORE announced, last month, that the Administration was going to seek an additional $1 billion to ensure that our veterans will have timely access to quality health care. Likewise I was equally thrilled when the VA/HUD Appropriations subcommittee included this additional funding when it reported its FY 2000 bill.

But while this additional funding is welcomed, there is still more that needs to be done. That is why I was so disappointed that the Edwards-Evans-Stabenow amendment, which would have provided an additional $730 million for the VA to help ensure that an additional 140,000 veterans would get the health care that they need, was not made in order.

While our friends in the majority rushed to spend almost $800 billion on a politically motivated tax bill—virtually all of the projected on-Social Security surpluses over the next ten years—they could not find a mere $730 million to help disabled and paralyzed veterans.

In my own district, Virgin Islands veterans have to struggle every day to find the $200 to $300 to fly to the San Juan VA Medical Center for treatment because the VA does not have the funding to either pay for them to receive service on their home island or to reimburse them for their hefty travel expenses.

My colleagues we must defeat the previous question on the VA/HUD rule so that the bill can be sent back to the rules committee to have the Edwards-Evans-Stabenow amendment made in order.

It is time that we keep our promise of free medical care to our veterans!!

Mr. BONIOR. Mr. Speaker, when our soldiers enlist to defend our nation, we make them a promise. We promise to stand behind them 100 percent. Not just when we need them, but when they need us. Later in life. When they are sick. When they are old or infirm, and need our care.

These brave men and women have risked their lives for us, and for our ideals. They have paid their dues. They have kept their promise to America.

That is why it saddens me. It angers me that this Congress is breaking our promise to America's veterans.

For the past four years, this Congress has not added one single dime to cover rising health care costs for veterans. Not one thin dime!

In this time of record surplus, in this economic boom of historic proportions, in this era of tax cuts for the rich, our veterans are being forgotten.

They are being forgotten again, just like they were after Vietnam.

The majority in this Congress passed a trillion dollar tax cut today. But they won't let us add anything for veterans' health care.

It is too much to ask to delay a tax break benefitting the richest Americans, so we can help veterans get the medical care they need?

Every one of us has gotten letter after letter from veterans seeking help.

Veterans with heart conditions, waiting months on end, just to see a specialist, at a VA hospital.

Veterans waiting for a year, limping and in pain, before they can get into the hospital for a hip replacement.

Veterans who can't even get a physical exam without a six-month wait. Or get dentures within a year.

Our VA hospitals are overcrowded and overwhelmed. They are struggling to serve their patients. But they just don't have the resources.

This is no way to treat the men and women who risked their lives for us. We asked these men and women to defend our liberty. Now they are asking us to defend their health care, and we cannot in good conscience turn our backs on them.

That is why I urge you to oppose the previous question. Let us do right by our veterans and honor the promise we made.

Ms. PRYCE of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 217, nays 208, not voting 8, as follows:

[Roll No. 388]

YEAS—217

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—208

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Lee

Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—8

Bilbray
Clay
Lantos
Leach
Linder
McDermott
Mollohan
Peterson (PA)

□ 2318

Mr. LEWIS of Georgia, Mr. BLUMENAUER and Ms. PELOSI changed their vote from "yea" to "nay."

Mr. EVERETT and Mr. THOMAS changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

□ 2320

The SPEAKER pro tempore (Mr. QUINN). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE REGARDING MOTION TO INSTRUCT ON H.R. 1905, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2000

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that with the filing of the conference report on the bill (H.R. 1905) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes, proceedings will not resume on the motion to instruct conferees considered last evening on which further proceedings had been postponed.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 1905, and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONFERENCE REPORT ON H.R. 1905, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2000

Mr. TAYLOR of North Carolina. Mr. Speaker, pursuant to the previous order of the House, I call up the conference report on the bill (H.R. 1905) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2000, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the conference report is considered read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from North Carolina (Mr. TAYLOR) and the gentleman from Arizona (Mr. PASTOR) each will control 10 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is a pleasure to present the conference report on the FY 2000 Legislative Branch Appropriations bill, H.R. 1905. I would like to thank the gentleman from Arizona (Mr. PASTOR), our ranking member, all members of the committee and our staff for the work they have done on this.

Mr. Speaker, I would like to summarize the conference report by pointing out that the $2.4 billion in new budget authority to the Congress and support agencies and offices of the legislative branch, this is $165 million below the amount requested in the President's budget. Our bill is 6.3 percent below the President's request. It is 4.8 percent below the amount that was appropriated last year. It is almost 6 percent below the amount appropriated in 1995. We have also declined the number of FTEs almost 16 percent, almost 4,400 fewer jobs than we had 5 years ago. This has been hard work. We owe our predecessors a lot of the credit, but this committee has done well.

In summary, the bill I think has reduced this area of government, but it is adequate for our purposes. I urge the adoption of the conference report.

Mr. Speaker, I include the following for the RECORD.

H.R. 1905 - LEGISLATIVE BRANCH APPROPRIATIONS BILL, 2000

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	House	Senate	Conference	Conference vs. enacted
TITLE I - CONGRESSIONAL OPERATIONS						
SENATE						
Expense Allowances						
Expense allowances:						
Vice President	10	10	....	10	10	....
President Pro Tempore of the Senate	10	10	....	10	10	....
Majority Leader of the Senate	10	10	....	10	10	....
Minority Leader of the Senate	10	10	....	10	10	....
Majority Whip of the Senate	5	5	....	5	5	....
Minority Whip of the Senate	5	5	....	5	5	....
Chairman of the Majority Conference Committee	3	3	....	3	3	....
Chairman of the Minority Conference Committee	3	3	....	3	3	....
Subtotal, expense allowances	56	56	....	56	56	....
Representation allowances for the Majority and Minority Leaders	30	30	....	30	30	....
Total, Expense allowances and representation	86	86	....	86	86	....
Salaries, Officers and Employees						
Office of the Vice President	1,659	1,721	....	1,721	1,721	+62
Office of the President Pro Tempore	402	437	....	437	437	+35
Offices of the Majority and Minority Leaders	2,436	2,644	....	2,644	2,644	+208
Offices of the Majority and Minority Whips	1,416	1,634	....	1,634	1,634	+218
Committee on Appropriations	6,050	6,525	....	6,525	6,525	+475
Conference committees	2,184	2,264	....	2,264	2,264	+80
Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority	570	590	....	590	590	+20
Policy Committees	2,218	2,302	....	2,302	2,302	+84
Office of the Chaplain	267	277	....	277	277	+10
Office of the Secretary	13,694	14,202	....	14,202	14,202	+508
Office of the Sergeant at Arms and Doorkeeper	33,805	36,238	....	34,794	34,794	+989
Offices of the Secretaries for the Majority and Minority	1,200	1,248	....	1,248	1,248	+48
Agency contributions and related expenses	21,332	22,426	....	21,332	21,332	....
Total, salaries, officers and employees	87,233	92,506	....	89,968	89,968	+2,735
Office of the Legislative Counsel of the Senate						
Salaries and expenses	3,753	3,901	....	3,901	3,901	+148
Office of Senate Legal Counsel						
Salaries and expenses	1,004	1,035	....	1,035	1,035	+31
Expense Allowances of the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate, and Secretaries for the Majority and Minority of the Senate: Expenses allowances	12	12	....	12	12	....
Contingent Expenses of the Senate						
Inquiries and investigations	66,800	71,604	....	71,604	71,604	+4,804
Expenses of United States Senate Caucus on International Narcotics Control	370	370	....	370	370	....
Secretary of the Senate	1,511	1,511	....	1,511	1,511	....
Sergeant at Arms and Doorkeeper of the Senate	60,511	79,897	....	66,261	66,261	+5,750
Y2K emergency supplemental (P.L. 105-277)	5,500	....	....	....	....	-5,500
Miscellaneous items	8,655	8,655	....	8,655	8,655	....
Senators' Official Personnel and Office Expense Account	239,156	257,703	....	245,703	245,703	+6,547
Official Mail Costs						
Expenses	300	300	....	300	300	....
Total, contingent expenses of the Senate	382,803	420,040	....	394,404	394,404	+11,601
Total, Senate	474,891	517,580	....	489,406	489,406	+14,515
HOUSE OF REPRESENTATIVES						
Payments to Widows and Heirs of Deceased Members of Congress						
Gratuities, deceased Members	137	....	....	....	....	-137
Gratuities, deceased Members, FY 1999	....	....	....	....	(137)	(+137)
Salaries and Expenses						
House Leadership Offices						
Office of the Speaker	1,686	1,748	1,740	1,740	1,740	+54
Office of the Majority Floor Leader	1,652	1,712	1,705	1,705	1,705	+53
Office of the Minority Floor Leader	1,675	2,071	2,071	2,071	2,071	+396
Office of the Majority Whip	1,043	1,423	1,423	1,423	1,423	+380
Office of the Minority Whip	1,020	1,060	1,057	1,057	1,057	+37
Speaker's Office for Legislative Floor Activities	397	410	406	406	406	+9
Republican Steering Committee	738	763	757	757	757	+19
Republican Conference	1,199	1,248	1,244	1,244	1,244	+45

H.R. 1905 - LEGISLATIVE BRANCH APPROPRIATIONS BILL, 2000 — continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	House	Senate	Conference	Conference vs. enacted
Democratic Steering and Policy Committee	1,295	1,343	1,337	1,337	1,337	+42
Democratic Caucus	642	666	664	664	664	+22
Nine minority employees	1,190	1,229	1,218	1,218	1,218	+28
Training and Development Program:						
Majority	290	290	290	290	290	....
Minority	290	290	290	290	290	....
Undistributed	....	....	-142	....	-142	-142
Subtotal, House Leadership Offices	13,117	14,251	14,060	14,202	14,060	+943
Members' Representational Allowances including Members' Clerk Hire, Official Expenses of Members, and Official Mail						
Expenses	385,279	421,403	385,279	413,576	406,279	+21,000
Committee Employees						
Standing Committees, Special and Select (except Appropriations)	89,743	96,570	93,878	93,878	93,878	+4,135
Committee on Appropriations (including studies and investigations)	19,373	22,255	21,095	21,308	21,095	+1,722
Subtotal, Committee employees	109,116	118,825	114,973	115,186	114,973	+5,857
Salaries, Officers and Employees						
Office of the Clerk	15,365	15,831	14,881	14,881	14,881	-484
Office of the Sergeant at Arms	3,501	3,812	3,746	3,746	3,746	+245
Office of the Chief Administrative Officer	57,211	60,112	57,289	57,289	57,289	+78
Y2K emergency supplemental (P.L. 105-277)	6,373	....	....	....	....	-6,373
Office of Inspector General	3,953	4,082	3,926	3,926	3,926	-27
Office of General Counsel	840	840	840	840	840	....
Office of the Chaplain	133	137	136	136	136	+3
Office of the Parliamentarian	1,106	1,172	1,172	1,172	1,172	+66
Office of the Parliamentarian	(904)	(961)	(961)	(961)	(961)	(+57)
Compilation of precedents of the House of Representatives	(202)	(211)	(211)	(211)	(211)	(+9)
Office of the Law Revision Counsel of the House	1,912	2,045	2,045	2,045	2,045	+133
Office of the Legislative Counsel of the House	4,980	5,085	5,085	5,085	5,085	+105
Corrections Calendar Office	799	829	825	825	825	+26
Other authorized employees	191	688	205	688	205	+14
Former Speakers	....	(483)	....	(483)	....	....
Technical Assistants, Office of the Attending Physician	(191)	(205)	(205)	(205)	(205)	(+14)
Subtotal, Salaries, Officers and Employees	96,364	94,633	90,150	90,833	90,150	-6,214
Allowances and Expenses						
Supplies, materials, administrative costs and Federal tort claims	2,575	2,655	2,741	2,741	2,741	+166
Official mail for committees, leadership offices, and administrative offices of the House	410	410	410	410	410	....
Government contributions	132,832	132,333	131,595	131,595	131,595	-1,237
Miscellaneous items	651	676	676	676	676	+25
Subtotal, Allowances and expenses	136,468	136,074	135,422	135,422	135,422	-1,046
Total, salaries and expenses	740,344	785,186	739,884	769,019	760,884	+20,540
Total, House of Representatives	740,481	785,186	739,884	769,019	760,884	+20,403
JOINT ITEMS						
Joint Economic Committee	3,096	3,200	3,200	3,200	3,200	+104
Joint Committee on Printing	352	....	....	....	....	-352
Joint Committee on Taxation	5,965	6,256	6,186	6,456	6,456	+491
Trade Deficit Review Commission	2,000	....	....	....	....	-2,000
Joint Committee on the Library	....	....	....	500	....	....
Office of the Attending Physician						
Medical supplies, equipment, expenses, and allowances	1,415	1,898	1,898	1,898	1,898	+483
Capitol Police Board						
Capitol Police						
Salaries:						
Sergeant at Arms of the House of Representatives	37,037	38,847	37,725	38,648	37,725	+688
Sergeant at Arms and Doorkeeper of the Senate	39,807	42,350	40,776	42,135	40,776	+969
Subtotal, salaries	76,844	81,197	78,501	80,783	78,501	+1,657
General expenses	6,237	8,990	6,711	7,913	6,574	+337
Emergency security enhancements (P.L. 105-277)	106,782	....	....	....	....	-106,782
Subtotal, Capitol Police	189,863	90,187	85,212	88,696	85,075	-104,788
Capitol Guide Service and Special Services Office	2,195	2,424	2,293	2,336	2,293	+98
Statements of Appropriations	30	30	30	30	30	....
Total, Joint items	204,916	103,995	96,821	103,116	98,952	-105,964

H.R. 1905 - LEGISLATIVE BRANCH APPROPRIATIONS BILL, 2000 — continued

(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	House	Senate	Conference	Conference vs. enacted
OFFICE OF COMPLIANCE						
Salaries and expenses	2,086	2,078	2,000	2,000	2,000	-86
CONGRESSIONAL BUDGET OFFICE						
Salaries and expenses	25,671	26,821	26,221	26,221	26,221	+550
ARCHITECT OF THE CAPITOL						
Capitol Buildings and Grounds						
Capitol buildings, salaries and expenses	43,683	87,581	46,104	48,195	46,836	+3,153
Capitol Visitor Center, Emerg sup (P.L. 105-277)	100,000					-100,000
Capitol grounds	6,046	5,993	5,579	5,627	5,427	-619
Senate office buildings	54,144	71,392		64,038	64,038	+9,894
House office buildings	47,699	53,369	37,279	40,679	37,279	-10,420
Capitol Power Plant	42,174	49,075	38,780	49,008	42,054	-120
Offsetting collections	-4,000	-4,000	-4,000	-4,000	-4,000	
Net subtotal, Capitol Power Plant	38,174	45,075	34,780	45,008	38,054	-120
Total, Architect of the Capitol	289,746	263,430	123,742	203,545	191,634	-98,112
LIBRARY OF CONGRESS						
Congressional Research Service						
Salaries and expenses	67,124	71,255	70,940	71,244	71,244	+4,120
GOVERNMENT PRINTING OFFICE						
Congressional printing and binding	74,465	82,214	73,577	77,704	73,577	-888
Total, title I, Congressional Operations	1,879,380	1,852,557	1,136,188	1,742,255	1,713,918	-165,462
TITLE II - OTHER AGENCIES						
BOTANIC GARDEN						
Salaries and expenses	3,052	3,972	3,538	3,428	3,425	+373
LIBRARY OF CONGRESS						
Salaries and expenses	238,373	254,013	256,285	250,491	256,779	+18,406
Authority to spend receipts	-6,850	-6,850	-6,850	-6,850	-6,850	
Net subtotal, Salaries and expenses	231,523	247,163	249,435	243,641	249,929	+18,406
Copyright Office, salaries and expenses	34,891	37,639	37,639	37,628	37,628	+2,737
Authority to spend receipts	-21,170	-26,254	-26,254	-26,254	-26,254	-5,084
Net subtotal, Copyright Office	13,721	11,385	11,385	11,374	11,374	-2,347
Books for the blind and physically handicapped, salaries and expenses	46,824	48,033	48,033	47,984	47,984	+1,160
Furniture and furnishings	4,448	5,827		5,415	5,415	+967
Total, Library of Congress (except CRS)	296,516	312,408	308,853	308,414	314,702	+18,186
ARCHITECT OF THE CAPITOL						
Congressional cemetery	1,000					-1,000
Library Buildings and Grounds						
Structural and mechanical care	12,672	19,871	13,410	17,327	16,033	+3,361
GOVERNMENT PRINTING OFFICE						
Office of Superintendent of Documents						
Salaries and expenses	29,264	31,245	29,986	29,986	29,986	+722
Government Printing Office Revolving Fund						
GPO revolving fund		15,000		5,000		
Total, Government Printing Office	29,264	46,245	29,986	34,986	29,986	+722
GENERAL ACCOUNTING OFFICE						
Salaries and expenses	356,268	388,448	372,581	383,696	380,400	+24,132
Offsetting collections	-2,000	-1,400	-1,400	-1,400	-1,400	+600
Y2K emergency supplemental (P.L. 105-277)	5,000					-5,000
Total, General Accounting Office	359,268	387,048	371,181	382,296	379,000	+19,732
Total, title II, Other agencies	701,772	769,544	726,968	746,453	743,146	+41,374
Grand total	2,581,152	2,622,101	1,862,153	2,488,708	2,457,064	-124,088

Mr. Speaker, I reserve the balance of my time.

Mr. PASTOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I yield back the balance of my time, I would like to take a few minutes to thank the Subcommittee on Legislative staff on both sides of the aisle. They worked very hard to get this bill done. I also would like to thank the chairman, who was very fair as we worked this bill through from subcommittee to conference. We worked in a bipartisan manner. I want to thank the gentleman for doing that. I congratulate him on this conference.

I would also ask my colleagues to support and adopt the conference report.

Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I apologize, I had hoped to do this in a one minute today, but we did not have them.

Mr. Speaker, as Members know, I had surgery, and I just did not want to go home without acknowledging the extraordinary service I was the beneficiary of, not just from the medical staff, the attending physician and his people, but in particular the nurses and corpsmen.

I will have to confess that under the stress of illness, I slipped a bit from my usual level of congeniality, so I may not have been entirely pleasurable company for the entire stay, and the skill and graciousness with which they ignored that and administered to me deserves some attention. So I want to just thank the attending physician, the cardiologist, Dr. Ferguson, the cardiac surgeon, we are very well served, and the young men and women in uniform who performed extraordinarily well.

Finally, I want to thank my colleagues for a degree of graciousness, that probably would come as a surprise to people whose only knowledge of this place comes from the newspapers, but it would not be to any of us. Thank you.

Mr. PASTOR. Mr. Speaker, I urge an aye vote.

Mr. Speaker, I yield back the balance of my time.

Mr. TAYLOR of North Carolina. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The SPEAKER pro tempore. Pursuant to the order of the House today, the previous question is ordered.

The question is on the conference report.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 367, nays 49, not voting 17, as follows:

[Roll No. 389]

YEAS—367

Abercrombie
Ackerman
Allen
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Biggert
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Boniila
Bonior
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Clyburn
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Conyers
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Frank (MA)
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Hyde
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Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
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Lewis (GA)
Lewis (KY)
Lipinski
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Lowey
Lucas (OK)
Maloney (CT)
Markey
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McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Owens
Oxley
Packard
Pallone
Pastor
Payne
Pease
Pelosi
Phelps
Pickering
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Regula
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Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schakowsky
Scott
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Sessions
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Sherman
Sherwood
Shimkus
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Smith (TX)
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Weldon (PA)
Weller
Wexler
Weygand
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Wilson
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Wolf
Woolsey
Wynn
Young (AK)

NAYS—49

Aderholt
Baird
Barr
Berkley
Berry
Carson
Chabot
Chenoweth
Coble
Coburn
DeMint
Deutsch
Doggett
Goode
Graham
Green (TX)
Green (WI)
Hulshof
Inslee
Jones (NC)
Kildee
Lucas (KY)
Luther
Maloney (NY)
Manzullo
Moran (KS)
Pascrell
Paul
Peterson (MN)
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Ryan (WI)
Ryun (KS)
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Shadegg
Shays
Shows
Smith (WA)
Souder
Stenholm
Strickland
Stump
Taylor (MS)
Thune
Toomey
Vitter
Wu

NOT VOTING—17

Bilbray
Clay
Gephardt
Lantos
Leach
Linder
McDermott
Mollohan
Murtha
Ortiz
Peterson (PA)
Radanovich
Rangel
Spratt
Stark
Waxman
Young (FL)

☐ 2343

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1568. An act to provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes.

The message also announced that the Senate has passed a bill of the following title in which concurrence of the House is requested:

S. 1546. An act to amend the International Religious Freedom Act of 1998 to provide additional administrative authorities to the United States Commission on International Religious Freedom, and to make technical corrections to that Act, and for other purposes.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 850

Mr. LAHOOD. Mr. Speaker, I ask unanimous consent to have my name removed as a sponsor of the bill, H.R. 850.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1621

Mr. RILEY. Mr. Speaker, I ask unanimous consent to remove my name as cosponsor of the bill, H.R. 1621.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO DELETE REMARKS FROM CONGRESSIONAL RECORD

Mr. KLECZKA. Mr. Speaker, I ask unanimous consent that I may be permitted to delete from the RECORD my remarks in debate on the conference report to accompany H.R. 2488 earlier today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON APPROPRIATIONS

The Speaker pro tempore laid before the House the following resignation as a member of the Committee on Appropriations:

JAMES E. CLYBURN,
HOUSE OF REPRESENTATIVES,
Washington, DC, August 5, 1999.

Hon. J. DENNIS HASTERT,
U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER:

Please accept this correspondence as my resignation from the House Committee on Appropriations for the 106th Congress, effective this date.

With kindest regards, I am

Sincerely,

JAMES E. CLYBURN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON BANKING AND FINANCIAL SERVICES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Banking and Financial Services:

GARY L. ACKERMAN,
CONGRESS OF THE UNITED STATES,
5th District, New York, August 5, 1999.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This letter is to inform you of that I do hereby resign from the Committee on Banking and Financial Services, effective immediately.

Sincerely,

GARY L. ACKERMAN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON APPROPRIATIONS AND COMMITTEE ON BANKING AND FINANCIAL SERVICES

Mr. FROST. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 277) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

HOUSE RESOLUTION 277

Resolved, that the following named Member be, and is hereby, elected to the following standing committees of the House of Representatives:

Committee on Appropriations: Mr. Forbes of New York, to rank immediately after Mr. Price of North Carolina; and

Committee on Banking and Financial Services: Mr. Forbes of New York.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 507, WATER RESOURCES DEVELOPMENT ACT OF 1999

Mr. SHUSTER. Mr. Speaker, I call up the conference report on the Senate bill (S. 507) to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes and ask unanimous consent for its immediate consideration and that the conference report be considered as read and adopted.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. OBERSTAR. Reserving the right to object, Mr. Speaker, I am very pleased that we are bringing to the House a conference report on the Water Resources Development Act of 1999, a culmination of 3 years work of the Committee on Transportation and Infrastructure.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. SHUSTER) for any comment that he may make.

Mr. SHUSTER. Mr. Speaker, I support this wonderful product.

Mr. Speaker, I rise in strong support of the conference report accompanying S. 507, the Water Resources Development Act of 1999.

This bill is a comprehensive authorization of the Water Resources Programs of the Army Corps of Engineers. It represents two and a half years of bi-partisan effort to preserve and develop the water infrastructure that is vital to the nation's safety and economic well-being.

First, let me congratulate my colleagues on the Committee on Transportation and Infrastructure for their vision and tireless efforts in helping move this legislation. I want to give special thanks to committee ranking member JIM OBERSTAR, subcommittee chairman SHERRY BOEHLERT, and subcommittee ranking member BOB BORSKI. Their leadership and contributions have been outstanding.

These members and the other House conferees from the committee provided invaluable assistance.

Mr. Speaker, in the 105th Congress, the House and Senate worked tirelessly to enact a Water Resources Development Act of 1998. Unfortunately, that bill did not become law, essentially because of the lingering controversies surrounding the American River in California.

This year we committed ourselves to moving a WRDA '99, resolving any remaining issues, and charting a course for a WRDA 2000, as well.

I am proud to say we have delivered: first by passing a bill in April by a vote of 418 to 5 and second, by bringing this conference report to the floor today.

Mr. Speaker, S. 507 accomplishes three important objectives:

First, it reflects the committee's continued commitment to improving the Nation's water infrastructure.

Second, it responds to policy initiatives to modernize Corps of Engineers activities and to achieve programmatic reforms.

Third, and this is very important, it takes advantage of the Corps capabilities and recognizes evolving national priorities by expanding and creating new authorities for protecting and enhancing the environment.

S. 507 is a strong bipartisan bill. It reflects a balanced, responsible approach to developing water infrastructure, preserving and enhancing the environment and strengthening federal-state-and-local partnerships.

Several provisions merit particular attention and, in some cases, clarification:

We are modifying current cost-sharing requirements on shore protection and, as a result, expect the administration to budget accordingly for shore protection projects.

We are making several important changes to the Environmental Dredging Program authorized in section 312 of WRDA 1992. Section 312, as amended by section 205 of the Water Resources Development Act of 1996, created a partnership with the expectation that the Corps' authority would supplement EPA CERCLA actions. We believe the Corps policy guidance letter no. 49 inappropriately attempts to limit opportunities for Corps participation at sites that could benefit from the section 312 program.

We are authorizing a new program for flood mitigation and riverine restoration, with 23 sites listed for priority consideration. One of those sites, Coachella Valley, Riverside California, includes a project for flood protection and environmental restoration at the delta area of the Whitewater River as it flows into the Salton sea. The $8.5 million project includes restoration of Salton Sea Wetlands. I thank Rep. MARY BONO for her efforts in sponsoring this provision.

Section 357 authorizes the locally preferred project for flood control along the Upper Jordan River, Utah, notwithstanding the Corps' current policy regarding flows of less than 800 cubic feet per second. The conferees included language regarding various secretarial determinations. These conditions, however, should not be interpreted in any way that could allow the 800 CFS policy to delay or block progress on implementation of the project. I thank Rep. MERRILL COOK for his efforts in championing this project.

Section 101 authorizes a water supply and ecosystem restoration project for Howard Hanson Dam in Washington. Through the efforts of Rep. JENNIFER DUNN, Rep. NORM DICKS, and others, we were made aware of the need to revise the current cost allocation in the bill to increase the Federal share to reflect additional costs relating to the Endangered Species Act. In response, the conferees included a specific statement of managers regarding the need to increase the Federal cost share. It is also our committee's intention to follow this issue closely. We encourage the Corps to complete its ESA negotiations expeditiously and to provide us with a revised cost reallocation in a timely manner.

Finally, I want to comment my colleague, Senator JOHN CHAFEE, the conference chair, and all the other senate conferees, as well as the Senate staff.

I strongly urge my colleagues to support the conference report.

I also wish to commend the Gentleman from South Dakota, Mr. THUNE, for his hard work on certain provisions in this bill. At his request, the House included and the conference committee retained Sec. 446, a study of the watershed in Day County, South Dakota and Sec. 555, which would require the Corps of Engineers to complete a study and make recommendations on how to resolve sedimentation build up in Lake Sharpe caused by the Oahe Dam.

Both of these provisions are aimed at providing solutions to vexing flooding problems each area faces. The quality of life for South Dakotans living in Day County and in the Pierre and Fort Pierre vicinity should not have to wonder when solutions will be posed to address the flooding they have experienced. These studies will take us closer to results.

I also am aware of the Gentleman's interest in Title VI of this bill. Legislation similar to Title VI was enacted into law last Congress as a part of the Omnibus Emergency and Supplemental Appropriations Act. It status, however, has been uncertain.

The reason for that uncertain status is that Sec. 505 of H.R. 2605, the Energy and Water Appropriations Act for Fiscal Year 2000, would have deauthorized this law. Title VI of this legislation restores this program's status to where it was after last year's passage of the Omnibus bill.

I realize through discussions I have had with the Gentleman from South Dakota that this Act is a major priority for his state, and in particular for the Governor of South Dakota, William Janklow. I am pleased we were able to accommodate their interests in this bill.

Mr. OBERSTAR. Mr. Speaker, I am delighted that the committee has completed it arduous task and compliment the chairman on his steadfast leadership.

Mr. MATSUI. Mr. Speaker, I would like to thank the Chairman, Mr. SHUSTER and the Ranking Member, Mr. OBERSTAR, as well as the Chairman and Ranking Member of the Subcommittee, Mr. BOEHLERT and BORSKI, for their efforts to secure additional flood protection for Sacramento. Additionally, I am grateful to my colleague from California who sits on the Subcommittee, Mrs. TAUSCHER, who has been extremely helpful in working toward a consensus on this issue. Of course, I extend a sincere thank you as well to Senator BOXER for her tireless work in the Senate and role as a conferee in providing countless efforts to find resolution on this issue.

Mr. Speaker, with a mere 85-year level of flood protection, no other city of its size is as defenseless to flooding as Sacramento. In a study completed by the Army Corps of Engineers, Sacramento ranked worst among some of the most flood prone cities in America. Cities such as Kansas City, New Orleans, Santa Ana, Omaha and St. Louis, many of which have smaller populations than Sacramento, were found to have much greater levels of flood protection—more than 500-year in most cases.

I ask you to consider the catastrophic consequences a flood would pose to the Sacramento metropolitan area and Northern California. The resulting loss of life, proper damage, economic repercussions and health and safety impacts would be staggering and like no flood damage this nation has ever seen. More than 600,000 people in Sacramento live within the flood boundary. This flood area contains more than $37 billion in property, including the California State Capitol, six major hospitals, 26 nursing home facilities, over 100 schools, and approximately 160,000 homes and apartments. The area contains headquarters for many major companies, as well as many banks and manufacturing facilities. Three major highway systems that serve as critical links through the state and surrounding region would be disrupted for an indefinite period of time. Electric, sewer and water systems would be out of service and hazardous and chemical waste vessels would break loose and pose health, safety, and environmental threats to the region.

A 500-year flood in Sacramento would far surpass total damages the 10 states in the 1993 mid-western floods incurred. Sacramento knows from experience that such an event is not hypothetical. In 1986, storms left Sacramento at the brink of such catastrophe. Operators of the region's flood control facilities estimated that just one additional inch of rain would have resulted in major flooding.

Given the perilous situation confronting the region, I am disappointed that the conferees did not adopt the Senate language pertaining to the American River, favoring instead the insufficient language contained in the House bill. This language provides only incremental improvements to Sacramento's flood control facilities. These provisions will correct original design deficiencies of Folsom Dam by installing new river outlets and modifying existing outlets. These additions will allow Dam operators to optimize Folsom Dam performance by releasing more water faster and earlier during storms and would reduce the amount of temporary storage space needed in anticipation of bad weather. The modifications will increase Sacramento's level of flood protection to approximately 135 years, a step in the right direction, yet far short of the level of flood protection needed to protect Sacramento against catastrophic flooding, and far short of the protections enjoyed by most other major river cities.

I am thankful however, that the conferees recognized these inadequacies and have directed the Corps of Engineers to complete further studies by March 1, 2000 and report back to the Congress on additional steps that may improve the level of protection for Sacramento.

Mr. Speaker, the flood threat confronting my constituents clearly is the most pressing public safety issue facing the community. Although this Congress was unable to find resolution and incorporate provision capable of providing Sacramento with a level of protection it must have, the measures included in this bill represent a key step required to advance our needs for future work on this issue. I remain grateful to the Members on the Committee and those who were conferees for their patience in dealing with this issue. I look forward to working with them in the coming months on resolution to the flood threat facing Sacramento in preparation of the next WRDA.

Mr. OBERSTAR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania (Mr. SHUSTER)?

There was no objection.

(For conference report and statement, see proceedings of the House of Wednesday, August 3, 1999, Part II.)

The SPEAKER pro tempore. Without objection, the conference report is agreed to.

There was no objection.

A motion to reconsider was laid on the table.

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2724) to make technical corrections to the Water Resources Development Act of 1999.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania.

There was no objection.

The Clerk read the bill, as follows:

H.R. 2724

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ENVIRONMENTAL INFRASTRUCTURE.

(a) JACKSON COUNTY, MISSISSIPPI.—Section 219 of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757) is amended:

(1) by striking subsection (e)(1) and inserting:

"(1) $20,000,000 for the project described in subsection (c)(5);"; and

(2) by striking subsection (c)(5) and inserting:

"(5) JACKSON COUNTY, MISSISSIPPI.—Provision of an alternative water supply and a project for the elimination or control of combined sewer overflows for Jackson County, Mississippi.".

(b) ELIZABETH AND NORTH HUDSON, NEW JERSEY.—Subsection (f) of section 219 of the Water Resources Development Act of 1992 is amended:

(1) in paragraph (33) by striking "$20,000,000" and inserting "$10,000,000";

(2) in paragraph (34) by striking "$10,000,000" and inserting "$20,000,000";

(3) in paragraph (34) by striking "city of North Hudson" and inserting "for the North Hudson Sewerage Authority".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed a bill of the following title in which conqurrence of the House is requested:

S. 944. An act to amend Public Law 105-188 to provide for the mineral leasing of certain Indian lands in Oklahoma.

EXTENSION OF AIRPORT IMPROVEMENT PROGRAM

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1467) to extend the funding levels for aviation programs for 60 days, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. OBERSTAR. Mr. Speaker, reserving the right to object, under my reservation. I yield to the gentleman from Wisconsin (Mr. OBEY), the ranking member on the Committee on Appropriations.

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Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding to me and let me apologize to the House ahead of time for the length of time of this reservation but this will in fact save time by avoiding the necessity to use a rule.

Mr. Speaker, this process will have the unfortunate but completely avoidable effect of shutting down the Airport Improvement Program. On Saturday, the authorization for the airport program, AIP, will expire and the program will shut down for the rest of this fiscal year unless an extension is provided. S. 1467, as passed by the Senate, would provide the simple extension needed to keep this program afloat.

Nonetheless, this process makes in order a motion to amend that simple extension with the text of AIR-21, the multiyear FAA reauthorization bill that is replete with controversial provisions, including taking $39 billion in spending off budget, airport slot extensions at O'Hare and National Airports, and other matters that will not be easily resolved. Since we know that no conference on the FAA reauthorization could possibly be completed by tomorrow, in fact the Senate has not even passed their version of the reauthorization bill, adoption of the pending motion to amend S. 1467 will have the effect of shutting down the AIP program.

Mr. Speaker, last year the Committee on Appropriations sought to provide a full year of funding at $1.95 billion for the AIP program for fiscal 1999. We were denied in that effort by authorizers who insisted on less than a full year's funding.

We have now had two short-term extensions of that program since the fiscal 1999 transportation appropriations bill was signed into law last year because of the authorizers refusal to agree to full-year funding. The first extension continued the program from March 31 through May 31 of 1999, the second extension was included in the fiscal 1999 Emergency Supplemental Appropriations Act and continued the program only through August 6 at the insistence of the authorizing committees, despite the desire of the Committee on Appropriations to extend the program through the end of the year.

Now we find ourselves facing yet another shutdown of the program because of the insistence of the Committee on Transportation and Infrastructure in using the AIP Program as a pawn to get the Senate to the conference table on AIR-21. I strongly object to the process that the gentleman from Pennsylvania is using to get to the conference with the Senate. There is no need to hold our airports hostage and deny them the additional funding that they are due this year because of disagreements over slots, off-budget provisions, and other controversial issues in the FAA reauthorization bill. There is absolutely no need to shut the an airport program down. It is completely avoidable. Yet that will be the result of the actions proposed by the gentleman.

If the airport grant program is shut down after August 6, airports could lose $290 million in fiscal 1999 funding that we intended to provide this year. The loss of that $290 million in AIP funding would mean the following:

States would not get their remaining 15 percent of their AIP apportionments, a loss of $54 million. That means that small commercial airports and general aviation airports funded by the States are effectively cut by 15 percent. For example, California will lose $4.5 million; Texas will lose $3.7; New York will lose $2.3 million; Pennsylvania, Illinois, and Michigan will lose $1.6 million each.

Cargo airports will not get the remaining 15 percent of their entitlements, a loss of $7 million.

Noise projects will be underfunded by 30 percent, a loss of $71 million.

High priority capacity and safety projects, under the discretionary set-aside for larger airports, will be underfunded, a loss of $149 million.

Military airports will not get their remaining set-aside, a loss of $9 million.

Mr. Speaker, I will include a list in my extension of remarks of airports that will be cut.

Mr. Speaker, S. 1467, adopted by the Senate last Friday, would allow the airport program to continue for another 60 days through the end of the fiscal year and into October. This is a simple extension of the program that will otherwise expire, and we ought to adopt it without amendment.

Mr. Speaker, I believe this action is unwise also because I strongly disagree with the provisions of AIR-21, which take $39 billion in aviation spending off budget over 4 years beginning in 2001. CBO estimates that $13.6 billion of this spending will come out of the surplus revenues and that the bill would require a downward adjustment in the discretionary caps of $26.5 billion over 4 years.

We have already exhausted the on-budget surplus for fiscal 2000 due to emergency designations, directed scorekeeping adjustments, and other actions taken by the majority in the 2000 appropriations bills considered by the House so far.

The tax bill just passed today assumes another $792 billion in surplus revenues over 10 years. Now we are apparently going to spend surplus revenues for aviation beginning in 2001 before we consider any other domestic needs for defense, cancer research, education, drug treatment, national parks, law enforcement or other important priorities. Under AIR-21, by the year 2004 aviation spending will consume nearly $1 out of every $4 of the projected remaining on-budget surplus revenues not required for the massive tax cut package just adopted today.

Moreover, AIR-21 will result in $26 billion less room under the existing discretionary caps that are already squeezing high priority programs. Under the budget that the House has already adopted for the year 2000, a 32 percent cut would be required in programs funded under the labor, health, education bill. That means a $5 billion cut in NIH, a $1.5 million cut in Head Start, a $2.5 billion cut in Pell Grants for college students, and a $2.5 billion in Title I, which would cut reading and math to help 3.8 million students.

Airport infrastructure is important, but do we really believe that airports are a higher priority than education, which could face even deeper cuts under the caps if AIR-21 is enacted? I certainly do not.

What AIR-21 offers is a choice between binge buying on aviation and thoughtful budgeting where we carefully balance all domestic priorities. If my colleagues believe we should not lavish a significant portion of the surplus on aviation without examining the competing needs in education, biomedical research, veterans care and defense, then they will not believe this action occurring tonight is the proper action.

So, Mr. Speaker, I simply state my opposition to what is happening here, and I thank the gentleman for his courtesy.

Mr. Speaker, I submit for the RECORD the information referred to earlier regarding airports that will be cut:

Pease International Tradeport in New Hampshire
Myrtle Beach International in South Carolina
Austin-Bergstrom in Texas
Homestead Regional in Florida
Millington International in Memphis
Williams Gateway in Arizona
South California Airport in California
Alexandria International Airport in Louisiana
Rickenbacker International Airport in Ohio
Sawyer Airport in Michigan
Chippewa County International in Minnesota

Mr. OBERSTAR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AIRPORT IMPROVEMENT PROGRAM, ETC.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 48103 of title 49, United States Code, is amended by striking "$2,050,000,000 for the period beginning October 1, 1998 and ending August 6, 1999." and inserting "$2,410,000,000 for the fiscal year ending September 30, 1999, and $34,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.".

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) of such title is amended by striking "August 6, 1999," and inserting "October 5, 1999,".

(c) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 of such title is amended by striking "August 6, 1999." and inserting "October 5, 1999.".

(d) AIRWAY FACILITIES IMPROVEMENT PROGRAM.—Section 48101(a) of such title is amended by adding at the end thereof the following:

"(4) $30,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.

(e) FAA OPERATIONS.—Section 106(k) of such title is amended by striking "1999." and inserting "1999, and $80,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.".

(f) LIQUIDATION OF CONTRACT AUTHORIZATION.—The provision of the Department of Transportation and Related Agencies Appropriations Act, 1999, with the caption "GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)" is amended by striking "Code: *Provided further*, That no more than $975,000,000 of funds limited under this heading may be obligated prior to the enactment of a bill extending contract authorization for the Grants-in-Aid for Airports program to the third and fourth quarters of fiscal year 1999." and inserting "Code.".

MOTION OFFERED BY MR. SHUSTER

Mr. SHUSTER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. SHUSTER moves to strike all after the enacting clause of the bill, S. 1467 and insert in lieu thereof the text of H.R. 1000, as passed by the House, as follows:

H.R. 1000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Aviation Investment and Reform Act for the 21st Century".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Amendments to title 49, United States Code.
Sec. 3. Applicability.
Sec. 4. Administrator defined.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENTS

Subtitle A—Funding

Sec. 101. Airport improvement program.
Sec. 102. Airway facilities improvement program.
Sec. 103. FAA operations.
Sec. 104. AIP formula changes.
Sec. 105. Passenger facility fees.
Sec. 106. Budget submission.

Subtitle B—Airport Development

Sec. 121. Runway incursion prevention devices; emergency call boxes.
Sec. 122. Windshear detection equipment.
Sec. 123. Enhanced vision technologies.
Sec. 124. Pavement maintenance.
Sec. 125. Competition plans.
Sec. 126. Matching share.
Sec. 127. Letters of intent.
Sec. 128. Grants from small airport fund.
Sec. 129. Discretionary use of unused apportionments.
Sec. 130. Designating current and former military airports.
Sec. 131. Contract tower cost-sharing.
Sec. 132. Innovative use of airport grant funds.
Sec. 133. Aviation security program.
Sec. 134. Inherently low-emission airport vehicle pilot program.
Sec. 135. Technical amendments.
Sec. 136. Conveyances of airport property for public airports.
Sec. 137. Intermodal connections.
Sec. 138. State block grant program.
Sec. 139. Engineered materials arresting systems.

Subtitle C—Miscellaneous

Sec. 151. Treatment of certain facilities as airport-related projects.
Sec. 152. Terminal development costs.
Sec. 153. General facilities authority.
Sec. 154. Denial of airport access to certain air carriers.
Sec. 155. Construction of runways.
Sec. 156. Use of recycled materials.
Sec. 157. Aircraft noise primarily caused by military aircraft.
Sec. 158. Timely announcement of grants.

TITLE II—AIRLINE SERVICE IMPROVEMENTS

Subtitle A—Service to Airports Not Receiving Sufficient Service

Sec. 201. Access to high density airports.
Sec. 202. Funding for air carrier service to airports not receiving sufficient service.
Sec. 203. Waiver of local contribution.
Sec. 204. Policy for air service to rural areas.
Sec. 205. Determination of distance from hub airport.

Subtitle B—Regional Air Service Incentive Program

Sec. 211. Establishment of regional air service incentive program.

TITLE III—FAA MANAGEMENT REFORM

Sec. 301. Air traffic control system defined.
Sec. 302. Air Traffic Control Oversight Board.
Sec. 303. Chief Operating Officer.
Sec. 304. Federal Aviation Management Advisory Council.
Sec. 305. Environmental streamlining.
Sec. 306. Clarification of regulatory approval process.
Sec. 307. Independent study of FAA costs and allocations.
Sec. 308. Failure to meet rulemaking deadline.
Sec. 309. Federal Procurement Integrity Act.

TITLE IV—FAMILY ASSISTANCE

Sec. 401. Responsibilities of National Transportation Safety Board.
Sec. 402. Air carrier plans.
Sec. 403. Foreign air carrier plans.
Sec. 404. Applicability of Death on the High Seas Act.

TITLE V—SAFETY

Sec. 501. Cargo collision avoidance systems deadlines.
Sec. 502. Records of employment of pilot applicants.
Sec. 503. Whistleblower protection for FAA employees.
Sec. 504. Safety risk mitigation programs.
Sec. 505. Flight operations quality assurance rules.
Sec. 506. Small airport certification.
Sec. 507. Life-limited aircraft parts.
Sec. 508. FAA may fine unruly passengers.
Sec. 509. Report on air transportation oversight system.
Sec. 510. Airplane emergency locators.
Sec. 511. Landfills interfering with air commerce.
Sec. 512. Amendment of statute prohibiting the bringing of hazardous substances aboard an aircraft.
Sec. 513. Airport safety needs.
Sec. 514. Limitation on entry into maintenance implementation procedures.
Sec. 515. Occupational injuries of airport workers.
Sec. 516. Airport dispatchers.
Sec. 517. Improved training for airframe and powerplant mechanics.

TITLE VI—WHISTLEBLOWER PROTECTION

Sec. 601. Protection of employees providing air safety information.
Sec. 602. Civil penalty.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Duties and powers of Administrator.

Sec. 702. Public aircraft.
Sec. 703. Prohibition on release of offeror proposals.
Sec. 704. Multiyear procurement contracts.
Sec. 705. Federal Aviation Administration personnel management system.
Sec. 706. Nondiscrimination in airline travel.
Sec. 707. Joint venture agreement.
Sec. 708. Extension of war risk insurance program.
Sec. 709. General facilities and personnel authority.
Sec. 710. Implementation of article 83 bis of the Chicago Convention.
Sec. 711. Public availability of airmen records.
Sec. 712. Appeals of emergency revocations of certificates.
Sec. 713. Government and industry consortia.
Sec. 714. Passenger manifest.
Sec. 715. Cost recovery for foreign aviation services.
Sec. 716. Technical corrections to civil penalty provisions.
Sec. 717. Waiver under Airport Noise and Capacity Act.
Sec. 718. Metropolitan Washington Airport Authority.
Sec. 719. Acquisition management system.
Sec. 720. Centennial of Flight Commission.
Sec. 721. Aircraft situational display data.
Sec. 722. Elimination of backlog of equal employment opportunity complaints.
Sec. 723. Newport News, Virginia.
Sec. 724. Grant of easement, Los Angeles, California.
Sec. 725. Regulation of Alaska guide pilots.
Sec. 726. Aircraft repair and maintenance advisory panel.
Sec. 727. Operations of air taxi industry.
Sec. 728. Sense of the Congress concerning completion of comprehensive national airspace redesign.
Sec. 729. Compliance with requirements.
Sec. 730. Aircraft noise levels at airports.
Sec. 731. FAA consideration of certain State proposals.
Sec. 732. Cincinnati-Municipal Blue Ash Airport.
Sec. 733. Aircraft and aircraft parts for use in responding to oil spills.
Sec. 734. Discriminatory practices by computer reservations systems outside the United States.
Sec. 735. Alkali silica reactivity distress.
Sec. 736. Procurement of private enterprise mapping, charting, and geographic information systems.
Sec. 737. Land use compliance report.
Sec. 738. National transportation data center of excellence.
Sec. 739. Monroe Regional Airport land conveyance.
Sec. 740. Automated weather forecasting systems.
Sec. 741. Noise study of Sky Harbor Airport, Phoenix, Arizona.
Sec. 742. Nonmilitary helicopter noise.

TITLE VIII—NATIONAL PARKS AIR TOUR MANAGEMENT

Sec. 801. Short title.
Sec. 802. Findings.
Sec. 803. Air tour management plans for national parks.
Sec. 804. Advisory group.
Sec. 805. Reports.
Sec. 806. Methodologies used to assess air tour noise.
Sec. 807. Exemptions.
Sec. 808. Definitions.

TITLE IX—TRUTH IN BUDGETING

Sec. 901. Short title.
Sec. 902. Budgetary treatment of Airport and Airway Trust Fund.
Sec. 903. Safeguards against deficit spending out of Airport and Airway Trust Fund.
Sec. 904. Adjustments to discretionary spending limits.
Sec. 905. Applicability.

TITLE X—ADJUSTMENT OF TRUST FUND AUTHORIZATIONS

Sec. 1001. Adjustment of trust fund authorizations.
Sec. 1002. Budget estimates.
Sec. 1003. Sense of the Congress on fully offsetting increased aviation spending.

TITLE XI—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

Sec. 1101. Extension of expenditure authority.

SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of law, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 3. APPLICABILITY.

Except as otherwise specifically provided, this Act and the amendments made by this Act shall apply only to fiscal years beginning after September 30, 1999.

SEC. 4. ADMINISTRATOR DEFINED.

In this Act, the term "Administrator" means the Administrator of the Federal Aviation Administration.

TITLE I—AIRPORT AND AIRWAY IMPROVEMENTS

Subtitle A—Funding

SEC. 101. AIRPORT IMPROVEMENT PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 48103 is amended by striking "shall be" the last place it appears and all that follows through the period at the end and inserting the following: "shall be—

"(1) $2,410,000,000 for fiscal year 1999;

"(2) $2,475,000,000 for fiscal year 2000;

"(3) $4,000,000,000 for fiscal year 2001;

"(4) $4,100,000,000 for fiscal year 2002;

"(5) $4,250,000,000 for fiscal year 2003; and

"(6) $4,350,000,000 for fiscal year 2004.".

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) is amended by striking "After" and all that follows through "1999," and inserting "After September 30, 2004,".

SEC. 102. AIRWAY FACILITIES IMPROVEMENT PROGRAM.

(a) GENERAL AUTHORIZATION AND APPROPRIATIONS.—Effective September 30, 1999, section 48101(a) is amended by striking paragraphs (1), (2), and (3) and inserting the following:

"(1) Such sums as may be necessary for fiscal year 2000.

"(2) $2,500,000,000 for fiscal year 2001.

"(3) $3,000,000,000 for each of fiscal years 2002 through 2004.".

(b) UNIVERSAL ACCESS SYSTEMS.—Section 48101 is amended by adding at the end the following:

"(d) UNIVERSAL ACCESS SYSTEMS.—Of the amounts appropriated under subsection (a) for fiscal year 2001, $8,000,000 may be used for the voluntary purchase and installation of universal access systems.".

(c) ALASKA NATIONAL AIR SPACE COMMUNICATIONS SYSTEM.—Section 48101 is further amended by adding at the end the following:

"(e) ALASKA NATIONAL AIR SPACE COMMUNICATIONS SYSTEM.—Of the amounts appropriated under subsection (a) for fiscal year 2001, $7,200,000 may be used by the Administrator for the Alaska National Air Space Interfacility Communications System if the Administrator issues a report supporting the use of such funds for the System.".

(d) AUTOMATED SURFACE OBSERVATION SYSTEM/AUTOMATED WEATHER OBSERVING SYSTEM UPGRADE.—Section 48101 is further amended by adding at the end the following:

"(f) AUTOMATED SURFACE OBSERVATION SYSTEM/AUTOMATED WEATHER OBSERVING SYSTEM UPGRADE.—Of the amounts appropriated under subsection (a) for fiscal years beginning after September 30, 2000, such sums as may be necessary for the implementation and use of upgrades to the current automated surface observation system/automated weather observing system, if the upgrade is successfully demonstrated.".

SEC. 103. FAA OPERATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS FROM GENERAL FUND.—Effective September 30, 1999, section 106(k) is amended—

(1) by inserting "(1) IN GENERAL.—" before "There";

(2) in paragraph (1) (as designated by paragraph (1) of this subsection) by striking "the Administration" and all that follows through the period at the end and inserting the following: "the Administration—

"(A) such sums as may be necessary for fiscal year 2000;

"(B) $6,450,000,000 for fiscal year 2001;

"(C) $6,886,000,000 for fiscal year 2002;

"(D) $7,357,000,000 for fiscal year 2003; and

"(E) $7,860,000,000 for fiscal year 2004.";

(3) by adding at the end the following:

"(2) AUTHORIZED EXPENDITURES.—Of the amounts appropriated under paragraph (1) for fiscal years 2001 through 2004—

"(A) $450,000 per fiscal year may be used for wildlife hazard mitigation measures and management of the wildlife strike database of the Federal Aviation Administration;

"(B) such sums as may be necessary may be used to fund an office within the Federal Aviation Administration dedicated to supporting infrastructure systems development for both general aviation and the vertical flight industry;

"(C) such sums as may be necessary may be used to revise existing terminal and en route procedures and instrument flight rules to facilitate the takeoff, flight, and landing of tiltrotor aircraft and to improve the national airspace system by separating such aircraft from congested flight paths of fixed-wing aircraft;

"(D) such sums as may be necessary may be used to establish helicopter approach procedures using current technologies (such as the Global Positioning System) to support all-weather, emergency medical service for trauma patients;

"(E) $3,000,000 per fiscal year may be used to implement the 1998 airport surface operations safety action plan of the Federal Aviation Administration;

"(F) $2,000,000 per fiscal year may be used to support a university consortium established to provide an air safety and security management certificate program, working cooperatively with United States air carriers; except that funds under this subparagraph—

"(i) may not be used for the construction of a building or other facility; and

"(ii) may only be awarded on the basis of open competition;

"(G) such sums as may be necessary may be used to develop or improve training programs (including model training programs and curriculum) for security screeners at airports; and

"(H) such sums as may be necessary for the Secretary to hire additional inspectors in order to enhance air cargo security programs."; and

(4) by indenting paragraph (1) (as designated by paragraph (1) of this subsection) and aligning such paragraph (1) with paragraph (2) (as added by paragraph (2) of this subsection).

(b) AUTHORIZATION OF APPROPRIATIONS FROM TRUST FUND.—Section 48104 is amended—

(1) by striking subsection (b) and redesignating subsection (c) as subsection (b);

(2) in subsection (b) (as so redesignated)—

(A) by striking the subsection heading and inserting "GENERAL RULE: LIMITATION ON TRUST FUND AMOUNTS.—"; and

(B) in the matter preceding paragraph (1)—

(i) by striking "The amount" and inserting "Except as provided in subsection (c), the amount"; and

(ii) by striking "for each of fiscal years 1994 through 1998" and inserting "for fiscal year 2000 and each fiscal year thereafter"; and

(3) by adding at the end the following:

"(c) SPECIAL RULE FOR FISCAL YEARS 2000-2004.—

"(1) IN GENERAL.—If the amount appropriated under section 106(k) for any of fiscal years 2000 through 2004 less the amount that would be appropriated, but for this subsection, from the Trust Fund for the purposes of paragraphs (1) and (2) of subsection (a) for such fiscal year is greater than the general fund cap, the amount appropriated from the Trust Fund for the purposes of paragraphs (1) and (2) of subsection (a) for such fiscal year shall equal the amount appropriated under section 106(k) for such fiscal year less the general fund cap.

"(2) GENERAL FUND CAP DEFINED.—In this subsection, the term 'general fund cap' means that portion of the amounts appropriated for programs of the Federal Aviation Administration for fiscal year 1998 that was derived from the general fund of the Treasury.

(c) LIMITATION ON OBLIGATING OR EXPENDING AMOUNTS.—Section 48108 is amended by striking subsection (c).

(d) OFFICE OF AIRLINE INFORMATION.—There is authorized to be appropriated from the Airport and Airway Trust Fund to the Secretary $4,000,000 for fiscal years beginning after September 30, 2000, to fund the activities of the Office of Airline Information in the Bureau of Transportation Statistics of the Department of Transportation.

SEC. 104. AIP FORMULA CHANGES.

(a) DISCRETIONARY FUND.—Section 47115 is amended by striking subsections (g) and (h) and inserting the following:

"(g) PRIORITY FOR LETTERS OF INTENT.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall fulfill intentions to obligate under section 47110(e) with amounts available in the fund established by subsection (a) and, if such amounts are not sufficient for a fiscal year, with amounts made available to carry out sections 47114(c)(1)(A), 47114(c)(2), 47114(d), and 47117(e) on a pro rata basis.

"(2) PROCEDURE.—Before apportioning funds under sections 47114(c)(1)(A), 47114(c)(2), 47114(d), and 47117(e) of each fiscal year, the Secretary shall determine the amount of funds that will be necessary to fulfill intentions to obligate under section 47110(e) in such fiscal year. If such amount is greater than the amount of funds that will be available in the fund established by subsection (a) for such fiscal year, the Secretary shall reduce the amount to be apportioned under such sections for such fiscal year on a pro rata basis by an amount equal to the difference.".

(b) AMOUNTS APPORTIONED TO SPONSORS.—

(1) AMOUNTS TO BE APPORTIONED.—Effective October 1, 2000, section 47114(c)(1) is amended—

(A) in subparagraph (A) by striking clauses (i) through (v) and inserting the following:

"(i) $23.40 for each of the first 50,000 passenger boardings at the airport during the prior calendar year;

"(ii) $15.60 for each of the next 50,000 passenger boardings at the airport during the prior calendar year;

"(iii) $7.80 for each of the next 400,000 passenger boardings at the airport during the prior calendar year;

"(iv) $1.95 for each of the next 500,000 passenger boardings at the airport during the prior calendar year; and

"(v) $1.50 for each additional passenger boarding at the airport during the prior calendar year."; and

(B) in subparagraph (B) by striking "$500,000 nor more than $22,000,000" and inserting "$1,500,000".

(2) SPECIAL RULES.—Section 47114(c)(1) is amended by adding at the end the following:

"(C) Notwithstanding subparagraph (A), the Secretary shall apportion to an airport sponsor in a fiscal year an amount equal to the amount apportioned to that sponsor in the previous fiscal year if the Secretary finds that—

"(i) passenger boardings at the airport were less than 10,000 in the calendar year used to calculate the apportionment;

"(ii) the airport had at least 10,000 passenger boardings in the calendar year prior to the calendar year used to calculate the apportionment; and

"(iii) the cause of the decrease in passenger boardings was a temporary but significant interruption in service by an air carrier to that airport due to an employment action, natural disaster, or other event unrelated to the demand for air transportation at the airport.

"(D) Notwithstanding subparagraph (A), the Secretary shall apportion on the first day of the first fiscal year following the official opening of a new airport with scheduled passenger air transportation an amount equal to the minimum amount set forth in subparagraph (B) to the sponsor of such airport.".

(c) CARGO ONLY AIRPORTS.—Section 47114(c)(2)(A) is amended by striking "2.5 percent" and inserting "3 percent".

(d) ENTITLEMENT FOR GENERAL AVIATION AIRPORTS.—Effective October 1, 2000, section 47114(d) is amended—

(1) in the subsection heading by striking "TO STATES" and inserting "FOR GENERAL AVIATION AIRPORTS";

(2) in paragraph (1) by striking "(1) In this" and inserting "(1) DEFINITIONS.—In this";

(3) by indenting paragraph (1) and aligning paragraph (1) (and its subparagraphs) with paragraph (2) (as amended by paragraph (2) of this subsection); and

(4) by striking paragraph (2) and inserting the following:

"(2) APPORTIONMENTS.—The Secretary shall apportion 20 percent of the amount subject to apportionment for each fiscal year as follows:

"(A) To each airport, excluding primary airports but including reliever and nonprimary commercial service airports, in States the lesser of—

"(i) $200,000; or

"(ii) ⅕ of the most recently published estimate of the 5-year costs for airport improvement for the airport, as listed in the national plan of integrated airport systems developed by the Federal Aviation Administration under section 47103.

"(B) Any remaining amount to States as follows:

"(i) 0.62 percent of the remaining amount to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands.

"(ii) Except as provided in paragraph (3), 49.69 percent of the remaining amount for airports, excluding primary airports but including reliever and nonprimary commercial service airports, in States not named in clause (i) in the proportion that the population of each of those States bears to the total population of all of those States.

"(iii) Except as provided in paragraph (3), 49.69 percent of the remaining amount for airports, excluding primary airports but including reliever and nonprimary commercial service airports, in States not named in clause (i) in the proportion that the area of each of those States bears to the total area of all of those States.".

(e) USE OF APPORTIONMENTS FOR ALASKA, PUERTO RICO, AND HAWAII.—Section 47114(d)(3) is amended to read as follows:

"(3) SPECIAL RULE.—An amount apportioned under paragraph (2) to Alaska, Puerto Rico, or Hawaii for airports in such State may be made available by the Secretary for any public airport in those respective jurisdictions.".

(f) USE OF STATE-APPORTIONED FUNDS FOR SYSTEM PLANNING.—Section 47114(d) is amended by adding at the end the following:

"(4) INTEGRATED AIRPORT SYSTEM PLANNING.—Notwithstanding paragraph (2), funds made available under this subsection may be used for integrated airport system planning that encompasses one or more primary airports.".

(g) FLEXIBILITY IN PAVEMENT CONSTRUCTION STANDARDS.—

Section 47114(d) is further amended by adding at the end the following:

"(5) FLEXIBILITY IN PAVEMENT CONSTRUCTION STANDARDS.—The Secretary may permit the use of State highway specifications for airfield pavement construction using funds made available under this subsection at nonprimary airports serving aircraft that do not exceed 60,000 pounds gross weight if the Secretary determines that—

"(A) safety will not be negatively affected; and

"(B) the life of the pavement will not be shorter than it would be if constructed using Federal Aviation Administration standards.".

(h) GRANTS FOR AIRPORT NOISE COMPATIBILITY PLANNING.—Section 47117(e)(1) is amended—

(1) in subparagraph (A)—

(A) by striking "31 percent" each place it appears and inserting "34 percent";

(B) in the first sentence by striking "and for carrying out" and inserting ", for carrying out"; and

(C) by striking the period at the end of the first sentence and inserting the following: ", and for noise mitigation projects approved in the environmental record of decision for an airport development project under this chapter."; and

(2) in subparagraph (B) by striking "At least" and all that follows through "sponsors of current" and inserting "At least 4 percent to sponsors of current".

(i) Supplemental Apportionment for Alaska.—Effective October 1, 2000, section 47114(e) is amended—

(1) in the subsection heading by striking "Alternative" and inserting "Supplemental";

(2) in paragraph (1)—

(A) by striking "Instead of apportioning amounts for airports in Alaska under" and inserting "In general.—Notwithstanding";

(B) by striking "those airports" and inserting "airports in Alaska"; and

(C) by inserting before the period at the end of the first sentence "and by increasing the amount so determined for each of those airports by three times";

(3) in paragraph (2) by inserting "Authority for discretionary grants.—" before "This subsection";

(4) by striking paragraph (3) and inserting the following:

"(3) Airports eligible for funds.—An amount apportioned under this subsection may be used for any public airport in Alaska."; and

(5) by indenting paragraph (1) and aligning paragraph (1) (and its subparagraphs) and paragraph (2) with paragraph (3) (as amended by paragraph (4) of this subsection).

(j) Repeal of Apportionment Limitation on Commercial Service Airports in Alaska.—Section 47117 is amended by striking subsection (f) and by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

SEC. 105. PASSENGER FACILITY FEES.

(a) Authority To Impose Higher Fee.—Section 40117(b) is amended by adding at the end the following:

"(4) Notwithstanding paragraph (1), the Secretary may authorize under this section an eligible agency to impose a passenger facility fee in whole dollar amounts of more than $3 on each paying passenger of an air carrier or foreign air carrier boarding an aircraft at an airport the agency controls to finance an eligible airport-related project, including making payments for debt service on indebtedness incurred to carry out the project, if the Secretary finds—

"(A) that the project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport;

"(B) that the project cannot be paid for from funds reasonably expected to be available for the programs referred to in section 48103; and

"(C) that the amount to be imposed is not more than twice that which may be imposed under paragraph (1).".

(b) Limitation on Approval of Certain Applications.—Section 40117(d) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) in the case of an application to impose a fee of more than $3 for a surface transportation or terminal project, the agency has made adequate provision for financing the airside needs of the airport, including runways, taxiways, aprons, and aircraft gates.".

(c) Reducing Apportionments.—Section 47114(f) is amended—

(1) by striking "An amount" and inserting the following:

"(1) In general.—An amount";

(2) by striking "an amount equal to" and all that follows through the period at the end and inserting the following: "an amount equal to—

"(A) in the case of a fee of $3 or less, 50 percent of the projected revenues from the fee in the fiscal year but not by more than 50 percent of the amount that otherwise would be apportioned under this section; and

"(B) in the case of a fee of more than $3, 75 percent of the projected revenues from the fee in the fiscal year but not by more than 75 percent of the amount that otherwise would be apportioned under this section."; and

(3) by adding at the end the following:

"(2) Effective date of reduction.—A reduction in an apportionment required by paragraph (1) shall not take effect until the first fiscal year following the year in which the collection of the fee imposed under section 40117 is begun.".

SEC. 106. BUDGET SUBMISSION.

The Administrator shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a copy of the annual budget estimates of the Federal Aviation Administration, including line item justifications, at the same time the annual budget estimates are submitted to the Committees on Appropriations of the Senate and the House of Representatives.

Subtitle B—Airport Development

SEC. 121. RUNWAY INCURSION PREVENTION DEVICES; EMERGENCY CALL BOXES.

(a) Policy.—Section 47101(a)(11) is amended by inserting "(including integrated in-pavement lighting systems for runways and taxiways and other runway and taxiway incursion prevention devices)" after "technology".

(b) Maximum Use of Safety Facilities.—Section 47101(f) is amended—

(1) by striking "and" at the end of paragraph (9); and

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following:

"(11) runway and taxiway incursion prevention devices, including integrated in-pavement lighting systems for runways and taxiways.".

(c) Inclusion of Universal Access Systems and Emergency Call Boxes as Airport Development.—Section 47102(3)(B) is amended—

(1) in clause (ii)—

(A) by striking "and universal access systems," and inserting ", universal access systems, and emergency call boxes,"; and

(B) by inserting "and integrated in-pavement lighting systems for runways and taxiways and other runway and taxiway incursion prevention devices" before the semicolon at the end; and

(2) by inserting before the semicolon at the end of clause (iii) the following: ", including closed circuit weather surveillance equipment".

SEC. 122. WINDSHEAR DETECTION EQUIPMENT.

Section 47102(3)(B) is further amended—

(1) by striking "and" at the end of clause (v);

(2) by striking the period at the end of clause (vi) and inserting a semicolon; and

(3) by adding at the end the following:

"(vii) windshear detection equipment;".

SEC. 123. ENHANCED VISION TECHNOLOGIES.

(a) Study.—The Administrator shall conduct a study of the feasibility of requiring United States airports to install enhanced vision technologies to replace or enhance conventional landing light systems over the 10-year period following the date of completion of such study.

(b) Report.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the results of the study conducted under subsection (a), together with such recommendations as the Administrator considers appropriate.

(c) Inclusion of Installation as Airport Development.—Section 47102 is amended—

(1) in paragraph (3)(B) (as amended by this Act) by adding at the end the following:

"(viii) enhanced vision technologies that are certified by the Administrator of the Federal Aviation Administration and that are intended to replace or enhance conventional landing light systems; and"; and

(2) by adding at the end the following:

"(21) Enhanced vision technologies.—The term 'enhanced vision technologies' means laser guidance, ultraviolet guidance, infrared, and cold cathode technologies.".

(d) Certification.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall transmit to Congress a schedule for deciding whether or not to certify laser guidance equipment for use as approach lighting at United States airports and of cold cathode lighting equipment for use as runway and taxiway lighting at United States airports and as lighting at United States heliports.

SEC. 124. PAVEMENT MAINTENANCE.

(a) Repeal of Pilot Program.—

(1) In general.—Section 47132 is repealed.

(2) Conforming amendment.—The analysis for chapter 471 is amended by striking the item relating to section 47132.

(b) Eligibility as Airport Development.—Section 47102(3) is amended by adding at the end the following:

"(H) routine work to preserve and extend the useful life of runways, taxiways, and aprons at airports that are not primary airports, under guidelines issued by the Administrator.".

SEC. 125. COMPETITION PLANS.

(a) In General.—Section 47106 is amended by adding at the end the following:

"(f) Competition Plans.—

"(1) Prohibition.—Beginning in fiscal year 2001, no passenger facility fee may be approved for a covered airport under section 40117 and no grant may be made under this subchapter for a covered airport unless the airport has submitted to the Secretary a written competition plan in accordance with this subsection.

"(2) Contents.—A competition plan under this subsection shall include information on the availability of airport gates and related facilities, leasing and sub-leasing arrangements, gate-use requirements, patterns of air service, gate-assignment policy, financial constraints, airport controls over air- and ground-side capacity, whether the airport intends to build or acquire gates that would be used as common facilities, and airfare levels (as compiled by the Department of Transportation) compared to other large airports.

"(3) Covered airport defined.—In this subsection, the term 'covered airport' means a commercial service airport—

"(A) that has more than .25 percent of the total number of passenger boardings each year at all such airports; and

"(B) at which one or two air carriers control more than 50 percent of the passenger boardings.".

(b) Cross Reference.—Section 40117 is amended by adding at the end the following:

"(j) Competition Plans.—Beginning in fiscal year 2001, no eligible agency may impose a passenger facility fee under this section with respect to a covered airport (as such term is defined in section 47106(f)) unless the agency has submitted to the Secretary a written competition plan in accordance with such section. This subsection does not apply to passenger facility fees in effect before the date of the enactment of this subsection.".

SEC. 126. MATCHING SHARE.

Section 47109(a) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by inserting after paragraph (1) the following:

"(2) not more than 90 percent for a project funded by a grant issued to and administered by a State under section 47128, relating to the State block grant program;";

(3) by striking "and" at the end of paragraph (3) (as so redesignated);

(4) by striking the period at the end of paragraph (4) (as so redesignated) and inserting "; and"; and

(5) by adding at the end the following:

"(5) 100 percent in fiscal year 2001 for any project—

"(A) at an airport other than a primary airport; or

"(B) at a primary airport having less than .05 percent of the total number of passenger boardings each year at all commercial service airports.".

SEC. 127. LETTERS OF INTENT.

Section 47110(e) is amended—

(1) by striking paragraph (2)(C) and inserting the following:

"(C) that meets the criteria of section 47115(d) and, if for a project at a commercial service airport having at least 0.25 percent of the boardings each year at all such airports, the Secretary decides will enhance systemwide airport capacity significantly."; and

(2) by striking paragraph (5) and inserting the following:

"(5) Letters of intent.—The Secretary may not require an eligible agency to impose a passenger facility fee under section 40117 in order to obtain a letter of intent under this section.".

SEC. 128. GRANTS FROM SMALL AIRPORT FUND.

(a) Set-Aside for Meeting Safety Terms in Airport Operating Certificates.—Section 47116 is amended by adding at the end the following:

"(e) Set-Aside for Meeting Safety Terms in Airport Operating Certificates.—In the first fiscal year beginning after the effective date of regulations issued to carry out section 44706(b) with respect to airports described in section 44706(a)(2), and in each of the next 4 fiscal years, the lesser of $15,000,000 or 20 percent of the amounts that would otherwise be distributed to sponsors of airports under subsection (b)(2) shall be used to assist the airports in meeting the terms established by the regulations. If the Secretary publishes in the Federal Register a finding that all the terms established by the regulations have been met, this subsection shall cease to be effective as of the date of such publication.".

(b) Notification of Source of Grant.—Section 47116 is further amended by adding at the end the following:

"(f) Notification of Source of Grant.—Whenever the Secretary makes a grant under this section, the Secretary shall notify the recipient of the grant, in writing, that the source of the grant is from the small airport fund.".

(c) Technical Amendments.—Section 47116(d) is amended—

(1) by striking "In making" and inserting the following:

"(1) Construction of new runways.—In making";

(2) by adding at the end the following:

"(2) Airport development for turbine powered aircraft.—In making grants to sponsors described in subsection (b)(1), the Secretary shall give priority consideration to airport development projects to support operations by turbine powered aircraft, if the non-Federal share of the project is at least 40 percent."; and

(3) by aligning the remainder of paragraph (1) (as designated by paragraph (1) of this subsection) with paragraph (2) (as added by paragraph (2) of this subsection).

SEC. 129. DISCRETIONARY USE OF UNUSED APPORTIONMENTS.

Section 47117(f) (as redesignated by section 104(j) of this Act) is amended to read as follows:

"(f) Discretionary Use of Apportionments.—

"(1) In general.—Subject to paragraph (2), if the Secretary finds that all or part of an amount of an apportionment under section 47114 is not required during a fiscal year to fund a grant for which the apportionment may be used, the Secretary may use during such fiscal year the amount not so required to make grants for any purpose for which grants may be made under section 48103. The finding may be based on the notifications that the Secretary receives under section 47105(f) or on other information received from airport sponsors.

"(2) Restoration of apportionments.—

"(A) In general.—If the fiscal year for which a finding is made under paragraph (1) with respect to an apportionment is not the last fiscal year of availability of the apportionment under subsection (b), the Secretary shall restore to the apportionment an amount equal to the amount of the apportionment used under paragraph (1) for a discretionary grant whenever a sufficient amount is made available under section 48103.

"(B) Period of availability.—If restoration under this paragraph is made in the fiscal year for which the finding is made or the succeeding fiscal year, the amount restored shall be subject to the original period of availability of the apportionment under subsection (b). If the restoration is made thereafter, the amount restored shall remain available in accordance with subsection (b) for the original period of availability of the apportionment, plus the number of fiscal years during which a sufficient amount was not available for the restoration.

"(3) Newly available amounts.—

"(A) Restored amounts to be unavailable for discretionary grants.—Of an amount newly available under section 48103 of this title, an amount equal to the amounts restored under paragraph (2) shall not be available for discretionary grant obligations under section 47115.

"(B) Use of remaining amounts.—Subparagraph (A) does not impair the Secretary's authority under paragraph (1), after a restoration under paragraph (2), to apply all or part of a restored amount that is not required to fund a grant under an apportionment to fund discretionary grants.

"(4) Limitations on obligations apply.—Nothing in this subsection shall be construed to authorize the Secretary to incur grant obligations under section 47104 for a fiscal year in an amount greater than the amount made available under section 48103 for such obligations for such fiscal year.".

SEC. 130. DESIGNATING CURRENT AND FORMER MILITARY AIRPORTS.

(a) In General.—Section 47118 is amended—

(1) in subsection (a) by striking "12" and inserting "15 for fiscal year 2000 and 20 for each fiscal year thereafter";

(2) by striking subsection (c) and redesignating subsections (d) through (f) as subsections (c) through (e), respectively;

(3) in subsection (c) (as so redesignated)—

(A) by striking "47117(e)(1)(E)" and inserting "47117(e)(1)(B)";

(B) by striking "5-fiscal-year periods" and inserting "periods, each not to exceed 5 fiscal years,"; and

(C) by striking "each such subsequent 5-fiscal-year period" and inserting "each such subsequent period"; and

(4) by adding at the end the following:

"(f) Designation of General Aviation Airport.—Notwithstanding any other provision of this section, 1 airport of the airports designated under subsection (a) for fiscal year 2000 and 3 airports for each fiscal year thereafter shall be general aviation airports that were former military installations closed or realigned under a section referred to in subsection (a)(1).".

(b) Terminal Building Facilities.—Section 47118(d) (as redesignated by subsection (a)(2) of this section) is amended by striking "$5,000,000" and inserting "$7,000,000".

(c) Eligibility of Air Cargo Terminals.—Section 47118(e) (as redesignated by subsection (a)(2) of this section) is amended—

(1) in subsection heading by striking "and Hangars" and inserting "Hangars, and Air Cargo Terminals";

(2) by striking "$4,000,000" and inserting "$7,000,000"; and

(3) by inserting after "hangars" the following: "and air cargo terminals of an area that is 50,000 square feet or less".

SEC. 131. CONTRACT TOWER COST-SHARING.

Section 47124(b) is amended by adding at the end the following:

"(3) Contract air traffic control tower pilot program.—

"(A) In general.—The Secretary shall establish a pilot program to contract for air traffic control services at Level I air traffic control towers, as defined by the Administrator of the Federal Aviation Administration, that do not qualify for the Contract Tower program established under subsection (a) and continued under paragraph (1) (hereafter in this paragraph referred to as the 'Contract Tower Program').

"(B) Program components.—In carrying out the pilot program established under subparagraph (A), the Administrator shall—

"(i) utilize for purposes of cost-benefit analyses, current, actual, site-specific data, forecast estimates, or airport master plan data provided by a facility owner or operator and verified by the Administrator;

"(ii) approve for participation only facilities willing to fund a pro rata share of the operating costs of the air traffic control tower to achieve a one-to-one benefit-to-cost ratio, as required for eligibility under the Contract Tower Program; and

"(iii) approve for participation no more than two facilities willing to fund up to 50 percent, but not less than 25 percent, of construction costs for an air traffic control tower built by the airport operator and for each of such facilities the Federal share of construction cost does not exceed $1,100,000.

"(C) Priority.—In selecting facilities to participate in the program under this paragraph, the Administrator shall give priority to the following:

"(i) Air traffic control towers that are participating in the Contract Tower Program but have been notified that they will be terminated from such program because the Administration has determined that the benefit-to-cost ratio for their continuation in such program is less than 1.0.

"(ii) Air traffic control towers that the Administrator determines have a benefit-to-cost ratio of at least .85.

"(iii) Air traffic control towers of the Federal Aviation Administration that are closed as a result of the air traffic controllers strike in 1981.

"(iv) Air traffic control towers that are located at airports or points at which an air carrier is receiving compensation under the essential air service program under this chapter.

"(v) Air traffic control towers located at airports that are prepared to assume partial responsibility for maintenance costs.

"(vi) Air traffic control towers that are located at airports with safety or operational problems related to topography, weather, runway configuration, or mix of aircraft.

"(D) COSTS EXCEEDING BENEFITS.—If the costs of operating an air traffic tower under the pilot program established under this paragraph exceed the benefits, the airport sponsor or State or local government having jurisdiction over the airport shall pay the portion of the costs that exceed such benefit.

"(E) FUNDING.—Of the amounts appropriated pursuant to section 106(k), not to exceed $6,000,000 per fiscal year may be used to carry out this paragraph.".

SEC. 132. INNOVATIVE USE OF AIRPORT GRANT FUNDS.

(a) IN GENERAL.—Subchapter I of chapter 471 is amended by adding at the end the following:

"§ 47135. Innovative financing techniques

"(a) IN GENERAL.—The Secretary of Transportation may approve applications for not more than 25 airport development projects for which grants received under this subchapter may be used for innovative financing techniques. Such projects shall be located at airports that each year have less than .25 percent of the total number of passenger boardings each year at all commercial service airports.

"(b) PURPOSE.—The purpose of grants made under this section shall be to provide information on the benefits and difficulties of using innovative financing techniques for airport development projects.

"(c) LIMITATIONS.—

"(1) NO GUARANTEES.—In no case shall the implementation of an innovative financing technique under this section be used in a manner giving rise to a direct or indirect guarantee of any airport debt instrument by the United States Government.

"(2) TYPES OF TECHNIQUES.—In this section, innovative financing techniques are limited to—

"(A) payment of interest;

"(B) commercial bond insurance and other credit enhancement associated with airport bonds for eligible airport development; and

"(C) flexible non-Federal matching requirements.".

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of chapter 471 is amended by adding at the end the following:

"47135. Innovative financing techniques.".

SEC. 133. AVIATION SECURITY PROGRAM.

(a) IN GENERAL.—Subchapter I of chapter 471 is further amended by adding the following new section:

"§ 47136. Aviation security program

"(a) GENERAL AUTHORITY.—To improve security at public airports in the United States, the Secretary of Transportation shall carry out not less than one project to test and evaluate innovative aviation security systems and related technology.

"(b) PRIORITY.—In carrying out this section, the Secretary shall give the highest priority to a request from an eligible sponsor for a grant to undertake a project that—

"(1) evaluates and tests the benefits of innovative aviation security systems or related technology, including explosives detection systems, for the purpose of improving aviation security, including aircraft physical security, access control, and passenger and baggage screening; and

"(2) provides testing and evaluation of airport security systems and technology in an operational, test bed environment.

"(c) MATCHING SHARE.—Notwithstanding section 47109, the United States Government's share of allowable project costs for a project under this section shall be 100 percent.

"(d) TERMS AND CONDITIONS.—The Secretary may establish such terms and conditions as the Secretary determines appropriate for carrying out a project under this section, including terms and conditions relating to the form and content of a proposal for a project, project assurances, and schedule of payments.

"(e) ELIGIBLE SPONSOR DEFINED.—In this section, the term 'eligible sponsor' means a nonprofit corporation composed of a consortium of public and private persons, including a sponsor of a primary airport, with the necessary engineering and technical expertise to successfully conduct the testing and evaluation of airport and aircraft related security systems.

"(f) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available to the Secretary under section 47115 in a fiscal year, the Secretary shall make available not less than $5,000,000 for the purpose of carrying out this section.".

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of chapter 471 is further amended by adding at the end the following:

"47136. Aviation security program.".

SEC. 134. INHERENTLY LOW-EMISSION AIRPORT VEHICLE PILOT PROGRAM.

(a) IN GENERAL.—Subchapter I of chapter 471 is further amended by adding at the end the following:

"§ 47137. Inherently low-emission airport vehicle pilot program

"(a) IN GENERAL.—The Secretary of Transportation shall carry out a pilot program at not more than 10 public-use airports under which the sponsors of such airports may use funds made available under section 48103 for use at such airports to carry out inherently low-emission vehicle activities. Notwithstanding any other provision of this subchapter, inherently low-emission vehicle activities shall for purposes of the pilot program be treated as eligible for assistance under this subchapter.

"(b) LOCATION IN AIR QUALITY NONATTAINMENT AREAS.—A public-use airport shall be eligible for participation in the pilot program only if the airport is located in an air quality nonattainment area (as defined in section 171(2) of the Clean Air Act (42 U.S.C. 7501(d)).

"(c) SELECTION CRITERIA.—In selecting from among applicants for participation in the pilot program, the Secretary shall give priority consideration to applicants that will achieve the greatest air quality benefits measured by the amount of emissions reduced per dollar of funds expended under the pilot program.

"(d) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The sponsor of a public-use airport carrying out inherently low-emission vehicle activities under the pilot program may use not to exceed 10 percent of the amounts made available for expenditure at the airport in a fiscal year under the pilot program to receive technical assistance in carrying out such activities.

"(2) ELIGIBLE CONSORTIUM.—To the maximum extent practicable, a sponsor shall use an eligible consortium (as defined in section 5506 of this title) in the region of the airport to receive technical assistance described in paragraph (1).

"(e) UNITED STATES GOVERNMENT'S SHARE.—Notwithstanding any other provision of this subchapter, the United States Government's share of the costs of a project carried out under the pilot program shall be 50 percent.

"(f) MAXIMUM AMOUNT.—Not more than $2,000,000 may be expended under the pilot program at any single public-use airport.

"(g) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of this section, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report containing an evaluation of the effectiveness of the pilot program.

"(h) INHERENTLY LOW-EMISSION VEHICLE ACTIVITY DEFINED.—In this section, the term 'inherently low-emission vehicle activity' means—

"(1) the construction of infrastructure facilities necessary for the use of vehicles that are certified as inherently low-emission vehicles under title 40 of the Code of Federal Regulations, that are labeled in accordance with section 88.312-93(c) of such title, and that are located or primarily used at public-use airports;

"(2) the payment of that portion of the cost of acquiring such vehicles that exceeds the cost of acquiring other vehicles that would be used for the same purpose; or

"(3) the acquisition of technological equipment necessary for the use of vehicles described in paragraph (1).".

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of chapter 471 is further amended by adding at the end the following:

"47137. Inherently low-emission airport vehicle pilot program.".

SEC. 135. TECHNICAL AMENDMENTS.

(a) CONTINUATION OF PROJECT FUNDING.—Section 47108 is amended by adding at the end the following:

"(e) CHANGE IN AIRPORT STATUS.—In the event that the status of a primary airport changes to a nonprimary airport at a time when a terminal development project under a multiyear agreement under subsection (a) is not yet completed, the project shall remain eligible for funding from discretionary funds under section 47115 at the funding level and under the terms provided by the agreement, subject to the availability of funds.".

(b) PASSENGER FACILITY FEE WAIVER FOR CERTAIN CLASS OF CARRIERS OR FOR SERVICE TO AIRPORTS IN ISOLATED COMMUNITIES.—Section 40117(i) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following:

"(3) may permit a public agency to request that collection of a passenger facility fee be waived for—

"(A) passengers enplaned by any class of air carrier or foreign air carrier if the number of passengers enplaned by the carrier in the class constitutes not more than 1 percent of the total number of passengers enplaned annually at the airport at which the fee is imposed; or

"(B) passengers traveling to an airport—

"(i) that has fewer than 2,500 passenger boardings each year and receives scheduled passenger service; and

"(ii) in a community which has a population of less than 10,000 and is not connected by a land highway to the land-connected National Highway System within a State.".

SEC. 136. CONVEYANCES OF AIRPORT PROPERTY FOR PUBLIC AIRPORTS.

(a) Project Grant Assurances.—Section 47107(h) is amended by inserting "(including an assurance with respect to disposal of land by an airport owner or operator under subsection (c)(2)(B) without regard to whether or not the assurance or grant was made before December 29, 1987)" after "1987".

(b) Conveyances of United States Government Land.—Section 47125(a) is amended by adding at the end the following: "The Secretary may only release an option of the United States for a reversionary interest under this subsection after providing notice and an opportunity for public comment. The Secretary shall publish in the Federal Register any decision of the Secretary to release a reversionary interest and the reasons for the decision.".

(c) Requests by Public Agencies.—Section 47151 is amended by adding at the end the following:

"(d) Requests by Public Agencies.—Except with respect to a request made by another department, agency, or instrumentality of the executive branch of the United States Government, such a department, agency, or instrumentality shall give priority consideration to a request made by a public agency (as defined in section 47102) for surplus property described in subsection (a) for use at a public airport.".

(d) Notice and Public Comment; Publication of Decisions.—Section 47153(a) is amended—

(1) in paragraph (1) by inserting ", after providing notice and an opportunity for public comment," after "if the Secretary decides"; and

(2) by adding at the end the following:

"(3) Publication of decisions.—The Secretary shall publish in the Federal Register any decision to waive a term under paragraph (1) and the reasons for the decision.".

(e) Considerations.—Section 47153 is amended by adding at the end the following:

"(c) Considerations.—In deciding whether to waive a term required by section 47152 or add another term, the Secretary shall consider the current and future needs of the users of the airport.".

(f) References to Gifts.—Chapter 471 is amended—

(1) in section 47151—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1) by striking "give" and inserting "convey to"; and

(ii) in paragraph (2) by striking "gift" and inserting "conveyance";

(B) in subsection (b)—

(i) by striking "giving" and inserting "conveying"; and

(ii) by striking "gift" and inserting "conveyance"; and

(C) in subsection (c)—

(i) in the subsection heading by striking "Given" and inserting "Conveyed"; and

(ii) by striking "given" and inserting "conveyed";

(2) in section 47152—

(A) in the section heading by striking "**gifts**" and inserting "**conveyances**"; and

(B) in the matter preceding paragraph (1) by striking "gift" and inserting "conveyance";

(3) in section 47153(a)(1)—

(A) by striking "gift" each place it appears and inserting "conveyance"; and

(B) by striking "given" and inserting "conveyed"; and

(4) in the analysis for such chapter by striking the item relating to section 47152 and inserting the following:

"47152. Terms of conveyances.".

SEC. 137. INTERMODAL CONNECTIONS.

(a) Airport Improvement Policy.—Section 47101(a)(5) is amended to read as follows:

"(5) to encourage the development of intermodal connections between airports and other transportation modes and systems to promote economic development in a way that will serve States and local communities efficiently and effectively;".

(b) Airport Development Defined.—Section 47102(3) is further amended by adding at the end the following:

"(I) constructing, reconstructing, or improving an airport, or purchasing capital equipment for an airport, for the purpose of transferring passengers, cargo, or baggage between the airport and ground transportation modes.".

SEC. 138. STATE BLOCK GRANT PROGRAM.

Section 47128(a) is amended by striking "9 qualified" and inserting "10 qualified".

SEC. 139. ENGINEERED MATERIALS ARRESTING SYSTEMS.

(a) Eligibility.—Section 47102(3)(B) (as amended by this Act) is amended by adding at the end the following:

"(ix) engineered materials arresting systems as described in the Advisory Circular No. 150/5220-22 published by the Federal Aviation Administration on August 21, 1998.".

(b) Rulemaking.—The Administrator shall initiate a rulemaking proceeding to consider revisions to part 139 of title 14, Code of Federal Regulations, to improve runway safety through the use of engineered materials arresting systems, longer runways, and such other techniques as the Administrator considers appropriate.

Subtitle C—Miscellaneous

SEC. 151. TREATMENT OF CERTAIN FACILITIES AS AIRPORT-RELATED PROJECTS.

Section 40117(a)(3)(E) is amended—

(1) by striking "and" and inserting a comma; and

(2) by striking the period at the end and inserting the following: "(including structural foundations and floor systems, exterior building walls and load-bearing interior columns or walls, windows, door and roof systems, and building utilities (including heating, air conditioning, ventilation, plumbing, and electrical service)), and aircraft fueling facilities adjacent to the gate.".

SEC. 152. TERMINAL DEVELOPMENT COSTS.

(a) With Respect to Passenger Facility Charges.—Section 40117(a)(3) is further amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following:

"(C) for costs of terminal development referred to in subparagraph (B) incurred after August 1, 1986, at an airport that did not have more than .25 percent of the total annual passenger boardings in the United States in the most recent calendar year for which data is available and at which total passenger boardings declined by at least 16 percent between calendar year 1989 and calendar year 1997;".

(b) Repaying Borrowed Money.—Section 47119(a) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "0.05" and inserting "0.25"; and

(B) by striking "between January 1, 1992, and October 31, 1992," and inserting "between August 1, 1986, and September 30, 1990, or between June 1, 1991, and October 31, 1992,"; and

(2) in paragraph (1)(B) by striking "an airport development project outside the terminal area at that airport" and inserting "any needed airport development project affecting safety, security, or capacity".

(c) Nonhub Airports.—Section 47119(c) is amended by striking "0.05" and inserting "0.25".

(d) Nonprimary Commercial Service Airports.—Section 47119 is amended by adding at the end the following:

"(d) Determination of Passenger Boarding at Commercial Service Airport.—For the purpose of determining whether an amount may be distributed for a fiscal year from the discretionary fund in accordance with subsection (b)(2)(A) to a commercial service airport, the Secretary shall make the determination of whether or not a public airport is a commercial service airport on the basis of the number of passenger boardings and type of air service at the public airport in the calendar year that includes the first day of such fiscal year or the preceding calendar year, whichever is more beneficial to the airport.".

SEC. 153. GENERAL FACILITIES AUTHORITY.

(a) Continuation of ILS Inventory Program.—Section 44502(a)(4)(B) is amended—

(1) by striking "each of fiscal years 1995 and 1996" and inserting "each of fiscal years 2000 through 2002"; and

(2) by inserting "under new or existing contracts" after "including acquisition".

(b) Loran-C Navigation Facilities.—Section 44502(a) is amended by adding at the end the following:

"(5) Maintenance and upgrade of Loran-C navigation facilities.—The Secretary shall maintain and upgrade Loran-C navigation facilities throughout the transition period to satellite-based navigation.".

SEC. 154. DENIAL OF AIRPORT ACCESS TO CERTAIN AIR CARRIERS.

Section 44706 is amended by adding at the end the following:

"(g) Included Charter Air Transportation.—For the purposes of subsection (a)(2), a scheduled passenger operation includes charter air transportation for which the general public is provided in advance a schedule containing the departure location, departure time, and arrival location of the flights.

"(h) Authority To Preclude Scheduled Passenger Operations.—The Administrator shall permit an airport that will be subject to certification under subsection (a)(2) to preclude scheduled passenger operations (including public charter operations described in subsection (g)) at the airport if the airport notifies the Administrator, in writing, that it does not intend to obtain an airport operating certificate.".

SEC. 155. CONSTRUCTION OF RUNWAYS.

Notwithstanding any provision of law that specifically restricts the number of runways at a single international airport, the Secretary of Transportation may obligate funds made available under chapters 471 and 481 of title 49, United States Code, for any project to construct a new runway at such airport, unless this section is expressly repealed.

SEC. 156. USE OF RECYCLED MATERIALS.

(a) Study.—The Administrator shall conduct a study of the use of recycled materials (including recycled pavements, waste materials, and byproducts) in pavement used for runways, taxiways, and aprons and the specification standards in tests necessary for the use of recycled materials in such pavement. The primary focus of the study shall be on the long term physical performance, safety implications, and environmental benefits of using recycled materials in aviation pavement.

(b) CONTRACTING.—The Administrator may carry out the study under this section by entering into a contract with a university of higher education with expertise necessary to carry out the study.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the results of the study conducted under this section together with recommendations concerning the use of recycled materials in aviation pavement.

(d) FUNDING.—Of the amounts appropriated pursuant to section 106(k), not to exceed $1,500,000 in the aggregate may be used to carry out this section.

SEC. 157. AIRCRAFT NOISE PRIMARILY CAUSED BY MILITARY AIRCRAFT.

Section 47504(c) is amended by adding at the end the following:

"(6) AIRCRAFT NOISE PRIMARILY CAUSED BY MILITARY AIRCRAFT.—The Administrator may make a grant under this subsection for a project even if the purpose of the project is to mitigate the effect of noise primarily caused by military aircraft at an airport.".

SEC. 158. TIMELY ANNOUNCEMENT OF GRANTS.

The Secretary of Transportation shall announce the making of grants with funds made available under section 48103 of title 49, United States Code, in a timely fashion after receiving necessary documentation for the making of such grants from the Administrator.

TITLE II—AIRLINE SERVICE IMPROVEMENTS

Subtitle A—Service to Airports Not Receiving Sufficient Service

SEC. 201. ACCESS TO HIGH DENSITY AIRPORTS.

(a) PHASEOUT OF SLOT RULE FOR O'HARE, LAGUARDIA, AND KENNEDY AIRPORTS.—Section 41714 is amended by adding at the end the following:

"(j) PHASEOUT OF SLOT RULE FOR O'HARE, LAGUARDIA, AND KENNEDY AIRPORTS.—

"(1) O'HARE AIRPORT.—The slot rule shall be of no force and effect at O'Hare International Airport—

"(A) effective March 1, 2000—

"(i) with respect to a regional jet aircraft providing air transportation between O'Hare International Airport and a small hub or nonhub airport—

"(I) if the operator of the regional jet aircraft was not providing such air transportation during the week of June 15, 1999; or

"(II) if the level of air transportation to be provided between such airports by the operator of the regional jet aircraft during any week will exceed the level of air transportation provided by such operator between such airports during the week of June 15, 1999; and

"(ii) with respect to any aircraft providing foreign air transportation;

"(B) effective March 1, 2001, with respect to any aircraft operating before 2:45 post meridiem and after 8:15 post meridiem; and

"(C) effective March 1, 2002, with respect to any aircraft.

"(2) LAGUARDIA AND KENNEDY.—The slot rule shall be of no force and effect at LaGuardia Airport or John F. Kennedy International Airport—

"(A) effective March 1, 2000, with respect to a regional jet aircraft providing air transportation between LaGuardia Airport or John F. Kennedy International Airport and a small hub or nonhub airport—

"(I) if the operator of the regional jet aircraft was not providing such air transportation during the week of June 15, 1999; or

"(II) if the level of air transportation to be provided between such airports by the operator of the regional jet aircraft during any week will exceed the level of air transportation provided by such operator between such airports during the week of June 15, 1999; and

"(B) effective January 1, 2007, with respect to any aircraft.".

(b) ADDITIONAL EXEMPTIONS FROM SLOT RULE.—Section 41714 is amended by striking subsections (e) and (f) and inserting the following:

"(e) ADDITIONAL EXEMPTIONS FROM SLOT RULE.—

"(1) SLOT EXEMPTIONS FOR AIRPORTS NOT RECEIVING SUFFICIENT SERVICE.—

"(A) IN GENERAL.—Notwithstanding chapter 491, the Secretary may by order grant exemptions from the slot rule for Ronald Reagan Washington National Airport and O'Hare International Airport to enable air carriers to provide nonstop air transportation using jet aircraft that comply with the stage 3 noise levels of part 36 of title 14, Code of Federal Regulations, between the airport and a small hub or nonhub airport that the Secretary determines has (i) insufficient air carrier service to and from Reagan National Airport or O'Hare International Airport, as the case may be, or (ii) unreasonably high airfares.

"(B) NUMBER OF SLOT EXEMPTIONS TO BE GRANTED.—

"(i) REAGAN NATIONAL.—

"(I) MAXIMUM NUMBER OF EXEMPTIONS.—No more than 2 exemptions from the slot rule per hour and no more than 6 exemptions from the slot rule per day may be granted under this paragraph for Ronald Reagan Washington National Airport.

"(II) MAXIMUM DISTANCE OF FLIGHTS.—An exemption from the slot rule may be granted under this paragraph for Ronald Reagan Washington National Airport only if the flight utilizing the exemption begins or ends within 1,250 miles of such airport and a stage 3 aircraft is used for such flight.

"(ii) O'HARE AIRPORT.—20 exemptions from the slot rule per day shall be granted under this paragraph for O'Hare International Airport.

"(2) SLOT EXEMPTIONS AT O'HARE FOR NEW ENTRANT AIR CARRIERS.—

"(A) IN GENERAL.—The Secretary shall grant 30 exemptions from the slot rule to enable new entrant air carriers to provide air transportation at O'Hare International Airport using stage 3 aircraft.

"(B) PRIORITY CONSIDERATION.—In granting exemptions under this paragraph, the Secretary shall give priority consideration to an application from an air carrier that, as of June 15, 1999, operated or held fewer than 20 slots at O'Hare International Airport.

"(3) INSUFFICIENT APPLICATIONS.—If, on the 180th day following the date of the enactment of the Aviation Investment and Reform Act for the 21st Century, the Secretary has not granted all of the exemptions from the slot rule made available under this subsection at an airport because an insufficient number of eligible applicants have submitted applications for the exemptions, the Secretary may grant the remaining exemptions at the airport to any air carrier applying for the exemptions for the provision of any type of air transportation. An exemption granted under paragraph (1) or (2) pursuant to this paragraph may be reclaimed by the Secretary for issuance in accordance with the terms of paragraph (1) or (2), as the case may be, if subsequent applications under paragraph (1) or (2), as the case maybe, so warrant.

"(f) REQUIREMENTS RELATING TO ADDITIONAL SLOT EXEMPTIONS.—

"(1) APPLICATIONS.—An air carrier interested in obtaining an exemption from the slot rule under subsection (e) shall submit to the Secretary an application for the exemption. No application may be submitted to the Secretary under subsection (e) before the last day of the 30-day period beginning on the date of the enactment of the Aviation Investment and Reform Act for the 21st Century.

"(2) PERIOD OF EFFECTIVENESS.—An exemption from the slot rule granted under subsection (e) shall remain in effect only while the air carrier for whom the exemption is granted continues to provide the air transportation for which the exemption is granted.

"(3) TREATMENT OF CERTAIN COMMUTER AIR CARRIERS.—The Secretary shall treat all commuter air carriers that have cooperative agreements, including code share agreements with other air carriers, equally for determining eligibility for exemptions from the slot rule under subsection (e) regardless of the form of the corporate relationship between the commuter air carrier and the other air carrier.".

(c) DEFINITIONS.—

(1) IN GENERAL.—Section 41714(h) is amended by adding at the end the following:

"(5) NONHUB AIRPORT.—The term 'nonhub airport' means an airport that each year has less than .05 percent of the total annual boardings in the United States.

"(6) REGIONAL JET AIRCRAFT.—The term 'regional jet aircraft' means a 2-engine jet aircraft with a design capacity of 70 or fewer seats, manufactured after January 1, 1992, that has an effective perceived noise level on takeoff not exceeding 83 decibels when measured according to the procedures described in part 36 of title 14, Code of Federal Regulations.

"(7) SLOT RULE.—The term 'slot rule' means the requirements of subparts K and S of part 93 of title 14, Code of Federal Regulations.

"(8) SMALL HUB AIRPORT.—The term 'small hub airport' means an airport that each year has at least .05 percent, but less than .25 percent, of the total annual boardings in the United States.

"(9) UNREASONABLY HIGH AIRFARE.—The term 'unreasonably high airfare', as used with respect to an airport, means that the airfare listed in the table entitled 'Top 1,000 City-Pair Market Summarized by City', contained in the Domestic Airline Fares Consumer Report of the Department of Transportation, for one or more markets for which the airport is a part of has an average yield listed in such table that is more than 19 cents.".

(2) REGULATORY DEFINITION OF LIMITED INCUMBENT CARRIER.—The Secretary shall modify the definition of the term "limited incumbent carrier" in subpart S of part 93 of title 14, Code of Federal Regulations, to require an air carrier or commuter operator to hold or operate fewer than 20 slots (instead of 12 slots) to meet the criteria of the definition. For purposes of this section, such modification shall be treated as in effect on the date of the enactment of this Act.

(d) Prohibition on Slot Withdrawals.—Section 41714(b) is amended—

(1) in paragraph (2)—

(A) by inserting "at O'Hare International Airport" after "a slot"; and

(B) by striking "if the withdrawal" and all that follows before the period; and

(2) by striking paragraph (4) and inserting the following:

"(4) Conversion of slots.—Effective March 1, 2000, slots at O'Hare International Airport allocated to an air carrier as of June 15, 1999, to provide foreign air transportation shall be made available to such carrier to provide interstate or intrastate air transportation.".

(e) Conforming Amendments.—Section 41714(c) is amended—

(1) by striking "Slots for New Entrants.—" and all that follows through "If the" and inserting "Slots for New Entrants.—If the"; and

(2) by striking paragraph (2).

(f) Amendments Reflecting Phaseout of Slot Rule for Certain Airports.—Effective January 1, 2007, section 41714 is amended—

(1) by striking subsections (a), (b), (c), (e), (f), (g), (h), and (i);

(2) by redesignating subsections (d) and (j) as subsections (a) and (b), respectively;

(3) in the heading for subsection (a) (as so redesignated) by striking "Special Rules for"; and

(4) by adding at the end the following:

"(c) Definitions.—

"(1) Nonhub airport.—The term 'nonhub airport' means an airport that each year has less than .05 percent of the total annual boardings in the United States.

"(2) Regional jet aircraft.—The term 'regional jet aircraft' means a 2-engine jet aircraft with a design capacity of 70 or fewer seats, manufactured after January 1, 1992, that has an effective perceived noise level on takeoff not exceeding 83 decibels when measured according to the procedures described in part 36 of title 14, Code of Federal Regulations.

"(3) Slot.—The term 'slot' means a reservation for an instrument flight rule takeoff or landing by an air carrier or an aircraft in air transportation.".

"(4) Slot rule.—The term 'slot rule' means the requirements of subparts K and S of part 93 of title 14, Code of Federal Regulations (pertaining to slots at high density airports).

"(5) Small hub airport.—The term 'small hub airport' means an airport that each year has at least .05 percent, but less than .25 percent, of the total annual boardings in the United States.

"(6) Unreasonably high airfare.—The term 'unreasonably high airfare', as used with respect to an airport, means that the airfare listed in the table entitled 'Top 1,000 City-Pair Market Summarized by City', contained in the Domestic Airline Fares Consumer Report of the Department of Transportation, for one or more markets for which the airport is a part of has an average yield listed in such table that is more than 19 cents.".

SEC. 202. FUNDING FOR AIR CARRIER SERVICE TO AIRPORTS NOT RECEIVING SUFFICIENT SERVICE.

(a) Funding for Airports Not Receiving Sufficient Service.—Chapter 417 is amended by adding at the end the following:

"§ 41743. Airports not receiving sufficient service

"(a) Types of Assistance.—The Secretary of Transportation may use amounts made available under this section—

"(1) to provide assistance to an air carrier to subsidize service to and from an underserved airport for a period not to exceed 3 years;

"(2) to provide assistance to an underserved airport to obtain jet aircraft service (and to promote passenger use of that service) to and from the underserved airport; and

"(3) to provide assistance to an underserved airport to implement such other measures as the Secretary, in consultation with such airport, considers appropriate to improve air service both in terms of the cost of such service to consumers and the availability of such service, including improving air service through marketing and promotion of air service and enhanced utilization of airport facilities.

"(b) Priority Criteria For Assisting Airports Not Receiving Sufficient Service.—In providing assistance to airports under subsection (a), the Secretary shall give priority to those airports for which a community will provide, from local sources (other than airport revenues), a portion of the cost of the activity to be assisted.

"(c) Definitions.—In this section, the following definitions apply:

"(1) Underserved airport.—The term 'underserved airport' means a nonhub airport or small hub airport (as such terms are defined in section 41731) that—

"(A) the Secretary determines is not receiving sufficient air carrier service; or

"(B) has unreasonably high airfares.

"(2) Unreasonably high airfare.—The term 'unreasonably high airfare', as used with respect to an airport, means that the airfare listed in the table entitled 'Top 1,000 City-Pair Market Summarized by City', contained in the Domestic Airline Fares Consumer Report of the Department of Transportation, for one or more markets for which the airport is a part of has an average yield listed in such table that is more than 19 cents.

"(d) Authority To Make Agreements and Incur Obligations.—

"(1) In general.—The Secretary may make agreements and incur obligations from the Airport and Airway Trust Fund to provide assistance under this section. An agreement by the Secretary under this subsection is a contractual obligation of the Government to pay the Government's share of the compensation. Contract authority made available by this paragraph shall be subject to an obligation limitation.

"(2) Amounts made available.—There shall be available to the Secretary out of the Fund not more than $25,000,000 for each of fiscal years 2000 through 2004 to incur obligations under this section. Amounts made available under this section shall remain available until expended.".

(c) Conforming Amendment.—The analysis for chapter 417 is amended by adding at the end the following:

"41743. Airports not receiving sufficient service.".

SEC. 203. WAIVER OF LOCAL CONTRIBUTION.

Section 41736(b) is amended by adding at the end the following:

"Paragraph (4) shall not apply to any place for which a proposal was approved or that was designated as eligible under this section in the period beginning on October 1, 1991, and ending on December 31, 1997.".

SEC. 204. POLICY FOR AIR SERVICE TO RURAL AREAS.

Section 40101(a) is amended by adding at the end the following:

"(16) ensuring that consumers in all regions of the United States, including those in small communities and rural and remote areas, have access to affordable, regularly scheduled air service.".

SEC. 205. DETERMINATION OF DISTANCE FROM HUB AIRPORT.

The Secretary of Transportation shall not deny assistance with respect to a place under subchapter II of chapter 417 of title 49, United States Code, solely on the basis that the place is located within 70 highway miles of a hub airport (as defined by section 41731 of such title) if the most commonly used highway route between the place and the hub airport exceeds 70 miles.

Subtitle B—Regional Air Service Incentive Program

SEC. 211. ESTABLISHMENT OF REGIONAL AIR SERVICE INCENTIVE PROGRAM.

(a) In General.—Chapter 417 is amended by adding at the end the following:

"SUBCHAPTER III—REGIONAL AIR SERVICE INCENTIVE PROGRAM

"§ 41761. Purpose

"The purpose of this subchapter is to improve service by jet aircraft to underserved markets by providing assistance, in the form of Federal credit instruments, to commuter air carriers that purchase regional jet aircraft for use in serving those markets.

"§ 41762. Definitions

"In this subchapter, the following definitions apply:

"(1) Air carrier.—The term 'air carrier' means any air carrier holding a certificate of public convenience and necessity issued by the Secretary of Transportation under section 41102.

"(2) Aircraft purchase.—The term 'aircraft purchase' means the purchase of commercial transport aircraft, including spare parts normally associated with the aircraft.

"(3) Capital reserve subsidy amount.—The term 'capital reserve subsidy amount' means the amount of budget authority sufficient to cover estimated long-term cost to the United States Government of a Federal credit instrument, calculated on a net present value basis, excluding administrative costs and any incidental effects on government receipts or outlays in accordance with provisions of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

"(4) Commuter air carrier.—The term 'commuter air carrier' means an air carrier that primarily operates aircraft designed to have a maximum passenger seating capacity of 75 or less in accordance with published flight schedules.

"(5) Federal credit instrument.—The term 'Federal credit instrument' means a secured loan, loan guarantee, or line of credit authorized to be made under this subchapter.

"(6) Financial obligation.—The term 'financial obligation' means any note, bond, debenture, or other debt obligation issued by an obligor in connection with the financing of an aircraft purchase, other than a Federal credit instrument.

"(7) Lender.—The term 'lender' means any non-Federal qualified institutional buyer (as defined by section 230.144A(a) of title 17, Code of Federal Regulations (or any successor regulation) known as Rule 144A(a) of the Security and Exchange Commission and issued under the Security Act of 1933 (15 U.S.C. 77a et seq.)), including—

"(A) a qualified retirement plan (as defined in section 4974(c) of the Internal Revenue Code of 1986) that is a qualified institutional buyer; and

"(B) a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986) that is a qualified institutional buyer.

"(8) Line of credit.—The term 'line of credit' means an agreement entered into by the Secretary with an obligor under section 41763(d) to provide a direct loan at a future date upon the occurrence of certain events.

"(9) Loan guarantee.—The term 'loan guarantee' means any guarantee or other pledge by the Secretary under section 41763(c) to pay all or part of any of the principal of and interest on a loan or other debt obligation issued by an obligor and funded by a lender.

"(10) New entrant air carrier.—The term 'new entrant air carrier' means an air carrier that has been providing air transportation according to a published schedule for less than 5 years, including any person that has received authority from the Secretary to provide air transportation but is not providing air transportation.

"(11) Nonhub airport.—The term 'nonhub airport' means an airport that each year has less than .05 percent of the total annual boardings in the United States.

"(12) Obligor.—The term 'obligor' means a party primarily liable for payment of the principal of or interest on a Federal credit instrument, which party may be a corporation, partnership, joint venture, trust, or governmental entity, agency, or instrumentality.

"(13) Regional jet aircraft.—The term 'regional jet aircraft' means a civil aircraft—

"(A) powered by jet propulsion; and

"(B) designed to have a maximum passenger seating capacity of not less than 30 nor more than 75.

"(14) Secured loan.—The term 'secured loan' means a direct loan funded by the Secretary in connection with the financing of an aircraft purchase under section 41763(b).

"(15) Small hub airport.—The term 'small hub airport' means an airport that each year has at least .05 percent, but less than .25 percent, of the total annual boardings in the United States.

"(16) Underserved market.—The term 'underserved market' means a passenger air transportation market (as defined by the Secretary) that—

"(A) is served (as determined by the Secretary) by a nonhub airport or a small hub airport;

"(B) is not within a 40-mile radius of an airport that each year has at least .25 percent of the total annual boardings in the United States; and

"(C) the Secretary determines does not have sufficient air service.

"§ 41763. Federal credit instruments

"(a) In General.—Subject to this section, the Secretary of Transportation may enter into agreements with one or more obligors to make available Federal credit instruments, the proceeds of which shall be used to finance aircraft purchases.

"(b) Secured Loans.—

"(1) Terms and limitations.—

"(A) In general.—A secured loan under this section with respect to an aircraft purchase shall be on such terms and conditions and contain such covenants, representatives, warranties, and requirements (including requirements for audits) as the Secretary determines appropriate.

"(B) Maximum amount.—No secured loan may be made under this section—

"(i) that extends to more than 50 percent of the purchase price (including the value of any manufacturer credits, post-purchase options, or other discounts) of the aircraft, including spare parts, to be purchased; or

"(ii) that, when added to the remaining balance on any other Federal credit instruments made under this subchapter, provides more than $100,000,000 of outstanding credit to any single obligor.

"(C) Final payment date.—The final payment on the secured loan shall not be due later than 18 years after the date of execution of the loan agreement.

"(D) Subordination.—The secured loan may be subordinate to claims of other holders of obligations in the event of bankruptcy, insolvency, or liquidation of the obligor as determined appropriate by the Secretary.

"(E) Fees.—The Secretary, subject to appropriations, may establish fees at a level sufficient to cover all or a portion of the costs to the United States Government of making a secured loan under this section. The proceeds of such fees shall be deposited in an account to be used by the Secretary for the purpose of administering the program established under this subchapter and shall be available upon deposit until expended.

"(2) Repayment.—

"(A) Schedule.—The Secretary shall establish a repayment schedule for each secured loan under this section based on the projected cash flow from aircraft revenues and other repayment sources.

"(B) Commencement.—Scheduled loan repayments of principal and interest on a secured loan under this section shall commence no later than 3 years after the date of execution of the loan agreement.

"(3) Prepayment.—

"(A) Use of excess revenue.—After satisfying scheduled debt service requirements on all financial obligations and secured loans and all deposit requirements under the terms of any trust agreement, bond resolution, or similar agreement securing financial obligations, the secured loan may be prepaid at anytime without penalty.

"(B) Use of proceeds of refinancing.—The secured loan may be prepaid at any time without penalty from proceeds of refinancing from non-Federal funding sources.

"(c) Loan Guarantees.—

"(1) In general.—A loan guarantee under this section with respect to a loan made for an aircraft purchase shall be made in such form and on such terms and conditions and contain such covenants, representatives, warranties, and requirements (including requirements for audits) as the Secretary determines appropriate.

"(2) Maximum amount.—No loan guarantee shall be made under this section—

"(A) that extends to more than the unpaid interest and 50 percent of the unpaid principal on any loan;

"(B) that, for any loan or combination of loans, extends to more than 50 percent of the purchase price (including the value of any manufacturer credits, post-purchase options, or other discounts) of the aircraft, including spare parts, to be purchased with the loan or loan combination;

"(C) on any loan with respect to which terms permit repayment more than 15 years after the date of execution of the loan; or

"(D) that, when added to the remaining balance on any other Federal credit instruments made under this subchapter, provides more than $100,000,000 of outstanding credit to any single obligor.

"(3) Fees.—The Secretary, subject to appropriations, may establish fees at a level sufficient to cover all or a portion of the costs to the United States Government of making a loan guarantee under this section. The proceeds of such fees shall be deposited in an account to be used by the Secretary for the purpose of administering the program established under this subchapter and shall be available upon deposit until expended.

"(d) Lines of Credit.—

"(1) In general.—Subject to the requirements of this subsection, the Secretary may enter into agreements to make available lines of credit to one or more obligors in the form of direct loans to be made by the Secretary at future dates on the occurrence of certain events for any aircraft purchase selected under this section.

"(2) Terms and limitations.—

"(A) In general.—A line of credit under this subsection with respect to an aircraft purchase shall be on such terms and conditions and contain such covenants, representatives, warranties, and requirements (including requirements for audits) as the Secretary determines appropriate.

"(B) Maximum amount.—

"(i) Total amount.—The amount of any line of credit shall not exceed 50 percent of the purchase price (including the value of any manufacturer credits, post-purchase options, or other discounts) of the aircraft, including spare parts.

"(ii) 1-year draws.—The amount drawn in any year shall not exceed 20 percent of the total amount of the line of credit.

"(C) Draws.—Any draw on the line of credit shall represent a direct loan.

"(D) Period of availability.—The line of credit shall be available not more than 5 years after the aircraft purchase date.

"(E) Rights of third-party creditors.—

"(i) Against United States government.—A third-party creditor of the obligor shall not have any right against the United States Government with respect to any draw on the line of credit.

"(ii) Assignment.—An obligor may assign the line of credit to one or more lenders or to a trustee on the lender's behalf.

"(F) Subordination.—A direct loan under this subsection may be subordinate to claims of other holders of obligations in the event of bankruptcy, insolvency, or liquidation of the obligor as determined appropriate by the Secretary.

"(G) Fees.—The Secretary, subject to appropriations, may establish fees at a level sufficient to cover all of a portion of the costs to the United States Government of providing a line of credit under this subsection. The proceeds of such fees shall be deposited in an account to be used by the Secretary for the purpose of administering the program established under this subchapter and shall be available upon deposit until expended.

"(3) Repayment.—

"(A) Schedule.—The Secretary shall establish a repayment schedule for each direct loan under this subsection.

"(B) Commencement.—Scheduled loan repayments of principal or interest on a direct loan under this subsection shall commence no later than 3 years after the date of the first draw on the line of credit and shall be repaid, with interest, not later than 18 years after the date of the first draw.

"(e) Risk Assessment.—Before entering into an agreement under this section to make available a Federal credit instrument, the Secretary, in consultation with the Director of the Office of Management and Budget, shall determine an appropriate capital reserve subsidy amount for the Federal credit instrument based on such credit evaluations as the Secretary deems necessary.

"(f) Conditions.—Subject to subsection (h), the Secretary may only make a Federal credit instrument available under this section if the Secretary finds that—

"(1) the aircraft to be purchased with the Federal credit instrument is a regional jet aircraft needed to improve the service and efficiency of operation of a commuter air carrier or new entrant air carrier;

"(2) the commuter air carrier or new entrant air carrier enters into a legally binding agreement that requires the carrier to use the aircraft to provide service to underserved markets; and

"(3) the prospective earning power of the commuter air carrier or new entrant air carrier, together with the character and value of the security pledged, including the collateral value of the aircraft being acquired and any other assets or pledges used to secure the Federal credit instrument, furnish—

"(A) reasonable assurances of the air carrier's ability and intention to repay the Federal credit instrument within the terms established by the Secretary—

"(i) to continue its operations as an air carrier; and

"(ii) to the extent that the Secretary determines to be necessary, to continue its operations as an air carrier between the same route or routes being operated by the air carrier at the time of the issuance of the Federal credit instrument; and

"(B) reasonable protection to the United States.

"(g) LIMITATION ON COMBINED AMOUNT OF FEDERAL CREDIT INSTRUMENTS.—The Secretary shall not allow the combined amount of Federal credit instruments available for any aircraft purchase under this section to exceed—

"(1) 50 percent of the cost of the aircraft purchase; or

"(2) $100,000,000 for any single obligor.

"(h) REQUIREMENT.—Subject to subsection (i), no Federal credit instrument may be made under this section for the purchase of any regional jet aircraft that does not comply with the stage 3 noise levels of part 36 of title 14 of the Code of Federal Regulations, as in effect on January 1, 1999.

"(i) OTHER LIMITATIONS.—No Federal credit instrument shall be made by the Secretary under this section for the purchase of a regional jet aircraft unless the commuter air carrier or new entrant air carrier enters into a legally binding agreement that requires the carrier to provide scheduled passenger air transportation to the underserved market for which the aircraft is purchased for a period of not less than 36 consecutive months after the date that aircraft is placed in service.

"§ 41764. Use of Federal facilities and assistance

"(a) USE OF FEDERAL FACILITIES.—To permit the Secretary of Transportation to make use of such expert advice and services as the Secretary may require in carrying out this subchapter, the Secretary may use available services and facilities of other agencies and instrumentalities of the United States Government—

"(1) with the consent of the appropriate Federal officials; and

"(2) on a reimbursable basis.

"(b) ASSISTANCE.—The head of each appropriate department or agency of the United States Government shall exercise the duties and powers of that head in such manner as to assist in carrying out the policy specified in section 41761.

"(c) OVERSIGHT.—The Secretary shall make available to the Comptroller General of the United States such information with respect to any Federal credit instrument made under this subchapter as the Comptroller General may require to carry out the duties of the Comptroller General under chapter 7 of title 31, United States Code.

"§ 41765. Administrative expenses

"In carrying out this subchapter, the Secretary shall use funds made available by appropriations to the Department of Transportation for the purpose of administration, in addition to the proceeds of any fees collected under this subchapter, to cover administrative expenses of the Federal credit instrument program under this subchapter.

"§ 41766. Funding.

"Of the amounts appropriated under section 106(k) for each of fiscal years 2001 through 2004, such sums as may be necessary may be used to carry out this subchapter, including administrative expenses.

"§ 41767. Termination

"(a) AUTHORITY TO ISSUE FEDERAL CREDIT INSTRUMENTS.—The authority of the Secretary of Transportation to issue Federal credit instruments under section 41763 shall terminate on the date that is 5 years after the date of the enactment of this subchapter.

"(b) CONTINUATION OF AUTHORITY TO ADMINISTER PROGRAM FOR EXISTING FEDERAL CREDIT INSTRUMENTS.—On and after the termination date, the Secretary shall continue to administer the program established under this subchapter for Federal credit instruments issued under this subchapter before the termination date until all obligations associated with such instruments have been satisfied.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 417 is amended by adding at the end the following:

"SUBCHAPTER III—REGIONAL AIR SERVICE INCENTIVE PROGRAM

"Sec.
"41761. Purpose.
"41762. Definitions.
"41763. Federal credit instruments.
"41764. Use of Federal facilities and assistance.
"41765. Administrative expenses.
"41766. Funding.
"41767. Termination.".

TITLE III—FAA MANAGEMENT REFORM

SEC. 301. AIR TRAFFIC CONTROL SYSTEM DEFINED.

Section 40102(a) is amended—

(1) by redesignating paragraphs (5) through (41) as paragraphs (6) through (42), respectively; and

(2) by inserting after paragraph (4) the following:

"(5) 'air traffic control system' means the combination of elements used to safely and efficiently monitor, direct, control, and guide aircraft in the United States and United States-assigned airspace, including—

"(A) allocated electromagnetic spectrum and physical, real, personal, and intellectual property assets making up facilities, equipment, and systems employed to detect, track, and guide aircraft movement;

"(B) laws, regulations, orders, directives, agreements, and licenses;

"(C) published procedures that explain required actions, activities, and techniques used to ensure adequate aircraft separation; and

"(D) trained personnel with specific technical capabilities to satisfy the operational, engineering, management, and planning requirements for air traffic control.".

SEC. 302. AIR TRAFFIC CONTROL OVERSIGHT BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Chapter 1 is amended by adding at the end the following:

"§ 113. Air Traffic Control Oversight Board

"(a) ESTABLISHMENT.—There is established within the Department of Transportation an 'Air Traffic Control Oversight Board' (in this section referred to as the 'Oversight Board').

"(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Oversight Board shall be composed of nine members, as follows:

"(A) Six members shall be individuals who are not otherwise Federal officers or employees and who are appointed by the President, by and with the advice and consent of the Senate.

"(B) One member shall be the Secretary of Transportation or, if the Secretary so designates, the Deputy Secretary of the Transportation.

"(C) One member shall be the Administrator of the Federal Aviation Administration.

"(D) One member shall be an individual who is appointed by the President, by and with the advice and consent of the Senate, from among individuals who are the leaders of their respective unions of air traffic control system employees.

"(2) QUALIFICATIONS AND TERMS.—

"(A) QUALIFICATIONS.—Members of the Oversight Board described in paragraph (1)(A) shall—

"(i) have a fiduciary responsibility to represent the public interest;

"(ii) be citizens of the United States; and

"(iii) be appointed without regard to political affiliation and solely on the basis of their professional experience and expertise in one or more of the following areas:

"(I) Management of large service organizations.

"(II) Customer service.

"(III) Management of large procurements.

"(IV) Information and communications technology.

"(V) Organizational development.

"(VI) Labor relations.

At least three members of the Oversight Board appointed under paragraph (1)(A) should have knowledge of, or a background in, aviation. At least one of such members should have a background in managing large organizations successfully. In the aggregate, such members should collectively bring to bear expertise in all of the areas described in subclauses (I) through (VI) of clause (iii).

"(B) PROHIBITIONS.—No member of the Oversight Board described in paragraph (1)(A) may—

"(i) have a pecuniary interest in, or own stock in or bonds of, an aviation or aeronautical enterprise;

"(ii) engage in another business related to aviation or aeronautics; or

"(iii) be a member of any organization that engages, as a substantial part of its activities, in activities to influence aviation-related legislation.

"(C) TERMS FOR AIR TRAFFIC CONTROL REPRESENTATIVES.—A member appointed under paragraph (1)(D) shall be appointed for a term of 3 years, except that the term of such individual shall end whenever the individual no longer meets the requirements of paragraph (1)(D).

"(D) TERMS FOR NONFEDERAL OFFICERS OR EMPLOYEES.—A member appointed under paragraph (1)(A) shall be appointed for a term of 5 years, except that of the members first appointed under paragraph (1)(A)—

"(i) two members shall be appointed for a term of 3 years;

"(ii) two members shall be appointed for a term of 4 years; and

"(iii) two members shall be appointed for a term of 5 years.

"(E) REAPPOINTMENT.—An individual may not be appointed under paragraph (1)(A) to more than two 5-year terms on the Oversight Board.

"(F) Vacancy.—Any vacancy on the Oversight Board shall be filled in the same manner as the original appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of that term.

"(3) Ethical considerations.—

"(A) Financial disclosure.—During the entire period that an individual appointed under subparagraph (A) or (D) of paragraph (1) is a member of the Oversight Board, such individual shall be treated as serving as an officer or employee referred to in section 101(f) of the Ethics in Government Act of 1978 for purposes of title I of such Act, except that section 101(d) of such Act shall apply without regard to the number of days of service in the position.

"(B) Restrictions on post-employment.—For purposes of section 207(c) of title 18, an individual appointed under subparagraph (A) or (D) of paragraph (1) shall be treated as an employee referred to in section 207(c)(2)(A)(i) of such title during the entire period the individual is a member of the Board, except that subsections (c)(2)(B) and (f) of section 207 of such title shall not apply.

"(C) Waiver.—At the time the President nominates an individual for appointment as a member of the Oversight Board under paragraph (1)(D), the President may waive for the term of the member any appropriate provision of chapter 11 of title 18, to the extent such waiver is necessary to allow the member to participate in the decisions of the Board while continuing to serve as a full-time Federal employee or a representative of employees. Any such waiver shall not be effective unless a written intent of waiver to exempt such member (and actual waiver language) is submitted to the Senate with the nomination of such member.

"(4) Quorum.—Five members of the Oversight Board shall constitute a quorum. A majority of members present and voting shall be required for the Oversight Board to take action.

"(5) Removal.—Any member of the Oversight Board appointed under subparagraph (A) or (D) of paragraph (1) may be removed for cause by the President.

"(6) Claims.—

"(A) In general.—A member of the Oversight Board appointed under subparagraph (A) or (D) of paragraph (1) shall have no personal liability under Federal law with respect to any claim arising out of or resulting from an act or omission by such member within the scope of service as a member of the Oversight Board.

"(B) Effect on other law.—This paragraph shall not be construed—

"(i) to affect any other immunity or protection that may be available to a member of the Oversight Board under applicable law with respect to such transactions;

"(ii) to affect any other right or remedy against the United States under applicable law; or

"(iii) to limit or alter in any way the immunities that are available under applicable law for Federal officers and employees.

"(c) General Responsibilities.—

"(1) Oversight.—The Oversight Board shall oversee the Federal Aviation Administration in its administration, management, conduct, direction, and supervision of the air traffic control system.

"(2) Confidentiality.—The Oversight Board shall ensure that appropriate confidentiality is maintained in the exercise of its duties.

"(d) Specific Responsibilities.—The Oversight Board shall have the following specific responsibilities:

"(1) Strategic plans.—To review, approve, and monitor achievements under a strategic plan of the Federal Aviation Administration for the air traffic control system, including the establishment of—

"(A) a mission and objectives;

"(B) standards of performance relative to such mission and objectives, including safety, efficiency, and productivity; and

"(C) annual and long-range strategic plans.

"(2) Modernization and improvement.—To review and approve—

"(A) methods of the Federal Aviation Administration to accelerate air traffic control modernization and improvements in aviation safety related to air traffic control; and

"(B) procurements of air traffic control equipment by the Federal Aviation Administration in excess of $100,000,000.

"(3) Operational plans.—To review the operational functions of the Federal Aviation Administration, including—

"(A) plans for modernization of the air traffic control system;

"(B) plans for increasing productivity or implementing cost-saving measures; and

"(C) plans for training and education.

"(4) Management.—To—

"(A) review and approve the Administrator's appointment of a Chief Operating Officer under section 106(r);

"(B) review the Administrator's selection, evaluation, and compensation of senior executives of the Federal Aviation Administration who have program management responsibility over significant functions of the air traffic control system;

"(C) review and approve the Administrator's plans for any major reorganization of the Federal Aviation Administration that would impact on the management of the air traffic control system;

"(D) review and approve the Administrator's cost accounting and financial management structure and technologies to help ensure efficient and cost-effective air traffic control operation; and

"(E) review the performance and cooperation of managers responsible for major acquisition projects, including the ability of the managers to meet schedule and budget targets.

"(5) Budget.—To—

"(A) review and approve the budget request of the Federal Aviation Administration related to the air traffic control system prepared by the Administrator;

"(B) submit such budget request to the Secretary of Transportation; and

"(C) ensure that the budget request supports the annual and long-range strategic plans.

The Secretary shall submit the budget request referred to in paragraph (5)(B) for any fiscal year to the President who shall submit such request, without revision, to the Committees on Transportation and Infrastructure and Appropriations of the House of Representatives and the Committees on Commerce, Science, and Transportation and Appropriations of the Senate, together with the President's annual budget request for the Federal Aviation Administration for such fiscal year.

"(e) Reporting of Overturning of Board Decisions.—If the Secretary or Administrator overturns a decision of the Oversight Board, the Secretary or Administrator, as appropriate shall report such action to the President, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate.

"(f) Board Personnel Matters.—

"(1) Compensation of members.—

"(A) In general.—Each member of the Oversight Board who—

"(i) appointed under subsection (b)(1)(A); or

"(ii) appointed under subsection (b)(1)(D) and is not otherwise a Federal officer or employee,

shall be compensated at a rate of $30,000 per year. All other members shall serve without compensation for such service.

"(B) Chairperson.—Notwithstanding subparagraph (A), the chairperson of the Oversight Board shall be compensated at a rate of $50,000 per year.

"(2) Travel expenses.—

"(A) In general.—The members of the Oversight Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, to attend meetings of the Oversight Board and, with the advance approval of the chairperson of the Oversight Board, while otherwise away from their homes or regular places of business for purposes of duties as a member of the Oversight Board.

"(B) Report.—The Oversight Board shall include in its annual report under subsection (g)(3)(A) information with respect to the travel expenses allowed for members of the Oversight Board under this paragraph.

"(3) Staff.—

"(A) In general.—The chairperson of the Oversight Board may appoint and terminate any personnel that may be necessary to enable the Board to perform its duties.

"(B) Detail of government employees.—Upon request of the chairperson of the Oversight Board, a Federal agency shall detail a United States Government employee to the Oversight Board without reimbursement. Such detail shall be without interruption or loss of civil service status or privilege.

"(4) Procurement of temporary and intermittent services.—The chairperson of the Oversight Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(g) Administrative Matters.—

"(1) Chair.—

"(A) Term.—The members of the Oversight Board shall elect for a 2-year term a chairperson from among the members appointed under subsection (b)(1)(A).

"(B) Powers.—Except as otherwise provided by a majority vote of the Oversight Board, the powers of the chairperson shall include—

"(i) establishing committees;

"(ii) setting meeting places and times;

"(iii) establishing meeting agendas; and

"(iv) developing rules for the conduct of business.

"(2) Meetings.—The Oversight Board shall meet at least quarterly and at such other times as the chairperson determines appropriate.

"(3) Reports.—

"(A) Annual.—The Oversight Board shall each year report with respect to the conduct of its responsibilities under this title to the President, the Committee on Transportation and Infrastructure of the House of Representatives, and the Committee on Commerce, Science, and Transportation of the Senate.

"(B) Additional report.—Upon a determination by the Oversight Board under subsection (c)(1) that the organization and operation of the Federal Aviation Administration's air traffic control system are not allowing the Federal Aviation Administration to carry out its mission, the Oversight Board shall report such determination to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

"(C) Comptroller general's report.—Not later than April 30, 2004, the Comptroller General of the United States shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on the success of the Oversight Board in improving the performance of the air traffic control system.".

(2) Conforming amendment.—The analysis for chapter 1 is amended by adding at the end the following:

"113. Air Traffic Control Oversight Board.".

(b) Effective Dates.—

(1) In general.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Initial nominations to air traffic control oversight board.—The President shall submit the initial nominations of the air traffic control oversight board to the Senate not later than 3 months after the date of the enactment of this Act.

(3) Effect on actions prior to appointment of oversight board.—Nothing in this section shall be construed to invalidate the actions and authority of the Federal Aviation Administration prior to the appointment of the members of the Air Traffic Control Oversight Board.

SEC. 303. CHIEF OPERATING OFFICER.

Section 106 is amended by adding at the end the following:

"(r) Chief Operating Officer.—

"(1) In general.—

"(A) Appointment.—There shall be a Chief Operating Officer for the air traffic control system to be appointed by the Administrator, with approval of the Air Traffic Control Oversight Board established by section 113. The Chief Operating Officer shall report directly to the Administrator and shall be subject to the authority of the Administrator.

"(B) Qualifications.—The Chief Operating Officer shall have a demonstrated ability in management and knowledge of or experience in aviation.

"(C) Term.—The Chief Operating Officer shall be appointed for a term of 5 years.

"(D) Removal.—The Chief Operating Officer shall serve at the pleasure of the Administrator, except that the Administrator shall make every effort to ensure stability and continuity in the leadership of the air traffic control system.

"(E) Vacancy.—Any individual appointed to fill a vacancy in the position of Chief Operating Officer occurring before the expiration of the term for which the individual's predecessor was appointed shall be appointed for the remainder of that term.

"(2) Annual performance agreement.—The Administrator and the Chief Operating Officer, in consultation with the Air Traffic Control Oversight Board, shall enter into an annual performance agreement that sets forth measurable organization and individual goals for the Chief Operating Officer in key operational areas. The agreement shall be subject to review and renegotiation on an annual basis.

"(3) Annual performance report.—The Chief Operating Officer shall prepare and submit to the Secretary of Transportation and Congress an annual management report containing such information as may be prescribed by the Secretary.".

SEC. 304. FEDERAL AVIATION MANAGEMENT ADVISORY COUNCIL.

(a) Membership.—Section 106(p)(2)(C) is amended to read as follows:

"(C) 13 members representing aviation interests, appointed by—

"(i) in the case of initial appointments to the Council, the President by and with the advice and consent of the Senate; and

"(ii) in the case of subsequent appointments to the Council, the Secretary of Transportation.".

(b) Terms of Members.—Section 106(p)(6)(A)(i) is amended by striking "by the President".

SEC. 305. ENVIRONMENTAL STREAMLINING.

(a) Coordinated Environmental Review Process.—

(1) Development and implementation.—The Secretary shall develop and implement a coordinated environmental review process for aviation infrastructure projects that require—

(A) the preparation of an environmental impact statement or environmental assessment under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), except that the Secretary may decide not to apply this section to the preparation of an environmental assessment under such Act; or

(B) the conduct of any other environmental review, analysis, opinion, or issuance of an environmental permit, license, or approval by operation of Federal law.

(2) Memorandum of understanding.—

(A) In general.—The coordinated environmental review process for each project shall ensure that, whenever practicable (as specified in this section), all environmental reviews, analyses, opinions, and any permits, licenses, or approvals that must be issued or made by any Federal agency for the project concerned shall be conducted concurrently and completed within a cooperatively determined time period. Such process for a project or class of project may be incorporated into a memorandum of understanding between the Department of Transportation and Federal agencies (and, where appropriate, State agencies).

(B) Establishment of time periods.—In establishing the time period referred to in subparagraph (A), and any time periods for review within such period, the Department and all such agencies shall take into account their respective resources and statutory commitments.

(b) Elements of Coordinated Environmental Review Process.—For each project, the coordinated environmental review process established under this section shall provide, at a minimum, for the following elements:

(1) Federal agency identification.—The Secretary shall, at the earliest possible time, identify all potential Federal agencies that—

(A) have jurisdiction by law over environmental-related issues that may be affected by the project and the analysis of which would be part of any environmental document required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); or

(B) may be required by Federal law to independently—

(i) conduct an environmental-related review or analysis; or

(ii) determine whether to issue a permit, license, or approval or render an opinion on the environmental impact of the project.

(2) Time limitations and concurrent review.—The Secretary and the head of each Federal agency identified under paragraph (1)—

(A)(i) shall jointly develop and establish time periods for review for—

(I) all Federal agency comments with respect to any environmental review documents required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for the project; and

(II) all other independent Federal agency environmental analyses, reviews, opinions, and decisions on any permits, licenses, and approvals that must be issued or made for the project,

whereby each such Federal agency's review shall be undertaken and completed within such established time periods for review; or

(ii) may enter into an agreement to establish such time periods for review with respect to a class of project; and

(B) shall ensure, in establishing such time periods for review, that the conduct of any such analysis, review, opinion, and decision is undertaken concurrently with all other environmental reviews for the project, including the reviews required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); except that such review may not be concurrent if the affected Federal agency can demonstrate that such concurrent review would result in a significant adverse impact to the environment or substantively alter the operation of Federal law or would not be possible without information developed as part of the environmental review process.

(3) Factors to be considered.—Time periods for review established under this section shall be consistent with the time periods established by the Council on Environmental Quality under sections 1501.8 and 1506.10 of title 40, Code of Federal Regulations.

(4) Extensions.—The Secretary shall extend any time periods for review under this section if, upon good cause shown, the Secretary and any Federal agency concerned determine that additional time for analysis and review is needed as a result of new information that has been discovered that could not reasonably have been anticipated when the Federal agency's time periods for review were established. Any memorandum of understanding shall be modified to incorporate any mutually agreed-upon extensions.

(c) Dispute Resolution.—When the Secretary determines that a Federal agency which is subject to a time period for its environmental review or analysis under this section has failed to complete such review, analysis, opinion, or decision on issuing any permit, license, or approval within the established time period or within any agreed-upon extension to such time period, the Secretary may, after notice and consultation with such agency, close the record on the matter before the Secretary. If the Secretary finds, after timely compliance with this section, that an environmental issue related to the project that an affected Federal agency has jurisdiction over by operation of Federal law has not been resolved, the Secretary and the head of the Federal agency shall resolve the matter not later than 30 days after the date of the finding by the Secretary.

(d) Participation of State Agencies.—For any project eligible for assistance under chapter 471 of title 49, United States Code, a

State, by operation of State law, may require that all State agencies that have jurisdiction by State or Federal law over environmental-related issues that may be affected by the project, or that are required to issue any environmental-related reviews, analyses, opinions, or determinations on issuing any permits, licenses, or approvals for the project, be subject to the coordinated environmental review process established under this section unless the Secretary determines that a State's participation would not be in the public interest. For a State to require State agencies to participate in the review process, all affected agencies of the State shall be subject to the review process.

(e) ASSISTANCE TO AFFECTED FEDERAL AGENCIES.—

(1) IN GENERAL.—The Secretary may approve a request by a State or other recipient of assistance under chapter 471 of title 49, United States Code, to provide funds made available from the Airport and Airway Trust Fund to the State or recipient for an aviation project subject to the coordinated environmental review process established under this section to affected Federal agencies to provide the resources necessary to meet any time limits established under this section.

(2) AMOUNTS.—Such requests under paragraph (1) shall be approved only—

(A) for the additional amounts that the Secretary determines are necessary for the affected Federal agencies to meet the time limits for environmental review; and

(B) if such time limits are less than the customary time necessary for such review.

(f) JUDICIAL REVIEW AND SAVINGS CLAUSE.—

(1) JUDICIAL REVIEW.—Nothing in this section shall affect the reviewability of any final Federal agency action in a court of the United States or in the court of any State.

(2) SAVINGS CLAUSE.—Nothing in this section shall affect the applicability of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or any other Federal environmental statute or affect the responsibility of any Federal officer to comply with or enforce any such statute.

(g) FEDERAL AGENCY DEFINED.—In this section, the term "Federal agency" means any Federal agency or any State agency carrying out affected responsibilities required by operation of Federal law.

SEC. 306. CLARIFICATION OF REGULATORY APPROVAL PROCESS.

Section 106(f)(3)(B)(i) is amended—

(1) by striking "$100,000,000" each place it appears and inserting "$250,000,000";

(2) by striking "Air Traffic Management System Performance Improvement Act of 1996" and inserting "Aviation Investment and Reform Act for the 21st Century";

(3) in subclause (I)—

(A) by inserting "substantial and" before "material"; and

(B) by inserting "or" after the semicolon at the end; and

(4) by striking subclauses (II), (III), and (IV) and inserting the following:

"(II) raise novel or significant legal or policy issues arising out of legal mandates that may substantially and materially affect other transportation modes.".

SEC. 307. INDEPENDENT STUDY OF FAA COSTS AND ALLOCATIONS.

(a) INDEPENDENT ASSESSMENT.—

(1) IN GENERAL.—The Inspector General of the Department of Transportation shall conduct the assessments described in this section. To conduct the assessments, the Inspector General may use the staff and resources of the Inspector General or contract with one or more independent entities.

(2) ASSESSMENT OF ADEQUACY AND ACCURACY OF FAA COST DATA AND ATTRIBUTIONS.—

(A) IN GENERAL.—The Inspector General shall conduct an assessment to ensure that the method for calculating the overall costs of the Federal Aviation Administration and attributing such costs to specific users is appropriate, reasonable, and understandable to the users.

(B) COMPONENTS.—In conducting the assessment under this paragraph, the Inspector General shall assess the following:

(i) The Federal Aviation Administration's cost input data, including the reliability of the Federal Aviation Administration's source documents and the integrity and reliability of the Federal Aviation Administration's data collection process.

(ii) The Federal Aviation Administration's system for tracking assets.

(iii) The Federal Aviation Administration's bases for establishing asset values and depreciation rates.

(iv) The Federal Aviation Administration's system of internal controls for ensuring the consistency and reliability of reported data.

(v) The Federal Aviation Administration's definition of the services to which the Federal Aviation Administration ultimately attributes its costs.

(vi) The cost pools used by the Federal Aviation Administration and the rationale for and reliability of the bases which the Federal Aviation Administration proposes to use in allocating costs of services to users.

(C) REQUIREMENTS FOR ASSESSMENT OF COST POOLS.—In carrying out subparagraph (B)(vi), the Inspector General shall—

(i) review costs that cannot reliably be attributed to specific Federal Aviation Administration services or activities (called "common and fixed costs" in the Federal Aviation Administration Cost Allocation Study) and consider alternative methods for allocating such costs; and

(ii) perform appropriate tests to assess relationships between costs in the various cost pools and activities and services to which the costs are attributed by the Federal Aviation Administration.

(3) COST EFFECTIVENESS.—

(A) IN GENERAL.—The Inspector General shall assess the progress of the Federal Aviation Administration in cost and performance management, including use of internal and external benchmarking in improving the performance and productivity of the Federal Aviation Administration.

(B) ANNUAL REPORTS.—Not later than December 31, 2000, and annually thereafter until December 31, 2004, the Inspector General shall transmit to Congress an updated report containing the results of the assessment conducted under this paragraph.

(C) INFORMATION TO BE INCLUDED IN FAA FINANCIAL REPORT.—The Administrator shall include in the annual financial report of the Federal Aviation Administration information on the performance of the Administration sufficient to permit users and others to make an informed evaluation of the progress of the Administration in increasing productivity.

(b) FUNDING.—Of the amounts appropriated pursuant to section 106(k) of title 49, United States Code, for fiscal year 2000, not to exceed $1,500,000 may be used to carry out this section.

SEC. 308. FAILURE TO MEET RULEMAKING DEADLINE.

Section 106(f)(3)(A) is amended by adding at the end the following: "If the Administrator does not meet a deadline specified in this subparagraph, the Administrator shall transmit to Congress notification of the missed deadline, including an explanation for missing the deadline and a projected date on which the action that was subject to the deadline will be taken.".

SEC. 309. FEDERAL PROCUREMENT INTEGRITY ACT.

Section 348(b)(2) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (49 U.S.C. 40110 note; 109 Stat. 460) is amended by striking the period and inserting the following: ", other than section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423); except that subsections (f) and (g) of such section 27 shall not apply to the Federal Aviation Administration's acquisition management system. Within 90 days following the date of the enactment of the Aviation Investment and Reform Act for the 21st Century, the Administrator of the Federal Aviation Administration shall adopt definitions for the acquisition management system that are consistent with the purpose and intent of this section and that will allow the application of the criminal, civil and administrative remedies provided. The Administrator shall have the authority to take an adverse personnel action provided in subsection (e)(3)(A)(iv) of such section 27, but shall take any such actions in accordance with the procedures contained in the Federal Aviation Administration's personnel management system.".

TITLE IV—FAMILY ASSISTANCE

SEC. 401. RESPONSIBILITIES OF NATIONAL TRANSPORTATION SAFETY BOARD.

(a) PROHIBITION ON UNSOLICITED COMMUNICATIONS.—

(1) IN GENERAL.—Section 1136(g)(2) is amended—

(A) by striking "transportation," and inserting "transportation and in the event of an accident involving a foreign air carrier that occurs within the United States,";

(B) by inserting after "attorney" the following: "(including any associate, agent, employee, or other representative of an attorney)"; and

(C) by striking "30th day" and inserting "45th day".

(2) ENFORCEMENT.—Section 1151 is amended by inserting "1136(g)(2)," before "or 1155(a)" each place it appears.

(b) PROHIBITION ON ACTIONS TO PREVENT MENTAL HEALTH AND COUNSELING SERVICES.—Section 1136(g) is amended by adding at the end the following:

"(3) PROHIBITION ON ACTIONS TO PREVENT MENTAL HEALTH AND COUNSELING SERVICES.—No State or political subdivision may prevent the employees, agents, or volunteers of an organization designated for an accident under subsection (a)(2) from providing mental health and counseling services under subsection (c)(1) in the 30-day period beginning on the date of the accident. The director of family support services designated for the accident under subsection (a)(1) may extend such period for not to exceed an additional 30 days if the director determines that the extension is necessary to meet the needs of the families and if State and local authorities are notified of the determination.".

(c) INCLUSION OF NONREVENUE PASSENGERS IN FAMILY ASSISTANCE COVERAGE.—Section 1136(h)(2) is amended to read as follows:

"(2) PASSENGER.—The term 'passenger' includes—

"(A) an employee of an air carrier or foreign air carrier aboard an aircraft; and

"(B) any other person aboard the aircraft without regard to whether the person paid for the transportation, occupied a seat, or held a reservation for the flight.".

(d) LIMITATION ON STATUTORY CONSTRUCTION.—Section 1136 is amended by adding at the end the following:

"(i) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section may be construed as limiting the actions that an air carrier may take, or the obligations that an air carrier may have, in providing assistance to the families of passengers involved in an aircraft accident.".

SEC. 402. AIR CARRIER PLANS.

(a) CONTENTS OF PLANS.—

(1) FLIGHT RESERVATION INFORMATION.—Section 41113(b) is amended by adding at the end the following:

"(14) An assurance that, upon request of the family of a passenger, the air carrier will inform the family of whether the passenger's name appeared on a preliminary passenger manifest for the flight involved in the accident.".

(2) TRAINING OF EMPLOYEES AND AGENTS.—Section 41113(b) is further amended by adding at the end the following:

"(15) An assurance that the air carrier will provide adequate training to the employees and agents of the carrier to meet the needs of survivors and family members following an accident.".

(3) CONSULTATION ON CARRIER RESPONSE NOT COVERED BY PLAN.—Section 41113(b) is further amended by adding at the end the following:

"(16) An assurance that the air carrier, in the event that the air carrier volunteers assistance to United States citizens within the United States in the case of an aircraft accident outside the United States involving major loss of life, the air carrier will consult with the Board and the Department of State on the provision of the assistance.".

(4) SUBMISSION OF UPDATED PLANS.—The amendments made by paragraphs (1), (2), and (3) shall take effect on the 180th day following the date of the enactment of this Act. On or before such 180th day, each air carrier holding a certificate of public convenience and necessity under section 41102 of title 49, United States Code, shall submit to the Secretary of Transportation and the Chairman of the National Transportation Safety Board an updated plan under section 41113 of such title that meets the requirement of the amendments made by paragraphs (1), (2), and (3).

(5) CONFORMING AMENDMENTS.—Section 41113 is amended—

(A) in subsection (a) by striking "Not later than 6 months after the date of the enactment of this section, each air carrier" and inserting "Each air carrier"; and

(B) in subsection (c) by striking "After the date that is 6 months after the date of the enactment of this section, the Secretary" and inserting "The Secretary".

(b) LIMITATION ON LIABILITY.—Section 41113(d) is amended by inserting ", or in providing information concerning a flight reservation," before "pursuant to a plan".

(c) LIMITATION ON STATUTORY CONSTRUCTION.—Section 41113 is amended by adding at the end the following:

"(f) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section may be construed as limiting the actions that an air carrier may take, or the obligations that an air carrier may have, in providing assistance to the families of passengers involved in an aircraft accident.".

SEC. 403. FOREIGN AIR CARRIER PLANS.

(a) INCLUSION OF NONREVENUE PASSENGERS IN FAMILY ASSISTANCE COVERAGE.—Section 41313(a)(2) is amended to read as follows:

"(2) PASSENGER.—The term 'passenger' has the meaning given such term by section 1136 of this title.".

(b) ACCIDENTS FOR WHICH PLAN IS REQUIRED.—Section 41313(b) is amended by striking "significant" and inserting "major".

(c) CONTENTS OF PLANS.—

(1) IN GENERAL.—Section 41313(c) is amended by adding at the end the following:

"(15) TRAINING OF EMPLOYEES AND AGENTS.—An assurance that the foreign air carrier will provide adequate training to the employees and agents of the carrier to meet the needs of survivors and family members following an accident.

"(16) CONSULTATION ON CARRIER RESPONSE NOT COVERED BY PLAN.—An assurance that the foreign air carrier, in the event that the foreign air carrier volunteers assistance to United States citizens within the United States in the case of an aircraft accident outside the United States involving major loss of life, the foreign air carrier will consult with the Board and the Department of State on the provision of the assistance.".

(2) SUBMISSION OF UPDATED PLANS.—The amendment made by paragraph (1) shall take effect on the 180th day following the date of the enactment of this Act. On or before such 180th day, each foreign air carrier providing foreign air transportation under chapter 413 of title 49, United States Code, shall submit to the Secretary of Transportation and the Chairman of the National Transportation Safety Board an updated plan under section 41313 of such title that meets the requirement of the amendment made by paragraph (1).

SEC. 404. APPLICABILITY OF DEATH ON THE HIGH SEAS ACT.

(a) IN GENERAL.—Section 40120(a) is amended by inserting "(including the Act entitled 'An Act relating to the maintenance of actions for death on the high seas and other navigable waters', approved March 30, 1920, commonly known as the Death on the High Seas Act (46 U.S.C. App. 761–767; 41 Stat. 537–538))" after "United States".

(b) APPLICABILITY.—The amendment made by subsection (a) applies to civil actions commenced after the date of the enactment of this Act and to civil actions that are not adjudicated by a court of original jurisdiction or settled on or before such date of the enactment.

TITLE V—SAFETY

SEC. 501. CARGO COLLISION AVOIDANCE SYSTEMS DEADLINES.

(a) IN GENERAL.—The Administrator shall require by regulation that, no later than December 31, 2002, equipment be installed, on each cargo aircraft with a maximum certificated takeoff weight in excess of 15,000 kilograms, that provides protection from mid-air collisions using technology that provides—

(1) cockpit based collision detection and conflict resolution guidance, including display of traffic; and

(2) a margin of safety of at least the same level as provided by the collision avoidance system known as TCAS–II.

(b) EXTENSION OF DEADLINE.—The Administrator may extend the deadline established by subsection (a) by not more than 2 years if the Administrator finds that the extension is needed to promote—

(1) a safe and orderly transition to the operation of a fleet of cargo aircraft equipped with collision avoidance equipment; or

(2) other safety or public interest objectives.

SEC. 502. RECORDS OF EMPLOYMENT OF PILOT APPLICANTS.

Section 44936(f) is amended—

(1) in paragraph (1)(B) by inserting "(except a branch of the United States Armed Forces, the National Guard, or a reserve component of the United States Armed Forces)" after "person" the first place it appears;

(2) in paragraph (1)(B)(ii) by striking "individual" the first place it appears and inserting "individual's performance as a pilot";

(3) in paragraph (14)(B) by inserting "or from a foreign government or entity that employed the individual" after "exists"; and

(4) by adding at the end the following:

"(15) ELECTRONIC ACCESS TO FAA RECORDS.—For the purpose of increasing timely and efficient access to Federal Aviation Administration records described in paragraph (1), the Administrator may allow, under terms established by the Administrator, a designated individual to have electronic access to a specified database containing information about such records.".

SEC. 503. WHISTLEBLOWER PROTECTION FOR FAA EMPLOYEES.

Section 347(b)(1) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (49 U.S.C. 106 note; 109 Stat. 460) is amended by inserting before the semicolon at the end the following: ", including the provisions for investigation and enforcement as provided in chapter 12 of title 5, United States Code".

SEC. 504. SAFETY RISK MITIGATION PROGRAMS.

Section 44701 is further amended by adding at the end the following:

"(g) SAFETY RISK MANAGEMENT PROGRAM GUIDELINES.—The Administrator shall issue guidelines and encourage the development of air safety risk mitigation programs throughout the aviation industry, including self-audits and self-disclosure programs.".

SEC. 505. FLIGHT OPERATIONS QUALITY ASSURANCE RULES.

Not later than 30 days after the date of the enactment of this Act, the Administrator shall issue a notice of proposed rulemaking to develop procedures to protect air carriers and their employees from civil enforcement actions under the program known as Flight Operations Quality Assurance. Not later than 1 year after the last day of the period for public comment provided for in the notice of proposed rulemaking, the Administrator shall issue a final rule establishing such procedures.

SEC. 506. SMALL AIRPORT CERTIFICATION.

Not later than 60 days after the date of the enactment of this Act, the Administrator shall issue a notice of proposed rulemaking on implementing section 44706(a)(2) of title 49, United States Code, relating to issuance of airport operating certificates for small scheduled passenger air carrier operations. Not later than 1 year after the last day of the period for public comment provided for in the notice of proposed rulemaking, the Administrator shall issue a final rule on implementing such program.

SEC. 507. LIFE-LIMITED AIRCRAFT PARTS.

(a) IN GENERAL.—Chapter 447 is amended by adding at the end the following:

"§ 44725. Life-limited aircraft parts

"(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall conduct a rulemaking proceeding to require the safe disposition of life-limited parts removed from an aircraft. The rulemaking proceeding shall ensure that the disposition deter installation on an aircraft of a life-limited part that has reached or exceeded its life limits.

"(b) SAFE DISPOSITION.—For the purposes of this section, safe disposition includes any of the following methods:

"(1) The part may be segregated under circumstances that preclude its installation on an aircraft.

"(2) The part may be permanently marked to indicate its used life status.

"(3) The part may be destroyed in any manner calculated to prevent reinstallation in an aircraft.

"(4) The part may be marked, if practicable, to include the recordation of hours, cycles, or other airworthiness information. If the parts are marked with cycles or hours of usage, that information must be updated every time the part is removed from service or when the part is retired from service.

"(5) Any other method approved by the Administrator.

"(c) DEADLINES.—In conducting the rulemaking proceeding under subsection (a), the Administrator shall—

"(1) not later than 180 days after the date of the enactment of this section, issue a notice of proposed rulemaking; and

"(2) not later than 180 days after the close of the comment period on the proposed rule, issue a final rule.

"(d) PRIOR-REMOVED LIFE-LIMITED PARTS.—No rule issued under subsection (a) shall require the marking of parts removed before the effective date of the rules issued under subsection (a), nor shall any such rule forbid the installation of an otherwise airworthy life-limited part.".

(b) CIVIL PENALTY.—Section 46301(a)(3) is amended—

(1) in subparagraph (A) by striking "or" at the end;

(2) in subparagraph (B) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(C) a violation of section 44725, relating to the safe disposal of life-limited aircraft parts;".

(c) CONFORMING AMENDMENT.—The analysis for chapter 447 is further amended by adding at the end the following:

"44725. Life-limited aircraft parts.".

SEC. 508. FAA MAY FINE UNRULY PASSENGERS.

(a) IN GENERAL.—Chapter 463 is amended—

(1) by redesignating section 46316 as section 46317; and

(2) by inserting after section 46315 the following:

"§ 46316. Interference with cabin or flight crew

"(a) CIVIL PENALTY.—An individual who interferes with the duties or responsibilities of the flight crew or cabin crew of a civil aircraft, or who poses an imminent threat to the safety of the aircraft or other individuals on the aircraft, is liable to the United States Government for a civil penalty of not more than $25,000.

"(b) BAN ON FLYING.—If the Secretary finds that an individual has interfered with the duties or responsibilities of the flight crew or cabin crew of a civil aircraft in a way that poses an imminent threat to the safety of the aircraft or individuals aboard the aircraft, the individual may be banned by the Secretary for a period of 1 year from flying on any aircraft operated by an air carrier.

"(c) REGULATIONS.—The Secretary shall issue regulations to carry out subsection (b), including establishing procedures for imposing bans on flying, implementing such bans, and providing notification to air carriers of the imposition of such bans.".

(b) COMPROMISE AND SETOFF.—Section 46301(f)(1)(A)(i) is amended by inserting "46316," before "or 47107(b)".

(c) CONFORMING AMENDMENT.—The analysis for chapter 463 is amended by striking the item relating to section 46316 and inserting after the item relating to section 46315 the following:

"46316. Interference with cabin or flight crew.

"46317. General criminal penalty when specific penalty not provided.".

SEC. 509. REPORT ON AIR TRANSPORTATION OVERSIGHT SYSTEM.

Not later than March 1, 2000, and annually thereafter for the next 5 years, the Administrator shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on the progress of the Federal Aviation Administration in implementing the air transportation oversight system. At a minimum, the report shall indicate—

(1) any funding or staffing constraints that would adversely impact the Administration's ability to fully develop and implement such system;

(2) progress in integrating the aviation safety data derived from such system's inspections with existing aviation data of the Administration in the safety performance analysis system of the Administration; and

(3) the Administration's efforts in collaboration with the aviation industry to develop and validate safety performance measures and appropriate risk weightings for the air transportation oversight system.

SEC. 510. AIRPLANE EMERGENCY LOCATORS.

(a) REQUIREMENT.—Section 44712(b) is amended to read as follows:

"(b) NONAPPLICATION.—Subsection (a) does not apply to—

"(1) aircraft when used in scheduled flights by scheduled air carriers holding certificates issued by the Secretary of Transportation under subpart II of this part;

"(2) aircraft when used in training operations conducted entirely within a 50-mile radius of the airport from which the training operations begin;

"(3) aircraft when used in flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft;

"(4) aircraft when used in research and development if the aircraft holds a certificate from the Administrator of the Federal Aviation Administration to carry out such research and development;

"(5) aircraft when used in showing compliance with regulations crew training, exhibition, air racing, or market surveys;

"(6) aircraft when used in the aerial application of a substance for an agricultural purpose;

"(7) aircraft with a maximum payload capacity of more than 7,500 pounds when used in air transportation; or

"(8) aircraft capable of carrying only one individual.".

(b) COMPLIANCE.—Section 44712 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

"(c) COMPLIANCE.—An aircraft meets the requirement of subsection (a) if it is equipped with an emergency locator transmitter that transmits on the 121.5/243 megahertz frequency or the 406 megahertz frequency, or with other equipment approved by the Secretary for meeting the requirement of subsection (a).".

(c) EFFECTIVE DATE; REGULATIONS.—

(1) REGULATIONS.—The Secretary of Transportation shall issue regulations under section 44712(b) of title 49, United States Code, as amended by this section not later than January 1, 2002.

(2) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

SEC. 511. LANDFILLS INTERFERING WITH AIR COMMERCE.

(a) FINDINGS.—Congress finds that—

(1) collisions between aircraft and birds have resulted in fatal accidents;

(2) bird strikes pose a special danger to smaller aircraft;

(3) landfills near airports pose a potential hazard to aircraft operating there because they attract birds;

(4) even if the landfill is not located in the approach path of the airport's runway, it still poses a hazard because of the birds' ability to fly away from the landfill and into the path of oncoming planes;

(5) while certain mileage limits have the potential to be arbitrary, keeping landfills at least 6 miles away from an airport, especially an airport served by small planes, is an appropriate minimum requirement for aviation safety; and

(6) closure of existing landfills (due to concerns about aviation safety) should be avoided because of the likely disruption to those who use and depend on such landfills.

(b) LIMITATION ON CONSTRUCTION.—Section 44718(d) is amended to read as follows:

"(d) LIMITATION ON CONSTRUCTION OF LANDFILLS.—

"(1) IN GENERAL.—No person shall construct or establish a landfill within 6 miles of an airport primarily served by general aviation aircraft or aircraft designed for 60 passengers or less unless the State aviation agency of the State in which the airport is located requests that the Administrator of the Federal Aviation Administration exempt the landfill from this prohibition and the Administrator, in response to such a request, determines that the landfill would not have an adverse impact on aviation safety.

"(2) LIMITATION ON APPLICABILITY.—Paragraph (1) shall not apply to construction or establishment of a landfill if a permit relating to construction or establishment of such landfill was issued on or before June 1, 1999.".

(c) CIVIL PENALTY FOR VIOLATIONS OF LIMITATION ON CONSTRUCTION OF LANDFILLS.—Section 46301(a)(3) is further amended by adding at the end the following:

"(D) a violation of section 41718(d), relating to limitation on construction of landfills; or".

SEC. 512. AMENDMENT OF STATUTE PROHIBITING THE BRINGING OF HAZARDOUS SUBSTANCES ABOARD AN AIRCRAFT.

Section 46312 is amended—

(1) by striking "A person" and inserting "(a) GENERAL.—A person"; and

(2) by adding at the end the following:

"(b) KNOWLEDGE OF REGULATIONS.—For purposes of subsection (a), knowledge by the person of the existence of a regulation or requirement related to the transportation of hazardous material prescribed by the Secretary under this part is not an element of an offense under this section but shall be considered in mitigation of the penalty.".

SEC. 513. AIRPORT SAFETY NEEDS.

The Administrator shall initiate a rulemaking proceeding to consider revisions of part 139 of title 14, Code of Federal Regulations, to meet current and future airport safety needs—

(1) focusing, but not limited to, on the mission of rescue personnel, rescue operations response time, and extinguishing equipment; and

(2) taking into account the need for different requirements for airports depending on their size.

SEC. 514. LIMITATION ON ENTRY INTO MAINTENANCE IMPLEMENTATION PROCEDURES.

The Administrator may not enter into any maintenance implementation procedure through a bilateral aviation safety agreement unless the Administrator determines that the participating nations are inspecting repair stations so as to ensure their compliance with the standards of the Federal Aviation Administration.

SEC. 515. OCCUPATIONAL INJURIES OF AIRPORT WORKERS.

(a) Study.—The Administrator shall conduct a study to determine the number of persons working at airports who are injured or killed as a result of being struck by a moving vehicle while on an airport tarmac, the seriousness of the injuries to such persons, and whether or not reflective safety vests or other actions should be required to enhance the safety of such workers.

(b) Report.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the results of the study conducted under this section.

SEC. 516. AIRPORT DISPATCHERS.

(a) Study.—The Administrator shall conduct a study of the role of airport dispatchers in enhancing aviation safety. The study shall include an assessment of whether or not aircraft dispatchers should be required for those operations not presently requiring aircraft dispatcher assistance, operational control issues related to the aircraft dispatching function, and whether or not designation of positions within the Federal Aviation Administration for oversight of dispatchers would enhance aviation safety.

(b) Report.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the results of the study conducted under this section.

SEC. 517. IMPROVED TRAINING FOR AIRFRAME AND POWERPLANT MECHANICS.

The Administrator shall form a partnership with industry to develop a model program to improve the curriculum, teaching methods, and quality of instructors for training individuals that need certification as airframe and powerplant mechanics.

TITLE VI—WHISTLEBLOWER PROTECTION

SEC. 601. PROTECTION OF EMPLOYEES PROVIDING AIR SAFETY INFORMATION.

(a) General Rule.—Chapter 421 is amended by adding at the end the following:

"SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

"§ 42121. Protection of employees providing air safety information

"(a) Discrimination Against Airline Employees.—No air carrier or contractor or subcontractor of an air carrier may discharge an employee or otherwise discriminate against an employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

"(1) provided, caused to be provided, or is about to provide (with any knowledge of the employer) or cause to be provided to the employer or Federal Government information relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

"(2) has filed, caused to be filed, or is about to file (with any knowledge of the employer) or cause to be filed a proceeding relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

"(3) testified or is about to testify in such a proceeding; or

"(4) assisted or participated or is about to assist or participate in such a proceeding.

"(b) Department of Labor Complaint Procedure.—

"(1) Filing and notification.—A person who believes that he or she has been discharged or otherwise discriminated against by any person in violation of subsection (a) may, not later than 90 days after the date on which such violation occurs, file (or have any person file on his or her behalf) a complaint with the Secretary of Labor alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary of Labor shall notify, in writing, the person named in the complaint and the Administrator of the Federal Aviation Administration of the filing of the complaint, of the allegations contained in the complaint, of the substance of evidence supporting the complaint, and of the opportunities that will be afforded to such person under paragraph (2).

"(2) Investigation; preliminary order.—

"(A) In general.—Not later than 60 days after the date of receipt of a complaint filed under paragraph (1) and after affording the person named in the complaint an opportunity to submit to the Secretary of Labor a written response to the complaint and an opportunity to meet with a representative of the Secretary to present statements from witnesses, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify, in writing, the complainant and the person alleged to have committed a violation of subsection (a) of the Secretary's findings. If the Secretary of Labor concludes that there is a reasonable cause to believe that a violation of subsection (a) has occurred, the Secretary shall accompany the Secretary's findings with a preliminary order providing the relief prescribed by paragraph (3)(B). Not later than 30 days after the date of notification of findings under this paragraph, either the person alleged to have committed the violation or the complainant may file objections to the findings or preliminary order, or both, and request a hearing on the record. The filing of such objections shall not operate to stay any reinstatement remedy contained in the preliminary order. Such hearings shall be conducted expeditiously. If a hearing is not requested in such 30-day period, the preliminary order shall be deemed a final order that is not subject to judicial review.

"(B) Requirements.—

"(i) Required showing by complainant.—The Secretary of Labor shall dismiss a complaint filed under this subsection and shall not conduct an investigation otherwise required under subparagraph (A) unless the complainant makes a prima facie showing that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(ii) Showing by employer.—Notwithstanding a finding by the Secretary that the complainant has made the showing required under clause (i), no investigation otherwise required under subparagraph (A) shall be conducted if the employer demonstrates, by clear and convincing evidence, that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(iii) Criteria for determination by Secretary.—The Secretary may determine that a violation of subsection (a) has occurred only if the complainant demonstrates that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(iv) Prohibition.—Relief may not be ordered under subparagraph (A) if the employer demonstrates by clear and convincing evidence that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(3) Final order.—

"(A) Deadline for issuance; settlement agreements.—Not later than 120 days after the date of conclusion of a hearing under paragraph (2), the Secretary of Labor shall issue a final order providing the relief prescribed by this paragraph or denying the complaint. At any time before issuance of a final order, a proceeding under this subsection may be terminated on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the person alleged to have committed the violation.

"(B) Remedy.—If, in response to a complaint filed under paragraph (1), the Secretary of Labor determines that a violation of subsection (a) has occurred, the Secretary of Labor shall order the person who committed such violation to—

"(i) take affirmative action to abate the violation;

"(ii) reinstate the complainant to his or her former position together with the compensation (including back pay) and restore the terms, conditions, and privileges associated with his or her employment; and

"(iii) provide compensatory damages to the complainant.

If such an order is issued under this paragraph, the Secretary of Labor, at the request of the complainant, shall assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorneys' and expert witness fees) reasonably incurred, as determined by the Secretary of Labor, by the complainant for, or in connection with, the bringing the complaint upon which the order was issued.

"(C) Frivolous complaints.—If the Secretary of Labor finds that a complaint under paragraph (1) is frivolous or has been brought in bad faith, the Secretary of Labor may award to the prevailing employer a reasonable attorney's fee not exceeding $5,000.

"(4) Review.—

"(A) Appeal to court of appeals.—Any person adversely affected or aggrieved by an order issued under paragraph (3) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred or the circuit in which the complainant resided on the date of such violation. The petition for review must be filed not later than 60 days after the date of the issuance of the final order of the Secretary of Labor. Review shall conform to chapter 7 of title 5, United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the order.

"(B) Limitation on collateral attack.—An order of the Secretary of Labor with respect to which review could have been obtained under subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

"(5) ENFORCEMENT OF ORDER BY SECRETARY OF LABOR.—Whenever any person has failed to comply with an order issued under paragraph (3), the Secretary of Labor may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this paragraph, the district courts shall have jurisdiction to grant all appropriate relief including, but not limited to, injunctive relief and compensatory damages.

"(6) ENFORCEMENT OF ORDER BY PARTIES.—

"(A) COMMENCEMENT OF ACTION.—A person on whose behalf an order was issued under paragraph (3) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

"(B) ATTORNEY FEES.—The court, in issuing any final order under this paragraph, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award is appropriate.

"(c) MANDAMUS.—Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28, United States Code.

"(d) NONAPPLICABILITY TO DELIBERATE VIOLATIONS.—Subsection (a) shall not apply with respect to an employee of an air carrier, contractor, or subcontractor who, acting without direction from such air carrier, contractor, or subcontractor (or such person's agent), deliberately causes a violation of any requirement relating to air carrier safety under this subtitle or any other law of the United States.

"(e) CONTRACTOR DEFINED.—In this section, the term 'contractor' means a company that performs safety-sensitive functions by contract for an air carrier.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 421 is amended by adding at the end the following:

"SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

"42121. Protection of employees providing air safety information.".

SEC. 602. CIVIL PENALTY.

Section 46301(a)(1)(A) is amended by striking "subchapter II of chapter 421" and inserting "subchapter II or III of chapter 421".

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. DUTIES AND POWERS OF ADMINISTRATOR.

Section 106(g)(1)(A) is amended by striking "40113(a), (c), and (d)," and all that follows through "45302–45304," and inserting "40113(a), 40113(c), 40113(d), 40113(e), 40114(a), and 40119, chapter 445 (except sections 44501(b), 44502(a)(2), 44502(a)(3), 44502(a)(4), 44503, 44506, 44509, 44510, 44514, and 44515), chapter 447 (except sections 44717, 44718(a), 44718(b), 44719, 44720, 44721(b), 44722, and 44723), chapter 449 (except sections 44903(d), 44904, 44905, 44907–44911, 44913, 44915, and 44931–44934), chapter 451, chapter 453, sections".

SEC. 702. PUBLIC AIRCRAFT.

(a) RESTATEMENT OF DEFINITION OF PUBLIC AIRCRAFT WITHOUT SUBSTANTIVE CHANGE.—Section 40102(a)(38) (as redesignated by section 301 of this Act) is amended to read as follows:

"(38) 'public aircraft' means an aircraft—

"(A) used only for the United States Government, and operated under the conditions specified by section 40125(b) if owned by the Government;

"(B) owned by the United States Government, operated by any person for purposes related to crew training, equipment development, or demonstration, and operated under the conditions specified by section 40125(b);

"(C) owned and operated by the government of a State, the District of Columbia, a territory or possession of the United States, or a political subdivision of one of these governments, under the conditions specified by section 40125(c); or

"(D) exclusively leased for at least 90 continuous days by the government of a State, the District of Columbia, a territory or possession of the United States, or a political subdivision of one of these governments, under the conditions specified by section 40125(c).

"(E) owned by the armed forces or chartered to provide transportation to the armed forces under the conditions specified by section 40125(d).".

(b) QUALIFICATIONS FOR PUBLIC AIRCRAFT STATUS.—

(1) IN GENERAL.—Chapter 401 is amended by adding at the end the following:

"§ 40125. Qualifications for public aircraft status

"(a) DEFINITIONS.—In this section, the following definitions apply:

"(1) COMMERCIAL PURPOSES.—The term 'commercial purposes' means the transportation of persons or property for compensation or hire, but does not include the operation of an aircraft by the armed forces for reimbursement when that reimbursement is required by Federal law or by one government on behalf of another government under a cost reimbursement agreement if the government on whose behalf the operation is conducted certifies to the Administrator of the Federal Aviation Administration that the operation is necessary to respond to a significant and imminent threat to life or property (including natural resources) and that no service by a private operator is reasonably available to meet the threat.

"(2) GOVERNMENTAL FUNCTION.—The term 'governmental function' means an activity undertaken by a government, such as national defense, intelligence missions, firefighting, search and rescue, law enforcement (including transport of prisoners, detainees, and illegal aliens), aeronautical research, or biological or geological resource management.

"(3) QUALIFIED NON-CREWMEMBER.—The term 'qualified non-crewmember' means an individual, other than a member of the crew, aboard an aircraft—

"(A) operated by the armed forces or an intelligence agency of the United States Government; or

"(B) whose presence is required to perform, or is associated with the performance of, a governmental function.

"(4) ARMED FORCES.—The term 'armed forces' has the meaning given such term by section 101 of title 10, United States Code.

"(b) AIRCRAFT OWNED BY THE UNITED STATES.—An aircraft described in subparagraph (A) or (B) of section 40102(a)(38), if owned by the Government, qualifies as a public aircraft except when it is used for commercial purposes or to carry an individual other than a crewmember or a qualified non-crewmember.

"(c) AIRCRAFT OWNED BY STATE AND LOCAL GOVERNMENTS.—An aircraft described in subparagraph (C) or (D) of section 40102(a)(38) qualifies as a public aircraft except when it is used for commercial purposes or to carry an individual other than a crewmember or a qualified non-crewmember.

"(d) AIRCRAFT OWNED OR OPERATED BY THE ARMED FORCES.—An aircraft described in section 40102(38)(E) qualifies as a public aircraft if—

"(1) the aircraft is operated in accordance with title 10; or

"(2) the aircraft is chartered to provide transportation to the armed forces and the Secretary of Defense (or the Secretary of the department in which the Coast Guard is operating) designates the operation of the aircraft as being required in the national interest.".

(2) CONFORMING AMENDMENT.—The analysis for chapter 401 is amended by adding at the end the following:

"40125. Qualifications for public aircraft status.".

(c) SAFETY OF PUBLIC AIRCRAFT.—

(1) STUDY.—The National Transportation Safety Board shall conduct a study to compare the safety of public aircraft and civil aircraft. In conducting the study, the Board shall review safety statistics on aircraft operations since 1993.

(2) REPORT.—Not later than 6 months after the date of the enactment of this Act, the National Transportation Safety Board shall transmit to Congress a report containing the results of the study conducted under paragraph (1).

SEC. 703. PROHIBITION ON RELEASE OF OFFEROR PROPOSALS.

Section 40110 is amended by adding at the end the following:

"(d) PROHIBITION ON RELEASE OF OFFEROR PROPOSALS.—

"(1) GENERAL RULE.—Except as provided in paragraph (2), a proposal in the possession or control of the Administrator may not be made available to any person under section 552 of title 5, United States Code.

"(2) EXCEPTION.—Paragraph (1) shall not apply to any portion of a proposal of an offeror the disclosure of which is authorized by the Administrator pursuant to procedures published in the Federal Register. The Administrator shall provide an opportunity for public comment on the procedures for a period of not less than 30 days beginning on the date of such publication in order to receive and consider the views of all interested parties on the procedures. The procedures shall not take effect before the 60th day following the date of such publication.

"(3) PROPOSAL DEFINED.—In this subsection, the term 'proposal' means information contained in or originating from any proposal, including a technical, management, or cost proposal, submitted by an offeror in response to the requirements of a solicitation for a competitive proposal.".

SEC. 704. MULTIYEAR PROCUREMENT CONTRACTS.

Section 40111 is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively; and

(2) by inserting after subsection (a) the following:

"(b) TELECOMMUNICATIONS SERVICES.—Notwithstanding section 1341(a)(1)(B) of title 31, the Administrator may make a contract of not more than 10 years for telecommunication services that are provided through the use of a satellite if the Administrator finds that the longer contract period would be cost beneficial.".

SEC. 705. FEDERAL AVIATION ADMINISTRATION PERSONNEL MANAGEMENT SYSTEM.

(a) Mediation.—Section 40122(a)(2) is amended by adding at the end the following: "The 60-day period shall not include any period during which Congress has adjourned sine die.".

(b) Right To Contest Adverse Personnel Actions.—Section 40122 is amended by adding at the end the following:

"(g) Right To Contest Adverse Personnel Actions.—An employee of the Federal Aviation Administration who is the subject of a major adverse personnel action may contest the action either through any contractual grievance procedure that is applicable to the employee as a member of the collective bargaining unit or through the Administration's internal process relating to review of major adverse personnel actions of the Administration, known as Guaranteed Fair Treatment or under section 347(c) of the Department of Transportation and Related Agencies Appropriations Act, 1996.

"(h) Election of Forum.—Where a major adverse personnel action may be contested through more than one of the indicated forums (such as the contractual grievance procedure, the Federal Aviation Administration's internal process, or that of the Merit Systems Protection Board), an employee must elect the forum through which the matter will be contested. Nothing in this section is intended to allow an employee to contest an action through more than one forum unless otherwise allowed by law.

"(i) Definition.—For purposes of this section, the term 'major adverse personnel action' means a suspension of more than 14 days, a reduction in pay or grade, a removal for conduct or performance, a nondisciplinary removal, a furlough of 30 days or less (but not including placement in a nonpay status as the result of a lapse of appropriations or an enactment by Congress), or a reduction in force action.".

(c) Applicability of Merit Systems Protection Board Provisions.—Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) sections 1204, 1211–1218, 1221, and 7701–7703, relating to the Merit Systems Protection Board.".

(d) Appeals to Merit Systems Protection Board.—Section 347(c) of the Department of Transportation and Related Agencies Appropriations Act, 1996 is amended to read as follows:

"(c) Appeals to Merit Systems Protection Board.—Under the new personnel management system developed and implemented under subsection (a), an employee of the Federal Aviation Administration may submit an appeal to the Merit Systems Protection Board and may seek judicial review of any resulting final orders or decisions of the Board from any action that was appealable to the Board under any law, rule, or regulation as of March 31, 1996.".

SEC. 706. NONDISCRIMINATION IN AIRLINE TRAVEL.

(a) Discriminatory Practices.—Section 41310(a) is amended to read as follows:

"(a) Prohibitions.—

"(1) In general.—An air carrier or foreign air carrier may not subject a person, place, port, or type of traffic in foreign air transportation to unreasonable discrimination.

"(2) Discrimination against persons.—An air carrier or foreign air carrier may not subject a person in foreign air transportation to discrimination on the basis of race, color, national origin, religion, or sex.".

(b) Interstate Air Transportation.—Section 41702 is amended—

(1) by striking "An air carrier" and inserting "(a) Safe and Adequate Air Transportation.—An air carrier"; and

(2) by adding at the end the following:

"(b) Discrimination Against Persons.—An air carrier may not subject a person in interstate air transportation to discrimination on the basis of race, color, national origin, religion, or sex.".

(c) Discrimination Against Handicapped Individuals by Foreign Air Carriers.—Section 41705 is amended—

(1) by inserting "(a) General Prohibition.—" before "In providing"; and

(2) by adding at the end the following:

"(b) Prohibition Applicable to Foreign Air Carriers.—Subject to section 40105(b), the prohibition on discrimination against an otherwise qualified individual set forth in subsection (a) shall apply to a foreign air carrier in providing foreign air transportation.".

(d) Civil Penalty for Violations of Prohibition on Discrimination Against the Handicapped.—Section 46301(a)(3) is further amended by adding at the end the following:

"(E) a violation of section 41705, relating to discrimination against handicapped individuals.".

(e) International Aviation Standards for Accommodating the Handicapped.—The Secretary of Transportation shall work with appropriate international organizations and the aviation authorities of other nations to bring about the establishment of higher standards, if appropriate, for accommodating handicapped passengers in air transportation, particularly with respect to foreign air carriers that code share with domestic air carriers.

SEC. 707. JOINT VENTURE AGREEMENT.

Section 41716(a)(1) is amended by striking "an agreement entered into by a major air carrier" and inserting "an agreement entered into between two or more major air carriers".

SEC. 708. EXTENSION OF WAR RISK INSURANCE PROGRAM.

Section 44310 is amended by striking "after" and all that follows and inserting "after December 31, 2004.".

SEC. 709. GENERAL FACILITIES AND PERSONNEL AUTHORITY.

Section 44502(a) is further amended by adding at the end the following:

"(6) Improvements on Leased Properties.—The Administrator may make improvements to real property leased for no or nominal consideration for an air navigation facility, regardless of whether the cost of making the improvements exceeds the cost of leasing the real property, if—

"(A) the improvements primarily benefit the Government;

"(B) the improvements are essential for accomplishment of the mission of the Federal Aviation Administration; and

"(C) the interest of the Government in the improvements is protected.".

SEC. 710. IMPLEMENTATION OF ARTICLE 83 BIS OF THE CHICAGO CONVENTION.

Section 44701 is amended by—

(1) redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

"(e) Bilateral Exchanges of Safety Oversight Responsibilities.—

"(1) In general.—Notwithstanding the provisions of this chapter, the Administrator, pursuant to Article 83 bis of the Convention on International Civil Aviation and by a bilateral agreement with the aeronautical authorities of another country, may exchange with that country all or part of their respective functions and duties with respect to registered aircraft under the following articles of the Convention: Article 12 (Rules of the Air); Article 31 (Certificates of Airworthiness); or Article 32a (Licenses of Personnel).

"(2) Relinquishment and acceptance of responsibility.—The Administrator relinquishes responsibility with respect to the functions and duties transferred by the Administrator as specified in the bilateral agreement, under the Articles listed in paragraph (1) for United States-registered aircraft described in paragraph (4)(A) transferred abroad and accepts responsibility with respect to the functions and duties under those Articles for aircraft registered abroad and described in paragraph (4)(B) that are transferred to the United States.

"(3) Conditions.—The Administrator may predicate, in the agreement, the transfer of functions and duties under this subsection on any conditions the Administrator deems necessary and prudent, except that the Administrator may not transfer responsibilities for United States registered aircraft described in paragraph (4)(A) to a country that the Administrator determines is not in compliance with its obligations under international law for the safety oversight of civil aviation.

"(4) Registered aircraft defined.—In this subsection, the term 'registered aircraft' means—

"(A) aircraft registered in the United States and operated pursuant to an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business or, if it has no such place of business, its permanent residence in another country; or

"(B) aircraft registered in a foreign country and operated under an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business or, if it has no such place of business, its permanent residence in the United States.".

SEC. 711. PUBLIC AVAILABILITY OF AIRMEN RECORDS.

Section 44703 is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(2) by inserting after subsection (b) the following:

"(c) Public Information.—

"(1) In general.—Subject to paragraph (2) and notwithstanding any other provision of law, the information contained in the records of contents of any airman certificate issued under this section that is limited to an airman's name, address, and ratings held shall be made available to the public after the 120th day following the date of the enactment of the Aviation Investment and Reform Act for the 21st Century.

"(2) Opportunity to withhold information.—Before making any information concerning an airman available to the public under paragraph (1), the airman shall be given an opportunity to elect that the information not be made available to the public.

"(3) Development and implementation of program.—Not later than 60 days after the date of the enactment of the Aviation Investment and Reform Act for the 21st Century, the Administrator shall develop and implement, in cooperation with representatives of the aviation industry, a one-time written notification to airmen to set forth the implications of making information concerning an airman available to the public under paragraph (1) and to carry out paragraph (2).".

SEC. 712. APPEALS OF EMERGENCY REVOCATIONS OF CERTIFICATES.

Section 44709(e) is amended to read as follows:

"(e) Effectiveness of Orders Pending Appeal.—

"(1) In general.—Except as provided in paragraph (2), if a person files an appeal with the Board under section (d), the order of the Administrator is stayed.

"(2) Emergencies.—If the Administrator advises the Board that an emergency exists and safety in air commerce or air transportation requires the order to be effective immediately, the order is effective, except that a person filing an appeal under subsection (d) may file a written petition to the Board for an emergency stay on the issues of the appeal that are related to the existence of the emergency. The Board shall have 10 days to review the materials. If any two members of the Board determine that sufficient grounds exist to grant a stay, an emergency stay shall be granted. If an emergency stay is granted, the Board must meet within 15 days of the granting of the stay to make a final disposition of the issues related to the existence of the emergency.

"(3) Final disposition of appeal.—In all cases, the Board shall make a final disposition of the merits of the appeal not later than 60 days after the Administrator advises the Board of the order.".

SEC. 713. GOVERNMENT AND INDUSTRY CONSORTIA.

Section 44903 is amended by adding at the end the following:

"(f) Government and Industry Consortia.—The Administrator may establish at individual airports such consortia of government and aviation industry representatives as the Administrator may designate to provide advice on matters related to aviation security and safety. Such consortia shall not be considered Federal advisory committees.".

SEC. 714. PASSENGER MANIFEST.

Section 44909(a)(2) is amended by striking "shall" and inserting "should".

SEC. 715. COST RECOVERY FOR FOREIGN AVIATION SERVICES.

Section 45301 is amended—

(1) by striking subsection (a)(2) and inserting the following:

"(2) Services (other than air traffic control services) provided to a foreign government or to any entity obtaining services outside the United States, except that the Administrator shall not impose fees in any manner for production-certification related service performed outside the United States pertaining to aeronautical products manufactured outside the United States."; and

(2) by adding at the end the following:

"(d) Production-Certification Related Service Defined.—In this section, the term 'production-certification related service' has the meaning given that term in appendix C of part 187 of title 14, Code of Federal Regulations.".

SEC. 716. TECHNICAL CORRECTIONS TO CIVIL PENALTY PROVISIONS.

Section 46301 is amended—

(1) in subsection (a)(1)(A) by striking "46302, 46303, or";

(2) in subsection (d)(7)(A) by striking "an individual" the first place it appears and inserting "a person"; and

(3) in subsection (g) by inserting "or the Administrator" after "Secretary".

SEC. 717. WAIVER UNDER AIRPORT NOISE AND CAPACITY ACT.

(a) Waivers for Aircraft Not Complying With Stage 3 Noise Levels.—Section 47528(b)(1) is amended in the first sentence by inserting "or foreign air carrier" after "air carrier".

(b) Exemption for Aircraft Modification or Disposal.—Section 47528 is amended—

(1) in subsection (a) by inserting "or (f)" after "(b)"; and

(2) by adding at the end the following:

"(f) Aircraft Modification or Disposal.—After December 31, 1999, the Secretary may provide a procedure under which a person may operate a stage 1 or stage 2 aircraft in nonrevenue service to or from an airport in the United States in order to—

"(1) sell the aircraft outside the United States;

"(2) sell the aircraft for scrapping; or

"(3) obtain modifications to the aircraft to meet stage 3 noise levels.".

(c) Limited Operation of Certain Aircraft.—Section 47528(e) is amended by adding at the end the following:

"(4) An air carrier operating stage 2 aircraft under this subsection may operate stage 2 aircraft to or from the 48 contiguous States on a nonrevenue basis in order to—

"(A) perform maintenance (including major alterations) or preventative maintenance on aircraft operated, or to be operated, within the limitations of paragraph (2)(B); or

"(B) conduct operations within the limitations of paragraph (2)(B).".

SEC. 718. METROPOLITAN WASHINGTON AIRPORT AUTHORITY.

(a) Extension of Application Approvals.—Section 49108 is amended by striking "2001" and inserting "2004".

(b) Elimination of Deadline for Appointment of Members to Board of Directors.—Section 49106(c)(6) is amended by striking subparagraph (C) and by redesignating subparagraph (D) as subparagraph (C).

SEC. 719. ACQUISITION MANAGEMENT SYSTEM.

Section 348 of the Department of Transportation and Related Agencies Appropriations Act, 1996 (49 U.S.C. 106 note; 109 Stat. 460) is amended by striking subsection (c) and inserting the following:

"(c) Contracts Extending Into a Subsequent Fiscal Year.—Notwithstanding subsection (b)(3), the Administrator may enter into contracts for procurement of severable services that begin in one fiscal year and end in another if (without regard to any option to extend the period of the contract) the contract period does not exceed 1 year.".

SEC. 720. CENTENNIAL OF FLIGHT COMMISSION.

(a) Membership.—

(1) Appointment.—Section 4(a)(5) of the Centennial of Flight Commemoration Act (36 U.S.C. 143 note; 112 Stat. 3487) is amended by inserting ", or his designee," after "prominence".

(2) Status.—Section 4 of such Act (112 Stat. 3487) is amended by adding at the end the following:

"(g) Status.—The members of the Commission described in paragraphs (1), (3), (4), and (5) of subsection (a) shall not be considered to be officers or employees of the United States.".

(b) Duties.—Section 5(a)(7) of such Act (112 Stat. 3488) is amended to read as follows:

"(7) as a nonprimary purpose, publish popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.".

(c) Conflicts of Interest.—Section 6 of such Act (112 Stat. 3488–3489) is amended by adding at the end the following:

"(e) Conflicts of Interest.—At its second business meeting, the Commission shall adopt a policy to protect against possible conflicts of interest involving its members and employees. The Commission shall consult with the Office of Government Ethics in the development of such a policy and shall recognize the status accorded its members under section 4(g).".

(d) Executive Director.—The first sentence of section 7(a) of such Act (112 Stat. 3489) is amended by striking the period at the end and inserting the following: "or represented on the First Flight Centennial Advisory Board under subparagraphs (A) through (E) of section 12(b)(1).".

(e) Exclusive Right to Name, Logos, Emblems, Seals, and Marks.—

(1) Use of funds.—Section 9(d) of such Act (112 Stat. 3490) is amended by striking the period at the end and inserting the following: ", except that the Commission may transfer any portion of such funds that is in excess of the funds necessary to carry out such duties to any Federal agency or the National Air and Space Museum of the Smithsonian Institution to be used for the sole purpose of commemorating the history of aviation or the centennial of powered flight.".

(2) Duties to be carried out by administrator of nasa.—Section 9 of such Act (112 Stat. 3490) is amended by adding at the end the following:

"(f) Duties To Be Carried Out by Administrator of NASA.—The duties of the Commission under this section shall be carried out by the Administrator of the National Aeronautics and Space Administration, in consultation with the Commission.".

SEC. 721. AIRCRAFT SITUATIONAL DISPLAY DATA.

(a) In General.—A memorandum of agreement between the Administrator and any person that directly obtains aircraft situational display data from the Federal Aviation Administration shall require that—

(1) the person demonstrate to the satisfaction of the Administrator that such person is capable of selectively blocking the display of any aircraft-situation-display-to-industry derived data related to any identified aircraft registration number; and

(2) the person agree to block selectively the aircraft registration numbers of any aircraft owner or operator upon the Administration's request.

(b) Existing Memoranda To Be Conformed.—The Administrator shall conform any memoranda of agreement, in effect on the date of the enactment of this Act, between the Administration and a person under which that person obtains aircraft situational display data to incorporate the requirements of subsection (a) within 30 days after that date.

SEC. 722. ELIMINATION OF BACKLOG OF EQUAL EMPLOYMENT OPPORTUNITY COMPLAINTS.

(a) Hiring of Additional Personnel.—For fiscal year 2000, the Secretary of Transportation may hire or contract for such additional personnel as may be necessary to eliminate the backlog of pending equal employment opportunity complaints to the Department of Transportation and to ensure that investigations of complaints are completed not later than 180 days after the date of initiation of the investigation.

(b) Funding.—Of the amounts appropriated pursuant to section 106(k) of title 49, United

States Code, for fiscal year 2000, $2,000,000 may be used to carry out this section.

SEC. 723. NEWPORT NEWS, VIRGINIA.

(a) Authority To Grant Waivers.—Notwithstanding section 16 of the Federal Airport Act (as in effect on May 14, 1947) or section 47125 of title 49, United States Code, the Secretary shall, subject to section 47153 of such title (as in effect on June 1, 1998), and subsection (b) of this section, waive with respect to airport property parcels that, according to the Federal Aviation Administration approved airport layout plan for Newport News/Williamsburg International Airport, are no longer required for airport purposes from any term contained in the deed of conveyance dated May 14, 1947, under which the United States conveyed such property to the Peninsula Airport Commission for airport purposes of the Commission.

(b) Conditions.—Any waiver granted by the Secretary under subsection (a) shall be subject to the following conditions:

(1) The Peninsula Airport Commission shall agree that, in leasing or conveying any interest in the property with respect to which waivers are granted under subsection (a), the Commission will receive an amount that is equal to the fair lease value or the fair market value, as the case may be (as determined pursuant to regulations issued by the Secretary).

(2) Peninsula Airport Commission shall use any amount so received only for the development, improvement, operation, or maintenance of Newport News/Williamsburg International Airport.

SEC. 724. GRANT OF EASEMENT, LOS ANGELES, CALIFORNIA.

The City of Los Angeles Department of Airports may grant an easement to the California Department of Transportation to lands required to provide sufficient right-of-way to facilitate the construction of the California State Route 138 bypass, as proposed by the California Department of Transportation.

SEC. 725. REGULATION OF ALASKA GUIDE PILOTS.

(a) In General.—Beginning on the date of the enactment of this Act, flight operations conducted by Alaska guide pilots shall be regulated under the general operating and flight rules contained in part 91 of title 14, Code of Federal Regulations.

(b) Rulemaking Proceeding.—

(1) In general.—The Administrator shall conduct a rulemaking proceeding and issue a final rule to modify the general operating and flight rules referred to in subsection (a) by establishing special rules applicable to the flight operations conducted by Alaska guide pilots.

(2) Contents of rules.—A final rule issued by the Administrator under paragraph (1) shall require Alaska guide pilots—

(A) to operate aircraft inspected no less often than after 125 hours of flight time;

(B) to participate in an annual flight review, as described in section 61.56 of title 14, Code of Federal Regulations;

(C) to have at least 500 hours of flight time as a pilot;

(D) to have a commercial rating, as described subpart F of part 61 of such title;

(E) to hold at least a second-class medical certificate, as described in subpart C of part 67 of such title;

(F) to hold a current letter of authorization issued by the Administrator; and

(G) to take such other actions as the Administrator determines necessary for safety.

(c) Definitions.—In this section, the following definitions apply:

(1) Letter of authorization.—The term "letter of authorization" means a letter issued by the Administrator once every 5 years to an Alaska guide pilot certifying that the pilot is in compliance with general operating and flight rules applicable to the pilot. In the case of a multi-pilot operation, at the election of the operating entity, a letter of authorization may be issued by the Administrator to the entity or to each Alaska guide pilot employed by the entity.

(2) Alaska guide pilot.—The term "Alaska guide pilot" means a pilot who—

(A) conducts aircraft operations over or within the State of Alaska;

(B) operates single engine, fixed wing aircraft on floats, wheels, or skis, providing commercial hunting, fishing, or other guide services and related accommodations in the form of camps or lodges; and

(C) transports clients by such aircraft incidental to hunting, fishing, or other guide services, or uses air transport to enable guided clients to reach hunting or fishing locations.

SEC. 726. AIRCRAFT REPAIR AND MAINTENANCE ADVISORY PANEL.

(a) Establishment of Panel.—The Secretary of Transportation—

(1) shall establish an Aircraft Repair and Maintenance Advisory Panel to review issues related to the use and oversight of aircraft and aviation component repair and maintenance facilities (in this section referred to as "aircraft repair facilities") located within, or outside of, the United States; and

(2) may seek the advice of the panel on any issue related to methods to increase safety by improving the oversight of aircraft repair facilities.

(b) Membership.—The panel shall consist of—

(1) nine members appointed by the Secretary as follows:

(A) three representatives of labor organizations representing aviation mechanics;

(B) one representative of cargo air carriers;

(C) one representative of passenger air carriers;

(D) one representative of aircraft repair facilities;

(E) one representative of aircraft manufacturers;

(F) one representative of on-demand passenger air carriers and corporate aircraft operations; and

(G) one representative of regional passenger air carriers;

(2) one representative from the Department of Commerce, designated by the Secretary of Commerce;

(3) one representative from the Department of State, designated by the Secretary of State; and

(4) one representative from the Federal Aviation Administration, designated by the Administrator.

(c) Responsibilities.—The panel shall—

(1) determine the amount and type of work that is being performed by aircraft repair facilities located within, and outside of, the United States; and

(2) provide advice and counsel to the Secretary with respect to the aircraft and aviation component repair work performed by aircraft repair facilities and air carriers, staffing needs, and any balance of trade or safety issues associated with that work.

(d) DOT To Request Information From Air Carriers and Repair Facilities.—

(1) Collection of information.—The Secretary, by regulation, shall require air carriers, foreign air carriers, domestic repair facilities, and foreign repair facilities to submit such information as the Secretary may require in order to assess balance of trade and safety issues with respect to work performed on aircraft used by air carriers, foreign air carriers, United States corporate operators, and foreign corporate operators.

(2) Drug and alcohol testing information.—Included in the information the Secretary requires under paragraph (1) shall be information on the existence and administration of employee drug and alcohol testing programs in place at the foreign repair facilities, if applicable. The Secretary, if necessary, shall work with the International Civil Aviation Organization to increase the number and improve the administration of employee drug and alcohol testing programs at the foreign repair facilities.

(3) Description of work done.—Included in the information the Secretary requires under paragraph (1) shall be information on the amount and type of work performed on aircraft registered in and outside of the United States.

(e) DOT To Facilitate Collection of Information About Aircraft Maintenance.—The Secretary shall facilitate the collection of information from the National Transportation Safety Board, the Federal Aviation Administration, and other appropriate agencies regarding maintenance performed by aircraft repair facilities.

(f) DOT To Make Information Available to Public.—The Secretary shall make any relevant information received under subsection (c) available to the public, consistent with the authority to withhold trade secrets or commercial, financial, and other proprietary information under section 552 of title 5, United States Code.

(g) Termination.—The panel established under subsection (a) shall terminate on the earlier of—

(1) the date that is 2 years after the date of the enactment of this Act; or

(2) December 31, 2001.

(h) Definitions.—The definitions contained in section 40102 of title 49, United States Code, shall apply to this section.

SEC. 727. OPERATIONS OF AIR TAXI INDUSTRY.

(a) Study.—The Administrator, in consultation with the National Transportation Safety Board and other interested persons, shall conduct a study of air taxi operators regulated under part 135 of title 14, Code of Federal Regulations.

(b) Contents.—The study shall include an analysis of the size and type of the aircraft fleet, relevant aircraft equipment, hours flown, utilization rates, safety record by various categories of use and aircraft type, sales revenues, and airports served by the air taxi fleet.

(c) Report.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the results of the study.

SEC. 728. SENSE OF THE CONGRESS CONCERNING COMPLETION OF COMPREHENSIVE NATIONAL AIRSPACE REDESIGN.

It is the sense of the Congress that, as soon as is practicable, the Administrator should complete and begin implementation of the comprehensive national airspace redesign that is being conducted by the Administrator.

SEC. 729. COMPLIANCE WITH REQUIREMENTS.

Notwithstanding any other provision of law, in order to avoid unnecessary duplication of expense and effort, the Secretary of Transportation may authorize the use, in whole or in part, of a completed environmental assessment or environmental impact study for new construction projects on the air operations area of an airport, if the completed assessment or study was for a project at the airport that is substantially similar in nature to the new project. Any such authorized use shall meet all requirements of Federal law for the completion of such an assessment or study.

SEC. 730. AIRCRAFT NOISE LEVELS AT AIRPORTS.

(a) DEVELOPMENT OF NEW STANDARDS.—The Secretary of Transportation shall continue to work to develop a new standard for aircraft and aircraft engines that will lead to a further reduction in aircraft noise levels.

(b) REPORT.—Not later than March 1, 2000, and annually thereafter, the Secretary shall transmit to Congress a report regarding the application of new standards or technologies to reduce aircraft noise levels.

SEC. 731. FAA CONSIDERATION OF CERTAIN STATE PROPOSALS.

The Administrator is encouraged to consider any proposal with a regional consensus submitted by a State aviation authority regarding the expansion of existing airport facilities or the introduction of new airport facilities.

SEC. 732. CINCINNATI-MUNICIPAL BLUE ASH AIRPORT.

(a) APPROVAL OF SALE.—To maintain the efficient utilization of airports in the high-growth Cincinnati local airport system, and to ensure that the Cincinnati-Municipal Blue Ash Airport continues to operate to relieve congestion at Cincinnati-Northern Kentucky International Airport and to provide greater access to the general aviation community beyond the expiration of the City of Cincinnati's grant obligations, the Secretary of Transportation may approve the sale of Cincinnati-Municipal Blue Ash Airport from the City of Cincinnati to the City of Blue Ash upon a finding that the City of Blue Ash meets all applicable requirements for sponsorship and if the City of Blue Ash agrees to continue to maintain and operate Blue Ash Airport, as generally contemplated and described within the Blue Ash Master Plan Update dated November 30, 1998, for a period of 20 years from the date existing grant assurance obligations of the City of Cincinnati expire.

(b) TREATMENT OF PROCEEDS FROM SALE.—The proceeds from the sale approved under subsection (a) shall not be considered to be airport revenue for purposes of section 47107 and 47133 of title 49, United States Code, grant obligations of the City of Cincinnati, or regulations and policies of the Federal Aviation Administration.

SEC. 733. AIRCRAFT AND AIRCRAFT PARTS FOR USE IN RESPONDING TO OIL SPILLS.

(a) AUTHORITY TO SELL.—

(1) IN GENERAL.—Notwithstanding section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) and subject to subsections (b) and (c), the Secretary of Defense may, during the period beginning June 15, 1999, and ending September 30, 2002, sell aircraft and aircraft parts referred to in paragraph (2) to a person or governmental entity that contracts to deliver oil dispersants by air in order to disperse oil spills, and that has been approved by the Secretary of the Department in which the Coast Guard is operating for the delivery of oil dispersants by air in order to disperse oil spills.

(2) COVERED AIRCRAFT AND AIRCRAFT PARTS.—The aircraft and aircraft parts that may be sold under paragraph (1) are aircraft and aircraft parts of the Department of Defense that are determined by the Secretary of Defense to be—

(A) excess to the needs of the Department;

(B) acceptable for commercial sale; and

(C) with respect to aircraft, 10 years old or older.

(b) CONDITIONS OF SALE.—Aircraft and aircraft parts sold under subsection (a)—

(1) may be used only for oil spill spotting, observation, and dispersant delivery; and

(2) may not be flown outside of or removed from the United States, except for the purpose of fulfilling an international agreement to assist in oil spill dispersing efforts or for other purposes that are jointly approved by the Secretary of Defense and the Secretary of Transportation.

(c) CERTIFICATION OF PERSONS AND ENTITIES.—The Secretary of Defense may sell aircraft and aircraft parts to a person or governmental entity under subsection (a) only if the Secretary of Transportation certifies to the Secretary of Defense, in writing, before the sale, that the person or governmental entity is capable of meeting the terms and conditions of a contract to deliver oil spill dispersants by air.

(d) REGULATIONS.—

(1) IN GENERAL.—As soon as practicable after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Secretary of Transportation and the Administrator of General Services, shall issue regulations relating to the sale of aircraft and aircraft parts under this section.

(2) CONTENTS.—The regulations shall—

(A) ensure that the sale of the aircraft and aircraft parts is made at a fair market value as determined by the Secretary of Defense, and, to the extent practicable, on a competitive basis;

(B) require a certification by the purchaser that the aircraft and aircraft parts will be used in accordance with the conditions set forth in subsection (b);

(C) establish appropriate means of verifying and enforcing the use of the aircraft and aircraft parts by the purchaser and other users in accordance with the conditions set forth in subsection (b) or pursuant to subsection (e); and

(D) ensure, to the maximum extent practicable, that the Secretary of Defense consults with the Administrator of General Services and with the heads of other appropriate departments and agencies of the Federal Government regarding alternative uses for such aircraft and aircraft parts before the sale of such aircraft and aircraft parts under this section.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of Defense may require such other terms and conditions in connection with each sale of aircraft and aircraft parts under this section as the Secretary of Defense considers appropriate for such sale. Such terms and conditions shall meet the requirements of regulations issued under subsection (d).

(f) REPORT.—Not later than March 31, 2002, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services and the Committee on Transportation and Infrastructure of the House of Representatives a report on the Secretary of Defense's exercise of authority under this section. The report shall set forth—

(1) the number and types of aircraft sold under this section, and the terms and conditions under which the aircraft were sold;

(2) the persons or entities to which the aircraft were sold; and

(3) an accounting of the current use of the aircraft sold.

(g) CONSTRUCTION.—Nothing in this section may be construed as affecting the authority of the Administrator of the Federal Aviation Administration under any other provision of law.

(h) PROCEEDS FROM SALE.—The net proceeds of any amounts received by the Secretary of Defense from the sale of aircraft and aircraft parts under this section shall be deposited into the general fund of the Treasury as miscellaneous receipts.

SEC. 734. DISCRIMINATORY PRACTICES BY COMPUTER RESERVATIONS SYSTEMS OUTSIDE THE UNITED STATES.

(a) ACTIONS AGAINST DISCRIMINATORY ACTIVITY BY FOREIGN CRS SYSTEMS.—Section 41310 is amended by adding at the end the following:

“(g) ACTIONS AGAINST DISCRIMINATORY ACTIVITY BY FOREIGN CRS SYSTEMS.—The Secretary of Transportation may take such actions as the Secretary considers are in the public interest to eliminate an activity of a foreign air carrier that owns or markets a computer reservations system, or of a computer reservations system firm whose principal offices are located outside the United States, when the Secretary, on the initiative of the Secretary or on complaint, decides that the activity, with respect to airline service—

“(1) is an unjustifiable or unreasonable discriminatory, predatory, or anticompetitive practice against a computer reservations system firm whose principal offices are located inside the United States; or

“(2) imposes an unjustifiable or unreasonable restriction on access of such a computer reservations system to a foreign market.”.

(b) COMPLAINTS BY CRS FIRMS.—Section 41310 is amended—

(1) in subsection (d)(1)—

(A) by striking “air carrier” in the first sentence and inserting “air carrier, computer reservations system firm,”;

(B) by striking “subsection (c)” and inserting “subsection (c) or (g)”; and

(C) by striking “air carrier” in subparagraph (B) and inserting “air carrier or computer reservations system firm”; and

(2) in subsection (e)(1) by inserting “or a computer reservations system firm is subject when providing services with respect to airline service” before the period at the end of the first sentence.

SEC. 735. ALKALI SILICA REACTIVITY DISTRESS.

(a) IN GENERAL.—The Administrator may make a grant to, or enter into a cooperative agreement with, a nonprofit organization for the conduct of a study on the impact of alkali silica reactivity distress on airport runways and taxiways and the use of lithium salts and other alternatives for mitigation and prevention of such distress.

(b) REPORT.—Not later than 18 months after making a grant, or entering into a cooperative agreement, under subsection (a) the Administrator shall transmit a report to Congress on the results of the study.

SEC. 736. PROCUREMENT OF PRIVATE ENTERPRISE MAPPING, CHARTING, AND GEOGRAPHIC INFORMATION SYSTEMS.

The Administrator shall consider procuring mapping, charting, and geographic information systems necessary to carry out the duties of the Administrator under title 49, United States Code, from private enterprises, if the Administrator determines that such procurement furthers the mission of the Federal Aviation Administration and is cost effective.

SEC. 737. LAND USE COMPLIANCE REPORT.

Section 47131 is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and"; and

(3) by adding at the end the following:

"(5) a detailed statement listing airports that are not in compliance with grant assurances or other requirements with respect to airport lands and including the circumstances of such noncompliance, the timelines for corrective action, and the corrective action the Secretary intends to take to bring the airport sponsor into compliance.".

SEC. 738. NATIONAL TRANSPORTATION DATA CENTER OF EXCELLENCE.

Of the amounts made available pursuant to section 5117(b)(6)(B) of the Transportation Equity Act for the 21st Century (23 U.S.C. 502 note; 112 Stat. 450), not to exceed $1,000,000 for each of fiscal years 2000 and 2001 may be made available by the Secretary of Transportation to establish, at an Army depot that has been closed or realigned, a national transportation data center of excellence that will—

(1) serve as a satellite facility for the central data repository that is hosted by the computer center of the Transportation Administrative Service; and

(2) analyze transportation data collected by the Federal Government, States, cities, and the transportation industry.

SEC. 739. MONROE REGIONAL AIRPORT LAND CONVEYANCE.

The Secretary of Transportation shall waive all terms contained in the 1949 deed of conveyance under which the United States conveyed certain property then constituting Selman Field, Louisiana, to the City of Monroe, Louisiana, subject to the following conditions:

(1) The city agrees that in conveying any interest in such property the city will receive an amount for such interest that is equal to the fair market value for such interest.

(2) The amount received by the city for such conveyance shall be used by the city—

(A) for the development, improvement, operation, or maintenance of a public airport; or

(B) for the development or improvement of the city's airport industrial park co-located with the Monroe Regional Airport to the extent that such development or improvement will result in an increase, over time, in the amount the industrial park will pay to the airport to an amount that is greater than the amount the city received for such conveyance.

SEC. 740. AUTOMATED WEATHER FORECASTING SYSTEMS.

(a) Contract for Study.—The Administrator shall contract with the National Academy of Sciences to conduct a study of the effectiveness of the automated weather forecasting systems of covered flight service stations solely with regard to providing safe and reliable airport operations.

(b) Covered Flight Service Stations.—In this section, the term "covered flight service station" means a flight service station where automated weather observation constitutes the entire observation and no additional weather information is added by a human weather observer.

(c) Report.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall transmit to the Congress a report on the results of the study.

SEC. 741. NOISE STUDY OF SKY HARBOR AIRPORT, PHOENIX, ARIZONA.

(a) In General.—The Administrator of the Federal Aviation Administration shall conduct a study on recent changes to the flight patterns of aircraft using Sky Harbor Airport in Phoenix, Arizona, and the effects of such changes on the noise contours in the Phoenix, Arizona, region.

(b) Report.—

(1) In general.—Not later than 90 days after the enactment of this section, the Administrator shall submit a report to Congress containing the results of the study conducted under subsection (a) and recommendations for measures to mitigate aircraft noise over populated areas in the Phoenix, Arizona, region.

(2) Availability to the public.—The Administrator shall make the report described in paragraph (1) available to the public.

SEC. 742. NONMILITARY HELICOPTER NOISE.

(a) In General.—The Secretary of Transportation shall conduct a study—

(1) on the effects of nonmilitary helicopter noise on individuals; and

(2) to develop recommendations for the reduction of the effects of nonmilitary helicopter noise.

(b) Consideration of Views.—In conducting the study under this section, the Secretary shall consider the views of representatives of the helicopter industry and representatives of organizations with an interest in reducing nonmilitary helicopter noise.

(c) Report.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study under this section.

TITLE VIII—NATIONAL PARKS AIR TOUR MANAGEMENT

SEC. 801. SHORT TITLE.

This title may be cited as the "National Parks Air Tour Management Act of 1999".

SEC. 802. FINDINGS.

Congress finds that—

(1) the Federal Aviation Administration has sole authority to control airspace over the United States;

(2) the Federal Aviation Administration has the authority to preserve, protect, and enhance the environment by minimizing, mitigating, or preventing the adverse effects of aircraft overflights of public and tribal lands;

(3) the National Park Service has the responsibility of conserving the scenery and natural and historic objects and wildlife in national parks and of providing for the enjoyment of the national parks in ways that leave the national parks unimpaired for future generations;

(4) the protection of tribal lands from aircraft overflights is consistent with protecting the public health and welfare and is essential to the maintenance of the natural and cultural resources of Indian tribes;

(5) the National Parks Overflights Working Group, composed of general aviation, commercial air tour, environmental, and Native American representatives, recommended that the Congress enact legislation based on the Group's consensus work product; and

(6) this title reflects the recommendations made by that Group.

SEC. 803. AIR TOUR MANAGEMENT PLANS FOR NATIONAL PARKS.

(a) In General.—Chapter 401 is further amended by adding at the end the following:

"§ 40126. Overflights of national parks

"(a) In General.—

"(1) General requirements.—A commercial air tour operator may not conduct commercial air tour operations over a national park (including tribal lands) except—

"(A) in accordance with this section;

"(B) in accordance with conditions and limitations prescribed for that operator by the Administrator; and

"(C) in accordance with any applicable air tour management plan for the park.

"(2) Application for operating authority.—

"(A) Application required.—Before commencing commercial air tour operations over a national park (including tribal lands), a commercial air tour operator shall apply to the Administrator for authority to conduct the operations over the park.

"(B) Competitive bidding for limited capacity parks.—Whenever an air tour management plan limits the number of commercial air tour operations over a national park during a specified time frame, the Administrator, in cooperation with the Director, shall issue operation specifications to commercial air tour operators that conduct such operations. The operation specifications shall include such terms and conditions as the Administrator and the Director find necessary for management of commercial air tour operations over the park. The Administrator, in cooperation with the Director, shall develop an open competitive process for evaluating proposals from persons interested in providing commercial air tour operations over the park. In making a selection from among various proposals submitted, the Administrator, in cooperation with the Director, shall consider relevant factors, including—

"(i) the safety record of the person submitting the proposal or pilots employed by the person;

"(ii) any quiet aircraft technology proposed to be used by the person submitting the proposal;

"(iii) the experience of the person submitting the proposal with commercial air tour operations over other national parks or scenic areas;

"(iv) the financial capability of the company;

"(v) any training programs for pilots provided by the person submitting the proposal; and

"(vi) responsiveness of the person submitting the proposal to any relevant criteria developed by the National Park Service for the affected park.

"(C) Number of operations authorized.—In determining the number of authorizations to issue to provide commercial air tour operations over a national park, the Administrator, in cooperation with the Director, shall take into consideration the provisions of the air tour management plan, the number of existing commercial air tour operators and current level of service and equipment provided by any such operators, and the financial viability of each commercial air tour operation.

"(D) Cooperation with NPS.—Before granting an application under this paragraph, the Administrator, in cooperation with the Director, shall develop an air tour management plan in accordance with subsection (b) and implement such plan.

"(3) Exception.—

"(A) In general.—If a commercial air tour operator secures a letter of agreement from the Administrator and the superintendent for the national park that describes the conditions under which the commercial air tour operation will be conducted, then notwithstanding paragraph (1), the commercial air tour operator may conduct such operations over the national park under part 91 of title

14, Code of Federal Regulations, if such activity is permitted under part 119 of such title.

"(B) LIMIT ON EXCEPTIONS.—Not more than five flights in any 30-day period over a single national park may be conducted under this paragraph.

"(4) SPECIAL RULE FOR SAFETY REQUIREMENTS.—Notwithstanding subsection (d), an existing commercial air tour operator shall apply, not later than 90 days after the date of the enactment of this section, for operating authority under part 119, 121, or 135 of title 14, Code of Federal Regulations. A new entrant commercial air tour operator shall apply for such authority before conducting commercial air tour operations over a national park (including tribal lands). The Administrator shall act on any such application for a new entrant and issue a decision on the application not later than 24 months after it is received or amended.

"(b) AIR TOUR MANAGEMENT PLANS.—

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—The Administrator, in cooperation with the Director, shall establish an air tour management plan for any national park (including tribal lands) for which such a plan is not in effect whenever a person applies for authority to conduct a commercial air tour operation over the park. The air tour management plan shall be developed by means of a public process in accordance with paragraph (4).

"(B) OBJECTIVE.—The objective of any air tour management plan shall be to develop acceptable and effective measures to mitigate or prevent the significant adverse impacts, if any, of commercial air tours upon the natural and cultural resources, visitor experiences, and tribal lands.

"(2) ENVIRONMENTAL DETERMINATION.—In establishing an air tour management plan under this subsection, the Administrator and the Director shall each sign the environmental decision document required by section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) (including a finding of no significant impact, an environmental assessment, and an environmental impact statement) and the record of decision for the air tour management plan.

"(3) CONTENTS.—An air tour management plan for a national park—

"(A) may limit or prohibit commercial air tour operations;

"(B) may establish conditions for the conduct of commercial air tour operations, including commercial air tour operation routes, maximum or minimum altitudes, time-of-day restrictions, restrictions for particular events, maximum number of flights per unit of time, intrusions on privacy on tribal lands, and mitigation of adverse noise, visual, or other impacts;

"(C) may apply to all commercial air tour operations;

"(D) shall include incentives (such as preferred commercial air tour operation routes and altitudes and relief from flight caps and curfews) for the adoption of quiet aircraft technology by commercial air tour operators conducting commercial air tour operations over the park;

"(E) shall provide a system for allocating opportunities to conduct commercial air tours if the air tour management plan includes a limitation on the number of commercial air tour operations for any time period; and

"(F) shall justify and document the need for measures taken pursuant to subparagraphs (A) through (E) and include such justifications in the record of decision.

"(4) PROCEDURE.—In establishing an air tour management plan for a national park (including tribal lands), the Administrator and the Director shall—

"(A) hold at least one public meeting with interested parties to develop the air tour management plan;

"(B) publish the proposed plan in the Federal Register for notice and comment and make copies of the proposed plan available to the public;

"(C) comply with the regulations set forth in sections 1501.3 and 1501.5 through 1501.8 of title 40, Code of Federal Regulations (for purposes of complying with the regulations, the Federal Aviation Administration shall be the lead agency and the National Park Service is a cooperating agency); and

"(D) solicit the participation of any Indian tribe whose tribal lands are, or may be, overflown by aircraft involved in a commercial air tour operation over the park, as a cooperating agency under the regulations referred to in subparagraph (C).

"(5) JUDICIAL REVIEW.—An air tour management plan developed under this subsection shall be subject to judicial review.

"(6) AMENDMENTS.—The Administrator, in cooperation with the Director, may make amendments to an air tour management plan. Any such amendments shall be published in the Federal Register for notice and comment. A request for amendment of an air tour management plan shall be made in such form and manner as the Administrator may prescribe.

"(c) DETERMINATION OF COMMERCIAL AIR TOUR OPERATION STATUS.—In making a determination of whether a flight is a commercial air tour operation, the Administrator may consider—

"(1) whether there was a holding out to the public of willingness to conduct a sightseeing flight for compensation or hire;

"(2) whether a narrative that referred to areas or points of interest on the surface below the route of the flight was provided by the person offering the flight;

"(3) the area of operation;

"(4) the frequency of flights conducted by the person offering the flight;

"(5) the route of flight;

"(6) the inclusion of sightseeing flights as part of any travel arrangement package offered by the person offering the flight;

"(7) whether the flight would have been canceled based on poor visibility of the surface below the route of the flight; and

"(8) any other factors that the Administrator considers appropriate.

"(d) INTERIM OPERATING AUTHORITY.—

"(1) IN GENERAL.—Upon application for operating authority, the Administrator shall grant interim operating authority under this subsection to a commercial air tour operator for commercial air tour operations over a national park (including tribal lands) for which the operator is an existing commercial air tour operator.

"(2) REQUIREMENTS AND LIMITATIONS.—Interim operating authority granted under this subsection—

"(A) shall provide annual authorization only for the greater of—

"(i) the number of flights used by the operator to provide such tours within the 12-month period prior to the date of the enactment of this section; or

"(ii) the average number of flights per 12-month period used by the operator to provide such tours within the 36-month period prior to such date of the enactment, and, for seasonal operations, the number of flights so used during the season or seasons covered by that 12-month period;

"(B) may not provide for an increase in the number of commercial air tour operations conducted during any time period by the commercial air tour operator above the number that the air tour operator was originally granted unless such an increase is agreed to by the Administrator and the Director;

"(C) shall be published in the Federal Register to provide notice and opportunity for comment;

"(D) may be revoked by the Administrator for cause;

"(E) shall terminate 180 days after the date on which an air tour management plan is established for the park or the tribal lands;

"(F) shall promote protection of national park resources, visitor experiences, and tribal lands;

"(G) shall promote safe operations of the commercial air tour;

"(H) shall promote the adoption of quiet technology, as appropriate; and

"(I) shall allow for modifications of the operation based on experience if the modification improves protection of national park resources and values and of tribal lands.

"(e) EXEMPTIONS.—

"(1) IN GENERAL.—Except as provided by paragraph (2), this section shall not apply to—

"(A) the Grand Canyon National Park;

"(B) tribal lands within or abutting the Grand Canyon National Park; or

"(C) any unit of the National Park System located in Alaska or any other land or water located in Alaska.

"(2) EXCEPTION.—This section shall apply to the Grand Canyon National Park if section 3 of Public Law 100–91 (16 U.S.C. 1a–1 note; 101 Stat. 674–678) is no longer in effect.

"(3) LAKE MEAD.—This section shall not apply to any air tour operator while flying over or near the Lake Mead National Recreation Area solely, as a transportation route, to conduct an air tour over the Grand Canyon National Park.

"(f) DEFINITIONS.—In this section, the following definitions apply:

"(1) COMMERCIAL AIR TOUR OPERATOR.—The term 'commercial air tour operator' means any person who conducts a commercial air tour operation.

"(2) EXISTING COMMERCIAL AIR TOUR OPERATOR.—The term 'existing commercial air tour operator' means a commercial air tour operator that was actively engaged in the business of providing commercial air tour operations over a national park at any time during the 12-month period ending on the date of the enactment of this section.

"(3) NEW ENTRANT COMMERCIAL AIR TOUR OPERATOR.—The term 'new entrant commercial air tour operator' means a commercial air tour operator that—

"(A) applies for operating authority as a commercial air tour operator for a national park; and

"(B) has not engaged in the business of providing commercial air tour operations over the national park (including tribal lands) in the 12-month period preceding the application.

"(4) COMMERCIAL AIR TOUR OPERATION.—The term 'commercial air tour operation' means any flight, conducted for compensation or hire in a powered aircraft where a purpose of the flight is sightseeing over a national park, within ½ mile outside the boundary of any national park, or over tribal lands, during which the aircraft flies—

"(A) below a minimum altitude, determined by the Administrator in cooperation with the Director, above ground level (except solely for purposes of takeoff or landing, or necessary for safe operation of an aircraft as determined under the rules and regulations of the Federal Aviation Administration requiring the pilot-in-command to take action to ensure the safe operation of the aircraft); or

"(B) less than 1 mile laterally from any geographic feature within the park (unless more than ½ mile outside the boundary).

"(5) NATIONAL PARK.—The term 'national park' means any unit of the National Park System.

"(6) TRIBAL LANDS.—The term 'tribal lands' means Indian country (as that term is defined in section 1151 of title 18) that is within or abutting a national park.

"(7) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Federal Aviation Administration.

"(8) DIRECTOR.—The term 'Director' means the Director of the National Park Service.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 401 is further amended by adding at the end the following:

"40126. Overflights of national parks.".

SEC. 804. ADVISORY GROUP.

(a) ESTABLISHMENT.—Not later than 1 year after the date of the enactment of this Act, the Administrator and the Director of the National Park Service shall jointly establish an advisory group to provide continuing advice and counsel with respect to commercial air tour operations over and near national parks.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory group shall be composed of—

(A) a balanced group of—

(i) representatives of general aviation;

(ii) representatives of commercial air tour operators;

(iii) representatives of environmental concerns; and

(iv) representatives of Indian tribes;

(B) a representative of the Federal Aviation Administration; and

(C) a representative of the National Park Service.

(2) EX OFFICIO MEMBERS.—The Administrator (or the designee of the Administrator) and the Director (or the designee of the Director) shall serve as ex officio members.

(3) CHAIRPERSON.—The representative of the Federal Aviation Administration and the representative of the National Park Service shall serve alternating 1-year terms as chairman of the advisory group, with the representative of the Federal Aviation Administration serving initially until the end of the calendar year following the year in which the advisory group is first appointed.

(c) DUTIES.—The advisory group shall provide advice, information, and recommendations to the Administrator and the Director—

(1) on the implementation of this title and the amendments made by this title;

(2) on commonly accepted quiet aircraft technology for use in commercial air tour operations over national parks (including tribal lands), which will receive preferential treatment in a given air tour management plan;

(3) on other measures that might be taken to accommodate the interests of visitors to national parks; and

(4) at request of the Administrator and the Director, safety, environmental, and other issues related to commercial air tour operations over a national park (including tribal lands).

(d) COMPENSATION; SUPPORT; FACA.—

(1) COMPENSATION AND TRAVEL.—Members of the advisory group who are not officers or employees of the United States, while attending conferences or meetings of the group or otherwise engaged in its business, or while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) ADMINISTRATIVE SUPPORT.—The Federal Aviation Administration and the National Park Service shall jointly furnish to the advisory group clerical and other assistance.

(3) NONAPPLICATION OF FACA.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the advisory group.

SEC. 805. REPORTS.

(a) OVERFLIGHT FEE REPORT.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the effects overflight fees are likely to have on the commercial air tour operation industry. The report shall include, but shall not be limited to—

(1) the viability of a tax credit for the commercial air tour operators equal to the amount of any overflight fees charged by the National Park Service; and

(2) the financial effects proposed offsets are likely to have on Federal Aviation Administration budgets and appropriations.

(b) QUIET AIRCRAFT TECHNOLOGY REPORT.—Not later than 2 years after the date of the enactment of this Act, the Administrator and the Director shall jointly transmit a report to Congress on the effectiveness of this title in providing incentives for the development and use of quiet aircraft technology.

SEC. 806. METHODOLOGIES USED TO ASSESS AIR TOUR NOISE.

Any methodology adopted by a Federal agency to assess air tour noise in any unit of the national park system (including the Grand Canyon and Alaska) shall be based on reasonable scientific methods.

SEC. 807. EXEMPTIONS.

This title shall not apply to—

(1) any unit of the National Park System located in Alaska; or

(2) any other land or water located in Alaska.

SEC. 808. DEFINITIONS.

In this title, the following definitions apply:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Federal Aviation Administration.

(2) DIRECTOR.—The term "Director" means the Director of the National Park Service.

TITLE IX—TRUTH IN BUDGETING

SEC. 901. SHORT TITLE.

This title may be cited as the "Truth in Budgeting Act".

SEC. 902. BUDGETARY TREATMENT OF AIRPORT AND AIRWAY TRUST FUND.

Notwithstanding any other provision of law, the receipts and disbursements of the Airport and Airway Trust Fund established by section 9502 of the Internal Revenue Code of 1986—

(1) shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(A) the budget of the United States Government as submitted by the President;

(B) the congressional budget (including allocations of budget authority and outlays provided therein); or

(C) the Balanced Budget and Emergency Deficit Control Act of 1985; and

(2) shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

SEC. 903. SAFEGUARDS AGAINST DEFICIT SPENDING OUT OF AIRPORT AND AIRWAY TRUST FUND.

(a) IN GENERAL.—Subchapter I of chapter 471 is further amended by adding at the end the following:

"§ 47138. Safeguards against deficit spending

"(a) ESTIMATES OF UNFUNDED AVIATION AUTHORIZATIONS AND NET AVIATION RECEIPTS.—Not later than March 31 of each year, the Secretary of Transportation, in consultation with the Secretary of the Treasury, shall estimate—

"(1) the amount which would (but for this section) be the unfunded aviation authorizations at the close of the first fiscal year that begins after that March 31; and

"(2) the net aviation receipts to be credited to the Airport and Airway Trust Fund during the fiscal year.

"(b) PROCEDURE IF EXCESS UNFUNDED AVIATION AUTHORIZATIONS.—If the Secretary of Transportation determines for any fiscal year that the amount described in subsection (a)(1) exceeds the amount described in subsection (a)(2), the Secretary shall determine the amount of such excess.

"(c) ADJUSTMENT OF AUTHORIZATIONS IF UNFUNDED AUTHORIZATIONS EXCEED RECEIPTS.—

"(1) DETERMINATION OF PERCENTAGE.—If the Secretary determines that there is an excess referred to in subsection (b) for a fiscal year, the Secretary shall determine the percentage which—

"(A) such excess, is of

"(B) the total of the amounts authorized to be appropriated from the Airport and Airway Trust Fund for the next fiscal year.

"(2) ADJUSTMENT OF AUTHORIZATIONS.—If the Secretary determines a percentage under paragraph (1), each amount authorized to be appropriated from the Airport and Airway Trust Fund for the next fiscal year shall be reduced by such percentage.

"(d) AVAILABILITY OF AMOUNTS PREVIOUSLY WITHHELD.—

"(1) ADJUSTMENT OF AUTHORIZATIONS.—If, after a reduction has been made under subsection (c)(2), the Secretary determines that the amount described in subsection (a)(1) does not exceed the amount described in subsection (a)(2) or that the excess referred to in subsection (b) is less than the amount previously determined, each amount authorized to be appropriated that was reduced under subsection (c)(2) shall be increased, by an equal percentage, to the extent the Secretary determines that it may be so increased without causing the amount described in subsection (a)(1) to exceed the amount described in subsection (a)(2) (but not by more than the amount of the reduction).

"(2) APPORTIONMENT.—The Secretary shall apportion amounts made available for apportionment by paragraph (1).

"(3) PERIOD OF AVAILABILITY.—Any funds apportioned under paragraph (2) shall remain available for the period for which they would be available if such apportionment took effect with the fiscal year in which they are apportioned under paragraph (2).

"(e) REPORTS.—Any estimate under subsection (a) and any determination under subsection (b), (c), or (d) shall be reported by the Secretary to Congress.

"(f) DEFINITIONS.—For purposes of this section, the following definitions apply:

"(1) NET AVIATION RECEIPTS.—The term 'net aviation receipts' means, with respect to any period, the excess of—

"(A) the receipts (including interest) of the Airport and Airway Trust Fund during such period, over

"(B) the amounts to be transferred during such period from the Airport and Airway Trust Fund under section 9502(d) of the Internal Revenue Code of 1986 (other than paragraph (1) thereof).

"(2) UNFUNDED AVIATION AUTHORIZATIONS.—The term 'unfunded aviation authorization' means, at any time, the excess (if any) of—

"(A) the total amount authorized to be appropriated from the Airport and Airway Trust Fund which has not been appropriated, over

"(B) the amount available in the Airport and Airway Trust Fund at such time to make such appropriation (after all other unliquidated obligations at such time which are payable from the Airport and Airway Trust Fund have been liquidated).".

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of chapter 471 is further amended by adding at the end the following:

"47138. Safeguards against deficit spending.".

SEC. 904. ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.

When the President submits the budget under section 1105(a) of title 31, United States Code, for fiscal year 2001, the Director of the Office of Management and Budget shall, pursuant to section 251(b)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, calculate and the budget shall include appropriate reductions to the discretionary spending limits for each of fiscal years 2001 and 2002 set forth in section 251(c)(5)(A) and section 251(c)(6)(A) of that Act (as adjusted under section 251 of that Act) to reflect the discretionary baseline trust fund spending (without any adjustment for inflation) for the Federal Aviation Administration that is subject to section 902 of this Act for each of those two fiscal years.

SEC. 905. APPLICABILITY.

This title (including the amendments made by this Act) shall apply to fiscal years beginning after September 30, 2000.

TITLE X—ADJUSTMENT OF TRUST FUND AUTHORIZATIONS

SEC. 1001. ADJUSTMENT OF TRUST FUND AUTHORIZATIONS.

(a) IN GENERAL.—Part C of subtitle VII is amended by adding at the end the following:

"CHAPTER 483—ADJUSTMENT OF TRUST FUND AUTHORIZATIONS

"Sec.
"48301. Definitions.
"48302. Adjustments to align aviation authorizations with revenues.
"48303. Adjustment to AIP program funding.
"48304. Estimated aviation income.

"§ 48301. Definitions

"In this chapter, the following definitions apply:

"(1) BASE YEAR.—The term 'base year' means the second fiscal year before the fiscal year for which the calculation is being made.

"(2) AIP PROGRAM.—The term 'AIP program' means the programs for which amounts are made available under section 48103.

"(3) AVIATION INCOME.—The term 'aviation income' means the tax receipts credited to the Airport and Airway Trust Fund and any interest attributable to the Fund.

"§ 48302. Adjustment to align aviation authorizations with revenues

"(a) AUTHORIZATION OF APPROPRIATIONS.—Beginning with fiscal year 2003, if the actual level of aviation income for the base year is greater or less than the estimated aviation income level specified in section 48304 for the base year, the amounts authorized to be appropriated (or made available) for the fiscal year under each of sections 106(k), 48101, 48102, and 48103 are adjusted as follows:

"(1) If the actual level of aviation income for the base year is greater than the estimated aviation income level specified in section 48304 for the base year, the amount authorized to be appropriated (or made available) for such section is increased by an amount determined by multiplying the amount of the excess by the ratio for such section set forth in subsection (b).

"(2) If the actual level of aviation income for the base year is less than the estimated aviation income level specified in section 48304 for the base year, the amount authorized to be appropriated (or made available) for such section is decreased by an amount determined by multiplying the amount of the shortfall by the ratio for such section set forth in subsection (b).

"(b) RATIO.—The ratio referred to in subsection (a) with respect to section 106(k), 48101, 48102, or 48103, as the case may be, is the ratio that—

"(1) the amount authorized to be appropriated (or made available) under such section for the fiscal year; bears to

"(2) the total sum of amounts authorized to be appropriated (or made available) under all of such sections for the fiscal year.

"(c) PRESIDENT'S BUDGET.—When the President submits a budget for a fiscal year under section 1105 of title 31, United States Code, the Director of the Office of Management and Budget shall calculate and the budget shall report any increase or decrease in authorization levels resulting from this section.

"§ 48303. Adjustment to AIP program funding

"On the effective date of a general appropriations Act providing appropriations for a fiscal year beginning after September 30, 2000, for the Federal Aviation Administration, the amount made available for a fiscal year under section 48103 shall be increased by the amount, if any, by which—

"(1) the total sum of amounts authorized to be appropriated under all of sections 106(k), 48101, and 48102 for such fiscal year, including adjustments made under section 48302; exceeds

"(2) the amounts appropriated for programs funded under such sections for such fiscal year.

Any contract authority made available by this section shall be subject to an obligation limitation.

"§ 48304. Estimated aviation income

"For purposes of section 48302, the estimated aviation income levels are as follows:

"(1) $10,734,000,000 for fiscal year 2001.

"(2) $11,603,000,000 for fiscal year 2002.

"(3) $12,316,000,000 for fiscal year 2003.

"(4) $13,062,000,000 for fiscal year 2004.".

(b) CONFORMING AMENDMENT.—The table of chapters for subtitle VII of such title is amended by inserting after the item relating to chapter 482 the following:

"483. ADJUSTMENT OF TRUST FUND AUTHORIZATIONS .... 48301".

SEC. 1002. BUDGET ESTIMATES.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall not make any estimates under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 of changes in direct spending outlays and receipts for any fiscal year resulting from this title and title IX, including the amendments made by such titles.

SEC. 1003. SENSE OF THE CONGRESS ON FULLY OFFSETTING INCREASED AVIATION SPENDING.

It is the sense of the Congress that—

(1) air passengers and other users of the air transportation system pay aviation taxes into a trust fund dedicated solely to improve the safety, security, and efficiency of the aviation system;

(2) from fiscal year 2001 to fiscal year 2004, air passengers and other users will pay more than $14.3 billion more in aviation taxes into the Airport and Airway Trust Fund than the concurrent resolution on the budget for fiscal year 2000 provides from such Fund for aviation investment under historical funding patterns;

(3) the Aviation Investment and Reform Act for the 21st Century provides $14.3 billion of aviation investment above the levels assumed in that budget resolution for such fiscal years; and

(4) this increased funding will be fully offset by recapturing unspent aviation taxes and reducing the $778 billion general tax cut assumed in that budget resolution by the appropriate amount.

TITLE XI—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 1101. EXTENSION OF EXPENDITURE AUTHORITY.

(a) IN GENERAL.—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking "October 1, 1998" and inserting "October 1, 2004"; and

(2) by inserting before the semicolon at the end of subparagraph (A) the following "or the provisions of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 providing for payments from the Airport and Airway Trust Fund or the Interim Federal Aviation Administration Authorization Act or section 6002 of the 1999 Emergency Supplemental Appropriations Act or the Aviation Investment and Reform Act for the 21st Century".

(b) LIMITATION ON EXPENDITURE AUTHORITY.—Section 9502 of such Code is amended by adding at the end the following new subsection:

"(f) LIMITATION ON TRANSFERS TO TRUST FUND.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no amount may be appropriated or credited to the Airport and Airway Trust Fund on and after the date of any expenditure from the Airport and Airway Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act; and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

"(2) EXCEPTION FOR PRIOR OBLIGATIONS.—Paragraph (1) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) before October 1, 1999, in accordance with the provisions of this section.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes.".

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent to insist on the House amendment and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none and, without objection, appoints the following conferees:

From the Committee on Transportation and Infrastructure, for consideration of the Senate bill and the House amendment, and modifications committed to conference: Messrs. SHUSTER, YOUNG of Alaska, PETRI, DUNCAN, EWING, HORN, QUINN, EHLERS, BASS, PEASE, SWEENEY, OBERSTAR, RAHALL, LIPINSKI, DEFAZIO, COSTELLO, Ms. DANNER, Ms. E.B. JOHNSON of Texas, Ms. MILLENDER-MCDONALD, and Mr. BOSWELL.

From the Committee on the Budget, for consideration of titles IX and X of the House amendment, and modifications committed to conference: Messrs. CHAMBLISS, SHAYS and SPRATT.

From the Committee on Ways and Means, for consideration of title XI of the House amendment, and modifications committed to conference: Messrs. NUSSLE, HULSHOF, and RANGEL.

There was no objection.

The SPEAKER pro tempore. Without objection, House Resolution 276 is laid on the table.

There was no objection.

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AUTHORIZING ARCHITECT OF CAPITOL TO PERMIT TEMPORARY CONSTRUCTION AND OTHER WORK ON CAPITOL GROUNDS

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 167) authorizing the Architect of the Capitol to permit temporary construction and other work on the Capitol Grounds that may be necessary for construction of a building on Constitution Avenue Northwest between 2nd Street Northwest and Louisiana Avenue Northwest, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Page 1, strike out all after line 3 over to and including line 7 on page 2 and insert:

The Architect of the Capitol may permit temporary construction and other work on the Capitol Grounds as follows:

(1) As may be necessary for the demolition of the existing building of the Carpenters and Joiners of America and the construction of a new building of the Carpenters and Joiners of America on Constitution Avenue Northwest between 2nd Street Northwest and Louisiana Avenue Northwest in a manner consistent with the terms of this resolution. Such work may include activities resulting in temporary obstruction of the curbside parking lane on Louisiana Avenue Northwest between Constitution Avenue Northwest and 1st Street Northwest, adjacent to the side of the existing building of the Carpenters and Joiners of America on Louisiana Avenue Northwest. Such obstruction—

(A) shall be consistent with the terms of paragraphs (2) and (3);

(B) shall not extend in width more than 8 feet from the curb adjacent to the existing building of the Carpenters and Joiners of America; and

(C) shall extend in length along the curb of Louisiana Avenue Northwest adjacent to the existing building of the Carpenters and Joiners of America, from a point 56 feet from the intersection of the curbs of Constitution Avenue Northwest and Louisiana Avenue Northwest adjacent to the existing building of the Carpenters and Joiners of America to a point 40 feet from the intersection of the curbs of the Louisiana Avenue Northwest and 1st Street Northwest adjacent to the existing building of the Carpenters and Joiners of America.

(2) Such construction shall include a covered walkway for pedestrian access, including access for disabled individuals, on Constitution Avenue Northwest between 2nd Street Northwest and Louisiana Avenue Northwest, to be constructed within the existing sidewalk area on Constitution Avenue Northwest adjacent to the existing building of the Carpenters and Joiners of America, to be constructed in accordance with specifications approved by the Architect of the Capitol.

(3) Such construction shall ensure access to any existing fire hydrants by keeping clear a minimum radius of 3 feet around any fire hydrants, or according to health and safety requirements as approved by the Architect of the Capitol.

Page 3, after line 4, insert:

(c) No construction shall extend into the United States Capitol Grounds except as otherwise provided in section 1.

Mr. SHUSTER (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SHUSTER. Mr. Speaker, House Concurrent Resolution 167, as amended, would allow the Brotherhood of Carpenters and Joiners to commence the demolition of its headquarters building, located at 101 Constitution Avenue, by authorizing the Architect of the Capitol to permit the temporary closure of sidewalks and curbside parking along the front of the current structure.

The House considered this resolution Tuesday, and the other body more narrowly defined the conditions for these closures, as well as conditions for the continued services and access in the immediate vicinity of the construction site.

I support the measure and urge the House to accept these changes.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Pennsylvania?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the several pieces of legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 664

Mr. MALONEY of Connecticut. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 664.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

INTERNATIONAL RELIGIOUS FREEDOM ACT OF 1998 AMENDMENTS

Mr. CAMPBELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S.1546) to amend the International Religious Freedom Act of 1998 to provide additional administrative authorities to the United States Commission on International Religious Freedom, and to make technical corrections to the Act, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADMINISTRATIVE AUTHORITIES OF THE UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM.

(a) ESTABLISHMENT AND COMPOSITION.—Section 201 of the International Religious Freedom Act of 1998 (22 U.S.C. 6401 et seq.) is amended—

(1) in subsection (c)—

(A) by striking "The" and inserting "(1) IN GENERAL.—The";

(2) by inserting after the first sentence the following new sentences: "The term of each member of the Commission appointed to the first two-year term of the Commission shall be considered to have begun on May 15, 1999, and shall end on May 14, 2001, regardless of the date of appointment to the Commission. The term of each member of the Commission appointed to the second two-year term of the Commission shall begin on May 15, 2001, and shall end on May 14, 2003, regardless of the date of appointment to the Commission. In the case in which a vacancy in the membership of the Commission is filled during a two-year term of the Commission, such membership on the Commission shall terminate at the end of that two-year term of the Commission."; and

(3) by amending subsection (h) to read as follows:

"(h) Administrative Support.—The Administrator of General Services shall provide to the Commission on a reimbursable basis (or, in the discretion of the Administrator, on a non-reimbursable basis) such administrative support services as the Commission may request to carry out the provisions of this title.".

(b) Powers of the Commission.—The International Religious Freedom Act of 1998 (22 U.S.C. 6401 et seq.) is amended—

(1) by striking section 202(f);

(2) by redesignating sections 203, 204, 205, and 206 as sections 205, 206, 207, and 209, respectively;

(3) by inserting after section 202 the following:

"SEC. 203. POWERS OF THE COMMISSION.

"(a) Hearings and Sessions.—The Commission may, for the purpose of carrying out its duties under this title, hold hearings, sit and act at times and places in the United States, take testimony and receive evidence as the Commission considers advisable to carry out the purposes of this Act.

"(b) Information From Federal Agencies.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission, subject to applicable law.

"(c) Postal Services.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(d) Administrative Procedures.—The Commission may adopt such rules and regulations, relating to administrative procedure, as may be reasonably necessary to enable it to carry out the provisions of this title.

"(e) Views of the Commission.—The Members of the Commission may speak in their capacity as private citizens. Statements on behalf of the Commission shall be issued in writing over the names of the Members. The Commission shall in its written statements clearly describe its statutory authority, distinguishing that authority from that of appointed or elected officials of the United States Government. Oral statements, where practicable, shall include a similar description.

"(f) Travel.—The Members of the Commission may, with the approval of the Commission, conduct such travel as is necessary to carry out the purpose of this title. Each trip must be approved by a majority of the Commission. This provision shall not apply to the Ambassador-at-Large, whose travel shall not require approval by the Commission.

"SEC. 204. COMMISSION PERSONNEL MATTERS.

"(a) In General.—The Commission may, without regard to the civil service laws and regulations, appoint and terminate an Executive Director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The decision to employ or terminate an Executive Director shall be made by an affirmative vote of at least six of the nine members of the Commission.

"(b) Compensation.—The Commission may fix the compensation of the Executive Director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the Executive Director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

"(c) Professional Staff.—The Commission and the Executive Director shall hire Commission staff on the basis of professional and nonpartisan qualifications. Commissioners may not individually hire staff of the Commission. Staff shall serve the Commission as a whole and may not be assigned to the particular service of a single Commissioner or a specified group of Commissioners. This subsection does not prohibit staff personnel from assisting individual members of the Commission with particular needs related to their duties.

"(d) Staff and Services of Other Federal Agencies.—

"(1) Department of state.—The Secretary of State shall assist the Commission by providing on a reimbursable or non-reimbursable basis to the Commission such staff and administrative services as may be necessary and appropriate to perform its functions.

"(2) Other federal agencies.—Upon the request of the Commission, the head of any Federal department or agency may detail, on a reimbursable or non-reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its functions under this title. The detail of any such personnel shall be without interruption or loss of civil service or Foreign Service status or privilege.

"(e) Security Clearances.—The Executive Director shall be required to obtain a security clearance. The Executive Director may request, on a needs-only basis and in order to perform the duties of the Commission, that other personnel of the Commission be required to obtain a security clearance. The level of clearance shall be the lowest necessary to appropriately perform the duties of the Commission.

"(f) Cost.—The Commission shall reimburse all appropriate Government agencies for the cost of obtaining clearances for members of the commission, for the executive director, and for any other personnel.";

(4) in section 207(a) (as redesignated by this Act), by striking all that follows "3,000,000" and inserting "to carry out the provisions of this title."; and

(5) by inserting after section 207 (as redesignated) the following:

"SEC. 208. STANDARDS OF CONDUCT AND DISCLOSURE.

"(a) Cooperation With Nongovernmental Organizations, the Department of State, and Congress.—The Commission shall seek to effectively and freely cooperate with all entities engaged in the promotion of religious freedom abroad, governmental and nongovernmental, in the performance of the Commission's duties under this title.

"(b) Conflict of Interest and Antinepotism.—

"(1) Member affiliations.—Except as provided in paragraph (3), in order to ensure the independence and integrity of the Commission, the Commission may not compensate any nongovernmental agency, project, or person related to or affiliated with any member of the Commission, whether in that member's direct employ or not. Staff employed by the Commission may not serve in the employ of any nongovernmental agency, project, or person related to or affiliated with any member of the Commission while employed by the Commission.

"(2) Staff compensation.—Staff of the Commission may not receive compensation from any other source for work performed in carrying out the duties of the Commission while employed by the Commission.

"(3) Exception.—

"(A) In general.—Subject to subparagraph (B), paragraph (1) shall not apply to payments made for items such as conference fees or the purchase of periodicals or other similar expenses, if such payments would not cause the aggregate value paid to any agency, project, or person for a fiscal year to exceed $250.

"(B) Limitation.—Notwithstanding subparagraph (A), the Commission shall not give special preference to any agency, project, or person related to or affiliated with any member of the Commission.

"(4) Definitions.—In this subsection, the term "affiliated" means the relationship between a member of the Commission and—

"(A) an individual who holds the position of officer, trustee, partner, director, or employee of an agency, project, or person of which that member, or relative of that member of, the Commission is an officer, trustee, partner, director, or employee; or

"(B) a nongovernmental agency or project of which that member, or a relative of that member, of the Commission is an officer, trustee, partner, director, or employee.

"(c) Contract Authority.—

"(1) In general.—Subject to the availability of appropriations, the Commission may contract with and compensate Government agencies or persons for the conduct of activities necessary to the discharge of its functions under this title. Any such person shall be hired without interruption or loss of civil service or Foreign Service status or privilege. The Commission may not procure temporary and intermittent services under section 3109(b) of title 5, United States Code, or under other contracting authority other than that allowed under this title.

"(2) Expert study.—In the case of a study requested under section 605 of this Act, the Commission may, subject to the availability of appropriations, contract with experts and shall provide the funds for such a study. The Commission shall not be required to provide the funds for that part of the study conducted by the Comptroller General of the United States.

"(d) Gifts.—

"(1) In general.—In order to preserve its independence, the Commission may not accept, use, or dispose of gifts or donations of services or property. An individual Commissioner or employee of the Commission may not, in his or her capacity as a Commissioner or employee, knowingly accept, use or dispose of gifts or donations of services or property, unless he or she in good faith believes such gifts or donations to have a value of less than $50 and a cumulative value during a calendar year of less than $100.

"(2) Exceptions.—This subsection shall not apply to the following:

"(A) Gifts provided on the basis of a personal friendship with a Commissioner or employee, unless the Commissioner or employee has reason to believe that the gift was provided because of the Commissioner's position and not because of the personal friendship.

"(B) Gifts provided on the basis of a family relationship.

"(C) The acceptance of training, invitations to attend or participate in conferences or such other events as are related to the conduct of the duties of the Commission, or food or refreshment associated with such activities.

"(D) Items of nominal value or gifts of estimated value of $10 or less.

"(E) De minimis gifts provided by a foreign leader or state, not exceeding a value of $260. Gifts believed by Commissioners to be in excess of $260, but which would create offense or embarrassment to the United States Government if refused, shall be accepted and turned over to the United States Government in accordance with the Foreign Gifts and Decorations Act of 1966 and the rules and regulations governing such gifts provided to Members of Congress.

"(F) Informational materials such as documents, books, videotapes, periodicals, or other forms of communications.

"(G) Goods or services provided by any agency or component of the Government of the United States, including any commission established under the authority of such Government.

"(e) ANNUAL FINANCIAL REPORT.—In addition to providing the reports required under section 202, the Commission shall provide, each year no later than January 1, to the Committees on International Relations and Appropriations of the House of Representatives, and to the Committees on Foreign Relations and Appropriations of the Senate, a financial report detailing and identifying its expenditures for the preceding fiscal year.".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 209 of the International Religious Freedom Act of 1998 (22 U.S.C. 6436) (as redesignated) is amended by striking "4 years after the initial appointment of all the Commissioners" and inserting "on May 14, 2003.".

SEC. 2. TECHNICAL CORRECTIONS.

(a) PRESIDENTIAL ACTIONS.—Section 402(c) of the International Religious Freedom Act of 1998 (22 U.S.C. 6442(c)) is amended—

(1) in paragraph (1), in the text above subparagraph (A), by striking "and (4)" and inserting "(4), and (5)"; and

(2) in paragraph (4)—

(A) by inserting "UNDER THIS ACT" after "EXCEPTION FOR ONGOING PRESIDENTIAL ACTION";

(B) by inserting "and" at the end of subparagraph (B);

(C) by striking at the end of subparagraph (C) "; and" and inserting a period; and

(D) in subparagraph (D), by striking "(D) at" and inserting "(5) EXCEPTION FOR ONGOING, MULTIPLE, BROAD-BASED SANCTIONS IN RESPONSE TO HUMAN RIGHTS VIOLATIONS.—At".

(b) CLERICAL CORRECTION.—Section 201(b)(1)(B)(iii) of the International Religious Freedom Act of 1998 (22 U.S.C. 6431(b)(1)(B)(iii)) is amended by striking "three" and inserting "Three".

Mr. CLEMENT. Mr. Speaker, I rise in support of S. 1546.

Mr. Speaker, I rise in support of this bill to provide administrative authorities to the United States Commission on International Religious Freedom.

The Senate has just passed this bill by unanimous consent. I thank Senator NICKLES and Senator LIEBERMAN for their leadership and for the opportunity to work so closely with them on this bill as we did last year.

I also want to thank our distinguished majority and minority leaders and the chairman and ranking minority member of the Committee on International Relations for enabling us to consider this bill so quickly.

The Commission on International Religious Freedom was established by a bill we passed after nearly 2 years of hard work, the International Religious Freedom Act.

The Commission's task is to make policy recommendations for the U.S. Government to address religious persecution around the world.

We have already appropriated the money for the Commission. This bill provides technical corrections and the necessary authority and guidelines for the Commission to use the funds we appropriated for them.

This Commission is unique, perhaps in the world, and we know that it will come under great scrutiny. We want its independence, its mandate and its integrity to be clear to the world.

For this reason, this bill creates clear guidelines about such matters as contracting and gifts. These are not meant to be burdensome but to ensure the Commission's independence.

I am proud of this Commission. I would like to take this opportunity to congratulate each of the nine commissioners and the Ambassador at Large for Religious Freedom, who also sits on the Commission.

I look forward to a close and productive working relationship so that we may help men, women, and children of all faiths who suffer for their religious beliefs around the world.

So I urge my colleagues to support the bill and to give the Commission on International Religious Freedom their full support and the authority the Commission needs to carry out its crucial work of promoting religious freedom around the world.

Mr. Speaker, I include the following for the RECORD:

Mr. Speaker, I rise in support of this bill to provide administrative authorities to the United States Commission on International Religious Freedom. The Senate has just passed this bill by unanimous consent, and I thank Senator NICKLES and LIEBERMAN for their leadership and for the opportunity to work so closely with them on this bill, as we did last year. I also thank our distinguished Majority and Minority leaders, and the Chairman and Ranking Minority Member of the International Relations Committee for enabling this bill to be considered so quickly.

I want to thank the experts of the Congressional Research Service who were so helpful as we sought to create a responsible, good structure for this Commission: Morton Rosenberg, Harold Relyea and Jack Maskell. Art Rynearson for the Senate Legislative Counsel, once again, provided gracious and expert service under a tight deadline.

This bill provides technical corrections and the necessary authority for the Commission to use the funds we appropriated for them. I am proud of this Commission. It was established by the International Religious Freedom Act, which took us nearly 2 years of hard work to pass, and we have great hopes for the work of these Commissioners.

I would like to take this opportunity to congratulate each of the nine Commissioners and the Ambassador at Large for Religious Freedom, who also sits on the Commission. I would also like to congratulate Rabbi David Saperstein, of the Religious Action Center, and Mike Young, Dean of the George Washington Law School, on their election as chair and co-chair of the Commission. They and the other Commissioners have already worked hard, and we hope this amendment will help them with the important task we have asked them to fulfill. I look forward to a close and productive working relationship so that we may help men, women and children of all faiths who suffer for their religious beliefs around the world.

The Commission is tasked with examining the difficult facts of religious persecution around the world and recommending policies for the US policy to address that persecution.

The Commission is unique, perhaps, in the world, and we know that it will come under great scrutiny. We want its independence, its mandate and its integrity to be clear to the world. For this reason, this bill creates clear guidelines about such matters as contracting and gifts. These are not meant to be burdensome, but to ensure the Commission's independence.

So I urge my colleagues to support this bill and to give the Commission on International Religious Freedom their full support and the authority the Commission needs to carry out its crucial work of promoting religious freedom around the world.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. CLEMENT. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to thank the gentleman for pursuing the implementation of the Commission and providing them with the resources to continue their well-founded work that we adopted in the Committee on International Relations.

I thank the gentleman for his efforts.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT ACT OF 1999

Mr. TALENT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1568) to provide technical, financial, and procurement assistance to veteran owned small businesses, and for other purposes, with a Senate amendment thereto, and concur in the Senate.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate Amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Entrepreneurship and Small Business Development Act of 1999".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—GENERAL PROVISIONS
Sec. 101. Findings.
Sec. 102. Purpose.
Sec. 103. Definitions.
TITLE II—VETERANS BUSINESS DEVELOPMENT
Sec. 201. Veterans business development in the Small Business Administration.
Sec. 202. National Veterans Business Development Corporation.
Sec. 203. Advisory Committee on Veterans Business Affairs.
TITLE III—TECHNICAL ASSISTANCE
Sec. 301. SCORE program.
Sec. 302. Entrepreneurial assistance.
Sec. 303. Business development and management assistance for military reservists' small businesses.
TITLE IV—FINANCIAL ASSISTANCE
Sec. 401. General business loan program.
Sec. 402. Assistance to active duty military reservists.
Sec. 403. Microloan program.
Sec. 404. Defense Economic Transition Loan Program.
Sec. 405. State development company program.
TITLE V—PROCUREMENT ASSISTANCE
Sec. 501. Subcontracting.
Sec. 502. Participation in Federal procurement.
TITLE VI—REPORTS AND DATA COLLECTION
Sec. 601. Reporting requirements.
Sec. 602. Report on small business and competition.
Sec. 603. Annual report of the Administrator.
Sec. 604. Data and information collection.
TITLE VII—MISCELLANEOUS PROVISIONS
Sec. 701. Administrator's order.
Sec. 702. Small Business Administration Office of Advocacy.
Sec. 703. Study of fixed-asset small business loans.

TITLE I—GENERAL PROVISIONS

SEC. 101. FINDINGS.

Congress finds the following:

(1) Veterans of the United States Armed Forces have been and continue to be vital to the small business enterprises of the United States.

(2) In serving the United States, veterans often faced great risks to preserve the American dream of freedom and prosperity.

(3) The United States has done too little to assist veterans, particularly service-disabled veterans, in playing a greater role in the economy of the United States by forming and expanding small business enterprises.

(4) Medical advances and new medical technologies have made it possible for service-disabled veterans to play a much more active role in the formation and expansion of small business enterprises in the United States.

(5) The United States must provide additional assistance and support to veterans to better equip them to form and expand small business enterprises, thereby enabling them to realize the American dream that they fought to protect.

SEC. 102. PURPOSE.

The purpose of this Act is to expand existing and establish new assistance programs for veterans who own or operate small businesses. This Act accomplishes this purpose by—

(1) expanding the eligibility for certain small business assistance programs to include veterans;

(2) directing certain departments and agencies of the United States to take actions that enhance small business assistance to veterans; and

(3) establishing new institutions to provide small business assistance to veterans or to support the institutions that provide such assistance.

SEC. 103. DEFINITIONS.

(a) Small Business Act.—Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

"(q) Definitions Relating to Veterans.—In this Act, the following definitions apply:

"(1) Service-disabled veteran.—The term 'service-disabled veteran' means a veteran with a disability that is service-connected (as defined in section 101(16) of title 38, United States Code).

"(2) Small business concern owned and controlled by service-disabled veterans.—The term 'small business concern owned and controlled by service-disabled veterans' means a small business concern—

"(A) not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and

"(B) the management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

"(3) Small business concern owned and controlled by veterans.—The term 'small business concern owned and controlled by veterans' means a small business concern—

"(A) not less than 51 percent of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

"(B) the management and daily business operations of which are controlled by one or more veterans.

"(4) Veteran.—The term 'veteran' has the meaning given the term in section 101(2) of title 38, United States Code.".

(b) Applicability to This Act.—In this Act, the definitions contained in section 3(q) of the Small Business Act, as added by this section, apply.

TITLE II—VETERANS BUSINESS DEVELOPMENT

SEC. 201. VETERANS BUSINESS DEVELOPMENT IN THE SMALL BUSINESS ADMINISTRATION.

(a) In General.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(1) in the fifth sentence, by striking "four Associate Administrators" and inserting "five Associate Administrators"; and

(2) by inserting after the fifth sentence the following: "One such Associate Administrator shall be the Associate Administrator for Veterans Business Development, who shall administer the Office of Veterans Business Development established under section 32.".

(b) Office of Veterans Business Development; Associate Administrator.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 32 as section 34; and

(2) by inserting after section 31 the following:

"SEC. 32. VETERANS PROGRAMS.

"(a) Office of Veterans Business Development.—There is established in the Administration an Office of Veterans Business Development, which shall be administered by the Associate Administrator for Veterans Business Development (in this section referred to as the 'Associate Administrator') appointed under section 4(b)(1).

"(b) Associate Administrator for Veterans Business Development.—The Associate Administrator—

"(1) shall be an appointee in the Senior Executive Service;

"(2) shall be responsible for the formulation, execution, and promotion of policies and programs of the Administration that provide assistance to small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans. The Associate Administrator shall act as an ombudsman for full consideration of veterans in all programs of the Administration; and

"(3) shall report to and be responsible directly to the Administrator.".

SEC. 202. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.

(a) In General.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 32 (as added by this Act) the following:

"SEC. 33. NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION.

"(a) Establishment.—There is established a federally chartered corporation to be known as the National Veterans Business Development Corporation (in this section referred to as the 'Corporation') which shall be incorporated under the laws of the District of Columbia and which shall have the powers granted in this section.

"(b) Purposes of the Corporation.—The purposes of the Corporation shall be—

"(1) to expand the provision of and improve access to technical assistance regarding entrepreneurship for the Nation's veterans; and

"(2) to assist veterans, including service-disabled veterans, with the formation and expansion of small business concerns by working with and organizing public and private resources, including those of the Small Business Administration, the Department of Veterans Affairs, the Department of Labor, the Department of Commerce, the Department of Defense, the Service Corps of Retired Executives (described in section 8(b)(1)(B) of this Act), the Small Business Development Centers (described in section 21 of this Act), and the business development staffs of each department and agency of the United States.

"(c) Board of Directors.—

"(1) In general.—The management of the Corporation shall be vested in a Board of Directors composed of nine voting members and three nonvoting ex officio members.

"(2) Appointment of voting members.—The President shall, after considering recommendations which shall be proposed by the Chairmen and Ranking Members of the Committees on Small Business and the Committees on Veterans Affairs of the House of Representatives and the Senate, appoint United States citizens to be voting members of the Board, not more than 5 of whom shall be members of the same political party.

"(3) Ex officio members.—The Administrator of the Small Business Administration, the Secretary of Defense, and the Secretary of Veterans Affairs shall serve as the nonvoting ex officio members of the Board of Directors.

"(4) Initial appointments.—The initial members of the Board of Directors shall be appointed not later than 60 days after the date of enactment of this Act.

"(5) Chairperson.—The members of the Board of Directors appointed under paragraph (2) shall elect one such member to serve as chairperson of the Board of Directors for a term of 2 years.

"(6) Terms of appointed members.—

"(A) In general.—Each member of the Board of Directors appointed under paragraph (2) shall serve a term of 6 years, except as provided in subparagraph (B).

"(B) Terms of initial appointees.—As designated by the President at the time of appointment, of the members first appointed—

"(i) three shall be for a term of 2 years; and

"(ii) three shall be for a term of 4 years.

"(C) Unexpired terms.—Any member of the Board of Directors appointed to fill a vacancy *occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of the term. A member may serve after the expiration of that member's term until a successor has taken office.*

“(7) Vacancies.—Any vacancy on the Board of Directors shall be filled in the manner in which the original appointment was made. In the case of a vacancy in the office of the Administrator of the Small Business Administration or the Secretary of Veterans Affairs, and pending the appointment of a successor, an acting appointee for such vacancy may serve as an ex officio member.

“(8) Ineligibility for other offices.—No voting member of the Board of Directors may be an officer or employee of the United States while serving as a member of the Board of Directors or during the 2-year period preceding such service.

“(9) Impartiality and nondiscrimination.—The Board of Directors shall administer the affairs of the Corporation fairly and impartially and without discrimination.

“(10) Obligations and expenses.—The Board of Directors shall prescribe the manner in which the obligations of the Corporation may be incurred and in which its expenses shall be allowed and paid.

“(11) Quorum.—Five voting members of the Board of Directors shall constitute a quorum, but a lesser number may hold hearings.

“(d) Corporate Powers.—On October 1, 1999, the Corporation shall become a body corporate and as such shall have the authority to do the following:

“(1) To adopt and use a corporate seal.

“(2) To have succession until dissolved by an Act of Congress.

“(3) To make contracts or grants.

“(4) To sue and be sued, and to file and defend against lawsuits in State or Federal court.

“(5) To appoint, through the actions of its Board of Directors, officers and employees of the Corporation, to define their duties and responsibilities, fix their compensations, and to dismiss at will such officers or employees.

“(6) To prescribe, through the actions of its Board of Directors, bylaws not inconsistent with Federal law and the law of the State of incorporation, regulating the manner in which its general business may be conducted and the manner in which the privileges granted to it by law may be exercised.

“(7) To exercise, through the actions of its Board of Directors or duly authorized officers, all powers specifically granted by the provisions of this section, and such incidental powers as shall be necessary.

“(8) To solicit, receive, and disburse funds from private, Federal, State and local organizations.

“(9) To accept and employ or dispose of in furtherance of the purposes of this section any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

“(10) To accept voluntary and uncompensated services.

“(e) Corporate Funds.—

“(1) Deposit of funds.—The Board of Directors shall deposit all funds of the Corporation in federally chartered and insured depository institutions until such funds are disbursed under paragraph (2).

“(2) Disbursement of funds.—Funds of the Corporation may be disbursed only for purposes that are—

“(A) approved by the Board of Directors by a recorded vote with a quorum present; and

“(B) in accordance with the purposes of the Corporation as specified in subsection (b).

“(f) Network of Information and Assistance Centers.—In carrying out the purpose described in subsection (b), the Corporation shall establish and maintain a network of information and assistance centers for use by veterans and the public.

“(g) Annual Report.—On or before October 1 of each year, the Board of Directors shall transmit a report to the President and the Congress describing the activities and accomplishments of the Corporation for the preceding year and the Corporation's findings regarding the efforts of Federal, State and private organizations to assist veterans in the formation and expansion of small business concerns.

“(h) Assumption of Duties of Advisory Committee.—On October 1, 2004, the Corporation established under this section shall assume the duties, responsibilities, and authority of the Advisory Committee on Veterans Affairs established under section 203 of this Act.

“(i) Use of Mails.—The Corporation may use the United States mails in the same manner and under the same conditions as the departments and agencies of the United States.

“(j) Professional Certification Advisory Board.—

“(1) In general.—Acting through the Board of Directors, the Corporation shall establish a Professional Certification Advisory Board to create uniform guidelines and standards for the professional certification of members of the Armed Services to aid in their efficient and orderly transition to civilian occupations and professions and to remove potential barriers in the areas of licensure and certification.

“(2) Membership.—The members of the Advisory Board shall serve without compensation, shall meet in the District of Columbia no less than quarterly, and shall be appointed by the Board of Directors as follows:

“(A) Private sector members.—The Corporation shall appoint not less than seven members for terms of 2 years to represent private sector organizations and associations, including the American Association of Community Colleges, the Society for Human Resource Managers, the Coalition for Professional Certification, the Council on Licensure and Enforcement, and the American Legion.

“(B) Public sector members.—The Corporation shall invite public sector members to serve at the discretion of their departments or agencies and shall—

“(i) encourage the participation of the Under Secretary of Defense for Personnel and Readiness;

“(ii) encourage the participation of two officers from each branch of the Armed Forces to represent the Training Commands of their branch; and

“(iii) seek the participation and guidance of the Assistant Secretary of Labor for Veterans' Employment and Training.

“(k) Authorization of Appropriations.—

“(1) In general.—Subject to paragraph (2), there are authorized to be appropriated to the Corporation to carry out this section—

“(A) $2,000,000 for fiscal year 2000;

“(B) $4,000,000 for fiscal year 2001;

“(C) $4,000,000 for fiscal year 2002; and

“(D) $2,000,000 for fiscal year 2003.

“(2) Matching requirement.—

“(A) Fiscal year 2001.—The amount made available to the Corporation for fiscal year 2001 may not exceed twice the amount that the Corporation certifies that it will provide for that fiscal year from sources other than the Federal Government.

“(B) Subsequent fiscal years.—The amount made available to the Corporation for fiscal year 2002 or 2003 may not exceed the amount that the Corporation certifies that it will provide for that fiscal year from sources other than the Federal Government.

“(3) Privatization.—The Corporation shall institute and implement a plan to raise private funds and become a self-sustaining corporation.”.

(b) GAO Report.—Not later than 180 days after the last day of the second fiscal year beginning after the date on which the initial members of the Board of Directors of the National Veterans Business Development Corporation are appointed under section 33(c) of the Small Business Act (as added by this section), the Comptroller General of the United States shall evaluate the effectiveness of the National Veterans Business Development Corporation in carrying out the purposes under section 33(b) of the Small Business Act (as added by this section), and submit to Congress a report on the results of that evaluation.

SEC. 203. ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS.

(a) In General.—There is established an advisory committee to be known as the “Advisory Committee on Veterans Business Affairs” (in this section referred to as the “Committee”), which shall serve as an independent source of advice and policy recommendations to—

(1) the Administrator of the Small Business Administration (in this section referred to as the “Administrator”);

(2) the Associate Administrator for Veterans Business Development of the Small Business Administration;

(3) the Congress;

(4) the President; and

(5) other United States policymakers.

(b) Membership.—

(1) In general.—The Committee shall be composed of 15 members, of whom—

(A) eight shall be veterans who are owners of small business concerns (within the meaning of the term under section 3 of the Small Business Act (15 U.S.C. 632)); and

(B) seven shall be representatives of veterans organizations.

(2) Appointment.—

(A) In general.—The members of the Committee shall be appointed by the Administrator in accordance with this section.

(B) Initial appointments.—Not later than 90 days after the date of enactment of this Act, the Administrator shall appoint the initial members of the Committee.

(3) Political affiliation.—Not more than eight members of the Committee shall be of the same political party as the President.

(4) Prohibition on federal employment.—

(A) In general.—Except as provided in subparagraph (B), no member of the Committee may serve as an officer or employee of the United States.

(B) Exception.—A member of the Committee who accepts a position as an officer or employee of the United States after the date of the member's appointment to the Committee may continue to serve on the Committee for not more than 30 days after such acceptance.

(5) Term of service.—

(A) In general.—Subject to subparagraph (B), the term of service of each member of the Committee shall be 3 years.

(B) Terms of initial appointees.—As designated by the Administrator at the time of appointment, of the members first appointed—

(i) six shall be appointed for a term of 4 years; and

(ii) five shall be appointed for a term of 5 years.

(6) Vacancies.—The Administrator shall fill any vacancies on the membership of the Committee not later than 30 days after the date on which such vacancy occurs.

(7) Chairperson.—

(A) In general.—The members of the Committee shall elect one of the members to be Chairperson of the Committee.

(B) Vacancies in office of chairperson.—Any vacancy in the office of the Chairperson of

the Committee shall be filled by the Committee at the first meeting of the Committee following the date on which the vacancy occurs.

(c) DUTIES.—The duties of the Committee shall be the following:

(1) Review, coordinate, and monitor plans and programs developed in the public and private sectors, that affect the ability of small business concerns owned and controlled by veterans to obtain capital and credit and to access markets.

(2) Promote the collection of business information and survey data as they relate to veterans and small business concerns owned and controlled by veterans.

(3) Monitor and promote plans, programs, and operations of the departments and agencies of the United States that may contribute to the formation and growth of small business concerns owned and controlled by veterans.

(4) Develop and promote initiatives, policies, programs, and plans designed to foster small business concerns owned and controlled by veterans.

(5) In cooperation with the National Veterans Business Development Corporation, develop a comprehensive plan, to be updated annually, for joint public-private sector efforts to facilitate growth and development of small business concerns owned and controlled by veterans.

(d) POWERS.—

(1) HEARINGS.—Subject to subsection (e), the Committee may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Committee considers advisable to carry out its duties.

(2) INFORMATION FROM FEDERAL AGENCIES.—Upon request of the Chairperson of the Committee, the head of any department or agency of the United States shall furnish such information to the Committee as the Committee considers to be necessary to carry out its duties.

(3) USE OF MAILS.—The Committee may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(4) GIFTS.—The Committee may accept, use, and dispose of gifts or donations of services or property.

(e) MEETINGS.—

(1) IN GENERAL.—The Committee shall meet, not less than three times per year, at the call of the Chairperson or at the request of the Administrator.

(2) LOCATION.—Each meeting of the full Committee shall be held at the headquarters of the Small Business Administration located in Washington, District of Columbia. The Administrator shall provide suitable meeting facilities and such administrative support as may be necessary for each full meeting of the Committee.

(3) TASK GROUPS.—The Committee may, from time to time, establish temporary task groups as may be necessary in order to carry out its duties.

(f) COMPENSATION AND EXPENSES.—

(1) NO COMPENSATION.—Members of the Committee shall serve without compensation for their service to the Committee.

(2) EXPENSES.—The members of the Committee shall be reimbursed for travel and subsistence expenses in accordance with section 5703 of title 5, United States Code.

(g) REPORT.—Not later than 30 days after the end of each fiscal year beginning after the date of enactment of this section, the Committee shall transmit to the Congress and the President a report describing the activities of the Committee and any recommendations developed by the Committee for the promotion of small business concerns owned and controlled by veterans.

(h) TERMINATION.—The Committee shall terminate its business on September 30, 2004.

TITLE III—TECHNICAL ASSISTANCE

SEC. 301. SCORE PROGRAM.

(a) IN GENERAL.—The Administrator of the Small Business Administration shall enter into a memorandum of understanding with the Service Core of Retired Executives (described in section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)) and in this section referred to as "SCORE") to provide for the following:

(1) The appointment by SCORE in its national office of an individual to act as National Veterans Business Coordinator, whose duties shall relate exclusively to veterans business matters, and who shall be responsible for the establishment and administration of a program to coordinate counseling and training regarding entrepreneurship to veterans through the chapters of SCORE throughout the United States.

(2) The assistance of SCORE in the establishing and maintaining a toll-free telephone number and an Internet website to provide access for veterans to information about the counseling and training regarding entrepreneurship available to veterans through SCORE.

(3) The collection of statistics concerning services provided by SCORE to veterans, including service-disabled veterans, for inclusion in each annual report published by the Administrator under section 4(b)(2)(B) of the Small Business Act (15 U.S.C. 633(b)(2)(B)).

(b) RESOURCES.—The Administrator shall provide to SCORE such resources as the Administrator determines necessary for SCORE to carry out the requirements of the memorandum of understanding specified in paragraph (1).

SEC. 302. ENTREPRENEURIAL ASSISTANCE.

Not later than 180 days after the date of enactment of this Act, the Secretary of Veterans Affairs, the Administrator of the Small Business Administration, and the head of the association formed pursuant to section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A)) shall enter into a memorandum of understanding with respect to entrepreneurial assistance to veterans, including service-disabled veterans, through Small Business Development Centers (described in section 21 of the Small Business Act (15 U.S.C. 648)) and facilities of the Department of Veterans Affairs. Such assistance shall include the following:

(1) Conducting of studies and research, and the distribution of information generated by such studies and research, on the formation, management, financing, marketing, and operation of small business concerns by veterans.

(2) Provision of training and counseling to veterans concerning the formation, management, financing, marketing, and operation of small business concerns.

(3) Provision of management and technical assistance to the owners and operators of small business concerns regarding international markets, the promotion of exports, and the transfer of technology.

(4) Provision of assistance and information to veterans regarding procurement opportunities with Federal, State, and local agencies, especially such agencies funded in whole or in part with Federal funds.

(5) Establishment of an information clearinghouse to collect and distribute information, including by electronic means, on the assistance programs of Federal, State, and local governments, and of the private sector, including information on office locations, key personnel, telephone numbers, mail and electronic addresses, and contracting and subcontracting opportunities.

(6) Provision of Internet or other distance learning academic instruction for veterans in business subjects, including accounting, marketing, and business fundamentals.

(7) Compilation of a list of small business concerns owned and controlled by service-disabled veterans that provide products or services that could be procured by the United States and delivery of such list to each department and agency of the United States. Such list shall be delivered in hard copy and electronic form and shall include the name and address of each such small business concern and the products or services that it provides.

SEC. 303. BUSINESS DEVELOPMENT AND MANAGEMENT ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.

(a) IN GENERAL.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

"(l) MANAGEMENT ASSISTANCE FOR SMALL BUSINESSES AFFECTED BY MILITARY OPERATIONS.—The Administration shall utilize, as appropriate, its entrepreneurial development and management assistance programs, including programs involving State or private sector partners, to provide business counseling and training to any small business concern adversely affected by the deployment of units of the Armed Forces of the United States in support of a period of military conflict (as defined in section 7(n)(1)).".

(b) ENHANCED PUBLICITY DURING OPERATION ALLIED FORCE.—For the duration of Operation Allied Force and for 120 days thereafter, the Administration shall enhance its publicity of the availability of assistance provided pursuant to the amendment made by this section, including information regarding the appropriate local office at which affected small businesses may seek such assistance.

(c) GUIDELINES.—Not later than 30 days after the date of enactment of this section, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator determines to be necessary to carry out this section and the amendment made by this section.

TITLE IV—FINANCIAL ASSISTANCE

SEC. 401. GENERAL BUSINESS LOAN PROGRAM.

(a) DEFINITION OF HANDICAPPED INDIVIDUAL.—Section 3(f) of the Small Business Act (15 U.S.C. 632(f)) is amended to read as follows:

"(f) For purposes of section 7 of this Act, the term 'handicapped individual' means an individual—

"(1) who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable; or

"(2) who is a service-disabled veteran.".

(b) AUTHORIZATION TO MAKE LOANS.—Section 7(a)(10) of the Small Business Act (15 U.S.C. 636(a)(10)) is amended—

(1) by inserting "guaranteed" after "provide"; and

(2) by inserting, ", including service-disabled veterans," after "handicapped individual".

SEC. 402. ASSISTANCE TO ACTIVE DUTY MILITARY RESERVISTS.

(a) REPAYMENT DEFERRAL FOR ACTIVE DUTY RESERVISTS.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following:

"(n) REPAYMENT DEFERRED FOR ACTIVE DUTY RESERVISTS.—

"(1) DEFINITIONS.—In this subsection:

"(A) ELIGIBLE RESERVIST.—The term 'eligible reservist' means a member of a reserve component of the Armed Forces ordered to active duty during a period of military conflict.

"(B) ESSENTIAL EMPLOYEE.—The term 'essential employee' means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern.

"(C) PERIOD OF MILITARY CONFLICT.—The term 'period of military conflict' means—

"(i) a period of war declared by the Congress;

"(ii) a period of national emergency declared by the Congress or by the President; or "(iii) a period of a contingency operation, as defined in section 101(a) of title 10, United States Code.

"(D) QUALIFIED BORROWER.—The term 'qualified borrower' means—

"(i) an individual who is an eligible reservist and who received a direct loan under subsection (a) or (b) before being ordered to active duty; or

"(ii) a small business concern that received a direct loan under subsection (a) or (b) before an eligible reservist, who is an essential employee, was ordered to active duty.

"(2) DEFERRAL OF DIRECT LOANS.—

"(A) IN GENERAL.—The Administration shall, upon written request, defer repayment of principal and interest due on a direct loan made under subsection (a) or (b), if such loan was incurred by a qualified borrower.

"(B) PERIOD OF DEFERRAL.—The period of deferral for repayment under this paragraph shall begin on the date on which the eligible reservist is ordered to active duty and shall terminate on the date that is 180 days after the date such eligible reservist is discharged or released from active duty.

"(C) INTEREST RATE REDUCTION DURING DEFERRAL.—Notwithstanding any other provision of law, during the period of deferral described in subparagraph (B), the Administration may, in its discretion, reduce the interest rate on any loan qualifying for a deferral under this paragraph.

"(3) DEFERRAL OF LOAN GUARANTEES AND OTHER FINANCINGS.—The Administration shall—

"(A) encourage intermediaries participating in the program under subsection (m) to defer repayment of a loan made with proceeds made available under that subsection, if such loan was incurred by a small business concern that is eligible to apply for assistance under subsection (b)(3); and

"(B) not later than 30 days after the date of enactment of this subsection, establish guidelines to—

"(i) encourage lenders and other intermediaries to defer repayment of, or provide other relief relating to, loan guarantees under subsection (a) and financings under section 504 of the Small Business Investment Act of 1958 that were incurred by small business concerns that are eligible to apply for assistance under subsection (b)(3), and loan guarantees provided under subsection (m) if the intermediary provides relief to a small business concern under this paragraph; and

"(ii) implement a program to provide for the deferral of repayment or other relief to any intermediary providing relief to a small business borrower under this paragraph.".

(b) DISASTER LOAN ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after the undesignated paragraph that begins with "Provided, That no loan", the following:

"(3)(A) In this paragraph—

"(i) the term 'essential employee' means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern;

"(ii) the term 'period of military conflict' has the meaning given the term in subsection (n)(1); and

"(iii) the term 'substantial economic injury' means an economic harm to a business concern that results in the inability of the business concern—

"(I) to meet its obligations as they mature;

"(II) to pay its ordinary and necessary operating expenses; or

"(III) to market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern.

"(B) The Administration may make such disaster loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) to assist a small business concern that has suffered or that is likely to suffer substantial economic injury as the result of an essential employee of such small business concern being ordered to active military duty during a period of military conflict.

"(C) A small business concern described in subparagraph (B) shall be eligible to apply for assistance under this paragraph during the period beginning on the date on which the essential employee is ordered to active duty and ending on the date that is 90 days after the date on which such essential employee is discharged or released from active duty.

"(D) Any loan or guarantee extended pursuant to this paragraph shall be made at the same interest rate as economic injury loans under paragraph (2).

"(E) No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed $1,500,000, unless such applicant constitutes a major source of employment in its surrounding area, as determined by the Administration, in which case the Administration, in its discretion, may waive the $1,500,000 limitation.

"(F) For purposes of assistance under this paragraph, no declaration of a disaster area shall be required.".

(c) ENHANCED PUBLICITY DURING OPERATION ALLIED FORCE.—For the duration of Operation Allied Force and for 120 days thereafter, the Administration shall enhance its publicity of the availability of assistance provided pursuant to the amendments made by this section, including information regarding the appropriate local office at which affected small businesses may seek such assistance.

(d) GUIDELINES.—Not later than 30 days after the date of enactment of this section, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator determines to be necessary to carry out this section and the amendments made by this section.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this section.

(2) DISASTER LOANS.—The amendments made by subsection (b) shall apply to economic injury suffered or likely to be suffered as the result of a period of military conflict occurring or ending on or after March 24, 1999.

SEC. 403. MICROLOAN PROGRAM.

Section 7(m)(1)(A)(i) of the Small Business Act (15 U.S.C. 636(m)(1)(A)(i)) is amended by inserting "veteran (within the meaning of such term under section 3(q))," after "low-income,".

SEC. 404. DEFENSE ECONOMIC TRANSITION LOAN PROGRAM.

Section 7(a)(21)(A)(ii) of the Small Business Act (15 U.S.C. 636(a)(21)(A)(ii)) is amended by inserting "or a veteran" after "qualified individual".

SEC. 405. STATE DEVELOPMENT COMPANY PROGRAM.

Section 501(d)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)) is amended—

(1) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H), respectively; and

(2) by inserting after subparagraph (D) the following:

"(E) expansion of small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), especially service-disabled veterans, as defined in such section 3(q),".

TITLE V—PROCUREMENT ASSISTANCE

SEC. 501. SUBCONTRACTING.

(a) STATEMENT OF POLICY.—Section 8(d)(1) of the Small Business Act (15 U.S.C. 637(d)(1)) is amended by inserting "small business concerns owned and controlled by service-disabled veterans," after "small business concerns," the first place it appears in the first and second sentences.

(b) CONTRACT CLAUSE.—The contract clause specified in section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3)) is amended as follows:

(1) Subparagraph (A) of such clause is amended by inserting "small business concerns owned and controlled by veterans," after "small business concerns," the first place it appears in the first and second sentences.

(2) Subparagraphs (E) and (F) of such clause are redesignated as subparagraphs (F) and (G), respectively, and the following new subparagraph is inserted after subparagraph (D) of such clause:

"(E) The term 'small business concern owned and controlled by veterans' shall mean a small business concern—

"(i) which is at least 51 per centum owned by one or more eligible veterans; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more veterans; and

"(ii) whose management and daily business operations are controlled by such veterans. The contractor shall treat as veterans all individuals who are veterans within the meaning of the term under section 3(q) of the Small Business Act.".

(3) Subparagraph (F) of such clause, as redesignated by paragraph (2) of this subsection, is amended by inserting "small business concern owned and controlled by veterans," after "small business concern," the first place it appears.

(c) CONFORMING AMENDMENTS.—Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended by inserting "small business concerns owned and controlled by veterans," after "small business concerns," the first place it appears in each of paragraphs (4)(D), (4)(E), (6)(A), (6)(C), (6)(F), and (10)(B).

SEC. 502. PARTICIPATION IN FEDERAL PROCUREMENT.

(a) GOVERNMENT-WIDE PARTICIPATION GOALS.—Section 15(g)(1) of the Small Business Act (15 U.S.C. 644(g)(1)) is amended—

(1) in the first sentence, by inserting "small business concerns owned and controlled by service disabled veterans," after "small business concerns," the first place it appears;

(2) by inserting after the second sentence, the following: "The Government-wide goal for participation by small business concerns owned and controlled by service-disabled veterans shall be established at not less than 3 percent of the total value of all prime contract and subcontract awards for each fiscal year."; and

(3) in the second to last sentence, by inserting "small business concerns owned and controlled by service-disabled veterans," after "small business concerns," the first place it appears.

(b) AGENCY PARTICIPATION GOALS.—Section 15 of the Small Business Act (15 U.S.C. 644(g)(2)) is amended—

(1) in the first sentence, by inserting "by small business concerns owned and controlled by service-disabled veterans," after "small business concerns,"; the first place it appears;

(2) in the second sentence, by inserting "small business concerns owned and controlled by service-disabled veterans," after "small business concerns," the first place it appears; and

(3) in the fourth sentence, by inserting "small business concerns owned and controlled by service-disabled veterans, by" after "including participation by".

TITLE VI—REPORTS AND DATA COLLECTION

SEC. 601. REPORTING REQUIREMENTS.

(a) Reports to Small Business Administration.—Section 15(h)(1) of the Small Business Act (15 U.S.C. 644(h)(1)) is amended by inserting "small business concerns owned and controlled by veterans (including service-disabled veterans)," after "small business concerns," the first place it appears.

(b) Reports to the President and the Congress.—Section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)) is amended—

(1) by inserting "and the Congress" before the period at the end of first sentence; and

(2) in each of subparagraphs (A), (D), and (E), by inserting "small business concerns owned and controlled by service-disabled veterans," after "small business concerns," the first place it appears.

SEC. 602. REPORT ON SMALL BUSINESS AND COMPETITION.

Section 303(e) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

(1) in paragraph (1), by striking "and" after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by service-disabled veterans, as defined in such section 3(q).".

SEC. 603. ANNUAL REPORT OF THE ADMINISTRATOR.

The Administrator of the Small Business Administration shall transmit annually to the Committees on Small Business and Veterans Affairs of the House of Representatives and the Senate a report on the needs of small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans, which shall include information on—

(1) the availability of Small Business Administration programs for such small business concerns and the degree of utilization of such programs by such small business concerns during the preceding 12-month period, including statistical information on such utilization as compared to the small business community as a whole;

(2) the percentage and dollar value of Federal contracts awarded to such small business concerns during the preceding 12-month period, based on the data collected pursuant to section 604(d); and

(3) proposals to improve the access of such small business concerns to the assistance made available by the United States.

SEC. 604. DATA AND INFORMATION COLLECTION.

(a) Information on Federal Procurement Practices.—The Administrator of the Small Business Administration shall, for each fiscal year—

(1) collect information concerning the procurement practices and procedures of each department and agency of the United States having procurement authority;

(2) publish and disseminate such information to procurement officers in all Federal agencies; and

(3) make such information available to any small business concern requesting such information.

(b) Identification of Small Business Concerns Owned by Eligible Veterans.—Each fiscal year, the Secretary of Veterans Affairs shall, in consultation with the Assistant Secretary of Labor for Veterans' Employment and Training and the Administrator of the Small Business Administration, identify small business concerns owned and controlled by veterans in the United States. The Secretary shall inform each small business concern identified under this paragraph that information on Federal procurement is available from the Administrator.

(c) Self-Employment Opportunities.—The Secretary of Labor, the Secretary of Veterans Affairs, and the Administrator of the Small Business Administration shall enter into a memorandum of understanding to provide for coordination of vocational rehabilitation services, technical and managerial assistance, and financial assistance to veterans, including service-disabled veterans, seeking to employ themselves by forming or expanding small business concerns. The memorandum of understanding shall include recommendations for expanding existing programs or establishing new programs to provide such services or assistance to such veterans.

(d) Data Collection Required.—The Federal Procurement Data System described in section 6(d)(4)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(4)(A)) shall be modified to collect data regarding the percentage and dollar value of prime contracts and subcontracts awarded to small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. ADMINISTRATOR'S ORDER.

The Administrator of the Small Business Administration shall strengthen and reissue the Administrator's order regarding the third sentence of section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)), relating to nondiscrimination and special considerations for veterans, and take all necessary steps to ensure that its provisions are fully and vigorously implemented.

SEC. 702. SMALL BUSINESS ADMINISTRATION OFFICE OF ADVOCACY.

Section 202 of Public Law 94–305 (15 U.S.C. 634b) is amended—

(1) in paragraph (10), by striking "and" at the end;

(2) in paragraph (11), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(12) evaluate the efforts of each department and agency of the United States, and of private industry, to assist small business concerns owned and controlled by veterans, as defined in section 3(q) of the Small Business Act (15 U.S.C. 632(q)), and small business concerns owned and controlled by serviced-disabled veterans, as defined in such section 3(q), and to provide statistical information on the utilization of such programs by such small business concerns, and to make appropriate recommendations to the Administrator of the Small Business Administration and to the Congress in order to promote the establishment and growth of those small business concerns.".

SEC. 703. STUDY OF FIXED-ASSET SMALL BUSINESS LOANS.

(a) In General.—The Comptroller General shall conduct a study on whether there would exist any additional risk or cost to the United States if—

(1) up to 10 percent of the loans guaranteed under chapter 37 of title 38, United States Code, were made for the acquisition or construction of fixed assets used in a trade or business rather than for the construction or purchase of residential buildings; and

(2) such loans for acquisition or construction of fixed assets were for a term of not more than 10 years and the terms regarding eligibility, loan limits, interest, fees, and down payment were the same as for other loans guaranteed under such chapter.

(b) Report.—

(1) In general.—Not later than 180 days after the enactment of this Act, the Comptroller General shall transmit the report described in subsection (a) to the Committees on Veterans' Affairs and the Committees on Small Business of the House of Representatives and the Senate.

(2) Contents of report.—The report required by paragraph (1) shall specifically address the following:

(A) With respect to the change in the veterans' housing loan program contemplated under subsection (a):

(i) The increase or decrease in administrative costs to the Department of Veterans Affairs.

(ii) The increase or decrease in the degree of exposure of the United States as the guarantor of the loans.

(iii) The increase or decrease in the Federal subsidy rate that would be possible.

(iv) Any increase in the interest rate or fees charged to the borrower or lender that would be required to maintain present program costs.

(B) Information regarding the delinquency rates, default rates, length of time required for recovery after default, for fixed-asset business loans, of a size and duration comparable to those contemplated under subsection (a), made available in the private market or under section 503 of the Small Business Investment Act of 1958.

Mr. TALENT (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Ms. VELÁZQUEZ. Mr. Speaker, reserving the right to object, but I will not object, I rise in strong support of H.R. 1658, the Veterans' Entrepreneurship and Small Business Development Act of 1999.

This Nation will provide opportunity for our Nation's veterans by providing them with the resources and assistance that are necessary for establishing their own businesses.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Missouri?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TALENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1568.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AGRICULTURAL ADJUSTMENT ACT OF 1938 AMENDMENTS

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1543) to amend the Agricultural Adjustment Act of 1938 to release and protect the release of tobacco production and marketing information, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TOBACCO PRODUCTION AND MARKETING INFORMATION.

Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following:

"SEC. 320D. TOBACCO PRODUCTION AND MARKETING INFORMATION.

"(a) In General.—Notwithstanding any other provision of law, the Secretary may, subject to subsection (b), release marketing information submitted by persons relating to the production and marketing of tobacco to State trusts or similar organizations engaged in the distribution of national trust funds to tobacco producers and other persons with interests associated with the production of tobacco, as determined by the Secretary.

"(b) Limitations.—

"(1) In general.—Information may be released under subsection (a) only to the extent that—

"(A) the release is in the interest of tobacco producers, as determined by the Secretary; and

"(B) the information is released to a State trust or other organization that is created to, or charged with, distributing funds to tobacco producers or other parties with an interest in tobacco production or tobacco farms under a national or State trust or settlement.

"(2) Exemption from release.—The Secretary shall, to the maximum extent practicable, in advance of making a release of information under subsection (a), allow, by announcement, a period of at least 15 days for persons whose consent would otherwise be required by law to effectuate the release, to elect to be exempt from the release.

"(c) Assistance.—

"(1) In general.—In making a release under subsection (a), the Secretary may provide such other assistance with respect to information released under subsection (a) as will facilitate the interest of producers in receiving the funds that are the subject of a trust described in subsection (a).

"(2) Funds.—The Secretary shall use amounts made available for salaries and expenses of the Department to carry out paragraph (1).

"(d) Records.—

"(1) In general.—A person that obtains information described in subsection (a) shall maintain records that are consistent with the purposes of the release and shall not use the records for any purpose not authorized under this section.

"(2) Penalty.—A person that knowingly violates this subsection shall be fined not more than $10,000, imprisoned not more than 1 year, or both.

"(e) Application.—This section shall not apply to—

"(1) records submitted by cigarette manufacturers with respect to the production of cigarettes;

"(2) records that were submitted as expected purchase intentions in connection with the establishment of national tobacco quotas; or

"(3) records that aggregate the purchases of particular buyers.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 1543.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PROVIDING FOR CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE AND THE HOUSE

Mr. FLETCHER. Mr. Speaker, I call up from the Speaker's table a privileged Senate concurrent resolution (S. Con. Res. 51) providing for the conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives, and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. Con. Res. 51

Resolved by the Senate (the House of Representatives concurring), That when the Senate recesses or adjourns at the close of business on Thursday, August 5, 1999, Friday, August 6, 1999, or Saturday, August 7, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Wednesday, September 8, 1999, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, August 5, 1999, Friday, August 6, 1999, or Saturday, August 7, 1999, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 10:00 a.m. on Wednesday, September 8, 1999, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

Sec. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

APPOINTMENT OF HON. CONSTANCE A. MORELLA OR HON. FRANK R. WOLF TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH SEPTEMBER 8, 1999

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 5, 1999.

I hereby appoint the Honorable CONSTANCE A. MORELLA or, if not available to perform this duty, the Honorable Frank R. Wolf to act as Speaker pro tempore to sign enrolled bills and joint resolutions through September 8, 1999.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the appointment is agreed to.

There was no objection.

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AUTHORIZING THE SPEAKER, MAJORITY LEADER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS, NOTWITHSTANDING ADJOURNMENT

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Wednesday, September 8, 1999, the Speaker, majority leader and minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 8, 1999

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, September 8, 1999.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CENTRAL AMERICAN AND HAITIAN PARITY ACT OF 1999—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit for your immediate consideration and enactment the "Central American and Haitian Parity Act of 1999." Also transmitted is a section-by-section analysis. This legislative proposal, which would amend the Nicaraguan Adjustment and Central American Relief Act of 1997

(NACARA), is part of my Administration's comprehensive effort to support the process of democratization and stabilization now underway in Central America and Haiti and to ensure equitable treatment for migrants from these countries. The proposed bill would allow qualified nationals of El Salvador, Guatemala, Honduras, and Haiti an opportunity to become lawful permanent residents of the United States. Consequently, under this bill, eligible nationals of these countries would receive treatment equivalent to that granted to the Nicaraguans and Cubans under NACARA.

Like Nicaraguans and Cubans, many Salvadorans, Guatemalans, Hondurans, and Haitians fled human rights abuses or unstable political and economic conditions in the 1980s and 1990s. Yet these latter groups received lesser treatment than that granted to Nicaraguans and Cubans by NACARA. The United States has a strong foreign policy interest in providing the same treatment to these similarly situated people. Moreover, the countries from which these migrants have come are young and fragile democracies in which the United States has played and will continue to play a very important role. The return of these migrants to these countries would place significant demands on their economic and political systems. By offering legal status to a number of nationals of these countries with longstanding ties in the United States, we can advance our commitment to peace and stability in the region.

Passage of the "Central American and Haitian Party Act of 1999" will evidence our commitment to fair and even-handed treatment of nationals from these countries and to the strengthening of democracy and economic stability among important neighbors. I urge the prompt and favorable consideration of this legislative proposal by the Congress.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 5, 1999*.

CONFERENCE REPORT ON S. 1059, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. SPENCE submitted the following conference report and statement on the Senate bill (S. 1059) to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. 106-301)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1059) to authorize appropriations for fiscal year 2000 for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2000".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health programs.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement authority for certain Army programs.
Sec. 112. Procurement requirements for the Family of Medium Tactical Vehicles.
Sec. 113. Army aviation modernization.
Sec. 114. Multiple Launch Rocket System.
Sec. 115. Extension of pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.
Sec. 116. Extension of authority to carry out Armament Retooling and Manufacturing Support Initiative.

Subtitle C—Navy Programs

Sec. 121. F/A-18E/F Super Hornet aircraft program.
Sec. 122. Arleigh Burke class destroyer program.
Sec. 123. Repeal of requirement for annual report from shipbuilders under certain nuclear attack submarine programs.
Sec. 124. LHD–8 amphibious assault ship program.
Sec. 125. D-5 missile program.

Subtitle D—Air Force Programs

Sec. 131. F–22 aircraft program.
Sec. 132. Replacement options for conventional air-launched cruise missile.
Sec. 133. Procurement of firefighting equipment for the Air National Guard and the Air Force Reserve.
Sec. 134. F–16 tactical manned reconnaisance aircraft.

Subtitle E—Chemical Stockpile Destruction Program

Sec. 141. Destruction of existing stockpile of lethal chemical agents and munitions.
Sec. 142. Comptroller General report on anticipated effects of proposed changes in operation of storage sites for lethal chemical agents and munitions.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Collaborative program to evaluate and demonstrate advanced technologies for advanced capability combat vehicles.
Sec. 212. Sense of Congress regarding defense science and technology program.
Sec. 213. Micro-satellite technology development program.
Sec. 214. Space control technology.
Sec. 215. Space maneuver vehicle program.
Sec. 216. Manufacturing technology program.
Sec. 217. Revision to limitations on high altitude endurance unmanned vehicle program.

Subtitle C—Ballistic Missile Defense

Sec. 231. Space Based Infrared System (SBIRS) low program.
Sec. 232. Theater missile defense upper tier acquisition strategy.
Sec. 233. Acquisition strategy for Theater High-Altitude Area Defense (THAAD) system.
Sec. 234. Space-based laser program.
Sec. 235. Criteria for progression of airborne laser program.
Sec. 236. Sense of Congress regarding ballistic missile defense technology funding.
Sec. 237. Report on national missile defense.

Subtitle D—Research and Development for Long-Term Military Capabilities

Sec. 241. Quadrennial report on emerging operational concepts.
Sec. 242. Technology area review and assessment.
Sec. 243. Report by Under Secretary of Defense for Acquisition, Technology, and Logistics.
Sec. 244. DARPA program for award of competitive prizes to encourage development of advanced technologies.
Sec. 245. Additional pilot program for revitalizing Department of Defense laboratories.

Subtitle E—Other Matters

Sec. 251. Development of Department of Defense laser master plan and execution of solid state laser program.
Sec. 252. Report on Air Force distributed mission training.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.
Sec. 305. Transfer to Defense Working Capital Funds to support Defense Commissary Agency.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 311. Armed Forces Emergency Services.
Sec. 312. Replacement of nonsecure tactical radios of the 82nd Airborne Division.
Sec. 313. Large medium-speed roll-on/roll-off (LMSR) program.
Sec. 314. Contributions for Spirit of Hope endowment fund of United Service Organizations, Incorporated.

Subtitle C—Environmental Provisions

Sec. 321. Extension of limitation on payment of fines and penalties using funds in environmental restoration accounts.
Sec. 322. Modification of requirements for annual reports on environmental compliance activities.
Sec. 323. Defense environmental technology program and investment control process for environmental technologies.

Sec. 324. Modification of membership of Strategic Environmental Research and Development Program Council.
Sec. 325. Extension of pilot program for sale of air pollution emission reduction incentives.
Sec. 326. Reimbursement for certain costs in connection with Fresno Drum Superfund Site, Fresno, California.
Sec. 327. Payment of stipulated penalties assessed under CERCLA in connection with F.E. Warren Air Force Base, Wyoming.
Sec. 328. Remediation of asbestos and lead-based paint.
Sec. 329. Release of information to foreign countries regarding any environmental contamination at former United States military installations in those countries.
Sec. 330. Toussaint River ordnance mitigation study.

Subtitle D—Depot-Level Activities

Sec. 331. Sales of articles and services of defense industrial facilities to purchasers outside the Department of Defense.
Sec. 332. Contracting authority for defense working capital funded industrial facilities.
Sec. 333. Annual reports on expenditures for performance of depot-level maintenance and repair workloads by public and private sectors.
Sec. 334. Applicability of competition requirement in contracting out workloads performed by depot-level activities of Department of Defense.
Sec. 335. Treatment of public sector winning bidders for contracts for performance of depot-level maintenance and repair workloads formerly performed at certain military installations.
Sec. 336. Additional matters to be reported before prime vendor contract for depot-level maintenance and repair is entered into.

Subtitle E—Performance of Functions by Private-Sector Sources

Sec. 341. Reduced threshold for consideration of effect on local community of changing defense functions to private sector performance.
Sec. 342. Congressional notification of A–76 cost comparison waivers.
Sec. 343. Report on use of employees of non-Federal entities to provide services to Department of Defense.
Sec. 344. Evaluation of total system performance responsibility program.
Sec. 345. Sense of Congress regarding process for modernization of Army computer services.

Subtitle F—Defense Dependents Education

Sec. 351. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 352. Unified school boards for all Department of Defense Domestic Dependent Schools in the Commonwealth of Puerto Rico and Guam.
Sec. 353. Continuation of enrollment at Department of Defense domestic dependent elementary and secondary schools.
Sec. 354. Technical amendments to Defense Dependents' Education Act of 1978.

Subtitle G—Military Readiness Issues

Sec. 361. Independent study of military readiness reporting system.
Sec. 362. Independent study of Department of Defense secondary inventory and parts shortages.
Sec. 363. Report on inventory and control of military equipment.
Sec. 364. Comptroller General study of adequacy of Department restructured sustainment and reengineered logistics product support practices.
Sec. 365. Comptroller General review of real property maintenance and its effect on readiness.
Sec. 366. Establishment of logistics standards for sustained military operations.

Subtitle H—Information Technology Issues

Sec. 371. Discretionary authority to install telecommunication equipment for persons performing voluntary services.
Sec. 372. Authority for disbursing officers to support use of automated teller machines on naval vessels for financial transactions.
Sec. 373. Use of Smart Card technology in the Department of Defense.
Sec. 374. Report on defense use of Smart Card as PKI authentication device carrier.

Subtitle I—Other Matters

Sec. 381. Authority to lend or donate obsolete or condemned rifles for funeral and other ceremonies.
Sec. 382. Extension of warranty claims recovery pilot program.
Sec. 383. Preservation of historic buildings and grounds at United States Soldiers' and Airmen's Home, District of Columbia.
Sec. 384. Clarification of land conveyance authority, United States Soldiers' and Airmen's Home.
Sec. 385. Treatment of Alaska, Hawaii, and Guam in defense household goods moving programs.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent end strength minimum levels.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the Reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Increase in numbers of members in certain grades authorized to be on active duty in support of the Reserves.
Sec. 415. Selected Reserve end strength flexibility.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Temporary authority for recall of retired aviators.
Sec. 502. Increase in maximum number of officers authorized to be on active-duty list in frocked grades of brigadier general and rear admiral (lower half).
Sec. 503. Reserve officers requesting or otherwise causing nonselection for promotion.
Sec. 504. Minimum grade of officers eligible to serve on boards of inquiry.
Sec. 505. Minimum selection of warrant officers for promotion from below the promotion zone.
Sec. 506. Increase in threshold period of active duty for applicability of restriction on holding of civil office by retired regular officers and reserve officers.
Sec. 507. Exemption of retiree council members from recalled retiree limits.
Sec. 508. Technical amendments relating to joint duty assignments.
Sec. 509. Three-year extension of requirement for competition for joint 4-star officer positions.

Subtitle B—Reserve Component Personnel Policy

Sec. 511. Continuation of officers on reserve active-status list to complete disciplinary action.
Sec. 512. Authority to order reserve component members to active duty to complete a medical evaluation.
Sec. 513. Exclusion of reserve officers on educational delay from eligibility for consideration for promotion.
Sec. 514. Extension of period for retention of reserve component majors and lieutenant commanders who twice fail of selection for promotion.
Sec. 515. Computation of years of service exclusion.
Sec. 516. Retention of reserve component chaplains until age 67.
Sec. 517. Expansion and codification of authority for space-required travel on military aircraft for reserves performing inactive-duty training outside the continental United States.

Subtitle C—Military Technicians

Sec. 521. Revision to military technician (dual status) law.
Sec. 522. Civil service retirement of technicians.
Sec. 523. Revision to non-dual status technicians statute.
Sec. 524. Revision to authorities relating to National Guard technicians.
Sec. 525. Effective date.
Sec. 526. Secretary of Defense review of Army technician costing process.
Sec. 527. Fiscal year 2000 limitation on number of non-dual status technicians.

Subtitle D—Service Academies

Sec. 531. Strength limitations at the service academies.
Sec. 532. Superintendents of the service academies.
Sec. 533. Dean of Academic Board, United States Military Academy and Dean of the Faculty, United States Air Force Academy.
Sec. 534. Waiver of reimbursement of expenses for instruction at service academies of persons from foreign countries.
Sec. 535. Expansion of foreign exchange programs of the service academies.

Subtitle E—Education and Training

Sec. 541. Establishment of a Department of Defense international student program at the senior military colleges.
Sec. 542. Authority for Army War College to award degree of master of strategic studies.
Sec. 543. Authority for Air University to confer graduate-level degrees.
Sec. 544. Reserve credit for participation in health professions scholarship and financial assistance program.
Sec. 545. Permanent authority for ROTC scholarships for graduate students.
Sec. 546. Increase in monthly subsistence allowance for Senior ROTC cadets selected for advanced training.
Sec. 547. Contingent funding increase for Junior ROTC program.
Sec. 548. Change from annual to biennial reporting under the reserve component Montgomery GI bill.
Sec. 549. Recodification and consolidation of statutes denying Federal grants and contracts by certain departments and agencies to institutions of higher education that prohibit senior ROTC units or military recruiting on campus.
Sec. 550. Accrual funding for Coast Guard Montgomery GI bill liabilities.

Subtitle F—Reserve Component Management

Sec. 551. Financial assistance program for pursuit of degrees by officer candidates in Marine Corps Platoon Leaders Class program.
Sec. 552. Options to improve recruiting for the Army Reserve.
Sec. 553. Joint duty assignments for reserve component general and flag officers.

Sec. 554. Grade of chiefs of reserve components and additional general officers at the National Guard Bureau.
Sec. 555. Duties of Reserves on active duty in support of the Reserves.
Sec. 556. Repeal of limitation on number of Reserves on full-time active duty in support of preparedness for responses to emergencies involving weapons of mass destruction.
Sec. 557. Establishment of Office of the Coast Guard Reserve.
Sec. 558. Report on use of National Guard facilities and infrastructure for support of provision of services to veterans.

Subtitle G—Decorations, Awards, and Commendations

Sec. 561. Waiver of time limitations for award of certain decorations to certain persons.
Sec. 562. Authority for award of Medal of Honor to Alfred Rascon for valor during the Vietnam conflict.
Sec. 563. Elimination of current backlog of requests for replacement of military decorations.
Sec. 564. Retroactive award of Navy Combat Action Ribbon.
Sec. 565. Sense of Congress concerning Presidential unit citation for crew of the U.S.S. Indianapolis.

Subtitle H—Matters Relating to Recruiting

Sec. 571. Access to secondary school students for military recruiting purposes.
Sec. 572. Increased authority to extend delayed entry period for enlistments of persons with no prior military service.
Sec. 573. Army College First pilot program.
Sec. 574. Use of recruiting materials for public relations purposes.

Subtitle I—Matters Relating to Missing Persons

Sec. 575. Nondisclosure of debriefing information on certain missing persons previously returned to United States control.
Sec. 576. Recovery and identification of remains of certain World War II servicemen lost in Pacific Theater of Operations.

Subtitle J—Other Matters

Sec. 577. Authority for special courts-martial to impose sentences to confinement and forfeitures of pay of up to one year.
Sec. 578. Funeral honors details for funerals of veterans.
Sec. 579. Purpose and funding limitations for National Guard Challenge program.
Sec. 580. Department of Defense Starbase program.
Sec. 581. Survey of members leaving military service on attitudes toward military service.
Sec. 582. Service review agencies covered by professional staffing requirement.
Sec. 583. Participation of members in management of organizations abroad that promote international understanding.
Sec. 584. Support for expanded child care services and youth program services for dependents.
Sec. 585. Report and regulations on Department of Defense policies on protecting the confidentiality of communications with professionals providing therapeutic or related services regarding sexual or domestic abuse.
Sec. 586. Members under burdensome personnel tempo.

Subtitle K—Domestic Violence

Sec. 591. Defense task force on domestic violence.
Sec. 592. Incentive program for improving responses to domestic violence involving members of the Armed Forces and military family members.
Sec. 593. Uniform Department of Defense policies for responses to domestic violence.
Sec. 594. Central Department of Defense database on domestic violence incidents.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Fiscal year 2000 increase in military basic pay and reform of basic pay rates.
Sec. 602. Pay increases for fiscal years 2001 through 2006.
Sec. 603. Additional amount available for fiscal year 2000 increase in basic allowance for housing inside the United States.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. Extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authorities relating to payment of other bonuses and special pays.
Sec. 614. Amount of aviation career incentive pay for air battle managers.
Sec. 615. Expansion of authority to provide special pay to aviation career officers extending period of active duty.
Sec. 616. Additional special pay for board certified veterinarians in the Armed Forces and Public Health Service.
Sec. 617. Diving duty special pay.
Sec. 618. Reenlistment bonus.
Sec. 619. Enlistment bonus.
Sec. 620. Selected Reserve enlistment bonus.
Sec. 621. Special pay for members of the Coast Guard Reserve assigned to high priority units of the Selected Reserve.
Sec. 622. Reduced minimum period of enlistment in Army in critical skill for eligibility for enlistment bonus.
Sec. 623. Eligibility for reserve component prior service enlistment bonus upon attaining a critical skill.
Sec. 624. Increase in special pay and bonuses for nuclear-qualified officers.
Sec. 625. Increase in maximum monthly rate authorized for foreign language proficiency pay.
Sec. 626. Authorization of retention bonus for special warfare officers extending periods of active duty.
Sec. 627. Authorization of surface warfare officer continuation pay.
Sec. 628. Authorization of career enlisted flyer incentive pay.
Sec. 629. Authorization of judge advocate continuation pay.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Provision of lodging in kind for Reservists performing training duty and not otherwise entitled to travel and transportation allowances.
Sec. 632. Payment of temporary lodging expenses for members making their first permanent change of station.
Sec. 633. Destination airport for emergency leave travel to continental United States.

Subtitle D—Retired Pay Reform

Sec. 641. Redux retired pay system applicable only to members electing new 15-year career status bonus.
Sec. 642. Authorization of 15-year career status bonus.
Sec. 643. Conforming amendments.
Sec. 644. Effective date.

Subtitle E—Other Matters Relating to Military Retirees and Survivors

Sec. 651. Repeal of reduction in retired pay for military retirees employed in civilian positions.
Sec. 652. Presentation of United States flag to retiring members of the uniformed services not previously covered.
Sec. 653. Disability retirement or separation for certain members with pre-existing conditions.
Sec. 654. Credit toward paid-up SBP coverage for months covered by make-up premium paid by persons electing SBP coverage during special open enrollment period.
Sec. 655. Paid-up coverage under Retired Serviceman's Family Protection Plan.
Sec. 656. Extension of authority for payment of annuities to certain military surviving spouses.
Sec. 657. Effectuation of intended SBP annuity for former spouse when not elected by reason of untimely death of retiree.
Sec. 658. Special compensation for severely disabled uniformed services retirees.

Subtitle F—Eligibility to Participate in the Thrift Savings Plan

Sec. 661. Participation in thrift savings plan.
Sec. 662. Special retention initiative.
Sec. 663. Effective date.

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Sec. 3604. Ownership of the JEREMIAH O'BRIEN.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
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Subtitle B—Army Programs

Sec. 111. Multiyear procurement authority for certain Army programs.
Sec. 112. Procurement requirements for the Family of Medium Tactical Vehicles.
Sec. 113. Army aviation modernization.
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Subtitle C—Navy Programs

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Sec. 131. F-22 aircraft program.
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Sec. 133. Procurement of firefighting equipment for the Air National Guard and the Air Force Reserve.
Sec. 134. F-16 tactical manned reconnaisance aircraft.

Subtitle E—Chemical Stockpile Destruction Program

Sec. 141. Destruction of existing stockpile of lethal chemical agents and munitions.
Sec. 142. Comptroller General report on anticipated effects of proposed changes in operation of storage sites for lethal chemical agents and munitions.

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2000 for procurement for the Army as follows:

(1) For aircraft, $1,459,688,000.

(2) For missiles, $1,258,298,000.

(3) For weapons and tracked combat vehicles, $1,571,665,000.

(4) For ammunition, $1,215,216,000.

(5) For other procurement, $3,662,921,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) Navy.—Funds are hereby authorized to be appropriated for fiscal year 2000 for procurement for the Navy as follows:

(1) For aircraft, $8,798,784,000.

(2) For weapons, including missiles and torpedoes, $1,417,100,000.

(3) For shipbuilding and conversion, $7,016,454,000.

(4) For other procurement, $4,266,891,000.

(b) Marine Corps.—Funds are hereby authorized to be appropriated for fiscal year 2000 for procurement for the Marine Corps in the amount of $1,296,970,000.

(c) Navy and Marine Corps Ammunition.—Funds are hereby authorized to be appropriated for fiscal year 2000 for procurement of ammunition for the Navy and the Marine Corps in the amount of $534,700,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2000 for procurement for the Air Force as follows:

(1) For aircraft, $9,758,886,000.

(2) For missiles, $2,395,608,000.

(3) For ammunition, $467,537,000.

(4) For other procurement, $7,158,527,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2000 for Defense-wide procurement in the amount of $2,345,168,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $10,000,000.

(2) For the Air National Guard, $10,000,000.

(3) For the Army Reserve, $10,000,000.

(4) For the Naval Reserve, $10,000,000.

(5) For the Air Force Reserve, $10,000,000.

(6) For the Marine Corps Reserve, $10,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2000 for procurement for the Inspector General of the Department of Defense in the amount of $2,100,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 2000 the amount of $1,024,000,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $356,970,000.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR CERTAIN ARMY PROGRAMS.

Beginning with the fiscal year 2000 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear contracts for procurement of the following:

(1) The Javelin missile system.

(2) M2A3 Bradley fighting vehicles.

(3) AH–64D Apache Longbow attack helicopters.

(4) The M1A2 Abrams main battle tank upgrade program combined with the Heavy Assault Bridge program.

SEC. 112. PROCUREMENT REQUIREMENTS FOR THE FAMILY OF MEDIUM TACTICAL VEHICLES.

(a) Requirements.—The Secretary of the Army—

(1) shall use competitive procedures for the award of any contract for procurement of vehicles under the Family of Medium Tactical Vehicles program after completion of the multiyear procurement contract for procurement of vehicles under that program that was awarded on October 14, 1998; and

(2) may not award a contract to establish a second-source contractor for procurement of the vehicles under the Family of Medium Tactical Vehicles program that are covered by the multiyear procurement contract for that program that was awarded on October 14, 1998.

(b) Repeal.—Section 112 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1937) is repealed.

SEC. 113. ARMY AVIATION MODERNIZATION.

(a) Helicopter Force Modernization Plan.—The Secretary of the Army shall submit to the congressional defense committees a comprehensive plan for the modernization of the Army's helicopter forces.

(b) Required Elements.—The helicopter force modernization plan shall include provisions for the following:

(1) For the AH–64D Apache Longbow program—

(A) restoration of the original procurement objective of the program to the procurement of 747 aircraft and at least 227 fire control radars;

(B) qualification and training of reserve component pilots as augmentation crews to ensure 24–hour warfighting capability in deployed attack helicopter units; and

(C) fielding of a sufficient number of aircraft in reserve component aviation units to implement the provisions of the plan required under subparagraph (B).

(2) For AH–1 Cobra helicopters, retirement of all AH–1 Cobra helicopters remaining in the fleet.

(3) For the RAH–66 Comanche program—

(A) review of the total requirements and acquisition objectives for the program;

(B) fielding of Comanche helicopters to the planned aviation force structure; and

(C) support for the plan for the AH–64D Apache program required under paragraph (1).

(4) For the UH–1 Huey helicopter program—

(A) an upgrade program;

(B) revision of total force requirements for that aircraft to reflect the warfighting and support requirements of the theater commanders-in-chief for aircraft used by the Army National Guard; and

(C) a transition plan to a future utility helicopter.

(5) For the UH–60 Blackhawk helicopter program—

(A) identification of the objective requirements for that aircraft;

(B) an acquisition strategy for meeting requirements that in the interim will be addressed by UH–1 Huey helicopters among the warfighting and support requirements of the theater commanders-in-chief for aircraft used by the Army National Guard; and

(C) a modernization program for fielded aircraft.

(6) For the CH–47 Chinook helicopter service life extension program, maintenance of the schedule and funding.

(7) For the OH–58D Kiowa Warrior helicopters, an upgrade program.

(8) A revised assessment of the Army's present and future requirements for helicopters and its present and future helicopter inventory, including the number of aircraft, average age of aircraft, availability of spare parts, flight hour costs, roles and functions assigned to the fleet as a whole and to each type of aircraft, and the mix of active component and reserve component aircraft in the fleet.

(c) Limitation.—Not more than 90 percent of the amount appropriated pursuant to the authorization of appropriations in section 101(1) may be obligated before the date that is 30 days after the date on which the Secretary of the Army submits the plan required by subsection (a) to the congressional defense committees.

SEC. 114. MULTIPLE LAUNCH ROCKET SYSTEM.

The Secretary of the Army may make available, from funds appropriated pursuant to the authorization of appropriations in section 101(2), an amount not to exceed $500,000 to complete the development of reuse and demilitarization tools and technologies for use in the demilitarization of Army Multiple Launch Rocket System rockets.

SEC. 115. EXTENSION OF PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

(a) Extension of Program.—Section 141 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543 note) is amended—

(1) in subsection (a), by striking "During fiscal years 1998 and 1999" and inserting "During fiscal years 1998 through 2001"; and

(2) in subsection (b), by striking "during fiscal year 1998 or 1999" and inserting "during the period during which the pilot program is being conducted".

(b) Update of Inspector General Report.—Such section is further amended by adding at the end the following new subsection:

"(d) Update of Report.—Not later than March 1, 2001, the Inspector General of the Department of Defense shall submit to Congress an update of the report required to be submitted under subsection (c) and an assessment of the success of the pilot program.".

SEC. 116. EXTENSION OF AUTHORITY TO CARRY OUT ARMAMENT RETOOLING AND MANUFACTURING SUPPORT INITIATIVE.

Section 193(a) of the Armament Retooling and Manufacturing Support Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by striking "During fiscal years 1993 through 1999" and inserting "During fiscal years 1993 through 2001".

Subtitle C—Navy Programs

SEC. 121. F/A–18E/F SUPER HORNET AIRCRAFT PROGRAM.

(a) Multiyear Procurement Authority.—Subject to subsection (b), the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract beginning with the fiscal year 2000 program year for procurement of F/A–18E/F aircraft.

(b) Limitation.—The Secretary of the Navy may not enter into a multiyear procurement contract authorized by subsection (a), and may not authorize the F/A–18E/F aircraft program to enter into full-rate production, until—

(1) the Secretary of Defense submits to the congressional defense committees a certification described in subsection (c); and

(2) a period of 30 continuous days of a Congress (as determined under subsection (d)) elapses after the submission of that certification.

(c) REQUIRED CERTIFICATION.—A certification referred to in subsection (b)(1) is a certification by the Secretary of Defense of each of the following:

(1) That the results of the Operational Test and Evaluation program for the F/A–18E/F aircraft indicate—

(A) that the aircraft is operationally effective and operationally suitable; and

(B) that the F/A–18E and the F/A–18F variants of that aircraft both meet their respective key performance parameters as established in the Operational Requirements Document (ORD) for the F/A–18E/F program, as validated and approved by the Chief of Naval Operations on April 1, 1997 (other than for a permissible deviation of not more than 1 percent with respect to the range performance parameter).

(2) That the cost of procurement of the F/A–18E/F aircraft using a multiyear procurement contract as authorized by subsection (a), assuming procurement of 222 aircraft, is at least 7.4 percent less than the cost of procurement of the same number of aircraft through annual contracts.

(d) CONTINUITY OF CONGRESS.—For purposes of subsection (b)(2)—

(1) the continuity of a Congress is broken only by an adjournment of the Congress sine die at the end of the final session of the Congress; and

(2) any day on which either House of Congress is not in session because of an adjournment of more than three days to a day certain, or because of an adjournment sine die at the end of the first session of a Congress, shall be excluded in the computation of such 30-day period.

SEC. 122. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) AUTHORITY FOR MULTIYEAR PROCUREMENT OF 6 ADDITIONAL VESSELS.—(1) Subsection (b) of section 122 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2446) is amended in the first sentence—

(A) by striking "12 Arleigh Burke class destroyers" and inserting "18 Arleigh Burke class destroyers"; and

(B) by striking "and 2001" and inserting "2001, 2002, and 2003".

(2) The heading for such subsection is amended by striking "TWELVE" and inserting "18".

(b) FISCAL YEAR 2001 ADVANCE PROCUREMENT.—(1) Subject to paragraphs (2) and (3), the Secretary of the Navy is authorized, in fiscal year 2001, to enter into contracts for advance procurement for the Arleigh Burke class destroyers that are to be constructed under contracts entered into after fiscal year 2001 under section 122(b) of Public Law 104–201, as amended by subsection (a)(1).

(2) The authority to contract for advance procurement under paragraph (1) is subject to the availability of funds authorized and appropriated for fiscal year 2001 for that purpose in Acts enacted after September 30, 1999.

(3) The aggregate amount of the contracts entered into under paragraph (1) may not exceed $371,000,000.

(c) OTHER FUNDS FOR ADVANCE PROCUREMENT.—Notwithstanding any other provision of this Act, of the funds authorized to be appropriated under section 102(a) for procurement programs, projects, and activities of the Navy, up to $190,000,000 may be made available, as the Secretary of the Navy may direct, for advance procurement for the Arleigh Burke class destroyer program. Authority to make transfers under this subsection is in addition to the transfer authority provided in section 1001.

SEC. 123. REPEAL OF REQUIREMENT FOR ANNUAL REPORT FROM SHIPBUILDERS UNDER CERTAIN NUCLEAR ATTACK SUBMARINE PROGRAMS.

(a) REPEAL.—Paragraph (3) of section 121(g) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2444) is repealed.

(b) CONFORMING AMENDMENT.—Paragraph (5) of such section is amended by striking "reports referred to in paragraphs (3) and (4)" and inserting "report referred to in paragraph (4)".

SEC. 124. LHD–8 AMPHIBIOUS ASSAULT SHIP PROGRAM.

(a) AUTHORIZATION OF SHIP.—The Secretary of the Navy is authorized to procure the amphibious assault ship to be designated LHD–8, subject to the availability of appropriations for that purpose.

(b) AMOUNT AUTHORIZED.—Of the amount authorized to be appropriated under section 102(a)(3) for fiscal year 2000, $375,000,000 is available for the advance procurement and advance construction of components for the LHD–8 amphibious assault ship program. The Secretary of the Navy may enter into a contract or contracts with the shipbuilder and other entities for the advance procurement and advance construction of those components.

SEC. 125. D-5 MISSILE PROGRAM.

(a) REPORT.—Not later than October 31, 1999, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the D–5 missile program.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) An inventory management plan for the D–5 missile program covering the projected life of the program, including—

(A) the location of D–5 missiles during the fueling of submarines;

(B) rotation of inventory;

(C) expected attrition rate due to flight testing, loss, damage, or termination of service life; and

(D) consideration of the results of the assessment required in paragraph (4).

(2) The cost of terminating procurement of D–5 missiles for each fiscal year before the current plan.

(3) An assessment of the capability of the Navy of meeting strategic requirements with a total procurement of less than 425 D–5 missiles, including an assessment of the consequences of—

(A) loading Trident submarines with fewer than 24 D–5 missiles; and

(B) reducing the flight test rate for D–5 missiles.

(4) An assessment of the optimal commencement date for the development and deployment of replacement capability for the current land-based and sea-based missile forces.

(5) The Secretary's plan for maintaining D–5 missiles and Trident submarines under the START II Treaty and a proposed START III treaty, and whether requirements for those missiles and submarines would be reduced under such treaties.

Subtitle D—Air Force Programs

SEC. 131. F–22 AIRCRAFT PROGRAM.

(a) CERTIFICATION REQUIRED BEFORE LRIP.—The Secretary of the Air Force may not award a contract for low-rate initial production under the F–22 aircraft program until the Secretary of Defense submits to the congressional defense committees the Secretary's certification of each of the following:

(1) That the test plan in the engineering and manufacturing development phase for that program is adequate for determining the operational effectiveness and suitability of the F–22 aircraft.

(2) That the engineering and manufacturing development phase, and the production phase, for that program can each be executed within the limitation on total cost applicable to that program under subsection (a) or (b), respectively, of section 217 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660).

(b) LACK OF CERTIFICATION.—If the Secretary of Defense is unable to submit either or both of the certifications under subsection (a), the Secretary shall submit to the congressional defense committees a report which includes—

(1) the reasons the certification or certifications could not be made;

(2) a revised acquisition plan approved by the Secretary of Defense if the Secretary desires to proceed with low-rate initial production; and

(3) a revised cost estimate for the remainder of the engineering and manufacturing development phase and for the production phase of the F–22 program if the Secretary desires to proceed with low-rate initial production.

SEC. 132. REPLACEMENT OPTIONS FOR CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE.

(a) REPORT.—The Secretary of the Air Force shall determine the requirements being met by the conventional air-launched cruise missile (CALCM) as of the date of the enactment of this Act and, not later than January 15, 2000, shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the replacement options for that missile.

(b) MATTERS TO BE INCLUDED.—In the report under subsection (a), the Secretary shall consider the options for continuing to meet the requirements determined by the Secretary under subsection (a) as the inventory of the conventional air-launched cruise missile is depleted. Options considered shall include the following:

(1) Resumption of production of the conventional air-launched cruise missile.

(2) Acquisition of a new type of weapon with lethality characteristics equivalent or superior to the lethality characteristics of the conventional air-launched cruise missile.

(3) Use of existing or planned munitions or such munitions with appropriate upgrades.

SEC. 133. PROCUREMENT OF FIREFIGHTING EQUIPMENT FOR THE AIR NATIONAL GUARD AND THE AIR FORCE RESERVE.

The Secretary of the Air Force may carry out a procurement program, in a total amount not to exceed $16,000,000, to modernize the airborne firefighting capability of the Air National Guard and Air Force Reserve by procurement of equipment for the modular airborne firefighting system. Amounts may be obligated for the program from funds appropriated for that purpose for fiscal year 1999 and subsequent fiscal years.

SEC. 134. F–16 TACTICAL MANNED RECONNAISANCE AIRCRAFT.

The limitation contained in section 216(a) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2454) shall not apply to the obligation or expenditure of amounts made available pursuant to this Act for a purpose stated in paragraphs (1) and (2) of that section.

Subtitle E—Chemical Stockpile Destruction Program

SEC. 141. DESTRUCTION OF EXISTING STOCKPILE OF LETHAL CHEMICAL AGENTS AND MUNITIONS.

(a) PROGRAM ASSESSMENT.—(1) The Secretary of Defense shall conduct an assessment of the current program for destruction of the United States' stockpile of chemical agents and munitions, including the Assembled Chemical Weapons Assessment, for the purpose of reducing significantly the cost of such program and ensuring completion of such program in accordance

with the obligations of the United States under the Chemical Weapons Convention while maintaining maximum protection of the general public, the personnel involved in the demilitarization program, and the environment.

(2) Based on the results of the assessment conducted under paragraph (1), the Secretary may take those actions identified in the assessment that may be accomplished under existing law to achieve the purposes of such assessment and the chemical agents and munitions stockpile destruction program.

(3) Not later than March 1, 2000, the Secretary shall submit to Congress a report on—

(A) those actions taken, or planned to be taken, under paragraph (2); and

(B) any recommendations for additional legislation that may be required to achieve the purposes of the assessment conducted under paragraph (1) and of the chemical agents and munitions stockpile destruction program.

(b) CHANGES AND CLARIFICATIONS REGARDING PROGRAM.—Section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521) is amended—

(1) in subsection (c)—

(A) by striking paragraph (2) and inserting the following new paragraph:

"(2) Facilities constructed to carry out this section shall, when no longer needed for the purposes for which they were constructed, be disposed of in accordance with applicable laws and regulations and mutual agreements between the Secretary of the Army and the Governor of the State in which the facility is located.";

(B) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(C) by inserting after paragraph (2) (as amended by subparagraph (A)) the following new paragraph:

"(3)(A) Facilities constructed to carry out this section may not be used for a purpose other than the destruction of the stockpile of lethal chemical agents and munitions that exists on November 8, 1985.

"(B) The prohibition in subparagraph (A) shall not apply with respect to items designated by the Secretary of Defense as lethal chemical agents, munitions, or related materials after November 8, 1985, if the State in which a destruction facility is located issues the appropriate permit or permits for the destruction of such items at the facility.";

(2) in subsection (f)(2), by striking "(c)(4)" and inserting "(c)(5)"; and

(3) in subsection (g)(2)(B), by striking "(c)(3)" and inserting "(c)(4)".

(c) COMPTROLLER GENERAL ASSESSMENT AND REPORT.—(1) Not later than March 1, 2000, the Comptroller General of the United States shall review and assess the program for destruction of the United States stockpile of chemical agents and munitions and report the results of the assessment to the congressional defense committees.

(2) The assessment conducted under paragraph (1) shall include a review of the program execution and financial management of each of the elements of the program, including—

(A) the chemical stockpile disposal project;

(B) the nonstockpile chemical materiel project;

(C) the alternative technologies and approaches project;

(D) the chemical stockpile emergency preparedness program; and

(E) the assembled chemical weapons assessment program.

(d) DEFINITIONS.—As used in this section:

(1) The term "Assembled Chemical Weapons Assessment" means the pilot program carried out under section 8065 of the Department of Defense Appropriations Act, 1997 (section 101(b) of Public Law 104–208; 110 Stat. 3009–101; 50 U.S.C. 1521 note).

(2) The term "Chemical Weapons Convention" means the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, ratified by the United States on April 25, 1997, and entered into force on April 29, 1997.

SEC. 142. COMPTROLLER GENERAL REPORT ON ANTICIPATED EFFECTS OF PROPOSED CHANGES IN OPERATION OF STORAGE SITES FOR LETHAL CHEMICAL AGENTS AND MUNITIONS.

(a) REPORT REQUIRED.—Not later than March 31, 2000, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the proposal in the latest quadrennial defense review to reduce the Federal civilian workforce involved in the operation of the eight storage sites for lethal chemical agents and munitions in the continental United States and to convert to contractor operation of the storage sites. The workforce reductions addressed in the report shall include those that are to be effectuated by fiscal year 2002.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) For each site, a description of the assigned chemical storage, chemical demilitarization, and industrial missions.

(2) A description of the criteria and reporting systems applied to ensure that the storage sites and the workforce operating the storage sites have—

(A) the capabilities necessary to respond effectively to emergencies involving chemical accidents; and

(B) the industrial capabilities necessary to meet replenishment and surge requirements.

(3) The risks associated with the proposed workforce reductions and contractor performance, particularly regarding chemical accidents, incident response capabilities, community-wide emergency preparedness programs, and current or planned chemical demilitarization programs.

(4) The effects of the proposed workforce reductions and contractor performance on the capability to satisfy permit requirements regarding environmental protection that are applicable to the performance of current and future chemical demilitarization and industrial missions.

(5) The effects of the proposed workforce reductions and contractor performance on the capability to perform assigned industrial missions, particularly the materiel replenishment missions for chemical or biological defense or for chemical munitions.

(6) Recommendations for mitigating the risks and adverse effects identified in the report.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Collaborative program to evaluate and demonstrate advanced technologies for advanced capability combat vehicles.
Sec. 212. Sense of Congress regarding defense science and technology program.
Sec. 213. Micro-satellite technology development program.
Sec. 214. Space control technology.
Sec. 215. Space maneuver vehicle program.
Sec. 216. Manufacturing technology program.
Sec. 217. Revision to limitations on high altitude endurance unmanned vehicle program.

Subtitle C—Ballistic Missile Defense

Sec. 231. Space Based Infrared System (SBIRS) low program.
Sec. 232. Theater missile defense upper tier acquisition strategy.
Sec. 233. Acquisition strategy for Theater High-Altitude Area Defense (THAAD) system.
Sec. 234. Space-based laser program.
Sec. 235. Criteria for progression of airborne laser program.
Sec. 236. Sense of Congress regarding ballistic missile defense technology funding.
Sec. 237. Report on national missile defense.

Subtitle D—Research and Development for Long-Term Military Capabilities

Sec. 241. Quadrennial report on emerging operational concepts.
Sec. 242. Technology area review and assessment.
Sec. 243. Report by Under Secretary of Defense for Acquisition, Technology, and Logistics.
Sec. 244. DARPA program for award of competitive prizes to encourage development of advanced technologies.
Sec. 245. Additional pilot program for revitalizing Department of Defense laboratories.

Subtitle E—Other Matters

Sec. 251. Development of Department of Defense laser master plan and execution of solid state laser program.
Sec. 252. Report on Air Force distributed mission training.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,791,243,000.

(2) For the Navy, $8,362,516,000.

(3) For the Air Force, $13,630,073,000.

(4) For Defense-wide activities, $9,482,705,000, of which—

(A) $253,457,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $24,434,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 2000.—Of the amounts authorized to be appropriated by section 201, $4,301,421,000 shall be available for basic research and applied research projects.

(b) BASIC RESEARCH AND APPLIED RESEARCH DEFINED.—For purposes of this section, the term "basic research and applied research" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. COLLABORATIVE PROGRAM TO EVALUATE AND DEMONSTRATE ADVANCED TECHNOLOGIES FOR ADVANCED CAPABILITY COMBAT VEHICLES.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense shall establish and carry out a program to provide for the evaluation and competitive demonstration of concepts for advanced capability combat vehicles for the Army.

(b) COVERED PROGRAM.—The program under subsection (a) shall be carried out collaboratively pursuant to a memorandum of agreement to be entered into between the Secretary of the Army and the Director of the Defense Advanced Research Projects Agency. The program shall include the following activities:

(1) Consideration and evaluation of technologies having the potential to enable the development of advanced capability combat vehicles that are significantly superior to the existing M1 series of tanks in terms of capability for

combat, survival, support, and deployment, including but not limited to the following technologies:

(A) Weapon systems using electromagnetic power, directed energy, and kinetic energy.

(B) Propulsion systems using hybrid electric drive.

(C) Mobility systems using active and semi-active suspension and wheeled vehicle suspension.

(D) Protection systems using signature management, lightweight materials, and full-spectrum active protection.

(E) Advanced robotics, displays, man-machine interfaces, and embedded training.

(F) Advanced sensory systems and advanced systems for combat identification, tactical navigation, communication, systems status monitoring, and reconnaissance.

(G) Revolutionary methods of manufacturing combat vehicles.

(2) Incorporation of the most promising such technologies into demonstration models.

(3) Competitive testing and evaluation of such demonstration models.

(4) Identification of the most promising such demonstration models within a period of time to enable preparation of a full development program capable of beginning by fiscal year 2007.

(c) Report.—Not later than January 31, 2000, the Secretary of the Army and the Director of the Defense Advanced Research Projects Agency shall submit to the congressional defense committees a joint report on the implementation of the program under subsection (a). The report shall include the following:

(1) A description of the memorandum of agreement referred to in subsection (b).

(2) A schedule for the program.

(3) An identification of the funding required for fiscal year 2001 and for the future-years defense program to carry out the program.

(4) A description and assessment of the acquisition strategy for combat vehicles planned by the Secretary of the Army that would sustain the existing force of M1-series tanks, together with a complete identification of all operation, support, ownership, and other costs required to carry out such strategy through the year 2030.

(5) A description and assessment of one or more acquisition strategies for combat vehicles, alternative to the strategy referred to in paragraph (4), that would develop a force of advanced capability combat vehicles significantly superior to the existing force of M1-series tanks and, for each such alternative acquisition strategy, an estimate of the funding required to carry out such strategy.

(d) Funds.—Of the amount authorized to be appropriated for Defense-wide activities by section 201(4) for the Defense Advanced Research Projects Agency, $56,200,000 shall be available only to carry out the program under subsection (a).

SEC. 212. SENSE OF CONGRESS REGARDING DEFENSE SCIENCE AND TECHNOLOGY PROGRAM.

(a) Failure To Comply With Funding Objective.—It is the sense of Congress that the Secretary of Defense has failed to comply with the funding objective for the Defense Science and Technology Program, especially the Air Force Science and Technology Program, as stated in section 214(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1948), thus jeopardizing the stability of the defense technology base and increasing the risk of failure to maintain technological superiority in future weapon systems.

(b) Funding Objective.—It is further the sense of Congress that, for each of the fiscal years 2001 through 2009, it should be an objective of the Secretary of Defense to increase the budget for the Defense Science and Technology Program, including the science and technology program within each military department, for the fiscal year over the budget for that program for the preceding fiscal year by a percent that is at least two percent above the rate of inflation as determined by the Office of Management and Budget.

(c) Certification.—If the proposed budget for a fiscal year covered by subsection (b) fails to comply with the objective set forth in that subsection—

(1) the Secretary of Defense shall submit to Congress—

(A) the certification of the Secretary that the budget does not jeopardize the stability of the defense technology base or increase the risk of failure to maintain technological superiority in future weapon systems; or

(B) a statement of the Secretary explaining why the Secretary is unable to submit such certification; and

(2) the Defense Science Board shall, not more than 60 days after the date on which the Secretary submits the certification or statement under paragraph (1), submit to the Secretary and Congress a report assessing the effect such failure to comply is likely to have on defense technology and the national defense.

SEC. 213. MICRO-SATELLITE TECHNOLOGY DEVELOPMENT PROGRAM.

Of the funds authorized to be appropriated under section 201(3), $10,000,000 is available for continued implementation of the micro-satellite technology program established pursuant to section 215 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1659).

SEC. 214. SPACE CONTROL TECHNOLOGY.

(a) Funds Available for Air Force Execution.—Of the funds authorized to be appropriated under section 201(3), $14,822,000 shall be available for space control technology development pursuant to the Department of Defense Space Control Technology Plan of 1999.

(b) Funds Available for Army Execution.—Of the funds authorized to be appropriated under section 201(1), $10,000,000 shall be available for space control technology development. Of the funds made available pursuant to the preceding sentence, the commander of the United States Army Space and Missile Defense Command may use such amounts as are necessary for any or all of the following activities:

(1) Continued development of the kinetic energy anti-satellite technology program.

(2) Technology development associated with the kinetic energy anti-satellite kill vehicle to temporarily disrupt satellite functions.

(3) Cooperative technology development with the Air Force, pursuant to the Department of Defense Space Control Technology Plan of 1999.

SEC. 215. SPACE MANEUVER VEHICLE PROGRAM.

(a) Funding.—Of the funds authorized to be appropriated under section 201(3), $25,000,000 is available for the Space Maneuver Vehicle program.

(b) Acquisition of Second Flight Test Article.—The amount available for the space maneuver vehicle program under subsection (a) shall be used for development and acquisition of an Air Force X–40 flight test article to support the joint Air Force and National Aeronautics and Space Administration X–37 program and to meet unique needs of the Air Force Space Maneuver Vehicle program.

SEC. 216. MANUFACTURING TECHNOLOGY PROGRAM.

(a) Overall Purpose of Program.—Subsection (a) of section 2525 of title 10, United States Code, is amended by inserting after "title" in the first sentence the following: "through the development and application of advanced manufacturing technologies and processes that will reduce the acquisition and supportability costs of defense weapon systems and reduce manufacturing and repair cycle times across the life cycles of such systems".

(b) Support of Projects To Meet Essential Defense Requirements.—Subsection (b)(4) of such section is amended to read as follows:

"(4) to focus Department of Defense support for the development and application of advanced manufacturing technologies and processes for use to meet manufacturing requirements that are essential to the national defense, as well as for repair and remanufacturing in support of the operations of systems commands, depots, air logistics centers, and shipyards;".

(c) Execution.—Subsection (c) of such section is amended—

(1) by redesignating paragraph (2) as paragraph (5);

(2) by inserting after paragraph (1) the following new paragraphs:

"(2) In the establishment and review of requirements for an advanced manufacturing technology or process, the Secretary shall ensure the participation of those prospective technology users that are expected to be the users of that technology or process.

"(3) The Secretary shall ensure that each project under the program for the development of an advanced manufacturing technology or process includes an implementation plan for the transition of that technology or process to the prospective technology users that will be the users of that technology or process.

"(4) In the periodic review of a project under the program, the Secretary shall ensure participation by those prospective technology users that are the expected users for the technology or process being developed under the project."; and

(3) by adding after paragraph (5) (as redesignated by paragraph (2)) the following new paragraph:

"(6) In this subsection, the term 'prospective technology users' means the following officials and elements of the Department of Defense:

"(A) Program and project managers for defense weapon systems.

"(B) Systems commands.

"(C) Depots.

"(D) Air logistics centers.

"(E) Shipyards.".

(d) Consideration of Cost-Sharing Proposals.—Subsection (d) of such section is amended—

(1) by striking paragraphs (2) and (3);

(2) by striking "(A)" after "(1)"; and

(3) by striking "(B) For each" and all that follows through "competitive procedures." and inserting the following: "(2) Under the competitive procedures used, the factors to be considered in the evaluation of each proposed grant, contract, cooperative agreement, or other transaction for a project under the program shall include the extent to which that proposed transaction provides for the proposed recipient to share in the cost of the project.".

(e) Revisions to Five-Year Plan.—Subsection (e)(2) of such section is amended—

(1) in subparagraph (A), by inserting ", including a description of all completed projects and status of implementation" before the period at the end; and

(2) by adding at the end the following new subparagraph:

"(C) Plans for the implementation of the advanced manufacturing technologies and processes being developed under the program.".

SEC. 217. REVISION TO LIMITATIONS ON HIGH ALTITUDE ENDURANCE UNMANNED VEHICLE PROGRAM.

Section 216(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660) is amended by striking "may not procure any" and inserting "may not procure more than two".

Subtitle C—Ballistic Missile Defense

SEC. 231. SPACE BASED INFRARED SYSTEM (SBIRS) LOW PROGRAM.

(a) PRIMARY MISSION OF SBIRS LOW SYSTEM.—The primary mission of the system designated as of the date of the enactment of this Act as the Space Based Infrared System Low (hereinafter in this section referred to as the "SBIRS Low system") is ballistic missile defense. The Secretary of Defense shall carry out the acquisition program for that system consistent with that primary mission.

(b) OVERSIGHT OF CERTAIN PROGRAM FUNCTIONS.—With respect to the SBIRS Low system, the Secretary of Defense shall require that the Secretary of the Air Force obtain the approval of the Director of the Ballistic Missile Defense Organization before the Secretary—

(1) establishes any system level technical requirement or makes any change to any such requirement;

(2) makes any change to the SBIRS Low baseline schedule; or

(3) makes any change to the budget baseline identified in the fiscal year 2000 future-years defense program.

(c) PRIORITY FOR ANCILLARY MISSIONS.—The Secretary of Defense shall ensure that the Director of the Ballistic Missile Defense Organization, in executing the authorities specified in subsection (b), engages in appropriate coordination with the Secretary of the Air Force and elements of the intelligence community to ensure that ancillary SBIRS Low missions (that is, missions other than the primary mission of ballistic missile defense) receive proper priority to the extent that those ancillary missions do not increase technical or schedule risk.

(d) MANAGEMENT AND FUNDING BUDGET ACTIVITY.—The Secretary of Defense shall transfer the management and budgeting of funds for the SBIRS Low system from the Tactical Intelligence and Related Activities (TIARA) budget aggregation to a nonintelligence budget activity of the Air Force.

(e) DEADLINE FOR DEFINITION OF SYSTEM REQUIREMENTS.—The system level technical requirements for the SBIRS Low system shall be defined not later than July 1, 2000.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "system level technical requirements" means those technical requirements and those functional requirements of a system, expressed in terms of technical performance and mission requirements, including test provisions, that determine the direction and progress of the systems engineering effort and the degree of convergence upon a balanced and complete configuration.

(2) The term "SBIRS Low baseline schedule" means a program schedule that includes—

(A) a Milestone II decision on entry into engineering and manufacturing development to be made during fiscal year 2002;

(B) a critical design review to be conducted during fiscal year 2003; and

(C) a first launch of a SBIRS Low satellite to be made during fiscal year 2006.

SEC. 232. THEATER MISSILE DEFENSE UPPER TIER ACQUISITION STRATEGY.

(a) REVISED UPPER TIER STRATEGY.—The Secretary of Defense shall establish an acquisition strategy for the two upper tier missile defense systems that—

(1) retains funding for both of the upper tier systems in separate, independently managed program elements throughout the future-years defense program;

(2) bases funding decisions and program schedules for each upper tier system on the performance of each system independent of the performance of the other system; and

(3) provides for accelerating the deployment of both of the upper tier systems to the maximum extent practicable.

(b) UPPER TIER SYSTEMS DEFINED.—For purposes of this section, the upper tier missile defense systems are the following:

(1) The Navy Theater Wide system.

(2) The Theater High-Altitude Area Defense (THAAD) system.

SEC. 233. ACQUISITION STRATEGY FOR THEATER HIGH-ALTITUDE .AREA DEFENSE (THAAD) SYSTEM.

(a) INDEPENDENT REVIEW OF SYSTEM.—Subsection (a) of section 236 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1953) is amended to read as follows:

"(a) CONTINUED INDEPENDENT REVIEW.—The Secretary of Defense shall take appropriate steps to assure continued independent review, as the Secretary determines is needed, of the Theater High-Altitude Area Defense (THAAD) program.".

(b) COORDINATION OF DEVELOPMENT OF SYSTEM ELEMENTS.—Subsection (c) of such section is amended by striking "may" and inserting "shall".

(c) REVISION TO LIMITATION ON ENTERING MANUFACTURING AND DEVELOPMENT PHASE FOR INTERCEPTOR MISSILE.—Subsection (e) of such section is amended—

(1) by redesignating paragraph (2) as paragraph (4); and

(2) by inserting after paragraph (1) the following new paragraphs:

"(2) If the Secretary determines, after a second successful test of the interceptor missile of the THAAD system, that the THAAD program has achieved a sufficient level of technical maturity, the Secretary may waive the limitation specified in paragraph (1).

"(3) If the Secretary grants a waiver under paragraph (2), the Secretary shall, not later than 60 days after the date of the issuance of the waiver, submit to the congressional defense committees a report describing the technical rationale for that action.".

SEC. 234. SPACE-BASED LASER PROGRAM.

(a) STRUCTURE OF PROGRAM.—The Secretary of Defense shall structure the space-based laser program to include—

(1) an integrated flight experiment; and

(2) an ongoing analysis and technology effort to support the development of an objective system design.

(b) INTEGRATED FLIGHT EXPERIMENT PROGRAM BASELINE.—Not later than March 15, 2000, the Secretary of Defense, in consultation with the joint venture contractors for the space-based laser program, shall establish a program baseline for the integrated flight experiment referred to in subsection (a)(1).

(c) STRUCTURE OF INTEGRATED FLIGHT EXPERIMENT PROGRAM BASELINE.—The program baseline established under subsection (b) shall be structured to—

(1) demonstrate at the earliest date consistent with the requirements of this section the fundamental end-to-end capability to acquire, track, and destroy a boosting ballistic missile with a lethal laser from space; and

(2) establish a balance between the use of mature technology and more advanced technology so that the integrated flight experiment, while providing significant information that can be used in planning and implementing follow-on phases of the space-based laser program, will be launched as soon as practicable.

(d) FUNDS AVAILABLE FOR INTEGRATED FLIGHT EXPERIMENT.—Amounts shall be available for the integrated flight experiment as follows:

(1) From amounts available pursuant to section 201(3), $73,840,000.

(2) From amounts available pursuant to section 201(4), $75,000,000.

(e) LIMITATION ON OBLIGATION OF FUNDS FOR INTEGRATED FLIGHT EXPERIMENT.—No funds made available in subsection (d) for the integrated flight experiment may be obligated until the Secretary of the Air Force—

(1) develops a specific spending plan for such amounts; and

(2) provides such plan to the congressional defense committees.

(f) OBJECTIVE SYSTEM DESIGN.—To support the development of an objective system design for a space-based laser system suited to the operational and technological environment that will exist when such a system can be deployed, the Secretary of Defense shall establish an analysis and technology effort that complements the integrated flight experiment. That effort shall include the following:

(1) Research and development on advanced technologies that will not be demonstrated on the integrated flight experiment but may be necessary for an objective system.

(2) Architecture studies to assess alternative constellation and system performance characteristics.

(3) Planning for the development of a space-based laser prototype that—

(A) uses the lessons learned from the integrated flight experiment; and

(B) is supported by the ongoing research and development under paragraph (1), the architecture studies under paragraph (2), and other relevant advanced technology research and development.

(g) FUNDS AVAILABLE FOR OBJECTIVE SYSTEM DESIGN DURING FISCAL YEAR 2000.—During fiscal year 2000, the Secretary of the Air Force may use amounts made available for the integrated flight experiment under subsection (d) for the purpose of supporting the effort specified in subsection (f) if the Secretary of the Air Force first—

(1) determines that such amounts are needed for that purpose;

(2) develops a specific spending plan for such amounts; and

(3) consults with the congressional defense committees regarding such plan.

(h) ANNUAL REPORT.—For each year in the three-year period beginning with the year 2000, the Secretary of Defense shall, not later than March 15 of that year, submit to the congressional defense committees a report on the space-based laser program. Each such report shall include the following:

(1) The program baseline for the integrated flight experiment.

(2) Any changes in that program baseline.

(3) A description of the activities of the space-based laser program in the preceding year.

(4) A description of the activities of the space-based laser program planned for the next fiscal year.

(5) The funding planned for the space-based laser program throughout the future-years defense program.

SEC. 235. CRITERIA FOR PROGRESSION OF AIRBORNE LASER PROGRAM.

(a) MODIFICATION OF PDRR AIRCRAFT.—No modification of the PDRR aircraft may commence until the Secretary of the Air Force certifies to Congress that the commencement of such modification is justified on the basis of existing test data and analyses involving the following activities:

(1) The North Oscura Peak test program.

(2) Scintillometry data collection and analysis.

(3) The lethality/vulnerability program.

(4) The countermeasures test and analysis effort.

(5) Reduction and analysis of atmospheric data for fiscal years 1997 and 1998.

(b) ACQUISITION OF EMD AIRCRAFT AND FLIGHT TEST OF PDRR AIRCRAFT.—In carrying out the Airborne Laser program, the Secretary

of Defense shall ensure that the Authority-to-Proceed-2 decision is not made until the Secretary of Defense—

(1) ensures that the Secretary of the Air Force has developed an appropriate plan for resolving the technical challenges identified in the Airborne Laser Program Assessment;

(2) approves that plan; and

(3) submits that plan to the congressional defense committees.

(c) ENTRY INTO EMD PHASE.—The Secretary of Defense shall ensure that the Milestone II decision is not made until—

(1) the PDRR aircraft undergoes a robust series of flight tests that validates the technical maturity of the Airborne Laser program and provides sufficient information regarding the performance of the Airborne Laser system; and

(2) sufficient technical information is available to determine whether adequate progress is being made in the ongoing effort to address the operational issues identified in the Airborne Laser Program Assessment.

(d) MODIFICATION OF EMD AIRCRAFT.—The Secretary of the Air Force may not commence any modification of the EMD aircraft until the Milestone II decision is made.

(e) DEFINITIONS.—In this section:

(1) The term "PDRR aircraft" means the aircraft relating to the program definition and risk reduction phase of the Airborne Laser program.

(2) The term "EMD aircraft" means the aircraft relating to the engineering and manufacturing development phase of the Airborne Laser program.

(3) The term "Authority-to-Proceed-2 decision" means the decision allowing acquisition of the EMD aircraft and flight testing of the PDRR aircraft.

(4) The term "Milestone II decision" means the decision allowing the entry of the Airborne Laser program into the engineering and manufacturing development phase.

(5) The term "Airborne Laser Program Assessment" means the report titled "Assessment of Technical and Operational Aspects of the Airborne Laser Program", submitted to Congress by the Secretary of Defense on March 9, 1999.

SEC. 236. SENSE OF CONGRESS REGARDING BALLISTIC MISSILE DEFENSE TECHNOLOGY FUNDING.

It is the sense of Congress that—

(1) because technology development provides the basis for future weapon systems, it is important to maintain a healthy balance between funding for the development of technology for ballistic missile defense systems and funding for the acquisition of ballistic missile defense systems;

(2) funding planned within the future-years defense program of the Department of Defense should be sufficient to support the development of technology for future and follow-on ballistic missile defense systems while simultaneously supporting the acquisition of ballistic missile defense systems; and

(3) the Secretary of Defense should seek to ensure that funding in the future-years defense program is adequate both for the development of technology for advanced ballistic missile defense systems and for the major existing programs for the acquisition of ballistic missile defense systems.

SEC. 237. REPORT ON NATIONAL MISSILE DEFENSE.

Not later than March 15, 2000, the Secretary of Defense shall submit to Congress the Secretary's assessment of the advantages or disadvantages of a two-site deployment of a ground-based National Missile Defense system, with special reference to considerations of the world-wide ballistic missile threat, defensive coverage, redundancy and survivability, and economies of scale.

Subtitle D—Research and Development for Long-Term Military Capabilities

SEC. 241. QUADRENNIAL REPORT ON EMERGING OPERATIONAL CONCEPTS.

(a) IN GENERAL.—(1) Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

"§486. Quadrennial report on emerging operational concepts

"(a) QUADRENNIAL REPORT REQUIRED.—Not later than March 1 of each year evenly divisible by four, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on emerging operational concepts. Each such report shall be prepared by the Secretary in consultation with the Chairman of the Joint Chiefs of Staff.

"(b) CONTENT OF REPORT RELATING TO DOD PROCESSES.—Each such report shall contain a description, for the four years preceding the year in which the report is submitted, of the following:

"(1) The process undertaken in the Department of Defense, and in each of the Army, Navy, Air Force, and Marine Corps, to define and develop doctrine, operational concepts, organizational concepts, and acquisition strategies to address—

"(A) the potential of emerging technologies for significantly improving the operational effectiveness of the armed forces;

"(B) changes in the international order that may necessitate changes in the operational capabilities of the armed forces;

"(C) emerging capabilities of potential adversary states; and

"(D) changes in defense budget projections.

"(2) The manner in which the processes described in paragraph (1) are harmonized to ensure that there is a sufficient consideration of the development of joint doctrine, operational concepts, and acquisition strategies.

"(3) The manner in which the processes described in paragraph (1) are coordinated through the Joint Requirements Oversight Council and reflected in the planning, programming, and budgeting process of the Department of Defense.

"(c) CONTENT OF REPORT RELATING TO IDENTIFICATION OF TECHNOLOGICAL OBJECTIVES FOR RESEARCH AND DEVELOPMENT.—Each report under this section shall set forth the military capabilities that are necessary for meeting national security requirements over the next two to three decades, including—

"(1) the most significant strategic and operational capabilities (including both armed force-specific and joint capabilities) that are necessary for the armed forces to prevail against the most dangerous threats, including asymmetrical threats, that could be posed to the national security interests of the United States by potential adversaries from 20 to 30 years in the future;

"(2) the key characteristics and capabilities of future military systems (including both armed force-specific and joint systems) that will be needed to meet each such threat; and

"(3) the most significant research and development challenges that must be met, and the technological breakthroughs that must be made, to develop and field such systems.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"486. Quadrennial report on emerging operational concepts.".

(b) CONFORMING REPEAL.—Section 1042 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2642; 10 U.S.C. 113 note) is repealed.

SEC. 242. TECHNOLOGY AREA REVIEW AND ASSESSMENT.

Section 270(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2469; 10 U.S.C. 2501 note) is amended to read as follows:

"(b) TECHNOLOGY AREA REVIEW AND ASSESSMENT.—With the submission of the plan under subsection (a) each year, the Secretary shall also submit to the committees referred to in that subsection a summary of each technology area review and assessment conducted by the Department of Defense in support of that plan.".

SEC. 243. REPORT BY UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS.

(a) REQUIREMENT.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report on the actions that are necessary to promote the research base and technological development that will be needed for ensuring that the Armed Forces have the military capabilities that are necessary for meeting national security requirements over the next two to three decades.

(b) CONTENT.—The report shall include the actions that have been taken or are planned to be taken within the Department of Defense to ensure that—

(1) the Department of Defense laboratories place an appropriate emphasis on revolutionary changes in military operations and the new technologies that will be necessary to support those operations;

(2) the Department helps sustain a high-quality national research base that includes organizations attuned to the needs of the Department, the fostering and creation of revolutionary technologies useful to the Department, and the capability to identify opportunities for new military capabilities in emerging scientific knowledge;

(3) the Department can identify, provide appropriate funding for, and ensure the coordinated development of joint technologies that will serve the needs of more than one of the Armed Forces;

(4) the Department can identify militarily relevant technologies that are developed in the private sector, rapidly incorporate those technologies into defense systems, and effectively utilize technology transfer processes;

(5) the Department can effectively and efficiently manage the transition of new technologies from the applied research and advanced technological development stage through the product development stage in a manner that ensures that maximum advantage is obtained from advances in technology; and

(6) the Department's educational institutions for the officers of the uniformed services incorporate into their officer education and training programs, as appropriate, materials necessary to ensure that the officers have the familiarity with the processes, advances, and opportunities in technology development that is necessary for making decisions that ensure the superiority of United States defense technology in the future.

SEC. 244. DARPA PROGRAM FOR AWARD OF COMPETITIVE PRIZES TO ENCOURAGE DEVELOPMENT OF ADVANCED TECHNOLOGIES.

(a) AUTHORITY.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2374 the following new section:

"§2374a. Prizes for advanced technology achievements

"(a) AUTHORITY.—The Secretary of Defense, acting through the Director of the Defense Advanced Research Projects Agency, may carry out a program to award cash prizes in recognition of outstanding achievements in basic, advanced, and applied research, technology development, and prototype development that have the potential for application to the performance of the military missions of the Department of Defense.

"(b) COMPETITION REQUIREMENTS.—The program under subsection (a) shall use a competitive process for the selection of recipients of cash prizes. The process shall include the widely-advertised solicitation of submissions of research results, technology developments, and prototypes.

"(c) LIMITATIONS.—(1) The total amount made available for award of cash prizes in a fiscal year may not exceed $10,000,000.

"(2) No prize competition may result in the award of more than $1,000,000 in cash prizes without the approval of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(d) RELATIONSHIP TO OTHER AUTHORITY.—The program under subsection (a) may be carried out in conjunction with or in addition to the exercise of any other authority of the Director to acquire, support, or stimulate basic, advanced and applied research, technology development, or prototype projects.

"(e) ANNUAL REPORT.—Promptly after the end of each fiscal year, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the administration of the program for that fiscal year. The report shall include the following:

"(1) The military applications of the research, technology, or prototypes for which prizes were awarded.

"(2) The total amount of the prizes awarded.

"(3) The methods used for solicitation and evaluation of submissions, together with an assessment of the effectiveness of those methods.

"(f) PERIOD OF AUTHORITY.—The authority to award prizes under subsection (a) shall terminate at the end of September 30, 2003.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2374 the following new item:

"2374a. Prizes for advanced technology achievements.".

SEC. 245. ADDITIONAL PILOT PROGRAM FOR REVITALIZING DEPARTMENT OF DEFENSE LABORATORIES.

(a) AUTHORITY.—(1) The Secretary of Defense may carry out a pilot program to demonstrate improved efficiency in the performance of research, development, test, and evaluation functions of the Department of Defense. The pilot program under this section is in addition to, but may be carried out in conjunction with, the pilot program authorized by section 246 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 1955; 10 U.S.C. 2358 note).

(2) Under the pilot program, the Secretary of Defense shall provide the director of one science and technology laboratory, and the director of one test and evaluation laboratory, of each military department with authority for the following:

(A) To ensure that the laboratories selected can attract a workforce appropriately balanced between permanent and temporary personnel and among workers with an appropriate level of skills and experience and that those laboratories can effectively compete in hiring to obtain the finest scientific talent.

(B) To develop or expand innovative methods of operation that provide more defense research for each dollar of cost, including carrying out initiatives such as focusing on the performance of core functions and adopting more business-like practices.

(C) To waive any restrictions not required by law that apply to the demonstration and implementation of methods for achieving the objectives set forth in subparagraphs (A) and (B).

(3) In selecting the laboratories for participation in the pilot program, the Secretary shall consider laboratories where innovative management techniques have been demonstrated, particularly as documented under sections 1115 through 1119 of title 31, United States Code, relating to Government agency performance and results.

(4) The Secretary may carry out the pilot program at each selected laboratory for a period of three years beginning not later than March 1, 2000.

(b) REPORTS.—(1) Not later than March 1, 2000, the Secretary of Defense shall submit to Congress a report on the implementation of the pilot program. The report shall include the following:

(A) Each laboratory selected for the pilot program.

(B) To the extent possible, a description of the innovative concepts that are to be tested at each laboratory.

(C) The criteria to be used for measuring the success of each concept to be tested.

(2) Promptly after the expiration of the period for participation of a laboratory in the pilot program, the Secretary of Defense shall submit to Congress a final report on the participation of that laboratory in the pilot program. The report shall include the following:

(A) A description of the concepts tested.

(B) The results of the testing.

(C) The lessons learned.

(D) Any proposal for legislation that the Secretary recommends on the basis of the experience at that laboratory under the pilot program.

Subtitle E—Other Matters

SEC. 251. DEVELOPMENT OF DEPARTMENT OF DEFENSE LASER MASTER PLAN AND EXECUTION OF SOLID STATE LASER PROGRAM.

(a) MASTER PLAN REQUIRED.—The Secretary of Defense shall develop a unified plan of the Department of Defense to develop laser technology for potential weapons applications (in this section referred to as the "laser master plan"). In developing the plan, the Secretary shall consult with the Secretary of Energy and the Secretaries of the military departments.

(b) CONTENTS OF LASER MASTER PLAN.—The laser master plan shall include the following:

(1) Identification of potential weapons applications of chemical, solid state, and other lasers.

(2) Identification of critical technologies and manufacturing capabilities required to achieve such weapons applications.

(3) A development path for those critical technologies and manufacturing capabilities.

(4) Identification of the funding required in future fiscal years to carry out the laser master plan.

(5) Identification of unfunded requirements in the laser master plan.

(6) An appropriate management and oversight structure to carry out the laser master plan.

(c) REPORT.—Not later than March 15, 2000, the Secretary of Defense shall submit to the congressional defense committees a report containing the laser master plan.

(d) RECOMMENDATIONS FOR EXECUTIVE AGENT FOR SOLID STATE LASER PROGRAMS.—Upon the completion of the laser master plan, the Secretary of Defense shall submit to the congressional defense committees the recommendations of the Secretary as to the establishment of an executive agent to coordinate, implement, and oversee the execution of the elements of the laser master plan that relate to solid state lasers.

(e) DEVELOPMENT AND DEMONSTRATION OF SOLID STATE LASER TECHNOLOGY.—The Secretary of the Army shall—

(1) initiate, not later than November 1, 1999, or 30 days after the date of the enactment of this Act, whichever is later, a development program for solid state laser technologies; and

(2) demonstrate solid state laser technology consistent with the objectives of the technical partnership between the United States Army Space and Missile Defense Command and the Lawrence Livermore National Laboratory, Livermore, California, with a goal of achieving a solid state laser of 100 kilowatt average power.

(f) FUNDING.—From amounts available pursuant to section 201(1), $20,000,000 shall be available to carry out the activities specified in subsection (e).

SEC. 252. REPORT ON AIR FORCE DISTRIBUTED MISSION TRAINING.

(a) REQUIREMENT.—The Secretary of the Air Force shall submit to Congress, not later than January 31, 2000, a report on the Air Force Distributed Mission Training program.

(b) CONTENT OF REPORT.—The report shall include a discussion of the following:

(1) The progress that the Air Force has made to demonstrate and prove the Air Force Distributed Mission Training concept of linking geographically separated, high-fidelity simulators to provide a mission rehearsal capability for Air Force units, and any units of any of the other Armed Forces as may be necessary, to train together from their home stations.

(2) The actions that have been taken or are planned to be taken within the Department of the Air Force to ensure that—

(A) an independent study of all requirements, technologies, and acquisition strategies essential to the formulation of a sound Distributed Mission Training program is under way; and

(B) all Air Force laboratories and other Air Force facilities necessary to the research, development, testing, and evaluation of the Distributed Mission Training program have been assessed regarding the availability of the necessary resources to demonstrate and prove the Air Force Distributed Mission Training concept.

TITLE III—OPERATION AND MAINTENANCE

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Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $18,922,494,000.

(2) For the Navy, $22,641,515,000.

(3) For the Marine Corps, $2,724,529,000 .

(4) For the Air Force, $20,961,458,000.

(5) For Defense-wide activities, $11,496,633,000.

(6) For the Army Reserve, $1,441,213,000.

(7) For the Naval Reserve, $937,647,000.

(8) For the Marine Corps Reserve, $135,766,000.

(9) For the Air Force Reserve, $1,750,937,000.

(10) For the Army National Guard, $3,113,684,000.

(11) For the Air National Guard, $3,168,518,000.

(12) For the Defense Inspector General, $138,744,000.

(13) For the United States Court of Appeals for the Armed Forces, $7.621,000.

(14) For Environmental Restoration, Army, $378,170,000.

(15) For Environmental Restoration, Navy, $284,000,000.

(16) For Environmental Restoration, Air Force, $376,800,000.

(17) For Environmental Restoration, Defense-wide, $25,370,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $239,214,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $55,800,000.

(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $803,500,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $15,000,000.

(22) For Defense Health Program, $10,482,687,000.

(23) For Cooperative Threat Reduction programs, $475,500,000.

(24) For Overseas Contingency Operations Transfer Fund, $1,879,600,000.

(25) For quality of life enhancements, $1,845,370,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2000 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $90,344,000.

(2) For the National Defense Sealift Fund, $434,700,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2000 from the Armed Forces Retirement Home Trust Fund the sum of $68,295,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 2000 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

SEC. 305. TRANSFER TO DEFENSE WORKING CAPITAL FUNDS TO SUPPORT DEFENSE COMMISSARY AGENCY.

(a) ARMY OPERATION AND MAINTENANCE FUNDS.—The Secretary of the Army shall transfer $346,154,000 of the amount authorized to be appropriated by section 301(1) for operation and maintenance for the Army to the Defense Working Capital Funds for the purpose of funding operations of the Defense Commissary Agency.

(b) NAVY OPERATION AND MAINTENANCE FUNDS.—The Secretary of the Navy shall transfer $263,070,000 of the amount authorized to be appropriated by section 301(2) for operation and maintenance for the Navy to the Defense Working Capital Funds for the purpose of funding operations of the Defense Commissary Agency.

(c) MARINE CORPS OPERATION AND MAINTENANCE FUNDS.—The Secretary of the Navy shall transfer $90,834,000 of the amount authorized to be appropriated by section 301(3) for operation and maintenance for the Marine Corps to the Defense Working Capital Funds for the purpose of funding operations of the Defense Commissary Agency.

(d) AIR FORCE OPERATION AND MAINTENANCE FUNDS.—The Secretary of the Air Force shall transfer $309,061,000 of the amount authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force to the Defense Working Capital Funds for the purpose of funding operations of the Defense Commissary Agency.

(e) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, other

amounts in the Defense Working Capital Funds available for the purpose of funding operations of the Defense Commissary Agency; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(f) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer requirements of this section are in addition to the transfer authority provided in section 1001.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. ARMED FORCES EMERGENCY SERVICES.

Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $23,000,000 shall be made available to the American Red Cross to fund the Armed Forces Emergency Services.

SEC. 312. REPLACEMENT OF NONSECURE TACTICAL RADIOS OF THE 82ND AIRBORNE DIVISION.

Of the amount authorized to be appropriated by section 301(1) for operation and maintenance for the Army, such funds as may be necessary, but not to exceed $5,500,000, shall be available to the Secretary of the Army for the purpose of replacing nonsecure tactical radios used by the 82nd Airborne Division with radios, such as models AN/PRC–138 and AN/PRC–148, identified as being capable of fulfilling mission requirements.

SEC. 313. LARGE MEDIUM-SPEED ROLL-ON/ROLL-OFF (LMSR) PROGRAM.

(a) AUTHORIZATION OF SHIP.—The Secretary of the Navy is authorized to procure the large medium-speed roll-on/roll-off (LMSR) ship to be designated T–AKR 307 or T–AKR 317, subject to the availability of appropriations for that purpose.

(b) AMOUNT AUTHORIZED.—Of the amount authorized to be appropriated under section 302(2) for fiscal year 2000 that is provided for the National Defense Sealift Fund, $80,000,000 is available for the advance procurement and advance construction of components for the LMSR program referred to in subsection (a). The Secretary of the Navy may enter into a contract or contracts with the shipbuilder and other entities for the advance procurement and advance construction of those components.

SEC. 314. CONTRIBUTIONS FOR SPIRIT OF HOPE ENDOWMENT FUND OF UNITED SERVICE ORGANIZATIONS, INCORPORATED.

(a) GRANTS AUTHORIZED.—Subject to subsection (c), the Secretary of Defense may make grants to the United Service Organizations, Incorporated, a federally chartered corporation under chapter 2201 of title 36, United States Code, to contribute funds for the USO's Spirit of Hope Endowment Fund.

(b) GRANT INCREMENTS.—The amount of the first grant under subsection (a) may not exceed $2,000,000. The amount of the second grant under such subsection may not exceed $3,000,000, and subsequent grants may not exceed $5,000,000.

(c) MATCHING REQUIREMENT.—Each grant under subsection (a) may not be made until after the United Service Organizations, Incorporated, certifies to the Secretary of Defense that sufficient funds have been raised from non-Federal sources for deposit in the Spirit of Hope Endowment Fund to match, on a dollar-for-dollar basis, the amount of that grant.

(d) FUNDING.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $25,000,000 shall be available to the Secretary of Defense for the purpose of making grants under subsection (a).

Subtitle C—Environmental Provisions

SEC. 321. EXTENSION OF LIMITATION ON PAYMENT OF FINES AND PENALTIES USING FUNDS IN ENVIRONMENTAL RESTORATION ACCOUNTS.

Section 2703(e) of title 10, United States Code, is amended by striking "through 1999," both places it appears and inserting "through 2010,".

SEC. 322. MODIFICATION OF REQUIREMENTS FOR ANNUAL REPORTS ON ENVIRONMENTAL COMPLIANCE ACTIVITIES.

(a) MODIFICATION OF REQUIREMENTS.—Subsection (b) of section 2706 of title 10, United States Code, is amended to read as follows:

"(b) REPORT ON ENVIRONMENTAL QUALITY PROGRAMS AND OTHER ENVIRONMENTAL ACTIVITIES.—(1) The Secretary of Defense shall submit to Congress each year, not later than 45 days after the date on which the President submits to Congress the budget for a fiscal year, a report on the progress made in carrying out activities under the environmental quality programs of the Department of Defense and the military departments.

"(2) Each report shall include the following:

"(A) A description of the environmental quality program of the Department of Defense, and of each of the military departments, during the period consisting of the four fiscal years preceding the fiscal year in which the report is submitted, the fiscal year in which the report is submitted, and the fiscal year following the fiscal year in which the report is submitted.

"(B) For each of the major activities under the environmental quality programs:

"(i) A specification of the amount expended, or proposed to be expended, in each fiscal year of the period covered by the report.

"(ii) An explanation for any significant change in the aggregate amount to be expended in the fiscal year in which the report is submitted, and in the following fiscal year, when compared with the fiscal year preceding each such fiscal year.

"(iii) An assessment of the manner in which the scope of the activities have changed over the course of the period covered by the report.

"(C) A summary of the major achievements of the environmental quality programs and of any major problems with the programs.

"(D) A list of the planned or ongoing projects necessary to support the environmental quality programs during the period covered by the report, the cost of which has exceeded or is anticipated to exceed $1,500,000. The list and accompanying material shall include the following:

"(i) A separate listing of the projects inside the United States and of the projects outside the United States.

"(ii) For each project commenced during the first four fiscal years of the period covered by the report (other than a project that was reported as fully executed in the report for a previous fiscal year), a description of—

"(I) the amount specified in the initial budget request for the project;

"(II) the aggregate amount allocated to the project through the fiscal year preceding the fiscal year for which the report is submitted; and

"(III) the aggregate amount obligated for the project through that fiscal year.

"(iii) For each project commenced or to be commenced in the fiscal year in which the report is submitted, a description of—

"(I) the amount specified for the project in the budget for the fiscal year; and

"(II) the amount allocated to the project in the fiscal year.

"(iv) For each project to be commenced in the last fiscal year of the period, a description of the amount, if any, specified for the project in the budget for the fiscal year.

"(v) If the anticipated aggregate cost of any project covered by the report will exceed by more than 25 percent the amount specified in the initial budget request for such project, a justification for that variance.

"(E) A statement of the fines and penalties imposed or assessed against the Department of Defense and the military departments under Federal, State, or local environmental laws during the fiscal year in which the report is submitted and the four preceding fiscal years, which shall set forth the following:

"(i) Each Federal environmental statute under which a fine or penalty was imposed or assessed during each such fiscal year.

"(ii) With respect to each such Federal statute—

"(I) the aggregate amount of fines and penalties imposed under the statute during each such fiscal year;

"(II) the aggregate amount of fines and penalties paid under the statute during each such fiscal year; and

"(III) the total amount required during such fiscal years for supplemental environmental projects in lieu of the payment of a fine or penalty under the statute and the extent to which the cost of such projects during such fiscal years has exceeded the original amount of the fine or penalty.

"(iii) A trend analysis of fines and penalties imposed or assessed during each such fiscal year for military installations inside and outside the United States.

"(F) A statement of the amounts expended, and anticipated to be expended, during the period covered by the report for any activities overseas relating to the environment, including amounts for activities relating to environmental remediation, compliance, conservation, pollution prevention, and environmental technology and amounts for conferences, meetings, and studies for pilot programs, and for travel related to such activities.".

(b) CONFORMING REPEAL.—Such section is further amended by striking subsection (d).

(c) DEFINITIONS.—Subsection (e) of such section is amended by adding at the end the following new paragraphs:

"(4) The term 'environmental quality program' means a program of activities relating to environmental compliance, conservation, pollution prevention, and such other activities relating to environmental quality as the Secretary concerned may designate for purposes of the program.

"(5) The term 'major activities', with respect to an environmental quality program, means the following activities under the program:

"(A) Environmental compliance activities.

"(B) Conservation activities.

"(C) Pollution prevention activities.".

SEC. 323. DEFENSE ENVIRONMENTAL TECHNOLOGY PROGRAM AND INVESTMENT CONTROL PROCESS FOR ENVIRONMENTAL TECHNOLOGIES.

(a) PURPOSES.—The purposes of this section are—

(1) to hold the Department of Defense and the military departments accountable for achieving performance-based results in the management of environmental technology by providing a connection between program direction and the achievement of specific performance-based results;

(2) to assure the identification of end-user requirements for environmental technology within the military departments;

(3) to assure results, quality of effort, and appropriate levels of service and support for end-users of environmental technology within the military departments; and

(4) to promote improvement in the performance of environmental technologies by establishing objectives for environmental technology programs, measuring performance against such objectives, and making public reports on the progress made in such performance.

(b) INVESTMENT CONTROL PROCESS.—(1) Chapter 160 of title 10, United States Code, is amended by adding at the end the following new section:

"§2709. Investment control process for environmental technologies

"(a) INVESTMENT CONTROL PROCESS.—The Secretary of Defense shall ensure that the technology planning process developed to implement section 2501 of this title and section 270(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2469) provides for an investment control process for the selection, prioritization, management, and evaluation of environmental technologies by the Department of Defense, the military departments, and the Defense Agencies.

"(b) PLANNING AND EVALUATION.—The environmental technology investment control process required by subsection (a) shall provide, at a minimum, for the following:

"(1) The active participation by end-users of environmental technology, including the officials responsible for the environmental security programs of the Department of Defense and the military departments, in the selection and prioritization of environmental technologies.

"(2) The development of measurable performance goals and objectives for the management and development of environmental technologies and specific mechanisms for assuring the achievement of the goals and objectives.

"(3) Annual performance reviews to determine whether the goals and objectives have been achieved and to take appropriate action in the event that they are not achieved.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2709. Investment control process for environmental technologies.".

(c) ANNUAL REPORT.—(1) Section 2706 of such title, as amended by 322(b), is further amended by inserting after subsection (c) the following new subsection:

"(d) REPORT ON ENVIRONMENTAL TECHNOLOGY PROGRAM.—(1) The Secretary of Defense shall submit to Congress each year, not later than 45 days after the date on which the President submits to Congress the budget for a fiscal year, a report on the progress made by the Department of Defense in achieving the objectives and goals of its environmental technology program during the preceding fiscal year and an overall trend analysis for the program covering the previous four fiscal years.

"(2) Each such report shall include, with respect to each project under the environmental technology program of the Department of Defense, the following:

"(A) The performance objectives established for the project for the fiscal year and an assessment of the performance achieved with respect to the project in light of performance indicators for the project.

"(B) A description of the extent to which the project met the performance objectives established for the project for the fiscal year.

"(C) If a project did not meet the performance objectives for the project for the fiscal year—

"(i) an explanation for the failure of the project to meet the performance objectives; and

"(ii) a modified schedule for meeting the performance objectives or, if a performance objective is determined to be impracticable or infeasible to meet, a statement of alternative actions to be taken with respect to the project.".

(2) The Secretary of Defense shall include in the first report submitted under section 2706(d) of title 10, United States Code, as added by this subsection, a description of the steps taken by the Secretary to ensure that the environmental technology investment control process for the Department of Defense satisfies the requirements of section 2709 of such title, as added by subsection (b).

SEC. 324. MODIFICATION OF MEMBERSHIP OF STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM COUNCIL.

Section 2902(b)(1) of title 10, United States Code, is amended by striking "Director of Defense Research and Engineering" and inserting "Deputy Under Secretary of Defense for Science and Technology".

SEC. 325. EXTENSION OF PILOT PROGRAM FOR SALE OF AIR POLLUTION EMISSION REDUCTION INCENTIVES.

Section 351(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1692; 10 U.S.C. 2701 note) is amended by striking paragraph (2) and inserting the following new paragraph:

"(2) The Secretary may not carry out the pilot program after September 30, 2001.".

SEC. 326. REIMBURSEMENT FOR CERTAIN COSTS IN CONNECTION WITH FRESNO DRUM SUPERFUND SITE, FRESNO, CALIFORNIA.

(a) AUTHORITY.—The Secretary of Defense may pay, using funds described in subsection (b), to the Fresno Drum Special Account within the Hazardous Substance Superfund established by section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) to reimburse the Environmental Protection Agency for costs incurred by the Agency for actions taken under CERCLA at the Fresno Industrial Supply, Inc., site in Fresno, California, the following amounts:

(1) Not more than $778,425 for past response costs incurred by the Agency.

(2) The amount of the costs identified as "interest" costs pursuant to the agreement known as the "CERCLA Section 122(h)(1) Agreement for Payment of Future Response Costs and Recovery of Past Response Costs In the Matter of: Fresno Industrial Supply Inc. Site, Fresno, California" that was entered into by the Department of Defense and the Environmental Protection Agency on May 22, 1998.

(b) SOURCE OF FUNDS FOR PAYMENT.—(1) Subject to paragraph (2), any payment under subsection (a) shall be made using the following amounts:

(A) Amounts authorized to be appropriated by section 301 to the Environmental Restoration Account, Defense, established by section 2703(a)(1) of title 10, United States Code.

(B) Amounts authorized to be appropriated by section 301 to the Environmental Restoration Account, Army, established by section 2703(a)(2) of such title.

(C) Amounts authorized to be appropriated by section 301 to the Environmental Restoration Account, Navy, established by section 2703(a)(3) of such title.

(D) Amounts authorized to be appropriated by section 301 to the Environmental Restoration Account, Air Force, established by section 2703(a)(4) of such title.

(2) The portion of a payment under paragraph (1) that is derived from any account referred to in such paragraph shall bear the same ratio to the total amount of such payment as the amount of the hazardous substances at the Fresno Industrial Supply, Inc., site that are attributable to the department concerned bears to the total amount of the hazardous substances at that site.

(c) CERCLA DEFINED.—In this section, the term "CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

SEC. 327. PAYMENT OF STIPULATED PENALTIES ASSESSED UNDER CERCLA IN CONNECTION WITH F.E. WARREN AIR FORCE BASE, WYOMING.

(a) AUTHORITY.—The Secretary of the Air Force may pay, using funds described in subsection (b), not more than $20,000 as payment of stipulated civil penalties assessed on January 13, 1998, against F.E. Warren Air Force Base, Wyoming, under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(b) SOURCE OF FUNDS FOR PAYMENT.—Any payment under subsection (a) shall be made using amounts authorized to be appropriated by section 301 to the Environmental Restoration Account, Air Force, established by section 2703(a)(4) of title 10, United States Code.

SEC. 328. REMEDIATION OF ASBESTOS AND LEAD-BASED PAINT.

(a) USE OF EXISTING CONTRACT VEHICLES.—The Secretary of Defense shall give appropriate consideration to existing contract vehicles, including Army Corps of Engineers indefinite delivery, indefinite quantity contracts, to provide for the remediation of asbestos and lead-based paint at military installations within the United States.

(b) SELECTION.—The Secretary of Defense shall select the most cost-effective contract vehicle in accordance with all applicable Federal and State laws and Department of Defense regulations.

SEC. 329. RELEASE OF INFORMATION TO FOREIGN COUNTRIES REGARDING ANY ENVIRONMENTAL CONTAMINATION AT FORMER UNITED STATES MILITARY INSTALLATIONS IN THOSE COUNTRIES.

(a) RESPONSE TO REQUEST FOR INFORMATION.—Except as provided in subsection (b), upon request by the government of a foreign country from which United States Armed Forces were withdrawn in 1992, the Secretary of Defense shall—

(1) release to that government available information relevant to the ability of that government to determine the nature and extent of environmental contamination, if any, at a site in that foreign country where the United States operated a military base, installation, or facility before the withdrawal of the United States Armed Forces in 1992; or

(2) report to Congress on the nature of the information requested and the reasons why the information is not being released.

(b) LIMITATION ON RELEASE.—Subsection (a)(1) does not apply to—

(1) any information request described in such subsection that is received by the Secretary of Defense after the end of the one-year period beginning on the date of the enactment of this Act;

(2) any information that the Secretary determines has been previously provided to the foreign government; and

(3) any information that the Secretary of Defense believes could adversely affect United States national security.

(c) LIABILITY OF THE UNITED STATES.—The requirement to provide information under subsection (a)(1) may not be construed to establish on the part of the United States any liability or obligation for the costs of environmental restoration or remediation at any site referred to in such subsection.

SEC. 330. TOUSSAINT RIVER ORDNANCE MITIGATION STUDY.

(a) ORDNANCE MITIGATION STUDY.—(1) The Secretary of Defense shall conduct a study and is authorized to remove ordnance infiltrating the Federal navigation channel and adjacent shorelines of the Toussaint River in Ottawa County, Ohio.

(2) In conducting the study, the Secretary shall take into account any information available from other studies conducted in connection with the Federal navigation channel described in paragraph (1).

(b) REPORT ON STUDY RESULTS.—(1) Not later than April 1, 2000, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Environment and Public Works of the Senate a report that summarizes the results of the study conducted under subsection (a).

(2) The Secretary shall include in the report recommendations regarding the continuation or termination of any ongoing use of Lake Erie as an ordnance firing range, and explain any recommendation to continue such activities. The Secretary shall conduct the evaluation and assessment in consultation with the government of the State of Ohio and local government entities and with appropriate Federal agencies.

(c) LIMITATION ON EXPENDITURES.—Not more than $800,000 may be expended to conduct the study under subsection (a) and prepare the report under subsection (b). However, nothing in this section is intended to require non-Federal cost-sharing of the costs to perform the study.

(d) AUTHORIZATION.—Consistent with existing laws, and after providing notice to Congress, the Secretary of Defense may work with the other relevant Federal, State, local, or private entities to remove ordnance resulting from infiltration into the Federal navigation channel and adjacent shorelines of the Toussaint River in Ottawa County, Ohio, using funds authorized to be appropriated for that specific purpose in fiscal year 2000.

(e) RELATION TO OTHER LAWS AND AGREEMENTS.—This section is not intended to modify any authorities provided to the Secretary of the Army by the Water Resources Development Act of 1986 (33 U.S.C. 2201 et seq.), nor is it intended to modify any non-Federal cost-sharing responsibilities outlined in any local cooperation agreements.

Subtitle D—Depot-Level Activities

SEC. 331. SALES OF ARTICLES AND SERVICES OF DEFENSE INDUSTRIAL FACILITIES TO PURCHASERS OUTSIDE THE DEPARTMENT OF DEFENSE.

(a) WAIVER OF CERTAIN CONDITIONS.—(1) Section 2208(j) of title 10, United States Code, is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(B) by inserting "(1)" after "(j)"; and

(C) by adding at the end the following new paragraph:

"(2) The Secretary of Defense may waive the conditions in paragraph (1) in the case of a particular sale if the Secretary determines that the waiver is necessary for reasons of national security and notifies Congress regarding the reasons for the waiver.".

(2) Section 2553(c) of such title is amended—

(A) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively;

(B) by inserting "(1)" before "A sale"; and

(C) by adding at the end the following new paragraph:

"(2) The Secretary of Defense may waive the condition in paragraph (1)(A) and subsection (a)(1) that an article or service must be not available from a United States commercial source in the case of a particular sale if the Secretary determines that the waiver is necessary for reasons of national security and notifies Congress regarding the reasons for the waiver.".

(b) CLARIFICATION OF COMMERCIAL NONAVAILABILITY.—Section 2553(g) of such title is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) The term 'not available', with respect to an article or service proposed to be sold under this section, means that the article or service is unavailable from a commercial source in the required quantity and quality or within the time required.".

SEC. 332. CONTRACTING AUTHORITY FOR DEFENSE WORKING CAPITAL FUNDED INDUSTRIAL FACILITIES.

Section 2208(j)(1) of title 10, United States Code, as amended by section 331, is further amended—

(1) in the matter preceding subparagraph (A), by striking "or remanufacturing" and inserting ", remanufacturing, and engineering";

(2) in subparagraph (A), by inserting "or a subcontract under a Department of Defense contract" before the semicolon; and

(3) in subparagraph (B), by striking "Department of Defense solicitation for such contract" and inserting "solicitation for the contract or subcontract".

SEC. 333. ANNUAL REPORTS ON EXPENDITURES FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS BY PUBLIC AND PRIVATE SECTORS.

Subsection (e) of section 2466 of title 10, United States Code, is amended to read as follows:

"(e) ANNUAL REPORTS.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each of the armed forces (other than the Coast Guard) and each Defense Agency, the percentage of the funds referred to in subsection (a) that were expended during the preceding two fiscal years for performance of depot-level maintenance and repair workloads by the public and private sectors, as required by this section.

"(2) Not later than April 1 of each year, the Secretary of Defense shall submit to Congress a report identifying, for each of the armed forces (other than the Coast Guard) and each Defense Agency, the percentage of the funds referred to in subsection (a) that are projected to be expended during each of the next five fiscal years for performance of depot-level maintenance and repair workloads by the public and private sectors, as required by this section.

"(3) Not later than 60 days after the date on which the Secretary submits a report under this subsection, the Comptroller General shall submit to Congress the Comptroller General's views on whether—

"(A) in the case of a report under paragraph (1), the Department of Defense has complied with the requirements of subsection (a) for the fiscal years covered by the report; and

"(B) in the case of a report under paragraph (2), the expenditure projections for future fiscal years are reasonable.".

SEC. 334. APPLICABILITY OF COMPETITION REQUIREMENT IN CONTRACTING OUT WORKLOADS PERFORMED BY DEPOT-LEVEL ACTIVITIES OF DEPARTMENT OF DEFENSE.

Section 2469(b) of title 10, United States Code, is amended by inserting "(including the cost of labor and materials)" after "$3,000,000".

SEC. 335. TREATMENT OF PUBLIC SECTOR WINNING BIDDERS FOR CONTRACTS FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS FORMERLY PERFORMED AT CERTAIN MILITARY INSTALLATIONS.

Section 2469a of title 10, United States Code, is amended by adding at the end the following new subsection:

"(i) OVERSIGHT OF CONTRACTS AWARDED PUBLIC ENTITIES.—The Secretary of Defense or the Secretary concerned may not impose on a public sector entity awarded a contract for the performance of any depot-level maintenance and repair workload described in subsection (b) any requirements regarding management systems, reviews, oversight, or reporting that are significantly different from the requirements used in the performance and management of other similar or identical depot-level maintenance and repair workloads by the entity, unless the requirements are specifically provided in the solicitation for the contract or are necessary to ensure compliance with the terms of the contract.".

SEC. 336. ADDITIONAL MATTERS TO BE REPORTED BEFORE PRIME VENDOR CONTRACT FOR DEPOT-LEVEL MAINTENANCE AND REPAIR IS ENTERED INTO.

Section 346(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1979; 10 U.S.C. 2464 note) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(3) contains an analysis of the extent to which the contract conforms to the requirements of section 2466 of title 10, United States Code; and

"(4) describes the measures taken to ensure that the contract does not violate the core logistics policies, requirements, and restrictions set forth in section 2464 of that title.".

Subtitle E—Performance of Functions by Private-Sector Sources

SEC. 341. REDUCED THRESHOLD FOR CONSIDERATION OF EFFECT ON LOCAL COMMUNITY OF CHANGING DEFENSE FUNCTIONS TO PRIVATE SECTOR PERFORMANCE.

Section 2461(b)(3)(B)(ii) of title 10, United States Code, is amended by striking "75 employees" and inserting "50 employees".

SEC. 342. CONGRESSIONAL NOTIFICATION OF A-76 COST COMPARISON WAIVERS.

(a) NOTIFICATION REQUIRED.—Section 2467 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) CONGRESSIONAL NOTIFICATION OF COST COMPARISON WAIVER.—(1) Not later than 10 days after a decision is made to waive the cost comparison study otherwise required under Office of Management and Budget Circular A–76 as part of the process to convert to contractor performance any commercial activity of the Department of Defense, the Secretary of Defense shall submit to Congress a report describing the commercial activity subject to the waiver and the rationale for the waiver.

"(2) The report shall also include the following:

"(A) The total number of civilian employees or military personnel currently performing the function to be converted to contractor performance.

"(B) A description of the competitive procedure used to award a contract for contractor performance of the commercial activity.

"(C) The anticipated savings to result from the waiver and resulting conversion to contractor performance.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§2467. Cost comparisons: inclusion of retirement costs; consultation with employees; waiver of comparison".

(2) The table of sections at the beginning of chapter 146 of such title is amended by striking the item relating to section 2467 and inserting the following new item:

"2467. Cost comparisons: inclusion of retirement costs; consultation with employees; waiver of comparison.".

SEC. 343. REPORT ON USE OF EMPLOYEES OF NON-FEDERAL ENTITIES TO PROVIDE SERVICES TO DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—Not later than March 1, 2001, the Secretary of Defense shall submit to Congress a report describing the use during the previous fiscal year of non-Federal entities to provide services to the Department of Defense.

(b) CONTENT OF REPORT.—To the extent practicable using information available from existing data collection and reporting systems available to the Department of Defense and the non-Federal entities referred to in subsection (a), the report shall—

(1) specify the number of work year equivalents performed by individuals employed by non-Federal entities in providing services to the Department, including both direct and indirect labor attributable to the provision of the services;

(2) categorize the information by Federal supply class or service code; and

(3) indicate the appropriation from which the services were funded and the major organizational element of the Department procuring the services.

(c) LIMITATION ON REQUIREMENT FOR NON-FEDERAL ENTITIES TO PROVIDE INFORMATION.—For the purposes of meeting the requirements set forth in subsection (b), the Secretary may not require the provision of information beyond the information that is currently provided to the Department by the non-Federal entities referred to in subsection (a), except for the number of direct and indirect work year equivalents associated with Department of Defense contracts, identified by contract number, to the extent this information is available to the contractor from existing data collection systems.

SEC. 344. EVALUATION OF TOTAL SYSTEM PERFORMANCE RESPONSIBILITY PROGRAM.

(a) REPORT REQUIRED.—Not later than February 1, 2000, the Secretary of the Air Force shall submit to Congress a report identifying all Air Force programs that—

(1) are currently managed under the Total System Performance Responsibility Program or similar programs; or

(2) are presently planned to be managed using the Total System Performance Responsibility Program or a similar program.

(b) EVALUATION.—As part of the report required by subsection (a), the Secretary of the Air Force shall include an evaluation of the following:

(1) The manner in which the Total System Performance Responsibility Program and similar programs support the readiness and warfighting capability of the Armed Forces and complement the support of the logistics depots.

(2) The effect of the Total System Performance Responsibility Program and similar programs on the maintenance of core Government logistics management skills.

(3) The process and criteria used by the Air Force to determine whether Government employees or the private sector should perform sustainment management functions.

(c) COMPTROLLER GENERAL REVIEW.—Not later than 30 days after the date on which the report required by subsection (a) is submitted to Congress, the Comptroller General shall review the report and submit to Congress a briefing evaluating the report.

SEC. 345. SENSE OF CONGRESS REGARDING PROCESS FOR MODERNIZATION OF ARMY COMPUTER SERVICES.

(a) PURPOSE OF MODERNIZATION.—It is the sense of Congress that any modernization of computer services (also known as the Army Wholesale Logistics Modernization Program) of the Army Communications Electronics Command of the Army Materiel Command to replace the systems currently provided by the Logistics Systems Support Center in St. Louis, Missouri, and the Industrial Logistics System Center in Chambersburg, Pennsylvania, should have as a primary goal the sustainment of military readiness.

(b) USE OF STANDARD INDUSTRY INTEGRATION PRACTICES.—It is the sense of Congress that, in order to sustain readiness, any contract for the modernization of the computer services referred to in subsection (a), in addition to containing all of the requirements specified by the Secretary of the Army, should require the use of standard industry integration practices to provide further readiness risk mitigation.

(c) PROPOSED CONTRACTOR PRACTICES.—It is the sense of Congress that the following practices should be employed by any contractor engaged in the modernization of the computer services referred to in subsection (a) to ensure continued readiness:

(1) TESTING PRACTICES.—Before any proposed modernization solution is implemented, the solution should be rigorously tested to ensure that it meets the performance requirements of the Army and all other functional requirements. At each step in the testing process, confirmation of successful test completion should be required before the contractor begins the next step of the modernization process.

(2) IMPLEMENTATION TEAM.—The Secretary of the Army should establish an implementation team to monitor efficiencies and effectiveness of the modernization solutions.

(d) READINESS SUSTAINMENT.—It is the sense of Congress that the following additional readiness sustainment measures should be undertaken as part of the modernization of the computer services referred to in subsection (a):

(1) GOVERNMENT OVERSIGHT.—It is extremely important that the Army Materiel Command retains sufficient in-house expertise to ensure that readiness is not adversely affected by the modernization efforts and to effectively oversee contractor performance.

(2) USE OF CONTRACT PARTNERING.—The Army Materiel Command should encourage partnerships with the contractor, with the primary goal of providing quality contract deliverables on time and at a reasonable price. Any such partnership agreement should constitute a mutual commitment on how the Army Materiel Command and the contractor will interact during the course of the contract, with the objective of facilitating optimum contract performance through teamwork, enhanced communications, cooperation, and good faith performance.

Subtitle F—Defense Dependents Education

SEC. 351. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) MODIFIED DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2000.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $35,000,000 shall be available only for the purpose of providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2000, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2000 of—

(1) that agency's eligibility for educational agencies assistance; and

(2) the amount of the educational agencies assistance for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term "educational agencies assistance" means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term "local educational agency" has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

(e) DETERMINATION OF ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—Section 386(c)(1) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note) is amended by striking "in that fiscal year are" and inserting "during the preceding school year were".

SEC. 352. UNIFIED SCHOOL BOARDS FOR ALL DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOLS IN THE COMMONWEALTH OF PUERTO RICO AND GUAM.

Section 2164(d)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: "The Secretary may provide for the establishment of one school board for all such schools in the Commonwealth of Puerto Rico and one school board for all such schools in Guam instead of one school board for each military installation in those locations.".

SEC. 353. CONTINUATION OF ENROLLMENT AT DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS.

Section 2164 of title 10, United States Code, is amended—

(1) in subsection (c), by striking paragraph (3); and

(2) by adding at the end the following new subsection:

"(h) CONTINUATION OF ENROLLMENT DESPITE CHANGE IN STATUS.—(1) The Secretary of Defense shall permit a dependent of a member of the armed forces or a dependent of a Federal employee to continue enrollment in an educational program provided by the Secretary pursuant to subsection (a) for the remainder of a school year notwithstanding a change during such school year in the status of the member or Federal employee that, except for this paragraph, would otherwise terminate the eligibility of the dependent to be enrolled in the program.

"(2) The Secretary may, for good cause, authorize a dependent of a member of the armed forces or a dependent of a Federal employee to continue enrollment in an educational program provided by the Secretary pursuant to subsection (a) notwithstanding a change in the status of the member or employee that, except for this paragraph, would otherwise terminate the eligibility of the dependent to be enrolled in the program. The enrollment may continue for as long as the Secretary considers appropriate.

"(3) Paragraphs (1) and (2) do not limit the authority of the Secretary to remove a dependent from enrollment in an educational program provided by the Secretary pursuant to subsection (a) at any time for good cause determined by the Secretary.".

SEC. 354. TECHNICAL AMENDMENTS TO DEFENSE DEPENDENTS' EDUCATION ACT OF 1978.

The Defense Dependents' Education Act of 1978 (title XIV of Public Law 95–561) is amended as follows:

(1) Section 1402(b)(1) (20 U.S.C. 921(b)(1)) is amended by striking "recieve" and inserting "receive".

(2) Section 1403 (20 U.S.C. 922) is amended—

(A) by striking the matter in that section preceding subsection (b) and inserting the following:

"ADMINISTRATION OF DEFENSE DEPENDENTS' EDUCATION SYSTEM

"SEC. 1403. (a) The defense dependents' education system is operated through the field activity of the Department of Defense known as the Department of Defense Education Activity. That activity is headed by a Director, who is a civilian and is selected by the Secretary of Defense. The Director reports to an Assistant Secretary of Defense designated by the Secretary of Defense for purposes of this title.";

(B) in subsection (b), by striking "this Act" and inserting "this title";

(C) in subsection (c)(1), by inserting "(20 U.S.C. 901 et seq.)" after "Personnel Practices Act";

(D) in subsection (c)(2), by striking the period at the end and inserting a comma;

(E) in subsection (c)(6), by striking "Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics" and inserting "the Assistant Secretary of Defense designated under subsection (a)";

(F) in subsection (d)(1), by striking "for the Office of Dependents' Education";

(G) in subsection (d)(2)—

(i) by striking the first sentence;

(ii) by striking "Whenever the Office of Dependents' Education" and inserting "Whenever the Department of Defense Education Activity";

(iii) by striking "after the submission of the report required under the preceding sentence" and inserting "in a manner that affects the defense dependents' education system"; and

(iv) by striking "an additional report" and inserting "a report"; and

(H) in subsection (d)(3), by striking "the Office of Dependents' Education" and inserting "the Department of Defense Education Activity".

(3) Section 1409 (20 U.S.C. 927) is amended—

(A) in subsection (b), by striking "Department of Health, Education, and Welfare in accordance with section 431 of the General Education Provisions Act" and inserting "Secretary of Education in accordance with section 437 of the General Education Provisions Act (20 U.S.C. 1232)";

(B) in subsection (c)(1), by striking "by academic year 1993–1994"; and

(C) in subsection (c)(3)—

(i) by striking "IMPLEMENTATION TIMELINES.—In carrying out" and all that follows through "a comprehensive" and inserting "IMPLEMENTATION.—In carrying out paragraph (2), the Secretary shall have in effect a comprehensive";

(ii) by striking the semicolon after "such individuals" and inserting a period; and

(iii) by striking subparagraphs (B) and (C).

(4) Section 1411(d) (20 U.S.C. 929(d)) is amended by striking "grade GS–18 in section 5332 of title 5, United States Code" and inserting "level IV of the Executive Schedule under section 5315 of title 5, United States Code".

(5) Section 1412 (20 U.S.C. 930) is amended—

(A) in subsection (a)(1)—

(i) by striking "As soon as" and all that follows through "shall provide for" and inserting "The Director may from time to time, but not more frequently than once a year, provide for"; and

(ii) by striking "system, which" and inserting "system. Any such study";

(B) in subsection (a)(2)—

(i) by striking "The study required by this subsection" and inserting "Any study under paragraph (1)"; and

(ii) by striking "not later than two years after the effective date of this title";

(C) in subsection (b), by striking "the study" and inserting "any study";

(D) in subsection (c)—

(i) by striking "not later than one year after the effective date of this title the report" and inserting "any report"; and

(ii) by striking "the study" and inserting "a study"; and

(E) by striking subsection (d).

(6) Section 1413 (20 U.S.C. 931) is amended by striking "Not later than 180 days after the effective date of this title, the" and inserting "The".

(7) Section 1414 (20 U.S.C. 932) is amended by adding at the end the following new paragraph:

"(6) The term 'Director' means the Director of the Department of Defense Education Activity.".

Subtitle G—Military Readiness Issues

SEC. 361. INDEPENDENT STUDY OF MILITARY READINESS REPORTING SYSTEM.

(a) Independent Study Required.—(1) The Secretary of Defense shall provide for an independent study of requirements for a comprehensive readiness reporting system for the Department of Defense, as required by section 117 of title 10, United States Code.

(2) The Secretary shall provide for the study to be conducted by an organization outside the Federal Government that the Secretary considers qualified to conduct the study. The amount of a contract for the study may not exceed $1,000,000.

(3) The Secretary shall require that all components of the Department of Defense cooperate fully with the organization carrying out the study.

(b) Matters To Be Included in Study.—The Secretary shall require that the organization conducting the study under this section specifically consider the requirements for providing an objective, accurate, and timely readiness reporting system for the Department of Defense that has—

(1) the characteristics and capabilities described in subsections (b) and (c) of section 117 of title 10, United States Code; and

(2) any other characteristics and capabilities that the organization determines appropriate to measure the capability of the Armed Forces to carry out the strategies and guidance described in subsection (a) of such section.

(c) Report.—(1) The Secretary of Defense shall require the organization conducting the study under this section to submit to the Secretary a report on the study not later than March 1, 2000. The organization shall include in the report its findings and conclusions concerning each of the matters specified in subsection (b).

(2) The Secretary shall submit the report under paragraph (1), together with the Secretary's comments on the report, to Congress not later than April 1, 2000.

(d) Revisions to DOD Readiness Reporting System.—(1) Section 117 of title 10, United States Code, is amended—

(A) in subsection (b)(2), by striking "with any change" and all that follows through "24 hours" and inserting "with (A) any change in the overall readiness status of a unit that is required to be reported as part of the readiness reporting system being reported within 24 hours of the event necessitating the change in readiness status, and (B) any change in the overall readiness status of an element of the training establishment or an element of defense infrastructure that is required to be reported as part of the readiness reporting system being reported within 72 hours"; and

(B) in paragraphs (2), (3), and (5) of subsection (c), by striking "a quarterly" and inserting "an annual".

(2) Subsection (b) of section 373 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1992) is amended by striking "January 15, 2000" and inserting "April 1, 2000".

(3) Subsection (d) of such section is repealed.

(e) Revised Time for Implementation of Quarterly Readiness Reports.—Section 482(a) of title 10, United States Code, is amended by striking "30 days" and inserting "45 days".

SEC. 362. INDEPENDENT STUDY OF DEPARTMENT OF DEFENSE SECONDARY INVENTORY AND PARTS SHORTAGES.

(a) Independent Study Required.—In accordance with this section, the Secretary of Defense shall provide for an independent study of—

(1) current levels of Department of Defense inventories of spare parts and other supplies, known as secondary inventory items, including wholesale and retail inventories; and

(2) reports and evidence of Department of Defense inventory shortages adversely affecting readiness.

(b) Performance by Independent Entity.—To conduct the study under this section, the Secretary of Defense shall select the General Accounting Office, an entity in the private sector that has experience in parts and secondary inventory management, or another entity outside the Department of Defense that has such experience.

(c) Matters To Be Included in Study.—The Secretary of Defense shall require the entity conducting the study under this section to specifically evaluate the following:

(1) How much of the secondary inventory retained by the Department of Defense for economic, contingency, and potential reutilization during the five-year period ending December 31, 1998, was actually used during each year of the period.

(2) How much of the retained secondary inventory currently held by the Department could be declared to be excess, determined on the basis of standards that take into account requirements uniquely applicable to the Department of Defense because of its warfighting missions, such as requirements for a war reserve of items.

(3) Alternative methods for the disposal or other disposition of excess inventory and the cost to the Department to dispose of excess inventory under each alternative.

(4) The total cost per year of storing secondary inventory, to be determined using traditional private sector cost calculation models.

(5) The adequacy of the Department's schedule and plan for disposing of excess inventory.

(d) Report on Results of Study.—The Secretary of Defense shall require the entity conducting the study under this section to submit to the Secretary a report containing the results of the study, including the entity's findings and conclusions concerning each of the matters specified in subsection (c). The entity shall submit the report at such time as to permit the Secretary to comply with subsection (e).

(e) Review and Comments of the Secretary of Defense.—Not later than September 1, 2000, the Secretary of Defense shall submit to Congress a report containing the following:

(1) The report submitted under subsection (d), together with the Secretary's comments and recommendations regarding the report.

(2) A plan to address the issues of excess and excessive inactive inventory and part shortages and a timetable to implement the plan throughout the Department.

SEC. 363. REPORT ON INVENTORY AND CONTROL OF MILITARY EQUIPMENT.

(a) Report Required.—Not later than August 31, 2000, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the inventory and control of the military equipment of the Department of Defense as of the end of fiscal year 1999. The report shall address the inventories of each of the Army, Navy, Air Force, and Marine Corps separately.

(b) Content.—The report shall include the following:

(1) For each item of military equipment in the inventory, stated by item nomenclature—

(A) the quantity of the item in the inventory as of the beginning of the fiscal year;

(B) the quantity of acquisitions of the item during the fiscal year;

(C) the quantity of disposals of the item during the fiscal year;

(D) the quantity of losses of the item during the performance of military missions during the fiscal year; and

(E) the quantity of the item in the inventory as of the end of the fiscal year.

(2) A reconciliation of the quantity of each item in the inventory as of the beginning of the fiscal year with the quantity of the item in the inventory as of the end of fiscal year.

(3) For each item of military equipment that cannot be reconciled—

(A) an explanation of why the quantities cannot be reconciled; and

(B) a discussion of the remedial actions planned to be taken, including target dates for accomplishing the remedial actions.

(4) Supporting schedules identifying the location of each item that are available to Congress or auditors of the Comptroller General upon request.

(c) MILITARY EQUIPMENT DEFINED.—For the purposes of this section, the term "military equipment" means all equipment that is used in support of military missions and is maintained on the visibility systems of the Army, Navy, Air Force, or Marine Corps.

(d) INSPECTOR GENERAL REVIEW.—Not later than November 30, 2000, the Inspector General of the Department of Defense shall review the report submitted to the committees under subsection (a) and shall submit to the committees any comments that the Inspector General considers appropriate.

SEC. 364. COMPTROLLER GENERAL STUDY OF ADEQUACY OF DEPARTMENT RESTRUCTURED SUSTAINMENT AND REENGINEERED LOGISTICS PRODUCT SUPPORT PRACTICES.

(a) STUDY REQUIRED.—In accordance with this section, the Comptroller General shall conduct a study of restructured sustainment and reengineered logistics product support practices within the Department of Defense, which are designed to provide spare parts and other supplies to military units and installations as needed during a transition to war fighting rather than relying on large stockpiles of such spare parts and supplies. The purpose of the study is to determine whether restructured sustainment and reengineered logistics product support practices would be able to provide adequate sustainment supplies to military units and installations should it ever be necessary to execute the National Military Strategy prescribed by the Chairman of the Joint Chiefs of Staff.

(b) MATTERS TO BE INCLUDED IN STUDY.—The Comptroller General shall specifically evaluate (and recommend improvements in) the following:

(1) The military assumptions that are used to determine required levels of war reserve and prepositioned stocks.

(2) The adequacy of supplies projected to be available to support the fighting of two, nearly simultaneous, major theater wars, as required by the National Military Strategy.

(3) The expected availability through the national technology and industrial base of spare parts and supplies not readily available in the Department inventories, such as parts for aging equipment that no longer have active vendor support.

(c) REPORT REQUIRED.—Not later than March 1, 2000, the Comptroller General shall submit to Congress a report containing the results of the study. The report shall include the Comptroller General's findings, conclusions, and recommendations concerning each of the matters specified in subsection (b).

SEC. 365. COMPTROLLER GENERAL REVIEW OF REAL PROPERTY MAINTENANCE AND ITS EFFECT ON READINESS.

(a) REVIEW REQUIRED.—The Comptroller General shall conduct a review of the impact that the consistent lack of adequate funding for real property maintenance of military installations during the five-year period ending December 31, 1998, has had on readiness, the quality of life of members of the Armed Forces and their dependents, and the infrastructure on military installations.

(b) FUNDING MATTERS TO BE REVIEWED.—In conducting the review under this section, the Comptroller General shall specifically consider the following for the Army, Navy, Marine Corps, and Air Force:

(1) For each year of the covered five-year period, the extent to which unit training and operating funds were diverted to meet basic base operations and real property maintenance needs.

(2) The types of training delayed, canceled, or curtailed as a result of the diversion of such funds.

(3) The level of funding required to eliminate the real property maintenance backlog at military installations so that facilities meet the standards necessary for optimum utilization during times of mobilization.

(c) COMMAND AND MANAGEMENT MATTERS TO BE REVIEWED.—As part of the review conducted under this section, the Comptroller General shall—

(1) review the method of command and management of military installations for the Army, Navy, Marine Corps, and Air Force; and

(2) develop, based on such review, recommendations for the optimum command structure for military installations, to have major command status, which are designed to enhance the development of installations doctrine, privatization and outsourcing, commercial activities, environmental compliance programs, installation restoration, and military construction.

(d) REPORT REQUIRED.—Not later than March 1, 2000, the Comptroller General shall submit to Congress a report containing the results of the review required under this section and the optimum command structure recommended under subsection (c).

SEC. 366. ESTABLISHMENT OF LOGISTICS STANDARDS FOR SUSTAINED MILITARY OPERATIONS.

(a) ESTABLISHMENT OF STANDARDS.—The Secretary of each military department shall establish, for deployable units of each of the Armed Forces under the jurisdiction of the Secretary, standards regarding—

(1) the level of spare parts that the units must have on hand; and

(2) similar logistics and sustainment needs of the units.

(b) BASIS FOR STANDARDS.—The standards to be established for a unit under subsection (a) shall be based upon the following:

(1) The unit's wartime mission, as reflected in the war-fighting plans of the relevant combatant commanders.

(2) An assessment of the likely requirement for sustained operations under each such war-fighting plan.

(3) An assessment of the likely requirement for that unit to conduct sustained operations in an austere environment, while drawing exclusively on its own internal logistics capabilities.

(c) SUFFICIENCY CAPABILITIES.—The standards to be established by the Secretary of a military department under subsection (a) shall reflect those spare parts and similar logistics capabilities that the Secretary considers sufficient for the units of each of the Armed Forces under the Secretary's jurisdiction to successfully execute their missions under the conditions described in subsection (b).

(d) RELATION TO READINESS REPORTING SYSTEM.—The standards established under subsection (a) shall be taken into account in designing the comprehensive readiness reporting system for the Department of Defense required by section 117 of title 10, United States Code, and shall be an element in determining a unit's readiness status.

(e) RELATION TO ANNUAL FUNDING NEEDS.—The Secretary of Defense shall consider the standards established under subsection (a) in establishing the annual funding requirements for the Department of Defense.

(f) REPORTING REQUIREMENT.—The Secretary of Defense shall include in the annual report required by section 113(c) of title 10, United States Code, an analysis of the then current spare parts, logistics, and sustainment standards of the Armed Forces, as described in subsection (a), including any shortfalls and the cost of addressing these shortfalls.

Subtitle H—Information Technology Issues

SEC. 371. DISCRETIONARY AUTHORITY TO INSTALL TELECOMMUNICATION EQUIPMENT FOR PERSONS PERFORMING VOLUNTARY SERVICES.

(a) AUTHORITY.—Section 1588 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) AUTHORITY TO INSTALL EQUIPMENT.—(1) The Secretary concerned may install telephone lines and any necessary telecommunication equipment in the private residences of persons, designated in accordance with the regulations prescribed under paragraph (4), who provide voluntary services accepted under subsection (a)(3).

"(2) In the case of equipment installed under the authority of paragraph (1), the Secretary concerned may pay the charges incurred for the use of the equipment for authorized purposes.

"(3) To carry out this subsection, the Secretary concerned may use appropriated funds (notwithstanding section 1348 of title 31) or nonappropriated funds of the military department under the jurisdiction of the Secretary or, with respect to the Coast Guard, the department in which the Coast Guard is operating.

"(4) The Secretary of Defense and, with respect to the Coast Guard when it is not operating as a service in the Navy, the Secretary of Transportation shall prescribe regulations to carry out this subsection.".

(b) REPORT ON IMPLEMENTATION.—Not later than two years after final regulations prescribed under subsection (f)(4) of section 1588 of title 10, United States Code, as added by subsection (a), take effect, the Comptroller General shall review the exercise of authority under such subsection (f) and submit to Congress a report on the findings resulting from the review.

SEC. 372. AUTHORITY FOR DISBURSING OFFICERS TO SUPPORT USE OF AUTOMATED TELLER MACHINES ON NAVAL VESSELS FOR FINANCIAL TRANSACTIONS.

Section 3342 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(f) With respect to automated teller machines on naval vessels, the authority of a disbursing official of the United States Government under subsection (a) also includes the following:

"(1) The authority to provide operating funds to the automated teller machines.

"(2) The authority to accept, for safekeeping, deposits and transfers of funds made through the automated teller machines.".

SEC. 373. USE OF SMART CARD TECHNOLOGY IN THE DEPARTMENT OF DEFENSE.

(a) DEPARTMENT OF NAVY AS LEAD AGENCY.—The Department of the Navy shall serve as the lead agency for the development and implementation of a Smart Card program for the Department of Defense.

(b) COOPERATION OF OTHER MILITARY DEPARTMENTS.—The Department of the Army and the Department of the Air Force shall each establish a project office and cooperate with the Department of the Navy to develop implementation plans for exploiting the capability of Smart Card technology as a means for enhancing readiness and improving business processes throughout the military departments.

(c) SENIOR COORDINATING GROUP.—(1) Not later than November 30, 1999, the Secretary of Defense shall establish a senior coordinating group to develop and implement—

(A) Department-wide interoperability standards for use of Smart Card technology; and

(B) a plan to exploit Smart Card technology as a means for enhancing readiness and improving business processes.

(2) The senior coordinating group shall be chaired by a representative of the Secretary of the Navy and shall include senior representatives from each of the Armed Forces and such other persons as the Secretary of Defense considers appropriate.

(3) Not later than March 31, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing a detailed discussion of the progress made by the senior coordinating group in carrying out its duties.

(d) ROLE OF DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICE.—The senior coordinating group established under subsection (c) shall report to and receive guidance from the Department of Defense Chief Information Office.

(e) INCREASED USE TARGETED TO CERTAIN NAVAL REGIONS.—Not later than November 30, 1999, the Secretary of the Navy shall establish a business plan to implement the use of Smart Cards in one major Naval region of the continental United States that is in the area of operations of the United States Atlantic Command and one major Naval region of the continental United States that is in the area of operations of the United States Pacific Command. The regions selected shall include a major fleet concentration area. The implementation of the use of Smart Cards in each region shall cover the Navy and Marine Corps bases and all non-deployed units in the region. The Secretary of the Navy shall submit the business plan to the congressional defense committees.

(f) FUNDING FOR INCREASED USE OF SMART CARDS.—Of the funds authorized to be appropriated for the Navy by section 102(a)(4) or 301(2), the Secretary of the Navy—

(1) shall allocate such amounts as may be necessary, but not to exceed $30,000,000, to ensure that significant progress is made toward complete implementation of the use of Smart Card technology in the Department of the Navy; and

(2) may allocate additional amounts for the conversion of paper-based records to electronic media for records systems that have been modified to use Smart Card technology.

(g) DEFINITIONS.—In this section:

(1) The term "Smart Card" means a credit card-size device, normally for carrying and use by personnel, that contains one or more integrated circuits and may also employ one or more of the following technologies:

(A) Magnetic stripe.

(B) Bar codes, linear or two-dimensional.

(C) Non-contact and radio frequency transmitters.

(D) Biometric information.

(E) Encryption and authentication.

(F) Photo identification.

(2) The term "Smart Card technology" means a Smart Card together with all of the associated information technology hardware and software that comprise the system for support and operation.

(h) REPEAL OF REQUIREMENT FOR AUTOMATED IDENTIFICATION TECHNOLOGY OFFICE.—Section 344 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1977; 10 U.S.C. 113 note) is amended by striking subsection (b).

SEC. 374. REPORT ON DEFENSE USE OF SMART CARD AS PKI AUTHENTICATION DEVICE CARRIER.

(a) REPORT REQUIRED.—Not later than February 1, 2000, the Secretary of Defense shall submit to Congress a report evaluating the option of the Department of Defense using the Smart Card as a Public-Private Key Infrastructure authentication device carrier. The report shall include the following:

(1) An evaluation of the advantages and disadvantages of using the Smart Card as a PKI authentication device carrier for the Department of Defense.

(2) A description of other available devices that could be readily used as a PKI authentication device carrier.

(3) A comparison of the cost of using the Smart Card and other available devices as the PKI authentication device carrier.

(b) DEFINITIONS.—In this section:

(1) The term "Smart Card" means a credit card-size device, normally for carrying and use by personnel, that contains one or more integrated circuits and may also employ one or more of the following technologies:

(A) Magnetic stripe.

(B) Bar codes, linear or two-dimensional.

(C) Non-contact and radio frequency transmitters.

(D) Biometric information.

(E) Encryption and authentication.

(F) Photo identification.

(2) The terms "Public-Private Key Infrastructure authentication device carrier" and "PKI authentication device carrier" mean a device that physically stores, carries, and employs electronic authentication or encryption keys necessary to create a unique digital signature, digital certificate, or other mark on an electronic document or file.

Subtitle I—Other Matters

SEC. 381. AUTHORITY TO LEND OR DONATE OBSOLETE OR CONDEMNED RIFLES FOR FUNERAL AND OTHER CEREMONIES.

(a) AUTHORITY.—Subsection (a) of section 4683 of title 10, United States Code, is amended to read as follows:

"(a) AUTHORITY TO LEND OR DONATE.—(1) The Secretary of the Army, under regulations prescribed by the Secretary, may conditionally lend or donate excess M-1 rifles (not more than 15), slings, and cartridge belts to any eligible organization for use by that organization for funeral ceremonies of a member or former member of the armed forces, and for other ceremonial purposes.

"(2) If the rifles to be loaned or donated under paragraph (1) are to be used by the eligible organization for funeral ceremonies of a member or former member of the armed forces, the Secretary may issue and deliver the rifles, together with the necessary accoutrements and blank ammunition, without charge.".

(b) CONDITIONS AND DEFINITION.—Such section is further amended by adding at the end the following new subsections:

"(c) CONDITIONS ON LOAN OR DONATION.—In lending or donating rifles under subsection (a), the Secretary shall impose such conditions on the use of the rifles as may be necessary to ensure security, safety, and accountability. The Secretary may impose such other conditions as the Secretary considers appropriate.

"(d) ELIGIBLE ORGANIZATION DEFINED.—In this section, the term 'eligible organization' means—

"(1) a unit or other organization of honor guards recognized by the Secretary of the Army as honor guards for a national cemetery;

"(2) a law enforcement agency; or

"(3) a local unit of any organization that, as determined by the Secretary of the Army, is a nationally recognized veterans' organization.".

(c) CONFORMING AMENDMENTS.—Subsection (b) of such section is amended—

(1) by inserting "RELIEF FROM LIABILITY.—" after "(b)";

(2) by striking "a unit" and inserting "an eligible organization"; and

(3) by striking "lent" both places it appears and inserting "lent or donated".

(d) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§4683. Excess M-1 rifles: loan or donation for funeral and other ceremonial purposes".

(2) The item relating to such section in the table of sections at the beginning of chapter 443 of such title is amended to read as follows:

"4683. Excess M-1 rifles: loan or donation for funeral and other ceremonial purposes.".

(e) REPORT ON IMPLEMENTATION.—Not later than two years after the date of the enactment of this Act, the Comptroller General shall review the exercise of authority under section 4683 of title 10, United States Code, as amended by this section, and submit to Congress a report on the findings resulting from the review.

SEC. 382. EXTENSION OF WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

Section 391 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1716; 10 U.S.C. 2304 note) is amended—

(1) in subsection (f), by striking "September 30, 1999" and inserting "September 30, 2000";

(2) in subsection (g)(1), by striking "January 1, 2000" and inserting "January 1, 2001"; and

(3) in subsection (g)(2), by striking "March 1, 2000" and inserting "March 1, 2001".

SEC. 383. PRESERVATION OF HISTORIC BUILDINGS AND GROUNDS AT UNITED STATES SOLDIERS' AND AIRMEN'S HOME, DISTRICT OF COLUMBIA.

The Armed Forces Retirement Home Act of 1991 (title XV of Public Law 101–510; 24 U.S.C. 401 et seq.) is amended by adding at the end of part A the following new section:

"SEC. 1523. PRESERVATION OF HISTORIC BUILDINGS AND GROUNDS AT UNITED STATES SOLDIERS' AND AIRMEN'S HOME.

"(a) HISTORIC NATURE OF FACILITY.—Congress finds the following:

"(1) Four buildings located on six acres of the establishment of the Retirement Home known as the United States Soldiers' and Airmen's Home are included on the National Register of Historic Places maintained by the Secretary of the Interior.

"(2) Amounts in the Armed Forces Retirement Home Trust Fund, which consists primarily of deductions from the pay of members of the Armed Forces, are insufficient to both maintain and operate the Retirement Home for the benefit of the residents of the Retirement Home and adequately maintain, repair, and preserve these historic buildings and grounds.

"(3) Other sources of funding are available to contribute to the maintenance, repair, and preservation of these historic buildings and grounds.

"(b) AUTHORITY TO ACCEPT ASSISTANCE.—The Chairman of the Retirement Home Board and the Director of the United States Soldiers' and Airmen's Home may apply for and accept a direct grant from the Secretary of the Interior under section 101(e)(3) of the National Historic Preservation Act (16 U.S.C. 470a(e)(3)) for the purpose of maintaining, repairing, and preserving the historic buildings and grounds of the United States Soldiers' and Airmen's Home included on the National Register of Historic Places.

"(c) REQUIREMENTS AND LIMITATIONS.—Amounts received as a grant under subsection (b) shall be deposited in the Fund, but shall be kept separate from other amounts in the Fund. The amounts received may only be used for the purpose specified in subsection (b).".

SEC. 384. CLARIFICATION OF LAND CONVEYANCE AUTHORITY, UNITED STATES SOLDIERS' AND AIRMEN'S HOME.

(a) MANNER OF CONVEYANCE.—Subsection (a)(1) of section 1053 of the National Defense Authorization Act for Fiscal Year 1997 (Public

Law 104–201; 110 Stat. 2650) is amended by striking "convey by sale" and inserting "convey, by sale or lease,".

(b) TIME FOR CONVEYANCE.—Subsection (a)(2) of such section is amended to read as follows:

"(2) The Armed Forces Retirement Home Board shall sell or lease the property described in subsection (a) within 12 months after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2000.".

(c) MANNER, TERMS, AND CONDITIONS OF CONVEYANCE.—Subsection (b) of such section is amended—

(1) by striking paragraph (1) and inserting the following new paragraph: "(1) The Armed Forces Retirement Home Board shall determine the manner, terms, and conditions for the sale or lease of the real property under subsection (a), except as follows:

"(A) Any lease of the real property under subsection (a) shall include an option to purchase.

"(B) The conveyance may not involve any form of public/private partnership, but shall be limited to fee-simple sale or long-term lease.

"(C) Before conveying the property by sale or lease to any other person or entity, the Board shall provide the Catholic University of America with the opportunity to match or exceed the highest bona fide offer otherwise received for the purchase or lease of the property, as the case may be, and to acquire the property."; and

(2) in paragraph (2), by adding at the end the following new sentence: "In no event shall the sale or lease of the property be for less than the appraised value of the property in its existing condition and on the basis of its highest and best use.".

SEC. 385. TREATMENT OF ALASKA, HAWAII, AND GUAM IN DEFENSE HOUSEHOLD GOODS MOVING PROGRAMS.

(a) LIMITATION ON INCLUSION IN TEST PROGRAMS.—Alaska, Hawaii, and Guam shall not be included as a point of origin in any test or demonstration program of the Department of Defense regarding the moving of household goods of members of the Armed Forces.

(b) SEPARATE REGIONS; DESTINATIONS.—In any Department of Defense household goods moving program that is not subject to the prohibition in subsection (a)—

(1) Alaska, Hawaii, and Guam shall each constitute a separate region; and

(2) Hawaii and Guam shall be considered international destinations.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent end strength minimum levels.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the Reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Increase in numbers of members in certain grades authorized to be on active duty in support of the Reserves.
Sec. 415. Selected Reserve end strength flexibility.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2000, as follows:

(1) The Army, 480,000.

(2) The Navy, 372,037.

(3) The Marine Corps, 172,518.

(4) The Air Force, 360,877.

SEC. 402. REVISION IN PERMANENT END STRENGTH MINIMUM LEVELS.

(a) REVISED END STRENGTH FLOORS.—Section 691(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking "372,696" and inserting "371,781";

(2) in paragraph (3), by striking "172,200" and inserting "172,148"; and

(3) in paragraph (4), by striking "370,802" and inserting "360,877".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2000, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 90,288.

(4) The Marine Corps Reserve, 39,624.

(5) The Air National Guard of the United States, 106,678.

(6) The Air Force Reserve, 73,708.

(7) The Coast Guard Reserve, 8,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2000, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 22,430.

(2) The Army Reserve, 12,804.

(3) The Naval Reserve, 15,010.

(4) The Marine Corps Reserve, 2,272.

(5) The Air National Guard of the United States, 11,157.

(6) The Air Force Reserve, 1,134.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2000 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,474.

(2) For the Army National Guard of the United States, 23,125.

(3) For the Air Force Reserve, 9,785.

(4) For the Air National Guard of the United States, 22,247.

SEC. 414. INCREASE IN NUMBERS OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) OFFICERS.—The table in section 12011(a) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,227	1,071	860	140
Lieutenant Colonel or Commander	1,611	520	777	90
Colonel or Navy Captain	471	188	297	30".

(b) SENIOR ENLISTED MEMBERS.—The table in section 12012(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	645	202	405	20
E–8	2,593	429	1,041	94".

SEC. 415. SELECTED RESERVE END STRENGTH FLEXIBILITY.

Section 115(c) of title 10, United States Code, is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(3) vary the end strength authorized pursuant to subsection (a)(2) for a fiscal year for the Selected Reserve of any of the reserve components by a number equal to not more than 2 percent of that end strength.".

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2000 a total of $71,884,867,000, and in addition funds in the total amount of $1,838,426,000 are authorized to be appropriated to the Department of Defense as emergency appropriations for fiscal year 2000 for military personnel, as appropriated in section 2012 of the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31; 113 Stat. 83). The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2000.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Temporary authority for recall of retired aviators.
Sec. 502. Increase in maximum number of officers authorized to be on active-duty list in frocked grades of brigadier general and rear admiral (lower half).
Sec. 503. Reserve officers requesting or otherwise causing nonselection for promotion.
Sec. 504. Minimum grade of officers eligible to serve on boards of inquiry.
Sec. 505. Minimum selection of warrant officers for promotion from below the promotion zone.

Sec. 506. Increase in threshold period of active duty for applicability of restriction on holding of civil office by retired regular officers and reserve officers.

Sec. 507. Exemption of retiree council members from recalled retiree limits.

Sec. 508. Technical amendments relating to joint duty assignments.

Sec. 509. Three-year extension of requirement for competition for joint 4-star officer positions.

Subtitle B—Reserve Component Personnel Policy

Sec. 511. Continuation of officers on reserve active-status list to complete disciplinary action.

Sec. 512. Authority to order reserve component members to active duty to complete a medical evaluation.

Sec. 513. Exclusion of reserve officers on educational delay from eligibility for consideration for promotion.

Sec. 514. Extension of period for retention of reserve component majors and lieutenant commanders who twice fail of selection for promotion.

Sec. 515. Computation of years of service exclusion.

Sec. 516. Retention of reserve component chaplains until age 67.

Sec. 517. Expansion and codification of authority for space-required travel on military aircraft for reserves performing inactive-duty training outside the continental United States.

Subtile C—Military Technicians

Sec. 521. Revision to military technician (dual status) law.

Sec. 522. Civil service retirement of technicians.

Sec. 523. Revision to non-dual status technicians statute.

Sec. 524. Revision to authorities relating to National Guard technicians.

Sec. 525. Effective date.

Sec. 526. Secretary of Defense review of Army technician costing process.

Sec. 527. Fiscal year 2000 limitation on number of non-dual status technicians.

Subtitle D—Service Academies

Sec. 531. Strength limitations at the service academies.

Sec. 532. Superintendents of the service academies.

Sec. 533. Dean of Academic Board, United States Military Academy and Dean of the Faculty, United States Air Force Academy.

Sec. 534. Waiver of reimbursement of expenses for instruction at service academies of persons from foreign countries.

Sec. 535. Expansion of foreign exchange programs of the service academies.

Subtitle E—Education and Training

Sec. 541. Establishment of a Department of Defense international student program at the senior military colleges.

Sec. 542. Authority for Army War College to award degree of master of strategic studies.

Sec. 543. Authority for Air University to confer graduate-level degrees.

Sec. 544. Reserve credit for participation in health professions scholarship and financial assistance program.

Sec. 545. Permanent authority for ROTC scholarships for graduate students.

Sec. 546. Increase in monthly subsistence allowance for Senior ROTC cadets selected for advanced training.

Sec. 547. Contingent funding increase for Junior ROTC program.

Sec. 548. Change from annual to biennial reporting under the reserve component Montgomery GI bill.

Sec. 549. Recodification and consolidation of statutes denying Federal grants and contracts by certain departments and agencies to institutions of higher education that prohibit senior ROTC units or military recruiting on campus.

Sec. 550. Accrual funding for Coast Guard Montgomery GI bill liabilities.

Subtitle F—Reserve Component Management

Sec. 551. Financial assistance program for pursuit of degrees by officer candidates in Marine Corps Platoon Leaders Class program.

Sec. 552. Options to improve recruiting for the Army Reserve.

Sec. 553. Joint duty assignments for reserve component general and flag officers.

Sec. 554. Grade of chiefs of reserve components and additional general officers at the National Guard Bureau.

Sec. 555. Duties of Reserves on active duty in support of the Reserves.

Sec. 556. Repeal of limitation on number of Reserves on full-time active duty in support of preparedness for responses to emergencies involving weapons of mass destruction.

Sec. 557. Establishment of Office of the Coast Guard Reserve.

Sec. 558. Report on use of National Guard facilities and infrastructure for support of provision of services to veterans.

Subtitle G—Decorations, Awards, and Commendations

Sec. 561. Waiver of time limitations for award of certain decorations to certain persons.

Sec. 562. Authority for award of Medal of Honor to Alfred Rascon for valor during the Vietnam conflict.

Sec. 563. Elimination of current backlog of requests for replacement of military decorations.

Sec. 564. Retroactive award of Navy Combat Action Ribbon.

Sec. 565. Sense of Congress concerning Presidential unit citation for crew of the U.S.S. Indianapolis.

Subtitle H—Matters Relating to Recruiting

Sec. 571. Access to secondary school students for military recruiting purposes.

Sec. 572. Increased authority to extend delayed entry period for enlistments of persons with no prior military service.

Sec. 573. Army College First pilot program.

Sec. 574. Use of recruiting materials for public relations purposes.

Subtitle I—Matters Relating to Missing Persons

Sec. 575. Nondisclosure of debriefing information on certain missing persons previously returned to United States control.

Sec. 576. Recovery and identification of remains of certain World War II servicemen lost in Pacific Theater of Operations.

Subtitle J—Other Matters

Sec. 577. Authority for special courts-martial to impose sentences to confinement and forfeitures of pay of up to one year.

Sec. 578. Funeral honors details for funerals of veterans.

Sec. 579. Purpose and funding limitations for National Guard Challenge program.

Sec. 580. Department of Defense Starbase program.

Sec. 581. Survey of members leaving military service on attitudes toward military service.

Sec. 582. Service review agencies covered by professional staffing requirement.

Sec. 583. Participation of members in management of organizations abroad that promote international understanding.

Sec. 584. Support for expanded child care services and youth program services for dependents.

Sec. 585. Report and regulations on Department of Defense policies on protecting the confidentiality of communications with professionals providing therapeutic or related services regarding sexual or domestic abuse.

Sec. 586. Members under burdensome personnel tempo.

Subtitle K—Domestic Violence

Sec. 591. Defense task force on domestic violence.

Sec. 592. Incentive program for improving responses to domestic violence involving members of the Armed Forces and military family members.

Sec. 593. Uniform Department of Defense policies for responses to domestic violence.

Sec. 594. Central Department of Defense database on domestic violence incidents.

Subtitle A—Officer Personnel Policy

SEC. 501. TEMPORARY AUTHORITY FOR RECALL OF RETIRED AVIATORS.

(a) AUTHORITY.—During the retired aviator recall period, the Secretary of a military department may recall to active duty any retired officer having expertise as an aviator to fill staff positions normally filled by active duty aviators. Any such recall may only be made with the consent of the officer recalled.

(b) LIMITATION.—No more than a total of 500 officers may be on active duty at any time under subsection (a).

(c) TERMINATION.—Each officer recalled to active duty under subsection (a) during the retired aviator recall period shall be released from active duty not later than one year after the end of such period.

(d) WAIVERS.—Officers recalled to active duty under subsection (a) shall not be counted for purposes of section 668 or 690 of title 10, United States Code.

(e) RETIRED AVIATOR RECALL PERIOD.—For purposes of this section, the retired aviator recall period is the period beginning on October 1, 1999, and ending on September 30, 2002.

(f) REPORT.—Not later than March 31, 2002, the Secretary of Defense submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the use of the authority under this section, together with the Secretary's recommendation for extension of that authority.

SEC. 502. INCREASE IN MAXIMUM NUMBER OF OFFICERS AUTHORIZED TO BE ON ACTIVE-DUTY LIST IN FROCKED GRADES OF BRIGADIER GENERAL AND REAR ADMIRAL (LOWER HALF).

Section 777(d)(1) of title 10, United States Code, is amended by striking "the following:" and all that follows and inserting "55.".

SEC. 503. RESERVE OFFICERS REQUESTING OR OTHERWISE CAUSING NONSELECTION FOR PROMOTION.

(a) Reporting Requirement.—Section 617(c) of title 10, United States Code, is amended by striking "regular".

(b) Effective Date.—The amendment made by subsection (a) shall apply with respect to boards convened under section 611(a) of title 10, United States Code, on or after the date of the enactment of this Act.

SEC. 504. MINIMUM GRADE OF OFFICERS ELIGIBLE TO SERVE ON BOARDS OF INQUIRY.

(a) Retention Boards for Regular Officers.—The text of section 1187 of title 10, United States Code, is amended to read as follows:

"(a) Active Duty Officers.—Except as provided in subsection (b), each board convened under this chapter shall consist of officers appointed as follows:

"(1) Each member of the board shall be an officer of the same armed force as the officer being required to show cause for retention on active duty.

"(2) Each member of the board shall be on the active-duty list.

"(3) Each member of the board shall be in a grade above major or lieutenant commander, except that at least one member of the board shall be in a grade above lieutenant colonel or commander.

"(4) Each member of the board shall be senior in grade to any officer to be considered by the board.

"(b) Retired Officers.—If qualified officers on active duty are not available in sufficient numbers to comprise a board convened under this chapter, the Secretary of the military department concerned shall complete the membership of the board by appointing to the board retired officers of the same armed force. A retired officer may be appointed to such a board only if the retired grade of that officer—

"(1) is above major or lieutenant commander or, in the case of an officer to be the senior officer of the board, above lieutenant colonel or commander; and

"(2) is senior to the grade of any officer to be considered by the board.

"(c) Ineligibility by Reason of Previous Consideration of Same Officer.—No person may be a member of more than one board convened under this chapter to consider the same officer.

"(d) Exclusion From Strength Limitation.—A retired general or flag officer who is on active duty for the purpose of serving on a board convened under this chapter shall not, while so serving, be counted against any limitation on the number of general and flag officers who may be on active duty.".

(b) Retention Boards for Reserve Officers.—Subsection (a) of section 14906 of such title is amended to read as follows:

"(a) Composition of Boards.—Each board convened under this chapter shall consist of officers appointed as follows:

"(1) Each member of the board shall be an officer of the same armed force as the officer being required to show cause for retention in an active status.

"(2) Each member of the board shall hold a grade above major or lieutenant commander, except that at least one member of the board shall hold a grade above lieutenant colonel or commander.

"(3) Each member of the board shall be senior in grade to any officer to be considered by the board.".

SEC. 505. MINIMUM SELECTION OF WARRANT OFFICERS FOR PROMOTION FROM BELOW THE PROMOTION ZONE.

Section 575(b)(2) of title 10, United States Code, is amended by adding at the end the following new sentence: "If the number determined under this subsection with respect to a promotion zone within a grade (or grade and competitive category) is less than one, the board may recommend one such officer for promotion from below the zone within that grade (or grade and competitive category).".

SEC. 506. INCREASE IN THRESHOLD PERIOD OF ACTIVE DUTY FOR APPLICABILITY OF RESTRICTION ON HOLDING OF CIVIL OFFICE BY RETIRED REGULAR OFFICERS AND RESERVE OFFICERS.

Section 973(b)(1) of title 10, United States Code, is amended—

(1) in subparagraph (B), by striking "180 days" and inserting "270 days"; and

(2) in subparagraph (C), by striking "180 days" and inserting "270 days".

SEC. 507. EXEMPTION OF RETIREE COUNCIL MEMBERS FROM RECALLED RETIREE LIMITS.

Section 690(b)(2) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

"(D) Any member of the Retiree Council of the Army, Navy, or Air Force for the period on active duty to attend the annual meeting of the Retiree Council.".

SEC. 508. TECHNICAL AMENDMENTS RELATING TO JOINT DUTY ASSIGNMENTS.

(a) Joint Duty Assignments for General and Flag Officers.—Subsection (g) of section 619a of title 10, United States Code, is amended to read as follows:

"(g) Limitation for General and Flag Officers Previously Receiving Joint Duty Assignment Waiver.—A general officer or flag officer who before January 1, 1999, received a waiver of subsection (a) under the authority of this subsection (as in effect before that date) may not be appointed to the grade of lieutenant general or vice admiral until the officer completes a full tour of duty in a joint duty assignment.".

(b) Nuclear Propulsion Officers.—Subsection (h) of that section is amended—

(1) by striking "(1) Until January 1, 1997, an" inserting "An";

(2) by striking "may be" and inserting "who before January 1, 1997, is";

(3) by striking ". An officer so appointed"; and

(4) by striking paragraph (2).

SEC. 509. THREE-YEAR EXTENSION OF REQUIREMENT FOR COMPETITION FOR JOINT 4-STAR OFFICER POSITIONS.

(a) Extension of Requirement.—Section 604(c) of title 10, United States Code, is amended by striking "September 30, 2000" and inserting "September 30, 2003".

(b) Grade Relief.—Section 525(b)(5)(C) of such title is amended by striking "September 30, 2000" and inserting "September 30, 2003".

(c) Clarification of Certain Limitations on Number of Active-Duty Generals and Admirals.—Paragraph (5) of section 525(b) of such title is amended by adding at the end of subparagraph (A) the following new sentence: "Any increase by reason of the preceding sentence in the number of officers of an armed force serving on active duty in grades above major general or rear admiral may only be realized by an increase in the number of lieutenant generals or vice admirals, as the case may be, serving on active duty, and any such increase may not be construed as authorizing an increase in the limitation on the total number of general or flag officers for that armed force under section 526(a) of this title or in the number of general and flag officers that may be designated under section 526(b) of this title.".

Subtitle B—Reserve Component Personnel Policy

SEC. 511. CONTINUATION OF OFFICERS ON RESERVE ACTIVE-STATUS LIST TO COMPLETE DISCIPLINARY ACTION.

(a) In General.—Chapter 1407 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 14518. Continuation of officers to complete disciplinary action

"The Secretary concerned may delay the separation or retirement under this chapter of an officer against whom an action has been commenced with a view to trying the officer by court-martial. Any such delay may continue until the completion of the disciplinary action against the officer.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"14518. Continuation of officers to complete disciplinary action.".

SEC. 512. AUTHORITY TO ORDER RESERVE COMPONENT MEMBERS TO ACTIVE DUTY TO COMPLETE A MEDICAL EVALUATION.

Section 12301 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(h)(1) When authorized by the Secretary of Defense, the Secretary of a military department may, with the consent of the member, order a member of a reserve component to active duty—

"(A) to receive authorized medical care;

"(B) to be medically evaluated for disability or other purposes; or

"(C) to complete a required Department of Defense health care study, which may include an associated medical evaluation of the member.

"(2) A member ordered to active duty under this subsection may, with the member's consent, be retained on active duty, if the Secretary concerned considers it appropriate, for medical treatment for a condition associated with the study or evaluation, if that treatment of the member is otherwise authorized by law.

"(3) A member of the Army National Guard of the United States or the Air National Guard of the United States may be ordered to active duty under this subsection only with the consent of the Governor or other appropriate authority of the State concerned.".

SEC. 513. EXCLUSION OF RESERVE OFFICERS ON EDUCATIONAL DELAY FROM ELIGIBILITY FOR CONSIDERATION FOR PROMOTION.

(a) Exclusion.—Section 14301 of title 10, United States Code is amended by adding at the end the following new subsection:

"(h) Officers on Educational Delay.—An officer on the reserve active-status list is ineligible for consideration for promotion, but shall remain on the reserve active-status list, while the officer—

"(1) is pursuing a program of graduate level education in an educational delay status approved by the Secretary concerned; and

"(2) is receiving from the Secretary financial assistance in connection with the pursuit of that program of education while in that status.".

(b) Retroactive Effect.—(1) Subsection (h) of section 14301 of title 10, United States Code (as added by subsection (a)), shall apply with respect to boards convened under section 14101(a) of such title before, on, or after the date of the enactment of this Act.

(2) The Secretary of the military department concerned, upon receipt of request submitted in a form and manner prescribed by the Secretary, shall expunge from the military records of an officer any indication of a failure of selection of the officer for promotion by a board referred to in paragraph (1) while the officer was ineligible

for consideration by that board by reason of section 14301(h) of title 10, United States Code.

SEC. 514. EXTENSION OF PERIOD FOR RETENTION OF RESERVE COMPONENT MAJORS AND LIEUTENANT COMMANDERS WHO TWICE FAIL OF SELECTION FOR PROMOTION.

(a) PARITY WITH OFFICERS IN PAY GRADES O-2 AND O-3.—Section 14506 of title 10, United States Code, is amended—

(1) by inserting "the later of (1)" after "in accordance with section 14513 of this title on"; and

(2) by inserting before the period at the end the following: ", or (2) the first day of the seventh month after the month in which the President approves the report of the board which considered the officer for the second time".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to removals of reserve officers from reserve active-status lists under section 14506 of title 10, United States Code, on or after the date of the enactment of this Act.

SEC. 515. COMPUTATION OF YEARS OF SERVICE EXCLUSION.

The text of section 14706 of title 10, United States Code, is amended to read as follows:

"(a) For the purpose of this chapter and chapter 1407 of this title, a Reserve officer's years of service include all service of the officer as a commissioned officer of a uniformed service other than the following:

"(1) Service as a warrant officer.

"(2) Constructive service.

"(3) Service after appointment as a commissioned officer of a reserve component while in a program of advanced education to obtain the first professional degree required for appointment, designation, or assignment to a professional specialty, but only if that service occurs before the officer commences initial service on active duty or initial service in the Ready Reserve in the specialty that results from such a degree.

"(b) The exclusion under subsection (a)(3) does not apply to service performed by an officer who previously served on active duty or participated as a member of the Ready Reserve in other than a student status for the period of service preceding the member's service in a student status.

"(c) For purposes of subsection (a)(3), an officer shall be considered to be in a professional specialty if the officer is appointed or assigned to the Medical Corps, the Dental Corps, the Veterinary Corps, the Medical Service Corps, the Nurse Corps, or the Army Medical Specialists Corps or is designated as a chaplain or judge advocate.".

SEC. 516. RETENTION OF RESERVE COMPONENT CHAPLAINS UNTIL AGE 67.

Section 14703(b) of title 10, United States Code, is amended by striking "(or, in the case of a reserve officer of the Army in the Chaplains or a reserve officer of the Air Force designated as a chaplain, 60 years of age)".

SEC. 517. EXPANSION AND CODIFICATION OF AUTHORITY FOR SPACE-REQUIRED TRAVEL ON MILITARY AIRCRAFT FOR RESERVES PERFORMING INACTIVE-DUTY TRAINING OUTSIDE THE CONTINENTAL UNITED STATES.

(a) AUTHORITY.—(1) Chapter 1805 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 18505. Reserves traveling to inactive-duty training OCONUS: authority for space-required travel

"(a) In the case of a member of a reserve component whose place of inactive-duty training is outside the contiguous States (including a place other than the place of the member's unit training assembly if the member is performing the inactive-duty training in another location), the member may travel in a space-required status on aircraft of the armed forces between the member's home and the place of such training if there is no transportation between those locations by means of road or railroad (or a combination of road and railroad).

"(b) A member traveling in a space-required status on any such aircraft under subsection (a) is not authorized to receive travel, transportation, or per diem allowances in connection with that travel.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"18505. Reserves traveling to inactive-duty training OCONUS: authority for space-required travel.".

(b) REPEAL OF SUPERSEDED AUTHORITY.—Section 8023 of Public Law 105-262 (112 Stat. 2302) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to travel commencing on or after the date of the enactment of this Act.

Subtitle C—Military Technicians

SEC. 521. REVISION TO MILITARY TECHNICIAN (DUAL STATUS) LAW.

(a) DEFINITION.—Subsection (a)(1) of section 10216 of title 10, United States Code, is amended—

(1) in subparagraph (A), by striking "section 709" and inserting "section 709(b)"; and

(2) in subparagraph (C), by inserting "civilian" after "is assigned to a".

(b) DUAL STATUS REQUIREMENT.—Subsection (e) of such section is amended—

(1) in paragraph (1), by inserting "(dual status)" after "military technician" the second place it appears; and

(2) in paragraph (2)—

(A) by striking "The Secretary" and inserting "Except as otherwise provided by law, the Secretary"; and

(B) by striking "not to exceed six months" and inserting "up to 12 months".

SEC. 522. CIVIL SERVICE RETIREMENT OF TECHNICIANS.

(a) IN GENERAL.—(1) Chapter 1007 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 10218. Army and Air Force Reserve technicians: conditions for retention; mandatory retirement under civil service laws

"(a) SEPARATION AND RETIREMENT OF MILITARY TECHNICIANS (DUAL STATUS).—(1) An individual employed by the Army Reserve or the Air Force Reserve as a military technician (dual status) who after the date of the enactment of this section loses dual status is subject to paragraph (2) or (3), as the case may be.

"(2) If a technician described in paragraph (1) is eligible at the time dual status is lost for an unreduced annuity, the technician shall be separated not later than 30 days after the date on which dual status is lost.

"(3)(A) If a technician described in paragraph (1) is not eligible at the time dual status is lost for an unreduced annuity, the technician shall be offered the opportunity to—

"(i) reapply for, and if qualified be appointed to, a position as a military technician (dual status); or

"(ii) apply for a civil service position that is not a technician position.

"(B) If such a technician continues employment with the Army Reserve or the Air Force Reserve as a non-dual status technician, the technician—

"(i) shall not be permitted, after the end of the one-year period beginning on the date of the enactment of this subsection, to apply for any voluntary personnel action; and

"(ii) shall be separated or retired—

"(I) in the case of a technician first hired as a military technician (dual status) on or before February 10, 1996, not later than 30 days after becoming eligible for an unreduced annuity; and

"(II) in the case of a technician first hired as a military technician (dual status) after February 10, 1996, not later than one year after the date on which dual status is lost.

"(4) For purposes of this subsection, a military technician is considered to lose dual status upon—

"(A) being separated from the Selected Reserve; or

"(B) ceasing to hold the military grade specified by the Secretary concerned for the position held by the technician.

"(b) NON-DUAL STATUS TECHNICIANS.—(1) An individual who on the date of the enactment of this section is employed by the Army Reserve or the Air Force Reserve as a non-dual status technician and who on that date is eligible for an unreduced annuity shall be separated not later than six months after the date of the enactment of this section.

"(2)(A) An individual who on the date of the enactment of this section is employed by the Army Reserve or the Air Force Reserve as a non-dual status technician and who on that date is not eligible for an unreduced annuity shall be offered the opportunity to—

"(i) reapply for, and if qualified be appointed to, a position as a military technician (dual status); or

"(ii) apply for a civil service position that is not a technician position.

"(B) If such a technician continues employment with the Army Reserve or the Air Force Reserve as a non-dual status technician, the technician—

"(i) shall not be permitted, after the end of the one-year period beginning on the date of the enactment of this subsection, to apply for any voluntary personnel action; and

"(ii) shall be separated or retired—

"(I) in the case of a technician first hired as a technician on or before February 10, 1996, and who on the date of the enactment of this section is a non-dual status technician, not later than 30 days after becoming eligible for an unreduced annuity; and

"(II) in the case of a technician first hired as a technician after February 10, 1996, and who on the date of the enactment of this section is a non-dual status technician, not later than one year after the date on which dual status is lost.

"(3) An individual employed by the Army Reserve or the Air Force Reserve as a non-dual status technician who is ineligible for appointment to a military technician (dual status) position, or who decides not to apply for appointment to such a position, or who, within six months of the date of the enactment of this section is not appointed to such a position, shall for reduction-in-force purposes be in a separate competitive category from employees who are military technicians (dual status).

"(c) UNREDUCED ANNUITY DEFINED.—For purposes of this section, a technician shall be considered to be eligible for an unreduced annuity if the technician is eligible for an annuity under section 8336, 8412, or 8414 of title 5 that is not subject to a reduction by reason of the age or years of service of the technician.

"(d) VOLUNTARY PERSONNEL ACTION DEFINED.—In this section, the term 'voluntary personnel action', with respect to a non-dual status technician, means any of the following:

"(1) The hiring, entry, appointment, reassignment, promotion, or transfer of the technician into a position for which the Secretary concerned has established a requirement that the person occupying the position be a military technician (dual status).

"(2) Promotion to a higher grade if the technician is in a position for which the Secretary concerned has established a requirement that the person occupying the position be a military technician (dual status).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"10218. Army and Air Force Reserve technicians: conditions for retention; mandatory retirement under civil service laws.".

(3) During the six-month period beginning on the date of the enactment of this Act, the provisions of subsections (a)(3)(B)(ii)(I) and (b)(2)(B)(ii)(I) of section 10218 of title 10, United States Code, as added by paragraph (1), shall be applied by substituting "six months" for "30 days".

(b) Early Retirement.—Section 8414(c) of title 5, United States Code, is amended to read as follows:

"(c)(1) An employee who was hired as a military reserve technician on or before February 10, 1996 (under the provisions of this title in effect before that date), and who is separated from technician service, after becoming 50 years of age and completing 25 years of service, by reason of being separated from the Selected Reserve of the employee's reserve component or ceasing to hold the military grade specified by the Secretary concerned for the position held by the employee is entitled to an annuity.

"(2) An employee who is initially hired as a military technician (dual status) after February 10, 1996, and who is separated from the Selected Reserve or ceases to hold the military grade specified by the Secretary concerned for the position held by the technician—

"(A) after completing 25 years of service as a military technician (dual status), or

"(B) after becoming 50 years of age and completing 20 years of service as a military technician (dual status),

is entitled to an annuity.".

(c) Conforming Amendments.—Chapter 84 of title 5, United States Code, is amended as follows:

(1) Section 8415(g)(2) is amended by striking "military reserve technician" and inserting "military technician (dual status)".

(2) Section 8401(30) is amended to read as follows:

"(30) the term 'military technician (dual status)' means an employee described in section 10216 of title 10;".

(d) Disability Retirement.—Section 8337(h) of title 5, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting "or section 10216 of title 10" after "title 32";

(B) by striking "such title" and all that follows through the period and inserting "title 32 or section 10216 of title 10, respectively, to be a member of the Selected Reserve.";

(2) in paragraph (2)(A)(i)—

(A) by inserting "or section 10216 of title 10" after "title 32"; and

(B) by striking "National Guard or from holding the military grade required for such employment" and inserting "Selected Reserve"; and

(3) in paragraph (3)(C), by inserting "or section 10216 of title 10" after "title 32".

SEC. 523. REVISION TO NON-DUAL STATUS TECHNICIANS STATUTE.

(a) Revision.—Section 10217 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "military" after "non-dual status" in the matter preceding paragraph (1); and

(B) by striking paragraphs (1) and (2) and inserting the following:

"(1) was hired as a technician before November 18, 1997, under any of the authorities specified in subsection (b) and as of that date is not a member of the Selected Reserve or after such date has ceased to be a member of the Selected Reserve; or

"(2) is employed under section 709 of title 32 in a position designated under subsection (c) of that section and when hired was not required to maintain membership in the Selected Reserve."; and

(2) by adding at the end the following new subsection:

"(c) Permanent Limitations on Number.—(1) Effective October 1, 2007, the total number of non-dual status technicians employed by the Army Reserve and Air Force Reserve may not exceed 175. If at any time after the preceding sentence takes effect the number of non-dual status technicians employed by the Army Reserve and Air Force Reserve exceeds the number specified in the limitation in the preceding sentence, the Secretary of Defense shall require that the Secretary of the Army or the Secretary of the Air Force, or both, take immediate steps to reduce the number of such technicians in order to comply with such limitation.

"(2) Effective October 1, 2001, the total number of non-dual status technicians employed by the National Guard may not exceed 1,950. If at any time after the preceding sentence takes effect the number of non-dual status technicians employed by the National Guard exceeds the number specified in the limitation in the preceding sentence, the Secretary of Defense shall require that the Secretary of the Army or the Secretary of the Air Force, or both, take immediate steps to reduce the number of such technicians in order to comply with such limitation.".

(b) Conforming Amendments.—The heading of such section and the item relating to such section in the table of sections at the beginning of chapter 1007 of such title are each amended by striking the penultimate word.

SEC. 524. REVISION TO AUTHORITIES RELATING TO NATIONAL GUARD TECHNICIANS.

Section 709 of title 32, United States Code, is amended to read as follows:

"§ 709. Technicians: employment, use, status

"(a) Under regulations prescribed by the Secretary of the Army or the Secretary of the Air Force, as the case may be, and subject to subsections (b) and (c), persons may be employed as technicians in—

"(1) the administration and training of the National Guard; and

"(2) the maintenance and repair of supplies issued to the National Guard or the armed forces.

"(b) Except as authorized in subsection (c), a person employed under subsection (a) must meet each of the following requirements:

"(1) Be a military technician (dual status) as defined in section 10216(a) of title 10.

"(2) Be a member of the National Guard.

"(3) Hold the military grade specified by the Secretary concerned for that position.

"(4) While performing duties as a military technician (dual status), wear the uniform appropriate for the member's grade and component of the armed forces.

"(c)(1) A person may be employed under subsection (a) as a non-dual status technician (as defined by section 10217 of title 10) if the technician position occupied by the person has been designated by the Secretary concerned to be filled only by a non-dual status technician.

"(2) The total number of non-dual status technicians in the National Guard is specified in section 10217(c)(2) of title 10.

"(d) The Secretary concerned shall designate the adjutants general referred to in section 314 of this title to employ and administer the technicians authorized by this section.

"(e) A technician employed under subsection (a) is an employee of the Department of the Army or the Department of the Air Force, as the case may be, and an employee of the United States. However, a position authorized by this section is outside the competitive service if the technician employed in that position is required under subsection (b) to be a member of the National Guard.

"(f) Notwithstanding any other provision of law and under regulations prescribed by the Secretary concerned—

"(1) a person employed under subsection (a) who is a military technician (dual status) and otherwise subject to the requirements of subsection (b) who—

"(A) is separated from the National Guard or ceases to hold the military grade specified by the Secretary concerned for that position shall be promptly separated from military technician (dual status) employment by the adjutant general of the jurisdiction concerned; and

"(B) fails to meet the military security standards established by the Secretary concerned for a member of a reserve component under his jurisdiction may be separated from employment as a military technician (dual status) and concurrently discharged from the National Guard by the adjutant general of the jurisdiction concerned;

"(2) a technician may, at any time, be separated from his technician employment for cause by the adjutant general of the jurisdiction concerned;

"(3) a reduction in force, removal, or an adverse action involving discharge from technician employment, suspension, furlough without pay, or reduction in rank or compensation shall be accomplished by the adjutant general of the jurisdiction concerned;

"(4) a right of appeal which may exist with respect to paragraph (1), (2), or (3) shall not extend beyond the adjutant general of the jurisdiction concerned; and

"(5) a technician shall be notified in writing of the termination of his employment as a technician and, unless the technician is serving under a temporary appointment, is serving in a trial or probationary period, or has voluntarily ceased to be a member of the National Guard when such membership is a condition of employment, such notification shall be given at least 30 days before the termination date of such employment.

"(g) Sections 2108, 3502, 7511, and 7512 of title 5 do not apply to a person employed under this section.

"(h) Notwithstanding sections 5544(a) and 6101(a) of title 5 or any other provision of law, the Secretary concerned may prescribe the hours of duty for technicians. Notwithstanding sections 5542 and 5543 of title 5 or any other provision of law, such technicians shall be granted an amount of compensatory time off from their scheduled tour of duty equal to the amount of any time spent by them in irregular or overtime work, and shall not be entitled to compensation for such work.

"(i) The Secretary concerned may not prescribe for purposes of eligibility for Federal recognition under section 301 of this title a qualification applicable to technicians employed under subsection (a) that is not applicable pursuant to that section to the other members of the National Guard in the same grade, branch, position, and type of unit or organization involved.".

SEC. 525. EFFECTIVE DATE.

The amendments made by sections 523 and 524 shall take effect 180 days after the date of the receipt by Congress of the plan required by section 523(d) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1737) or a report by the Secretary of Defense providing an alternative proposal to the plan required by that section.

SEC. 526. SECRETARY OF DEFENSE REVIEW OF ARMY TECHNICIAN COSTING PROCESS.

(a) Review.—The Secretary of Defense shall review the process used by the Army, including use of the Civilian Manpower Obligation Resources (CMOR) model, to develop estimates of the annual authorizations and appropriations required for civilian personnel of the Department of the Army generally and for National Guard and Army Reserve technicians in particular. Based upon the review, the Secretary shall direct that any appropriate revisions to that process be implemented.

(b) Purpose of Review.—The purpose of the review shall be to ensure that the process referred to in subsection (a) does the following:

(1) Accurately and fully incorporates all the actual cost factors for such personnel, including particularly those factors necessary to recruit, train, and sustain a qualified technician workforce.

(2) Provides estimates of required annual appropriations required to fully fund all the technicians (both dual status and non-dual status) requested in the President's budget.

(3) Eliminates inaccuracies in the process that compel both the Army Reserve and the Army National Guard either (A) to reduce the number of military technicians (dual status) below the statutory floors without corresponding force structure reductions, or (B) to transfer funds from other appropriations simply to provide the required funding for military technicians (dual status).

(c) Report.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the review undertaken under this section, together with a description of corrective actions taken and proposed, not later than March 31, 2000.

SEC. 527. FISCAL YEAR 2000 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

The number of civilian employees who are non-dual status technicians of a reserve component of the Army or Air Force as of September 30, 2000, may not exceed the following:

(1) For the Army Reserve, 1,295.

(2) For the Army National Guard of the United States, 1,800.

(3) For the Air Force Reserve, 0.

(4) For the Air National Guard of the United States, 342.

Subtitle D—Service Academies

SEC. 531. STRENGTH LIMITATIONS AT THE SERVICE ACADEMIES.

(a) United States Military Academy.—(1) The Secretary of the Army shall take such action as necessary to ensure that the United States Military Academy is in compliance with the USMA cadet strength limit not later than the day before the last day of the 2001–2002 academic year.

(2) The Secretary of the Army may provide for a variance to the USMA cadet strength limit—

(A) as of the day before the last day of the 1999–2000 academic year of not more than 5 percent; and

(B) as of the day before the last day of the 2000–2001 academic year of not more than 2½ percent.

(3) For purposes of this subsection—

(A) the USMA cadet strength limit is the maximum of 4,000 cadets established for the Corps of Cadets at the United States Military Academy by section 511 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 4342 note), reenacted in section 4342(a) of title 10, United States Code, by the amendment made by subsection (b)(1); and

(B) the last day of an academic year is graduation day.

(b) Reenactment of Limitation; Authorized Variance.—(1) Section 4342 of title 10, United States Code, is amended—

(A) in subsection (a), by striking "is as follows:" in the matter preceding paragraph (1) and inserting "(determined for any year as of the day before the last day of the academic year) is 4,000. Subject to that limitation, cadets are selected as follows:"; and

(B) by adding at the end the following new subsection:

"(i) For purposes of the limitation in subsection (a) establishing the aggregate authorized strength of the Corps of Cadets, the Secretary of the Army may for any year (beginning with the 2001–2002 academic year) permit a variance in that limitation by not more than one percent. In applying that limitation, and any such variance, the last day of an academic year shall be considered to be graduation day.".

(2) Section 6954 of such title is amended—

(A) by striking the matter preceding paragraph (1) and inserting the following:

"(a) The authorized strength of the Brigade of Midshipmen (determined for any year as of the day before the last day of the academic year) is 4,000. Subject to that limitation, midshipmen are selected as follows:"; and

(B) by adding at the end the following new subsection:

"(g) For purposes of the limitation in subsection (a) establishing the aggregate authorized strength of the Brigade of Midshipmen, the Secretary of the Navy may for any year permit a variance in that limitation by not more than one percent. In applying that limitation, and any such variance, the last day of an academic year shall be considered to be graduation day.".

(3) Section 9342 of such title is amended—

(A) in subsection (a), by striking "is as follows:" in the matter preceding paragraph (1) and inserting "(determined for any year as of the day before the last day of the academic year) is 4,000. Subject to that limitation, Air Force Cadets are selected as follows:"; and

(B) by adding at the end the following new subsection:

"(i) For purposes of the limitation in subsection (a) establishing the aggregate authorized strength of Air Force Cadets, the Secretary of the Air Force may for any year permit a variance in that limitation by not more than one percent. In applying that limitation, and any such variance, the last day of an academic year shall be considered to be graduation day.".

(4) Section 511 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 4342 note) is repealed.

SEC. 532. SUPERINTENDENTS OF THE SERVICE ACADEMIES.

(a) Position of Superintendent Required To Be Terminal Position.—(1)(A) Chapter 367 of title 10, United States Code, is amended by inserting after section 3920 the following new section:

"§3921. Mandatory retirement: Superintendent of the United States Military Academy

"Upon the termination of the detail of an officer to the position of Superintendent of the United States Military Academy, the Secretary of the Army shall retire the officer under any provision of this chapter under which that officer is eligible to retire.".

(B) Chapter 403 of such title is amended by inserting after section 4333 the following new section:

"§4333a. Superintendent: condition for detail to position

"As a condition for detail to the position of Superintendent of the Academy, an officer shall acknowledge that upon termination of that detail the officer shall be retired.".

(2)(A) Chapter 573 of such title is amended by inserting after the table of sections at the beginning of such chapter the following new section:

"§6371. Mandatory retirement: Superintendent of the United States Naval Academy

"Upon the termination of the detail of an officer to the position of Superintendent of the United States Naval Academy, the Secretary of the Navy shall retire the officer under any provision of chapter 571 of this title under which the officer is eligible to retire.".

(B) Chapter 603 of such title is amended by inserting after section 6951 the following new section:

"§6951a. Superintendent

"(a) There is a Superintendent of the United States Naval Academy. The immediate governance of the Naval Academy is under the Superintendent.

"(b) The Superintendent shall be detailed to that position by the President. As a condition for detail to that position, an officer shall acknowledge that upon termination of that detail the officer shall be retired.".

(3)(A) Chapter 867 of such title is amended by inserting after section 8920 the following new section:

"§8921. Mandatory retirement: Superintendent of the United States Air Force Academy

"Upon the termination of the detail of an officer to the position of Superintendent of the United States Air Force Academy, the Secretary of the Air Force shall retire the officer under any provision of this chapter under which the officer is eligible to retire.".

(B) Chapter 903 of such title is amended by inserting after section 9333 the following new section:

"§9333a. Superintendent: condition for detail to position

"As a condition for detail to the position of Superintendent of the Academy, an officer shall acknowledge that upon termination of that detail the officer shall be retired.".

(4)(A) The table of sections at the beginning of chapter 367 of title 10, United States Code, is amended by inserting after the item relating to section 3920 the following new item:

"3921. Mandatory retirement: Superintendent of the United States Military Academy.".

(B) The table of sections at the beginning of chapter 403 of such title is amended by inserting after the item relating to section 4333 the following new item:

"4333a. Superintendent: condition for detail to position.".

(C) The table of sections at the beginning of chapter 573 of such title is amended by inserting before the item relating to section 6383 the following new item:

"6371. Mandatory retirement: Superintendent of the United States Naval Academy.".

(D) The table of sections at the beginning of chapter 603 of such title is amended by inserting after the item relating to section 6951 the following new item:

"6951a. Superintendent.".

(E) The table of sections at the beginning of chapter 867 of such title is amended by inserting after the item relating to section 8920 the following new item:

"8921. Mandatory retirement: Superintendent of the United States Air Force Academy.".

(F) The table of sections at the beginning of chapter 903 of such title is amended by inserting

after the item relating to section 9333 the following new item:

"9333a. Superintendent: condition for detail to position.".

(5) The amendments made by this subsection shall not apply to an officer serving on the date of the enactment of this Act in the position of Superintendent of the United States Military Academy, Superintendent of the United States Naval Academy, or Superintendent of the United States Air Force Academy for so long as that officer continues on and after that date to serve in that position without a break in service.

(b) Exclusion From Certain General and Flag Officer Grade Strength Limitations.—Section 525(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(7) An officer of the Army while serving as Superintendent of the United States Military Academy, if serving in the grade of lieutenant general, is in addition to the number that would otherwise be permitted for the Army for officers serving on active duty in grades above major general under paragraph (1). An officer of the Navy or Marine Corps while serving as Superintendent of the United States Naval Academy, if serving in the grade of vice admiral or lieutenant general, is in addition to the number that would otherwise be permitted for the Navy or Marine Corps, respectively, for officers serving on active duty in grades above major general or rear admiral under paragraph (1) or (2). An officer while serving as Superintendent of the United Air Force Academy, if serving in the grade of lieutenant general, is in addition to the number that would otherwise be permitted for the Air Force for officers serving on active duty in grades above major general under paragraph (1).".

SEC. 533. DEAN OF ACADEMIC BOARD, UNITED STATES MILITARY ACADEMY AND DEAN OF THE FACULTY, UNITED STATES AIR FORCE ACADEMY.

(a) Dean of the Academic Board, USMA.—Section 4335 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) While serving as Dean of the Academic Board, an officer of the Army who holds a grade lower than brigadier general shall hold the grade of brigadier general, if appointed to that grade by the President, by and with the advice and consent of the Senate. The retirement age of an officer so appointed is that of a permanent professor of the Academy. An officer so appointed is counted for purposes of the limitation in section 526(a) of this title on general officers of the Army on active duty.".

(b) Dean of the Faculty, USAFA.—Section 9335 of title 10, United States Code, is amended—

(1) by inserting "(a)" at the beginning of the text of the section; and

(2) by adding at the end the following new subsection:

"(b) While serving as Dean of the Faculty, an officer of the Air Force who holds a grade lower than brigadier general shall hold the grade of brigadier general, if appointed to that grade by the President, by and with the advice and consent of the Senate. The retirement age of an officer so appointed is that of a permanent professor of the Academy. An officer so appointed is counted for purposes of the limitation in section 526(a) of this title on general officers of the Air Force on active duty.".

SEC. 534. WAIVER OF REIMBURSEMENT OF EXPENSES FOR INSTRUCTION AT SERVICE ACADEMIES OF PERSONS FROM FOREIGN COUNTRIES.

(a) United States Military Academy.—Section 4344(b)(3) of title 10, United States Code, is amended—

(1) by striking "35 percent" and inserting "50 percent"; and

(2) by striking "five persons" and inserting "20 persons".

(b) Naval Academy.—Section 6957(b)(3) of such title is amended—

(1) by striking "35 percent" and inserting "50 percent"; and

(2) by striking "five persons" and inserting "20 persons".

(c) Air Force Academy.—Section 9344(b)(3) of such title is amended—

(1) by striking "35 percent" and inserting "50 percent"; and

(2) by striking "five persons" and inserting "20 persons".

(d) Effective Date.—The amendments made by this section apply with respect to students from a foreign country entering the United States Military Academy, the United States Naval Academy, or the United States Air Force Academy on or after May 1, 1999.

(e) Conforming Repeal.—Section 301 of the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31; 113 Stat. 66) is repealed.

SEC. 535. EXPANSION OF FOREIGN EXCHANGE PROGRAMS OF THE SERVICE ACADEMIES.

(a) United States Military Academy.—Section 4345 of title 10, United States Code, is amended—

(1) in subsection (b), by striking "10 cadets" and inserting "24 cadets"; and

(2) in subsection (c)(3), by striking "$50,000" and inserting "$120,000".

(b) United States Naval Academy.—Section 6957a of such title is amended—

(1) in subsection (b), by striking "10 midshipmen" and inserting "24 midshipmen"; and

(2) in subsection (c)(3), by striking "$50,000" and inserting "$120,000".

(c) United States Air Force Academy.—Section 9345 of such title is amended—

(1) in subsection (b), by striking "10 Air Force cadets" and inserting "24 Air Force cadets"; and

(2) in subsection (c)(3), by striking "$50,000" and inserting "$120,000".

Subtitle E—Education and Training

SEC. 541. ESTABLISHMENT OF A DEPARTMENT OF DEFENSE INTERNATIONAL STUDENT PROGRAM AT THE SENIOR MILITARY COLLEGES.

(a) In General.—(1) Chapter 103 of title 10, United States Code, is amended by adding at the end the following new section:

"§2111b. Senior military colleges: Department of Defense international student program

"(a) Program Requirement.—The Secretary of Defense shall establish a program to facilitate the enrollment and instruction of persons from foreign countries as international students at the senior military colleges.

"(b) Purposes.—The purposes of the program shall be—

"(1) to provide a high-quality, cost-effective military-based educational experience for international students in furtherance of the military-to-military program objectives of the Department of Defense; and

"(2) to enhance the educational experience and preparation of future United States military leaders through increased, extended interaction with highly qualified potential foreign military leaders.

"(c) Coordination With the Senior Military Colleges.—Guidelines for implementation of the program shall be developed in coordination with the senior military colleges.

"(d) Recommendations for Admission of Students Under the Program.—The Secretary of Defense shall annually identify to the senior military colleges the international students who, based on criteria established by the Secretary, the Secretary recommends be considered for admission under the program. The Secretary shall identify the recommended international students to the senior military colleges as early as possible each year to enable those colleges to consider them in a timely manner in their respective admissions processes.

"(e) DOD Financial Support.—An international student who is admitted to a senior military college under the program under this section is responsible for the cost of instruction at that college. The Secretary of Defense may, from funds available to the Department of Defense other than funds available for financial assistance under section 2107a of this title, provide some or all of the costs of instruction for any such student.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2111b. Senior military colleges: Department of Defense international student program.".

(b) Effective Date.—The Secretary of Defense shall implement the program under section 2111b of title 10, United States Code, as added by subsection (a), with students entering the senior military colleges after May 1, 2000.

(c) Repeal of Obsolete Provision.—Section 2111a(e)(1) of title 10, United States Code, is amended by striking the second sentence.

(d) Fiscal Year 2000 Funding.—Of the amounts made available to the Department of Defense for fiscal year 2000 pursuant to section 301, $2,000,000 shall be available for financial support for international students under section 2111b of title 10, United States Code, as added by subsection (a).

SEC. 542. AUTHORITY FOR ARMY WAR COLLEGE TO AWARD DEGREE OF MASTER OF STRATEGIC STUDIES.

(a) Authority.—Chapter 401 of title 10, United States Code, is amended by adding at the end the following new section:

"§4321. United States Army War College: master of strategic studies degree

"Under regulations prescribed by the Secretary of the Army, the Commandant of the United States Army War College, upon the recommendation of the faculty and dean of the college, may confer the degree of master of strategic studies upon graduates of the college who have fulfilled the requirements for that degree.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4321. United States Army War College: master of strategic studies degree.".

SEC. 543. AUTHORITY FOR AIR UNIVERSITY TO CONFER GRADUATE-LEVEL DEGREES.

(a) In General.—Subsection (a) of section 9317 of title 10, United States Code, is amended to read as follows:

"(a) Authority.—Upon the recommendation of the faculty of the appropriate school of the Air University, the commander of the Air University may confer—

"(1) the degree of master of strategic studies upon graduates of the Air War College who fulfill the requirements for that degree;

"(2) the degree of master of military operational art and science upon graduates of the Air Command and Staff College who fulfill the requirements for that degree; and

"(3) the degree of master of airpower art and science upon graduates of the School of Advanced Airpower Studies who fulfill the requirements for that degree.".

(b) Clerical Amendments.—(1) The heading for that section is amended to read:

"§9317. Air University: graduate-level degrees".

(2) The item relating to that section in the table of sections at the beginning of chapter 901 of such title is amended to read as follows:

"9317. Air University: graduate-level degrees.".

SEC. 544. RESERVE CREDIT FOR PARTICIPATION IN HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

Section 2126(b) of title 10, United States Code, is amended—

(1) by striking paragraphs (2) and (3) and inserting the following:

"(2) Service credited under paragraph (1) counts only for the award of retirement points for computation of years of service under section 12732 of this title and for computation of retired pay under section 12733 of this title.

"(3) The number of points credited to a member under paragraph (1) for a year of participation in a course of study is 50. The points shall be credited to the member for one of the years of that participation at the end of each year after the completion of the course of study that the member serves in the Selected Reserve and is credited under section 12732(a)(2) of this title with at least 50 points. The points credited for the participation shall be recorded in the member's records as having been earned in the year of the participation in the course of study.";

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph (5):

"(5) A member of the Selected Reserve may be considered to be in an active status while pursuing a course of study under this subchapter only for purposes of sections 12732(a) and 12733(3) of this title.".

SEC. 545. PERMANENT AUTHORITY FOR ROTC SCHOLARSHIPS FOR GRADUATE STUDENTS.

Section 2107(c)(2) of title 10, United States Code, is amended to read as follows:

"(2) The Secretary of the military department concerned may provide financial assistance, as described in paragraph (1), to a student enrolled in an advanced education program beyond the baccalaureate degree level if the student also is a cadet or midshipman in an advanced training program. Not more than 15 percent of the total number of scholarships awarded under this section in any year may be awarded under this paragraph.".

SEC. 546. INCREASE IN MONTHLY SUBSISTENCE ALLOWANCE FOR SENIOR ROTC CADETS SELECTED FOR ADVANCED TRAINING.

(a) INCREASE.—Section 209(a) of title 37, United States Code, is amended by striking "$150 a month" and inserting "$200 a month".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1999.

SEC. 547. CONTINGENT FUNDING INCREASE FOR JUNIOR ROTC PROGRAM.

(a) IN GENERAL.—(1) Chapter 102 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2033. Contingent funding increase

"If for any fiscal year the amount appropriated for the National Guard Challenge Program under section 509 of title 32 is in excess of $62,500,000, the Secretary of Defense shall (notwithstanding any other provision of law) make the amount in excess of $62,500,000 available for the Junior Reserve Officers' Training Corps program under section 2031 of this title, and such excess amount may not be used for any other purpose.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2033. Contingent funding increase.".

(b) EFFECTIVE DATE.—Section 2033 of title 10, United States Code, as added by subsection (a), shall apply only with respect to funds appropriated for fiscal years after fiscal year 1999.

SEC. 548. CHANGE FROM ANNUAL TO BIENNIAL REPORTING UNDER THE RESERVE COMPONENT MONTGOMERY GI BILL.

(a) IN GENERAL.—Section 16137 of title 10, United States Code, is amended to read as follows:

"§ 16137. Biennial report to Congress

"The Secretary of Defense shall submit to Congress a report not later than March 1 of each odd-numbered year concerning the operation of the educational assistance program established by this chapter during the preceding two fiscal years. Each such report shall include the number of members of the Selected Reserve of the Ready Reserve of each armed force receiving, and the number entitled to receive, educational assistance under this chapter during those fiscal years. The Secretary may submit the report more frequently and adjust the period covered by the report accordingly.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 1606 of such title is amended to read as follows:

"16137. Biennial report to Congress.".

SEC. 549. RECODIFICATION AND CONSOLIDATION OF STATUTES DENYING FEDERAL GRANTS AND CONTRACTS BY CERTAIN DEPARTMENTS AND AGENCIES TO INSTITUTIONS OF HIGHER EDUCATION THAT PROHIBIT SENIOR ROTC UNITS OR MILITARY RECRUITING ON CAMPUS.

(a) RECODIFICATION AND CONSOLIDATION FOR LIMITATIONS ON FEDERAL GRANTS AND CONTRACTS.—(1) Section 983 of title 10, United States Code, is amended to read as follows:

"§ 983. Institutions of higher education that prevent ROTC access or military recruiting on campus: denial of grants and contracts from Department of Defense, Department of Education, and certain other departments and agencies

"(a) DENIAL OF FUNDS FOR PREVENTING ROTC ACCESS TO CAMPUS.—No funds described in subsection (d)(1) may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education (including any subelement of such institution) if the Secretary of Defense determines that that institution (or any subelement of that institution) has a policy or practice (regardless of when implemented) that either prohibits, or in effect prevents—

"(1) the Secretary of a military department from maintaining, establishing, or operating a unit of the Senior Reserve Officer Training Corps (in accordance with section 654 of this title and other applicable Federal laws) at that institution (or any subelement of that institution); or

"(2) a student at that institution (or any subelement of that institution) from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

"(b) DENIAL OF FUNDS FOR PREVENTING MILITARY RECRUITING ON CAMPUS.—No funds described in subsection (d)(2) may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education (including any subelement of such institution) if the Secretary of Defense determines that that institution (or any subelement of that institution) has a policy or practice (regardless of when implemented) that either prohibits, or in effect prevents—

"(1) the Secretary of a military department or Secretary of Transportation from gaining entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of military recruiting; or

"(2) access by military recruiters for purposes of military recruiting to the following information pertaining to students (who are 17 years of age or older) enrolled at that institution (or any subelement of that institution):

"(A) Names, addresses, and telephone listings.

"(B) Date and place of birth, levels of education, academic majors, degrees received, and the most recent educational institution enrolled in by the student.

"(c) EXCEPTIONS.—The limitation established in subsection (a) or (b) shall not apply to an institution of higher education (or any subelement of that institution) if the Secretary of Defense determines that—

"(1) the institution (and each subelement of that institution) has ceased the policy or practice described in that subsection; or

"(2) the institution of higher education involved has a longstanding policy of pacifism based on historical religious affiliation.

"(d) COVERED FUNDS.—(1) The limitation established in subsection (a) applies to the following:

"(A) Any funds made available for the Department of Defense.

"(B) Any funds made available in a Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act.

"(2) The limitation established in subsection (b) applies to the following:

"(A) Funds described in paragraph (1).

"(B) Any funds made available for the Department of Transportation.

"(e) NOTICE OF DETERMINATIONS.—Whenever the Secretary of Defense makes a determination under subsection (a), (b), or (c), the Secretary—

"(1) shall transmit a notice of the determination to the Secretary of Education and to Congress; and

"(2) shall publish in the Federal Register a notice of the determination and the effect of the determination on the eligibility of the institution of higher education (and any subelement of that institution) for contracts and grants.

"(f) SEMIANNUAL NOTICE IN FEDERAL REGISTER.—The Secretary of Defense shall publish in the Federal Register once every six months a list of each institution of higher education that is currently ineligible for contracts and grants by reason of a determination of the Secretary under subsection (a) or (b).".

(2) The item relating to section 983 in the table of sections at the beginning of such chapter is amended to read as follows:

"983. Institutions of higher education that prevent ROTC access or military recruiting on campus: denial of grants and contracts from Department of Defense, Department of Education, and certain other departments and agencies.".

(b) REPEAL OF CODIFIED PROVISIONS.—The following provisions of law are repealed:

(1) Section 558 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 503 note).

(2) Section 514 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1997 (as contained in section 101(e) of division A of Public Law 104–208; 110 Stat. 3009–270; 10 U.S.C. 503 note).

SEC. 550. ACCRUAL FUNDING FOR COAST GUARD MONTGOMERY GI BILL LIABILITIES.

Section 2006 of title 10, United States Code, is amended as follows:

(1) Subsection (a) is amended by striking "Department of Defense education liabilities" and inserting "armed forces education liabilities".

(2) Paragraph (1) of subsection (b) is amended to read as follows:

"(1) The term 'armed forces education liabilities' means liabilities of the armed forces for benefits under chapter 30 of title 38 and for Department of Defense benefits under chapter 1606 of this title.".

(3) Subsection (b)(2)(C) is amended—

(A) by inserting "Department of Defense" after "future"; and

(B) by striking "chapter 106" and inserting "chapter 1606".

(4) Subsection (c)(1) is amended by inserting "and the Secretary of the Department in which the Coast Guard is operating" after "Defense".

(5) Subsection (d) is amended—

(A) by striking "Department of Defense" and inserting "armed forces"; and

(B) by inserting "the Secretary of the Department in which the Coast Guard is operating," after "Secretary of Defense,".

(6) Subsection (f)(5) is amended by inserting "and the Department in which the Coast Guard is operating" after "Department of Defense".

(7) Subsection (g) is amended—

(A) by inserting "and the Secretary of the Department in which the Coast Guard is operating" in paragraphs (1) and (2) after "The Secretary of Defense"; and

(B) by striking "of a military department" in paragraph (3) and inserting "concerned".

Subtitle F—Reserve Component Management

SEC. 551. FINANCIAL ASSISTANCE PROGRAM FOR PURSUIT OF DEGREES BY OFFICER CANDIDATES IN MARINE CORPS PLATOON LEADERS CLASS PROGRAM.

(a) In General.—(1) Part IV of subtitle E of title 10, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 1611—OTHER EDUCATIONAL ASSISTANCE PROGRAMS

"Sec.
"16401. Marine Corps Platoon Leaders Class program: officer candidates pursuing degrees.

"§ 16401. Marine Corps Platoon Leaders Class program: officer candidates pursuing degrees

"(a) Authority for Financial Assistance Program.—The Secretary of the Navy may provide financial assistance to an eligible enlisted member of the Marine Corps Reserve for expenses of the member while the member is pursuing on a full-time basis at an institution of higher education a program of education approved by the Secretary that leads to—

"(1) a baccalaureate degree in less than five academic years; or

"(2) a doctor of jurisprudence or bachelor of laws degree in not more than three academic years.

"(b) Eligibility.—(1) To be eligible for financial assistance under this section, an enlisted member of the Marine Corps Reserve must—

"(A) be an officer candidate in the Marine Corps Platoon Leaders Class program and have successfully completed one six-week (or longer) increment of military training required under that program;

"(B) meet the applicable age requirement specified in paragraph (2);

"(C) be enrolled on a full-time basis in a program of education referred to in subsection (a) at any institution of higher education; and

"(D) enter into a written agreement with the Secretary described in paragraph (3).

"(2)(A) In the case of a member pursuing a baccalaureate degree, the member meets the age requirements of this paragraph if the member will be under 27 years of age on June 30 of the calendar year in which the member is projected to be eligible for appointment as a commissioned officer in the Marine Corps through the Marine Corps Platoon Leaders Class program, except that if the member has served on active duty, the member may, on such date, be any age under 30 years that exceeds 27 years by a number of months that is not more than the number of months that the member served on active duty.

"(B) In the case of a member pursuing a doctor of jurisprudence or bachelor of laws degree, the member meets the age requirements of this paragraph if the member will be under 31 years of age on June 30 of the calendar year in which the member is projected to be eligible for appointment as a commissioned officer in the Marine Corps through the Marine Corps Platoon Leaders Class program, except that if the member has served on active duty, the member may, on such date, be any age under 35 years that exceeds 31 years by a number of months that is not more than the number of months that the member served on active duty.

"(3) A written agreement referred to in paragraph (1)(D) is an agreement between the member and the Secretary in which the member agrees—

"(A) to accept an appointment as a commissioned officer in the Marine Corps, if tendered by the President;

"(B) to serve on active duty for at least five years; and

"(C) under such terms and conditions as shall be prescribed by the Secretary, to serve in the Marine Corps Reserve until the eighth anniversary of the date of the appointment.

"(c) Covered Expenses.—Expenses for which financial assistance may be provided under this section are—

"(1) tuition and fees charged by the institution of higher education involved;

"(2) the cost of books; and

"(3) in the case of a program of education leading to a baccalaureate degree, laboratory expenses.

"(d) Amount.—The amount of financial assistance provided to a member under this section shall be prescribed by the Secretary, but may not exceed $5,200 for any academic year.

"(e) Limitations.—(1) Financial assistance may be provided to a member under this section only for three consecutive academic years.

"(2) Not more than 1,200 members may participate in the financial assistance program under this section in any academic year.

"(f) Failure To Complete Program.—(1) A member who receives financial assistance under this section may be ordered to active duty in the Marine Corps by the Secretary to serve in an appropriate enlisted grade for such period as the Secretary prescribes, but not for more than four years, if the member—

"(A) completes the military and academic requirements of the Marine Corps Platoon Leaders Class program and refuses to accept an appointment as a commissioned officer in the Marine Corps when offered;

"(B) fails to complete the military or academic requirements of the Marine Corps Platoon Leaders Class program; or

"(C) is disenrolled from the Marine Corps Platoon Leaders Class program for failure to maintain eligibility for an original appointment as a commissioned officer under section 532 of this title.

"(2) The Secretary of the Navy may waive the obligated service under paragraph (1) of a person who is not physically qualified for appointment under section 532 of this title and later is determined by the Secretary of the Navy under section 505 of this title to be unqualified for service as an enlisted member of the Marine Corps due to a physical or medical condition that was not the result of misconduct or grossly negligent conduct.

"(g) Institution of Higher Education Defined.—In this section, the term 'institution of higher education' has the meaning given that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).".

(2) The tables of chapters at the beginning of subtitle E of such title and at the beginning of part IV of such subtitle are amended by adding after the item relating to chapter 1609 the following new item:

"1611. Other Educational Assistance Programs .... 16401".

(b) Conforming Amendment.—Section 3695(a)(5) of title 38, United States Code, is amended by striking "Chapters 106 and 107" and inserting "Chapters 107, 1606, and 1610".

(c) Computation of Creditable Service.—Section 205 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(f) Notwithstanding subsection (a), the periods of service of a commissioned officer appointed under section 12209 of title 10 after receiving financial assistance under section 16401 of such title that are counted under this section may not include a period of service after January 1, 2000, that the officer performed concurrently as a member of the Marine Corps Platoon Leaders Class program and the Marine Corps Reserve, except that service after that date that the officer performed before commissioning (concurrently with the period of service as a member of the Marine Corps Platoon Leaders Class program) as an enlisted member on active duty or as a member of the Selected Reserve may be so counted.".

(d) Transition Provision.—(1) An enlisted member of the Marine Corps Reserve selected for training as an officer candidate under section 12209 of title 10, United States Code, before implementation of a financial assistance program under section 16401 of such title (as added by subsection (a)) may, upon application, participate in the financial assistance program established under section 16401 of such title (as added by subsection (a)) if the member—

(A) is eligible for financial assistance under such section 16401;

(B) submits a request for the financial assistance to the Secretary of the Navy not later than 180 days after the date on which the Secretary establishes the financial assistance program; and

(C) enters into a written agreement described in subsection (b)(3) of such section.

(2) Section 205(f) of title 37, United States Code, as added by subsection (c), applies to a member referred to in paragraph (1).

SEC. 552. OPTIONS TO IMPROVE RECRUITING FOR THE ARMY RESERVE.

(a) Review.—The Secretary of the Army shall conduct a review of the manner, process, and organization used by the Army to recruit new members for the Army Reserve. The review shall seek to determine the reasons for the continuing inability of the Army to meet recruiting objectives for the Army Reserve and to identify measures the Secretary could take to correct that inability.

(b) Reorganization To Be Considered.—Among the possible corrective measures to be examined by the Secretary of the Army as part of the review shall be a transfer of the recruiting function for the Army Reserve from the Army Recruiting Command to a new, fully resourced recruiting organization under the command and control of the Chief, Army Reserve.

(c) Report.—Not later than July 1, 2000, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report setting forth the results of the review under this section. The report shall include a description of any corrective measures the Secretary intends to implement.

SEC. 553. JOINT DUTY ASSIGNMENTS FOR RESERVE COMPONENT GENERAL AND FLAG OFFICERS.

Subsection (b) of section 526 of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2)(A) The Chairman of the Joint Chiefs of Staff may designate up to 10 general and flag officer positions on the staffs of the commanders of the unified and specified combatant commands as positions to be held only by reserve component officers who are in a general or flag officer grade below lieutenant general or vice admiral. Each position so designated shall be considered to be a joint duty assignment position for purposes of chapter 38 of this title.

"(B) A reserve component officer serving in a position designated under subparagraph (A) while on active duty under a call or order to active duty that does not specify a period of 180 days or less shall not be counted for the purposes of the limitations under subsection (a) and under section 525 of this title if the officer was selected for service in that position in accordance with the procedures specified in subparagraph (C).

"(C) Whenever a vacancy occurs, or is anticipated to occur, in a position designated under subparagraph (A)—

"(i) the Secretary of Defense shall require the Secretary of the Army to submit the name of at least one Army reserve component officer, the Secretary of the Navy to submit the name of at least one Naval Reserve officer and the name of at least one Marine Corps Reserve officer, and the Secretary of the Air Force to submit the name of at least one Air Force reserve component officer for consideration by the Secretary for assignment to that position; and

"(ii) the Chairman of the Joint Chiefs of Staff may submit to the Secretary of Defense the name of one or more officers (in addition to the officers whose names are submitted pursuant to clause (i)) for consideration by the Secretary for assignment to that position.

"(D) Whenever the Secretaries of the military departments are required to submit the names of officers under subparagraph (C)(i), the Chairman of the Joint Chiefs of Staff shall submit to the Secretary of Defense the Chairman's evaluation of the performance of each officer whose name is submitted under that subparagraph (and of any officer whose name the Chairman submits to the Secretary under subparagraph (C)(ii) for consideration for the same vacancy).

"(E) Subparagraph (B) does not apply in the case of an officer serving in a position designated under subparagraph (A) if the Secretary of Defense, when considering officers for assignment to fill the vacancy in that position which was filled by that officer, did not have a recommendation for that assignment from each Secretary of a military department who (pursuant to subparagraph (C)) was required to make such a recommendation.".

SEC. 554. GRADE OF CHIEFS OF RESERVE COMPONENTS AND ADDITIONAL GENERAL OFFICERS AT THE NATIONAL GUARD BUREAU.

(a) PROCEDURES FOR APPOINTING RESERVE CHIEFS IN HIGHER GRADE.—(1) Chapter 1213 of title 10, United States Code, is amended by adding at the end the following new section:

"§12505. Selection of officers for certain senior reserve component positions

"(a) COVERED POSITIONS.—(1) This section applies to the positions specified in sections 3038, 5143, 5144, and 8038 and the positions of Director, Army National Guard, and Director, Air National Guard, specified in subparagraphs (A) and (B) of section 10506(a)(1) of this title.

"(2) An officer may be assigned to one of the positions specified in paragraph (1) for service in the grade of lieutenant general or vice admiral if appointed to that grade for service in that position by the President, by and with the advice and consent of the Senate. An officer may be recommended to the President for such an appointment if selected for appointment to that position in accordance with this section.

"(b) ELIGIBILITY FOR HIGHER GRADE.—An officer shall be considered to have been selected for appointment to a position specified in subsection (a) in accordance with this section if—

"(1) the officer is recommended for that appointment by the Secretary of the military department concerned;

"(2) the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint duty experience; and

"(3) the officer is recommended by the Secretary of Defense to the President for appointment in accordance with this section.

"(c) COUNTING FOR PURPOSES OF GRADE LIMITATIONS.—An officer on active duty for service in a position specified in subsection (a) who is serving in that position (by reason of selection in accordance with this section) in the grade of lieutenant general or vice admiral shall be counted for purposes of the grade limitations under sections 525 and 526 of this title. This subsection does not affect the counting for those purposes of officers serving in those positions under any other provision of law.

"(d) TRANSITION WAIVER AUTHORITY.—Until October 1, 2002, the Secretary of Defense may waive paragraph (2) of subsection (b) with respect to the appointment of an officer to a position specified in subsection (a) if in the judgment of the Secretary—

"(1) the officer is qualified for service in the position; and

"(2) the waiver is necessary for the good of the service.

Any such waiver shall be made on a case-by-case basis.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"12505. Selection of officers for certain senior reserve component positions.".

(b) CHIEF OF ARMY RESERVE.—Section 3038(c) of title 10, United States Code, is amended by adding at the end the following new sentence: "However, if selected in accordance with section 12505 of this title, he may be appointed in the grade of lieutenant general.".

(c) CHIEF OF NAVAL RESERVE.—Section 5143(c)(2) of such title is amended—

(1) by striking "above rear admiral (lower half)" and inserting "rear admiral"; and

(2) by adding at the end the following new sentence: "However, if selected in accordance with section 12505 of this title, he may be appointed in the grade of vice admiral.".

(d) COMMANDER, MARINE FORCES RESERVE.—Section 5144(c)(2) of such title is amended—

(1) by striking "above brigadier general" and inserting "major general"; and

(2) by adding at the end the following new sentence: "However, if selected in accordance with section 12505 of this title, he may be appointed in the grade of lieutenant general.".

(e) CHIEF OF AIR FORCE RESERVE.—Section 8038(c) of such title is amended by adding at the end the following new sentence: "However, if selected in accordance with section 12505 of this title, he may be appointed in the grade of lieutenant general.".

(f) GENERAL OFFICERS FOR THE NATIONAL GUARD BUREAU.—Subparagraphs (A) and (B) of section 10506(a)(1) of such title are each amended by inserting "or, if appointed to that position in accordance with section 12505(a)(2) of this title, the grade of lieutenant general," after "major general".

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect 60 days after the date of the enactment of this Act.

(h) APPLICABILITY TO INCUMBENTS.—(1) If an officer who is a covered position incumbent is appointed under the amendments made by this section to the grade of lieutenant general or vice admiral, the term of service of that officer in that covered position shall not be extended by reason of such appointment.

(2) For purposes of this subsection:

(A) The term "covered position incumbent" means a reserve component officer who on the effective date specified in subsection (g) is serving in a covered position.

(B) The term "covered position" means a position specified in section 12505 of title 10, United States Code, as added by subsection (a).

SEC. 555. DUTIES OF RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) DUTIES.—Section 12310 of title 10, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (d) and transferring that subsection, as so redesignated, to the end of the section; and

(2) by inserting after subsection (a) the following new subsection (b):

"(b) DUTIES.—A Reserve on active duty as described in subsection (a) may be assigned only duties in connection with the functions described in that subsection, which may include the following:

"(1) Supporting operations or missions assigned in whole or in part to reserve components.

"(2) Supporting operations or missions performed or to be performed by—

"(A) a unit composed of elements from more than one component of the same armed force; or

"(B) a joint forces unit that includes—

"(i) one or more reserve component units; or

"(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

"(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the unified combatant command regarding reserve component matters.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "GRADE WHEN ORDERED TO ACTIVE DUTY.—" after "(a)";

(2) in subsection (c)(1), by striking "(c)(1) A Reserve" and inserting "(c) DUTIES RELATING TO DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION.—(1) Notwithstanding subsection (b), a Reserve"; and

(3) in subsection (d), as redesignated and transferred by subsection (a)(1), by inserting "TRAINING.—" before "A Reserve".

(c) REPORT ON THE USE OF RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.—(1) The Secretary of Defense shall review how the Reserves on active duty in support of the reserves are or will be used in relation to the duties set forth under subsection (b) of section 12310 of title 10, United States Code, as added by subsection (a)(2).

(2) Not later than March 1, 2000, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the review under paragraph (1). The report shall include the following:

(A) An itemization and description, shown by operation or mission referred to in subsection (b) of section 12310 of title 10, United States Code, as added by subsection (a)(2), of the numbers of Reserves on active duty involved in each of those operations and missions.

(B) An assessment and recommendation as to whether the Reserves on active duty in support of the reserves should be managed as a separate personnel category in which they compete only among themselves for promotion, retention, school selection, command, and other centrally selected personnel actions.

(C) An assessment and recommendation as to whether those Reserves should be considered as being part of their respective active component for purposes of management of end strengths and whether funds for those Reserves should be provided from appropriations for active component military personnel (rather than reserve component personnel).

(D) An assessment and recommendations for changes in the existing officer and enlisted personnel systems required as a result of the amendments to section 12310 of title 10, United States Code, made by subsection (a), with such assessment to take a comprehensive life-cycle approach to the careers of those Reserves and how those careers should be managed, with special attention to issues related to accession, promotion, professional development, retention, separation and retirement.

SEC. 556. REPEAL OF LIMITATION ON NUMBER OF RESERVES ON FULL-TIME ACTIVE DUTY IN SUPPORT OF PREPAREDNESS FOR RESPONSES TO EMERGENCIES INVOLVING WEAPONS OF MASS DESTRUCTION.

(a) Repeal.—Paragraph (4) of section 12310(c) of title 10, United States Code, is amended by striking the first sentence.

(b) Conforming Amendments.—Paragraph (6) of such section is amended—

(1) by striking "or to increase the number of personnel authorized by paragraph (4)" in the matter preceding subparagraph (A); and

(2) in subparagraph (A), by striking "or for the requested additional personnel" and all that follows through "Federal levels".

SEC. 557. ESTABLISHMENT OF OFFICE OF THE COAST GUARD RESERVE.

(a) Establishment.—Chapter 3 of title 14, United States Code, is amended by adding at the end the following new section:

"§53. Office of the Coast Guard Reserve; Director

"(a) Establishment of Office; Director.—There is in the executive part of the Coast Guard an Office of the Coast Guard Reserve. The head of the Office is the Director of the Coast Guard Reserve. The Director of the Coast Guard Reserve is the principal adviser to the Commandant on Coast Guard Reserve matters and may have such additional functions as the Commandant may direct.

"(b) Appointment.—The President, by and with the advice and consent of the Senate, shall appoint the Director of the Coast Guard Reserve, from officers of the Coast Guard who—

"(1) have had at least 10 years of commissioned service;

"(2) are in a grade above captain; and

"(3) have been recommended by the Secretary of Transportation.

"(c) Term.—(1) The Director of the Coast Guard Reserve holds office for a term determined by the President, normally two years, but not more than four years. An officer may be removed from the position of Director for cause at any time.

"(2) The Director of the Coast Guard Reserve, while so serving, holds a grade above Captain, without vacating the officer's permanent grade.

"(d) Budget.—The Director of the Coast Guard Reserve is the official within the executive part of the Coast Guard who, subject to the authority, direction, and control of the Secretary of Transportation and the Commandant, is responsible for preparation, justification, and execution of the personnel, operation and maintenance, and construction budgets for the Coast Guard Reserve. As such, the Director of the Coast Guard Reserve is the director and functional manager of appropriations made for the Coast Guard Reserve in those areas.

"(e) Annual Report.—The Director of the Coast Guard Reserve shall submit to the Secretary of Transportation and the Secretary of Defense an annual report on the state of the Coast Guard Reserve and the ability of the Coast Guard Reserve to meet its missions. The report shall be prepared in conjunction with the Commandant and may be submitted in classified and unclassified versions.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 52 the following new item:

"53. Office of the Coast Guard Reserve; Director.".

SEC. 558. REPORT ON USE OF NATIONAL GUARD FACILITIES AND INFRASTRUCTURE FOR SUPPORT OF PROVISION OF SERVICES TO VETERANS.

(a) Report.—The Chief of the National Guard Bureau shall submit to the Secretary of Defense a report, to be prepared in consultation with the Secretary of Veterans Affairs, assessing the feasibility and desirability of using the facilities and electronic infrastructure of the National Guard for support of the provision of services to veterans by the Secretary of Veterans Affairs. The report shall include an assessment of any costs and benefits associated with the use of those facilities and that infrastructure for that purpose.

(b) Transmittal to Congress.—The Secretary of Defense shall, not later than April 1, 2000, transmit to Congress the report submitted to the Secretary under subsection (a), together with any comments on the report consistent with the requirements of section 18235 of title 10, United States Code, that the Secretary considers appropriate.

Subtitle G—Decorations, Awards, and Commendations

SEC. 561. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) Waiver.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) Distinguished Flying Cross.—Subsection (a) applies to the award of the Distinguished Flying Cross for service during World War II or Korea (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, during the period beginning on October 17, 1998, and ending on the day before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

(c) Coast Guard Commendation Medal.—Subsection (a) applies to the award of the Coast Guard Commendation Medal to Mark H. Freeman, of Seattle, Washington for heroic achievement performed in a manner above that normally to be expected during rescue operations for the S.S. Seagate, in September 1956, while serving as a member of the Coast Guard at Gray Harbor Lifeboat Station, Westport, Washington.

SEC. 562. AUTHORITY FOR AWARD OF MEDAL OF HONOR TO ALFRED RASCON FOR VALOR DURING THE VIETNAM CONFLICT.

(a) Waiver of Time Limitations.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the Army, the President may award the Medal of Honor under section 3741 of that title to Alfred Rascon, of Laurel, Maryland, for the acts of valor described in subsection (b).

(b) Action Described.—The acts of valor referred to in subsection (a) are the actions of Alfred Rascon on March 16, 1966, as an Army medic, serving in the grade of Specialist Four in the Republic of Vietnam with the Reconnaissance Platoon, Headquarters Company, 1st Battalion, 503rd Infantry, 173rd Airborne Brigade (Separate), during a combat operation known as Silver City.

SEC. 563. ELIMINATION OF CURRENT BACKLOG OF REQUESTS FOR REPLACEMENT OF MILITARY DECORATIONS.

(a) Elimination of Current Backlog.—The Secretary of Defense shall eliminate the backlog (as of the date of the enactment of this Act) of requests made to the Department of Defense for the issuance or replacement of military decorations for members or former members of the Armed Forces.

(b) Condition.—The Secretary shall allocate funds and other resources in order to carry out subsection (a) in a manner that does not detract from the performance of other personnel service and personnel support activities within the Department of Defense.

(c) Report.—Not later than 45 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the status of the elimination of the backlog described in subsection (a). The report shall include a plan for preventing accumulation of backlogs in the future.

(d) Decoration Defined.—For the purposes of this section, the term "decoration" means a medal or other decoration that a member or former member of the Armed Forces was awarded by the United States with respect to service in the Armed Forces.

SEC. 564. RETROACTIVE AWARD OF NAVY COMBAT ACTION RIBBON.

The Secretary of the Navy may award the Navy Combat Action Ribbon (established by Secretary of the Navy Notice 1650, dated February 17, 1969) to a member of the Navy or Marine Corps for participation in ground or surface combat during any period on or after December 7, 1941, and before March 1, 1961 (the date of the otherwise applicable limitation on retroactivity for the award of such decoration), if the Secretary determines that the member has not been previously recognized in an appropriate manner for such participation.

SEC. 565. SENSE OF CONGRESS CONCERNING PRESIDENTIAL UNIT CITATION FOR CREW OF THE U.S.S. INDIANAPOLIS.

(a) Findings.—Congress reaffirms the findings made in section 1052(a) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2844) that the heavy cruiser U.S.S. INDIANAPOLIS (CA–35)—

(1) served the people of the United States with valor and distinction throughout World War II in action against enemy forces in the Pacific Theater of Operations from December 7, 1941 to July 29, 1945;

(2) with her courageous and capable crew, compiled an impressive combat record during the war in the Pacific, receiving in the process 10 battle stars in actions from the Aleutians to Okinawa;

(3) rendered invaluable service in anti-shipping, shore bombardment, anti-air, and invasion support roles and serving as flagship for the Fifth Fleet under Admiral Raymond Spruance and flagship for the Third Fleet under Admiral William F. Halsey; and

(4) transported the world's first operational atomic bomb from the United States to the Island of Tinian, accomplishing that mission at a record average speed of 29 knots.

(b) FURTHER FINDINGS.—Congress further finds that—

(1) from participation in the earliest offensive actions in the Pacific during World War II to her pivotal role in delivering the weapon that brought the war to an end, the U.S.S. INDIANAPOLIS and her crew left an indelible imprint on the Nation's struggle to eventual victory in the war in the Pacific; and

(2) the selfless, courageous, and outstanding performance of duty by that ship and her crew throughout the war in the Pacific reflects great credit upon the ship and her crew, thus upholding the very highest traditions of the United States Navy.

(c) SENSE OF CONGRESS.—(1) It is the sense of Congress that the President should award a Presidential Unit Citation to the crew of the U.S.S. INDIANAPOLIS (CA–35) in recognition of the courage and skill displayed by the members of the crew of that vessel throughout World War II.

(2) A citation described in paragraph (1) may be awarded without regard to any provision of law or regulation prescribing a time limitation that is otherwise applicable with respect to recommendation for, or the award of, such a citation.

Subtitle H—Matters Related to Recruiting

SEC. 571. ACCESS TO SECONDARY SCHOOL STUDENTS FOR MILITARY RECRUITING PURPOSES.

Section 503 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) Each local educational agency is requested to provide to the Department of Defense, upon a request made for military recruiting purposes, the same access to secondary school students, and to directory information concerning such students, as is provided generally to post-secondary educational institutions or to prospective employers of those students.".

SEC. 572. INCREASED AUTHORITY TO EXTEND DELAYED ENTRY PERIOD FOR ENLISTMENTS OF PERSONS WITH NO PRIOR MILITARY SERVICE.

(a) MAXIMUM PERIOD OF EXTENSION.—Section 513(b)(1) of title 10, United States Code, is amended by striking "180 days" in the second sentence and inserting "365 days".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to enlistments entered into on or after that date.

SEC. 573. ARMY COLLEGE FIRST PILOT PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of the Army shall establish a pilot program (to be known as the "Army College First" program) to assess whether the Army could increase the number of, and the level of the qualifications of, persons entering the Army as enlisted members by encouraging recruits to pursue higher education or vocational or technical training before entry into active service in the Army.

(b) DELAYED ENTRY WITH ALLOWANCE FOR HIGHER EDUCATION.—Under the pilot program, the Secretary may exercise the authority under section 513 of title 10, United States Code—

(1) to accept the enlistment of a person as a Reserve for service in the Selected Reserve or Individual Ready Reserve of the Army Reserve or, notwithstanding the scope of the authority under subsection (a) of that section, in the Army National Guard of the United States;

(2) to authorize, notwithstanding the period limitation in subsection (b) of that section, a delay of the enlistment of any such person in a regular component under that subsection for the period during which the person is enrolled in, and pursuing a program of education at, an institution of higher education, or a program of vocational or technical training, on a full-time basis that is to be completed within two years after the date of such enlistment as a Reserve under paragraph (1); and

(3) in the case of a person enlisted in a reserve component for service in the Individual Ready Reserve, pay an allowance to the person for each month of that period.

(c) MAXIMUM PERIOD OF DELAY.—The period of delay authorized a person under paragraph (2) of subsection (b) may not exceed the two-year period beginning on the date of the person's enlistment accepted under paragraph (1) of such subsection.

(d) AMOUNT OF ALLOWANCE.—(1) The monthly allowance paid under subsection (b)(3) is $150. The allowance may not be paid for more than 24 months.

(2) An allowance under this section is in addition to any other pay or allowance to which a member of a reserve component is entitled by reason of participation in the Ready Reserve of that component.

(e) COMPARISON GROUP.—To perform the assessment under subsection (a), the Secretary may define and study any group not including persons receiving a benefit under subsection (b) and compare that group with any group or groups of persons who receive such benefits under the pilot program.

(f) DURATION OF PILOT PROGRAM.—The pilot program shall be in effect during the period beginning on October 1, 1999, and ending on September 30, 2004.

(g) REPORT.—Not later than February 1, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the pilot program. The report shall include the following:

(1) The assessment of the Secretary regarding the value of the authority under this section for achieving the objectives of increasing the number of, and the level of the qualifications of, persons entering the Army as enlisted members.

(2) Any recommendation for legislation or other action that the Secretary considers appropriate to achieve those objectives through grants of entry delays and financial benefits for advanced education and training of recruits.

SEC. 574. USE OF RECRUITING MATERIALS FOR PUBLIC RELATIONS PURPOSES.

(a) AUTHORITY.—Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§2257. Use of recruiting materials for public relations

"The Secretary of Defense may use for public relations purposes of the Department of Defense any advertising materials developed for use for recruitment and retention of personnel for the armed forces. Any such use shall be under such conditions and subject to such restrictions as the Secretary of Defense shall prescribe.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"2257. Use of recruiting materials for public relations.".

Subtitle I—Matters Relating to Missing Persons

SEC. 575. NONDISCLOSURE OF DEBRIEFING INFORMATION ON CERTAIN MISSING PERSONS PREVIOUSLY RETURNED TO UNITED STATES CONTROL.

Section 1506 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) NONDISCLOSURE OF CERTAIN INFORMATION.—A record of the content of a debriefing of a missing person returned to United States control during the period beginning on July 8, 1959, and ending on February 10, 1996, that was conducted by an official of the United States authorized to conduct the debriefing is privileged information and, notwithstanding sections 552 and 552a of title 5, may not be disclosed, in whole or in part, under either such section. However, this subsection does not limit the responsibility of the Secretary concerned under paragraphs (2) and (3) of subsection (d) to place extracts of non-derogatory information, or a notice of the existence of such information, in the personnel file of a missing person.".

SEC. 576. RECOVERY AND IDENTIFICATION OF REMAINS OF CERTAIN WORLD WAR II SERVICEMEN LOST IN PACIFIC THEATER OF OPERATIONS.

(a) RECOVERY OF REMAINS.—(1) The Secretary of Defense shall make every reasonable effort to search for, recover, and identify the remains of United States servicemen lost in the Pacific theater of operations during World War II (including in New Guinea) while engaged in flight operations.

(2) In order to provide high priority to carrying out paragraph (1), the Secretary of Defense shall consider increasing the number of personnel assigned to the Central Identification Laboratory, Hawaii.

(3) Not later than September 30, 2000, the Secretary shall submit to Congress a report setting forth the efforts made to accomplish the objectives specified in paragraph (1). The Secretary shall include in the report a statement of the backlog of cases at the Central Identification Laboratory, Hawaii, shown by conflict, and the status of the joint manning plan required by section 566(c) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2029).

(b) DIPLOMATIC INTERVENTION IF REQUIRED.—The Secretary of State, upon request by the Secretary of Defense, shall work with officials of governments of nations in the area that was covered by the Pacific theater of operations of World War II to seek to overcome any diplomatic obstacles that may impede the Secretary of Defense from carrying out the objectives specified in subsection (a)(1).

Subtitle J—Other Matters

SEC. 577. AUTHORITY FOR SPECIAL COURTS-MARTIAL TO IMPOSE SENTENCES TO CONFINEMENT AND FORFEITURES OF PAY OF UP TO ONE YEAR.

(a) MAXIMUM PUNISHMENTS THAT MAY BE ADJUDGED BY A SPECIAL COURT-MARTIAL.—Section 819 of title 10, United States Code (article 19 of the Uniform Code of Military Justice), is amended—

(1) in the second sentence, by striking "six months" both places it appears and inserting "one year"; and

(2) in the third sentence, by inserting after "A bad conduct discharge" the following: ", confinement for more than six months, or forfeiture of pay for more than six months".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the first day of the sixth month beginning after the date of the enactment of this Act and shall apply with respect to charges referred on or after that effective date to trial by special courts-martial.

SEC. 578. FUNERAL HONORS DETAILS FOR FUNERALS OF VETERANS.

(a) RESPONSIBILITY OF SECRETARY OF DEFENSE.—(1) Subsection (a) of section 1491 of title 10, United States Code, is amended to read as follows:

"(a) AVAILABILITY OF FUNERAL HONORS DETAIL ENSURED.—The Secretary of Defense shall ensure that, upon request, a funeral honors detail is provided for the funeral of any veteran.".

(2) Section 1491(a) of title 10, United States Code, as amended by paragraph (1), shall apply

with respect to funerals that occur after December 31, 1999.

(b) COMPOSITION OF FUNERAL HONORS DETAILS.—(1) Subsection (b) of such section is amended—

(A) by striking "HONOR GUARD DETAILS.—" and inserting "FUNERAL HONORS DETAILS.—(1)";

(B) by striking "an honor guard detail" and inserting "a funeral honors detail"; and

(C) by striking "not less than three persons" and all that follows and inserting "two or more persons.".

(2) Subsection (c) of such section is amended—

(A) by striking "(c) PERSONS FORMING HONOR GUARDS.—An honor guard detail" and inserting "(2) At least two members of the funeral honors detail for a veteran's funeral shall be members of the armed forces, at least one of whom shall be a member of the armed force of which the veteran was a member. The remainder of the detail"; and

(B) by striking the second sentence and inserting the following: "Each member of the armed forces in the detail shall wear the uniform of the member's armed force while serving in the detail.".

(c) CEREMONY, SUPPORT, AND WAIVER.—Such section is further amended—

(1) by redesignating subsections (d), (e), and (f) as subsections (f), (g), and (h), respectively; and

(2) by inserting after subsection (b) the following new subsections:

"(c) CEREMONY.—A funeral honors detail shall, at a minimum, perform at the funeral a ceremony that includes the folding of a United States flag and presentation of the flag to the veteran's family and the playing of Taps. Unless a bugler is a member of the detail, the funeral honors detail shall play a recorded version of Taps using audio equipment which the detail shall provide if adequate audio equipment is not otherwise available for use at the funeral.

"(d) SUPPORT.—To provide a funeral honors detail under this section, the Secretary of a military department may provide the following:

"(1) Transportation, or reimbursement for transportation, and expenses for a person who participates in the funeral honors detail and is not a member of the armed forces or an employee of the United States.

"(2) Materiel, equipment, and training for members of a veterans organization or other organization referred to in subsection (b)(2).

"(e) WAIVER AUTHORITY.—(1) The Secretary of Defense may waive any requirement provided in or pursuant to this section when the Secretary considers it necessary to do so to meet the requirements of war, national emergency, or a contingency operation or other military requirements. The authority to make such a waiver may not be delegated to an official of a military department other than the Secretary of the military department and may not be delegated within the Office of the Secretary of Defense to an official at a level below Under Secretary of Defense.

"(2) Before or promptly after granting a waiver under paragraph (1), the Secretary shall transmit a notification of the waiver to the Committees on Armed Services of the Senate and House of Representatives.".

(d) REGULATIONS.—Subsection (f) of such section, as redesignated by subsection (d)(1), is amended to read as follows:

"(f) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section. Those regulations shall include the following:

"(1) A system for selection of units of the armed forces and other organizations to provide funeral honors details.

"(2) Procedures for responding and coordinating responses to requests for funeral honors details.

"(3) Procedures for establishing standards and protocol.

"(4) Procedures for providing training and ensuring quality of performance.".

(e) INCLUSION OF CERTAIN MEMBERS OF THE SELECTED RESERVE IN PERSONS ELIGIBLE FOR FUNERAL HONORS.—Subsection (h) of such section, as redesignated by subsection (d)(1), is amended to read as follows:

"(h) VETERAN DEFINED.—In this section, the term 'veteran' means a decedent who—

"(1) served in the active military, naval, or air service (as defined in section 101(24) of title 38) and who was discharged or released therefrom under conditions other than dishonorable; or

"(2) was a member or former member of the Selected Reserve described in section 2301(f) of title 38.".

(f) AUTHORITY TO ACCEPT VOLUNTARY SERVICES.—Section 1588(a) of such title is amended by adding at the end the following new paragraph:

"(4) Voluntary services as a member of a funeral honors detail under section 1491 of this title.".

(g) DUTY STATUS OF RESERVES IN FUNERAL HONORS DETAILS.—(1) Section 114 of title 32, United States Code, is amended—

(A) by striking "honor guard functions" both places it appears and inserting "funeral honors functions"; and

(B) by striking "drill or training otherwise required" and inserting "drill or training, but may be performed as funeral honors duty under section 115 of this title".

(2) Chapter 1 of such title is amended by adding at the end the following new section:

"§ 115. Funeral honors duty performed as a Federal function

"(a) ORDER TO DUTY.—A member of the Army National Guard of the United States or the Air National Guard of the United States may be ordered to funeral honors duty, with the consent of the member, to prepare for or perform funeral honors functions at the funeral of a veteran under section 1491 of title 10. However, a member of the Army National Guard of the United States or the Air National Guard of the United States may not be ordered to perform funeral honors functions under this section without the consent of the Governor or other appropriate authority of the State concerned.

"(b) SERVICE CREDIT.—A member ordered to funeral honors duty under this section shall be required to perform a minimum of two hours of such duty in order to receive—

"(1) service credit under section 12732(a)(2)(E) of title 10; and

"(2) if authorized by the Secretary concerned, the allowance under section 435 of title 37.

"(c) REIMBURSABLE EXPENSES.—A member who performs funeral honors duty under this section may be reimbursed for travel and transportation expenses incurred in conjunction with such duty as authorized under chapter 7 of title 37 if such duty is performed at a location 50 miles or more from the member's residence.

"(d) REGULATIONS.—The exercise of authority under subsection (a) is subject to regulations prescribed by the Secretary of Defense.".

(3) Chapter 1213 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 12503. Ready Reserve: funeral honors duty

"(a) ORDER TO DUTY.—A member of the Ready Reserve may be ordered to funeral honors duty, with the consent of the member, in preparation for or to perform funeral honors functions at the funeral of a veteran as defined in section 1491 of this title.

"(b) SERVICE CREDIT.—A member ordered to funeral honors duty under this section shall be required to perform a minimum of two hours of such duty in order to receive—

"(1) service credit under section 12732(a)(2)(E) of this title; and

"(2) if authorized by the Secretary concerned, the allowance under section 435 of title 37.

"(c) REIMBURSABLE EXPENSES.—A member who performs funeral honors duty under this section may be reimbursed for travel and transportation expenses incurred in conjunction with such duty as authorized under chapter 7 of title 37 if such duty is performed at a location 50 miles or more from the member's residence.

"(d) REGULATIONS.—The exercise of authority under subsection (a) is subject to regulations prescribed by the Secretary of Defense.

"(e) MEMBERS OF THE NATIONAL GUARD.—This section does not apply to members of the Army National Guard of the United States or the Air National Guard of the United States. The performance of funeral honors duty by those members is provided for in section 115 of title 32.".

(4) Section 12552 of title 10, United States Code, is amended to read as follows:

"§ 12552. Funeral honors functions at funerals for veterans

"Performance by a Reserve of funeral honors functions at the funeral of a veteran (as defined in section 1491(h) of this title) may not be considered to be a period of drill or training, but may be performed as funeral honors duty under section 12503 of this title".

(h) CREDITING FOR RESERVE RETIREMENT PURPOSES.—(1) Section 12732(a)(2) of such title is amended—

(A) by inserting after subparagraph (D) the following new subparagraph:

"(E) One point for each day on which funeral honors duty is performed for at least two hours under section 12503 of this title or section 115 of title 32, unless the duty is performed while in a status for which credit is provided under another subparagraph of this paragraph."; and

(B) by striking ", and (D)" in the last sentence and inserting ", (D), and (E)".

(2) Section 12733 of such title is amended—

(A) by redesignating paragraph (4) as paragraph (5); and

(B) by inserting after paragraph (3) the following new paragraph (4):

"(4) One day for each point credited to the person under subparagraph (E) of section 12732(a)(2) of this title.".

(i) BENEFITS FOR MEMBERS IN FUNERAL HONORS DUTY STATUS.—(1) Section 1074a(a) of such title is amended—

(A) in each of paragraphs (1) and (2)—

(i) by striking "or" at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting "; or"; and

(iii) by adding at the end the following:

"(C) service on funeral honors duty under section 12503 of this title or section 115 of title 32."; and

(B) by adding at the end the following new paragraph:

"(4) Each member of the armed forces who incurs or aggravates an injury, illness, or disease in the line of duty while remaining overnight immediately before serving on funeral honors duty under section 12503 of this title or section 115 of title 32 at or in the vicinity of the place at which the member was to so serve, if the place is outside reasonable commuting distance from the member's residence.".

(2) Section 1076(a)(2) of such title is amended by adding at the end the following new subparagraph:

"(E) A member who died from an injury, illness, or disease incurred or aggravated while the member—

"(i) was serving on funeral honors duty under section 12503 of this title or section 115 of title 32;

"(ii) was traveling to or from the place at which the member was to so serve; or

"(iii) remained overnight at or in the vicinity of that place immediately before so serving, if the place is outside reasonable commuting distance from the member's residence.".

(3) Section 1204(2) of such title is amended—

(A) by striking "or" at the end of subparagraph (A);

(B) by inserting "or" after the semicolon at the end of subparagraph (B); and

(C) by adding at the end the following new subparagraph:

"(C) is a result of an injury, illness, or disease incurred or aggravated in line of duty—

"(i) while the member was serving on funeral honors duty under section 12503 of this title or section 115 of title 32;

"(ii) while the member was traveling to or from the place at which the member was to so serve; or

"(iii) while the member remained overnight at or in the vicinity of that place immediately before so serving, if the place is outside reasonable commuting distance from the member's residence;".

(4) Paragraph (2) of section 1206 of such title is amended to read as follows:

"(2) the disability is a result of an injury, illness, or disease incurred or aggravated in line of duty—

"(A) while—

"(i) performing active duty or inactive-duty training;

"(ii) traveling directly to or from the place at which such duty is performed; or

"(iii) remaining overnight immediately before the commencement of inactive-duty training, or while remaining overnight between successive periods of inactive-duty training, at or in the vicinity of the site of the inactive-duty training, if the site is outside reasonable commuting distance of the member's residence; or

"(B) while the member—

"(i) was serving on funeral honors duty under section 12503 of this title or section 115 of title 32;

"(ii) was traveling to or from the place at which the member was to so serve; or

"(iii) remained overnight at or in the vicinity of that place immediately before so serving, if the place is outside reasonable commuting distance from the member's residence;".

(5) Section 1481(a)(2) of such title is amended—

(A) by striking "or" at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting "; or"; and

(C) by adding at the end the following new subparagraph:

"(F) either—

"(i) serving on funeral honors duty under section 12503 of this title or section 115 of title 32;

"(ii) traveling directly to or from the place at which the members is to so serve; or

"(iii) remaining overnight at or in the vicinity of that place before so serving, if the place is outside reasonable commuting distance from the member's residence.".

(j) FUNERAL HONORS DUTY ALLOWANCE.—Chapter 4 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 435. Funeral honors duty: allowance

"(a) ALLOWANCE AUTHORIZED.—The Secretary concerned may authorize payment of an allowance to a member of the Ready Reserve for any day on which the member performs at least two hours of funeral honors duty pursuant to section 12503 of title 10 or section 115 of title 32.

"(b) AMOUNT.—The daily rate of an allowance under this section is $50.

"(c) FULL COMPENSATION.—Except for expenses reimbursed under subsection (c) of section 12503 of title 10 or subsection (c) of section 115 of title 32, the allowance paid under this section is the only monetary compensation authorized to be paid a member for the performance of funeral honors duty pursuant to such section, regardless of the grade in which the member is serving, and shall constitute payment in full to the member.".

(k) CLERICAL AMENDMENTS.—(1) The heading for section 1491 of title 10, United States Code, is amended to read as follows:

"§ 1491. Funeral honors functions at funerals for veterans".

(2)(A) The item relating to section 1491 in the table of sections at the beginning of chapter 75 of title 10, United States Code, is amended to read as follows:

"1491. Funeral honors functions at funerals for veterans.".

(B) The table of sections at the beginning of chapter 1213 of such title is amended by adding at the end the following new item:

"12503. Ready Reserve: funeral honors duty.".

(C) The item relating to section 12552 in the table of sections at the beginning of chapter 1215 of such title is amended to read as follows:

"12552. Funeral honors functions at funerals for veterans.".

(3)(A) The heading for section 114 of title 32, United States Code, is amended to read as follows:

"§ 114. Funeral honors functions at funerals for veterans".

(B) The table of sections at the beginning of chapter 1 of such title is amended by striking the item relating to section 114 and inserting the following new items:

"114. Funeral honors functions at funerals for veterans.

"115. Funeral honors duty performed as a Federal function.".

(4) The table of sections at the beginning of chapter 4 of title 37, United States Code, is amended by adding at the end the following new item:

"435. Funeral honors duty: allowance.".

SEC. 579. PURPOSE AND FUNDING LIMITATIONS FOR NATIONAL GUARD CHALLENGE PROGRAM.

(a) PROGRAM AUTHORITY AND PURPOSE.—Subsection (a) of section 509 of title 32, United States Code, is amended to read as follows:

"(a) PROGRAM AUTHORITY AND PURPOSE.—The Secretary of Defense, acting through the Chief of the National Guard Bureau, may use the National Guard to conduct a civilian youth opportunities program, to be known as the 'National Guard Challenge Program', which shall consist of at least a 22-week residential program and a 12-month post-residential mentoring period. The National Guard Challenge Program shall seek to improve life skills and employment potential of participants by providing military-based training and supervised work experience, together with the core program components of assisting participants to receive a high school diploma or its equivalent, leadership development, promoting fellowship and community service, developing life coping skills and job skills, and improving physical fitness and health and hygiene.".

(b) ANNUAL FUNDING LIMITATION.—Subsection (b) of such section is amended by striking "$50,000,000" and inserting "$62,500,000".

SEC. 580. DEPARTMENT OF DEFENSE STARBASE PROGRAM.

(a) PROGRAM AUTHORITY.—Chapter 111 of title 10, United States Code, is amended by inserting after section 2193 the following new section:

"§ 2193b. Improvement of education in technical fields: program for support of elementary and secondary education in science, mathematics, and technology

"(a) AUTHORITY FOR PROGRAM.—The Secretary of Defense may conduct a science, mathematics, and technology education improvement program known as the 'Department of Defense STARBASE Program'. The Secretary shall carry out the program in coordination with the Secretaries of the military departments.

"(b) PURPOSE.—The purpose of the program is to improve knowledge and skills of students in kindergarten through twelfth grade in mathematics, science, and technology.

"(c) STARBASE ACADEMIES.—(1) The Secretary shall provide for the establishment of at least 25 academies under the program.

"(2) The Secretary of Defense shall establish guidelines, criteria, and a process for the establishment of STARBASE programs in addition to those in operation on the date of the enactment of this section.

"(3) The Secretary may support the establishment and operation of any academy in excess of two academies in a State only if the Secretary has first authorized in writing the establishment of the academy and the costs of the establishment and operation of the academy are paid out of funds provided by sources other than the Department of Defense. Any such costs that are paid out of appropriated funds shall be considered as paid out of funds provided by such other sources if such sources fully reimburse the United States for the costs.

"(d) PERSONS ELIGIBLE TO PARTICIPATE IN PROGRAM.—The Secretary shall prescribe standards and procedures for selection of persons for participation in the program.

"(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations governing the conduct of the program.

"(f) AUTHORITY TO ACCEPT FINANCIAL AND OTHER SUPPORT.—The Secretary of Defense and the Secretaries of the military departments may accept financial and other support for the program from other departments and agencies of the Federal Government, State governments, local governments, and not-for-profit and other organizations in the private sector.

"(g) ANNUAL REPORT.—Not later than 90 days after the end of each fiscal year, the Secretary of Defense shall submit to Congress a report on the program under this section. The report shall contain a discussion of the design and conduct of the program and an evaluation of the effectiveness of the program.

"(h) STATE DEFINED.—In this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.".

(b) EXISTING STARBASE ACADEMIES.—While continuing in operation, the academies existing on the date of the enactment of this Act under the Department of Defense STARBASE Program, as such program is in effect on such date, shall be counted for the purpose of meeting the requirement under section 2193b(c)(1) of title 10, United States Code (as added by subsection (a)), relating to the minimum number of STARBASE academies.

(c) REORGANIZATION OF CHAPTER.—Chapter 111 of title 10, United States Code, as amended by subsection (a), is further amended—

(1) by inserting after section 2193 and before the section 2193b added by subsection (a) the following:

"§ 2193a. Improvement of education in technical fields: general authority for support of elementary and secondary education in science and mathematics";

(2) by transferring subsection (b) of section 2193 to section 2193a (as added by paragraph (1)), inserting such subsection after the heading for section 2193a, and striking out "(b)"; and

(3) by redesignating subsection (c) of section 2193 as subsection (b).

(d) CLERICAL AMENDMENTS.—(1) The heading for section 2192 of such title is amended to read as follows:

"§2192. Improvement of education in technical fields: general authority regarding education in science, mathematics, and engineering".

(2) The heading for section 2193 is amended to read as follows:

"§2193. Improvement of education in technical fields: grants for higher education in science and mathematics".

(3) The table of sections at the beginning of such chapter is amended by striking the items relating to sections 2192 and 2193 and inserting the following:

"2192. Improvement of education in technical fields: general authority regarding education in science, mathematics, and engineering.
"2193. Improvement of education in technical fields: grants for higher education in science and mathematics.
"2193a. Improvement of education in technical fields: general authority for support of elementary and secondary education in science and mathematics.
"2193b. Improvement of education in technical fields: program for support of elementary and secondary education in science, mathematics, and technology.".

SEC. 581. SURVEY OF MEMBERS LEAVING MILITARY SERVICE ON ATTITUDES TOWARD MILITARY SERVICE.

(a) EXIT SURVEY.—The Secretary of Defense shall develop and implement, as part of outprocessing activities, a survey on attitudes toward military service to be completed by all members of the Armed Forces who during the period beginning on January 1, 2000, and ending on June 30, 2000, are voluntarily discharged or separated from the Armed Forces or transfer from a regular component to a reserve component.

(b) MATTERS TO BE COVERED.—The survey shall, at a minimum, cover the following subjects:

(1) Reasons for leaving military service.

(2) Command climate.

(3) Attitude toward leadership.

(4) Attitude toward pay and benefits.

(5) Job satisfaction during service as a member of the Armed Forces.

(6) Plans for activities after separation (such as enrollment in school, use of Montgomery GI Bill benefits, and work).

(7) Affiliation with a reserve component, together with the reasons for affiliating or not affiliating, as the case may be.

(8) Such other matters as the Secretary determines appropriate to the survey concerning reasons why military personnel are leaving military service.

(c) REPORT TO CONGRESS.—Not later than October 1, 2000, the Secretary shall submit to Congress a report containing the results of the survey under subsection (a). The Secretary shall compile the information in the report so as to assist in assessing reasons why military personnel are leaving military service.

SEC. 582. SERVICE REVIEW AGENCIES COVERED BY PROFESSIONAL STAFFING REQUIREMENT.

Section 1555(c)(2) of title 10, United States Code, is amended by inserting "the Navy Council of Personnel Boards and" after "Department of the Navy,".

SEC. 583. PARTICIPATION OF MEMBERS IN MANAGEMENT OF ORGANIZATIONS ABROAD THAT PROMOTE INTERNATIONAL UNDERSTANDING.

Section 1033(b)(3) of title 10, United States Code, is amended by inserting after subparagraph (D) the following new subparagraph:

"(E) An entity that, operating in a foreign nation where United States military personnel are serving at United States military activities, promotes understanding and tolerance between such personnel (and their families) and the citizens of that host foreign nation through programs that foster social relations between those persons.".

SEC. 584. SUPPORT FOR EXPANDED CHILD CARE SERVICES AND YOUTH PROGRAM SERVICES FOR DEPENDENTS.

(a) AUTHORITY.—(1) Subchapter II of chapter 88 of title 10, United States Code, is amended—

(A) by redesignating section 1798 as section 1800; and

(B) by inserting after section 1797 the following new sections:

"§1798. Child care services and youth program services for dependents: financial assistance for providers

"(a) AUTHORITY.—The Secretary of Defense may provide financial assistance to an eligible civilian provider of child care services or youth program services that furnishes such services for members of the armed forces and employees of the United States if the Secretary determines that providing such financial assistance—

"(1) is in the best interest of the Department of Defense;

"(2) enables supplementation or expansion of furnishing of child care services or youth program services for military installations, while not supplanting or replacing such services; and

"(3) ensures that the eligible provider is able to comply, and does comply, with the regulations, policies, and standards of the Department of Defense that are applicable to the furnishing of such services.

"(b) ELIGIBLE PROVIDERS.—A provider of child care services or youth program services is eligible for financial assistance under this section if the provider—

"(1) is licensed to provide those services under applicable State and local law;

"(2) has previously provided such services for members of the armed forces or employees of the United States; and

"(3) either—

"(A) is a family home day care provider; or

"(B) is a provider of family child care services that—

"(i) otherwise provides federally funded or sponsored child development services;

"(ii) provides the services in a child development center owned and operated by a private, not-for-profit organization;

"(iii) provides before-school or after-school child care program in a public school facility;

"(iv) conducts an otherwise federally funded or federally sponsored school age child care or youth services program;

"(v) conducts a school age child care or youth services program that is owned and operated by a not-for-profit organization; or

"(vi) is a provider of another category of child care services or youth services determined by the Secretary of Defense as appropriate for meeting the needs of members of the armed forces or employees of the Department of Defense.

"(c) FUNDING.—To provide financial assistance under this subsection, the Secretary of Defense may use any funds appropriated to the Department of Defense for operation and maintenance.

"(d) BIENNIAL REPORT.—(1) Every two years the Secretary of Defense shall submit to Congress a report on the exercise of authority under this section. The report shall include an evaluation of the effectiveness of that authority for meeting the needs of members of the armed forces or employees of the Department of Defense for child care services and youth program services. The report may include any recommendations for legislation that the Secretary considers appropriate to enhance the capability of the Department of Defense to meet those needs.

"(2) A biennial report under this subsection may be combined with the biennial report under section 1799(d) of this title into a single report for submission to Congress.

"§1799. Child care services and youth program services for dependents: participation by children and youth otherwise ineligible

"(a) AUTHORITY.—The Secretary of Defense may authorize participation in child care or youth programs of the Department of Defense, to the extent of the availability of space and services, by children and youth under the age of 19 who are not dependents of members of the armed forces or of employees of the Department of Defense and are not otherwise eligible for participation in those programs.

"(b) LIMITATION.—Authorization of participation in a program under subsection (a) shall be limited to situations in which that participation promotes the attainment of the objectives set forth in subsection (c), as determined by the Secretary.

"(c) OBJECTIVES.—The objectives for authorizing participation in a program under subsection (a) are as follows:

"(1) To support the integration of children and youth of military families into civilian communities.

"(2) To make more efficient use of Department of Defense facilities and resources.

"(3) To establish or support a partnership or consortium arrangement with schools and other youth services organizations serving children of members of the armed forces.

"(d) BIENNIAL REPORT.—(1) Every two years the Secretary of Defense shall submit to Congress a report on the exercise of authority under this section. The report shall include an evaluation of the effectiveness of that authority for achieving the objectives set out under subsection (c). The report may include any recommendations for legislation that the Secretary considers appropriate to enhance the capability of the Department of Defense to attain those objectives.

"(2) A biennial report under this subsection may be combined with the biennial report under section 1798(d) of this title into a single report for submission to Congress.".

(2) The table of sections at the beginning of such subchapter is amended by striking the item relating to section 1798 and inserting the following new items:

"1798. Child care services and youth program services for dependents: financial assistance for providers.".
"1799. Child care services and youth program services for dependents: participation by children and youth otherwise ineligible.
"1800. Definitions.".

(b) FIRST BIENNIAL REPORTS.—The first biennial reports under sections 1798(d) and 1799(d) of title 10, United States Code (as added by subsection (a)), shall be submitted not later than March 31, 2002, and shall cover fiscal years 2000 and 2001.

SEC. 585. REPORT AND REGULATIONS ON DEPARTMENT OF DEFENSE POLICIES ON PROTECTING THE CONFIDENTIALITY OF COMMUNICATIONS WITH PROFESSIONALS PROVIDING THERAPEUTIC OR RELATED SERVICES REGARDING SEXUAL OR DOMESTIC ABUSE.

(a) STUDY AND REPORT.—(1) The Comptroller General of the United States shall study the

policies, procedures, and practices of the military departments for protecting the confidentiality of communications between—

(A) a dependent (as defined in section 1072(2) of title 10, United States Code, with respect to a member of the Armed Forces) of a member of the Armed Forces who—

(i) is a victim of sexual harassment, sexual assault, or intrafamily abuse; or

(ii) has engaged in such misconduct; and

(B) a therapist, counselor, advocate, or other professional from whom the dependent seeks professional services in connection with effects of such misconduct.

(2) Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall conclude the study and submit a report on the results of the study to Congress and the Secretary of Defense.

(b) Regulations.—The Secretary of Defense shall prescribe in regulations the policies and procedures that the Secretary considers appropriate to provide the maximum protections for the confidentiality of communications described in subsection (a) relating to misconduct described in that subsection, taking into consideration—

(1) the findings of the Comptroller General;

(2) the standards of confidentiality and ethical standards issued by relevant professional organizations;

(3) applicable requirements of Federal and State law;

(4) the best interest of victims of sexual harassment, sexual assault, or intrafamily abuse;

(5) military necessity; and

(6) such other factors as the Secretary, in consultation with the Attorney General, may consider appropriate.

(c) Report by Secretary of Defense.—Not later than January 21, 2000, the Secretary of Defense shall submit to Congress a report on the actions taken under subsection (b) and any other actions taken by the Secretary to provide the maximum possible protections for confidentiality described in that subsection.

SEC. 586. MEMBERS UNDER BURDENSOME PERSONNEL TEMPO.

(a) Management of Deployments of Individual Members.—Part II of subtitle A of title 10, United States Code, is amended by inserting after chapter 49 the following new chapter:

“CHAPTER 50—MISCELLANEOUS COMMAND RESPONSIBILITIES

“Sec.
“991. Management of deployments of members.

“§991. Management of deployments of members

“(a) General or Flag Officer Responsibilities.—(1) The deployment (or potential deployment) of a member of the armed forces shall be managed, during any period when the member is a high-deployment days member, by the officer in the chain of command of that member who is the lowest-ranking general or flag officer in that chain of command. That officer shall ensure that the member is not deployed, or continued in a deployment, on any day on which the total number of days on which the member has been deployed out of the preceding 365 days would exceed 220 unless an officer in the grade of general or admiral in the member's chain of command approves the deployment, or continued deployment, of the member.

“(2) In this section, the term ‘high-deployment days member’ means a member who has been deployed 182 days or more out of the preceding 365 days.

“(b) Deployment Defined.—(1) For the purposes of this section, a member of the armed forces shall be considered to be deployed or in a deployment on any day on which, pursuant to orders, the member is performing service in a training exercise or operation at a location or under circumstances that make it impossible or infeasible for the member to spend off-duty time in the housing in which the member resides when on garrison duty at the member's permanent duty station.

“(2) For the purposes of this section, a member is not deployed or in a deployment when the member is—

“(A) performing service as a student or trainee at a school (including any Government school); or

“(B) performing administrative, guard, or detail duties in garrison at the member's permanent duty station.

“(3) The Secretary of Defense may prescribe a definition of deployment for the purposes of this section other than the definition specified in paragraphs (1) and (2). Any such definition may not take effect until 90 days after the date on which the Secretary notifies the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of the revised standard definition of deployment.

“(c) Recordkeeping.—The Secretary of each military department shall establish a system for tracking and recording the number of days that each member of the armed forces under the jurisdiction of the Secretary is deployed.

“(d) National Security Waiver Authority.—The Secretary of the military department concerned may suspend the applicability of this section to a member or any group of members under the Secretary's jurisdiction when the Secretary determines that such a waiver is necessary in the national security interests of the United States.

“(e) Inapplicability to Coast Guard.—This section does not apply to a member of the Coast Guard when the Coast Guard is not operating as a service in the Navy.”.

(b) Per Diem Allowance for Lengthy or Numerous Deployments.—Chapter 7 of title 37, United States Code, is amended by adding at the end the following new section:

“§435. Per diem allowance for lengthy or numerous deployments

“(a) Per Diem Required.—The Secretary of the military department concerned shall pay a high-deployment per diem allowance to a member of the armed forces under the Secretary's jurisdiction for each day on which the member (1) is deployed, and (2) has, as of that day, been deployed 251 days or more out of the preceding 365 days.

“(b) Definition of Deployed.—In this section, the term ‘deployed’, with respect to a member, means that the member is deployed or in a deployment within the meaning of section 991(b) of title 10 (including any definition of ‘deployment’ prescribed under paragraph (3) of that section).

“(c) Amount of Per Diem.—The amount of the high-deployment per diem payable to a member under this section is $100.

“(d) Payment of Claims.—A claim of a member for payment of the high-deployment per diem allowance that is not fully substantiated by the recordkeeping system applicable to the member under section 991(c) of title 10 shall be paid if the member furnishes the Secretary concerned with other evidence determined by the Secretary as being sufficient to substantiate the claim.

“(e) Relationship to Other Allowances.—A high-deployment per diem payable to a member under this section is in addition to any other pay or allowance payable to the member under any other provision of law.

“(f) National Security Waiver.—No per diem may be paid under this section to a member for any day on which the applicability of section 991 of title 10 to the member is suspended under subsection (d) of that section.”.

(c) Clerical Amendments.—(1) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and the beginning of part II of such subtitle are amended by inserting after the item relating to chapter 49 the following new item:

“50. Miscellaneous Command Responsibilities .... 991”.

(2) The table of sections at the beginning of chapter 7 of title 37, United States Code, is amended by inserting after the item relating to section 434 the following new item:

“435. Per diem allowance for lengthy or numerous deployments.”.

(d) Effective Date.—(1) Section 991 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 2000. No day on which a member of the Armed Forces is deployed (as defined in subsection (b) of that section) before that date may be counted in determining the number of days on which a member has been deployed for purposes of that section.

(2) Section 435 of title 37, United States Code (as added by subsection (b)), shall take effect on October 1, 2001.

(e) Implementing Regulations.—Not later than June 1, 2000, the Secretary of each military department shall prescribe in regulations the policies and procedures for implementing such provisions of law for that military department.

Subtitle K—Domestic Violence

SEC. 591. DEFENSE TASK FORCE ON DOMESTIC VIOLENCE.

(a) Establishment.—The Secretary of Defense shall establish a Department of Defense task force to be known as the Defense Task Force on Domestic Violence.

(b) Strategic Plan.—Not later than 12 months after the date on which all members of the task force have been appointed, the task force shall submit to the Secretary of Defense a long-term plan (referred to as a “strategic plan”) for means by which the Department of Defense may address matters relating to domestic violence within the military more effectively. The plan shall include an assessment of, and recommendations for measures to improve, the following:

(1) Ongoing victims' safety programs.

(2) Offender accountability.

(3) The climate for effective prevention of domestic violence.

(4) Coordination and collaboration among all military organizations with responsibility or jurisdiction with respect to domestic violence.

(5) Coordination between military and civilian communities with respect to domestic violence.

(6) Research priorities.

(7) Data collection and case management and tracking.

(8) Curricula and training for military commanders.

(9) Prevention and responses to domestic violence at overseas military installations.

(10) Other issues identified by the task force relating to domestic violence within the military.

(c) Review of Victims' Safety Program.—The task force shall review the efforts of the Secretary of Defense to establish a program for improving responses to domestic violence under section 592 and shall include in its report under subsection (e) a description of that program, including best practices identified on installations, lessons learned, and resulting policy recommendations.

(d) Other Task Force Reviews.—The task force shall review and make recommendations regarding the following:

(1) Standard guidelines to be used by the Secretaries of the military departments in negotiating agreements with civilian law enforcement authorities relating to acts of domestic violence involving members of the Armed Forces.

(2) A requirement (A) that when a commanding officer issues to a member of the Armed Forces under that officer's command an order that the member not have contact with a specified person that a written copy of that order be provided within 24 hours after the issuance of the order to the person with whom the member is ordered not to have contact, and (B) that there be a system of recording and tracking such orders.

(3) Standard guidelines on the factors for commanders to consider when seeking to substantiate allegations of domestic violence by a person subject to the Uniform Code of Military Justice and when determining appropriate action for such allegations that are so substantiated.

(4) A standard training program for all commanding officers in the Armed Forces, including a standard curriculum, on the handling of domestic violence cases.

(e) Annual Report.—(1) The task force shall submit to the Secretary an annual report on its activities and on the activities of the military departments to respond to domestic violence in the military.

(2) The first such report shall be submitted not later than the date specified in subsection (b) and shall be submitted with the strategic plan submitted under that subsection. The task force shall include in that report the following:

(A) Analysis and oversight of the efforts of the military departments to respond to domestic violence in the military and a description of barriers to implementation of improvements in those efforts.

(B) A description of the activities and achievements of the task force.

(C) A description of successful and unsuccessful programs.

(D) A description of pending, completed, and recommended Department of Defense research relating to domestic violence.

(E) Such recommendations for policy and statutory changes as the task force considers appropriate.

(3) Each subsequent annual report shall include the following:

(A) A detailed discussion of the achievements in responses to domestic violence in the Armed Forces.

(B) Pending research on domestic violence.

(C) Any recommendations for actions to improve the responses of the Armed Forces to domestic violence in the Armed Forces that the task force considers appropriate.

(4) Within 90 days of receipt of a report under paragraph (2) or (3), the Secretary shall submit the report and the Secretary's evaluation of the report to the Committees on Armed Services of the Senate and House of Representatives. The Secretary shall include with the report the information collected pursuant to section 1562(b) of title 10, United States Code, as added by section 594.

(f) Membership.—(1) The task force shall consist of not more than 24 members, to be appointed by the Secretary of Defense. Members shall be appointed from each of the Army, Navy, Air Force, and Marine Corps and shall include an equal number of Department of Defense personnel (military or civilian) and persons from outside the Department of Defense. Members appointed from outside the Department of Defense may be appointed from other Federal departments and agencies, from State and local agencies, or from the private sector.

(2) The Secretary shall ensure that the membership of the task force includes a judge advocate representative from each of the Army, Navy, Air Force, and Marine Corps.

(3)(A) In consultation with the Attorney General, the Secretary shall appoint to the task force a representative or representatives from the Office of Justice Programs of the Department of Justice.

(B) In consultation with the Secretary of Health and Human Services, the Secretary shall appoint to the task force a representative from the Family Violence Prevention and Services office of the Department of Health and Human Services.

(4) Each member of the task force appointed from outside the Department of Defense shall be an individual who has demonstrated expertise in the area of domestic violence or shall be appointed from one of the following:

(A) A national domestic violence resource center established under section 308 of the Family Violence Prevention and Services Act (42 U.S.C. 10407).

(B) A national sexual assault and domestic violence policy and advocacy organization.

(C) A State domestic violence and sexual assault coalition.

(D) A civilian law enforcement agency.

(E) A national judicial policy organization.

(F) A State judicial authority.

(G) A national crime victim policy organization.

(5) The members of the task force shall be appointed not later than 90 days after the date of the enactment of this Act.

(g) Co-Chairs of the Task Force.—There shall be two co-chairs of the task force. One of the co-chairs shall be designated by the Secretary of Defense at the time of appointment from among the Department of Defense personnel on the task force. The other co-chair shall be selected from among the members appointed from outside the Department of Defense by those members.

(h) Administrative Support.—(1) Each member of the task force shall serve without compensation (other than the compensation to which entitled as a member of the Armed Forces or an officer or employee of the United States, as the case may be), but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from the member's home or regular places of business in the performance of services for the task force.

(2) The Assistant Secretary of Defense for Force Management Policy, under the direction of the Under Secretary of Defense for Personnel and Readiness, shall provide oversight of the task force. The Washington Headquarters Service shall provide the task force with the personnel, facilities, and other administrative support that is necessary for the performance of the task force's duties.

(3) The Assistant Secretary shall coordinate with the Secretaries of the military departments to provide visits of the task force to military installations.

(i) Federal Advisory Committee Act.—The Federal Advisory Committee Act (5 U.S.C. App) shall not apply to the task force.

(j) Termination.—The task force shall terminate three years after the date of the enactment of this Act.

SEC. 592. INCENTIVE PROGRAM FOR IMPROVING RESPONSES TO DOMESTIC VIOLENCE INVOLVING MEMBERS OF THE ARMED FORCES AND MILITARY FAMILY MEMBERS.

(a) Purpose.—The purpose of this section is to provide a program for the establishment on military installations of collaborative projects involving appropriate elements of the Armed Forces and the civilian community to improve, strengthen, or coordinate prevention and response efforts to domestic violence involving members of the Armed Forces, military family members, and others.

(b) Program.—The Secretary of Defense shall establish a program to provide funds and other incentives to commanders of military installations for the following purposes:

(1) To improve coordination between military and civilian law enforcement authorities in policies, training, and responses to, and tracking of, cases involving military domestic violence.

(2) To develop, implement, and coordinate with appropriate civilian authorities tracking systems (A) for protective orders issued to or on behalf of members of the Armed Forces by civilian courts, and (B) for orders issued by military commanders to members of the Armed Forces ordering them not to have contact with a dependent.

(3) To strengthen the capacity of attorneys and other legal advocates to respond appropriately to victims of military domestic violence.

(4) To assist in educating judges, prosecutors, and legal offices in improved handling of military domestic violence cases.

(5) To develop and implement more effective policies, protocols, orders, and services specifically devoted to preventing, identifying, and responding to domestic violence.

(6) To develop, enlarge, or strengthen victims' services programs, including sexual assault and domestic violence programs, developing or improving delivery of victims' services, and providing confidential access to specialized victims' advocates.

(7) To develop and implement primary prevention programs.

(8) To improve the response of health care providers to incidents of domestic violence, including the development and implementation of screening protocols.

(c) Priority.—The Secretary shall give priority in providing funds and other incentives under the program to installations at which the local program will emphasize building or strengthening partnerships and collaboration among military organizations such as family advocacy program, military police or provost marshal organizations, judge advocate organizations, legal offices, health affairs offices, and other installation-level military commands between those organizations and appropriate civilian organizations, including civilian law enforcement, domestic violence advocacy organizations, and domestic violence shelters.

(d) Applications.—The Secretary shall establish guidelines for applications for an award of funds under the program to carry out the program at an installation.

(e) Awards.—The Secretary shall determine the award of funds and incentives under this section. In making a determination of the installations to which funds or other incentives are to be provided under the program, the Secretary shall consult with an award review committee consisting of representatives from the Armed Forces, the Department of Justice, the Department of Health and Human Services, and organizations with a demonstrated expertise in the areas of domestic violence and victims' safety.

SEC. 593. UNIFORM DEPARTMENT OF DEFENSE POLICIES FOR RESPONSES TO DOMESTIC VIOLENCE.

(a) Requirement.—The Secretary of Defense shall prescribe the following:

(1) Standard guidelines to be used by the Secretaries of the military departments for negotiating agreements with civilian law enforcement authorities relating to acts of domestic violence involving members of the Armed Forces.

(2) A requirement (A) that when a commanding officer issues to a member of the Armed Forces under that officer's command an order that the member not have contact with a specified person that a written copy of that order be provided within 24 hours after the issuance of the order to the person with whom the member is ordered not to have contact, and (B) that there be a system of recording and tracking such orders.

(3) Standard guidelines on the factors for commanders to consider when seeking to substantiate allegations of domestic violence by a person subject to the Uniform Code of Military Justice and when determining appropriate action for such allegations that are so substantiated.

(4) A standard training program for all commanding officers in the Armed Forces, including a standard curriculum, on the handling of domestic violence cases.

(b) DEADLINE.—The Secretary of Defense shall carry out subsection (a) not later than six months after the date on which the Secretary receives the first report of the Defense Task Force on Domestic Violence under section 591(e).

SEC. 594. CENTRAL DEPARTMENT OF DEFENSE DATABASE ON DOMESTIC VIOLENCE INCIDENTS.

(a) IN GENERAL.—Chapter 80 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1562. Database on domestic violence incidents

"(a) DATABASE ON DOMESTIC VIOLENCE INCIDENT.—The Secretary of Defense shall establish a central database of information on the incidents of domestic violence involving members of the armed forces.

"(b) REPORTING OF INFORMATION FOR THE DATABASE.—The Secretary shall require that the Secretaries of the military departments maintain and report annually to the administrator of the database established under subsection (a) any information received on the following matters:

"(1) Each domestic violence incident reported to a commander, a law enforcement authority of the armed forces, or a family advocacy program of the Department of Defense.

"(2) The number of those incidents that involve evidence determined sufficient for supporting disciplinary action and, for each such incident, a description of the substantiated allegation and the action taken by command authorities in the incident.

"(3) The number of those incidents that involve evidence determined insufficient for supporting disciplinary action and for each such case, a description of the allegation.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1562. Database on domestic violence incidents.".

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Fiscal year 2000 increase in military basic pay and reform of basic pay rates.
Sec. 602. Pay increases for fiscal years 2001 through 2006.
Sec. 603. Additional amount available for fiscal year 2000 increase in basic allowance for housing inside the United States.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. Extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authorities relating to payment of other bonuses and special pays.
Sec. 614. Amount of aviation career incentive pay for air battle managers.
Sec. 615. Expansion of authority to provide special pay to aviation career officers extending period of active duty.
Sec. 616. Additional special pay for board certified veterinarians in the Armed Forces and Public Health Service.
Sec. 617. Diving duty special pay.
Sec. 618. Reenlistment bonus.
Sec. 619. Enlistment bonus.
Sec. 620. Selected Reserve enlistment bonus.
Sec. 621. Special pay for members of the Coast Guard Reserve assigned to high priority units of the Selected Reserve.
Sec. 622. Reduced minimum period of enlistment in Army in critical skill for eligibility for enlistment bonus.
Sec. 623. Eligibility for reserve component prior service enlistment bonus upon attaining a critical skill.
Sec. 624. Increase in special pay and bonuses for nuclear-qualified officers.
Sec. 625. Increase in maximum monthly rate authorized for foreign language proficiency pay.
Sec. 626. Authorization of retention bonus for special warfare officers extending periods of active duty.
Sec. 627. Authorization of surface warfare officer continuation pay.
Sec. 628. Authorization of career enlisted flyer incentive pay.
Sec. 629. Authorization of judge advocate continuation pay.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Provision of lodging in kind for Reservists performing training duty and not otherwise entitled to travel and transportation allowances.
Sec. 632. Payment of temporary lodging expenses for members making their first permanent change of station.
Sec. 633. Destination airport for emergency leave travel to continental United States.

Subtitle D—Retired Pay Reform

Sec. 641. Redux retired pay system applicable only to members electing new 15-year career status bonus.
Sec. 642. Authorization of 15-year career status bonus.
Sec. 643. Conforming amendments.
Sec. 644. Effective date.

Subtitle E—Other Matters Relating to Military Retirees and Survivors

Sec. 651. Repeal of reduction in retired pay for military retirees employed in civilian positions.
Sec. 652. Presentation of United States flag to retiring members of the uniformed services not previously covered.
Sec. 653. Disability retirement or separation for certain members with pre-existing conditions.
Sec. 654. Credit toward paid-up SBP coverage for months covered by make-up premium paid by persons electing SBP coverage during special open enrollment period.
Sec. 655. Paid-up coverage under Retired Serviceman's Family Protection Plan.
Sec. 656. Extension of authority for payment of annuities to certain military surviving spouses.
Sec. 657. Effectuation of intended SBP annuity for former spouse when not elected by reason of untimely death of retiree.
Sec. 658. Special compensation for severely disabled uniformed services retirees.

Subtitle F—Eligibility to Participate in the Thrift Savings Plan

Sec. 661. Participation in thrift savings plan.
Sec. 662. Special retention initiative.
Sec. 663. Effective date.

Subtitle G—Other Matters

Sec. 671. Payment for unused leave in conjunction with a reenlistment.
Sec. 672. Clarification of per diem eligibility for military technicians (dual status) serving on active duty without pay outside the United States.
Sec. 673. Annual report on effects of initiatives on recruitment and retention.
Sec. 674. Overseas special supplemental food program.
Sec. 675. Tuition assistance for members deployed in a contingency operation.
Sec. 676. Administration of Selected Reserve education loan repayment program for Coast Guard Reserve.
Sec. 677. Sense of Congress regarding treatment under Internal Revenue Code of members receiving hostile fire or imminent danger special pay during contingency operations.

Subtitle A—Pay and Allowances

SEC. 601. FISCAL YEAR 2000 INCREASE IN MILITARY BASIC PAY AND REFORM OF BASIC PAY RATES.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2000 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) JANUARY 1, 2000, INCREASE IN BASIC PAY.—Effective on January 1, 2000, the rates of monthly basic pay for members of the uniformed services are increased by 4.8 percent.

(c) REFORM OF BASIC PAY RATES.—Effective on July 1, 2000, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	6,594.30	6,810.30	6,953.10	6,993.30	7,171.80
O–7	5,479.50	5,851.80	5,851.80	5,894.40	6,114.60
O–6	4,061.10	4,461.60	4,754.40	4,754.40	4,772.40
O–5	3,248.40	3,813.90	4,077.90	4,127.70	4,291.80

COMMISSIONED OFFICERS[1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–4	2,737.80	3,333.90	3,556.20	3,606.00	3,812.40
O–3[3]	2,544.00	2,884.20	3,112.80	3,364.80	3,525.90
O–2[3]	2,218.80	2,527.20	2,910.90	3,009.00	3,071.10
O–1[3]	1,926.30	2,004.90	2,423.10	2,423.10	2,423.10
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	7,471.50	7,540.80	7,824.60	7,906.20	8,150.10
O–7	6,282.00	6,475.80	6,669.00	6,863.10	7,471.50
O–6	4,976.70	5,004.00	5,004.00	5,169.30	5,791.20
O–5	4,291.80	4,420.80	4,659.30	4,971.90	5,286.00
O–4	3,980.40	4,252.50	4,464.00	4,611.00	4,758.90
O–3[3]	3,702.60	3,850.20	4,040.40	4,139.10	4,139.10
O–2[3]	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10
O–1[3]	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2]	$0.00	$10,655.10	$10,707.60	$10,930.20	$11,318.40
O–9	0.00	9,319.50	9,453.60	9,647.70	9,986.40
O–8	8,503.80	8,830.20	9,048.00	9,048.00	9,048.00
O–7	7,985.40	7,985.40	7,985.40	7,985.40	8,025.60
O–6	6,086.10	6,381.30	6,549.00	6,719.10	7,049.10
O–5	5,436.00	5,583.60	5,751.90	5,751.90	5,751.90
O–4	4,808.70	4,808.70	4,808.70	4,808.70	4,808.70
O–3[3]	4,139.10	4,139.10	4,139.10	4,139.10	4,139.10
O–2[3]	3,071.10	3,071.10	3,071.10	3,071.10	3,071.10
O–1[3]	2,423.10	2,423.10	2,423.10	2,423.10	2,423.10

[1] *Notwithstanding the pay rates specified in this table, the actual basic pay for commissioned officers in grades 0–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual basic pay for all other officers, including warrant officers, may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, basic pay for this grade is calculated to be $12,441.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *This table does not apply to commissioned officers in the grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.*

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$3,364.80	$3,525.90
O–2E	0.00	0.00	0.00	3,009.00	3,071.10
O–1E	0.00	0.00	0.00	2,423.10	2,588.40
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$3,702.60	$3,850.20	$4,040.40	$4,200.30	$4,291.80
O–2E	3,168.60	3,333.90	3,461.40	3,556.20	3,556.20
O–1E	2,683.80	2,781.30	2,877.60	3,009.00	3,009.00
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$4,416.90	$4,416.90	$4,416.90	$4,416.90	$4,416.90
O–2E	3,556.20	3,556.20	3,556.20	3,556.20	3,556.20
O–1E	3,009.00	3,009.00	3,009.00	3,009.00	3,009.00

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	2,592.00	2,788.50	2,868.60	2,947.50	3,083.40
W–3	2,355.90	2,555.40	2,555.40	2,588.40	2,694.30
W–2	2,063.40	2,232.60	2,232.60	2,305.80	2,423.10
W–1	1,719.00	1,971.00	1,971.00	2,135.70	2,232.60
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,217.20	3,352.80	3,485.10	3,622.20	3,753.60
W–3	2,814.90	2,974.20	3,071.10	3,177.00	3,298.20
W–2	2,555.40	2,652.60	2,749.80	2,844.30	2,949.00
W–1	2,332.80	2,433.30	2,533.20	2,634.00	2,734.80
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$4,475.10	$4,628.70	$4,782.90	$4,937.40
W–4	3,888.00	4,019.40	4,155.60	4,289.70	4,427.10
W–3	3,418.50	3,539.10	3,659.40	3,780.00	3,900.90
W–2	3,056.40	3,163.80	3,270.90	3,378.30	3,378.30
W–1	2,835.00	2,910.90	2,910.90	2,910.90	2,910.90

ENLISTED MEMBERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	O[illegible]	Over 6
E–9[2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	1,765.80	1,927.80	2,001.00	2,073.00	2,147.70
E–6	1,518.90	1,678.20	1,752.60	1,824.30	1,899.30
E–5	1,332.60	1,494.00	1,566.00	1,640.40	1,714.50
E–4	1,242.90	1,373.10	1,447.20	1,520.10	1,593.90
E–3	1,171.50	1,260.60	1,334.10	1,335.90	1,335.90
E–2	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40
E–1	[3] 1,005.60	1,005.60	1,005.60	1,005.60	1,005.60
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9[2]	$0.00	$3,015.30	$3,083.40	$3,169.80	$3,271.50
E–8	2,528.40	2,601.60	2,669.70	2,751.60	2,840.10
E–7	2,220.90	2,294.10	2,367.30	2,439.30	2,514.00
E–6	1,973.10	2,047.20	2,118.60	2,191.50	2,244.60
E–5	1,789.50	1,861.50	1,936.20	1,936.20	1,936.20
E–4	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90
E–3	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90
E–2	1,127.40	1,127.40	1,127.40	1,127.40	1,127.40
E–1	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9[2]	$3,373.20	$3,473.40	$3,609.30	$3,744.00	$3,915.90
E–8	2,932.50	3,026.10	3,161.10	3,295.50	3,483.60
E–7	2,588.10	2,660.40	2,787.60	2,926.20	3,134.40
E–6	2,283.30	2,283.30	2,285.70	2,285.70	2,285.70
E–5	1,936.20	1,936.20	1,936.20	1,936.20	1,936.20
E–4	1,593.90	1,593.90	1,593.90	1,593.90	1,593.90
E–3	1,335.90	1,335.90	1,335.90	1,335.90	1,335.90
E–2	1,127.40	1,127.40	1,127.40	1,123.20	1,127.40
E–1	1,005.60	1,005.60	1,005.60	1,005.60	1,005.60

[1] *Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $4,701.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $930.30.*

(d) LIMITATION ON PAY ADJUSTMENTS.—Effective January 1, 2000, section 203(a) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding the rates of basic pay in effect at any time as provided by law, the rates of basic pay payable for commissioned officers in pay grades O–7 through O–10 may not exceed the monthly equivalent of the rate of pay for level III of the Executive Schedule, and the rates of basic pay payable for all other officers and for enlisted members may not exceed the monthly equivalent of the rate of pay for level V of the Executive Schedule.".

(e) RECOMPUTATION OF RETIRED PAY FOR CERTAIN RECENTLY RETIRED OFFICERS.—In the case of a commissioned officer of the uniformed services who retired during the period beginning on April 30, 1999, through December 31, 1999, and who, at the time of retirement, was in pay grade O–7, O–8, O–9, or O–10, the retired pay of that officer shall be recomputed, effective as of January 1, 2000, using the rate of basic pay that would have been applicable to the computation of that officer's retired pay if the provisions of paragraph (2) of section 203(a) of title 37, United States Code, as added by subsection (d), had taken effect on April 30, 1999.

SEC. 602. PAY INCREASES FOR FISCAL YEARS 2001 THROUGH 2006.

(a) ECI+0.5 PERCENT INCREASE FOR ALL MEMBERS.—Section 1009(c) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(c) EQUAL PERCENTAGE INCREASE FOR ALL MEMBERS.—"; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), but subject to subsection (d), an adjustment taking effect under this section during each of fiscal years 2001 through 2006 shall provide all eligible members with an increase in the monthly basic pay by the percentage equal to the sum of—

"(A) one percent; plus

"(B) the percentage calculated as provided under section 5303(a) of title 5 for that fiscal year, without regard to whether rates of pay under the statutory pay systems are actually increased during that fiscal year under that section by the percentage so calculated.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2000.

SEC. 603. ADDITIONAL AMOUNT AVAILABLE FOR FISCAL YEAR 2000 INCREASE IN BASIC ALLOWANCE FOR HOUSING INSIDE THE UNITED STATES.

In addition to the amount determined by the Secretary of Defense under section 403(b)(3) of title 37, United States Code, to be the total amount that may be paid during fiscal year 2000 for the basic allowance for housing for military housing areas inside the United States, $225,000,000 of the amount authorized to be appropriated by section 421 for military personnel shall be used by the Secretary to further increase the total amount available for the basic allowance for housing for military housing areas inside the United States.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking "January 1, 2000" and inserting "January 1, 2001".

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking "December 31, 1999" and inserting "December 31, 2000".

SEC. 613. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is

amended by striking "December 31, 1999," and inserting "December 31, 2000.".

(b) Reenlistment Bonus for Active Members.—Section 308(g) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(c) Enlistment Bonus for Persons With Critical Skills.—Section 308a(d) of such title, as redesignated by section 619(b), is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(d) Army Enlistment Bonus.—Section 308f(c) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(e) Special Pay for Nuclear-Qualified Officers Extending Period of Active Service.—Section 312(e) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(f) Nuclear Career Accession Bonus.—Section 312b(c) of such title is amended by striking "December 31, 1999" and inserting "December 31, 2000".

(g) Nuclear Career Annual Incentive Bonus.—Section 312c(d) of such title is amended by striking "October 1, 1998," and all that follows through the period at the end and inserting "December 31, 2000.".

SEC. 614. AMOUNT OF AVIATION CAREER INCENTIVE PAY FOR AIR BATTLE MANAGERS.

(a) Applicable Incentive Pay Rate.—Section 301a(b) of title 37, United States Code is amended by adding at the end the following new paragraph:

"(4) An officer serving as an air battle manager who is entitled to aviation career incentive pay under this section and who, before becoming entitled to aviation career incentive pay, was entitled to incentive pay under section 301(a)(11) of this title, shall be paid the monthly incentive pay at the higher of the following rates:

"(A) The rate otherwise applicable to the member under this subsection.

"(B) The rate at which the member was receiving incentive pay under section 301(c)(2)(A) of this title immediately before the member's entitlement to aviation career incentive pay under this section.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to months beginning on or after that date.

SEC. 615. EXPANSION OF AUTHORITY TO PROVIDE SPECIAL PAY TO AVIATION CAREER OFFICERS EXTENDING PERIOD OF ACTIVE DUTY.

(a) Eligibility Criteria.—Subsection (b) of section 301b of title 37, United States Code, is amended—

(1) by striking paragraphs (2) and (5);

(2) in paragraph (3), by striking "grade O–6" and inserting "grade O–7";

(3) by inserting "and" at the end of paragraph (4); and

(4) by redesignating paragraphs (3), (4), and (6) as paragraphs (2), (3), and (4), respectively.

(b) Amount of Bonus.—Subsection (c) of such section is amended by striking "than—" and all that follows through the period at the end and inserting "than $25,000 for each year covered by the written agreement to remain on active duty.".

(c) Proration Authority for Coverage of Increased Period of Eligibility.—Subsection (d) of such section is amended by striking "14 years of commissioned service" and inserting "25 years of aviation service".

(d) Repeal of Content Requirements for Annual Report.—Subsection (i)(1) of such section is amended by striking the second sentence.

(e) Definitions Regarding Aviation Specialty.—Subsection (j) of such section is amended—

(1) by striking paragraphs (2) and (3); and

(2) by redesignating paragraph (4) as paragraph (2).

(f) Technical Amendment.—Subsection (g)(3) of such section is amended by striking the second sentence.

(g) Effective Date.—The amendments made by this section shall take effect on October 1, 1999, and shall apply with respect to months beginning on or after that date.

SEC. 616. ADDITIONAL SPECIAL PAY FOR BOARD CERTIFIED VETERINARIANS IN THE ARMED FORCES AND PUBLIC HEALTH SERVICE.

(a) Authority.—Section 303 of title 37, United States Code, is amended—

(1) by inserting "(a) Monthly Special Pay.—" before "Each"; and

(2) by adding at the end the following:

"(b) Additional Special Pay for Board Certification.—A commissioned officer entitled to special pay under subsection (a) who has been certified as a Diplomate in a specialty recognized by the American Veterinarian Medical Association is entitled to special pay (in addition to the special pay under subsection (a)) at the same rate as is provided under section 302c(b) of this title for an officer referred to in that section who has the same number of years of creditable service as the commissioned officer.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to months beginning on and after that date.

SEC. 617. DIVING DUTY SPECIAL PAY.

(a) Increase in Rate.—Subsection (b) of section 304 of title 37, United States Code, is amended—

(1) by striking "$200" and inserting "$240"; and

(2) by striking "$300" and inserting "$340".

(b) Relation to Hazardous Duty Incentive Pay.—Subsection (c) of such section is amended to read as follows:

"(c) If, in addition to diving duty, a member is assigned by orders to one or more hazardous duties described in section 301 of this title, the member may be paid, for the same period of service, special pay under this section and incentive pay under such section 301 for each hazardous duty for which the member is qualified.".

(c) Effective Date.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1999, and shall apply with respect to special pay paid under such section for months beginning on or after that date.

SEC. 618. REENLISTMENT BONUS.

(a) Minimum Months of Active Duty.—Subsection (a)(1)(A) of section 308 of title 37, United States Code, is amended by striking "twenty-one months" and inserting "17 months".

(b) Increase in Maximum Amount of Bonus.—Subsection (a)(2) of such section is amended—

(1) in subparagraph (A)(i), by striking "ten" and inserting "15"; and

(2) in subparagraph (B), by striking "$45,000" and inserting "$60,000".

(c) Effective Date.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1999, and shall apply with respect to reenlistments and extensions of enlistments taking effect on or after that date.

SEC. 619. ENLISTMENT BONUS.

(a) Increase in Maximum Bonus Amount.—Subsection (a) of section 308a of title 37, United States Code, is amended by striking "$12,000" and inserting "$20,000".

(b) Payment Methods.—Such section is further amended—

(1) in subsection (a), by striking the second sentence;

(2) by redesignating subsections (b) and (c) as subsections (c) and (d); and

(3) by inserting after subsection (a) the following new subsection:

"(b) Payment Methods.—A bonus under this section may be paid in a single lump sum, or in periodic installments, to provide an extra incentive for a member to successfully complete the training necessary for the member to be technically qualified in the skill for which the bonus is paid.".

(c) Stylistic Amendments.—Such section is further amended—

(1) in subsection (a), by inserting "Bonus Authorized; Bonus Amount.—" after "(a)";

(2) in subsection (c), as redesignated by subsection (b)(2) of this section, by inserting "Repayment of Bonus.—" after "(c)"; and

(3) in subsection (d), as redesignated by subsection (b)(2) of this section, by inserting "Termination of Authority.—" after "(d)".

(d) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect enlistments and extensions of enlistments taking effect on or after that date.

SEC. 620. SELECTED RESERVE ENLISTMENT BONUS.

(a) Elimination of Requirement for Minimum Period of Enlistment.—Subsection (a) of section 308c of title 37, United States Code, is amended by striking "for a term of enlistment of not less than six years".

(b) Increased Maximum Amount.—Subsection (b) of such section is amended by striking "$5,000" and inserting "$8,000".

(c) Effective Date.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1999, and shall apply with respect to enlistments entered into on or after that date.

SEC. 621. SPECIAL PAY FOR MEMBERS OF THE COAST GUARD RESERVE ASSIGNED TO HIGH PRIORITY UNITS OF THE SELECTED RESERVE.

Section 308d(a) of title 37, United States Code, is amended by inserting "or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, " after "Secretary of Defense,".

SEC. 622. REDUCED MINIMUM PERIOD OF ENLISTMENT IN ARMY IN CRITICAL SKILL FOR ELIGIBILITY FOR ENLISTMENT BONUS.

(a) Reduced Requirement.—Paragraph (3) of section 308f(a) of title 37, United States Code, is amended by striking "3 years" and inserting "2 years";

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to enlistments entered into on or after that date.

SEC. 623. ELIGIBILITY FOR RESERVE COMPONENT PRIOR SERVICE ENLISTMENT BONUS UPON ATTAINING A CRITICAL SKILL.

(a) Revised Eligibility Requirements for Bonus.—Section 308i(a) of title 37, United States Code, is amended by striking paragraph (2) and inserting the following new paragraph:

"(2) A bonus may only be paid under this section to a person who meets each of the following requirements:

"(A) The person has completed a military service obligation, but has less than 14 years of total military service, and received an honorable discharge at the conclusion of that military service obligation.

"(B) The person was not released, or is not being released, from active service for the purpose of enlistment in a reserve component.

"(C) The person is projected to occupy, or is occupying, a position as a member of the Selected Reserve in a specialty in which the person—

"(i) successfully served while a member on active duty and attained a level of qualification

while on active duty commensurate with the grade and years of service of the member; or

"(ii) has completed training or retraining in the specialty skill that is designated as critically short and attained a level of qualification in the specialty skill that is commensurate with the grade and years of service of the member.

"(D) The person has not previously been paid a bonus (except under this section) for enlistment, reenlistment, or extension of enlistment in a reserve component.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1999, and shall apply to enlistments beginning on or after that date.

SEC. 624. INCREASE IN SPECIAL PAY AND BONUSES FOR NUCLEAR-QUALIFIED OFFICERS.

(a) Special Pay for Nuclear-Qualified Officers Extending Period of Active Service.—Section 312(a) of title 37, United States Code, is amended by striking "$15,000" and inserting "$25,000".

(b) Nuclear Career Accession Bonus.—Section 312b(a)(1) of such title is amended by striking "$10,000" and inserting "$20,000".

(c) Nuclear Career Annual Incentive Bonuses.—Section 312c of such title is amended—

(1) in subsection (a)(1), by striking "$12,000" and inserting "$22,000"; and

(2) in subsection (b)(1), by striking "$5,500" and inserting "$10,000".

(d) Effective Date.—(1) The amendments made by subsections (a) and (b) shall take effect on October 1, 1999, and shall apply to agreements under section 312 or 312b of such title entered into on or after that date.

(2) The amendments made by subsection (c) shall take effect on October 1, 1999, and shall apply with respect to nuclear service years beginning on or after that date.

SEC. 625. INCREASE IN MAXIMUM MONTHLY RATE AUTHORIZED FOR FOREIGN LANGUAGE PROFICIENCY PAY.

(a) Increase.—Section 316(b) of title 37, United States Code, is amended by striking "$100" and inserting "$300".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1999, and shall apply with respect to foreign language proficiency pay paid under section 316 of such title for months beginning on or after that date.

SEC. 626. AUTHORIZATION OF RETENTION BONUS FOR SPECIAL WARFARE OFFICERS EXTENDING PERIODS OF ACTIVE DUTY.

(a) Bonus Authorized.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§318. Special pay: special warfare officers extending period of active duty

"(a) Special Warfare Officer Defined.—In this section, the term 'special warfare officer' means an officer of a uniformed service who—

"(1) is qualified for a military occupational specialty or designator identified by the Secretary concerned as a special warfare military occupational specialty or designator; and

"(2) is serving in a position for which that specialty or designator is authorized.

"(b) Retention Bonus Authorized.—A special warfare officer who meets the eligibility requirements specified in subsection (c) and who executes a written agreement to remain on active duty in special warfare service for at least one year may, upon the acceptance of the agreement by the Secretary concerned, be paid a retention bonus as provided in this section.

"(c) Eligibility Requirements.—A special warfare officer may apply to enter into an agreement referred to in subsection (b) if the officer—

"(1) is in pay grade O–3, or is in pay grade O–4 and is not on a list of officers recommended for promotion, at the time the officer applies to enter into the agreement;

"(2) has completed at least 6, but not more than 14, years of active commissioned service; and

"(3) has completed any service commitment incurred to be commissioned as an officer.

"(d) Amount of Bonus.—The amount of a retention bonus paid under this section may not be more than $15,000 for each year covered by the agreement.

"(e) Proration.—The term of an agreement under subsection (b) and the amount of the retention bonus payable under subsection (d) may be prorated as long as the agreement does not extend beyond the date on which the officer executing the agreement would complete 14 years of active commissioned service.

"(f) Payment Methods.—(1) Upon acceptance of an agreement under subsection (b) by the Secretary concerned, the total amount payable pursuant to the agreement becomes fixed.

"(2) The amount of the retention bonus may be paid as follows:

"(A) At the time the agreement is accepted by the Secretary concerned, the Secretary may make a lump sum payment equal to half the total amount payable under the agreement. The balance of the bonus amount shall be paid in equal annual installments on the anniversary of the acceptance of the agreement.

"(B) The Secretary concerned may make graduated annual payments under regulations prescribed by the Secretary, with the first payment being payable at the time the agreement is accepted by the Secretary and subsequent payments being payable on the anniversary of the acceptance of the agreement.

"(g) Additional Pay.—A retention bonus paid under this section is in addition to any other pay and allowances to which an officer is entitled.

"(h) Repayment.—(1) If an officer who has entered into an agreement under subsection (b) and has received all or part of a retention bonus under this section fails to complete the total period of active duty in special warfare service as specified in the agreement, the Secretary concerned may require the officer to repay the United States, on a pro rata basis and to the extent that the Secretary determines conditions and circumstances warrant, all sums paid the officer under this section.

"(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement entered into under subsection (a) does not discharge the officer signing the agreement from a debt arising under such agreement or under paragraph (1).

"(i) Regulations.—The Secretaries concerned shall prescribe regulations to carry out this section, including the definition of the term 'special warfare service' for purposes of this section. Regulations prescribed by the Secretary of a military department under this section shall be subject to the approval of the Secretary of Defense.".

(2) The table of sections at the beginning of chapter 5 of title 37, United States Code is amended by adding at the end the following new item:

"318. Special pay: special warfare officers extending period of active duty.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 1999.

SEC. 627. AUTHORIZATION OF SURFACE WARFARE OFFICER CONTINUATION PAY.

(a) Incentive Pay Authorized.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 318, as added by section 626, the following new section:

"§319. Special pay: surface warfare officer continuation pay

"(a) Eligible Surface Warfare Officer Defined.—In this section, the term 'eligible surface warfare officer' means an officer of the Regular Navy or Naval Reserve on active duty who—

"(1) is qualified and serving as a surface warfare officer;

"(2) has been selected for assignment as a department head on a surface vessel; and

"(3) has completed any service commitment incurred through the officer's original commissioning program.

"(b) Special Pay Authorized.—An eligible surface warfare officer who executes a written agreement to remain on active duty to complete one or more tours of duty to which the officer may be ordered as a department head on a surface vessel may, upon the acceptance of the agreement by the Secretary of the Navy, be paid an amount not to exceed $50,000.

"(c) Proration.—The term of the written agreement under subsection (b) and the amount payable under the agreement may be prorated.

"(d) Payment Methods.—Upon acceptance of the written agreement under subsection (b) by the Secretary of the Navy, the total amount payable pursuant to the agreement becomes fixed. The Secretary shall prepare an implementation plan specifying the amount of each installment payment under the agreement and the times for payment of the installments.

"(e) Additional Pay.—Any amount paid under this section is in addition to any other pay and allowances to which an officer is entitled.

"(f) Repayment.—(1) If an officer who has entered into a written agreement under subsection (b) and has received all or part of the amount payable under the agreement fails to complete the total period of active duty as a department head on a surface vessel specified in the agreement, the Secretary of the Navy may require the officer to repay the United States, to the extent that the Secretary of the Navy determines conditions and circumstances warrant, any or all sums paid under this section.

"(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owned to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement entered into under subsection (b) does not discharge the officer signing the agreement from a debt arising under such agreement or under paragraph (1).

"(g) Regulations.—The Secretary of the Navy shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by inserting after the item relating to section 318 the following new item:

"319. Special pay: surface warfare officer continuation pay.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 1999.

SEC. 628. AUTHORIZATION OF CAREER ENLISTED FLYER INCENTIVE PAY.

(a) Incentive Pay Authorized.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 319, as added by section 627, the following new section:

"§320. Incentive pay: career enlisted flyers

"(a) Eligible Career Enlisted Flyer Defined.—In this section, the term 'eligible career enlisted flyer' means an enlisted member of the armed forces who—

"(1) is entitled to basic pay under section 204 of this title, or is entitled to pay under section 206 of this title as described in subsection (e) of this section;

"(2) holds an enlisted military occupational specialty or enlisted military rating designated as a career enlisted flyer specialty or rating by the Secretary concerned, performs duty as a dropsonde system operator, or is in training leading to qualification and designation of such a specialty or rating or the performance of such duty;

"(3) is qualified for aviation service under regulations prescribed by the Secretary concerned; and

"(4) satisfies the operational flying duty requirements applicable under subsection (c).

"(b) Incentive Pay Authorized.—(1) The Secretary concerned may pay monthly incentive pay to an eligible career enlisted flyer in an amount not to exceed the monthly maximum amounts specified in subsection (d). The incentive pay may be paid as continuous monthly incentive pay or on a month-to-month basis, dependent upon the operational flying duty performed by the eligible career enlisted flyer as prescribed in subsection (c).

"(2) Continuous monthly incentive pay may not be paid to an eligible career enlisted flyer after the member completes 25 years of aviation service. Thereafter, an eligible career enlisted flyer may still receive incentive pay on a month-to-month basis under subsection (c)(4) for the frequent and regular performance of operational flying duty.

"(c) Operational Flying Duty Requirements.—(1) An eligible career enlisted flyer must perform operational flying duties for 6 of the first 10, 9 of the first 15, and 14 of the first 20 years of aviation service, to be eligible for continuous monthly incentive pay under this section.

"(2) Upon completion of 10, 15, or 20 years of aviation service, an enlisted member who has not performed the minimum required operational flying duties specified in paragraph (1) during the prescribed period, although otherwise meeting the definition in subsection (a), may no longer be paid continuous monthly incentive pay except as provided in paragraph (3). Payment of continuous monthly incentive pay may be resumed if the member meets the minimum operational flying duty requirement upon completion of the next established period of aviation service.

"(3) For the needs of the service, the Secretary concerned may permit, on a case-by-case basis, a member to continue to receive continuous monthly incentive pay despite the member's failure to perform the operational flying duty required during the first 10, 15, or 20 years of aviation service, but only if the member otherwise meets the definition in subsection (a) and has performed at least 5 years of operational flying duties during the first 10 years of aviation service, 8 years of operational flying duties during the first 15 years of aviation service, or 12 years of operational flying duty during the first 20 years of aviation service. The authority of the Secretary concerned under this paragraph may not be delegated below the level of the Service Personnel Chief.

"(4) If the eligibility of an eligible career enlisted flyer to continuous monthly incentive pay ceases under subsection (b)(2) or paragraph (2), the member may still receive month-to-month incentive pay for subsequent frequent and regular performance of operational flying duty. The rate payable is the same rate authorized by the Secretary concerned under subsection (d) for a member of corresponding years of aviation service.

"(d) Monthly Maximum Rates.—The monthly rate of any career enlisted flyer incentive pay paid under this section to a member on active duty shall be prescribed by the Secretary concerned, but may not exceed the following:

"Years of aviation service	Monthly rate
4 or less	$150
Over 4	$225
Over 8	$350
Over 14	$400.

"(e) Eligibility of Reserve Component Members When Performing Inactive Duty Training.—Under regulations prescribed by the Secretary concerned, when a member of a reserve component or the National Guard, who is entitled to compensation under section 206 of this title, meets the definition of eligible career enlisted flyer, the Secretary concerned may increase the member's compensation by an amount equal to $1/30$ of the monthly incentive pay authorized by the Secretary concerned under subsection (d) for a member of corresponding years of aviation service who is entitled to basic pay under section 204 of this title. The reserve component member may receive the increase for as long as the member is qualified for it, for each regular period of instruction or period of appropriate duty, at which the member is engaged for at least two hours, or for the performance of such other equivalent training, instruction, duty or appropriate duties, as the Secretary may prescribe under section 206(a) of this title.

"(f) Relation to Hazardous Duty Incentive Pay or Diving Duty Special Pay.—A member receiving incentive pay under section 301(a) of this title or special pay under section 304 of this title may not be paid special pay under this section for the same period of service.

"(g) Save Pay Provision.—If, immediately before a member receives incentive pay under this section, the member was entitled to incentive pay under section 301(a) of this title, the rate at which the member is paid incentive pay under this section shall be equal to the higher of the monthly amount applicable under subsection (d) or the rate of incentive pay the member was receiving under subsection (b) or (c)(2)(A) of section 301 of this title.

"(h) Specialty Code of Dropsonde System Operators.—Within the Air Force, the Secretary of the Air Force shall assign to members who are dropsonde system operators a specialty code that identifies such members as serving in a weather specialty.

"(i) Definitions.—In this section:

"(1) The term 'aviation service' means participation in aerial flight performed, under regulations prescribed by the Secretary concerned, by an eligible career enlisted flyer.

"(2) The term 'operational flying duty' means flying performed under competent orders while serving in assignments, including an assignment as a dropsonde system operator, in which basic flying skills normally are maintained in the performance of assigned duties as determined by the Secretary concerned, and flying duty performed by members in training that leads to the award of an enlisted aviation rating or military occupational specialty designated as a career enlisted flyer rating or specialty by the Secretary concerned.".

(2) The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by inserting after the item relating to section 319 the following new item:

"320. Incentive pay: career enlisted flyers.".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 1999.

SEC. 629. AUTHORIZATION OF JUDGE ADVOCATE CONTINUATION PAY.

(a) Incentive Pay Authorized.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 320, as added by section 628, the following new section:

"§321. Special pay: judge advocate continuation pay

"(a) Eligible Judge Advocate Defined.—In this section, the term 'eligible judge advocate' means an officer of the armed forces on full-time active duty who—

"(1) is qualified and serving as a judge advocate, as defined in section 801 of title 10; and

"(2) has completed—

"(A) the active duty service obligation incurred through the officer's original commissioning program; or

"(B) in the case of an officer detailed under section 2004 of title 10 or section 470 of title 14, the active duty service obligation incurred as part of that detail.

"(b) Special Pay Authorized.—An eligible judge advocate who executes a written agreement to remain on active duty for a period of obligated service specified in the agreement may, upon the acceptance of the agreement by the Secretary concerned, be paid continuation pay under this section. The total amount paid to an officer under one or more agreements under this section may not exceed $60,000.

"(c) Proration.—The term of an agreement under subsection (b) and the amount payable under the agreement may be prorated.

"(d) Payment Methods.—Upon acceptance of an agreement under subsection (b) by the Secretary concerned, the total amount payable pursuant to the agreement becomes fixed. The Secretary shall prepare an implementation plan specifying the amount of each installment payment under the agreement and the times for payment of the installments.

"(e) Additional Pay.—Any amount paid to an officer under this section is in addition to any other pay and allowances to which the officer is entitled.

"(f) Repayment.—(1) If an officer who has entered into a written agreement under subsection (b) and has received all or part of the amount payable under the agreement fails to complete the total period of active duty specified in the agreement, the Secretary concerned may require the officer to repay the United States, to the extent that the Secretary determines conditions and circumstances warrant, any or all sums paid under this section.

"(2) An obligation to repay the United States imposed under paragraph (1) is for all purposes a debt owned to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement entered into under subsection (b) does not discharge the officer signing the agreement from a debt arising under such agreement or under paragraph (1).

"(g) Regulations.—The Secretary concerned shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by inserting after the item relating to section 320 the following new item:

"321. Special pay: judge advocate continuation pay.".

(b) Study and Report on Additional Recruitment and Retention Initiatives.—(1) The Secretary of Defense shall conduct a study regarding the need for additional incentives to improve the recruitment and retention of judge advocates for the Armed Forces. At a minimum, the Secretary shall consider as possible incentives constructive service credit for basic pay, educational loan repayment, and Federal student loan relief.

(2) Not later than March 31, 2000, the Secretary shall submit to Congress a report containing the findings and recommendations resulting from the study.

(c) Effective Date.—The amendments made by subsection (a) shall take effect on October 1, 1999.

Subtitle C—Travel and Transportation Allowances

SEC. 631. PROVISION OF LODGING IN KIND FOR RESERVISTS PERFORMING TRAINING DUTY AND NOT OTHERWISE ENTITLED TO TRAVEL AND TRANSPORTATION ALLOWANCES.

(a) PROVISION.—Paragraph (1) of subsection (i) of section 404 of title 37, United States Code, is amended by adding at the end the following new sentence: "If transient government housing is unavailable or inadequate, the Secretary concerned may provide the member with lodging in kind in the same manner as members entitled to such allowances under subsection (a).".

(b) PAYMENT METHODS.—Paragraph (3) of such subsection is amended—

(1) by inserting after "paragraph (1)" the following: "and expenses of providing lodging in kind under such paragraph"; and

(2) by adding at the end the following new sentence: "Use of Government charge cards is authorized for payment of these expenses.".

(c) DECISIONMAKING.—Such subsection is further amended by adding at the end the following new paragraph:

"(4) Decisions regarding the availability or adequacy of government housing at a military installation under paragraph (1) shall be made by the installation commander.".

SEC. 632. PAYMENT OF TEMPORARY LODGING EXPENSES FOR MEMBERS MAKING THEIR FIRST PERMANENT CHANGE OF STATION.

(a) AUTHORITY TO PAY OR REIMBURSE.—Section 404a(a) of title 37, United States Code, is amended

(1) in paragraph (1), by striking "or" at the end;

(2) in paragraph (2), by inserting "or" after the semicolon; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) in the case of an enlisted member who is reporting to the member's first permanent duty station, from the member's home of record or initial technical school to that first permanent duty station;".

(b) DURATION.—Such section is further amended—

(1) in the second sentence, by striking "clause (1)" and inserting "paragraph (1) or (3)"; and

(2) in the third sentence, by striking "clause (2)" and inserting "paragraph (2)".

SEC. 633. DESTINATION AIRPORT FOR EMERGENCY LEAVE TRAVEL TO CONTINENTAL UNITED STATES.

Section 411d(b)(1) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) to any airport in the continental United States to which travel can be arranged at the same or a lower cost as travel obtained under subparagraph (A); or".

Subtitle D—Retired Pay Reform

SEC. 641. REDUX RETIRED PAY SYSTEM APPLICABLE ONLY TO MEMBERS ELECTING NEW 15-YEAR CAREER STATUS BONUS.

(a) RETIRED PAY MULTIPLIER.—Paragraph (2) of section 1409(b) of title 10, United States Code, is amended by inserting after "July 31, 1986," the following: "has elected to receive a bonus under section 322 of title 37,".

(b) COST-OF-LIVING ADJUSTMENTS.—(1) Paragraph (2) of section 1401a(b) of such title is amended by striking "The Secretary shall increase the retired pay of each member and former member who first became a member of a uniformed service before August 1, 1986," and inserting "Except as otherwise provided in this subsection, the Secretary shall increase the retired pay of each member and former member".

(2) Paragraph (3) of such section is amended by inserting after "August 1, 1986," the following: "and has elected to receive a bonus under section 322 of title 37,".

(c) RECOMPUTATION OF RETIRED PAY AT AGE 62.—Section 1410 of such title is amended by inserting after "August 1, 1986," the following: "who has elected to receive a bonus under section 322 of title 37,".

SEC. 642. AUTHORIZATION OF 15-YEAR CAREER STATUS BONUS.

(a) CAREER SERVICE BONUS.—Chapter 5 of title 37, United States Code, is amended by inserting after section 321, as added by section 629, the following new section:

"§ 322. Special pay: 15-year career status bonus for members entering service on or after August 1, 1986

"(a) AVAILABILITY OF BONUS.—The Secretary concerned shall pay a bonus under this section to an eligible career bonus member if the member—

"(1) elects to receive the bonus under this section; and

"(2) executes a written agreement (prescribed by the Secretary concerned) to remain continuously on active duty until the member has completed 20 years of active-duty service creditable under section 1405 of title 10.

"(b) ELIGIBLE CAREER BONUS MEMBER DEFINED.—In this section, the term 'eligible career bonus member' means a member of a uniformed service serving on active duty who—

"(1) first became a member on or after August 1, 1986; and

"(2) has completed 15 years of active duty in the uniformed services (or has received notification under subsection (e) that the member is about to complete that duty).

"(c) ELECTION METHOD.—An election under subsection (a)(1) shall be made in such form and within such period as the Secretary concerned may prescribe. An election under that subsection is irrevocable.

"(d) AMOUNT OF BONUS; PAYMENT.—(1) A bonus under this section shall be paid in a single lump sum of $30,000.

"(2) The bonus shall be paid to an eligible career bonus member not later than the first month that begins on or after the date that is 60 days after the date on which the Secretary concerned receives from the member the election required under subsection (a)(1) and the written agreement required under subsection (a)(2), if applicable.

"(e) NOTIFICATION OF ELIGIBILITY.—(1) The Secretary concerned shall transmit to each member who meets the definition of eligible career bonus member a written notification of the opportunity of the member to elect to receive a bonus under this section. The Secretary shall provide the notification not later than 180 days before the date on which the member will complete 15 years of active duty.

"(2) The notification shall include the following:

"(A) The procedures for electing to receive the bonus.

"(B) An explanation of the effects under sections 1401a, 1409, and 1410 of title 10 that such an election has on the computation of any retired or retainer pay that the member may become eligible to receive.

"(f) REPAYMENT OF BONUS.—(1) If a person paid a bonus under this section fails to complete a period of active duty beginning on the date on which the election of the person under subsection (a)(1) is received and ending on the date on which the person completes 20 years of active-duty service as described in subsection (a)(2), the person shall refund to the United States the amount that bears the same ratio to the amount of the bonus payment as the uncompleted part of that period of active-duty service bears to the total period of such service.

"(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under the agreement or this subsection.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 321 the following new item:

"322. Special pay: 15-year career status bonus for members entering service on or after August 1, 1986.".

SEC. 643. CONFORMING AMENDMENTS.

(a) CONFORMING AMENDMENT TO SURVIVOR BENEFIT PLAN PROVISION.—(1) Section 1451(h)(3) of title 10, United States Code, is amended by inserting "OF CERTAIN MEMBERS" after "RETIREMENT".

(2) Section 1452(i) of such title is amended by striking "When the retired pay" and inserting "Whenever the retired pay".

(b) RELATED TECHNICAL AMENDMENTS.—Chapter 71 of such title is amended as follows:

(1) Section 1401a(b) is amended—

(A) by striking the heading for paragraph (1) and inserting "INCREASE REQUIRED.—";

(B) by striking the heading for paragraph (2) and inserting "PERCENTAGE INCREASE.—"; and

(C) by striking the heading for paragraph (3) and inserting "REDUCED PERCENTAGE FOR CERTAIN POST-AUGUST 1, 1986 MEMBERS.—".

(2) Section 1409(b)(2) is amended by inserting "CERTAIN" in the paragraph heading after "REDUCTION APPLICABLE TO".

(3)(A) The heading of section 1410 is amended by inserting "**certain**" before "**members**".

(B) The item relating to such section in the table of sections at the beginning of such chapter is amended by inserting "certain" before "members".

SEC. 644. EFFECTIVE DATE.

The amendments made by sections 641, 642, and 643 shall take effect on October 1, 1999.

Subtitle E—Other Matters Relating to Military Retirees and Survivors

SEC. 651. REPEAL OF REDUCTION IN RETIRED PAY FOR MILITARY RETIREES EMPLOYED IN CIVILIAN POSITIONS.

(a) REPEAL.—(1) Section 5532 of title 5, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 55 of such title is amended by striking the item relating to section 5532.

(b) CONTRIBUTIONS TO DEPARTMENT OF DEFENSE MILITARY RETIREMENT FUND.—Section 1466 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) The Secretary of Defense shall pay into the Fund at the beginning of each fiscal year such amount as may be necessary to pay the cost to the Fund for that fiscal year resulting from the repeal, as of October 1, 1999, of section 5532 of title 5, including any actuarial loss to the Fund resulting from increased benefits paid from the Fund that are not fully covered by the payments made to the Fund for that fiscal year under subsections (a) and (b).

"(2) Amounts paid into the Fund under this subsection shall be paid from funds available for the pay of members of the armed forces under the jurisdiction of the Secretary of a military department.

"(3) The Department of Defense Retirement Board of Actuaries shall determine, for each armed force, the amount required under paragraph (1) to be deposited in the Fund each fiscal year.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

SEC. 652. PRESENTATION OF UNITED STATES FLAG TO RETIRING MEMBERS OF THE UNIFORMED SERVICES NOT PREVIOUSLY COVERED.

(a) NONREGULAR SERVICE MILITARY RETIREES.—(1) Chapter 1217 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 12605. Presentation of United States flag: members transferred from an active status or discharged after completion of eligibility for retired pay

"(a) PRESENTATION OF FLAG.—Upon the transfer from an active status or discharge of a Reserve who has completed the years of service required for eligibility for retired pay under chapter 1223 of this title, the Secretary concerned shall present a United States flag to the member.

"(b) MULTIPLE PRESENTATIONS NOT AUTHORIZED.—A member is not eligible for presentation of a flag under subsection (a) if the member has previously been presented a flag under this section or any provision of law providing for the presentation of a United States flag incident to release from active service for retirement.

"(c) NO COST TO RECIPIENT.—The presentation of a flag under this section shall be at no cost to the recipient.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"12605. Presentation of United States flag: members transferred from an active status or discharged after completion of eligibility for retired pay.".

(b) PUBLIC HEALTH SERVICE.—Title II of the Public Health Service Act is amended by inserting after section 212 (42 U.S.C. 213) the following new section:

"PRESENTATION OF UNITED STATES FLAG UPON RETIREMENT

"SEC. 213. (a) PRESENTATION OF FLAG.—Upon the release of an officer of the commissioned corps of the Service from active commissioned service for retirement, the Secretary of Health and Human Services shall present a United States flag to the officer.

"(b) MULTIPLE PRESENTATIONS NOT AUTHORIZED.—An officer is not eligible for presentation of a flag under subsection (a) if the officer has previously been presented a flag under this section or any other provision of law providing for the presentation of a United States flag incident to release from active service for retirement.

"(c) NO COST TO RECIPIENT.—The presentation of a flag under this section shall be at no cost to the recipient.".

(c) NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—The Coast and Geodetic Survey Commissioned Officers' Act of 1948 is amended by inserting after section 24 (33 U.S.C. 853u) the following new section:

"SEC. 25. (a) PRESENTATION OF FLAG UPON RETIREMENT.—Upon the release of a commissioned officer from active commissioned service for retirement, the Secretary of Commerce shall present a United States flag to the officer.

"(b) MULTIPLE PRESENTATIONS NOT AUTHORIZED.—An officer is not eligible for presentation of a flag under subsection (a) if the officer has previously been presented a flag under this section or any other provision of law providing for the presentation of a United States flag incident to release from active service for retirement.

"(c) NO COST TO RECIPIENT.—The presentation of a flag under this section shall be at no cost to the recipient.".

(d) EFFECTIVE DATE.—Section 12605 of title 10, United States Code (as added by subsection (a)), section 213 of the Public Health Service Act (as added by subsection (b)), and section 25 of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (as added by subsection (c)) shall apply with respect to releases from service described in those sections on or after October 1, 1999.

(e) CONFORMING AMENDMENTS TO PRIOR LAW.—Sections 3681(b), 6141(b), and 8681(b) of title 10, United States Code, and section 516(b) of title 14, United States Code, are each amended by striking "under this section" and all that follows through the period and inserting "under this section or any other provision of law providing for the presentation of a United States flag incident to release from active service for retirement.".

SEC. 653. DISABILITY RETIREMENT OR SEPARATION FOR CERTAIN MEMBERS WITH PRE-EXISTING CONDITIONS.

(a) DISABILITY RETIREMENT.—(1) Chapter 61 of title 10, United States Code, is amended by inserting after section 1207 the following new section:

"§ 1207a. Members with over eight years of active service: eligibility for disability retirement for pre-existing conditions

"(a) In the case of a member described in subsection (b) who would be covered by section 1201, 1202, or 1203 of this title but for the fact that the member's disability is determined to have been incurred before the member became entitled to basic pay in the member's current period of active duty, the disability shall be deemed to have been incurred while the member was entitled to basic pay and shall be so considered for purposes of determining whether the disability was incurred in the line of duty.

"(b) A member described in subsection (a) is a member with at least eight years of active service.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1207 the following new item:

"1207a. Members with over eight years of active service: eligibility for disability retirement for pre-existing conditions.".

(b) NONREGULAR SERVICE RETIREMENT.—(1) Chapter 1223 of such title is amended by inserting after section 12731a the following new section:

"§ 12731b. Special rule for members with physical disabilities not incurred in line of duty

"(a) In the case of a member of the Selected Reserve of a reserve component who no longer meets the qualifications for membership in the Selected Reserve solely because the member is unfit because of physical disability, the Secretary concerned may, for purposes of section 12731 of this title, determine to treat the member as having met the service requirements of subsection (a)(2) of that section and provide the member with the notification required by subsection (d) of that section if the member has completed at least 15, and less than 20, years of service computed under section 12732 of this title.

"(b) Notification under subsection (a) may not be made if—

"(1) the disability was the result of the member's intentional misconduct, willful neglect, or willful failure to comply with standards and qualifications for retention established by the Secretary concerned; or

"(2) the disability was incurred during a period of unauthorized absence."

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 12731a the following new item:

"12731b. Special rule for members with physical disabilities not incurred in line of duty.".

(c) SEPARATION.—Section 1206(5) of such title is amended by inserting ", in the case of a disability incurred before the date of the enactment of the National Defense Authorization Act for Fiscal Year 2000," after "determination, and".

SEC. 654. CREDIT TOWARD PAID-UP SBP COVERAGE FOR MONTHS COVERED BY MAKE-UP PREMIUM PAID BY PERSONS ELECTING SBP COVERAGE DURING SPECIAL OPEN ENROLLMENT PERIOD.

Section 642 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2045; 10 U.S.C. 1448 note) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) CREDIT TOWARD PAID-UP COVERAGE.—Upon payment of the total amount of the premiums charged a person under subsection (g), the retired pay of a person participating in the Survivor Benefit Plan pursuant to an election under this section shall be treated, for the purposes of subsection (j) of section 1452 of title 10, United States Code, as having been reduced under such section 1452 for the months in the period for which the person's retired pay would have been reduced if the person had elected to participate in the Survivor Benefit Plan at the first opportunity that was afforded the person to participate.".

SEC. 655. PAID-UP COVERAGE UNDER RETIRED SERVICEMAN'S FAMILY PROTECTION PLAN.

(a) CONDITIONS.—Subchapter I of chapter 73 of title 10, United States Code, is amended by inserting after section 1436 the following new section:

"§ 1436a. Coverage paid up at 30 years and age 70

"Effective October 1, 2008, a reduction under this subchapter in the retired or retainer pay of a person electing an annuity under this subchapter may not be made for any month after the later of—

"(1) the month that is the 360th month for which that person's retired or retainer pay is reduced pursuant to such an election; and

"(2) the month during which that person attains 70 years of age.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1436 the following new item:

"1436a. Coverage paid up at 30 years and age 70.".

SEC. 656. EXTENSION OF AUTHORITY FOR PAYMENT OF ANNUITIES TO CERTAIN MILITARY SURVIVING SPOUSES.

(a) COVERAGE OF SURVIVING SPOUSES OF ALL "GRAY-AREA" RETIREES.—Subsection (a)(1)(B) section 644 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1800; 10 U.S.C. 1448 note) is amended by striking "during the period beginning on September 21, 1972, and ending on" and inserting "before".

(b) PERMANENT AUTHORITY FOR PAYMENT OF ANNUITIES.—Subsection (f) of such section is repealed.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to annuities payable for months beginning after September 30, 1999.

SEC. 657. EFFECTUATION OF INTENDED SBP ANNUITY FOR FORMER SPOUSE WHEN NOT ELECTED BY REASON OF UNTIMELY DEATH OF RETIREE.

(a) CASES NOT COVERED BY EXISTING AUTHORITY.—Paragraph (3) of section 1450(f) of title 10, United States Code, as in effect on the date of the enactment of this Act, shall apply in the case of a former spouse of any person referred to in that paragraph who—

(1) incident to a proceeding of divorce, dissolution, or annulment—

(A) entered into a written agreement on or after August 21, 1983, to make an election under section 1448(b) of such title to provide an annuity to the former spouse (the agreement thereafter having been incorporated in or ratified or approved by a court order or filed with the court of appropriate jurisdiction in accordance with applicable State law); or

(B) was required by a court order dated on or after such date to make such an election for the former spouse; and

(2) before making the election, died within 21 days after the date of the agreement referred to in paragraph (1)(A) or the court order referred to in paragraph (1)(B), as the case may be.

(b) ADJUSTED TIME LIMIT FOR REQUEST BY FORMER SPOUSE.—For the purposes of paragraph (3)(C) of section 1450(f) of title 10, United States Code, a court order or filing referred to in subsection (a)(1) of this section that is dated before October 19, 1984, shall be deemed to be dated on the date of the enactment of this Act.

SEC. 658. SPECIAL COMPENSATION FOR SEVERELY DISABLED UNIFORMED SERVICES RETIREES.

(a) AUTHORITY.—(1) Chapter 71 of title 10, United States Code, is amended by adding at the end the following new section:

"§1413. Special compensation for certain severely disabled uniformed services retirees

"(a) AUTHORITY.—The Secretary concerned shall pay to each eligible disabled uniformed services retiree a monthly amount determined under subsection (b).

"(b) AMOUNT.—The amount to be paid to an eligible disabled uniformed services retiree in accordance with subsection (a) is the following:

"(1) For any month for which the retiree has a qualifying service-connected disability rated as total, $300.

"(2) For any month for which the retiree has a qualifying service-connected disability rated as 90 percent, $200.

"(3) For any month for which the retiree has a qualifying service-connected disability rated as 80 percent or 70 percent, $100.

"(c) ELIGIBLE MEMBERS.—An eligible disabled uniformed services retiree referred to in subsection (a) is a member of the uniformed services in a retired status (other than a member who is retired under chapter 61 of this title) who—

"(1) completed at least 20 years of service in the uniformed services that are creditable for purposes of computing the amount of retired pay to which the member is entitled; and

"(2) has a qualifying service-connected disability.

"(d) QUALIFYING SERVICE-CONNECTED DISABILITY DEFINED.—In this section, the term 'qualifying service-connected disability' means a service-connected disability that—

"(1) was incurred or aggravated in the performance of duty as a member of a uniformed service, as determined by the Secretary concerned; and

"(2) is rated as not less than 70 percent disabling—

"(A) by the Secretary concerned as of the date on which the member is retired from the uniformed services; or

"(B) by the Secretary of Veterans Affairs within four years following the date on which the member is retired from the uniformed services.

"(e) STATUS OF PAYMENTS.—Payments under this section are not retired pay.

"(f) SOURCE OF FUNDS.—Payments under this section for any fiscal year shall be paid out of funds appropriated for pay and allowances payable by the Secretary concerned for that fiscal year.

"(g) OTHER DEFINITIONS.—In this section:

"(1) The term 'service-connected' has the meaning give that term in section 101 of title 38.

"(2) The term 'disability rated as total' means—

"(A) a disability that is rated as total under the standard schedule of rating disabilities in use by the Department of Veterans Affairs; or

"(B) a disability for which the scheduled rating is less than total but for which a rating of total is assigned by reason of inability of the disabled person concerned to secure or follow a substantially gainful occupation as a result of service-connected disabilities.

"(3) The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1413. Special compensation for certain severely disabled uniformed services retirees.".

(b) EFFECTIVE DATE.—Section 1413 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1999, and shall apply to months that begin on or after that date. No benefit may be paid to any person by reason of that section for any period before that date.

Subtitle F—Eligibility to Participate in the Thrift Savings Plan

SEC. 661. PARTICIPATION IN THRIFT SAVINGS PLAN.

(a) PARTICIPATION AUTHORITY.—(1)(A) Chapter 3 of title 37, United States Code, is amended by adding at the end the following:

"§211. Participation in Thrift Savings Plan

"(a) DEFINITION.—In this section, the term 'member' means—

"(1) a member of the uniformed services serving on active duty; and

"(2) a member of the Ready Reserve in any pay status.

"(b) AUTHORITY.—Any member may participate in the Thrift Savings Plan in accordance with section 8440e of title 5.

"(c) RULE OF CONSTRUCTION REGARDING SEPARATION.—For purposes of subchapters III and VII of chapter 84 of title 5, each of the following actions shall, in the case of a member participating in the Thrift Savings Plan in accordance with section 8440e of such title, be considered a separation from Government employment:

"(1) Release of the member from active duty, not followed, before the end of the 31-day period beginning on the day following the effective date of the release, by—

"(A) a resumption of active duty; or

"(B) an appointment to a position covered by chapter 83 or 84 of title 5 or an equivalent retirement system, as identified by the Executive Director (appointed by the Federal Retirement Thrift Investment Board) in regulations.

"(2) Transfer of the member to inactive status, or to a retired list pursuant to any provision of title 10.".

(B) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"211. Participation in Thrift Savings Plan.".

(2)(A) Subchapter III of chapter 84 of title 5, United States Code, is amended by adding at the end the following:

"§8440e. Members of the uniformed services

"(a) For purposes of this section—

"(1) the term 'member' has the meaning given such term by section 211 of title 37; and

"(2) the term 'basic pay' means basic pay payable under section 204 of title 37.

"(b)(1) Any member eligible to participate in the Thrift Savings Plan by virtue of section 211(b) of title 37 may contribute to the Thrift Savings Fund.

"(2)(A) Except as provided in subparagraph (B), an election to contribute to the Thrift Savings Fund under this section may be made only during a period provided under section 8432(b), subject to the same conditions as prescribed under paragraph (2)(A)–(D) thereof.

"(B)(i) Notwithstanding subparagraph (A), any individual who is a member as of the effective date described in paragraph (1) of section 663(a) of the National Defense Authorization Act for Fiscal Year 2000 (or, if applicable, paragraph (2) thereof) may make the first such election during the 60–day period beginning on such effective date.

"(ii) An election made under this subparagraph shall take effect on the first day of the first applicable pay period beginning after the close of the 60–day period referred to in clause (i).

"(c) Except as otherwise provided in this section, the provisions of this subchapter and subchapter VII shall apply with respect to members making contributions to the Thrift Savings Fund, and such members shall, for purposes of this subchapter and subchapter VII, be considered employees within the meaning of section 8401(11).

"(d)(1)(A) The amount contributed by a member described in section 211(a)(1) of title 37 for any pay period out of basic pay may not exceed 5 percent of such member's basic pay for such pay period.

"(B) The amount contributed by a member described in section 211(a)(2) of title 37 for any pay period out of any compensation received under section 206 of title 37 may not exceed 5 percent of such compensation, payable to such member for such pay period.

"(2) A member making contributions to the Thrift Savings Fund out of basic pay, or out of compensation under section 206 of title 37, may also contribute (by direct transfer to the Fund) any part of any special or incentive pay that such member receives under chapter 5 of title 37.

"(3) Nothing in this section or section 211 of title 37 shall be considered to waive any dollar limitation under the Internal Revenue Code of 1986 which otherwise applies with respect to the Thrift Savings Fund.

"(e) Except as provided in section 211(d) of title 37, no contribution under section 8432(c) of this title may be made for the benefit of a member making contributions to the Thrift Savings Fund under this section.".

(B) The table of sections at the beginning of chapter 84 of title 5, United States Code, is amended by adding after the item relating to section 8440d the following:

"8440e. Members of the uniformed services.".

(3)(A) Section 8432b(b)(2)(B) of title 5, United States Code, is amended by inserting "or 8440e" after "section 8432(a)".

(B)(i) Section 8351(b) of title 5, United States Code, is amended by redesignating paragraph (11) as paragraph (8).

(ii) Subparagraph (A) of section 8351(b)(8) of such title 5 (as so redesignated by clause (i)) is amended by striking the semicolon and inserting the following: ", except that the reference in section 8432b(b)(2)(B) to employee contributions under section 8432(a) shall be considered a reference to employee contributions under this subchapter and section 8440e;".

(C) Subsection (c) of section 8432b of such title 5 is amended by redesignating paragraphs (1) *and (2) as subparagraphs (A) and (B), respectively, by striking "(c)" and inserting "(c)(1)", and by adding at the end the following:*

"(2) An employee to whom this section applies is entitled to have contributed to the Thrift Savings Fund on such employee's behalf an amount equal to—

"(A) the total contributions to which that individual would have been entitled under section 8432(c)(2), based on the amounts contributed by such individual under section 8440e (other than under subsection (d)(2) thereof) with respect to the period referred to in subsection (b)(2)(B), if those amounts had been contributed by such individual under section 8432(a); reduced by

"(B) any contributions actually made on such employee's behalf under section 8432(c)(2) (including pursuant to an agreement under section 211(d) of title 37) with respect to the period referred to in subsection (b)(2)(B).".

(4) Subsections (g)(1) and (h)(3) of section 8433 of title 5, United States Code, are each amended by striking "under section 8432(a) of this title".

(5) Section 8439(a) of title 5, United States Code, is amended—

(A) in paragraph (1), by striking "under section 8432(c)(1) of this title" and "under section 8351 of this title";

(B) in paragraph (2)(A)(i), by striking all after "individual" and inserting a semicolon; and

(C) in paragraph (2)(A)(ii), by striking all after "individual" and inserting "; and".

(6) Section 8473 of title 5, United States Code, is amended—

(A) in subsection (a), by striking "14 members" and inserting "15 members"; and

(B) in subsection (b)—

(i) by striking "14 members" and inserting "15 members";

(ii) by striking "and" at the end of paragraph (8);

(iii) by striking the period at the end of paragraph (9) and inserting "; and"; and

(iv) by adding at the end the following:

"(10) 1 shall be appointed to represent participants (under section 8440e) who are members of the uniformed services.".

(b) REGULATIONS.—Not later than the date on which qualifying offsetting legislation (as defined in section 663(b)) is enacted or 180 days after the date of the enactment of this Act, whichever is later, the Executive Director (appointed by the Federal Retirement Thrift Investment Board) shall issue regulations to implement the amendments made by this subtitle.

SEC. 662. SPECIAL RETENTION INITIATIVE.

Section 211 of title 37, United States Code, as added by section 661, is amended by adding at the end the following:

"(d) AGENCY CONTRIBUTIONS FOR RETENTION IN CRITICAL SPECIALTIES.—(1) The Secretary concerned may enter into an agreement with a member to make contributions to the Thrift Savings Fund for the benefit of the member if the member—

"(A) is in a specialty designated by the Secretary as critical to meet requirements (whether such specialty is designated as critical to meet wartime or peacetime requirements); and

"(B) commits in such agreement to continue to serve on active duty in that specialty for a period of 6 years.

"(2) Under any agreement entered into with a member under paragraph (1), the Secretary shall make contributions to the Fund for the benefit of the member for each pay period of the 6-year period of the agreement for which the member makes a contribution to the Fund under section 8440e of title 5 (other than under subsection (d)(2) thereof). Paragraph (2) of section 8432(c) of title 5 applies to the Secretary's obligation to make contributions under this paragraph, except that the reference in such paragraph (2) to contributions under paragraph (1) of such section 8432(c) does not apply.".

SEC. 663. EFFECTIVE DATE.

(a) APPLICABILITY.—(1) Except as provided in paragraph (2), the authority of members to participate in the Thrift Savings Plan under section 211 of title 37, United States Code (as amended by this subtitle) shall take effect on the date on which qualifying offsetting legislation (as defined in subsection (b)) is enacted or 1 year after the date of the enactment of this Act, whichever is later. As used in the preceding sentence, the term "member" has the meaning given such term by section 211 of such title 37 (as so amended).

(2)(A) The Secretary of Defense may postpone the authority of members of the Ready Reserve to so participate in the Thrift Savings Plan until 180 days after the date that would otherwise apply under paragraph (1) if the Secretary, after consultation with the Executive Director (appointed by the Federal Retirement Thrift Investment Board), determines that permitting such members to participate in the Thrift Savings Plan beginning on the date that would otherwise apply under paragraph (1) would place an excessive burden on the administrative capacity of the Board to accommodate participants in the Thrift Savings Plan.

(B) The Secretary shall notify the congressional defense committees, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate of any determination made under subparagraph (A).

(b) EFFECTIVENESS CONTINGENT ON OFFSETTING LEGISLATION.—(1) The amendments made by this subtitle shall be effective only if—

(A) the President, in the budget of the President for fiscal year 2001, proposes legislation which, if enacted, would be qualifying offsetting legislation; and

(B) there is enacted during the second session of the 106th Congress qualifying offsetting legislation.

The preceding sentence shall not apply with respect to the amendment made by section 661(a)(3)(B)(i).

(2) For purposes of this subtitle:

(A) The term "qualifying offsetting legislation" means legislation (other than an appropriations Act) that includes provisions that—

(i) offset fully the decreased revenues for each of fiscal years 2000 through 2009 to be made by reason of the amendments made by this subtitle;

(ii) expressly state that they are enacted for the purpose of the offset described in clause (i); and

(iii) are included in full on the PayGo scorecard.

(B) The term "PayGo scorecard" means the estimates that are made with respect to fiscal years through fiscal year 2009 by the Director of the Congressional Budget Office and the Director of the Office of Management and Budget under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Subtitle G—Other Matters

SEC. 671. PAYMENT FOR UNUSED LEAVE IN CONJUNCTION WITH A REENLISTMENT.

Section 501 of title 37, United States Code, is amended—

(1) in subsection (a)(1), by inserting ", termination of an enlistment in conjunction with the commencement of a successive enlistment (without regard to the date of the expiration of the term of the enlistment being terminated)," after "honorable conditions"; and

(2) in subsection (b)(2), by striking ", or entering into an enlistment,".

SEC. 672. CLARIFICATION OF PER DIEM ELIGIBILITY FOR MILITARY TECHNICIANS (DUAL STATUS) SERVING ON ACTIVE DUTY WITHOUT PAY OUTSIDE THE UNITED STATES.

(a) AUTHORITY TO PROVIDE PER DIEM ALLOWANCE.—Section 1002(b) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following new paragraph:

"(2) If a military technician (dual status), as described in section 10216 of title 10, is performing active duty without pay while on leave from technician employment, as authorized by section 6323(d) of title 5, the Secretary concerned may authorize the payment of a per diem allowance to the military technician in lieu of computation for subsistence and quarters under paragraph (1).".

(b) TYPES OF OVERSEAS OPERATIONS.—Section 6323(d)(1) of title 5, United States Code, is amended by striking "noncombat".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective as of February 10, 1996, as if included in section 1039 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 432).

SEC. 673. ANNUAL REPORT ON EFFECTS OF INITIATIVES ON RECRUITMENT AND RETENTION.

(a) REPORT REQUIRED.—(1) Chapter 19 of title 37, United States Code, is amended by adding at the end the following new section:

"§1015. Annual report on effects of recruitment and retention initiatives

"Not later than December 1 of each year, the Secretary of Defense shall submit to Congress a report that sets forth the Secretary's assessment of the effects that the improvements to compensation and other personnel benefits made by title VI of the National Defense Authorization Act for Fiscal Year 2000 are having on the recruitment of persons to join the armed forces and the retention of members of the armed forces.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1015. Annual report on effects of recruitment and retention initiatives.".

(b) FIRST REPORT.—The first report under section 1015 of title 37, United States Code, as added by subsection (a), shall be submitted not later than December 1, 2000.

SEC. 674. OVERSEAS SPECIAL SUPPLEMENTAL FOOD PROGRAM.

(a) PROGRAM AND BENEFITS.—Subsection (a) of section 1060a of title 10, United States Code, is amended by striking "AUTHORITY.—The Secretary of Defense may carry out a program to provide special supplemental food benefits" and inserting "PROGRAM REQUIRED.—The Secretary of Defense shall carry out a program to provide supplemental foods and nutrition education".

(b) FUNDING SOURCE.—Subsection (b) of such section is amended to read as follows:

"(b) FUNDING MECHANISM.—The Secretary of Defense shall use funds available for the Department of Defense to carry out the program under subsection (a).".

(c) PROGRAM ADMINISTRATION.—Subsection (c) of such section is amended—

(1) in paragraph (1)(A), by adding at the end the following new sentence: "In determining eligibility for benefits, a person already certified for participation in the special supplemental nutrition program for women, infants, and children under such section 17 shall be considered eligible for the duration of the certification period under that special supplemental nutrition program.";

(2) by striking paragraph (1)(B) and inserting the following:

"(B) In determining eligibility for families of individuals participating in the program under this section, the Secretary of Defense shall, to the extent practicable, use the criterion described in subparagraph (A), including nutritional risk standards. The Secretary shall also consider the value of housing in kind provided to the individual when determining program eligibility.";

(3) in paragraph (2), by adding before the period at the end the following: ", particularly with respect to nutrition education"; and

(4) by adding at the end the following new paragraph:

"(3) The Secretary of Agriculture shall provide technical assistance to the Secretary of Defense, if so requested by the Secretary of Defense, for the purpose of carrying out the program under subsection (a).".

(d) DEFINITIONS.—Subsection (f) of such section is amended by adding at the end the following new paragraph:

"(4) The terms 'nutrition education' and 'supplemental foods' have the meanings given the terms in section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)).".

(e) CONFORMING AMENDMENT.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by adding at the end the following new subsection:

"(q) The Secretary of Agriculture shall provide technical assistance to the Secretary of Defense, if so requested by the Secretary of Defense, for the purpose of carrying out the overseas special supplemental food program established under section 1060a(a) of title 10, United States Code.".

SEC. 675. TUITION ASSISTANCE FOR MEMBERS DEPLOYED IN A CONTINGENCY OPERATION.

Section 2007(a) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking "and";

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) in the case of a member serving in a contingency operation or similar operational mission (other than for training) designated by the Secretary concerned, all of the charges may be paid.".

SEC. 676. ADMINISTRATION OF SELECTED RESERVE EDUCATION LOAN REPAYMENT PROGRAM FOR COAST GUARD RESERVE.

Section 16301 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) The Secretary of Transportation may repay loans described in subsection (a)(1) and otherwise administer this section in the case of members of the Selected Reserve of the Coast Guard Reserve when the Coast Guard is not operating as a service in the Navy.".

SEC. 677. SENSE OF CONGRESS REGARDING TREATMENT UNDER INTERNAL REVENUE CODE OF MEMBERS RECEIVING HOSTILE FIRE OR IMMINENT DANGER SPECIAL PAY DURING CONTINGENCY OPERATIONS.

It is the sense of Congress that a member of the Armed Forces who is receiving special pay under section 310 of title 37, United States Code, while assigned to duty in support of a contingency operation should be treated under the Internal Revenue Code of 1986 in the same manner as a member of the Armed Forces serving in a combat zone (as defined in section 112 of the Internal Revenue Code of 1986).

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

Sec. 701. Pharmacy benefits program.
Sec. 702. Provision of chiropractic health care.
Sec. 703. Provision of domiciliary and custodial care for certain CHAMPUS beneficiaries.
Sec. 704. Enhancement of dental benefits for retirees.
Sec. 705. Medical and dental care for certain members incurring injuries on inactive-duty training.
Sec. 706. Health care at former uniformed services treatment facilities for active duty members stationed at certain remote locations.
Sec. 707. Open enrollment demonstration program.

Subtitle B—TRICARE Program

Sec. 711. Expansion and revision of authority for dental programs for dependents and reserves.
Sec. 712. Improvement of access to health care under the TRICARE program.
Sec. 713. Improvements to claims processing under the TRICARE program.
Sec. 714. Authority to waive certain TRICARE deductibles.
Sec. 715. TRICARE beneficiary counseling and assistance coordinators.
Sec. 716. Improvement of TRICARE management; improvements to third-party payer collection program.
Sec. 717. Comparative report on health care coverage under the TRICARE program.

Subtitle C—Other Matters

Sec. 721. Forensic pathology investigations by Armed Forces Medical Examiner.
Sec. 722. Best value contracting.
Sec. 723. Health care quality information and technology enhancement.
Sec. 724. Joint telemedicine and telepharmacy demonstration projects by the Department of Defense and Department of Veterans Affairs.
Sec. 725. Program-year stability in health care benefits.
Sec. 726. Study on joint operations for the Defense Health Program.
Sec. 727. Trauma training center.
Sec. 728. Sense of Congress regarding automatic enrollment of medicare-eligible beneficiaries in the TRICARE Senior Prime demonstration project.

Subtitle A—Health Care Services

SEC. 701. PHARMACY BENEFITS PROGRAM.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1074f the following new section:

"§ 1074g. Pharmacy benefits program

"(a) PHARMACY BENEFITS.—(1) The Secretary of Defense, after consulting with the other administering Secretaries, shall establish an effective, efficient, integrated pharmacy benefits program under this chapter (hereinafter in this section referred to as the 'pharmacy benefits program').

"(2)(A) The pharmacy benefits program shall include a uniform formulary of pharmaceutical agents, which shall assure the availability of pharmaceutical agents in the complete range of therapeutic classes. The selection for inclusion on the uniform formulary of particular pharmaceutical agents in each therapeutic class shall be based on the relative clinical and cost effectiveness of the agents in such class.

"(B) In considering the relative clinical effectiveness of agents under subparagraph (A), the Secretary shall presume inclusion in a therapeutic class of a pharmaceutical agent, unless the Pharmacy and Therapeutics Committee established under subsection (b) finds that a pharmaceutical agent does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome over the other drugs included on the uniform formulary.

"(C) In considering the relative cost effectiveness of agents under subparagraph (A), the Secretary shall rely on the evaluation by the Pharmacy and Therapeutics Committee of the costs of agents in a therapeutic class in relation to the safety, effectiveness, and clinical outcomes of such agents.

"(D) The Secretary shall establish procedures for the selection of particular pharmaceutical agents for the uniform formulary. Such procedures shall be established so as best to accomplish, in the judgment of the Secretary, the objectives set forth in paragraph (1). No pharmaceutical agent may be excluded from the uniform formulary except upon the recommendation of the Pharmacy and Therapeutics Committee. The Secretary shall begin to implement the uniform formulary not later than October 1, 2000.

"(E) Pharmaceutical agents included on the uniform formulary shall be available to eligible covered beneficiaries through—

"(i) facilities of the uniformed services, consistent with the scope of health care services offered in such facilities;

"(ii) retail pharmacies designated or eligible under the TRICARE program or the Civilian Health and Medical Program of the Uniformed Services to provide pharmaceutical agents to covered beneficiaries; or

"(iii) the national mail-order pharmacy program.

"(3) The pharmacy benefits program shall assure the availability of clinically appropriate pharmaceutical agents to members of the armed forces, including, where appropriate, agents not included on the uniform formulary described in paragraph (2).

"(4) The pharmacy benefits program may provide that prior authorization be required for certain pharmaceutical agents to assure that the use of such agents is clinically appropriate.

"(5) The pharmacy benefits program shall assure the availability to eligible covered beneficiaries of pharmaceutical agents not included on the uniform formulary. Such pharmaceutical agents shall be available through at least one of the means described in paragraph (2)(E) under terms and conditions that may include cost sharing by the eligible covered beneficiary in addition to any such cost sharing applicable to agents on the uniform formulary.

"(6) The Secretary, as part of the regulations established under subsection (g), may establish cost sharing requirements (which may be established as a percentage or fixed dollar amount) under the pharmacy benefits program for generic, formulary, and nonformulary agents. For nonformulary agents, cost sharing shall be consistent with common industry practice and not in excess of amounts generally comparable to 20 percent for beneficiaries covered by section 1079 of this title or 25 percent for beneficiaries covered by section 1086 of this title.

"(7) The Secretary shall establish procedures for eligible covered beneficiaries to receive pharmaceutical agents not included on the uniform formulary, but, considered to be clinically necessary. Such procedures shall include peer review procedures under which the Secretary may determine that there is a clinical justification for the use of a pharmaceutical agent that is not on the uniform formulary, in which case the pharmaceutical agent shall be provided under the same terms and conditions as an agent on the uniform formulary. Such procedures shall also include an expeditious appeals process for an eligible covered beneficiary, or a network or uniformed provider on behalf of the beneficiary, to establish clinical justification for the use of a pharmaceutical agent that is not on the uniform formulary.

"(8) In carrying out this subsection, the Secretary shall ensure that an eligible covered beneficiary may continue to receive coverage for any maintenance pharmaceutical that is not on the uniform formulary and that was prescribed for the beneficiary before the date of the enactment of this section and stabilized the medical condition of the beneficiary.

"(b) ESTABLISHMENT OF COMMITTEE.—(1) The Secretary of Defense shall, in consultation with the Secretaries of the military departments, establish a Pharmacy and Therapeutics Committee for the purpose of developing the uniform formulary of pharmaceutical agents required by subsection (a), reviewing such formulary on a periodic basis, and making additional recommendations regarding the formulary as the committee determines necessary and appropriate. The committee shall include representatives of pharmacies of the uniformed services facilities, contractors responsible for the TRICARE retail pharmacy program, contractors responsible for the national mail-order pharmacy program, providers in facilities of the uniformed services, and TRICARE network providers. Committee members shall have expertise in treating the medical needs of the populations served through such entities and in the range of pharmaceutical and biological medicines available for treating such populations. The committee shall function under procedures established by the Secretary under the regulations required by subsection (g).

"(2) Not later than 90 days after the establishment of the Pharmacy and Therapeutics Committee by the Secretary, the committee shall convene to design a proposed uniform formulary for submission to the Secretary. After such 90-day period, the committee shall meet at least quarterly and shall, during meetings, consider for inclusion on the uniform formulary under the standards established in subsection (a) any drugs newly approved by the Food and Drug Administration.

"(c) ADVISORY PANEL.—(1) Concurrent with the establishment of the Pharmacy and Therapeutics Committee under subsection (b), the Secretary shall establish a Uniform Formulary Beneficiary Advisory Panel to review and comment on the development of the uniform formulary. The Secretary shall consider the comments of the panel before implementing the uniform formulary or implementing changes to the uniform formulary.

"(2) The Secretary shall determine the size and membership of the panel established under paragraph (1), which shall include members that represent nongovernmental organizations and associations that represent the views and interests of a large number of eligible covered beneficiaries.

"(d) PROCEDURES.—(1) In the operation of the pharmacy benefits program under subsection (a), the Secretary of Defense shall assure through management and new contractual arrangements that financial resources are aligned such that the cost of prescriptions is borne by the organization that is financially responsible for the health care of the eligible covered beneficiary.

"(2) Not later than 6 months after the date of the enactment of this section, the Secretary shall utilize a modification to the bid price adjustment methodology in the current managed care support contracts to ensure equitable and timely reimbursement to the TRICARE managed care support contractors for pharmaceutical products delivered in the nonmilitary environments. The methodology shall take into account the "at-risk" nature of the contracts as well as managed care support contractor pharmacy costs attributable to changes to pharmacy service or formulary management at military medical treatment facilities, and other military activities and policies that affect costs of pharmacy benefits provided through the Civilian Health and Medical Program of the Uniformed Services. The methodology shall also account for military treatment facility costs attributable to the delivery of pharmaceutical products in the military facility environment which were prescribed by a network provider.

"(e) PHARMACY DATA TRANSACTION SERVICE.—Not later than April 1, 2000, the Secretary of Defense shall implement the use of the Pharmacy Data Transaction Service in all fixed facilities of the uniformed services under the jurisdiction of the Secretary, the TRICARE retail pharmacy program, and the national mail-order pharmacy program.

"(f) DEFINITIONS.—As used in this section—

"(1) the term 'eligible covered beneficiary' means a covered beneficiary for whom eligibility to receive pharmacy benefits through the means described in subsection (a)(2)(E) is established under this chapter or another provision of law; and

"(2) the term 'pharmaceutical agent' means drugs, biological products, and medical devices under the regulatory authority of the Food and Drug Administration.

"(g) REGULATIONS.—The Secretary of Defense shall, after consultation with the other administering Secretaries, promulgate regulations to carry out this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074f the following new item:

"1074g. Pharmacy benefits program.".

(b) DEADLINE FOR ESTABLISHMENT OF COMMITTEE.—Not later than 30 days after the date of the enactment of this Act, the Secretary shall establish the Pharmacy and Therapeutics Committee required by section 1074g(b) of title 10, United States Code.

(c) REPORTS REQUIRED.—Not later than April 1 and October 1 of fiscal years 2000 and 2001, the Secretary of Defense shall submit to Congress a report on—

(1) implementation of the uniform formulary required under subsection (a) of section 1074g of title 10, United States Code (as added by subsection (a));

(2) the results of a confidential survey conducted by the Secretary of prescribers for military medical treatment facilities and TRICARE contractors to determine—

(A) during the most recent fiscal year, how often prescribers attempted to prescribe non-formulary or non-preferred prescription drugs, how often such prescribers were able to do so, and whether covered beneficiaries were able to fill such prescriptions without undue delay;

(B) the understanding by prescribers of the reasons that military medical treatment facilities or civilian contractors preferred certain pharmaceuticals to others; and

(C) the impact of any restrictions on access to non-formulary prescriptions on the clinical decisions of the prescribers and the aggregate cost, quality, and accessibility of health care provided to covered beneficiaries;

(3) the operation of the Pharmacy Data Transaction Service required by subsection (e) of such section 1074g; and

(4) any other actions taken by the Secretary to improve management of the pharmacy benefits program under such section.

(d) STUDY FOR DESIGN OF PHARMACY BENEFIT FOR CERTAIN COVERED BENEFICIARIES.—(1) Not later than April 15, 2001, the Secretary of Defense shall prepare and submit to Congress—

(A) a study on a design for a comprehensive pharmacy benefit for covered beneficiaries under chapter 55 of title 10, United States Code, who are entitled to benefits under part A, and enrolled under part B, of title XVIII of the Social Security Act; and

(B) an estimate of the costs of implementing and operating such design.

(2) The design described in paragraph (1)(A) shall incorporate the elements of the pharmacy benefits program required to be established under section 1074g of title 10, United States Code (as added by subsection (a)).

SEC. 702. PROVISION OF CHIROPRACTIC HEALTH CARE.

(a) IN GENERAL.—Section 731 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1092 note) is amended—

(1) in the heading, by striking "DEMONSTRATION PROGRAM";

(2) in subsection (a), by adding at the end the following new paragraph:

"(4) During fiscal year 2000, the Secretary shall continue to furnish the same chiropractic care in the military medical treatment facilities designated pursuant to paragraph (2)(A) as the chiropractic care furnished during the demonstration program.";

(3) in subsection (c)—

(A) in paragraph (3), by striking "Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives" and inserting "Committees on Armed Services of the Senate and the House of Representatives"; and

(B) in paragraph (5), by striking "May 1, 2000" and inserting "January 31, 2000";

(4) in subsection (d)—

(A) in paragraph (3)—

(i) by striking "; and" at the end of subparagraph (C) and inserting a semicolon;

(ii) by striking the period at the end of subparagraph (D) and inserting "; and"; and

(iii) by adding at the end the following new subparagraph:

"(E) if the Secretary submits an implementation plan pursuant to subsection (e), the preparation of such plan."; and

(B) by adding at the end the following new paragraph:

"(5) The Secretary shall—

"(A) make full use of the oversight advisory committee in preparing—

"(i) the final report on the demonstration program conducted under this section; and

"(ii) the implementation plan described in subsection (e); and

"(B) provide opportunities for members of the committee to provide views as part of such final report and plan.";

(5) by redesignating subsection (e) as subsection (f); and

(6) by inserting after subsection (d) the following new subsection:

"(e) IMPLEMENTATION PLAN.—If the Secretary of Defense recommends in the final report submitted under subsection (c) that chiropractic health care services should be offered in medical care facilities of the Armed Forces or as a health care service covered under the TRICARE program, the Secretary shall, not later than March 31, 2000, submit to the Committees on Armed Services of the House of Representatives and the Senate an implementation plan for the full integration of chiropractic health care services into the military health care system of the Department of Defense, including the TRICARE program. Such implementation plan shall include—

"(1) a detailed analysis of the projected costs of fully integrating chiropractic health care services into the military health care system;

"(2) the proposed scope of practice for chiropractors who would provide services to covered beneficiaries under chapter 55 of title 10, United States Code;

"(3) the proposed military medical treatment facilities at which such services would be provided;

"(4) the military readiness requirements for chiropractors who would provide services to such covered beneficiaries; and

"(5) any other relevant factors that the Secretary considers appropriate.".

(b) CONFORMING AMENDMENT.—The item relating to section 731 in the table of contents at the beginning of such Act is amended to read as follows:

"731. Chiropractic health care.".

SEC. 703. PROVISION OF DOMICILIARY AND CUSTODIAL CARE FOR CERTAIN CHAMPUS BENEFICIARIES.

(a) CONTINUATION OF CARE.—(1) The Secretary of Defense may, in any case in which the Secretary makes the determination described in paragraph (2), continue to provide payment under the Civilian Health and Medical Program of the Uniformed Services (as defined in section 1072 of title 10, United States Code), for domiciliary or custodial care services provided to an eligible beneficiary that would otherwise be excluded from coverage under regulations implementing section 1077(b)(1) of such title.

(2) A determination under this paragraph is a determination that discontinuation of payment for domiciliary or custodial care services or transition to provision of care under the individual case management program authorized by section 1079(a)(17) of such title would be—

(A) inadequate to meet the needs of the eligible beneficiary; and

(B) unjust to such beneficiary.

(3) As used in this section, the term "eligible beneficiary" means a covered beneficiary (as that term is defined in section 1072 of title 10, United States Code) who, before the effective date of final regulations to implement the individual case management program authorized by section 1079(a)(17) of such title, were provided domiciliary or custodial care services for which the Secretary provided payment.

(b) PROHIBITION ON ESTABLISHMENT OF LIMITED TRANSITION PERIOD.—The Secretary of Defense shall not place a time limit on the period during which the custodial care exclusions of the Department of Defense may be waived as part of the case management program of the Department.

(c) SURVEY OF CASE MANAGEMENT AND CUSTODIAL CARE POLICIES.—The Secretary of Defense shall conduct a survey of federally funded and State funded programs for the medical care and management of persons whose care is considered to be custodial in nature. The survey shall examine, but shall not be limited to—

(1) a comparison of the case management program of the Department of Defense with similar Federal and State programs; and

(2) a comparison between the case management program of the Department of Defense and the case management and custodial care coverage offered by at least 10 of the most subscribed private health insurance plans in the Federal Employees Health Benefits Program (at least 5 of which shall be managed care organizations), as determined in consultation with the Office of Personnel Management.

(d) REPORT ON SURVEY OF CASE MANAGEMENT AND CUSTODIAL CARE POLICIES.—Not later than March 31, 2000, the Secretary shall submit a report on the survey required by subsection (c) to Congress. The Secretary shall include in the report any recommendations for legislative changes that the Secretary determines necessary to facilitate the case management of the Department of Defense, and a plan for any regulatory changes determined necessary by the Secretary. Such plan shall include any regulatory provisions that the Secretary determines necessary to address equitably the unique needs of the family members of active duty military personnel and to ensure the full integration of the case management program of the Department of Defense with other available family support services activities.

SEC. 704. ENHANCEMENT OF DENTAL BENEFITS FOR RETIREES.

Subsection (d) of section 1076c of title 10, United States Code, is amended to read as follows:

"(d) BENEFITS AVAILABLE UNDER THE PLAN.—The dental insurance plan established under subsection (a) shall provide benefits for dental care and treatment which may be comparable to the benefits authorized under section 1076a of this title for plans established under that section and shall include diagnostic services, preventative services, endodontics and other basic restorative services, surgical services, and emergency services.".

SEC. 705. MEDICAL AND DENTAL CARE FOR CERTAIN MEMBERS INCURRING INJURIES ON INACTIVE-DUTY TRAINING.

(a) ORDER TO ACTIVE DUTY AUTHORIZED.—(1) Chapter 1209 of title 10, United States Code, is amended by adding at the end the following:

"§ 12322. Active duty for health care

"A member of a uniformed service described in paragraph (1)(B) or (2)(B) of section 1074a(a) of this title may be ordered to active duty, and a member of a uniformed service described in paragraph (1)(A) or (2)(A) of such section may be continued on active duty, for a period of more than 30 days while the member is being treated for (or recovering from) an injury, illness, or disease incurred or aggravated in the line of duty as described in any of such paragraphs.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"12322. Active duty for health care.".

(b) MEDICAL AND DENTAL CARE FOR MEMBERS.—Subsection (e) of section 1074a of such title is amended to read as follows:

"(e)(1) A member of a uniformed service on active duty for health care or recuperation reasons, as described in paragraph (2), is entitled to medical and dental care on the same basis and to the same extent as members covered by section 1074(a) of this title while the member remains on active duty.

"(2) Paragraph (1) applies to a member described in paragraph (1) or (2) of subsection (a) who, while being treated for (or recovering from) an injury, illness, or disease incurred or aggravated in the line of duty, is continued on active duty pursuant to a modification or extension of orders, or is ordered to active duty, so as to result in active duty for a period of more than 30 days.".

(c) MEDICAL AND DENTAL CARE FOR DEPENDENTS.—Subparagraph (D) of section 1076(a)(2) of such title is amended to read as follows:

"(D) A member on active duty who is entitled to benefits under subsection (e) of section 1074a of this title by reason of paragraph (1), (2), or (3) of subsection (a) of such section.".

SEC. 706. HEALTH CARE AT FORMER UNIFORMED SERVICES TREATMENT FACILITIES FOR ACTIVE DUTY MEMBERS STATIONED AT CERTAIN REMOTE LOCATIONS.

(a) AUTHORITY.—Health care may be furnished by a designated provider pursuant to any contract entered into by the designated provider under section 722(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) to eligible members who reside within the service area of the designated provider.

(b) ELIGIBILITY.—A member of the Armed Forces is eligible for health care under subsection (a) if the member is a member described in section 731(c) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1811; 10 U.S.C. 1074 note).

(c) APPLICABLE POLICIES.—In furnishing health care to an eligible member under subsection (a), a designated provider shall adhere to the Department of Defense policies applicable to the furnishing of care under the TRICARE Prime Remote program, including coordinating with uniformed services medical authorities for hospitalizations and all referrals for specialty care.

(d) REIMBURSEMENT RATES.—The Secretary of Defense, in consultation with the designated providers, shall prescribe reimbursement rates for care furnished to eligible members under subsection (a). The rates prescribed for health care may not exceed the amounts allowable under the TRICARE Standard plan for the same care.

SEC. 707. OPEN ENROLLMENT DEMONSTRATION PROGRAM.

Section 724 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended by adding at the end the following:

"(g) OPEN ENROLLMENT DEMONSTRATION PROGRAM.—(1) The Secretary of Defense shall conduct a demonstration program under which covered beneficiaries shall be permitted to enroll at any time in a managed care plan offered by a designated provider consistent with the enrollment requirements for the TRICARE Prime option under the TRICARE program, but without regard to the limitation in subsection (b). The demonstration program under this subsection shall cover designated providers, selected by the Secretary of Defense, and the service areas of the designated providers.

"(2) The demonstration program carried out under this section shall commence on October 1, 1999, and end on September 30, 2001.

"(3) Not later than March 15, 2001, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the demonstration program carried out under this subsection. The report shall include, at a minimum, an evaluation of the benefits of the open enrollment opportunity to covered beneficiaries and a recommendation on whether to authorize open enrollments in the managed care plans of designated providers permanently.".

Subtitle B—TRICARE Program

SEC. 711. EXPANSION AND REVISION OF AUTHORITY FOR DENTAL PROGRAMS FOR DEPENDENTS AND RESERVES.

(a) AUTHORITY.—Chapter 55 of title 10, United States Code, is amended by striking sections 1076a and 1076b and inserting the following:

"§ 1076a. TRICARE dental program

"(a) ESTABLISHMENT OF DENTAL PLANS.—The Secretary of Defense may establish, and in the case of the dental plan described in paragraph (1) shall establish, the following voluntary enrollment dental plans:

"(1) PLAN FOR SELECTED RESERVE AND INDIVIDUAL READY RESERVE.—A dental insurance plan for members of the Selected Reserve of the Ready Reserve and for members of the Individual Ready Reserve described in subsection 10144(b) of this title.

'(2) PLAN FOR OTHER RESERVES.—A dental insurance plan for members of the Individual Ready Reserve not eligible to enroll in the plan established under paragraph (1).

"(3) PLAN FOR ACTIVE DUTY DEPENDENTS.—Dental benefits plans for eligible dependents of members of the uniformed services who are on active duty for a period of more than 30 days.

"(4) PLAN FOR READY RESERVE DEPENDENTS.—A dental benefits plan for eligible dependents of members of the Ready Reserve of the reserve components who are not on active duty for more than 30 days.

"(b) ADMINISTRATION OF PLANS.—The plans established under this section shall be administered under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries.

"(c) CARE AVAILABLE UNDER PLANS.—Dental plans established under subsection (a) may provide for the following dental care:

"(1) Diagnostic, oral examination, and preventive services and palliative emergency care.

"(2) Basic restorative services of amalgam and composite restorations, stainless steel crowns for primary teeth, and dental appliance repairs.

"(3) Orthodontic services, crowns, gold fillings, bridges, complete or partial dentures, and such other services as the Secretary of Defense considers to be appropriate.

"(d) PREMIUMS.—

"(1) PREMIUM SHARING PLANS.—(A) The dental insurance plan established under subsection (a)(1) and the dental benefits plans established under subsection (a)(3) are premium sharing plans.

"(B) Members enrolled in a premium sharing plan for themselves or for their dependents shall be required to pay a share of the premium charged for the benefits provided under the plan. The member's share of the premium charge may not exceed $20 per month for the enrollment.

"(C) Effective as of January 1 of each year, the amount of the premium required under subparagraph (A) shall be increased by the percent equal to the lesser of—

"(i) the percent by which the rates of basic pay of members of the uniformed services are increased on such date; or

"(ii) the sum of one-half percent and the percent computed under section 5303(a) of title 5 for the increase in rates of basic pay for statutory pay systems for pay periods beginning on or after such date.

"(D) The Secretary of Defense may reduce the monthly premium required to be paid under paragraph (1) in the case of enlisted members in pay grade E–1, E–2, E–3, or E–4 if the Secretary determines that such a reduction is appropriate to assist such members to participate in a dental plan referred to in subparagraph (A).

"(2) FULL PREMIUM PLANS.—(A) The dental insurance plan established under subsection (a)(2) and the dental benefits plan established under subsection (a)(4) are full premium plans.

"(B) Members enrolled in a full premium plan for themselves or for their dependents shall be required to pay the entire premium charged for the benefits provided under the plan.

"(3) PAYMENT PROCEDURES.—A member's share of the premium for a plan established under subsection (a) may be paid by deductions from the basic pay of the member and from compensation paid under section 206 of title 37, as the case may be. The regulations prescribed under subsection (b) shall specify the procedures for payment of the premiums by enrollees who do not receive such pay.

"(e) COPAYMENTS UNDER PREMIUM SHARING PLANS.—A member or dependent who receives dental care under a premium sharing plan referred to in subsection (d)(1) shall—

"(1) in the case of care described in subsection (c)(1), pay no charge for the care;

"(2) in the case of care described in subsection (c)(2), pay 20 percent of the charges for the care; and

"(3) in the case of care described in subsection (c)(3), pay a percentage of the charges for the care that is determined appropriate by the Secretary of Defense, after consultation with the other administering Secretaries.

"(f) TRANSFER OF MEMBERS.—If a member whose dependents are enrolled in the plan established under subsection (a)(3) is transferred to a duty station where dental care is provided to the member's eligible dependents under a program other than that plan, the member may discontinue participation under the plan. If the member is later transferred to a duty station where dental care is not provided to such member's eligible dependents except under the plan established under subsection (a)(3), the member may re-enroll the dependents in that plan.

"(g) CARE OUTSIDE THE UNITED STATES.—The Secretary of Defense may exercise the authority provided under subsection (a) to establish dental insurance plans and dental benefits plans for dental benefits provided outside the United States for the eligible members and dependents of members of the uniformed services. In the case of such an overseas dental plan, the Secretary may waive or reduce any copayments required by subsection (e) to the extent the Secretary determines appropriate for the effective and efficient operation of the plan.

"(h) WAIVER OF REQUIREMENTS FOR SURVIVING DEPENDENTS.—The Secretary of Defense may waive (in whole or in part) any requirements of a dental plan established under this section as the Secretary determines necessary for the effective administration of the plan for a dependent who is an eligible dependent described in subsection (k)(2).

"(i) AUTHORITY SUBJECT TO APPROPRIATIONS.—The authority of the Secretary of Defense to enter into a contract under this section for any fiscal year is subject to the availability of appropriations for that purpose.

"(j) LIMITATION ON REDUCTION OF BENEFITS.—The Secretary of Defense may not reduce benefits provided under a plan established under this section until—

"(1) the Secretary provides notice of the Secretary's intent to reduce such benefits to the Committees on Armed Services of the Senate and the House of Representatives; and

"(2) one year has elapsed following the date of such notice.

"(k) ELIGIBLE DEPENDENT DEFINED.—In this section, the term 'eligible dependent'—

"(1) means a dependent described in subparagraph (A), (D), or (I) of section 1072(2) of this title; and

"(2) includes any such dependent of a member who dies while on active duty for a period of more than 30 days or a member of the Ready Reserve if the dependent is enrolled on the date of the death of the member in a dental benefits plan established under subsection (a), except that the term does not include the dependent after the end of the one-year period beginning on the date of the member's death.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title is amended by striking out the items relating to sections 1076a and 1076b and inserting the following;

"1076a. TRICARE dental program.".

SEC. 712. IMPROVEMENT OF ACCESS TO HEALTH CARE UNDER THE TRICARE PROGRAM.

(a) ACCESS.—The Secretary of Defense shall, to the maximum extent practicable, minimize the authorization and certification requirements imposed on covered beneficiaries under the TRICARE program as a condition of access to benefits under that program.

(b) REPORT ON INITIATIVES TO IMPROVE ACCESS.—Not later than March 31, 2000, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on specific actions taken to—

(1) reduce the requirements for preauthorization for care under the TRICARE program;

(2) reduce the requirements for beneficiaries to obtain preventive services, such as obstetric or gynecologic examinations, mammograms for females over 35 years of age, and urological examinations for males over the age of 60 without preauthorization; and

(3) reduce the requirements for statements of nonavailability of services.

(c) REQUIREMENT TO PROVIDE STATEMENT.—Section 1080(b) of title 10, United States Code, is amended by adding at the end the following new sentence: "Notwithstanding any other provision of law, with respect to obstetrics and gynecological care for beneficiaries not enrolled in a managed care plan offered pursuant to any contract or agreement under this chapter, a nonavailability-of-health-care statement shall be required for receipt of health care services related to outpatient prenatal, outpatient or inpatient delivery, and outpatient post-partum care subsequent to the visit which confirms the pregnancy.".

SEC. 713. IMPROVEMENTS TO CLAIMS PROCESSING UNDER THE TRICARE PROGRAM.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1095b the following new section:

"§ 1095c. TRICARE program: facilitation of processing of claims

"(a) REDUCTION OF PROCESSING TIME.—(1) With respect to claims for payment for medical care provided under the TRICARE program, the Secretary of Defense shall implement a system for processing of claims under which—

"(A) 95 percent of all clean claims must be processed not later than 30 days after the date that such claims are submitted to the claims processor; and

"(B) 100 percent of all clean claims must be processed not later than 100 days after the date that such claims are submitted to the claims processor.

"(2) The Secretary may, under the system required by paragraph (1) and consistent with the provisions in chapter 39 of title 31 (commonly referred to as the 'Prompt Payment Act'), require that interest be paid on clean claims that are not processed within 30 days.

"(3) For purposes of this subsection, the term 'clean claim' means a claim that has no defect, impropriety (including a lack of any required substantiating documentation), or particular circumstance requiring special treatment that prevents timely payment on the claim under this section.

"(b) REQUIREMENT TO PROVIDE START-UP TIME FOR CERTAIN CONTRACTORS.—(1) The Secretary of Defense shall not require that a contractor described in paragraph (2) begin to provide managed care support pursuant to a contract to provide such support under the TRICARE program until at least nine months after the date of the award of the contract. In such case the contractor may begin to provide managed care support pursuant to the contract as soon as practicable after the award of the contract, but in no case later than one year after the date of such award.

"(2) A contractor under this paragraph is a contractor who is awarded a contract to provide managed care support under the TRICARE program—

"(A) who has not previously been awarded such a contract by the Department of Defense; or

"(B) who has previously been awarded such a contract by the Department of Defense but for whom the subcontractors have not previously been awarded the subcontracts for such a contract.

"(c) INCENTIVES FOR ELECTRONIC PROCESSING.—The Secretary of Defense shall require that new contracts for managed care support under the TRICARE program provide that the contractor be permitted to provide financial incentives to health care providers who file claims for payment electronically.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1095b the following new item:

"1095c. TRICARE program: facilitation of processing of claims.".

(b) Report.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on—

(1) the status of claims processing backlogs in each TRICARE region;

(2) the estimated time frame for resolution of such backlogs;

(3) efforts to reduce the number of change orders with respect to contracts to provide managed care support under the TRICARE program and to make such change orders in groups on a quarterly basis rather than one at a time;

(4) the extent of success in simplifying claims processing procedures through reduction of reliance of the Department of Defense on, and the complexity of, the health care service record;

(5) application of best industry practices with respect to claims processing, including electronic claims processing; and

(6) any other initiatives of the Department of Defense to improve claims processing procedures.

(c) Deadline For Implementation.—The system for processing claims required under section 1095c(a) of title 10, United States Code (as added by subsection (a)), shall be implemented not later than 6 months after the date of the enactment of this Act.

(d) Applicability.—Section 1095c(b) of title 10, United States Code (as added by subsection (a)), shall apply with respect to any contract to provide managed care support under the TRICARE program negotiated after the date of the enactment of this Act.

SEC. 714. AUTHORITY TO WAIVE CERTAIN TRICARE DEDUCTIBLES.

(a) In General.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1095c (as added by section 713) the following new section:

"§ 1095d. TRICARE program: waiver of certain deductibles

"(a) Waiver Authorized.—The Secretary of Defense may waive the deductible payable for medical care provided under the TRICARE program to an eligible dependent of—

"(1) a member of a reserve component on active duty pursuant to a call or order to active duty for a period of less than one year; or

"(2) a member of the National Guard on full-time National Guard duty pursuant to a call or order to full-time National Guard duty for a period of less than one year.

"(b) Eligible Dependent.—As used in this section, the term 'eligible dependent' means a dependent described subparagraphs (A), (D), or (I) of section 1072(2) of this title.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1095c the following new item:

"1095d. TRICARE program: waiver of certain deductibles.".

SEC. 715. TRICARE BENEFICIARY COUNSELING AND ASSISTANCE COORDINATORS.

(a) Establishment of Positions.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1095d (as added by section 714 the following new section:

"§ 1095e. TRICARE program: beneficiary counseling and assistance coordinators

"(a) Establishment of Positions.—The Secretary of Defense shall require in regulations that—

"(1) each lead agent under the TRICARE program—

"(A) designate a person to serve full-time as a beneficiary counseling and assistance coordinator for beneficiaries under the TRICARE program; and

"(B) provide for toll-free telephone communication between such beneficiaries and the beneficiary counseling and assistance coordinator; and

"(2) the commander of each military medical treatment facility under this chapter designate a person to serve, as a primary or collateral duty, as beneficiary counseling and assistance coordinator for beneficiaries under the TRICARE program served at that facility.

"(b) Duties.—The Secretary shall prescribe the duties of the position of beneficiary counseling and assistance coordinator in the regulations required by subsection (a).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1095d the following new item:

"1095e. TRICARE program: beneficiary counseling and assistance coordinators.".

(b) Deadline for Initial Designations.—Each beneficiary counseling and assistance coordinator required under the regulations described in section 1095e(a) of title 10, United States Code (as added by subsection (a)), shall be designated not later than January 15, 2000.

SEC. 716. IMPROVEMENT OF TRICARE MANAGEMENT; IMPROVEMENTS TO THIRD-PARTY PAYER COLLECTION PROGRAM.

(a) Improvement of TRICARE Program.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1097a the following new section:

"§ 1097b. TRICARE program: financial management

"(a) Reimbursement of Providers.—(1) Subject to paragraph (2), the Secretary of Defense may reimburse health care providers under the TRICARE program at rates higher than the reimbursement rates otherwise authorized for the providers under that program if the Secretary determines that application of the higher rates is necessary in order to ensure the availability of an adequate number of qualified health care providers under that program.

"(2) The amount of reimbursement provided under paragraph (1) with respect to a health care service may not exceed the lesser of the following:

"(A) The amount equal to the local fee for service charge for the service in the service area in which the service is provided as determined by the Secretary based on one or more of the following payment rates:

"(i) Usual, customary, and reasonable.

"(ii) The Health Care Finance Administration's Resource Based Relative Value Scale.

"(iii) Negotiated fee schedules.

"(iv) Global fees.

"(v) Sliding scale individual fee allowances.

"(B) The amount equal to 115 per cent of the CHAMPUS maximum allowable charge for the service.

"(b) Third-Party Collections.—(1) A medical treatment facility of the uniformed services under the TRICARE program has the same right as the United States under section 1095 of this title to collect from a third-party payer the reasonable charges for health care services described in paragraph (2) that are incurred by the facility on behalf of a covered beneficiary under that program.

"(2) The Secretary of Defense shall prescribe regulations for the administration of this subsection. The regulations shall set forth the method to be used for the computation of the reasonable charges for inpatient, outpatient, and other health care services. The method of computation may be—

"(A) a method that is based on—

"(i) per diem rates;

"(ii) all-inclusive rates for each visit;

"(iii) diagnosis-related groups; or

"(iv) rates prescribed under the regulations implementing sections 1079 and 1086 of this title; or

"(B) any other method considered appropriate.

"(c) Consultation Requirement.—The Secretary of Defense shall carry out the responsibilities under this section after consultation with the other administering Secretaries.".

(2) The table of sections at the beginning of chapter 55 of such title is amended by inserting after the item relating to section 1097a the following new item:

"1097b. TRICARE program: financial management.".

(b) Report on Implementation.—(1) Not later than 6 months after the date of the enactment of this Act, the Secretary of Defense, in consultation with the other administering Secretaries, shall submit to Congress a report assessing the effects of the implementation of the requirements and authorities set forth in sections 1097b of title 10, United States Code (as added by subsection (a)).

(2) The report shall include the following:

(A) An assessment of the cost of the implementation of such requirements and authorities.

(B) An assessment of whether the implementation of any such requirements and authorities will result in the utilization by the TRICARE program of the best industry practices with respect to the matters covered by such requirements and authorities.

(3) In this subsection, the term "administering Secretaries" has the meaning given that term in section 1072(3) of title 10, United States Code.

(c) Improvement to Third-Party Collection Program.—(1) Section 1095 of title 10, United States Code, is amended—

(A) in subsection (a)(1)—

(i) by striking "the reasonable costs of" and inserting "reasonable charges for";

(ii) by striking "such costs" and inserting "such charges"; and

(iii) by striking "the reasonable cost of" and inserting "a reasonable charge for";

(B) in subsection (g), by striking "the costs of"; and

(C) in subsection (h)(1), by striking the first sentence and inserting "The term 'third-party payer' means an entity that provides an insurance, medical service, or health plan by contract or agreement, including an automobile liability insurance or no fault insurance carrier, and any other plan or program that is designed to provide compensation or coverage for expenses incurred by a beneficiary for health care services or products.".

(2) Section 1095b(b) of title 10, United States Code, is amended by striking the first and second sentences after the heading and inserting the following: "The United States shall have the same right to collect charges related to claims described in subsection (a) as charges for claims under section 1095 of this title.".

(d) Effective Date.—The amendments made by subsection (a) shall take effect one year after the date of the enactment of this Act.

SEC. 717. COMPARATIVE REPORT ON HEALTH CARE COVERAGE UNDER THE TRICARE PROGRAM.

Not later than March 31, 2000, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report including a comparison of health care coverage available through the TRICARE program with the coverage available under similar health benefits plans offered under the Federal Employees Health Benefits program established under chapter 89 of title 5, United States Code. Such comparison shall include, but not be limited to, a comparison of cost sharing requirements, overall costs to beneficiaries, covered benefits, and exclusions from coverage.

Subtitle C—Other Matters

SEC. 721. FORENSIC PATHOLOGY INVESTIGATIONS BY ARMED FORCES MEDICAL EXAMINER.

(a) INVESTIGATION AUTHORITY.—Chapter 75 of title 10, United States Code, is amended by striking the heading for the chapter and inserting the following:

"CHAPTER 75—DECEASED PERSONNEL

"Subchapter Sec.
"I. Death Investigations 1471
"II. Death Benefits 1475

"SUBCHAPTER I—DEATH INVESTIGATIONS

"Sec.
"1471. Forensic pathology investigations.

"§1471. Forensic pathology investigations

"(a) AUTHORITY.—Under regulations prescribed by the Secretary of Defense, the Armed Forces Medical Examiner may conduct a forensic pathology investigation to determine the cause or manner of death of a deceased person if such an investigation is determined to be justified under circumstances described in subsection (b). The investigation may include an autopsy of the decedent's remains.

"(b) BASIS FOR INVESTIGATION.—(1) A forensic pathology investigation of a death under this section is justified if at least one of the circumstances in paragraph (2) and one of the circumstances in paragraph (3) exist.

"(2) A circumstance under this paragraph is a circumstance under which—

"(A) it appears that the decedent was killed or that, whatever the cause of the decedent's death, the cause was unnatural;

"(B) the cause or manner of death is unknown;

"(C) there is reasonable suspicion that the death was by unlawful means;

"(D) it appears that the death resulted from an infectious disease or from the effects of a hazardous material that may have an adverse effect on the military installation or community involved; or

"(E) the identity of the decedent is unknown.

"(3) A circumstance under this paragraph is a circumstance under which—

"(A) the decedent—

"(i) was found dead or died at an installation garrisoned by units of the armed forces that is under the exclusive jurisdiction of the United States;

"(ii) was a member of the armed forces on active duty or inactive duty for training;

"(iii) was recently retired under chapter 61 of this title as a result of an injury or illness incurred while a member on active duty or inactive duty for training; or

"(iv) was a civilian dependent of a member of the armed forces and was found dead or died outside the United States;

"(B) in any other authorized Department of Defense investigation of matters which involves the death, a factual determination of the cause or manner of the death is necessary; or

"(C) in any other authorized investigation being conducted by the Federal Bureau of Investigation, the National Transportation Safety Board, or any other Federal agency, an authorized official of such agency with authority to direct a forensic pathology investigation requests that the Armed Forces Medical Examiner conduct such an investigation.

"(c) DETERMINATION OF JUSTIFICATION.—(1) Subject to paragraph (2), the determination that a circumstance exists under paragraph (2) of subsection (b) shall be made by the Armed Forces Medical Examiner.

"(2) A commander may make the determination that a circumstances exists under paragraph (2) of subsection (b) and require a forensic pathology investigation under this section without regard to a determination made by the Armed Forces Medical Examiner if—

"(A) in a case involving circumstances described in paragraph (3)(A)(i) of that subsection, the commander is the commander of the installation where the decedent was found dead or died; or

"(B) in a case involving circumstances described in paragraph (3)(A)(ii) of that subsection, the commander is the commander of the decedent's unit at a level in the chain of command designated for such purpose in the regulations prescribed by the Secretary of Defense.

"(d) LIMITATION IN CONCURRENT JURISDICTION CASES.—(1) The exercise of authority under this section is subject to the exercise of primary jurisdiction for the investigation of a death—

"(A) in the case of a death in a State, by the State or a local government of the State; or

"(B) in the case of a death in a foreign country, by that foreign country under any applicable treaty, status of forces agreement, or other international agreement between the United States and that foreign country.

"(2) Paragraph (1) does not limit the authority of the Armed Forces Medical Examiner to conduct a forensic pathology investigation of a death that is subject to the exercise of primary jurisdiction by another sovereign if the investigation by the other sovereign is concluded without a forensic pathology investigation that the Armed Forces Medical Examiner considers complete. For the purposes of the preceding sentence a forensic pathology investigation is incomplete if the investigation does not include an autopsy of the decedent.

"(e) PROCEDURES.—For a forensic pathology investigation under this section, the Armed Forces Medical Examiner shall—

"(1) designate one or more qualified pathologists to conduct the investigation;

"(2) to the extent practicable and consistent with responsibilities under this section, give due regard to any applicable law protecting religious beliefs;

"(3) as soon as practicable, notify the decedent's family, if known, that the forensic pathology investigation is being conducted;

"(4) as soon as practicable after the completion of the investigation, authorize release of the decedent's remains to the family, if known; and

"(5) promptly report the results of the forensic pathology investigation to the official responsible for the overall investigation of the death.

"(f) DEFINITION OF STATE.—In this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, and Guam.".

(b) REPEAL OF AUTHORITY FOR EXISTING INQUEST PROCEDURES.—Sections 4711 and 9711 of title 10, United States Code, are repealed.

(c) TECHNICAL AND CLERICAL AMENDMENTS.—(1) Chapter 75 of such title, as amended by subsection (a), is further amended by inserting before section 1475 the following:

"SUBCHAPTER II—DEATH BENEFITS".

(2) The item relating to chapter 75 in the tables of chapters at the beginning of subtitle A of such title and at the beginning of part II of such subtitle is amended to read as follows:

"75. Deceased Personnel .... 1471".

(3) The table of sections at the beginning of chapter 445 of such title is amended by striking the item relating to section 4711.

(4) The table of sections at the beginning of chapter 945 of such title is amended by striking the item relating to section 9711.

(5) The heading for chapter 445 of such title is amended to read as follows:

"CHAPTER 445—DISPOSITION OF EFFECTS OF DECEASED PERSONS; CAPTURED FLAGS".

(6) The heading for chapter 945 of such title is amended to read as follows:

"CHAPTER 945—DISPOSITION OF EFFECTS OF DECEASED PERSONS".

(7) The item relating to chapter 445 in the tables of chapters at the beginning of subtitle B of such title and at the beginning of part IV of such subtitle is amended to read as follows:

"445. Disposition of Effects of Deceased Persons; Captured Flags ... 4712".

(8) The item relating to chapter 945 in the tables of chapters at the beginning subtitle D of such title and at the beginning of part IV of such subtitle is amended to read as follows:

"945. Disposition of Effects of Deceased Persons .... 9712".

SEC. 722. BEST VALUE CONTRACTING.

(a) AUTHORITY.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1073 the following:

"§1073a. Contracts for health care: best value contracting

"(a) AUTHORITY.—Under regulations prescribed by the administering Secretaries, health care contracts shall be awarded in the administration of this chapter to the offeror or offerors that will provide the best value to the United States to the maximum extent consistent with furnishing high-quality health care in a manner that protects the fiscal and other interests of the United States.

"(b) FACTORS CONSIDERED.—In the determination of best value under subsection (a)—

"(1) consideration shall be given to the factors specified in the regulations; and

"(2) greater weight shall be accorded to technical and performance-related factors than to cost and price-related factors.

"(c) APPLICABILITY.—The authority under the regulations prescribed under subsection (a) shall apply to any contract in excess of $5,000,000.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1073 the following:

"1073a. Contracts for health care: best value contracting.".

SEC. 723. HEALTH CARE QUALITY INFORMATION AND TECHNOLOGY ENHANCEMENT.

(a) PURPOSE.—The purpose of this section is to ensure that the Department of Defense addresses issues of medical quality surveillance and implements solutions for those issues in a timely manner that is consistent with national policy and industry standards.

(b) DEPARTMENT OF DEFENSE PROGRAM FOR MEDICAL INFORMATICS AND DATA.—The Secretary of Defense shall establish a Department of Defense program, the purposes of which shall be the following:

(1) To develop parameters for assessing the quality of health care information.

(2) To develop the defense digital patient record.

(3) To develop a repository for data on quality of health care.

(4) To develop capability for conducting research on quality of health care.

(5) To conduct research on matters of quality of health care.

(6) To develop decision support tools for health care providers.

(7) To refine medical performance report cards.

(8) To conduct educational programs on medical informatics to meet identified needs.

(c) AUTOMATION AND CAPTURE OF CLINICAL DATA.—(1) Through the program established under subsection (b), the Secretary of Defense shall accelerate the efforts of the Department of Defense to automate, capture, and exchange controlled clinical data and present providers with clinical guidance using a personal information carrier, clinical lexicon, or digital patient record.

(2) The program shall serve as a primary resource for the Department of Defense for matters concerning the capture, processing, and dissemination of data on health care quality.

(d) MEDICAL INFORMATICS ADVISORY COMMITTEE.—(1) The Secretary of Defense shall establish a Medical Informatics Advisory Committee (hereinafter referred to as the "Committee"), the members of which shall be the following:

(A) The Assistant Secretary of Defense for Health Affairs

(B) The Director of the TRICARE Management Activity of the Department of Defense.

(C) The Surgeon General of the Army.

(D) The Surgeon General of the Navy.

(E) The Surgeon General of the Air Force.

(F) Representatives of the Department of Veterans Affairs, designated by the Secretary of Veterans Affairs.

(G) Representatives of the Department of Health and Human Services, designated by the Secretary of Health and Human Services.

(H) Any additional members appointed by the Secretary of Defense to represent health care insurers and managed care organizations, academic health institutions, health care providers (including representatives of physicians and representatives of hospitals), and accreditors of health care plans and organizations.

(2) The primary mission of the Committee shall be to advise the Secretary on the development, deployment, and maintenance of health care informatics systems that allow for the collection, exchange, and processing of health care quality information for the Department of Defense in coordination with other Federal departments and agencies and with the private sector.

(3) Specific areas of responsibility of the Committee shall include advising the Secretary on the following:

(A) The ability of the medical informatics systems at the Department of Defense and Department of Veterans Affairs to monitor, evaluate, and improve the quality of care provided to beneficiaries.

(B) The coordination of key components of medical informatics systems, including digital patient records, both within the Federal Government and between the Federal Government and the private sector.

(C) The development of operational capabilities for executive information systems and clinical decision support systems within the Department of Defense and Department of Veterans Affairs.

(D) Standardization of processes used to collect, evaluate, and disseminate health care quality information.

(E) Refinement of methodologies by which the quality of health care provided within the Department of Defense and Department of Veterans Affairs is evaluated.

(F) Protecting the confidentiality of personal health information.

(4) The Assistant Secretary of Defense for Health Affairs shall consult with the Committee on the issues described in paragraph (3).

(5) The Secretary of Defense shall submit to Congress an annual report on the activities of the Committee and on the coordination of development, deployment, and maintenance of health care informatics systems within the Federal Government, and between the Federal Government and the private sector.

(6) Members of the Committee shall not be paid by reason of their service on the Committee.

(7) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.

(e) ANNUAL REPORT.—The Assistant Secretary of Defense for Health Affairs shall submit to Congress on an annual basis a report on the quality of health care furnished under the health care programs of the Department of Defense. The report shall cover the most recent fiscal year ending before the date the report is submitted and shall contain a discussion of the quality of the health care measured on the basis of each statistical and customer satisfaction factor that the Assistant Secretary determines appropriate, including, at a minimum, a discussion of the following:

(1) Health outcomes.

(2) The extent of use of health report cards.

(3) The extent of use of standard clinical pathways.

(4) The extent of use of innovative processes for surveillance.

SEC. 724. JOINT TELEMEDICINE AND TELEPHARMACY DEMONSTRATION PROJECTS BY THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS.

(a) IN GENERAL.—The Secretary of Defense and Secretary of Veterans Affairs may carry out joint demonstration projects for purposes of evaluating the feasibility and practicability of using telecommunications to provide health care services and pharmacy services.

(b) SERVICES TO BE PROVIDED.—The services provided under the demonstration projects may include the following:

(1) Radiology and imaging services.

(2) Diagnostic services.

(3) Referral services.

(4) Clinical pharmacy services.

(5) Any other health care services or pharmacy services designated by the Secretaries.

(c) SELECTION OF LOCATIONS.—(1) The Secretaries may carry out the demonstration projects described in subsection (a) at not more than five locations selected by the Secretaries from locations in which are located both a uniformed services treatment facility and a Department of Veterans Affairs medical center that are affiliated with academic institutions having a demonstrated expertise in the provision of health care services or pharmacy services by means of telecommunications.

(2) Representatives of a facility and medical center selected under paragraph (1) shall, to the maximum extent practicable, carry out the demonstration project in consultation with representatives of the academic institution or institutions with which affiliated.

(d) PERIOD OF DEMONSTRATION PROJECTS.—The Secretaries may carry out the demonstration projects during the three-year period beginning on October 1, 1999.

(e) REPORT.—Not later than December 31, 2002, the Secretaries shall jointly submit to Congress a report on the demonstration projects. The report shall include—

(1) a description of each demonstration project; and

(2) an evaluation, based on the demonstration projects, of the feasibility and practicability of using telecommunications to provide health care services and pharmacy services, including the provision of such services to field hospitals of the Armed Forces and to Department of Veterans Affairs outpatient health care clinics.

SEC. 725. PROGRAM-YEAR STABILITY IN HEALTH CARE BENEFITS.

Section 1073 of title 10, United States Code, is amended—

(1) by inserting "(a) RESPONSIBLE OFFICIALS.—" at the beginning of the text of the section; and

(2) by adding at the end the following:

"(b) STABILITY IN PROGRAM OF BENEFITS.—The Secretary of Defense shall, to the maximum extent practicable, provide a stable program of benefits under this chapter throughout each fiscal year. To achieve the stability in the case of managed care support contracts entered into under this chapter, the contracts shall be administered so as to implement all changes in benefits and administration on a quarterly basis. However, the Secretary of Defense may implement any such change prior to the next fiscal quarter if the Secretary determines that the change would significantly improve the provision of care to eligible beneficiaries under this chapter.".

SEC. 726. STUDY ON JOINT OPERATIONS FOR THE DEFENSE HEALTH PROGRAM.

Not later than October 1, 2000, the Secretary of Defense shall prepare and submit to Congress a study identifying areas with respect to the Defense Health Program for which joint operations might be increased, including organization, training, patient care, hospital management, and budgeting. The study shall include a discussion of the merits and feasibility of—

(1) establishing a joint command for the Defense Health Program as a military counterpart to the Assistant Secretary of Defense for Health Affairs;

(2) establishing a joint training curriculum for the Defense Health Program; and

(3) creating a unified chain of command and budgeting authority for the Defense Health Program.

SEC. 727. TRAUMA TRAINING CENTER.

Section 742 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2074) is amended to read as follows:

"SEC. 742. AUTHORIZATION TO ESTABLISH A TRAUMA TRAINING CENTER.

"The Secretary of the Army is hereby authorized to establish a Trauma Training Center in order to provide the Army with a trauma center capable of training forward surgical teams.".

SEC. 728. SENSE OF CONGRESS REGARDING AUTOMATIC ENROLLMENT OF MEDICARE-ELIGIBLE BENEFICIARIES IN THE TRICARE SENIOR PRIME DEMONSTRATION PROJECT.

It is the sense of Congress that—

(1) any person who is enrolled in a managed health care program of the Department of Defense at a location at which the medicare subvention demonstration project for military retirees conducted under section 1896 of the Social Security Act (42 U.S.C. 1395ggg) is implemented, and who attains eligibility for medicare, should be automatically authorized to enroll in such demonstration project; and

(2) the Secretary of Defense, in coordination with the other administering Secretaries described in section 1072(3) of title 10, United States Code, should modify existing policies and procedures for such demonstration project as necessary to permit such automatic enrollment.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 801. Authority to carry out certain prototype projects.
Sec. 802. Streamlined applicability of cost accounting standards.
Sec. 803. Sale, exchange, and waiver authority for coal and coke.
Sec. 804. Guidance on use of task order and delivery order contracts.
Sec. 805. Clarification of definition of commercial items with respect to associated services.
Sec. 806. Use of special simplified procedures for purchases of commercial items in excess of the simplified acquisition threshold.
Sec. 807. Repeal of termination of provision of credit towards subcontracting goals for purchases benefiting severely handicapped persons.

Sec. 808. Contract goal for small disadvantaged businesses and certain institutions of higher education.
Sec. 809. Required reports for certain multiyear contracts.

Subtitle B—Other Matters

Sec. 811. Mentor-Protege Program improvements.
Sec. 812. Program to increase business innovation in defense acquisition programs.
Sec. 813. Incentives to produce innovative new technologies.
Sec. 814. Pilot program for commercial services.
Sec. 815. Expansion of applicability of requirement to make certain procurements from small arms production industrial base.
Sec. 816. Compliance with existing law regarding purchases of equipment and products.
Sec. 817. Extension of test program for negotiation of comprehensive small business subcontracting plans.
Sec. 818. Extension of interim reporting rule for certain procurements less than $100,000.
Sec. 819. Inspector General review of compliance with Buy American Act in purchases of strength training equipment.
Sec. 820. Report on options for accelerated acquisition of precision munitions.
Sec. 821. Technical amendment to prohibition on release of contractor proposals under the Freedom of Information Act.

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 801. AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1721; 10 U.S.C. 2371 note) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) COMPTROLLER GENERAL REVIEW.—(1) Each agreement entered into by an official referred to in subsection (a) to carry out a project under that subsection that provides for payments in a total amount in excess of $5,000,000 shall include a clause that provides for the Comptroller General, in the discretion of the Comptroller General, to examine the records of any party to the agreement or any entity that participates in the performance of the agreement.

"(2) The requirement in paragraph (1) shall not apply with respect to a party or entity, or a subordinate element of a party or entity, that has not entered into any other agreement that provides for audit access by a Government entity in the year prior to the date of the agreement.

"(3) The head of the contracting activity that is carrying out the agreement may waive the applicability of the requirement in paragraph (1) to the agreement if the head of the contracting activity determines that it would not be in the public interest to apply the requirement to the agreement. The waiver shall be effective with respect to the agreement only if the head of the contracting activity transmits a notification of the waiver to Congress and the Comptroller General before entering into the agreement. The notification shall include the rationale for the determination.

"(4) The Comptroller General may not examine records pursuant to a clause included in an agreement under paragraph (1) more than three years after the final payment is made by the United States under the agreement.".

SEC. 802. STREAMLINED APPLICABILITY OF COST ACCOUNTING STANDARDS.

(a) APPLICABILITY.—Paragraph (2)(B) of section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(2)(B)) is amended by adding at the end the following new clauses:

"(iii) Firm, fixed-price contracts or subcontracts awarded on the basis of adequate price competition without submission of certified cost or pricing data.

"(iv) A contract or subcontract with a value of less than $7,500,000 if, at the time the contract or subcontract is entered into, the segment of the contractor or subcontractor that will perform the work has not been awarded at least one contract or subcontract with a value of more than $7,500,000 that is covered by the cost accounting standards.".

(b) WAIVER.—Section 26(f) of that Act is further amended by adding at the end the following:

"(5)(A) The head of an executive agency may waive the applicability of the cost accounting standards for a contract or subcontract with a value less than $15,000,000 if that official determines in writing that the segment of the contractor or subcontractor that will perform the work—

"(i) is primarily engaged in the sale of commercial items; and

"(ii) would not otherwise be subject to the cost accounting standards under this section, as in effect on or after the effective date of this paragraph.

"(B) The head of an executive agency may also waive the applicability of the cost accounting standards for a contract or subcontract under exceptional circumstances when necessary to meet the needs of the agency. A determination to waive the applicability of the cost accounting standards under this subparagraph shall be set forth in writing and shall include a statement of the circumstances justifying the waiver.

"(C) The head of an executive agency may not delegate the authority under subparagraph (A) or (B) to any official in the executive agency below the senior policymaking level in the executive agency.

"(D) The Federal Acquisition Regulation shall include the following:

"(i) Criteria for selecting an official to be delegated authority to grant waivers under subparagraph (A) or (B).

"(ii) The specific circumstances under which such a waiver may be granted.

"(E) The head of each executive agency shall report the waivers granted under subparagraphs (A) and (B) for that agency to the Board on an annual basis.".

(c) REGULATION ON TYPES OF CAS COVERAGE.—(1) The Administrator for Federal Procurement Policy shall revise the rules and procedures prescribed pursuant to section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)) to the extent necessary to increase the thresholds established in section 9903.201–2 of title 48 of the Code of Federal Regulations from $25,000,000 to $50,000,000.

(2) Paragraph (1) requires only a change of the statement of a threshold condition in the regulation referred to by section number in that paragraph, and shall not be construed as—

(A) a ratification or expression of approval of—

(i) any aspect of the regulation; or

(ii) the manner in which section 26 of the Office of Federal Procurement Policy Act is administered through the regulation; or

(B) a requirement to apply the regulation.

(d) IMPLEMENTATION.—The Administrator for Federal Procurement Policy shall ensure that this section and the amendments made by this section are implemented in a manner that ensures that the Federal Government can recover costs, as appropriate, in a case in which noncompliance with cost accounting standards, or a change in the cost accounting system of a contractor segment or subcontractor segment that is not determined to be desirable by the Federal Government, results in a shift of costs from contracts that are not covered by the cost accounting standards to contracts that are covered by the cost accounting standards.

(e) IMPLEMENTATION OF REQUIREMENTS FOR REVISION OF REGULATIONS.—(1) Final regulations required by subsection (c) shall be issued not later than 180 days after the date of the enactment of this Act.

(2) Subsection (c) shall cease to be effective one year after the date on which final regulations issued in accordance with that subsection take effect.

(f) STUDY OF TYPES OF CAS COVERAGE.—The Administrator for Federal Procurement Policy shall review the various categories of coverage of contracts for applying cost accounting standards and, not later than the date on which the President submits to Congress the budget for fiscal year 2001 under section 1105(a) of title 31, United States Code, submit to Congress a report on the results of the review. The report shall include an analysis of the matters reviewed and any recommendations that the Administrator considers appropriate regarding such matters.

(g) INAPPLICABILITY OF STANDARDS TO CERTAIN CONTRACTS.—The cost accounting standards issued pursuant to section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), as amended by this section, shall not apply during fiscal year 2000 with respect to a contract entered into under the authority provided in chapter 89 of title 5, United States Code (relating to health benefits for Federal employees).

(h) CONSTRUCTION REGARDING CERTAIN NOT-FOR-PROFIT ENTITIES.—The amendments made by subsections (a) and (b) shall not be construed as modifying or superseding, nor as intended to impair or restrict, the applicability of the cost accounting standards described in section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)) to—

(1) any educational institution or federally funded research and development center that is associated with an educational institution in accordance with Office of Management and Budget Circular A–21, as in effect on January 1, 1999; or

(2) any contract with a nonprofit entity that provides research and development and related products or services to the Department of Defense.

(i) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect 180 days after the date of enactment of this Act, and shall apply with respect to—

(1) contracts that are entered into on or after such effective date; and

(2) determinations made on or after such effective date regarding whether a segment of a contractor or subcontractor is subject to the cost accounting standards under section 26(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)), regardless of whether the contracts on which such determinations are made were entered into before, on, or after such date.

SEC. 803. SALE, EXCHANGE, AND WAIVER AUTHORITY FOR COAL AND COKE.

(a) IN GENERAL.—Section 2404 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "petroleum or natural gas" and inserting "a defined fuel source";

(B) in paragraph (1)—

(i) by striking "petroleum market conditions or natural gas market conditions, as the case may be," and inserting "market conditions for the defined fuel source"; and

(ii) by striking "acquisition of petroleum or acquisition of natural gas, respectively," and inserting "acquisition of that defined fuel source"; and

(C) in paragraph (2), by striking "petroleum or natural gas, as the case may be," and inserting "that defined fuel source";

(2) in subsection (b), by striking "petroleum or natural gas" in the second sentence and inserting "a defined fuel source";

(3) in subsection (c), by striking "petroleum" and all that follows through the period and inserting "a defined fuel source or services related to a defined fuel source by exchange of a defined fuel source or services related to a defined fuel source.";

(4) in subsection (d)—

(A) by striking "petroleum or natural gas" in the first sentence and inserting "a defined fuel source"; and

(B) by striking "petroleum" in the second sentence and all that follows through the period and inserting "a defined fuel source or services related to a defined fuel source."; and

(5) by adding at the end the following new subsection:

"(f) Defined Fuel Sources.—In this section, the term 'defined fuel source' means any of the following:

"(1) Petroleum.

"(2) Natural gas.

"(3) Coal.

"(4) Coke.".

(b) Clerical Amendments.—(1) The heading of such section is amended to read as follows:

"§2404. Acquisition of certain fuel sources: authority to waive contract procedures; acquisition by exchange; sales authority".

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2404. Acquisition of certain fuel sources: authority to waive contract procedures; acquisition by exchange; sales authority.".

SEC. 804. GUIDANCE ON USE OF TASK ORDER AND DELIVERY ORDER CONTRACTS.

(a) Guidance in the Federal Acquisition Regulation.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulation issued in accordance with sections 6 and 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 405 and 421) shall be revised to provide guidance to agencies on the appropriate use of task order and delivery order contracts in accordance with sections 2304a through 2304d of title 10, United States Code, and sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k).

(b) Content of Guidance.—The regulations issued pursuant to subsection (a) shall, at a minimum, provide the following:

(1) Specific guidance on the appropriate use of governmentwide and other multiagency contracts entered into in accordance with the provisions of law referred to in that subsection.

(2) Specific guidance on steps that agencies should take in entering into and administering multiple award task order and delivery order contracts to ensure compliance with—

(A) the requirement in section 5122 of the Clinger-Cohen Act (40 U.S.C. 1422) for capital planning and investment control in purchases of information technology products and services;

(B) the requirement in section 2304c(b) of title 10, United States Code, and section 303J(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253j(b)) to ensure that all contractors are afforded a fair opportunity to be considered for the award of task orders and delivery orders; and

(C) the requirement in section 2304c(c) of title 10, United States Code, and section 303J(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253j(c)) for a statement of work in each task order or delivery order issued that clearly specifies all tasks to be performed or property to be delivery under the order.

(c) GSA Federal Supply Schedules Program.—The Administrator for Federal Procurement Policy shall consult with the Administrator of General Services to assess the effectiveness of the multiple awards schedule program of the General Services Administration referred to in section 309(b)(3) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)(3)) that is administered as the Federal Supply Schedules program. The assessment shall include examination of the following:

(1) The administration of the program by the Administrator of General Services.

(2) The ordering and program practices followed by Federal customer agencies in using schedules established under the program.

(d) GAO Report.—Not later than one year after the date on which the regulations required by subsection (a) are published in the Federal Register, the Comptroller General shall submit to Congress an evaluation of—

(1) executive agency compliance with the regulations; and

(2) conformance of the regulations with existing law, together with any recommendations that the Comptroller General considers appropriate.

SEC. 805. CLARIFICATION OF DEFINITION OF COMMERCIAL ITEMS WITH RESPECT TO ASSOCIATED SERVICES.

Section 4(12)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(E)) is amended to read as follows:

"(E) Installation services, maintenance services, repair services, training services, and other services if—

"(i) the services are procured for support of an item referred to in subparagraph (A), (B), (C), or (D), regardless of whether such services are provided by the same source or at the same time as the item; and

"(ii) the source of the services provides similar services contemporaneously to the general public under terms and conditions similar to those offered to the Federal Government.".

SEC. 806. USE OF SPECIAL SIMPLIFIED PROCEDURES FOR PURCHASES OF COMMERCIAL ITEMS IN EXCESS OF THE SIMPLIFIED ACQUISITION THRESHOLD.

(a) Extension of Authority.—Section 4202(e) of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106; 110 Stat. 654; 10 U.S.C. 2304 note) is amended by striking "three years after the date on which such amendments take effect pursuant to section 4401(b)" and inserting "January 1, 2002".

(b) GAO Report.—Not later than March 1, 2001, the Comptroller General shall submit to Congress an evaluation of the test program authorized by the provisions in section 4202 of the Clinger-Cohen Act of 1996, together with any recommendations that the Comptroller General considers appropriate regarding the test program or the use of special simplified procedures for purchases of commercial items in excess of the simplified acquisition threshold.

SEC. 807. REPEAL OF TERMINATION OF PROVISION OF CREDIT TOWARDS SUBCONTRACTING GOALS FOR PURCHASES BENEFITING SEVERELY HANDICAPPED PERSONS.

Section 2410d(c) of title 10, United States Code, is repealed.

SEC. 808. CONTRACT GOAL FOR SMALL DISADVANTAGED BUSINESSES AND CERTAIN INSTITUTIONS OF HIGHER EDUCATION.

Subsection (k) of section 2323 of title 10, United States Code, is amended by striking "2000" both places it appears and inserting "2003".

SEC. 809. REQUIRED REPORTS FOR CERTAIN MULTIYEAR CONTRACTS.

Section 2306b(l) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively;

(2) by inserting after paragraph (3) the following new paragraph (4):

"(4) The head of an agency may not enter into a multiyear contract (or extend an existing multiyear contract) until the Secretary of Defense submits to the congressional defense committees a report with respect to that contract (or contract extension) that provides the following information, shown for each year in the current future-years defense program and in the aggregate over the period of the current future-years defense program:

"(A) The amount of total obligational authority under the contract (or contract extension) and the percentage that such amount represents of—

"(i) the applicable procurement account; and

"(ii) the agency procurement total.

"(B) The amount of total obligational authority under all multiyear procurements of the agency concerned (determined without regard to the amount of the multiyear contract (or contract extension)) under multiyear contracts in effect immediately before the contract (or contract extension) is entered into and the percentage that such amount represents of—

"(i) the applicable procurement account; and

"(ii) the agency procurement total.

"(C) The amount equal to the sum of the amounts under subparagraphs (A) and (B), and the percentage that such amount represents of—

"(i) the applicable procurement account; and

"(ii) the agency procurement total.

"(D) The amount of total obligational authority under all Department of Defense multiyear procurements (determined without regard to the amount of the multiyear contract (or contract extension)), including any multiyear contract (or contract extension) that has been authorized by the Congress but not yet entered into, and the percentage that such amount represents of the procurement accounts of the Department of Defense treated in the aggregate."; and

(3) by adding at the end the following new paragraph:

"(9) In this subsection:

"(A) The term 'applicable procurement account' means, with respect to a multiyear procurement contract (or contract extension), the appropriation account from which payments to execute the contract will be made.

"(B) The term 'agency procurement total' means the procurement accounts of the agency entering into a multiyear procurement contract (or contract extension) treated in the aggregate.".

Subtitle B—Other Matters

SEC. 811. MENTOR-PROTEGE PROGRAM IMPROVEMENTS.

(a) Program Participation Term.—Subsection (e)(2) of section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note) is amended to read as follows:

"(2) A program participation term for any period of not more than three years, except that the term may be a period of up to five years if the Secretary of Defense determines in writing that unusual circumstances justify a program participation term in excess of three years.".

(b) INCENTIVES AUTHORIZED FOR MENTOR FIRMS.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking "shall" and inserting "may";

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "shall" and inserting "may";

(ii) by striking "subsection (f)" and all that follows through "(i) as a line item" and inserting "subsection (f) as provided for in a line item";

(iii) by striking the semicolon preceding clause (ii) and inserting ", except that this sentence does not apply in a case in which the Secretary of Defense determines in writing that unusual circumstances justify reimbursement using a separate contract."; and

(iv) by striking clauses (ii), (iii), and (iv); and

(B) by striking subparagraph (B) and inserting the following:

"(B) The determinations made in annual performance reviews of a mentor firm's mentor-protege agreement under subsection (l)(2) shall be a major factor in the determinations of amounts of reimbursement, if any, that the mentor firm is eligible to receive in the remaining years of the program participation term under the agreement.

"(C) The total amount reimbursed under this paragraph to a mentor firm for costs of assistance furnished in a fiscal year to a protege firm may not exceed $1,000,000, except in a case in which the Secretary of Defense determines in writing that unusual circumstances justify a reimbursement of a higher amount."; and

(3) in paragraph (3)(A), by striking "either subparagraph (A) or (C) of paragraph (2) or are reimbursed pursuant to subparagraph (B) of such paragraph" and inserting "paragraph (2)".

(c) THREE-YEAR EXTENSION OF AUTHORITY.—Subsection (j) of such section is amended to read as follows:

"(j) EXPIRATION OF AUTHORITY.—(1) No mentor-protege agreement may be entered into under subsection (e) after September 30, 2002.

"(2) No reimbursement may be paid, and no credit toward the attainment of a subcontracting goal may be granted, under subsection (g) for any cost incurred after September 30, 2005.".

(d) REPORTS AND REVIEWS.—(1) Subsection (l) of such section is amended to read as follows:

"(l) REPORTS AND REVIEWS.—(1) The mentor firm and protege firm under a mentor-protege agreement shall submit to the Secretary of Defense an annual report on the progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the fiscal year covered by the report. The requirement for submission of an annual report applies with respect to each fiscal year covered by the program participation term under the agreement and each of the two fiscal years following the expiration of the program participation term. The Secretary shall prescribe the timing and form of the annual report.

"(2)(A) The Secretary shall conduct an annual performance review of each mentor-protege agreement that provides for reimbursement of costs. The Secretary shall determine on the basis of the review whether—

"(i) all costs reimbursed to the mentor firm under the agreement were reasonably incurred to furnish assistance to the protege firm in accordance with the requirements of this section and applicable regulations; and

"(ii) the mentor firm and protege firm accurately reported progress made by the protege firm in employment, revenues, and participation in Department of Defense contracts during the program participation term covered by the mentor-protege agreement and the two fiscal years following the expiration of the program participation term.

"(B) The Secretary shall act through the Commander of the Defense Contract Management Command in carrying out the reviews and making the determinations under subparagraph (A).

"(3) Not later than 6 months after the end of each of fiscal years 2000 through 2004, the Secretary of Defense shall submit to Congress an annual report on the Mentor-Protege Program for that fiscal year.

"(4) The annual report for a fiscal year shall include, at a minimum, the following:

"(A) The number of mentor-protege agreements that were entered into during the fiscal year.

"(B) The number of mentor-protege agreements that were in effect during the fiscal year.

"(C) The total amount reimbursed to mentor firms pursuant to subsection (g) during the fiscal year.

"(D) Each mentor-protege agreement, if any, that was approved during the fiscal year in accordance with subsection (e)(2) to provide a program participation term in excess of 3 years, together with the justification for the approval.

"(E) Each reimbursement of a mentor firm in excess of the limitation in subsection (g)(2)(C) that was made during the fiscal year pursuant to an approval granted in accordance with that subsection, together with the justification for the approval.

"(F) Trends in the progress made in employment, revenues, and participation in Department of Defense contracts by the protege firms participating in the program during the fiscal year and the protege firms that completed or otherwise terminated participation in the program during the preceding two fiscal years.".

(2)(A) The Secretary of Defense shall conduct a review of the Mentor-Protege Program established in section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note) to assess the feasibility of transitioning such program to operation without a specific appropriation or authority to provide reimbursement to a mentor firm as provided in subsection (g) of such section (as amended by subsection (b)).

(B) In conducting the review under subparagraph (A), the Secretary shall assess possible additional incentives that may be extended to mentor firms to ensure adequate support and participation in the Mentor-Protege Program, including increasing the level of credit in lieu of subcontract awards presently extended to mentor firms for purposes of determining whether mentor firms attain subcontracting participation goals applicable under Department of Defense contracts.

(C) Not later than September 30, 2000, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives—

(i) a report on the results of the review conducted under this paragraph; and

(ii) any recommendations of the Secretary for legislative action.

(3)(A) The Comptroller General shall conduct a study on the implementation of the Mentor-Protege Program established in section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note) and the extent to which the program is achieving the purposes established in that section in a cost-effective manner.

(B) The study shall include the following:

(i) A review of the manner in which funds for the Mentor-Protege Program have been obligated.

(ii) An identification and assessment of the average amount spent by the Department of Defense on individual mentor-protege agreements, and the correlation between levels of funding and business development of protege firms.

(iii) An evaluation of the effectiveness of the incentives provided to mentor firms to participate in the Mentor-Protege Program and whether reimbursements remain a cost-effective and viable incentive.

(iv) An assessment of the success of the Mentor-Protege Program in enhancing the business competitiveness and financial independence of protege firms.

(v) A review of the relationship between the results of the Mentor-Protegee Program and the objectives established in section 2323 of title 10, United States Code.

(C) Not later than January 1, 2002, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the results of the study.

(e) REPEAL OF LIMITATION ON AVAILABILITY OF FUNDING.—Subsection (n) of section 831 of such Act is repealed.

(f) EFFECTIVE DATE AND SAVINGS PROVISION.—(1) The amendments made by this section shall take effect on October 1, 1999, and shall apply with respect to mentor-protege agreements that are entered into under section 831(e) of the National Defense Authorization Act for Fiscal Year 1991 on or after that date.

(2) Section 831 of the National Defense Authorization Act for Fiscal Year 1991, as in effect on September 30, 1999, shall continue to apply with respect to mentor-protege agreements entered into before October 1, 1999.

SEC. 812. PROGRAM TO INCREASE BUSINESS INNOVATION IN DEFENSE ACQUISITION PROGRAMS.

(a) REQUIREMENT TO DEVELOP PLAN.—Not later than March 1, 2000, the Secretary of Defense shall publish in the Federal Register for public comment a plan to provide for increased innovative technology for acquisition programs of the Department of Defense from commercial private sector entities, including small-business concerns.

(b) IMPLEMENTATION OF PLAN.—Not later than March 1, 2001, the Secretary of Defense shall implement the plan required by subsection (a), subject to any modifications the Secretary may choose to make in response to comments received.

(c) ELEMENTS OF PLAN.—The plan required by subsection (a) shall include, at a minimum, the following elements:

(1) Procedures through which commercial private sector entities, including small-business concerns, may submit proposals recommending cost-saving and innovative ideas to acquisition program managers.

(2) A review process designed to make recommendations on the merit and viability of the proposals submitted under paragraph (1) at appropriate times during the acquisition cycle.

(3) Measures to limit potential disruptions to existing contracts and programs from proposals accepted and incorporated into acquisition programs of the Department of Defense.

(4) Measures to ensure that research and development efforts of small-business concerns are considered as early as possible in a program's acquisition planning process to accommodate potential technology insertion without disruption to existing contracts and programs.

(d) REQUIREMENT FOR REPORT.—Not later than March 1, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the Small Business Innovation Research program rapid transition plan required by section 818 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2089). The report shall include the following:

(1) The status of the implementation of each of the provisions of the plan.

(2) For any provision of the plan that has not been fully implemented as of the date of the report—

(A) the reasons that the provision has not been fully implemented; and

(B) a schedule, including specific milestones, for the implementation of the provision.

(e) SMALL-BUSINESS CONCERN DEFINED.—In this section, the term "small-business concern" has the same meaning as the meaning of such term as used in the Small Business Act (15 U.S.C. 631 et seq.).

SEC. 813. INCENTIVES TO PRODUCE INNOVATIVE NEW TECHNOLOGIES.

(a) REVIEW OF GUIDELINES.—The Secretary of Defense shall review the profit guidelines established in the Department of Defense Supplement to the Federal Acquisition Regulation to consider whether appropriate modifications, such as placing increased emphasis on technical risk as a factor for determining appropriate profit margins, would provide an increased profit incentive for contractors to develop and produce complex and innovative new technologies.

(b) CHANGES TO GUIDELINES; REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall—

(1) make any changes to the profit guidelines that the Secretary determines to be necessary; and

(2) report to Congress on the results of the review conducted under subsection (a) and on any changes to the profit guidelines that the Secretary determines to be necessary pursuant to paragraph (1).

SEC. 814. PILOT PROGRAM FOR COMMERCIAL SERVICES.

(a) PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program to treat procurements of commercial services as procurements of commercial items.

(b) DESIGNATION OF PILOT PROGRAM CATEGORIES.—The Secretary of Defense may designate the following categories of services as commercial services covered by the pilot program:

(1) Utilities and housekeeping services.

(2) Education and training services.

(3) Medical services.

(c) TREATMENT AS COMMERCIAL ITEMS.—A Department of Defense contract for the procurement of commercial services designated by the Secretary for the pilot program shall be treated as a contract for the procurement of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)), if the source of the services provides similar services contemporaneously to the general public under terms and conditions similar to those offered to the Federal Government.

(d) GUIDANCE.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall issue guidance to procurement officials on contracting for commercial services under the pilot program. The guidance shall place particular emphasis on ensuring that negotiated prices for designated services, including prices negotiated without competition, are fair and reasonable.

(e) UNIFIED MANAGEMENT OF PROCUREMENTS.—The Secretary of Defense shall develop and implement procedures to ensure that, whenever appropriate, a single item manager or contracting officer is responsible for entering into all contracts from a single contractor for commercial services under the pilot program.

(f) DURATION OF PILOT PROGRAM.—(1) The pilot program shall begin on the date that the Secretary issues the guidance required by subsection (d) and may continue for a period, not in excess of five years, that the Secretary shall establish.

(2) The pilot program shall cover Department of Defense contracts for the procurement of commercial services designated by the Secretary under subsection (b) that are awarded or modified during the period of the pilot program, regardless of whether the contracts are performed during the period.

(g) REPORT TO CONGRESS.—(1) The Secretary shall submit to Congress a report on the impact of the pilot program on—

(A) prices paid by the Federal Government under contracts for commercial services covered by the pilot program;

(B) the quality and timeliness of the services provided under such contracts; and

(C) the extent of competition for such contracts.

(2) The Secretary shall submit the report—

(A) not later than 90 days after the end of the third full fiscal year for which the pilot program is in effect; or

(B) if the period established for the pilot program under subsection (f)(1) does not cover three full fiscal years, not later than 90 days after the end of the designated period.

(h) PRICE TREND ANALYSIS.—The Secretary of Defense shall apply the procedures developed pursuant to section 803(c) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2081; 10 U.S.C. 2306a note) to collect and analyze information on price trends for all services covered by the pilot program and for the services in such categories of services not covered by the pilot program to which the Secretary considers it appropriate to apply those procedures.

SEC. 815. EXPANSION OF APPLICABILITY OF REQUIREMENT TO MAKE CERTAIN PROCUREMENTS FROM SMALL ARMS PRODUCTION INDUSTRIAL BASE.

(a) M–2 AND M–60 MACHINE GUNS.—In fulfilling the requirement under subsection (e) of section 809 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2086; 10 U.S.C. 2473 note), if the Secretary of the Army determines that it is necessary to protect the small arms production industrial base, the Secretary shall exercise the authority under subsection (f) of such section with regard to M–2 and M–60 machine guns.

(b) COVERED PROPERTY AND SERVICES.—Section 2473(b) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking "Repair" and inserting "Critical repair";

(B) by striking "including repair parts"; and

(C) by inserting "only" after "consisting"; and

(2) in paragraph (2), by adding "such" after "Modifications of".

SEC. 816. COMPLIANCE WITH EXISTING LAW REGARDING PURCHASES OF EQUIPMENT AND PRODUCTS.

(a) SENSE OF CONGRESS REGARDING PURCHASE BY THE DEPARTMENT OF DEFENSE OF EQUIPMENT AND PRODUCTS.—It is the sense of Congress that any entity of the Department of Defense, in expending funds authorized by this Act for the purchase of equipment or products, should fully comply with the Buy American Act (41 U.S.C. 10a et seq.) and section 2533 of title 10, United States Code.

(b) DEBARMENT OF PERSONS CONVICTED OF FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription, or another inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

SEC. 817. EXTENSION OF TEST PROGRAM FOR NEGOTIATION OF COMPREHENSIVE SMALL BUSINESS SUBCONTRACTING PLANS.

Section 834(e) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 15 U.S.C. 637 note) is amended by striking "September 30, 2000" and inserting "September 30, 2005".

SEC. 818. EXTENSION OF INTERIM REPORTING RULE FOR CERTAIN PROCUREMENTS LESS THAN $100,000.

Section 31(e) of the Office of Federal Procurement Policy Act (41 U.S.C. 427(e)) is amended by striking "October 1, 1999" and inserting "October 1, 2004".

SEC. 819. INSPECTOR GENERAL REVIEW OF COMPLIANCE WITH BUY AMERICAN ACT IN PURCHASES OF STRENGTH TRAINING EQUIPMENT.

(a) REVIEW REQUIRED.—The Inspector General of the Department of Defense shall conduct a review to determine the extent to which the purchases described in subsection (b) are being made in compliance with the Buy American Act (41 U.S.C. 10a et seq.).

(b) PURCHASES COVERED.—The review shall cover purchases, made during the review period, of free weights and other exercise equipment for use in strength training by members of the Armed Forces stationed at defense installations located in the United States (including its territories and possessions). For purposes of the preceding sentence, the review period is the period beginning on April 1, 1998, and ending on March 31, 2000. Purchases not in excess of the micro-purchase threshold shall be excluded from the review.

(c) REPORT.—Not later than December 31, 2000, the Secretary of Defense shall submit to Congress a report on the results of the review.

(d) DEFINITIONS.—In this section:

(1) The term "free weights" means dumbbells or solid metallic disks balanced on crossbars, designed to be lifted for strength training or athletic competition.

(2) The term "micro-purchase threshold" means the amount specified in section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428(f)).

SEC. 820. REPORT ON OPTIONS FOR ACCELERATED ACQUISITION OF PRECISION MUNITIONS.

(a) FINDINGS.—Congress finds the following:

(1) Current Department of Defense inventories of many types of precision munitions do not meet the requirements for such munitions under the National Military Strategy that the Department of Defense have the capability to conduct two nearly simultaneous Major Theater Wars, and with respect to some types of precision munitions, those requirements will not be met even after planned acquisitions are complete.

(2) Production lines for certain types of critical precision munitions have been shut down, and the start-up production of replacement precision munitions leaves a critical gap in acquisition of follow-on precision munitions.

(3) Shortages of conventional air-launched cruise missiles during Operation Allied Force (conducted against the Federal Republic of Yugoslavia in the spring of 1999) and the necessity to replenish inventories of land-attack Tomahawk cruise missiles following that operation indicate the critical need to maintain sufficient inventories of precision munitions.

(b) REPORT.—Not later than February 15, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the requirements of the Department of Defense for precision munitions under the National Military Strategy that the Department of Defense

have the capability to conduct two nearly simultaneous Major Theater Wars. The report shall include the following:

(1) The effect of recent conflicts on the shift to precision munitions of targets previously allocated to nonprecision munitions in the inventory requirements process.

(2) The required inventories of precision munitions, by type, including existing or planned munitions or such munitions with appropriate upgrades, to meet the requirement that the Department of Defense have the capability to conduct two nearly simultaneous Major Theater Wars.

(3) Current inventories of those precision munitions.

(4) The year when required inventories for each of those types of precision munitions will be achieved within the acquisition plans set forth in the budget of the President for fiscal year 2001.

(5) The year those inventories would be achieved within existing or planned production capacity if produced at—

(A) the minimum sustained production rate;

(B) the most economic production rate; and

(C) the maximum production rate.

(6) The required level of funding to support production for each of those types of munitions at each of the production rates specified in paragraph (5), compared to the funding programmed for each type of munition in the future-years defense program using the acquisition plans specified in paragraph (4).

(7) With respect to each existing or planned munitions for which the inventory is not expected to meet the two Major Theater War requirement by October 1, 2005, the Secretary's assessment of the risk associated with not having met such requirement by that date.

SEC. 821. TECHNICAL AMENDMENT TO PROHIBITION ON RELEASE OF CONTRACTOR PROPOSALS UNDER THE FREEDOM OF INFORMATION ACT.

Section 2305(g) of title 10, United States Code, is amended in paragraph (1) by striking "the Department of Defense" and inserting "an agency named in section 2303 of this title".

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Strategic Planning

Sec. 901. Permanent requirement for Quadrennial Defense Review.

Sec. 902. Minimum interval for updating and revising Department of Defense strategic plan.

Subtitle B—Department of Defense Organization

Sec. 911. Responsibility for logistics and sustainment functions of the Department of Defense.

Sec. 912. Enhancement of technology security program of Department of Defense.

Sec. 913. Efficient utilization of defense laboratories.

Sec. 914. Center for the Study of Chinese Military Affairs.

Sec. 915. Authority for acceptance by Asia-Pacific Center for Security Studies of foreign gifts and donations.

Subtitle C—Personnel Management

Sec. 921. Revisions to limitations on number of personnel assigned to major Department of Defense headquarters activities.

Sec. 922. Defense acquisition workforce reductions.

Sec. 923. Monitoring and reporting requirements regarding operations tempo and personnel tempo.

Sec. 924. Administration of defense reform initiative enterprise program for military manpower and personnel information.

Sec. 925. Payment of tuition for education and training of members in defense acquisition workforce.

Subtitle D—Other Matters

Sec. 931. Additional matters for annual reports on joint warfighting experimentation.

Sec. 932. Oversight of Department of Defense activities to combat terrorism.

Sec. 933. Responsibilities and accountability for certain financial management functions.

Sec. 934. Management of Civil Air Patrol.

Subtitle A—Department of Defense Strategic Planning

SEC. 901. PERMANENT REQUIREMENT FOR QUADRENNIAL DEFENSE REVIEW.

(a) REVIEW REQUIRED.—(1) Chapter 2 of title 10, United States Code, is amended by inserting after section 117 the following new section:

"§ 118. Quadrennial defense review

"(a) REVIEW REQUIRED.—The Secretary of Defense shall every four years, during a year following a year evenly divisible by four, conduct a comprehensive examination (to be known as a 'quadrennial defense review') of the national defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies of the United States with a view toward determining and expressing the defense strategy of the United States and establishing a defense program for the next 20 years. Each such quadrennial defense review shall be conducted in consultation with the Chairman of the Joint Chiefs of Staff.

"(b) CONDUCT OF REVIEW.—Each quadrennial defense review shall be conducted so as—

"(1) to delineate a national defense strategy consistent with the most recent National Security Strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

"(2) to define sufficient force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program of the United States associated with that national defense strategy that would be required to execute successfully the full range of missions called for in that national defense strategy ; and

"(3) to identify (A) the budget plan that would be required to provide sufficient resources to execute successfully the full range of missions called for in that national defense strategy at a low-to-moderate level of risk, and (B) any additional resources (beyond those programmed in the current future-years defense program) required to achieve such a level of risk.

"(c) ASSESSMENT OF RISK.—The assessment of risk for the purposes of subsection (b) shall be undertaken by the Secretary of Defense in consultation with the Chairman of the Joint Chiefs of Staff. That assessment shall define the nature and magnitude of the political, strategic, and military risks associated with executing the missions called for under the national defense strategy.

"(d) SUBMISSION OF QDR TO CONGRESSIONAL COMMITTEES.—The Secretary shall submit a report on each quadrennial defense review to the Committees on Armed Services of the Senate and the House of Representatives. The report shall be submitted not later than September 30 of the year in which the review is conducted. The report shall include the following:

"(1) The results of the review, including a comprehensive discussion of the national defense strategy of the United States and the force structure best suited to implement that strategy at a low-to-moderate level of risk.

"(2) The assumed or defined national security interests of the United States that inform the national defense strategy defined in the review.

"(3) The threats to the assumed or defined national security interests of the United States that were examined for the purposes of the review and the scenarios developed in the examination of those threats.

"(4) The assumptions used in the review, including assumptions relating to—

"(A) the status of readiness of United States forces;

"(B) the cooperation of allies, mission-sharing and additional benefits to and burdens on United States forces resulting from coalition operations;

"(C) warning times;

"(D) levels of engagement in operations other than war and smaller-scale contingencies and withdrawal from such operations and contingencies; and

"(E) the intensity, duration, and military and political end-states of conflicts and smaller-scale contingencies.

"(5) The effect on the force structure and on readiness for high-intensity combat of preparations for and participation in operations other than war and smaller-scale contingencies.

"(6) The manpower and sustainment policies required under the national defense strategy to support engagement in conflicts lasting longer than 120 days.

"(7) The anticipated roles and missions of the reserve components in the national defense strategy and the strength, capabilities, and equipment necessary to assure that the reserve components can capably discharge those roles and missions.

"(8) The appropriate ratio of combat forces to support forces (commonly referred to as the 'tooth-to-tail' ratio) under the national defense strategy, including, in particular, the appropriate number and size of headquarters units and Defense Agencies for that purpose.

"(9) The strategic and tactical air-lift, sea-lift, and ground transportation capabilities required to support the national defense strategy.

"(10) The forward presence, pre-positioning, and other anticipatory deployments necessary under the national defense strategy for conflict deterrence and adequate military response to anticipated conflicts.

"(11) The extent to which resources must be shifted among two or more theaters under the national defense strategy in the event of conflict in such theaters.

"(12) The advisability of revisions to the Unified Command Plan as a result of the national defense strategy.

"(13) The effect on force structure of the use by the armed forces of technologies anticipated to be available for the ensuing 20 years.

"(14) Any other matter the Secretary considers appropriate.

"(e) CJCS REVIEW.—Upon the completion of each review under subsection (a), the Chairman of the Joint Chief of Staff shall prepare and submit to the Secretary of Defense the Chairman's assessment of the review, including the Chairman's assessment of risk. The Chairman's assessment shall be submitted to the Secretary in time for the inclusion of the assessment in the report. The Secretary shall include the Chairman's assessment, together with the Secretary's comments, in the report in its entirety.".

(2) The table of sections at the beginning of chapter 2 of such title is amended by inserting after the item relating to section 117 the following new item:

"118. Quadrennial defense review.".

(b) DATE FOR SUBMISSION OF NATIONAL SECURITY STRATEGY.—Section 108(a) of the National

Security Act of 1947 (50 U.S.C. 404a(a)) is amended by adding at the end the following new paragraph:

"(3) Not later than 150 days after the date on which a new President takes office, the President shall transmit to Congress a national security strategy report under this section. That report shall be in addition to the report for that year transmitted at the time specified in paragraph (2).".

(c) SPECIFIED MATTER FOR NEXT QDR.—In the first quadrennial defense review conducted under section 118 of title 10, United States Code, as added by subsection (a), the Secretary shall include in the technologies considered for the purposes of paragraph (13) of subsection (d) of that section the following: precision guided munitions, stealth, night vision, digitization, and communications.

SEC. 902. MINIMUM INTERVAL FOR UPDATING AND REVISING DEPARTMENT OF DEFENSE STRATEGIC PLAN.

Section 306(b) of title 5, United States Code, is amended by striking ", and shall be updated and revised at least every three years." and inserting a period and the following: "The strategic plan shall be updated and revised at least every three years, except that the strategic plan for the Department of Defense shall be updated and revised at least every four years.".

Subtitle B—Department of Defense Organization

SEC. 911. RESPONSIBILITY FOR LOGISTICS AND SUSTAINMENT FUNCTIONS OF THE DEPARTMENT OF DEFENSE.

(a) UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY.—(1) The position of Under Secretary of Defense for Acquisition and Technology in the Department of Defense is hereby redesignated as the Under Secretary of Defense for Acquisition, Technology, and Logistics. Any reference in any law, regulation, document, or other record of the United States to the Under Secretary of Defense for Acquisition and Technology shall be treated as referring to the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(2) Section 133 of title 10, United States Code, is amended—

(A) in subsections (a), (b), and (e)(1), by striking "Under Secretary of Defense for Acquisition and Technology" and inserting "Under Secretary of Defense for Acquisition, Technology, and Logistics"; and

(B) in subsection (b)—

(i) by striking "logistics," in paragraph (2);

(ii) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(iii) by inserting after paragraph (2) the following new paragraph (3):

"(3) establishing policies for logistics, maintenance, and sustainment support for all elements of the Department of Defense;".

(b) NEW DEPUTY UNDER SECRETARY FOR LOGISTICS AND MATERIEL READINESS.—(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 133a the following new section:

"§ 133b. Deputy Under Secretary of Defense for Logistics and Materiel Readiness

"(a) There is a Deputy Under Secretary of Defense for Logistics and Materiel Readiness, appointed from civilian life by the President, by and with the advice and consent of the Senate. The Deputy Under Secretary shall be appointed from among persons with an extensive background in the sustainment of major weapon systems and combat support equipment.

"(b) The Deputy Under Secretary is the principal adviser to the Secretary and the Under Secretary of Defense for Acquisition, Technology, and Logistics on logistics and materiel readiness in the Department of Defense and is the principal logistics official within the senior management of the Department of Defense.

"(c) The Deputy Under Secretary shall perform such duties relating to logistics and materiel readiness as the Under Secretary of Defense for Acquisition, Technology, and Logistics may assign, including—

"(1) prescribing, by authority of the Secretary of Defense, policies and procedures for the conduct of logistics, maintenance, materiel readiness, and sustainment support in the Department of Defense;

"(2) advising and assisting the Secretary of Defense, the Deputy Secretary of Defense, and the Under Secretary of Defense for Acquisition, Technology, and Logistics providing guidance to and consulting with the Secretaries of the military departments, with respect to logistics, maintenance, materiel readiness, and sustainment support in the Department of Defense; and

"(3) monitoring and reviewing all logistics, maintenance, materiel readiness, and sustainment support programs in the Department of Defense.".

(2) Section 5314 of title 5, United States Code, is amended by inserting after the paragraph relating to the Deputy Under Secretary of Defense for Acquisition and Technology the following new paragraph:

"Deputy Under Secretary of Defense for Logistics and Materiel Readiness.".

(c) REVISIONS TO LAW PROVIDING FOR DEPUTY UNDER SECRETARY FOR ACQUISITION AND TECHNOLOGY.—Section 133a(b) of title 10, United States Code, is amended—

(1) by striking "his duties" in the first sentence and inserting "the Under Secretary's duties relating to acquisition and technology"; and

(2) by striking the second sentence.

(d) CONFORMING AMENDMENTS TO CHAPTER 4.— Chapter 4 of such title is further amended as follows:

(1) Sections 131(b)(2), 134(c), 137(b), and 139(b) are amended by striking "Under Secretary of Defense for Acquisition and Technology" each place it appears and inserting "Under Secretary of Defense for Acquisition, Technology, and Logistics".

(2) The heading of section 133 is amended to read as follows:

"§ 133. Under Secretary of Defense for Acquisition, Technology, and Logistics".

(3) The table of sections at the beginning of the chapter is amended—

(A) by striking the item relating to section 133 and inserting the following:

"133. Under Secretary of Defense for Acquisition, Technology, and Logistics.";

and

(B) by inserting after the item relating to section 133a the following new item:

"133b. Deputy Under Secretary of Defense for Logistics and Materiel Readiness.".

(e) ADDITIONAL CONFORMING AMENDMENTS.—Section 5313 of title 5, United States Code, is amended by striking "Under Secretary of Defense for Acquisition and Technology" and inserting "Under Secretary of Defense for Acquisition, Technology, and Logistics".

SEC. 912. ENHANCEMENT OF TECHNOLOGY SECURITY PROGRAM OF DEPARTMENT OF DEFENSE.

(a) SPECIFICATION OF TECHNOLOGY SECURITY DIRECTORATE.—For purposes of this section, a reference to the Technology Security Directorate is a reference to the element within the Defense Threat Reduction Agency of the Department of Defense having responsibility for technology security matters (known as of the date of the enactment of this Act as the Technology Security Directorate).

(b) FUNCTIONS.—The head of the Technology Security Directorate shall have authority to advise the Secretary of Defense and the Deputy Secretary of Defense, through the Under Secretary of Defense for Policy, on policy issues related to the transfer of strategically sensitive technology, including issues relating to the following:

(1) Strategic trade.

(2) Defense cooperative programs.

(3) Science and technology agreements and exchanges.

(4) Export of munitions items.

(5) International memorandums of understanding.

(6) Foreign acquisitions.

(c) RESOURCES FOR TECHNOLOGY SECURITY DIRECTORATE.—The Secretary of Defense shall ensure that the head of the Technology Security Directorate has appropriate personnel and fiscal resources available, and receives all necessary support, to carry out the missions of the Directorate efficiently and effectively.

(d) APPROVAL AUTHORITY OF UNDER SECRETARY FOR POLICY.—Staff and resources of the Technology Security Directorate may not be used to fulfill any requirement or activity of the Defense Threat Reduction Agency that does not directly relate to the technology security and export control missions of the Technology Security Directorate except with the prior approval of the Under Secretary of Defense for Policy.

(e) REPORT ON EXPORT CONTROL RESOURCES.—Not later than March 1, 2000, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the personnel and budget resources of the Technology Security Directorate as of October 1, 1998, and as of September 30, 1999, as well as any planned increases in those resources for fiscal years 2000 and 2001. The report shall include the following:

(1) Numbers of personnel, measured in full-time equivalents.

(2) Number of license applications reviewed.

(3) The budget of the Technology Security Directorate.

(4) The number of personnel during the preceding fiscal year assigned to the Technology Security Directorate who were assigned during that year to assist in activities of the Defense Threat Reduction Agency unrelated to technology security or export control issues, together with an explanation of the effect of any such assignment on the Directorate's ability to fulfill its mission.

SEC. 913. EFFICIENT UTILIZATION OF DEFENSE LABORATORIES.

(a) ANALYSIS BY INDEPENDENT PANEL.—(1) Not later than 45 days after the date of the enactment of this Act, the Secretary of Defense shall convene a panel of independent experts under the auspices of the Defense Science Board to conduct an analysis of the resources and capabilities of all of the laboratories and test and evaluation facilities of the Department of Defense, including those of the military departments. In conducting the analysis, the panel shall identify opportunities to achieve efficiency and reduce duplication of efforts by consolidating responsibilities by area or function or by designating lead agencies or executive agents in cases considered appropriate. The panel shall report its findings to the Secretary of Defense and to Congress not later than August 1, 2000.

(2) The analysis required by paragraph (1) shall, at a minimum, address the capabilities of the laboratories and test and evaluation facilities in the areas of air vehicles, armaments, command, control, communications, and intelligence, space, directed energy, electronic warfare, medicine, corporate laboratories, civil engineering, geophysics, and the environment.

(b) PERFORMANCE REVIEW PROCESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall develop *an appropriate performance review process for rating the quality and relevance of work performed by the Department of Defense laboratories. The process shall include customer evaluation and peer review by Department of Defense personnel and appropriate experts from outside the Department of Defense. The process shall provide for rating all laboratories of the Army, Navy, and Air Force on a consistent basis.*

SEC. 914. CENTER FOR THE STUDY OF CHINESE MILITARY AFFAIRS.

(a) Establishment.—The Secretary of Defense shall establish a Center for the Study of Chinese Military Affairs as part of the National Defense University. The Center shall be organized under the Institute for National Strategic Studies of the University.

(b) Qualifications of Director.—The Director of the Center shall be an individual who is a distinguished scholar of proven academic, management, and leadership credentials with a superior record of achievement and publication regarding Chinese political, strategic, and military affairs.

(c) Mission.—The mission of the Center is to study and inform policymakers in the Department of Defense, Congress, and throughout the Government regarding the national goals and strategic posture of the People's Republic of China and the ability of that nation to develop, field, and deploy an effective military instrument in support of its national strategic objectives. The Center shall accomplish that mission by a variety of means intended to widely disseminate the research findings of the Center.

(d) Startup of Center.—The Secretary of Defense shall establish the Center for the Study of Chinese Military Affairs not later than March 1, 2000. The first Director of the Center shall be appointed not later than June 1, 2000. The Center should be fully operational not later than June 1, 2001.

(e) Implementation Report.—(1) Not later than January 1, 2001, the President of the National Defense University shall submit to the Secretary of Defense a report setting forth the President's organizational plan for the Center for the Study of Chinese Military Affairs, the proposed budget for the Center, and the timetable for initial and full operations of the Center. The President of the National Defense University shall prepare that report in consultation with the Director of the Center and the Director of the Institute for National Strategic Studies of the University.

(2) The Secretary of Defense shall transmit the report under paragraph (1), together with whatever comments the Secretary considers appropriate, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives not later than February 1, 2001.

SEC. 915. AUTHORITY FOR ACCEPTANCE BY ASIA-PACIFIC CENTER FOR SECURITY STUDIES OF FOREIGN GIFTS AND DONATIONS.

(a) In General.—Chapter 155 of title 10, United States Code, is amended by adding at the end the following new section:

"§2611. Asia-Pacific Center for Security Studies: acceptance of foreign gifts and donations

"(a) Authority To Accept Foreign Gifts and Donations.—(1) Subject to subsection (b), the Secretary of Defense may accept, on behalf of the Asia-Pacific Center, foreign gifts or donations in order to defray the costs of, or enhance the operation of, the Asia-Pacific Center.

"(2) In this section, the term 'Asia-Pacific Center' means the Department of Defense organization within the United States Pacific Command known as the Asia-Pacific Center for Security Studies.

"(b) Limitation.—The Secretary may not accept a gift or donation under subsection (a) if the acceptance of the gift or donation would compromise or appear to compromise—

"(1) the ability of the Department of Defense, any employee of the Department, or members of the armed forces to carry out any responsibility or duty of the Department in a fair and objective manner; or

"(2) the integrity of any program of the Department of Defense or of any person involved in such a program.

"(c) Criteria for Acceptance.—The Secretary shall prescribe written guidance setting forth the criteria to be used in determining whether the acceptance of a foreign gift or donation would have a result described in subsection (b).

"(d) Crediting of Funds.—Funds accepted by the Secretary under subsection (a) shall be credited to appropriations available to the Department of Defense for the Asia-Pacific Center. Funds so credited shall be merged with the appropriations to which credited and shall be available to the Asia-Pacific Center for the same purposes and same period as the appropriations with which merged.

"(e) Notice to Congress.—If the total amount of funds accepted under subsection (a) in any fiscal year exceeds $2,000,000, the Secretary shall notify Congress of the amount of those donations for that fiscal year. Any such notice shall list each of the contributors of such amounts and the amount of each contribution in that fiscal year.

"(f) Foreign Gift or Donation Defined.—For purposes of this section, a foreign gift or donation is a gift or donation of funds, materials (including research materials), property, or services (including lecture services and faculty services) from a foreign government, a foundation or other charitable organization in a foreign country, or an individual in a foreign country.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2611. Asia-Pacific Center for Security Studies: acceptance of foreign gifts and donations.".

Subtitle C—Personnel Management

SEC. 921. REVISIONS TO LIMITATIONS ON NUMBER OF PERSONNEL ASSIGNED TO MAJOR DEPARTMENT OF DEFENSE HEADQUARTERS ACTIVITIES.

(a) Revised Limitation.—(1) Section 130a of title 10, United States Code, is amended to read as follows:

"§130a. Major Department of Defense headquarters activities personnel: limitation

"(a) Limitation.—Effective October 1, 2002, the number of major headquarters activities personnel in the Department of Defense may not exceed 85 percent of the baseline number.

"(b) Phased Reduction.—The number of major headquarters activities personnel in the Department of Defense—

"(1) as of October 1, 2000, may not exceed 95 percent of the baseline number; and

"(2) as of October 1, 2001, may not exceed 90 percent of the baseline number.

"(c) Baseline Number.—In this section, the term 'baseline number' means the number of major headquarters activities personnel in the Department of Defense as of October 1, 1999.

"(d) Major Headquarters Activities.—(1) For purposes of this section, major headquarters activities are those headquarters (and the direct support integral to their operation) the primary mission of which is to manage or command the programs and operations of the Department of Defense, the Department of Defense components, and their major military units, organizations, or agencies. Such term includes management headquarters, combatant headquarters, and direct support.

"(2) The specific elements of the Department of Defense that are major headquarters activities for the purposes of this section are those elements identified as Major DoD Headquarters Activities in accordance with Department of Defense Directive 5100.73, entitled 'Major Department of Defense Headquarters Activities', issued on May 13, 1999. The provisions of that directive applicable to identification of any activity as a 'Major DoD Headquarters Activity' may not be changed except as provided by law.

"(e) Major Headquarters Activities Personnel.—In this section, the term 'major headquarters activities personnel' means military and civilian personnel of the Department of Defense who are assigned to, or employed in, functions in major headquarters activities.

"(f) Limitation on Reassignment of Functions.—In carrying out reductions in the number of personnel assigned to, or employed in, major headquarters activities in order to comply with this section, the Secretary of Defense and the Secretaries of the military departments may not reassign functions in order to evade the requirements of this section.".

(2) The item relating to such section in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"130a. Major Department of Defense headquarters activities personnel: limitation.".

(b) Report.—Not later than October 1, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report providing—

(1) the Secretary's assessment of the manner in which major headquarters activities are specified in subsection (d) of section 130a of title 10, United States Code, as amended by subsection (a);

(2) the baseline number in effect for purposes of that section; and

(3) the effect (if any) of the reductions required by that section on the Department's various headquarters activities.

(c) Technical Amendments to Update Limitation on OSD Personnel.—Effective October 1, 1999, section 143 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "Effective October 1, 1999, the" and inserting "The"; and

(B) by striking "75 percent of the baseline number" and inserting "3,767".

(2) by striking subsections (b), (c), and (f); and

(3) by redesignating subsections (d) and (e) as subsections (b) and (c), respectively.

SEC. 922. DEFENSE ACQUISITION WORKFORCE REDUCTIONS.

(a) Reduction.—The Secretary of Defense shall implement reductions during fiscal year 2000 in the defense acquisition and support workforce in a number not less than the number by which that workforce is programmed to be reduced during that fiscal year in the President's budget for that fiscal year.

(b) Administrative Flexibility.—If the Secretary determines and certifies to Congress that changed circumstances require, in the national security interest of the United States, that the reduction under subsection (a) be in a number less than the number applicable under that subsection, the Secretary may specify a lower number for that reduction, which may not be less than 10 percent less than the number applicable under subsection (a).

(c) Report.—Not later than May 1, 2000, the Secretary shall submit to Congress a report on the defense acquisition and support workforce. The Secretary shall include in that report—

(1) the total number of personnel the Secretary expects to reduce from the defense acquisition and support workforce during fiscal year 2000 pursuant to subsection (a); and

(2) the total number by which that workforce is programmed to be reduced for fiscal year 2001 in the President's budget for that fiscal year.

(d) DEFENSE ACQUISITION WORKFORCE DEFINED.—For purposes of this section, the term "defense acquisition and support workforce" has the meaning given that term in section 931(d) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2106).

SEC. 923. MONITORING AND REPORTING REQUIREMENTS REGARDING OPERATIONS TEMPO AND PERSONNEL TEMPO.

(a) RESPONSIBILITY OVER MONITORING AND STANDARDS.—Section 136 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) The Under Secretary of Defense for Personnel and Readiness is responsible, subject to the authority, direction, and control of the Secretary of Defense, for the monitoring of the operations tempo and personnel tempo of the armed forces. The Under Secretary shall establish, to the extent practicable, uniform standards within the Department of Defense for terminology and policies relating to deployment of units and personnel away from their assigned duty stations (including the length of time units or personnel may be away for such a deployment) and shall establish uniform reporting systems for tracking deployments.".

(b) ANNUAL REPORTING REQUIREMENTS.—(1) Chapter 23 of such title is amended by adding after section 486, as added by section 241(a), the following new section:

"§ 487. Unit operations tempo and personnel tempo: annual report

"(a) INCLUSION IN ANNUAL REPORT.—The Secretary of Defense shall include in the annual report required by section 113(c) of this title a description of the operations tempo and personnel tempo of the armed forces.

"(b) SPECIFIC REQUIREMENTS.—(1) Until such time as the Secretary of Defense develops a common method to measure operations tempo and personnel tempo for the armed forces, the description required under subsection (a) shall include the methods by which each of the armed forces measures operations tempo and personnel tempo.

"(2) The description shall include the personnel tempo policies of each of the armed forces and any changes to these policies since the preceding report.

"(3) The description shall include a table depicting the active duty end strength for each of the armed forces for each of the preceding five years and also depicting the number of members of each of the armed forces deployed over the same period, as determined by the Secretary concerned.

"(4) The description shall identify the active and reserve component units of the armed forces participating at the battalion, squadron, or an equivalent level (or a higher level) in contingency operations, major training events, and other exercises and contingencies of such a scale that the exercises and contingencies receive an official designation, that were conducted during the period covered by the report and the duration of their participation.

"(5) For each of the armed forces, the description shall indicate the average number of days a member of that armed force was deployed away from the member's home station during the period covered by the report as compared to recent previous years for which such information is available.

"(6) For each of the armed forces, the description shall indicate the number of days that high demand, low density units (as defined by the Chairman of the Joint Chiefs of Staff) were deployed during the period covered by the report, and whether these units met the force goals for limiting deployments, as described in the personnel tempo policies applicable to that armed force.

"(c) OPERATIONS TEMPO AND PERSONNEL TEMPO DEFINED.—Until such time as the Secretary of Defense establishes definitions of operations tempo and personnel tempo applicable to all of the armed forces, the following definitions shall apply for purposes of the preparation of the description required under subsection (a):

"(1) The term 'operations tempo' means the rate at which units of the armed forces are involved in all military activities, including contingency operations, exercises, and training deployments.

"(2) The term 'personnel tempo' means the amount of time members of the armed forces are engaged in their official duties, including official duties at a location or under circumstances that make it infeasible for a member to spend off-duty time in the housing in which the member resides when on garrison duty at the member's permanent duty station.

"(d) OTHER DEFINITIONS.—In this section, the term 'armed forces' does not include the Coast Guard when it is not operating as a service in the Department of the Navy.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 486, as added by section 241(a), the following new item:

"487. Unit operations tempo and personnel tempo: annual report.".

SEC. 924. ADMINISTRATION OF DEFENSE REFORM INITIATIVE ENTERPRISE PROGRAM FOR MILITARY MANPOWER AND PERSONNEL INFORMATION.

(a) EXECUTIVE AGENT.—The Secretary of Defense may designate the Secretary of the Navy as the Department of Defense executive agent for carrying out the pilot program described in subsection (c).

(b) IMPLEMENTING OFFICE.—If the Secretary of Defense makes the designation referred to in subsection (a), the Secretary of the Navy, in carrying out that pilot program, shall act through the head of the Systems Executive Office for Manpower and Personnel of the Department of the Navy, who shall act in coordination with the Under Secretary of Defense for Personnel and Readiness and the Chief Information Officer of the Department of Defense.

(c) PILOT PROGRAM.—The pilot program referred to in subsection (a) is the defense reform initiative enterprise pilot program for military manpower and personnel information established pursuant to section 8147 of the Department of Defense Appropriations Act, 1999 (Public Law 105–262; 112 Stat. 2341; 10 U.S.C. 113 note).

SEC. 925. PAYMENT OF TUITION FOR EDUCATION AND TRAINING OF MEMBERS IN DEFENSE ACQUISITION WORKFORCE.

(a) AUTHORITY TO EXCEED 75 PERCENT LIMITATION.—Subsection (a) of section 1745 of title 10, United States Code, is amended to read as follows:

"(a) TUITION REIMBURSEMENT AND TRAINING.—(1) The Secretary of Defense shall provide for tuition reimbursement and training (including a full-time course of study leading to a degree) for acquisition personnel in the Department of Defense.

"(2) For civilian personnel, the reimbursement and training shall be provided under section 4107(b) of title 5 for the purposes described in that section. For purposes of such section 4107(b), there is deemed to be, until September 30, 2001, a shortage of qualified personnel to serve in acquisition positions in the Department of Defense.

"(3) In the case of members of the armed forces, the limitation in section 2007(a) of this title shall not apply to tuition reimbursement and training provided for under this subsection.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to charges for tuition or expenses incurred after the date of the enactment of this Act.

Subtitle D—Other Matters

SEC. 931. ADDITIONAL MATTERS FOR ANNUAL REPORTS ON JOINT WARFIGHTING EXPERIMENTATION.

Section 485(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) With respect to improving the effectiveness of joint warfighting, any recommendations that the commander considers appropriate, based on the results of joint warfighting experimentation, regarding—

"(A) the development, procurement, or fielding of advanced technologies, systems, or weapons or systems platforms or other changes in doctrine, operational concepts, organization, training, materiel, leadership, personnel, or the allocation of resources;

"(B) the reduction or elimination of redundant equipment and forces, including guidance regarding the synchronization of the fielding of advanced technologies among the armed forces to enable the development and execution of joint operational concepts;

"(C) recommendations for mission needs statements, operational requirements, and relative priorities for acquisition programs to meet joint requirements; and

"(D) a description of any actions taken by the Secretary of Defense to implement the recommendations of the commander.".

SEC. 932. OVERSIGHT OF DEPARTMENT OF DEFENSE ACTIVITIES TO COMBAT TERRORISM.

(a) REPORT REQUIREMENT.—Not later than December 31, 1999, the Secretary of Defense shall submit to the congressional defense committees a report, in classified and unclassified form, identifying all programs and activities of the Department of Defense combating terrorism program. The report shall include—

(1) the definitions used by the Department of Defense for all terms relating to combating terrorism, including "counterterrorism", "anti-terrorism", and "consequence management"; and

(2) the various initiatives and projects being conducted by the Department that fall under each of the categories referred to in paragraph (1).

(b) ANNUAL BUDGET INFORMATION.—(1) Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 229. Programs for combating terrorism: display of budget information

"(a) SUBMISSION WITH ANNUAL BUDGET JUSTIFICATION DOCUMENTS.—The Secretary of Defense shall submit to Congress, as a part of the documentation that supports the President's annual budget for the Department of Defense, a consolidated budget justification display, in classified and unclassified form, that includes all programs and activities of the Department of Defense combating terrorism program.

"(b) REQUIREMENTS FOR BUDGET DISPLAY.—The budget display under subsection (a) shall include—

"(1) the amount requested, by appropriation and functional area, for each of the program elements, projects, and initiatives that support the Department of Defense combating terrorism program, with supporting narrative descriptions and rationale for the funding levels requested; and

"(2) a summary, to the program element and project level of detail, of estimated expenditures for the current year, funds requested for the budget year, and budget estimates through the completion of the current future-years defense plan for the Department of Defense combating terrorism program.

"(c) EXPLANATION OF INCONSISTENCIES.—As part of the budget display under subsection (a) for any fiscal year, the Secretary shall identify and explain—

"(1) any inconsistencies between (A) the information submitted under subsection (b) for that fiscal year, and (B) the information provided to the Director of the Office of Management and Budget in support of the annual report of the President to Congress on funding for executive branch counterterrorism and antiterrorism programs and activities for that fiscal year in accordance with section 1051(b) of the National Defense Authorization Act for Fiscal Year 1998 (31 U.S.C. 1113 note); and

"(2) any inconsistencies between (A) the execution, during the previous fiscal year and the current fiscal year, of programs and activities of the Department of Defense combating terrorism program, and (B) the funding and specification for such programs and activities for those fiscal years in the manner provided by Congress (both in statutes and in relevant legislative history).

"(d) SEMIANNUAL REPORTS ON OBLIGATIONS AND EXPENDITURES.—The Secretary shall submit to the congressional defense committees a semiannual report on the obligation and expenditure of funds for the Department of Defense combating terrorism program. Such reports shall be submitted not later than April 15 each year, with respect to the first half of a fiscal year, and not later than November 15 each year, with respect to the second half of a fiscal year. Each such report shall compare the amounts of those obligations and expenditures to the amounts authorized and appropriated for the Department of Defense combating terrorism program for that fiscal year, by budget activity, sub-budget activity, and program element or line item. The second report for a fiscal year shall show such information for the second half of the fiscal year and cumulatively for the whole fiscal year. The report shall be submitted in unclassified form, but may have a classified annex.

"(e) DEPARTMENT OF DEFENSE COMBATING TERRORISM PROGRAM.—In this section, the term 'Department of Defense combating terrorism program' means the programs, projects, and activities of the Department of Defense related to combating terrorism inside and outside the United States.

"(f) CONGRESSIONAL DEFENSE COMMITTEES DEFINED.—In this section, the term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"229. Programs for combating terrorism: display of budget information.".

SEC. 933. RESPONSIBILITIES AND ACCOUNTABILITY FOR CERTAIN FINANCIAL MANAGEMENT FUNCTIONS.

(a) IN GENERAL.—(1) Chapter 165 of title 10, United States Code, is amended by adding at the end the following new sections:

"§2784. Management of credit cards

"(a) MANAGEMENT OF CREDIT CARDS.—The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall prescribe regulations governing the use and control of all credit cards and convenience checks that are issued to Department of Defense personnel for official use. Those regulations shall be consistent with regulations that apply Government-wide regarding use of credit cards by Government personnel for official purposes.

"(b) REQUIRED SAFEGUARDS AND INTERNAL CONTROLS.—Regulations under subsection (a) shall include safeguards and internal controls to ensure the following:

"(1) That there is a record in the Department of Defense of each holder of a credit card issued by the Department of Defense for official use, annotated with the limitations on amounts that are applicable to the use of each such card by that credit card holder.

"(2) That the holder of a credit card and each official with authority to authorize expenditures charged to the credit card are responsible for—

"(A) reconciling the charges appearing on each statement of account for that credit card with receipts and other supporting documentation; and

"(B) forwarding that statement after being so reconciled to the designated disbursing office in a timely manner.

"(3) That any disputed credit card charge, and any discrepancy between a receipt and other supporting documentation and the credit card statement of account, is resolved in the manner prescribed in the applicable Government-wide credit card contract entered into by the Administrator of General Services.

"(4) That payments on credit card accounts are made promptly within prescribed deadlines to avoid interest penalties.

"(5) That rebates and refunds based on prompt payment on credit card accounts are properly recorded.

"(6) That records of each credit card transaction (including records on associated contracts, reports, accounts, and invoices) are retained in accordance with standard Government policies on the disposition of records.

"§2785. Remittance addresses: regulation of alterations

"The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall prescribe regulations setting forth controls on alteration of remittance addresses. Those regulations shall ensure that—

"(1) a remittance address for a disbursement that is provided by an officer or employee of the Department of Defense authorizing or requesting the disbursement is not altered by any officer or employee of the department authorized to prepare the disbursement; and

"(2) a remittance address for a disbursement is altered only if the alteration—

"(A) is requested by the person to whom the disbursement is authorized to be remitted; and

"(B) is made by an officer or employee authorized to do so who is not an officer or employee referred to in paragraph (1).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"2784. Management of credit cards.
"2785. Remittance addresses: regulation of alterations.".

(b) EFFECTIVE DATE.—(1) Regulations under section 2784 of title 10, United States Code, as added by subsection (a), shall be prescribed not later than 180 days after the date of the enactment of this Act.

(2) Regulations under section 2785 of title 10, United States Code, as added by subsection (a), shall be prescribed not later than 180 days after the date of the enactment of this Act.

SEC. 934. MANAGEMENT OF CIVIL AIR PATROL.

(a) SENSE OF CONGRESS.—It is the sense of Congress that no major change to the governance structure of the Civil Air Patrol should be mandated by Congress until a review of potential improvements in the management and oversight of Civil Air Patrol operations is conducted.

(b) GAO STUDY.—The Comptroller General shall conduct a study of potential improvements to Civil Air Patrol operations, including Civil Air Patrol financial management, Air Force and Civil Air Patrol oversight, and the Civil Air Patrol safety program. Not later than February 15, 2000, the Comptroller General shall submit a report on the results of the study to the congressional defense committees.

(c) INSPECTOR GENERAL REVIEW.—(1) The Inspector General of the Department of Defense shall review the financial and management operations of the Civil Air Patrol. The review shall include an audit.

(2) Not later than February 15, 2000, the Inspector General shall submit to the congressional defense committees a report on the review, including, specifically, the results of the audit. The report shall include any recommendations that the Inspector General considers appropriate regarding actions necessary to ensure the proper oversight of the financial and management operations of the Civil Air Patrol.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Incorporation of classified annex.
Sec. 1003. Authorization of emergency supplemental appropriations for fiscal year 1999.
Sec. 1004. Supplemental appropriations request for operations in Yugoslavia.
Sec. 1005. United States contribution to NATO common-funded budgets in fiscal year 2000.
Sec. 1006. Limitation on funds for Bosnia peacekeeping operations for fiscal year 2000.
Sec. 1007. Second biennial financial management improvement plan.
Sec. 1008. Waiver authority for requirement that electronic transfer of funds be used for Department of Defense payments.
Sec. 1009. Single payment date for invoice for various subsistence items.
Sec. 1010. Payment of foreign licensing fees out of proceeds of sale of maps, charts, and navigational books.

Subtitle B—Naval Vessels and Shipyards

Sec. 1011. Revision to congressional notice-and-wait period required before transfer of a vessel stricken from the Naval Vessel Register.
Sec. 1012. Authority to consent to retransfer of former naval vessel.
Sec. 1013. Report on naval vessel force structure requirements.
Sec. 1014. Auxiliary vessels acquisition program for the Department of Defense.
Sec. 1015. National Defense Features program.
Sec. 1016. Sales of naval shipyard articles and services to nuclear ship contractors.
Sec. 1017. Transfer of naval vessel to foreign country.
Sec. 1018. Authority to transfer naval vessels to certain foreign countries.

Subtitle C—Support for Civilian Law Enforcement and Counter Drug Activities

Sec. 1021. Modification of limitation on funding assistance for procurement of equipment for the National Guard for drug interdiction and counter-drug activities.
Sec. 1022. Temporary extension to certain naval aircraft of Coast Guard authority for drug interdiction activities.
Sec. 1023. Military assistance to civil authorities to respond to act or threat of terrorism.
Sec. 1024. Condition on development of forward operating locations for United States Southern Command counter-drug detection and monitoring flights.

Sec. 1025. Annual report on United States military activities in Colombia.
Sec. 1026. Report on use of radar systems for counter-drug detection and monitoring.
Sec. 1027. Plan regarding assignment of military personnel to assist Immigration and Naturalization Service and Customs Service.

Subtitle D—Miscellaneous Report Requirements and Repeals

Sec. 1031. Preservation of certain defense reporting requirements.
Sec. 1032. Repeal of certain reporting requirements not preserved.
Sec. 1033. Reports on risks under National Military Strategy and combatant command requirements.
Sec. 1034. Report on lift and prepositioned support requirements to support National Military Strategy.
Sec. 1035. Report on assessments of readiness to execute the National Military Strategy.
Sec. 1036. Report on Rapid Assessment and Initial Detection teams.
Sec. 1037. Report on unit readiness of units considered to be assets of Consequence Management Program Integration Office.
Sec. 1038. Analysis of relationship between threats and budget submission for fiscal year 2001.
Sec. 1039. Report on NATO defense capabilities initiative.
Sec. 1040. Report on motor vehicle violations by operators of official Army vehicles.

Subtitle E—Information Security

Sec. 1041. Identification in budget materials of amounts for declassification activities and limitation on expenditures for such activities.
Sec. 1042. Notice to congressional committees of certain security and counterintelligence failures within defense programs.
Sec. 1043. Information Assurance Initiative.
Sec. 1044. Nondisclosure of information on personnel of overseas, sensitive, or routinely deployable units.
Sec. 1045. Nondisclosure of certain operational files of the National Imagery and Mapping Agency.

Subtitle F—Memorial Objects and Commemorations

Sec. 1051. Moratorium on the return of veterans memorial objects to foreign nations without specific authorization in law.
Sec. 1052. Program to commemorate 50th anniversary of the Korean War.
Sec. 1053. Commemoration of the victory of freedom in the Cold War.

Subtitle G—Other Matters

Sec. 1061. Defense Science Board task force on use of television and radio as a propaganda instrument in time of military conflict.
Sec. 1062. Assessment of electromagnetic spectrum reallocation.
Sec. 1063. Extension and reauthorization of Defense Production Act of 1950.
Sec. 1064. Performance of threat and risk assessments.
Sec. 1065. Chemical agents used for defensive training.
Sec. 1066. Technical and clerical amendments.
Sec. 1067. Amendments to reflect name change of Committee on National Security of the House of Representatives to Committee on Armed Services.

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2000 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the committee of conference to accompany the conference report on the bill S. 1059 of the One Hundred Sixth Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1003. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1999.

(a) ADJUSTMENT OF FISCAL YEAR 1999 AUTHORIZATIONS TO REFLECT SUPPLEMENTAL APPROPRIATIONS.—Subject to subsection (b), amounts authorized to be appropriated to the Department of Defense for fiscal year 1999 in the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31).

(b) LIMITATION.—(1) In the case of a pending defense contingent emergency supplemental appropriation, an adjustment may be made under subsection (a) in the amount of an authorization of appropriations by reason of that supplemental appropriation only if, and to the extent that, the President transmits to Congress an official amended budget request for that appropriation that designates the entire amount requested as an emergency requirement for the specific purpose identified in the 1999 Emergency Supplemental Appropriations Act as the purpose for which the supplemental appropriation was made.

(2) For purposes of this subsection, the term "pending defense contingent emergency supplemental appropriation" means a contingent emergency supplemental appropriation for the Department of Defense contained in the 1999 Emergency Supplemental Appropriations Act for which an official budget request that includes designation of the entire amount of the request as an emergency requirement has not been transmitted to Congress as of the date of the enactment of this Act.

(3) For purposes of this subsection, the term "contingent emergency supplemental appropriation" means a supplemental appropriation that—

(A) is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985; and

(B) by law is available only to the extent that the President transmits to the Congress an official budget request for that appropriation that includes designation of the entire amount of the request as an emergency requirement.

SEC. 1004. SUPPLEMENTAL APPROPRIATIONS REQUEST FOR OPERATIONS IN YUGOSLAVIA.

If the President determines that it is in the national security interest of the United States to conduct combat or peacekeeping operations in the Federal Republic of Yugoslavia during fiscal year 2000, the President shall transmit to the Congress a supplemental appropriations request for the Department of Defense for such amounts as are necessary for the costs of any such operation.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2000.

(a) FISCAL YEAR 2000 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2000 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 1999, of funds appropriated for fiscal years before fiscal year 2000 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $750,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $216,400,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term "common-funded budgets of NATO" means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term "fiscal year 1998 baseline limitation" means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. LIMITATION ON FUNDS FOR BOSNIA PEACEKEEPING OPERATIONS FOR FISCAL YEAR 2000.

(a) LIMITATION.—(1) Of the amounts authorized to be appropriated by section 301(24) of this Act for the Overseas Contingency Operations Transfer Fund, no more than $1,824,400,000 may be obligated for incremental costs of the Armed Forces for Bosnia peacekeeping operations.

(2) The President may waive the limitation in paragraph (1) after submitting to Congress the following:

(A) The President's written certification that the waiver is necessary in the national security interests of the United States.

(B) The President's written certification that exercising the waiver will not adversely affect the readiness of United States military forces.

(C) A report setting forth the following:

(i) The reasons that the waiver is necessary in the national security interests of the United States.

(ii) The specific reasons that additional funding is required for the continued presence of United States military forces participating in, or supporting, Bosnia peacekeeping operations for fiscal year 2000.

(iii) A discussion of the impact on the military readiness of United States Armed Forces of the continuing deployment of United States military forces participating in, or supporting, Bosnia peacekeeping operations.

(D) A supplemental appropriations request for the Department of Defense for such amounts as are necessary for the additional fiscal year 2000 costs associated with United States military forces participating in, or supporting, Bosnia peacekeeping operations.

(b) BOSNIA PEACEKEEPING OPERATIONS DEFINED.—For the purposes of this section, the term "Bosnia peacekeeping operations" has the meaning given such term in section 1004(e) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2112).

SEC. 1007. SECOND BIENNIAL FINANCIAL MANAGEMENT IMPROVEMENT PLAN.

(a) ADDITIONAL MATTERS REQUIRED.—The Secretary of Defense shall include in the second biennial financial management improvement plan submitted to Congress under section 2222 of title 10, United States Code (required to be submitted not later than September 30, 2000), the matters specified in subsections (b) through (f), in addition to the matters otherwise required under that section.

(b) SYSTEMS INVENTORY.—The plan referred to in subsection (a) shall include an inventory of the finance systems, accounting systems, and data feeder systems of the Department of Defense referred to in section 2222(c) of title 10, United States Code, and, for each of those systems, the following:

(1) A statement regarding whether the system complies with the requirements applicable to that system under sections 3512, 3515, and 3521 of title 31, United States Code.

(2) A statement regarding whether the system is to be retained, consolidated, or eliminated.

(3) A detailed plan of the actions that are being taken or are to be taken within the Department of Defense (including provisions for schedule, performance objectives, interim milestones, and necessary resources)—

(A) to ensure easy and reliable interfacing of the system (or a consolidated or successor system) with the Department's core finance and accounting systems and with other data feeder systems; and

(B) to institute appropriate internal controls that, among other benefits, ensure the integrity of the data in the system (or a consolidated or successor system).

(4) For each system that is to be consolidated or eliminated, a detailed plan of the actions that are being taken or are to be taken (including provisions for schedule and interim milestones) in carrying out the consolidation or elimination, including a discussion of both the interim or migratory systems and any further consolidation that may be involved.

(5) A list of the officials in the Department of Defense who are responsible for ensuring that actions referred to in paragraphs (3) and (4) are taken in a timely manner.

(c) MAJOR PROCUREMENT ACTIONS.—The plan referred to in subsection (a) shall include a description of each major procurement action that is being taken within the Department of Defense to replace or improve a finance and accounting system or a data feeder system shown in the inventory under subsection (a) and, for each such procurement action, the measures that are being taken or are to be taken to ensure that the new or enhanced system—

(1) provides easy and reliable interfacing of the system with the core finance and accounting systems of the department and with other data feeder systems; and

(2) includes appropriate internal controls that, among other benefits, ensure the integrity of the data in the system.

(d) FINANCIAL MANAGEMENT COMPETENCY PLAN.—The plan referred to in subsection (a) shall include a financial management competency plan that includes performance objectives, milestones (including interim objectives), responsible officials, and the necessary resources to accomplish the performance objectives, together with the following:

(1) A description of the actions necessary to ensure that the person in each comptroller position (or comparable position) in the Department of Defense (whether a member of the Armed Forces or a civilian employee) has the education, technical competence, and experience to perform in accordance with the core competencies necessary for financial management.

(2) A description of the education that is necessary for a financial manager in a senior grade to be knowledgeable in—

(A) applicable laws and administrative and regulatory requirements, including the requirements and procedures relating to Government performance and results under sections 1105(a)(28), 1115, 1116, 1117, 1118, and 1119 of title 31, United States Code;

(B) the strategic planning process and how the process relates to resource management;

(C) budget operations and analysis systems;

(D) management analysis functions and evaluation; and

(E) the principles, methods, techniques, and systems of financial management.

(3) The advantages and disadvantages of establishing and operating a consolidated Department of Defense school that instructs in the principles referred to in paragraph (2)(E).

(4) The applicable requirements for formal civilian education.

(e) IMPROVEMENTS TO DFAS, ETC.—The plan referred to in subsection (a) shall include a detailed plan (including performance objectives and milestones and standards for measuring progress toward attainment of the objectives) for the following:

(1) Improving the internal controls and internal review processes of the Defense Finance and Accounting Service to provide reasonable assurances that—

(A) obligations and costs are in compliance with applicable laws;

(B) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation;

(C) revenues and expenditures applicable to agency operations are properly recorded and accounted for so as to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over assets;

(D) obligations and expenditures are recorded contemporaneously with each transaction;

(E) organizational and functional duties are performed separately at each step in the cycles of transactions (including, in the case of a contract, the specification of requirements, the formation of the contract, the certification of contract performance, receiving and warehousing, accounting, and disbursing); and

(F) use of progress payment allocation systems results in posting of payments to appropriation accounts consistent with section 1301 of title 31, United States Code.

(2) Ensuring that the Defense Finance and Accounting Service has—

(A) a single standard transaction general ledger that, at a minimum, uses double-entry bookkeeping and complies with the United States Government Standard General Ledger at the transaction level as required under section 803(a) of the Federal Financial Management Improvement Act of 1996 (31 U.S.C. 3512 note);

(B) an integrated data base for finance and accounting functions; and

(C) automated cost, performance, and other output measures.

(3) Providing a single, consistent set of policies and procedures for financial transactions throughout the Department of Defense.

(4) Ensuring compliance with applicable policies and procedures for financial transactions throughout the Department of Defense.

(5) Reviewing safeguards for preservation of assets and verifying the existence of assets.

(f) INTERNAL CONTROLS CHECKLIST.—The plan referred to in subsection (a) shall include an internal controls checklist, to be prescribed by the Under Secretary of Defense (Comptroller), which shall provide standards for use throughout the Department of Defense, together with a statement of the Department of Defense policy on use of the checklist throughout the Department.

(g) SAFEGUARDING SENSITIVE INFORMATION.—To the extent necessary to protect sensitive information, the Secretary of Defense may provide information required by subsections (b) and (c) in an annex that is available to Congress, but need not be made public.

SEC. 1008. WAIVER AUTHORITY FOR REQUIREMENT THAT ELECTRONIC TRANSFER OF FUNDS BE USED FOR DEPARTMENT OF DEFENSE PAYMENTS.

(a) AUTHORITY.—(1) Chapter 165 of title 10, United States Code, is amended by adding after section 2785, as added by section 933(a), the following new section:

"§2786. Department of Defense payments by electronic transfers of funds: exercise of authority for waivers

"With respect to any Federal payment of funds covered by section 3332(j) of title 31 (relating to electronic funds transfers) for which payment is made or authorized by the Department of Defense, the waiver authority provided in paragraph (2)(A)(i) of that section shall be exercised by the Secretary of Defense. The Secretary of Defense shall carry out the authority provided under the preceding sentence in consultation with the Secretary of the Treasury.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2785, as added by section 933(a), the following new item:

"2786. Department of Defense payments by electronic transfers of funds: exercise of authority for waivers.".

(3) Any waiver in effect on the date of the enactment of this Act under paragraph (2)(A)(i) of section 3332(f) of title 31, United States Code, shall remain in effect until otherwise provided by the Secretary of Defense under section 2786 of title 10, United States Code, as added by paragraph (1).

(b) STUDY AND REPORT ON DOD ELECTRONIC FUNDS TRANSFERS.—(1) The Secretary of Defense shall conduct a study to determine the following:

(A) Whether it would be feasibile for all electronic payments made by the Department of Defense to be routed through the Regional Finance Centers of the Department of the Treasury for verification and reconciliation.

(B) Whether it would be feasibile for all electronic payments made by the Department of Defense to be subjected to the same level of reconciliation as United States Treasury checks, including the matching of each payment issued with each corresponding deposit at financial institutions.

(C) Whether the appropriate computer security controls are in place in order to ensure the integrity of electronic payments made by the Department of Defense.

(D) The estimated costs of implementing—

(i) the routing of electronic payments as described in subparagraph (A);

(ii) the reconciliation of electronic payments as described in (B); and

(iii) security controls as described in (C).

(E) The period that would be required to implement each of the matters referred to in subparagraph (D).

(2) Not later than March 1, 2000, the Secretary of Defense shall submit to Congress a report containing the results of the study required by paragraph (1).

(3) In this subsection, the term "electronic payment" has the meaning given the term "electronic funds transfer" in section 3332(j)(1) of title 31, United States Code.

SEC. 1009. SINGLE PAYMENT DATE FOR INVOICE FOR VARIOUS SUBSISTENCE ITEMS.

Section 3903 of title 31, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) A contract for the procurement of subsistence items that is entered into under the prime vendor program of the Defense Logistics Agency may specify for the purposes of section 3902 of this title a single required payment date that is to be applicable to an invoice for subsistence items furnished under the contract when more than one payment due date would otherwise be applicable to the invoice under the regulations prescribed under paragraphs (2), (3), and (4) of subsection (a) or under any other provisions of law. The required payment date specified in the contract shall be consistent with prevailing industry practices for the subsistence items, but may not be more than 10 days after the date of receipt of the invoice or the certified date of receipt of the items. The Director of the Office of Management and Budget shall provide in the regulations under subsection (a) that when a required payment date is so specified for an invoice, no other payment due date applies to the invoice.".

SEC. 1010. PAYMENT OF FOREIGN LICENSING FEES OUT OF PROCEEDS OF SALE OF MAPS, CHARTS, AND NAVIGATIONAL BOOKS.

(a) IN GENERAL.—Section 453 of title 10, United States Code, is amended to read as follows:

"§ 453. Sale of maps, charts, and navigational publications: prices; use of proceeds

"(a) PRICES.—All maps, charts, and other publications offered for sale by the National Imagery and Mapping Agency shall be sold at prices and under regulations that may be prescribed by the Secretary of Defense.

"(b) USE OF PROCEEDS TO PAY FOREIGN LICENSING FEES.—(1) The Secretary of Defense may pay any NIMA foreign data acquisition fee out of the proceeds of the sale of maps, charts, and other publications of the Agency, and those proceeds are hereby made available for that purpose.

"(2) In this subsection, the term 'NIMA foreign data acquisition fee' means any licensing or other fee imposed by a foreign country or international organization for the acquisition or use of data or products by the National Imagery and Mapping Agency.".

(b) CLERICAL AMENDMENT.—The item relating to section 453 in the table of sections at the beginning of subchapter II of chapter 22 of such title is amended to read as follows:

"453. Sale of maps, charts, and navigational publications: prices; use of proceeds.".

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. REVISION TO CONGRESSIONAL NOTICE-AND-WAIT PERIOD REQUIRED BEFORE TRANSFER OF A VESSEL STRICKEN FROM THE NAVAL VESSEL REGISTER.

Section 7306(d) of title 10, United States Code, is amended to read as follows:

"(d) CONGRESSIONAL NOTICE-AND-WAIT PERIOD.—(1) A transfer under this section may not take effect until—

"(A) the Secretary submits to Congress notice of the proposed transfer; and

"(B) 30 days of session of Congress have expired following the date on which the notice is sent to Congress.

"(2) For purposes of paragraph (1)(B)—

"(A) the period of a session of Congress is broken only by an adjournment of Congress sine die at the end of the final session of a Congress; and

"(B) any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain, or because of an adjournment sine die at the end of the first session of a Congress, shall be excluded in the computation of such 30-day period.".

SEC. 1012. AUTHORITY TO CONSENT TO RETRANSFER OF FORMER NAVAL VESSEL.

(a) IN GENERAL.—Subject to subsection (b), the President may consent to the retransfer by the Government of Greece of HS Rodos (ex-USS BOWMAN COUNTY (LST 391)) to the USS LST Ship Memorial, Inc., a not-for-profit organization operating under the laws of the State of Pennsylvania.

(b) CONDITIONS FOR CONSENT.—The President should not exercise the authority under subsection (a) unless the USS LST Memorial, Inc. agrees—

(1) to use the vessel for public, nonprofit, museum-related purposes;

(2) to comply with applicable law with respect to the vessel, including those requirements related to facilitating monitoring by the United States of, and mitigating potential environmental hazards associated with, aging vessels, and has a demonstrated financial capability to so comply; and

(3) to hold the United States harmless for any claims arising from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the retransfer of the vessel to the recipient, except for claims arising before the date of the transfer of the vessel to the Government of Greece or from use of the vessel by the United States after the date of the retransfer to the recipient.

SEC. 1013. REPORT ON NAVAL VESSEL FORCE STRUCTURE REQUIREMENTS.

(a) REQUIREMENT.—Not later than February, 1, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on naval vessel force structure requirements.

(b) MATTERS TO BE INCLUDED.— The report shall include the following:

(1) A statement of the naval vessel force structure required to carry out the National Military Strategy, including that structure required to meet joint and combined warfighting requirements and missions relating to crisis response, overseas presence, and support to contingency operations.

(2) A statement of the naval vessel force structure that is supported and funded in the President's budget for fiscal year 2001 and in the current future-years defense program.

(3) A detailed long-range shipbuilding plan for the Department, through fiscal year 2030, that includes annual quantities of each type of vessel to be procured.

(4) A statement of the annual funding necessary to procure eight to ten vessels, of the appropriate types, each year beginning in fiscal year 2001 and extending through 2020 to maintain the naval vessel force structure required by the national military strategy.

(5) A detailed discussion of the risks associated with any deviation from the long-range shipbuilding plan required in paragraph (3), to include the implications of such a deviation for the following areas:

(A) Warfighting requirements.

(B) Crisis response and overseas presence missions.

(C) Contingency operations.

(D) Domestic shipbuilding industrial base.

SEC. 1014. AUXILIARY VESSELS ACQUISITION PROGRAM FOR THE DEPARTMENT OF DEFENSE.

(a) PROGRAM AUTHORIZATION.—(1) Chapter 631 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7233. Auxiliary vessels: extended lease authority

"(a) AUTHORIZED CONTRACTS.—Subject to subsection (b), the Secretary of the Navy may enter into contracts with private United States shipyards for the construction of new surface vessels to be acquired on a long-term lease basis by the United States from the shipyard or other private person for any of the following:

"(1) The combat logistics force of the Navy.

"(2) The strategic sealift force of the Navy.

"(3) Other auxiliary support vessels for the Department of Defense.

"(b) CONTRACTS REQUIRED TO BE AUTHORIZED BY LAW.—A contract may be entered into under subsection (a) with respect to a specific vessel only if the Secretary is specifically authorized by law to enter into such a contract with respect to that vessel. As part of a request to Congress for enactment of any such authorization by law, the Secretary of the Navy shall provide to Congress the Secretary's findings under subsection (g).

"(c) TERM OF CONTRACT.—In this section, the term 'long-term lease' means a lease, bareboat charter, or conditional sale agreement with respect to a vessel the term of which (including any option period) is for a period of 20 years or more.

"(d) Option To Buy.—A contract entered into under subsection (a) may include options for the United States to purchase one or more of the vessels covered by the contract at any time during, or at the end of, the contract period (including any option period) upon payment of an amount equal to the lesser of (1) the unamortized portion of the cost of the vessel plus amounts incurred in connection with the termination of the financing arrangements associated with the vessel, or (2) the fair market value of the vessel.

"(e) Domestic Construction.—The Secretary shall require in any contract entered into under this section that each vessel to which the contract applies—

"(1) shall have been constructed in a shipyard within the United States; and

"(2) upon delivery, shall be documented under the laws of the United States.

"(f) Vessel Operation.—(1) The Secretary may operate a vessel held by the Secretary under a long-term lease under this section through a contract with a United States corporation with experience in the operation of vessels for the United States. Any such contract shall be for a term as determined by the Secretary.

"(2) The Secretary may provide a crew for any such vessel using civil service mariners only after an evaluation taking into account—

"(A) the fully burdened cost of a civil service crew over the expected useful life of the vessel;

"(B) the effect on the private sector manpower pool; and

"(C) the operational requirements of the Department of the Navy.

"(g) Contingent Waiver of Other Provisions of Law.—(1) The Secretary may waive the applicability of subsections (e)(2) and (f) of section 2401 of this title to a contract authorized by law as provided in subsection (b) if the Secretary makes the following findings with respect to that contract:

"(A) The need for the vessels or services to be provided under the contract is expected to remain substantially unchanged during the contemplated contract or option period.

"(B) There is a reasonable expectation that throughout the contemplated contract or option period the Secretary of the Navy (or, if the contract is for services to be provided to, and funded by, another military department, the Secretary of that military department) will request funding for the contract at the level required to avoid contract cancellation.

"(C) The timeliness of consideration of the contract by Congress is such that such a waiver is in the interest of the United States.

"(2) The Secretary shall submit a notice of any waiver under paragraph (1) to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

"(h) Source of Funds for Termination Liability.—If a contract entered into under this section is terminated, the costs of such termination may be paid from—

"(1) amounts originally made available for performance of the contract;

"(2) amounts currently available for operation and maintenance of the type of vessels or services concerned and not otherwise obligated; or

"(3) funds appropriated for those costs.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7233. Auxiliary vessels: extended lease authority.".

(b) Definition of Department of Defense Sealift Vessel.—Section 2218(k)(2) of title 10, United States Code, is amended—

(1) by striking "that is—" in the matter preceding subparagraph (A) and inserting "that is any of the following:";

(2) by striking "a" at the beginning of subparagraphs (A), (B), and (E) and inserting "A";

(3) by striking "an" at the beginning of subparagraphs (C) and (D) and inserting "An";

(4) by striking the semicolon at the end of subparagraphs (A), (B), and (C) and inserting a period;

(5) by striking "; or" at the end of subparagraph (D) and inserting a period; and

(6) by adding at the end the following new subparagraphs:

"(F) A strategic sealift ship.

"(G) A combat logistics force ship.

"(H) A maritime prepositioned ship.

"(I) Any other auxiliary support vessel.".

(c) Effective Date.—Section 7233 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1999.

SEC. 1015. NATIONAL DEFENSE FEATURES PROGRAM.

(a) Authority for National Defense Features Program.—Section 2218 of title 10, United States Code, is amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection (k):

"(k) Contracts for Incorporation of Defense Features in Commercial Vessels.—(1) The head of an agency may enter into a contract with a company submitting an offer for that company to install and maintain defense features for national defense purposes in one or more commercial vessels owned or controlled by that company in accordance with the purpose for which funds in the National Defense Sealift Fund are available under subsection (c)(1)(C). The head of the agency may enter into such a contract only after the head of the agency makes a determination of the economic soundness of the offer.

"(2) The head of an agency may make advance payments to the contractor under a contract under paragraph (1) in a lump sum, in annual payments, or in a combination thereof for costs associated with the installation and maintenance of the defense features on a vessel covered by the contract, as follows:

"(A) The costs to build, procure, and install a defense feature in the vessel.

"(B) The costs to periodically maintain and test any defense feature on the vessel.

"(C) Any increased costs of operation or any loss of revenue attributable to the installation or maintenance of any defense feature on the vessel.

"(D) Any additional costs associated with the terms and conditions of the contract.

"(3) For any contract under paragraph (1) under which the United States makes advance payments under paragraph (2) for the costs associated with installation or maintenance of any defense feature on a commercial vessel, the contractor shall provide to the United States such security interests in the vessel, by way of a preferred mortgage under section 31322 of title 46 or otherwise, as the head of the agency may prescribe in order to adequately protect the United States against loss for the total amount of those costs.

"(4) Each contract entered into under this subsection shall—

"(A) set forth terms and conditions under which, so long as a vessel covered by the contract is owned or controlled by the contractor, the contractor is to operate the vessel for the Department of Defense notwithstanding any other contract or commitment of that contractor; and

"(B) provide that the contractor operating the vessel for the Department of Defense shall be paid for that operation at fair and reasonable rates.

"(5) The head of an agency may not delegate authority under this subsection to any officer or employee in a position below the level of head of a procuring activity.".

(b) Definition.—Subsection (l) of such section, as redesignated by subsection (a)(1), is amended by adding at the end the following new paragraph:

"(5) The term 'head of an agency' has the meaning given that term in section 2302(1) of this title.".

SEC. 1016. SALES OF NAVAL SHIPYARD ARTICLES AND SERVICES TO NUCLEAR SHIP CONTRACTORS.

(a) Waiver of Required Conditions.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7299a the following new section:

"§ 7300. Contracts for nuclear ships: sales of naval shipyard articles and services to private shipyards

"The conditions set forth in section 2208(j)(1)(B) of this title and subsections (a)(1) and (c)(1)(A) of section 2553 of this title shall not apply to a sale by a naval shipyard of articles or services to a private shipyard that is made at the request of the private shipyard in order to facilitate the private shipyard's fulfillment of a Department of Defense contract with respect to a nuclear ship. This section does not authorize a naval shipyard to construct a nuclear ship for the private shipyard, to perform a majority of the work called for in a contract with a private entity, or to provide articles or services not requested by the private shipyard.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7299a the following new item:

"7300. Contracts for nuclear ships: sales of naval shipyard articles and services to private shipyards.".

SEC. 1017. TRANSFER OF NAVAL VESSEL TO FOREIGN COUNTRY.

(a) Transfer to Thailand.—The Secretary of the Navy is authorized to transfer to the Government of Thailand the CYCLONE class coastal patrol craft CYCLONE (PC1) or a craft with a similar hull. The transfer shall be made on a sale, lease, lease/buy, or grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(b) Costs.—Any expense incurred by the United States in connection with the transfer authorized by subsection (a) shall be charged to the Government of Thailand.

(c) Repair and Refurbishment in United States Shipyard.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of the vessel to the Government of Thailand under this section, that the Government of Thailand have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a United States naval shipyard or other shipyard located in the United States.

(d) Expiration of Authority.—The authority to transfer a vessel under subsection (a) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1018. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) Authority To Transfer.—

(1) Dominican Republic.—The Secretary of the Navy is authorized to transfer to the Government of the Dominican Republic the medium auxiliary floating dry dock AFDM 2. Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(2) Ecuador.—The Secretary of the Navy is authorized to transfer to the Government of Ecuador the "OAK RIDGE" class medium auxiliary repair dry dock ALAMOGORDO (ARDM

2). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(3) Egypt.—The Secretary of the Navy is authorized to transfer to the Government of Egypt the "NEWPORT" class tank landing ships BARBOUR COUNTY (LST 1195) and PEORIA (LST 1183). Such transfers shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(4) Greece.—The Secretary of the Navy is authorized to transfer to the Government of Greece the "KNOX" class frigate CONNOLE (FF 1056). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(5) Mexico.—The Secretary of the Navy is authorized to transfer to the Government of Mexico the "NEWPORT" class tank landing ship NEWPORT (LST 1179) and the "KNOX" class frigate WHIPPLE (FF 1062). Such transfers shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(6) Poland.—The Secretary of the Navy is authorized to transfer to the Government of Poland the "OLIVER HAZARD PERRY" class guided missile frigate CLARK (FFG 11). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(7) Taiwan.—The Secretary of the Navy is authorized to transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the "NEWPORT" class tank landing ship SCHENECTADY (LST 1185). Such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(8) Thailand.—The Secretary of the Navy is authorized to transfer to the Government of Thailand the "KNOX" class frigate TRUETT (FF 1095). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(9) Turkey.—The Secretary of the Navy is authorized to transfer to the Government of Turkey the "OLIVER HAZARD PERRY" class guided missile frigates FLATLEY (FFG 21) and JOHN A. MOORE (FFG 19). Such transfers shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(b) Inapplicability of Aggregate Annual Limitation on Value of Transferred Excess Defense Articles.—The value of naval vessels authorized by subsection (a) to be transferred on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) shall not be included in the aggregate annual value of transferred excess defense articles which is subject to the aggregate annual limitation set forth in subsection (g) of that section.

(c) Costs of Transfers.—Any expense of the United States in connection with a transfer authorized by subsection (a) shall be charged to the recipient.

(d) Repair and Refurbishment in United States Shipyards.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under subsection (a), that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(e) Expiration of Authority.—The authority granted by subsection (a) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

Subtitle C—Support for Civilian Law Enforcement and Counter Drug Activities

SEC. 1021. MODIFICATION OF LIMITATION ON FUNDING ASSISTANCE FOR PROCUREMENT OF EQUIPMENT FOR THE NATIONAL GUARD FOR DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES.

Section 112(a)(3) of title 32, United States Code, is amended by striking "per purchase order" in the second sentence and inserting "per item".

SEC. 1022. TEMPORARY EXTENSION TO CERTAIN NAVAL AIRCRAFT OF COAST GUARD AUTHORITY FOR DRUG INTERDICTION ACTIVITIES.

(a) Inclusion as Authorized Aircraft.—Subsection (c) of section 637 of title 14, United States Code, is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(3) subject to subsection (d), it is a naval aircraft that has one or more members of the Coast Guard on board and is operating from a surface naval vessel described in paragraph (2).".

(b) Duration of Inclusion.—Such section is further amended by adding at the end the following new subsection:

"(d)(1) The inclusion of naval aircraft as an authorized aircraft for purposes of this section shall be effective only after the end of the 30-day period beginning on the date the report required by paragraph (2) is submitted through September 30, 2001.

"(2) Not later than August 1, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate a report containing—

"(A) an analysis of the benefits and risks associated with using naval aircraft to perform the law enforcement activities authorized by subsection (a);

"(B) an estimate of the extent to which the Secretary expects to implement the authority provided by this section; and

"(C) an analysis of the effectiveness and applicability to the Department of Defense of the Coast Guard program known as the 'New Frontiers' program.".

SEC. 1023. MILITARY ASSISTANCE TO CIVIL AUTHORITIES TO RESPOND TO ACT OR THREAT OF TERRORISM.

(a) Authority to Provide Assistance.—The Secretary of Defense, upon the request of the Attorney General, may provide assistance to civil authorities in responding to an act of terrorism or threat of an act of terrorism, including an act of terrorism or threat of an act of terrorism that involves a weapon of mass destruction, within the United States, if the Secretary determines that—

(1) special capabilities and expertise of the Department of Defense are necessary and critical to respond to the act of terrorism or the threat of an act of terrorism; and

(2) the provision of such assistance will not adversely affect the military preparedness of the Armed Forces.

(b) Nature of Assistance.—Assistance provided under subsection (a) may include the deployment of Department of Defense personnel and the use of any Department of Defense resources to the extent and for such period as the Secretary of Defense determines necessary to prepare for, prevent, or respond to an act or threat of an act of terrorism described in that subsection. Actions taken to provide the assistance may include the prepositioning of Department of Defense personnel, equipment, and supplies.

(c) Reimbursement.—(1) Except as provided in paragraph (2), assistance provided under this section shall be provided on a reimbursable basis. Notwithstanding any other provision of law, the amounts of reimbursement shall be limited to the amounts of the incremental costs incurred by the Department of Defense to provide the assistance.

(2) In extraordinary circumstances, the Secretary of Defense may waive the requirement for reimbursement if the Secretary determines that such a waiver is in the national security interests of the United States and submits to Congress a notification of the determination.

(3) If funds are appropriated for the Department of Justice to cover the costs of responding to an act or threat of an act of terrorism for which assistance is provided under subsection (a), the Attorney General shall reimburse the Department of Defense out of such funds for the costs incurred by the Department in providing the assistance, without regard to whether the assistance was provided on a nonreimbursable basis pursuant to a waiver under paragraph (2).

(d) Annual Limitation on Funding.—Not more than $10,000,000 may be obligated to provide assistance under subsection (a) during any fiscal year.

(e) Personnel Restrictions.—In providing assistance under this section, a member of the Army, Navy, Air Force, or Marine Corps may not, unless otherwise authorized by law—

(1) directly participate in a search, seizure, arrest, or other similar activity; or

(2) collect intelligence for law enforcement purposes.

(f) Nondelegability of Authority.—(1) The Secretary of Defense may not delegate to any other official the authority to make determinations and to authorize assistance under this section.

(2) The Attorney General may not delegate to any other official authority to make a request for assistance under subsection (a).

(g) Relationship to Other Authority.—The authority provided in this section is in addition to any other authority available to the Secretary of Defense, and nothing in this section shall be construed to restrict any authority regarding use of members of the Armed Forces or equipment of the Department of Defense that was in effect before the date of the enactment of this Act.

(h) Definitions.—In this section:

(1) Threat of an act of terrorism.—The term "threat of an act of terrorism" includes any circumstance providing a basis for reasonably anticipating an act of terrorism, as determined by the Secretary of Defense in consultation with the Attorney General and the Secretary of the Treasury.

(2) Weapon of mass destruction.—The term "weapon of mass destruction" has the meaning given the term in section 1403 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1)).

(i) Duration of Authority.—The authority provided by this section applies during the period beginning on October 1, 1999, and ending on September 30, 2004.

SEC. 1024. CONDITION ON DEVELOPMENT OF FORWARD OPERATING LOCATIONS FOR UNITED STATES SOUTHERN COMMAND COUNTER-DRUG DETECTION AND MONITORING FLIGHTS.

(a) Condition.—Except as provided in subsection (b), none of the funds appropriated or otherwise made available to the Department of Defense for any fiscal year may be obligated or expended for the purpose of improving the physical infrastructure at any proposed forward operating location outside the United States from which the United States Southern Command *may conduct counter-drug detection and monitoring flights until a formal agreement regarding the extent and use of, and host nation support for, the forward operating location is executed by both the host nation and the United States.*

(b) Exception.—The limitation in subsection (a) does not apply to an unspecified minor military construction project authorized by section 2805 of title 10, United States Code.

SEC. 1025. ANNUAL REPORT ON UNITED STATES MILITARY ACTIVITIES IN COLOMBIA.

Not later than January 1 of each year, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on International Relations of the House of Representatives a report detailing the number of members of the United States Armed Forces deployed or otherwise assigned to duty in Colombia at any time during the preceding year, the length and purpose of the deployment or assignment, and the costs and force protection risks associated with such deployments and assignments.

SEC. 1026. REPORT ON USE OF RADAR SYSTEMS FOR COUNTER-DRUG DETECTION AND MONITORING.

Not later than May 1, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate a report containing an evaluation of the effectiveness of the Wide Aperture Radar Facility, Tethered Aerostat Radar System, Ground Mobile Radar, and Relocatable Over-The-Horizon Radar in maritime, air, and land counter-drug detection and monitoring.

SEC. 1027. PLAN REGARDING ASSIGNMENT OF MILITARY PERSONNEL TO ASSIST IMMIGRATION AND NATURALIZATION SERVICE AND CUSTOMS SERVICE.

(a) Preparation of Plan.—(1) The Secretary of Defense shall prepare a plan to assign members of the Army, Navy, Air Force, or Marine Corps to assist the Immigration and Naturalization Service or the United States Customs Service should the President determine, and the Attorney General or the Secretary of the Treasury, as the case may be, certify, that military personnel are required to respond to a threat to national security posed by the entry into the United States of terrorists or drug traffickers.

(2) The Secretary shall ensure that activities proposed to be performed by military personnel under the plan are consistent with section 1385 of title 18, United States Code (popularly known as the Posse Comitatus Act), and shall include in the plan a training program for military personnel who would be assigned to assist Federal law enforcement agencies—

(A) in preventing the entry of terrorists and drug traffickers into the United States; and

(B) in the inspection of cargo, vehicles, and aircraft at points of entry into the United States for weapons of mass destruction, prohibited narcotics, or other terrorist or drug trafficking items.

(b) Report on Use of Military Personnel to Support Civilian Law Enforcement.—Not later than May 1, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate a report containing—

(1) the plan required by subsection (a);

(2) a discussion of the risks and benefits associated with using military personnel to provide the law enforcement support described in subsection (a)(2);

(3) recommendations regarding the functions outlined in the plan most appropriate to be performed by military personnel; and

(4) the total number of active and reserve members, and members of the National Guard whose activities were supported using funds provided under section 112 of title 32, United States Code, who participated in drug interdiction activities or otherwise provided support for civilian law enforcement during fiscal year 1999.

Subtitle D—Miscellaneous Report Requirements and Repeals

SEC. 1031. PRESERVATION OF CERTAIN DEFENSE REPORTING REQUIREMENTS.

Section 3003(a)(1) of the Federal Reports Elimination and Sunset Act of 1995 (31 U.S.C. 1113 note) does not apply to any report required to be submitted under any of the following provisions of law:

(1) The following sections of title 10, United States Code: sections 113, 115a, 116, 139(f), 221, 226, 401(d), 662(b), 946, 1464(c), 2006(e)(3), 2010, 2011(e), 2391(c), 2431(a), 2432, 2457(d), 2461(g), 2537, 2662(b), 2706, 2859, 2861, 2902(g)(2), 4542(g)(2), 7424(b), 7425(b), 7431(c), 10541, 12302(d), and 16137.

(2) Section 1121(f) of the National Defense Authorization Act for Fiscal Year 1988 and 1989 (Public Law 100–180; 10 U.S.C. 113 note).

(3) Section 1405 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 924).

(4) Section 1411(b) of the Barry Goldwater Scholarship and Excellence in Education Act (20 U.S.C. 4710(b)).

(5) Section 1097 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (22 U.S.C. 2751 note).

(6) Section 30A(d) of the Arms Export Control Act (22 U.S.C. 2770a(d)).

(7) Sections 1516(f) and 1518(c) of the Armed Forces Retirement Home Act of 1991 (Public Law 101–510; 24 U.S.C. 416(f), 418(c)).

(8) Sections 3554(e)(2) and 9503(a) of title 31, United States Code.

(9) Section 300110(b) of title 36, United States Code.

(10) Sections 301a(f) and 1008 of title 37, United States Code.

(11) Section 8111(f) of title 38, United States Code.

(12) Section 205(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(b)).

(13) Section 3732 of the Revised Statutes, popularly known as the "Food and Forage Act" (41 U.S.C. 11).

(14) Section 101(b)(6) of the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff(b)(6)).

(15) Section 1436(e) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 42 U.S.C. 2121 note).

(16) Section 165 of the Energy Policy and Conservation Act (42 U.S.C. 6245).

(17) Section 603(e) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(e)).

(18) Section 822(b) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (42 U.S.C. 6687(b)).

(19) Section 208 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979 (42 U.S.C. 7271).

(20) Section 3134 of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7274c).

(21) Section 3135 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (42 U.S.C. 7274g).

(22) Section 12 of the Act of March 9, 1920 (popularly known as the "Suits in Admiralty Act") (46 App. U.S.C. 752).

(23) Sections 208, 901(b)(2), and 1211 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1118, 1241(b)(2), 1291).

(24) Sections 11 and 14 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h–2, 98h–5).

(25) Section 108 of the National Security Act of 1947 (50 U.S.C. 404a).

(26) Section 4 of the Act entitled "An Act to authorize the making, amending, and modification of contracts to facilitate the national defense", approved August 28, 1958 (50 U.S.C. 1434).

(27) Section 1412(g) of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521(g)).

(28) Section 3 of the Authorization for Use of Military Force Against Iraq Resolution (50 U.S.C. 1541 note).

(29) Sections 202(d) and 401(c) of the National Emergencies Act (50 U.S.C. 1622(d), 1641(c)).

(30) Section 10(g) of the Military Selective Service Act (50 U.S.C. App. 460(g)).

(31) Section 708 of the Defense Production Act of 1950 (50 U.S.C. App. 2158).

(32) Section 703(g) of the Military Construction Authorization Act, 1982 (Public Law 97–99; 95 Stat. 1376).

(33) Section 704 of the Military Construction Authorization Act, 1982 (Public Law 97–99; 95 Stat. 1377).

(34) Section 113(b) of the National Defense Authorization Act for Fiscal Year 1990 and 1991 (Public Law 101–189; 103 Stat. 1373).

SEC. 1032. REPEAL OF CERTAIN REPORTING REQUIREMENTS NOT PRESERVED.

(a) Repeal of Provisions of Title 10, United States Code.—Title 10, United States Code, is amended as follows:

(1) Section 2201(d) is amended—

(A) by striking paragraph (2);

(B) by striking "; and" at the end of paragraph (1) and inserting a period; and

(C) by striking "Defense—" and all that follows through "(1) shall" and inserting "Defense shall".

(2) Section 2313(b) is amended by striking paragraph (4).

(3) Section 2350g is amended—

(A) by striking subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) Repeal of Other Provisions of Law.—The following provisions of law are repealed:

(1) Section 224 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 2431 note).

(2) Section 3059(c) of the Anti-Drug Abuse Act of 1986 (Public Law 99–570; 10 U.S.C. 9441 note).

(3) Section 7606 of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 10 U.S.C. 9441 note).

(4) Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 22 U.S.C. 1928 note).

SEC. 1033. REPORTS ON RISKS UNDER NATIONAL MILITARY STRATEGY AND COMBATANT COMMAND REQUIREMENTS.

Section 153 of title 10, United States Code, is amended by adding at the end the following new subsections:

"(c) Risks Under National Military Strategy.—(1) Not later than January 1 each year, the Chairman shall submit to the Secretary of Defense a report providing the Chairman's assessment of the nature and magnitude of the strategic and military risks associated with executing the missions called for under the current National Military Strategy.

"(2) The Secretary shall forward the report received under paragraph (1) in any year, with the Secretary's comments thereon (if any), to Congress with the Secretary's next transmission to Congress of the annual Department of Defense budget justification materials in support of the Department of Defense component of the budget of the President submitted under section 1105 of title 31 for the next fiscal year. If the Chairman's assessment in such report in any year is that risk associated with executing the missions called for under the National Military

Strategy is significant, the Secretary shall include with the report as submitted to Congress the Secretary's plan for mitigating that risk.

"(d) Annual Report on Combatant Command Requirements.—(1) Not later than August 15 of each year, the Chairman shall submit to the committees of Congress named in paragraph (2) a report on the requirements of the combatant commands established under section 161 of this title. The report shall contain the following:

"(A) A consolidation of the integrated priority lists of requirements of the combatant commands.

"(B) The Chairman's views on the consolidated lists.

"(2) The committees of Congress referred to in paragraph (1) are the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives.".

SEC. 1034. REPORT ON LIFT AND PREPOSITIONED SUPPORT REQUIREMENTS TO SUPPORT NATIONAL MILITARY STRATEGY.

(a) Report Required.—Not later than February 15, 2000, the Secretary of Defense shall submit to Congress a report, in both classified and unclassified form, describing the strategic, theater, operational, and tactical requirements for airlift, sealift, surface transportation, and prepositioned war material necessary to carry out the full range of missions included in the National Military Strategy prescribed by the Chairman of the Joint Chiefs of Staff under the postures of force engagement anticipated through 2005.

(b) Content of Report.—The report shall address the following:

(1) A review of the study conducted by the Air Force during 1999 on oversize/outsize airlift cargo requirements, including a risk assessment and an evaluation of alternatives.

(2) A review of the study of the Chairman of the Joint Chiefs of Staff conducted during 1999 designated as the "Joint Chiefs of Staff Mobility Requirements Study 05", including a risk assessment, an evaluation of alternatives, and a validation of the analyses done by the Joint Staff for that study concerning each of the following:

(A) The identity, size, structure, and capabilities of the airlift and sealift requirements for the full range of shaping, preparing, and responding missions called for under the National Military Strategy.

(B) The required support and infrastructure required to successfully execute the full range of missions required under the National Military Strategy on the deployment schedules outlined in the plans of the relevant commanders-in-chief from expected and increasingly dispersed postures of engagement.

(C) The anticipated effect of enemy use of weapons of mass destruction, other asymmetrical attacks, expected rates of peacekeeping, and other contingency missions and other similar factors on the mobility force and its required infrastructure and on mobility requirements.

(D) The effect on mobility requirements of new service force structures such as the Air Force's Air Expeditionary Force, the Army's Strike Force, the Marine Corps' operational maneuver-from-the-sea concept and supporting concepts including Ship-to-Objective Maneuver, Maritime Prepositioning Forces 2010, and Seabased Logistics, and any foreseeable force structure modifications through 2005.

(E) The need to deploy forces strategically and employ them tactically using the same lift platform.

(F) The anticipated role of host nation, foreign, and coalition airlift and sealift support, and the anticipated requirements for United States lift assets to support coalition forces, through 2005.

(G) Alternatives to the current mobility program or required modifications to the 1998 Air Mobility Master Plan update.

(3) A review of the Army, Air Force, and Marine Corps maritime prepositioned ship requirements and modernization plan.

(c) Intra-Theater Requirements Report.—Not later than December 1, 2000, the Secretary of Defense shall submit to Congress a report, in both classified and unclassified form, describing the intra-theater requirements for airlift, small-craft lift, and surface transportation necessary to carry out the full range of missions included in the National Military Strategy prescribed by the Chairman of the Joint Chiefs of Staff under the postures of force engagement anticipated through 2005.

SEC. 1035. REPORT ON ASSESSMENTS OF READINESS TO EXECUTE THE NATIONAL MILITARY STRATEGY.

(a) Report.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report in unclassified form assessing the effect of continued operations in the Balkans region on—

(1) the ability of the Armed Forces to successfully meet other regional contingencies; and

(2) the readiness of the Armed Forces to execute the National Military Strategy.

(b) Matters To Be Included.—The report under subsection (a) shall include the following:

(1) All models used by the Chairman of the Joint Chiefs of Staff to assess the capability of the United States to execute the full range of missions under the National Military Strategy and all other models used by the Armed Forces to assess that capability.

(2) Separate assessments that would result from the use of those models if it were necessary to execute the full range of missions called for under the National Military Strategy under each of the scenarios set forth in subsection (c), including the levels of casualties the United States would be projected to incur.

(3) Assumptions made about the readiness levels of major units included in each such assessment, including equipment, personnel, and training readiness and sustainment ability.

(4) The increasing levels of casualties that would be projected under each such scenario over a range of risks of prosecuting two Major Theater Wars that proceeds from low-moderate risk to moderate-high risk.

(5) An estimate of—

(A) the total resources needed to attain a moderate-high risk under those scenarios;

(B) the total resources needed to attain a low-moderate risk under those scenarios; and

(C) the incremental resources needed to decrease the level of risk from moderate-high to low-moderate.

(c) Scenarios To Be Used.—The scenarios to be used for purposes of paragraphs (1), (2), and (3) of subsection (b) are the following:

(1) That while the Armed Forces are engaged in operations at the level of the operations ongoing as of the date of the enactment of this Act, international armed conflict begins—

(A) on the Korean peninsula; and

(B) first on the Korean peninsula and then 45 days later in Southwest Asia.

(2) That while the Armed Forces are engaged in operations at the peak level reached during Operation Allied Force against the Federal Republic of Yugoslavia, international armed conflict begins—

(A) on the Korean peninsula; and

(B) first on the Korean peninsula and then 45 days later in Southwest Asia.

(d) Consultation.—In preparing the report under this section, the Secretary of Defense shall consult with the Chairman of the Joint Chiefs of Staff, the commanders of the unified commands, the Secretaries of the military departments, and the heads of the combat support agencies and other such entities within the Department of Defense as the Secretary considers necessary.

SEC. 1036. REPORT ON RAPID ASSESSMENT AND INITIAL DETECTION TEAMS.

(a) Report.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the Department's plans for establishing and deploying Rapid Assessment and Initial Detection (RAID) teams for responses to incidents involving a weapon of mass destruction. The report shall include the following:

(1) A description of the capabilities of a RAID team and a comparison of those capabilities to the capabilities of other Federal, State, and local WMD responders.

(2) An assessment of the manner in which a RAID team complements the mission, functions, and capabilities of other Federal, State, and local WMD responders.

(3) The Department's plan for conducting realistic exercises involving RAID teams, including exercises with other Federal, State, and local WMD responders.

(4) A description of the command and control relationships between the RAID teams and Federal, State, and local WMD responders.

(5) An assessment of the degree to which States have integrated, or are planning to integrate, RAID teams into other-than-weapon-of-mass-destruction missions of State or local WMD responders.

(6) A specific description and analysis of the procedures that have been established or agreed to by States for the use in one State of a RAID team that is based in another State.

(7) An identification of those States where the deployment of out-of-State RAID teams is not governed by existing interstate compacts.

(8) An assessment of the Department's progress in developing an appropriate national level compact for interstate sharing of resources that would facilitate consistent and effective procedures for the use of out-of-State RAID teams.

(9) An assessment of the measures that will be taken to recruit, train, maintain the proficiency of, and retain members of the RAID teams, to include those measures to provide for their career progression.

(b) Definitions.—In this section:

(1) The term "Rapid Assessment and Initial Detection team" or "RAID team" refers to a military unit comprised of Active Guard and Reserve personnel organized, trained, and equipped to conduct domestic missions in the United States in response to the use of, or threatened use of, a weapon of mass destruction.

(2) The term "WMD responder" means an organization responsible for responding to an incident involving a weapon of mass destruction.

(3) The term "weapon of mass destruction" has the meaning given that term in section 1403(1) of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1)).

SEC. 1037. REPORT ON UNIT READINESS OF UNITS CONSIDERED TO BE ASSETS OF CONSEQUENCE MANAGEMENT PROGRAM INTEGRATION OFFICE.

(a) Joint Readiness Review.—(1) The Secretary of Defense shall include in the quarterly readiness report submitted to Congress under section 482 of title 10, United States Code, for the first quarter beginning after the date of the enactment of this Act an assessment of the readiness, training status, and future funding requirements of all active and reserve component units that (as of the date of the enactment of this Act) are considered assets of the Consequence Management Program Integration Office of the Department of Defense.

(2) The Secretary shall set forth the assessment under paragraph (1) as an annex to the quarterly report referred to in that paragraph. The Secretary shall include in that annex a detailed description of how the active and reserve component units referred to in that paragraph are integrated with the Rapid Assessment and Initial Detection Teams in the overall Consequence Management Program Integration Office of the Department of Defense.

(b) DECONTAMINATION READINESS PLAN.—The Secretary of Defense shall prepare a decontamination readiness plan for the Consequence Management Program Integration Office of the Department of Defense. The plan shall include the following:

(1) The actions necessary to ensure that the units of the Armed Forces designated to carry out decontamination missions are at the level of readiness necessary to carry out those missions.

(2) The funding necessary for attaining and maintaining the level of readiness referred to in paragraph (1).

(3) Procedures for ensuring that each decontamination unit is available to respond to an incident in the United States that involves a weapon of mass destruction within 12 hours after being notified of the incident.

SEC. 1038. ANALYSIS OF RELATIONSHIP BETWEEN THREATS AND BUDGET SUBMISSION FOR FISCAL YEAR 2001.

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to the congressional defense committees, on the date that the President submits the budget for fiscal year 2001 to Congress under section 1105(a) of title 31, United States Code, a report on the relationship between the budget proposed for budget function 050 (National Defense) for that fiscal year and the then-current and emerging threats to the national security interests of the United States identified in the annual national security strategy report required under section 108 of the National Security Act of 1947 (50 U.S.C. 404a). The report shall be prepared in coordination with the Chairman of the Joint Chiefs of Staff and the Director of Central Intelligence.

(b) CONTENT.—The report shall contain the following:

(1) A detailed description of the threats referred to in subsection (a).

(2) An analysis of those threats in terms of the probability that an attack or other threat event will actually occur, the military challenge posed by those threats, and the potential damage that those threats could have to the national security interests of the United States.

(3) An analysis of the allocation of funds in the fiscal year 2001 budget and the future-years defense program that addresses each of those threats.

(4) A justification for each major defense acquisition program (as defined in section 2430 of title 10, United States Code) that is provided for in the budget in light of the description and analyses set forth in the report pursuant to this subsection.

(c) FORM OF REPORT.—The report shall be submitted in unclassified form, but may also be submitted in classified form if necessary.

SEC. 1039. REPORT ON NATO DEFENSE CAPABILITIES INITIATIVE.

(a) FINDINGS.—Congress makes the following findings:

(1) At the meeting of the North Atlantic Council held in Washington, DC, in April 1999, the NATO Heads of State and Governments launched a Defense Capabilities Initiative.

(2) The Defense Capabilities Initiative is designed to improve the defense capabilities of the individual nations of the NATO Alliance to ensure the effectiveness of future operations across the full spectrum of Alliance missions in the present and foreseeable security environment.

(3) Under the Defense Capabilities Initiative, special focus will be given to improving interoperability among Alliance forces and to increasing defense capabilities through improvements in the deployability and mobility of Alliance forces, the sustainability and logistics of those forces, the survivability and effective engagement capability of those forces, and command and control and information systems.

(4) The successful implementation of the Defense Capabilities Initiative will serve to enable all members of the Alliance to make a more equitable contribution to the full spectrum of Alliance missions, thereby increasing burdensharing within the Alliance and enhancing the ability of European members of the Alliance to undertake operations pursuant to the European Security and Defense Identity within the Alliance.

(b) ANNUAL REPORT.—(1) Not later than January 31 of each year, the Secretary of Defense shall submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and International Relations of the House of Representatives a report, to be prepared in consultation with the Secretary of State, on implementation of the Defense Capabilities Initiative by the nations of the NATO Alliance. The report shall include the following:

(A) A discussion of the work of the temporary High-Level Steering Group, or any successor group, established to oversee the implementation of the Defense Capabilities Initiative and to meet the requirement of coordination and harmonization among relevant planning disciplines.

(B) A description of the actions taken, including implementation of the Multinational Logistics Center concept and development of the C3 system architecture, by the Alliance as a whole to further the Defense Capabilities Initiative.

(C) A description of the actions taken by each member of the Alliance other than the United States to improve the capabilities of its forces in each of the following areas:

(i) Interoperability with forces of other Alliance members.

(ii) Deployability and mobility.

(iii) Sustainability and logistics.

(iv) Survivability and effective engagement capability.

(v) Command and control and information systems.

(2) The report shall be submitted in unclassified form, but may also be submitted in classified form if necessary.

SEC. 1040. REPORT ON MOTOR VEHICLE VIOLATIONS BY OPERATORS OF OFFICIAL ARMY VEHICLES.

(a) REVIEW REQUIRED.—The Secretary of the Army shall review the incidence during fiscal year 1999 of the violation of motor vehicle laws by operators of official Army motor vehicles. To the extent practicable, the review shall include all such violations for which citations were issued (including infractions relating to parking), other than violations occurring on a military installation, regardless of whether or not a fine was paid for the violation.

(b) REPORT.—Not later than March 31, 2000, the Secretary shall submit to the Committee on Armed Services of the Senate and Committee on Armed Services of the House of Representatives a report on the results of the review under subsection (a). The report shall include the following:

(1) The number of the citations described in subsection (a), shown separately by principal jurisdiction.

(2) An estimate of the total amount of the fines that are associated with those citations, shown separately by principal jurisdiction.

(3) Any actions taken by the Secretary or recommendations that the Secretary considers appropriate to reduce the prevalence of such violations.

(c) MOTOR VEHICLE LAWS.—For purposes of this section, the term "motor vehicle law" means a law (including a regulation, ordinance, or other measure) that regulates the operation or parking of a motor vehicle within the jurisdiction of the governmental entity establishing the law.

(d) PRINCIPAL JURISDICTION.—For purposes of this section, the term "principal jurisdiction" means a State, territory, or Commonwealth, the District of Columbia, or a foreign nation.

Subtitle E—Information Security

SEC. 1041. IDENTIFICATION IN BUDGET MATERIALS OF AMOUNTS FOR DECLASSIFICATION ACTIVITIES AND LIMITATION ON EXPENDITURES FOR SUCH ACTIVITIES.

(a) IN GENERAL.—(1) Chapter 9 of title 10, United States Code, is amended by adding after section 229, as added by section 932(b), the following new section:

"§ 230. Amounts for declassification of records

"The Secretary of Defense shall include in the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31) specific identification, as a budgetary line item, of the amounts required to carry out programmed activities during that fiscal year to declassify records pursuant to Executive Order 12958 (50 U.S.C. 435 note) or any successor Executive order or to comply with any statutory requirement, or any request, to declassify Government records.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 229, as added by section 932(b), the following new item:

"230. Amounts for declassification of records.".

(b) LIMITATION ON EXPENDITURES.—The total amount expended by the Department of Defense during fiscal year 2000 to carry out declassification activities under the provisions of section 3.4 of Executive Order 12958 (50 U.S.C. 435 note) may not exceed the Department's planned expenditure level of $51,000,000.

(c) CERTIFICATION REQUIRED WITH RESPECT TO AUTOMATIC DECLASSIFICATION OF RECORDS.—No records of the Department of Defense that have not been reviewed for declassification shall be subject to automatic declassification unless the Secretary of Defense certifies to Congress that such declassification would not harm the national security.

(d) REPORT ON AUTOMATIC DECLASSIFICATION OF DEPARTMENT OF DEFENSE RECORDS.—Not later than February 1, 2001, the Secretary of Defense shall submit to the Committee on Armed Service of the House of Representatives and the Committee on Armed Services of the Senate a report on the efforts of the Department of Defense relating to the declassification of classified records under the control of the Department of Defense. Such report shall include the following:

(1) An assessment of whether the Department will be able to review all relevant records for declassification before any date established for automatic declassification.

(2) An estimate of the cost of reviewing records to meet any requirement to review all relevant records for declassification by a date established for automatic declassification.

(3) An estimate of the number of records, if any, that the Department will be unable to review for declassification before any such date and the affect on national security of the automatic declassification of those records.

(4) An estimate of the length of time by which any such date would need to be extended to avoid the automatic declassification of records that have not yet been reviewed as of such date.

SEC. 1042. NOTICE TO CONGRESSIONAL COMMITTEES OF CERTAIN SECURITY AND COUNTERINTELLIGENCE FAILURES WITHIN DEFENSE PROGRAMS.

(a) IN GENERAL.—Chapter 161 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2723. Notice to congressional committees of certain security and counterintelligence failures within defense programs

"(a) REQUIRED NOTIFICATION.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a notification of each security or counterintelligence failure or compromise of classified information relating to any defense operation, system, or technology of the United States that the Secretary considers likely to cause significant harm or damage to the national security interests of the United States. The Secretary shall consult with the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, as appropriate, before submitting any such notification.

"(b) MANNER OF NOTIFICATION.—Notification of a failure or compromise of classified information under subsection (a) shall be provided, in accordance with the procedures established pursuant to subsection (c), not later than 30 days after the date on which the Department of Defense determines that the failure or compromise has taken place.

"(c) PROCEDURES.—The Secretary of Defense and the Committees on Armed Services of the Senate and House of Representatives shall each establish such procedures as may be necessary to protect from unauthorized disclosure classified information, information relating to intelligence sources and methods, and sensitive law enforcement information that is submitted to those committees pursuant to this section and that are otherwise necessary carry out the provisions of this section.

"(d) STATUTORY CONSTRUCTION.—(1) Nothing in this section shall be construed as authority to withhold any information from the Committees on Armed Services of the Senate and House of Representatives on the grounds that providing the information to those committees would constitute the unauthorized disclosure of classified information, information relating to intelligence sources and methods, or sensitive law enforcement information.

"(2) Nothing in this section shall be construed to modify or supersede any other requirement to report information on intelligence activities to the Congress, including the requirement under section 501 of the National Security Act of 1947 (50 U.S.C. 413).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2723. Notice to congressional committees of certain security and counterintelligence failures within defense programs.".

SEC. 1043. INFORMATION ASSURANCE INITIATIVE.

(a) IN GENERAL.—Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2224. Defense Information Assurance Program

"(a) DEFENSE INFORMATION ASSURANCE PROGRAM.—The Secretary of Defense shall carry out a program, to be known as the 'Defense Information Assurance Program', to protect and defend Department of Defense information, information systems, and information networks that are critical to the Department and the armed forces during day-to-day operations and operations in times of crisis.

"(b) OBJECTIVES OF THE PROGRAM.—The objectives of the program shall be to provide continuously for the availability, integrity, authentication, confidentiality, nonrepudiation, and rapid restitution of information and information systems that are essential elements of the Defense Information Infrastructure.

"(c) PROGRAM STRATEGY.—In carrying out the program, the Secretary shall develop a program strategy that encompasses those actions necessary to assure the readiness, reliability, continuity, and integrity of Defense information systems, networks, and infrastructure. The program strategy shall include the following:

"(1) A vulnerability and threat assessment of elements of the defense and supporting nondefense information infrastructures that are essential to the operations of the Department and the armed forces.

"(2) Development of essential information assurances technologies and programs.

"(3) Organization of the Department, the armed forces, and supporting activities to defend against information warfare.

"(4) Joint activities of the Department with other departments and agencies of the Government, State and local agencies, and elements of the national information infrastructure.

"(5) The conduct of exercises, war games, simulations, experiments, and other activities designed to prepare the Department to respond to information warfare threats.

"(6) Development of proposed legislation that the Secretary considers necessary for implementing the program or for otherwise responding to the information warfare threat.

"(d) COORDINATION.—In carrying out the program, the Secretary shall coordinate, as appropriate, with the head of any relevant Federal agency and with representatives of those national critical information infrastructure systems that are essential to the operations of the Department and the armed forces on information assurance measures necessary to the protection of these systems.

"(e) ANNUAL REPORT.—Each year, at or about the time the President submits the annual budget for the next fiscal year pursuant to section 1105 of title 31, the Secretary shall submit to Congress a report on the Defense Information Assurance Program. Each report shall include the following:

"(1) Progress in achieving the objectives of the program.

"(2) A summary of the program strategy and any changes in that strategy.

"(3) A description of the information assurance activities of the Office of the Secretary of Defense, Joint Staff, unified and specified commands, Defense Agencies, military departments, and other supporting activities of the Department of Defense.

"(4) Program and budget requirements for the program for the past fiscal year, current fiscal year, budget year, and each succeeding fiscal year in the remainder of the current future-years defense program.

"(5) An identification of critical deficiencies and shortfalls in the program.

"(6) Legislative proposals that would enhance the capability of the Department to execute the program.

"(f) INFORMATION ASSURANCE TEST BED.—The Secretary shall develop an information assurance test bed within the Department of Defense to provide—

"(1) an integrated organization structure to plan and facilitate the conduct of simulations, war games, exercises, experiments, and other activities to prepare and inform the Department regarding information warfare threats; and

"(2) organization and planning means for the conduct by the Department of the integrated or joint exercises and experiments with elements of the national information systems infrastructure and other non-Department of Defense organizations that are responsible for the oversight and management of critical information systems and infrastructures on which the Department, the armed forces, and supporting activities depend for the conduct of daily operations and operations during crisis.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2224. Defense Information Assurance Program.".

SEC. 1044. NONDISCLOSURE OF INFORMATION ON PERSONNEL OF OVERSEAS, SENSITIVE, OR ROUTINELY DEPLOYABLE UNITS.

(a) IN GENERAL.—Chapter 3 of title 10, United States Code, is amended by inserting after section 130a the following new section:

"§ 130b. Personnel in overseas, sensitive, or routinely deployable units: nondisclosure of personally identifying information

"(a) EXEMPTION FROM DISCLOSURE.—The Secretary of Defense and, with respect to the Coast Guard when it is not operating as a service in the Navy, the Secretary of Transportation may, notwithstanding section 552 of title 5, authorize to be withheld from disclosure to the public personally identifying information regarding—

"(1) any member of the armed forces assigned to an overseas unit, a sensitive unit, or a routinely deployable unit; and

"(2) any employee of the Department of Defense or of the Coast Guard whose duty station is with any such unit.

"(b) EXCEPTIONS.—(1) The authority in subsection (a) is subject to such exceptions as the President may direct.

"(2) Subsection (a) does not authorize any official to withhold, or to authorize the withholding of, information from Congress.

"(c) DEFINITIONS.—In this section:

"(1) The term 'personally identifying information', with respect to any person, means the person's name, rank, duty address, and official title and information regarding the person's pay.

"(2) The term 'unit' means a military organization of the armed forces designated as a unit by competent authority.

"(3) The term 'overseas unit' means a unit that is located outside the United States and its territories.

"(4) The term 'sensitive unit' means a unit that is primarily involved in training for the conduct of, or conducting, special activities or classified missions, including—

"(A) a unit involved in collecting, handling, disposing, or storing of classified information and materials;

"(B) a unit engaged in training—

"(i) special operations units;

"(ii) security group commands weapons stations; or

"(iii) communications stations; and

"(C) any other unit that is designated as a sensitive unit by the Secretary of Defense or, in the case of the Coast Guard when it is not operating as a service in the Navy, by the Secretary of Transportation.

"(5) The term 'routinely deployable unit' means a unit that normally deploys from its permanent home station on a periodic or rotating basis to meet peacetime operational requirements that, or to participate in scheduled training exercises that, routinely require deployments outside the United States and its territories. Such term includes a unit that is alerted for deployment outside the United States and its territories during an actual execution of a contingency plan or in support of a crisis operation.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"130b. Personnel in overseas, sensitive, or routinely deployable units: nondisclosure of personally identifying information.".

SEC. 1045. NONDISCLOSURE OF CERTAIN OPERATIONAL FILES OF THE NATIONAL IMAGERY AND MAPPING AGENCY.

(a) AUTHORITY TO WITHHOLD.—Subchapter II of chapter 22 of title 10, United States Code, is amended by adding at the end the following new section:

"§457. Operational files previously maintained by or concerning activities of National Photographic Interpretation Center: authority to withhold from public disclosure

"(a) AUTHORITY.—The Secretary of Defense may withhold from public disclosure operational files described in subsection (b) to the same extent that operational files may be withheld under section 701 of the National Security Act of 1947 (50 U.S.C. 431).

"(b) COVERED OPERATIONAL FILES.—The authority under subsection (a) applies to operational files in the possession of the National Imagery and Mapping Agency that—

"(1) as of September 22, 1996, were maintained by the National Photographic Interpretation Center; or

"(2) concern the activities of the Agency that, as of such date, were performed by the National Photographic Interpretation Center.

"(c) OPERATIONAL FILES DEFINED.—In this section, the term 'operational files' has the meaning given that term in section 701(b) of the National Security Act of 1947 (50 U.S.C. 431(b)).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"457. Operational files previously maintained by or concerning activities of National Photographic Interpretation Center: authority to withhold from public disclosure.".

Subtitle F—Memorial Objects and Commemorations

SEC. 1051. MORATORIUM ON THE RETURN OF VETERANS MEMORIAL OBJECTS TO FOREIGN NATIONS WITHOUT SPECIFIC AUTHORIZATION IN LAW.

(a) PROHIBITION.—Notwithstanding section 2572 of title 10, United States Code, and any other provision of law, during the moratorium period specified in subsection (c) the President may not transfer a veterans memorial object to a foreign country or an entity controlled by a foreign government, or otherwise transfer or convey such an object to any person or entity for purposes of the ultimate transfer or conveyance of the object to a foreign country or entity controlled by a foreign government, unless such transfer is specifically authorized by law.

(b) DEFINITIONS.—In this section:

(1) ENTITY CONTROLLED BY A FOREIGN GOVERNMENT.—The term "entity controlled by a foreign government" has the meaning given that term in section 2536(c)(1) of title 10, United States Code.

(2) VETERANS MEMORIAL OBJECT.—The term "veterans memorial object" means any object, including a physical structure or portion thereof, that—

(A) is located at a cemetery of the National Cemetery System, war memorial, or military installation in the United States;

(B) is dedicated to, or otherwise memorializes, the death in combat or combat-related duties of members of the United States Armed Forces; and

(C) was brought to the United States from abroad as a memorial of combat abroad.

(c) PERIOD OF MORATORIUM.—The moratorium period for the purposes of this section is the period beginning on the date of the enactment of this Act and ending on September 30, 2001.

SEC. 1052. PROGRAM TO COMMEMORATE 50TH ANNIVERSARY OF THE KOREAN WAR.

(a) PERIOD OF PROGRAM.—Subsection (a) of section 1083 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1918; 10 U.S.C. 113 note) is amended by striking "The Secretary of Defense" and inserting "During fiscal years 2000 through 2004, the Secretary of Defense".

(b) CHANGE OF NAME.—(1) Subsection (c) of such section, as amended by section 1067 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2134), is amended by striking "'The Department of Defense Korean War Commemoration'" and inserting "'The United States of America Korean War Commemoration'".

(2) The amendment made by paragraph (1) may not be construed to supersede rights that are established or vested before the date of the enactment of this Act.

(3) Any reference to the Department of Defense Korean War Commemoration in any law, regulation, document, record, or other paper of the United States shall be considered to be a reference to the United States of America Korean War Commemoration.

(c) FUNDING.—Subsection (f) of such section is amended to read as follows:

"(f) USE OF FUNDS.—(1) Funds appropriated for the Army for fiscal years 2000 through 2004 for operation and maintenance shall be available for the commemorative program authorized under subsection (a).

"(2) The total amount expended by the Department of Defense through the Department of Defense 50th Anniversary of the Korean War Commemoration Committee, an entity within the Department of the Army, to carry out the commemorative program authorized under subsection (a) for fiscal years 2000 through 2004 may not exceed $7,000,000.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1999.

SEC. 1053. COMMEMORATION OF THE VICTORY OF FREEDOM IN THE COLD WAR.

(a) FINDINGS.—Congress makes the following findings:

(1) The Cold War between the United States and its allies and the former Union of Soviet Socialist Republics and its allies was the longest and most costly struggle for democracy and freedom in the history of mankind.

(2) Whether millions of people all over the world would live in freedom hinged on the outcome of the Cold War.

(3) Democratic countries bore the burden of the struggle and paid the costs in order to preserve and promote democracy and freedom.

(4) The Armed Forces and the taxpayers of the United States bore the greatest portion of that burden and struggle in order to protect those principles.

(5) Tens of thousands of United States soldiers, sailors, airmen, Marines paid the ultimate price during the Cold War in order to preserve the freedoms and liberties enjoyed in democratic countries.

(6) The Berlin Wall erected in Berlin, Germany, epitomized the totalitarianism that the United States struggled to eradicate during the Cold War.

(7) The fall of the Berlin Wall on November 9, 1989, was a major event of the Cold War.

(8) The Soviet Union collapsed on December 25, 1991.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should issue a proclamation calling on the people of the United States to observe the victory in the Cold War with appropriate ceremonies and activities.

(c) PARTICIPATION OF ARMED FORCES IN CELEBRATION OF END OF COLD WAR.—(1) Subject to paragraphs (2), (3), and (4), amounts authorized to be appropriated by section 301 may be available for costs of the Armed Forces in participating in a celebration of the end of the Cold War to be held in Washington, District of Columbia.

(2) The total amount of funds available under paragraph (1) for the purpose set forth in that paragraph shall not exceed $5,000,000.

(3) The Secretary of Defense may accept contributions from the private sector for the purpose of reducing the costs of the Armed Forces described in paragraph (1). The amount of funds available under paragraph (1) for the purpose set forth in that paragraph shall be reduced by an amount equal to the amount of contributions accepted by the Secretary under the preceding sentence.

(4) The funding authorized in paragraph (1) shall not be available until 30 days after the date upon which the plan required by subsection (d) is submitted.

(d) REPORT.—(1) The President shall transmit to Congress—

(A) a report on the content of the proclamation referred to in subsection (b); and

(B) a plan for appropriate ceremonies and activities.

(2) The plan submitted under paragraph (1) shall include the following:

(A) A discussion of the content, location, date, and time of each ceremony and activity included in the plan.

(B) The funding allocated to support those ceremonies and activities.

(C) The organizations and individuals consulted while developing the plan for those ceremonies and activities.

(D) A list of private sector organizations and individuals that are expected to participate in each ceremony and activity.

(E) A list of local, State, and Federal agencies that are expected to participate in each ceremony and activity.

(e) COMMISSION ON VICTORY IN THE COLD WAR.—(1) There is hereby established a commission to be known as the "Commission on Victory in the Cold War".

(2) The Commission shall be composed of twelve members, as follows:

(A) Two shall be appointed by the President.

(B) Three shall be appointed by the Speaker of the House of Representatives.

(C) Two shall be appointed by the minority leader of the House of Representatives.

(D) Three shall be appointed by the majority leader of the Senate.

(E) Two shall be appointed by the minority leader of the Senate.

(3) The Commission shall review and make recommendations regarding the celebration of the victory in the Cold War, to include the date of the celebration, usage of facilities, participation of the Armed Forces, and expenditure of funds.

(4) The Secretary shall—

(A) consult with the Commission on matters relating to the celebration of the victory in the Cold War;

(B) reimburse Commission members for expenses relating to participation of Commission members in Commission activities from funds made available under subsection (c); and

(C) provide the Commission with administrative support.

(5) The Commission shall be co-chaired by two members as follows:

(A) One selected by and from among those appointed pursuant to subparagraphs (A), (C), and (E) of paragraph (2).

(B) One selected by and from among those appointed pursuant to subparagraphs (B) and (D) of paragraph (2).

Subtitle G—Other Matters

SEC. 1061. DEFENSE SCIENCE BOARD TASK FORCE ON USE OF TELEVISION AND RADIO AS A PROPAGANDA INSTRUMENT IN TIME OF MILITARY CONFLICT.

(a) ESTABLISHMENT OF TASK FORCE.—The Secretary of Defense shall establish a task force of the Defense Science Board to examine—

(1) the use of radio and television broadcasting as a propaganda instrument in time of military conflict; and

(2) the adequacy of the capabilities of the Armed Forces to make such uses of radio and television during conflicts such as the conflict in the Federal Republic of Yugoslavia in the spring of 1999.

(b) DUTIES OF TASK FORCE.—The task force shall assess and develop recommendations as to the appropriate capabilities, if any, that the Armed Forces should have to broadcast radio and television into a region in time of military conflict so as to ensure that the general public in that region is exposed to the facts of the conflict. In making that assessment and developing those recommendations, the task force shall review the following:

(1) The capabilities of the Armed Forces to develop programming and to make broadcasts that can reach a large segment of the general public in a country such as the Federal Republic of Yugoslavia.

(2) The potential of various Department of Defense airborne or land-based mechanisms to have capabilities described in paragraph (1), including improvements to the EC–130 Commando Solo aircraft and the use of other airborne platforms, unmanned aerial vehicles, and land-based transmitters in conjunction with satellites.

(3) Other issues relating to the use of television and radio as a propaganda instrument in time of conflict.

(c) REPORT.—The task force shall submit to the Secretary of Defense a report containing its assessments and recommendations under subsection (b) not later than February 1, 2000. The Secretary shall submit the report, together with the comments and recommendations of the Secretary, to the congressional defense committees not later than March 1, 2000.

SEC. 1062. ASSESSMENT OF ELECTROMAGNETIC SPECTRUM REALLOCATION.

(a) ASSESSMENT REQUIRED.—Part C of the National Telecommunications and Information Administration Organization Act is amended by adding after section 155 the following new section:

"SEC. 156. ASSESSMENT OF ELECTROMAGNETIC SPECTRUM REALLOCATION.

"(a) REVIEW AND ASSESSMENT OF ELECTROMAGNETIC SPECTRUM REALLOCATION.—

"(1) REVIEW AND ASSESSMENT REQUIRED.—The Secretary of Commerce, acting through the Assistant Secretary and in coordination with the Chairman of the Federal Communications Commission, shall convene an interagency review and assessment of—

"(A) the progress made in implementation of national spectrum planning;

"(B) the reallocation of Federal Government spectrum to non-Federal use, in accordance with the amendments made by title VI of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66; 107 Stat. 379) and title III of the Balanced Budget Act of 1997 (Public Law 105-33; 111 Stat.258); and

"(C) the implications for such reallocations to the affected Federal executive agencies.

"(2) COORDINATION.—The assessment shall be conducted in coordination with affected Federal executive agencies through the Interdepartmental Radio Advisory Committee.

"(3) COOPERATION AND ASSISTANCE.—Affected Federal executive agencies shall cooperate with the Assistant Secretary in the conduct of the review and assessment and furnish the Assistant Secretary with such information, support, and assistance, not inconsistent with law, as the Assistant Secretary may consider necessary in the performance of the review and assessment.

"(4) ATTENTION TO PARTICULAR SUBJECTS REQUIRED.—In the conduct of the review and assessment, particular attention shall be given to—

"(A) the effect on critical military and intelligence capabilities, civil space programs, and other Federal Government systems used to protect public safety of the reallocated spectrum described in paragraph (1)(B) of this subsection;

"(B) the anticipated impact on critical military and intelligence capabilities, future military and intelligence operational requirements, national defense modernization programs, and civil space programs, and other Federal Government systems used to protect public safety, of future potential reallocations to non-Federal use of bands of the electromagnetic spectrum that are currently allocated for use by the Federal Government; and

"(C) future spectrum requirements of agencies in the Federal Government.

"(b) SUBMISSION OF REPORT.—The Secretary of Commerce, in coordination with the heads of the affected Federal executive agencies, and the Chairman of the Federal Communications Commission shall submit to the President, the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Armed Services, the Committee on Commerce, and the Committee on Science of the House of Representatives, not later than October 1, 2000, a report providing the results of the assessment required by subsection (a).".

(b) SURRENDER OF DEPARTMENT OF DEFENSE SPECTRUM.—

(1) IN GENERAL.—If, in order to make available for other use a band of frequencies of which it is a primary user, the Department of Defense is required to surrender use of such band of frequencies, the Department shall not surrender use of such band of frequencies until—

(A) the National Telecommunications and Information Administration, in consultation with the Federal Communications Commission, identifies and makes available to the Department for its primary use, if necessary, an alternative band or bands of frequencies as a replacement for the band to be so surrendered; and

(B) the Secretary of Commerce, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff jointly certify to the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Armed Services and the Committee on Commerce of the House of Representatives, that such alternative band or bands provides comparable technical characteristics to restore essential military capability that will be lost as a result of the band of frequencies to be so surrendered.

(2) EXCEPTION.—Paragraph (1) shall not apply to a band of frequencies that has been identified for reallocation in accordance with title VI of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 107 Stat. 379) and title III of the Balanced Budget Act of 1997 (Public Law 105–33, 111 Stat. 258), other than a band of frequencies that is reclaimed pursuant to subsection (c).

(c) REASSIGNMENT TO FEDERAL GOVERNMENT FOR USE BY DEPARTMENT OF DEFENSE OF CERTAIN FREQUENCY SPECTRUM RECOMMENDED FOR REALLOCATION.—(1) Notwithstanding any provision of the National Telecommunications and Information Administration Organization Act or the Balanced Budget Act of 1997, the President shall reclaim for exclusive Federal Government use on a primary basis by the Department of Defense—

(A) the bands of frequencies aggregating 3 megahertz located between 138 and 144 megahertz that were recommended for reallocation in the second reallocation report under section 113(a) of that Act; and

(B) the band of frequency aggregating 5 megahertz located between 1385 megahertz and 1390 megahertz, inclusive, that was so recommended for reallocation.

(2) Section 113(b)(3)(A) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(b)(3)(A)) is amended by striking "20 megahertz" and inserting "12 megahertz".

SEC. 1063. EXTENSION AND REAUTHORIZATION OF DEFENSE PRODUCTION ACT OF 1950.

(a) EXTENSION OF TERMINATION DATE.—Section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking "September 30, 1999" and inserting "September 30, 2000".

(b) EXTENSION OF AUTHORIZATION.—Section 711(b) of such Act (50 U.S.C. App. 2161(b)) is amended by striking "the fiscal years 1996, 1997, 1998, and 1999" and inserting "fiscal years 1996 through 2000".

SEC. 1064. PERFORMANCE OF THREAT AND RISK ASSESSMENTS.

Section 1404 of the Defense Against Weapons of Mass Destruction Act of 1998 (title XIV of Public Law 105–261; 50 U.S.C. 2301 note) is amended to read as follows:

"SEC. 1404. THREAT AND RISK ASSESSMENTS.

"(a) THREAT AND RISK ASSESSMENTS.—Assistance to Federal, State, and local agencies provided under the program under section 1402 shall include the performance of assessments of the threat and risk of terrorist employment of weapons of mass destruction against cities and other local areas. Such assessments shall be used by Federal, State, and local agencies to determine the training and equipment requirements under this program and shall be performed as a collaborative effort with State and local agencies.

"(b) CONDUCT OF ASSESSMENTS.—The Department of Justice, as lead Federal agency for domestic crisis management in response to terrorism involving weapons of mass destruction, shall—

"(1) conduct any threat and risk assessment performed under subsection (a) in coordination with appropriate Federal, State, and local agencies; and

"(2) develop procedures and guidance for conduct of the threat and risk assessment in consultation with officials from the intelligence community.".

SEC. 1065. CHEMICAL AGENTS USED FOR DEFENSIVE TRAINING.

(a) AUTHORITY TO TRANSFER AGENTS.—(1) The Secretary of Defense may transfer to the Attorney General, in accordance with the Chemical Weapons Convention, quantities of lethal chemical agents required to support training at the Center for Domestic Preparedness in Fort McClellan, Alabama. The quantity of lethal chemical agents transferred under this section may not exceed that required to support training for emergency first-response personnel in addressing the health, safety, and law enforcement concerns associated with potential terrorist incidents that might involve the use of lethal chemical weapons or agents, or other training designated by the Attorney General.

(2) The Secretary of Defense, in coordination with the Attorney General, shall determine the

amount of lethal chemical agents that shall be transferred under this section. Such amount shall be transferred from quantities of lethal chemical agents that are produced, acquired, or retained by the Department of Defense.

(3) The Secretary of Defense may not transfer lethal chemical agents under this section until—

(A) the Center referred to in paragraph (1) is transferred from the Department of Defense to the Department of Justice; and

(B) the Secretary determines that the Attorney General is prepared to receive such agents.

(4) To carry out the training described in paragraph (1) and other defensive training not prohibited by the Chemical Weapons Convention, the Secretary of Defense may transport lethal chemical agents from a Department of Defense facility in one State to a Department of Justice or Department of Defense facility in another State.

(5) Quantities of lethal chemical agents transferred under this section shall meet all applicable requirements for transportation, storage, treatment, and disposal of such agents and for any resulting hazardous waste products.

(b) ANNUAL REPORT.—The Secretary of Defense, in consultation with Attorney General, shall report annually to Congress regarding the disposition of lethal chemical agents transferred under this section.

(c) NON-INTERFERENCE WITH TREATY OBLIGATIONS.—Nothing in this section may be construed as interfering with United States treaty obligations under the Chemical Weapons Convention.

(d) CHEMICAL WEAPONS CONVENTION DEFINED.—In this section, the term "Chemical Weapons Convention" means the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, opened for signature on January 13, 1993.

SEC. 1066. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 136(a) is amended by inserting "advice and" after "by and with the".

(2) Section 180(d) is amended by striking "grade GS–18 of the General Schedule under section 5332 of title 5" and inserting "Executive Schedule Level IV under section 5376 of title 5".

(3) Section 192(d) is amended by striking "the date of the enactment of this subsection" and inserting "October 17, 1998".

(4) Section 374(b) is amended—

(A) in paragraph (1), by aligning subparagraphs (C) and (D) with subparagraphs (A) and (B); and

(B) in paragraph (2)(F), by striking the second semicolon at the end of clause (i).

(5) Section 664(i)(2)(A) is amended by striking "the date of the enactment of this subsection" and inserting "February 10, 1996".

(6) Section 977(d)(2) is amended by striking "the lesser of" and all that follows through "(B)".

(7) Section 1073 is amended by inserting "(42 U.S.C. 14401 et seq.)" before the period at the end of the second sentence.

(8) Section 1076a(j)(2) is amended by striking "1 year" and inserting "one year".

(9) Section 1370(d) is amended—

(A) in paragraph (1), by striking "chapter 1225" and inserting "chapter 1223"; and

(B) in paragraph (5), by striking "the date of the enactment of this paragraph" and inserting "October 17, 1998,".

(10) Section 1401a(b)(2) is amended—

(A) by striking "MEMBERS" and all that follows through "The Secretary shall" and inserting "MEMBERS.—The Secretary shall";

(B) by striking subparagraphs (B) and (C); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B) and realigning those subparagraphs, as so redesignated, so as to be indented four ems from the left margin.

(11) Section 1406(i)(2) is amended by striking "on or after the date of the enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999" and inserting "after October 16, 1998".

(12) Section 1448(b)(3)(E)(ii) is amended by striking "on or after the date of the enactment of the subparagraph" and inserting "after October 16, 1998,".

(13) Section 1501(d) is amended by striking "prescribed" in the first sentence and inserting "described".

(14) Section 1509(a)(2) is amended by striking "the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998" in subparagraphs (A) and (B) and inserting "November 18, 1997,".

(15) Section 1513(1) is amended by striking ", under the circumstances specified in the last sentence of section 1509(a) of this title" and inserting "who is required by section 1509(a)(1) of this title to be considered a missing person".

(16) Section 2208(l)(2)(A) is amended by inserting "of" after "during a period".

(17) Section 2212(f) is amended—

(A) in paragraphs (2) and (3), by striking "after the date of the enactment of this section" and inserting "after October 17, 1998,"; and

(B) in paragraphs (2), (3) and (4), by striking "as of the date of the enactment of this section" and inserting "as of October 17, 1998".

(18) Section 2302c(b) is amended by striking "section 2303" and inserting "section 2303(a)".

(19) Section 2325(a)(1) is amended by inserting "that occurs after November 18, 1997," after "of the contractor" in the matter that precedes subparagraph (A).

(20) Section 2469a(c)(3) is amended by striking "the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998" and inserting "November 18, 1997".

(21) Section 2486(c) is amended by striking "the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998," in the second sentence and inserting "November 18, 1997,".

(22) Section 2492(b) is amended by striking "the date of the enactment of this section" and inserting "October 17, 1998".

(23) Section 2539b(a) is amended by striking "secretaries of the military departments" and inserting "Secretaries of the military departments".

(24) Section 2641a is amended—

(A) by striking ", United States Code," in subsection (b)(2); and

(B) by striking subsection (d).

(25) Section 2692(b) is amended—

(A) by striking "apply to—" in the matter preceding paragraph (1) and inserting "apply to the following:";

(B) by striking "the" at the beginning of each of paragraphs (1) through (11) and inserting "The";

(C) by striking the semicolon at the end of each of paragraphs (1) through (9) and inserting a period; and

(D) by striking "; and" at the end of paragraph (10) and inserting a period.

(26) Section 2696 is amended—

(A) in subsection (a), by inserting "enacted after December 31, 1997," after "any provision of law";

(B) in subsection (b)(1), by striking "required by paragraph (1)" and inserting "referred to in subsection (a)"; and

(C) in subsection (e)(4), by striking "the date of enactment of the National Defense Authorization Act for Fiscal Year 1998" and inserting "November 18, 1997".

(27) Section 2703(c) is amended by striking "United States Code,".

(28) Section 2837(d)(2) is amended—

(A) by inserting "and" at the end of subparagraph (A);

(B) by striking "; and" at the end of subparagraph (B) and inserting a period; and

(C) by striking subparagraph (C).

(29) Section 7315(d)(2) is amended by striking "the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998" and inserting "November 18, 1997,".

(30) Section 7902(e)(5) is amended by striking ", United States Code,".

(31) The item relating to section 12003 in the table of sections at the beginning of chapter 1201 is amended by inserting "in an" after "officers".

(32) Section 14301(g) is amended by striking "1 year" both places it appears and inserting "one year".

(33) Section 16131(b)(1) is amended by inserting "in" after "Except as provided"

(b) PUBLIC LAW 105–261.—Effective as of October 17, 1998, and as if included therein as enacted, the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1920 et seq.) is amended as follows:

(1) Section 402(b) (112 Stat. 1996) is amended by striking the third comma in the first quoted matter and inserting a period.

(2) Section 511(b)(2) (112 Stat. 2007) is amended by striking "section 1411" and inserting "section 1402".

(3) Section 513(a) (112 Stat. 2007) is amended by striking "section 511" and inserting "section 512(a)".

(4) Section 525(b) (112 Stat. 2014) is amended by striking "subsection (i)" and inserting "subsection (j)".

(5) Section 568 (112 Stat. 2031) is amended by striking "1295(c)" in the matter preceding paragraph (1) and inserting "1295b(c)".

(6) Section 722(c) (112 Stat. 2067) is amended—

(A) by striking "(1)" before "An individual is eligible";

(B) by redesignating subparagraphs (A), (B), (C), and (D) as paragraphs (1), (2), (3), and (4), respectively; and

(C) in paragraph (4), as so redesignated, by striking "subsection (c)" and inserting "subsection (d)".

(c) PUBLIC LAW 105–85.—The National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) is amended as follows:

(1) Section 557(b) (111 Stat. 1750) is amended by inserting "to" after "with respect".

(2) Section 563(b) (111 Stat. 1754) is amended by striking "title" and inserting "subtitle".

(3) Section 644(d)(2) (111 Stat. 1801) is amended by striking "paragraphs (3) and (4)" and inserting "paragraphs (7) and (8)".

(4) Section 934(b) (111 Stat. 1866) is amended by striking "of" after "matters concerning".

(d) OTHER LAWS.—

(1) Effective as of April 1, 1996, section 647(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 370) is amended by inserting "of such title" after "Section 1968(a)".

(2) Section 414 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 10 U.S.C. 12001 note) is amended—

(A) by striking "pilot" in subsection (a), "PILOT" in the heading of subsection (a), and "pilot" in the section heading; and

(B) in subsection (c)(1)—

(i) by striking "2,000" in the first sentence and inserting "5,000"; and

(ii) by striking the second sentence.

(3) Sections 8334(c) and 8422(a)(3) of title 5, United States Code, are each amended in the item for nuclear materials couriers—

(A) by striking "to the day before the date of the enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999" and inserting "to October 16, 1998"; and

(B) by striking "The date of the enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999" and inserting "October 17, 1998".

(4) Section 113(b)(2) of title 32, United States Code, is amended by striking "the date of the enactment of this subsection" and inserting "October 17, 1998".

(5) Section 1007(b) of title 37, United States Code, is amended by striking the second sentence.

(6) Section 845(b)(1) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note) is amended by striking "(e)(2) and (e)(3) of such section 2371" and inserting "(e)(1)(B) and (e)(2) of such section 2371".

(e) Coordination With Other Amendments.—For purposes of applying amendments made by provisions of this Act other than provisions of this section, this section shall be treated as having been enacted immediately before the other provisions of this Act.

SEC. 1067. AMENDMENTS TO REFLECT NAME CHANGE OF COMMITTEE ON NATIONAL SECURITY OF THE HOUSE OF REPRESENTATIVES TO COMMITTEE ON ARMED SERVICES.

The following provisions of law are amended by striking "Committee on National Security" each place it appears and inserting "Committee on Armed Services":

(1) Title 10, United States Code.

(2) Sections 301b(i)(2) and 431(d)(2) of title 37, United States Code.

(3) The following provisions of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261): section 3, section 344(c)(3) (10 U.S.C. 113 note), section 571(f) (10 U.S.C. 520 note), section 722(b)(3)(A) (10 U.S.C. 1073 note), section 723(d) (10 U.S.C. 1073 note), section 724 (10 U.S.C. 1108 note), section 733(b)(3) (10 U.S.C. 1091 note), section 741(c) (10 U.S.C. 1109 note), section 745(h) (10 U.S.C. 1071 note), 803(c)(4) (10 U.S.C. 2306a note), section 914, section 1007(f)(1), section 1101(g)(1) (5 U.S.C. 3104 note), section 1223(a) (22 U.S.C. 1928 note), section 1502(a) (22 U.S.C. 2593a note), section 3124(d), section 3158(c) (42 U.S.C. 2121 note), section 3159(d) (42 U.S.C. 2121 note), and section 3161(d)(2) (50 U.S.C. 435 note).

(4) The following provisions of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85): section 3, section 349(g) (10 U.S.C. 2702 note), section 849(b) (10 U.S.C. 1731 note), section 1033(f)(4), section 1078(d) (50 U.S.C. 1520a), section 1215(2), section 3124(d), and section 3140(a).

(5) The following provisions of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201): section 3, section 121(e)(1), section 270(a) (10 U.S.C. 2501 note), section 326(c), section 333(c), section 552(a), section 1042(a) (10 U.S.C. 113 note), section 1053(d), section 2827(b)(3), and section 3124(c).

(6) The following provisions of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106): section 3, section 131, section 234(f), section 279(b), section 373(a), section 807(c) (10 U.S.C. 2401a note), section 822(e) (10 U.S.C. 2302 note), section 1011(d)(2), section 1205(a)(2) (22 U.S.C. 5955 note), section 3124(c), and section 3411 (10 U.S.C. 7420 note).

(7) Section 2922(b) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2687 note).

(8) Sections 326(a)(5) (10 U.S.C. 2302 note) and 1505(e)(2)(B) (22 U.S.C. 5859a) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484).

(9) Section 1097(a)(1) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 22 U.S.C. 2751 note).

(10) The following provisions of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510): section 1403(d)(2) (50 U.S.C. 404b(d)(2)), section 1457(d)(2) (50 U.S.C. 404c(d)(2)), section 2910(2) (10 U.S.C. 2687 note), and subsections (e)(3)(A) and (f)(2) of section 2921 (10 U.S.C. 2687 note).

(11) Subsections (b)(4) and (k)(2) of section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521).

(12) Section 1002(d) of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 22 U.S.C. 1928 note).

(13) Sections 6(d)(1) and 7(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(d)(1), 98f(b)).

(14) Section 8125(g)(2) of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 10 U.S.C. 113 note).

(15) Section 7606(b) of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 10 U.S.C. 9441 note).

(16) Sections 104(d)(5) and 109(c)(2) of the National Security Act of 1947 (50 U.S.C. 403–4(d)(5), 404d(c)(2)).

(17) Sections 8(b)(3) and 8(f)(1) of the Inspector General Act of 1978 (5 U.S.C. App.).

(18) Section 204(h)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(3)).

(19) Section 101(f)(3)(A) of the Sikes Act (16 U.S.C. 670a(f)(3)(A)).

(20) Section 103(c) of the High-Performance Computing Act of 1991 (15 U.S.C. 5513(c)).

(21) Section 205(b)(1) of the Commercial Space Act of 1998 (Public Law 105–303; 42 U.S.C. 14734(b)(1)).

(22) Section 506(c) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104–93; 109 Stat. 974).

(23) Section 2(f) of the Wildfire Suppression Aircraft Transfer Act of 1996 (Public Law 104–307; 10 U.S.C. 2576 note).

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Sec. 1101. Accelerated implementation of voluntary early retirement authority.
Sec. 1102. Increase of pay cap for nonappropriated fund senior executive employees.
Sec. 1103. Restoration of leave of emergency essential employees serving in a combat zone.
Sec. 1104. Extension of certain temporary authorities to provide benefits for employees in connection with defense workforce reductions and restructuring.
Sec. 1105. Leave without loss of benefits for military reserve technicians on active duty in support of combat operations.
Sec. 1106. Expansion of Guard-and-Reserve purposes for which leave under section 6323 of title 5, United States Code, may be used.
Sec. 1107. Work schedules and premium pay of service academy faculty.
Sec. 1108. Salary schedules and related benefits for faculty and staff of the Uniformed Services University of the Health Sciences.
Sec. 1109. Exemption of defense laboratory employees from certain workforce management restrictions.

SEC. 1101. ACCELERATED IMPLEMENTATION OF VOLUNTARY EARLY RETIREMENT AUTHORITY.

Section 1109(d)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2145; 5 U.S.C. 8336 note) is amended by striking "October 1, 2000" and inserting "October 1, 1999".

SEC. 1102. INCREASE OF PAY CAP FOR NONAPPROPRIATED FUND SENIOR EXECUTIVE EMPLOYEES.

Section 5373 of title 5, United States Code, is amended—

(1) in the first sentence, by striking "Except as provided" and inserting "(a) Except as provided in subsection (b) and"; and

(2) by adding at the end the following new subsection:

"(b) Subsection (a) shall not affect the authority of the Secretary of Defense or the Secretary of a military department to fix the pay of a civilian employee paid from nonappropriated funds, except that the annual rate of basic pay (including any portion of such pay attributable to comparability with private-sector pay in a locality) of such an employee may not be fixed at a rate greater than the rate for level III of the Executive Schedule.".

SEC. 1103. RESTORATION OF LEAVE OF EMERGENCY ESSENTIAL EMPLOYEES SERVING IN A COMBAT ZONE.

(a) Service in a Combat Zone as Exigency of the Public Business.—Section 6304(d) of title 5, United States Code, is amended by adding at the end the following:

"(4)(A) For the purpose of this subsection, service of a Department of Defense emergency essential employee in a combat zone is an exigency of the public business for that employee. Any leave that, by reason of such service, is lost by the employee by operation of this section (regardless of whether such leave was scheduled) shall be restored to the employee and shall be credited and available in accordance with paragraph (2).

"(B) As used in subparagraph (A)—

"(i) the term 'Department of Defense emergency essential employee' means an employee of the Department of Defense who is designated under section 1580 of title 10 as an emergency essential employee; and

"(ii) the term 'combat zone' has the meaning given such term in section 112(c)(2) of the Internal Revenue Code of 1986.".

(b) Designation of Emergency Essential Employees.—(1) Chapter 81 of title 10, United States Code, is amended by inserting after the table of sections at the beginning of such chapter the following new section 1580:

"§ 1580. Emergency essential employees: designation

"(a) Criteria for Designation.—The Secretary of Defense or the Secretary of the military department concerned may designate as an emergency essential employee any employee of the Department of Defense, whether permanent or temporary, the duties of whose position meet all of the following criteria:

"(1) It is the duty of the employee to provide immediate and continuing support for combat operations or to support maintenance and repair of combat essential systems of the armed forces.

"(2) It is necessary for the employee to perform that duty in a combat zone after the evacuation of nonessential personnel, including any dependents of members of the armed forces, from the zone in connection with a war, a national emergency declared by Congress or the President, or the commencement of combat operations of the armed forces in the zone.

"(3) It is impracticable to convert the employee's position to a position authorized to be filled by a member of the armed forces because of a necessity for that duty to be performed without interruption.

"(b) Eligibility of Employees of Nonappropriated Fund Instrumentalities.—A nonappropriated fund instrumentality employee is eligible for designation as an emergency essential employee under subsection (a).

"(c) DEFINITIONS.—In this section:

"(1) The term 'combat zone' has the meaning given that term in section 112(c)(2) of the Internal Revenue Code of 1986.

"(2) The term 'nonappropriated fund instrumentality employee' has the meaning given that term in section 1587(a)(1) of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 1581 the following:

"1580. Emergency essential employees: designation.".

SEC. 1104. EXTENSION OF CERTAIN TEMPORARY AUTHORITIES TO PROVIDE BENEFITS FOR EMPLOYEES IN CONNECTION WITH DEFENSE WORKFORCE REDUCTIONS AND RESTRUCTURING.

(a) LUMP-SUM PAYMENT OF SEVERANCE PAY.—Section 5595(i)(4) of title 5, United States Code, is amended by striking "the date of the enactment of the National Defense Authorization Act for Fiscal Year 1996 and before October 1, 1999" and inserting "February 10, 1996, and before October 1, 2003".

(b) VOLUNTARY SEPARATION INCENTIVE.—Section 5597(e) of such title is amended by striking "September 30, 2001" and inserting "September 30, 2003".

(c) CONTINUATION OF FEHBP ELIGIBILITY.—Section 8905a(d)(4)(B) of such title is amended by striking clauses (i) and (ii) and inserting the following:

"(i) October 1, 2003; or

"(ii) February 1, 2004, if specific notice of such separation was given to such individual before October 1, 2003.".

SEC. 1105. LEAVE WITHOUT LOSS OF BENEFITS FOR MILITARY RESERVE TECHNICIANS ON ACTIVE DUTY IN SUPPORT OF COMBAT OPERATIONS.

(a) ELIMINATION OF RESTRICTION TO SITUATIONS INVOLVING NONCOMBAT OPERATIONS.—Section 6323(d)(1) of title 5, United States Code, is amended by striking "noncombat".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply with respect to days of leave under section 6323(d)(1) of title 5, United States Code, on or after that date.

SEC. 1106. EXPANSION OF GUARD-AND-RESERVE PURPOSES FOR WHICH LEAVE UNDER SECTION 6323 OF TITLE 5, UNITED STATES CODE, MAY BE USED.

(a) IN GENERAL.—Section 6323(a)(1) of title 5, United States Code, is amended in the first sentence by inserting ", inactive-duty training (as defined in section 101 of title 37)," after "active duty".

(b) APPLICABILITY.—The amendment made by subsection (a) shall not apply with respect to any inactive-duty training (as defined in such amendment) occurring before the date of the enactment of this Act.

SEC. 1107. WORK SCHEDULES AND PREMIUM PAY OF SERVICE ACADEMY FACULTY.

(a) UNITED STATES MILITARY ACADEMY.—Section 4338 of title 10, United States Code, is amended by adding at the end the following new subsection (c):

"(c) The Secretary of the Army may, notwithstanding the provisions of subchapter V of chapter 55 of title 5 or section 6101 of such title, prescribe for persons employed under this section the following:

"(1) The work schedule, including hours of work and tours of duty, set forth with such specificity and other characteristics as the Secretary determines appropriate.

"(2) Any premium pay or compensatory time off for hours of work or tours of duty in excess of the regularly scheduled hours or tours of duty.".

(b) UNITED STATES NAVAL ACADEMY.—Section 6952 of title 10, United States Code, is amended by—

(1) redesignating subsection (c) as subsection (d); and

(2) inserting after subsection (b) the following new subsection (c):

"(c) The Secretary of the Navy may, notwithstanding the provisions of subchapter V of chapter 55 of title 5 or section 6101 of such title, prescribe for persons employed under this section the following:

"(1) The work schedule, including hours of work and tours of duty, set forth with such specificity and other characteristics as the Secretary determines appropriate.

"(2) Any premium pay or compensatory time off for hours of work or tours of duty in excess of the regularly scheduled hours or tours of duty.".

(c) UNITED STATES AIR FORCE ACADEMY.—Section 9338 of title 10, United States Code, is amended by adding at the end the following new subsection (c):

"(c) The Secretary of the Air Force may, notwithstanding the provisions of subchapter V of chapter 55 of title 5 or section 6101 of such title, prescribe for persons employed under this section the following:

"(1) The work schedule, including hours of work and tours of duty, set forth with such specificity and other characteristics as the Secretary determines appropriate.

"(2) Any premium pay or compensatory time off for hours of work or tours of duty in excess of the regularly scheduled hours or tours of duty.".

SEC. 1108. SALARY SCHEDULES AND RELATED BENEFITS FOR FACULTY AND STAFF OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

Section 2113(f) of title 10, United States Code, is amended by adding at the end the following:

"(3) The limitations in section 5373 of title 5 do not apply to the authority of the Secretary under paragraph (1) to prescribe salary schedules and other related benefits.".

SEC. 1109. EXEMPTION OF DEFENSE LABORATORY EMPLOYEES FROM CERTAIN WORKFORCE MANAGEMENT RESTRICTIONS.

Section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721) is amended by adding at the end the following new paragraph:

"(4) The employees of a laboratory covered by a personnel demonstration project carried out under this section shall be exempt from, and may not be counted for the purposes of, any constraint or limitation in a statute or regulation in terms of supervisory ratios or maximum number of employees in any specific category or categories of employment that may otherwise be applicable to the employees. The employees shall be managed by the director of the laboratory subject to the supervision of the Under Secretary of Defense for Acquisition, Technology, and Logistics.".

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Relating to the People's Republic of China

Sec. 1201. Limitation on military-to-military exchanges and contacts with Chinese People's Liberation Army.

Sec. 1202. Annual report on military power of the People's Republic of China.

Subtitle B—Matters Relating to the Balkans

Sec. 1211. Department of Defense report on the conduct of Operation Allied Force and associated relief operations.

Sec. 1212. Sense of Congress regarding the need for vigorous prosecution of war crimes, genocide, and crimes against humanity in the former Republic of Yugoslavia.

Subtitle C—Matters Relating to NATO and Other Allies

Sec. 1221. Legal effect of the new strategic concept of NATO.

Sec. 1222. Report on allied capabilities to contribute to major theater wars.

Sec. 1223. Attendance at professional military education schools by military personnel of the new member nations of NATO.

Subtitle D—Other Matters

Sec. 1231. Multinational economic embargoes against governments in armed conflict with the United States.

Sec. 1232. Limitation on deployment of Armed Forces in Haiti during fiscal year 2000 and congressional notice of deployments to Haiti.

Sec. 1233. Report on the security situation on the Korean peninsula.

Sec. 1234. Sense of Congress regarding the continuation of sanctions against Libya.

Sec. 1235. Sense of Congress and report on disengaging from noncritical overseas missions involving United States combat forces.

Subtitle A—Matters Relating to the People's Republic of China

SEC. 1201. LIMITATION ON MILITARY-TO-MILITARY EXCHANGES AND CONTACTS WITH CHINESE PEOPLE'S LIBERATION ARMY.

(a) LIMITATION.—The Secretary of Defense may not authorize any military-to-military exchange or contact described in subsection (b) to be conducted by the armed forces with representatives of the People's Liberation Army of the People's Republic of China if that exchange or contact would create a national security risk due to an inappropriate exposure specified in subsection (b).

(b) COVERED EXCHANGES AND CONTACTS.—Subsection (a) applies to any military-to-military exchange or contact that includes inappropriate exposure to any of the following:

(1) Force projection operations.

(2) Nuclear operations.

(3) Advanced combined-arms and joint combat operations.

(4) Advanced logistical operations.

(5) Chemical and biological defense and other capabilities related to weapons of mass destruction.

(6) Surveillance and reconnaissance operations.

(7) Joint warfighting experiments and other activities related to a transformation in warfare.

(8) Military space operations.

(9) Other advanced capabilities of the Armed Forces.

(10) Arms sales or military-related technology transfers.

(11) Release of classified or restricted information.

(12) Access to a Department of Defense laboratory.

(c) EXCEPTIONS.—Subsection (a) does not apply to any search-and-rescue or humanitarian operation or exercise.

(d) ANNUAL CERTIFICATION BY SECRETARY.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, not later than December 31 each year, a certification in writing as to whether or not any military-to-military exchange or contact during that calendar year was conducted in violation of subsection (a).

(e) ANNUAL REPORT.—Not later than March 31 each year beginning in 2001, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on

Armed Services of the House of Representatives a report providing the Secretary's assessment of the current state of military-to-military exchanges and contacts with the People's Liberation Army. The report shall include the following:

(1) A summary of all such military-to-military contacts during the period since the last such report, including a summary of topics discussed and questions asked by the Chinese participants in those contacts.

(2) A description of the military-to-military exchanges and contacts scheduled for the next 12-month period and a plan for future contacts and exchanges.

(3) The Secretary's assessment of the benefits the Chinese expect to gain from those military-to-military exchanges and contacts.

(4) The Secretary's assessment of the benefits the Department of Defense expects to gain from those military-to-military exchanges and contacts.

(5) The Secretary's assessment of how military-to-military exchanges and contacts with the People's Liberation Army fit into the larger security relationship between the United States and the People's Republic of China.

(f) Report of Past Military-to-Military Exchanges and Contacts With the PRC.—Not later than March 31, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on past military-to-military exchanges and contacts between the United States and the People's Republic of China. The report shall be unclassified, but may contain a classified annex, and shall include the following:

(1) A list of the general and flag grade officers of the People's Liberation Army who have visited United States military installations since January 1, 1993.

(2) The itinerary of the visits referred to in paragraph (2), including the installations visited, the duration of the visits, and the activities conducted during the visits.

(3) The involvement, if any, of the general and flag officers referred to in paragraph (1) in the Tiananmen Square massacre of June 1989.

(4) A list of the facilities in the People's Republic of China that United States military officers have visited as a result of any military-to-military exchange or contact program between the United States and the People's Republic of China since January 1, 1993.

(5) A list of facilities in the People's Republic of China that have been the subject of a requested visit by the Department of Defense that has been denied by People's Republic of China authorities.

(6) A list of facilities in the United States that have been the subject of a requested visit by the People's Liberation Army that has been denied by the United States.

(7) Any official documentation (such as memoranda for the record, after-action reports, and final itineraries) and all receipts for expenses over $1,000, concerning military-to-military exchanges or contacts between the United States and the People's Republic of China in 1999.

(8) A description of military-to-military exchanges or contacts between the United States and the People's Republic of China scheduled for 2000.

(9) An assessment regarding whether or not any People's Republic of China military officials have been shown classified material as a result of military-to-military exchanges or contacts between the United States and the People's Republic of China.

SEC. 1202. ANNUAL REPORT ON MILITARY POWER OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) Annual Report.—Not later than March 1 each year, the Secretary of Defense shall submit to the specified congressional committees a report, in both classified and unclassified form, on the current and future military strategy of the People's Republic of China. The report shall address the current and probable future course of military-technological development on the People's Liberation Army and the tenets and probable development of Chinese grand strategy, security strategy, and military strategy, and of military organizations and operational concepts, through the next 20 years.

(b) Matters To Be Included.—Each report under this section shall include analyses and forecasts of the following:

(1) The goals of Chinese grand strategy, security strategy, and military strategy.

(2) Trends in Chinese strategy that would be designed to establish the People's Republic of China as the leading political power in the Asia-Pacific region and as a political and military presence in other regions of the world.

(3) The security situation in the Taiwan Strait.

(4) Chinese strategy regarding Taiwan.

(5) The size, location, and capabilities of Chinese strategic, land, sea, and air forces, including detailed analysis of those forces facing Taiwan.

(6) Developments in Chinese military doctrine, focusing on (but not limited to) efforts to exploit a transformation in military affairs or to conduct preemptive strikes.

(7) Efforts, including technology transfers and espionage, by the People's Republic of China to develop, acquire, or gain access to information, communication, space and other advanced technologies that would enhance military capabilities.

(8) An assessment of any challenges during the preceding year to the deterrent forces of the Republic of China on Taiwan, consistent with the commitments made by the United States in the Taiwan Relations Act (Public Law 96–8).

(c) Specified Congressional Committees.—For purposes of this section, the term "specified congressional committees" means the following:

(1) The Committee on Armed Services and the Committee on Foreign Relations of the Senate.

(2) The Committee on Armed Services and the Committee on International Relations of the House of Representatives.

Subtitle B—Matters Relating to the Balkans

SEC. 1211. DEPARTMENT OF DEFENSE REPORT ON THE CONDUCT OF OPERATION ALLIED FORCE AND ASSOCIATED RELIEF OPERATIONS.

(a) Report Required.—(1) Not later than January 31, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the conduct of military operations conducted as part of Operation Allied Force and relief operations associated with that operation. The Secretary shall submit to those committees a preliminary report on the conduct of those operations not later than October 15, 1999. The report (including the preliminary report) shall be prepared in consultation with the Chairman of the Joint Chiefs of Staff and the Commander in Chief, United States European Command.

(2) In this section, the term "Operation Allied Force" means operations of the North Atlantic Treaty Organization (NATO) conducted against the Federal Republic of Yugoslavia (Serbia and Montenegro) during the period beginning on March 24, 1999, and ending with the suspension of bombing operations on June 10, 1999, to resolve the conflict with respect to Kosovo.

(b) Discussion of Accomplishments and Shortcomings.—The report (and the preliminary report, to the extent feasible) shall contain a discussion, with a particular emphasis on accomplishments and shortcomings, of the following matters:

(1) The national security interests of the United States that were threatened by the deteriorating political and military situation in the Province of Kosovo, Republic of Serbia, in the country of the Federal Republic of Yugoslavia (Serbia and Montenegro).

(2) The factors leading to the decision by the United States and NATO to issue an ultimatum in October 1998 that force would be used against the Federal Republic of Yugoslavia unless certain conditions were met, and the planning of a military operation to execute that ultimatum.

(3) The political and military objectives of the United States and NATO in the conflict with the Federal Republic of Yugoslavia.

(4) The military strategy of the United States and NATO to achieve those political and military objectives.

(5) An analysis of the decisionmaking process of NATO and the effect of that decisionmaking process on the conduct of military operations.

(6) An analysis of the decision not to include a ground component in Operation Allied Force (to include a detailed explanation of the political and military factors involved in that decision) and the effect of that decision on the conduct of military operations.

(7) The deployment of United States forces and the transportation of supplies to the theater of operations, including an assessment of airlift and sealift, with a specific assessment of the deployment of Task Force Hawk.

(8) The conduct of military operations, including a specific assessment of each of the following:

(A) The effects of the graduated, incremental pace of the military operations.

(B) The process for identifying, nominating, selecting and verifying targets to be attacked during Operation Allied Force, including an analysis of the factors leading to the bombing of the Embassy of the People's Republic of China in Belgrade.

(C) The loss of aircraft and the accuracy of bombing operations.

(D) The decoy and deception operations and counter-intelligence techniques used by the Yugoslav military.

(E) The use of high-demand, low-density assets in Operation Allied Force in terms of inventory, capabilities, deficiencies, and ability to provide logistical support.

(F) A comparison of the military capabilities of the United States and of the allied participants in Operation Allied Force.

(G) Communications and operational security of NATO forces.

(H) The effect of adverse weather on the performance of weapons and supporting systems.

(I) The decision not to use in the air campaign the Apache attack helicopters deployed as part of Task Force Hawk.

(9) The conduct of relief operations by United States and allied military forces and the effect of those relief operations on military operations.

(10) The ability of the United States during Operation Allied Force to conduct other operations required by the national defense strategy, including an analysis of the transfer of operational assets from other United States unified commands to the European Command for participation in Operation Allied Force and the effect of those transfers on the readiness, warfighting capability, and deterrence posture of those commands.

(11) The use of special operations forces, including operational and intelligence activities classified under special access procedures.

(12) The effectiveness of intelligence, surveillance, and reconnaissance support to operational forces, including an assessment of battle damage assessment of fixed and mobile targets prosecuted during the air campaign, estimates of Yugoslav forces and equipment in Kosovo, and information related to Kosovar refugees and internally displaced persons.

(13) The use and performance of United States and NATO military equipment, weapon systems, and munitions (including items classified under special access procedures) and an analysis of—

(A) any equipment or capabilities that were in research and development and if available could have been used in the theater of operations;

(B) any equipment or capabilities that were available and could have been used but were not introduced into the theater of operations; and

(C) the compatibility of command, control, and communications equipment and the ability of United States aircraft to operate with aircraft of other nations without degradation of capabilities or protection of United States forces.

(14) The scope of logistics support, including support from other nations, with particular emphasis on the availability and adequacy of foreign air bases.

(15) The role of contractors to provide support and maintenance in the theater of operations.

(16) The acquisition policy actions taken to support the forces in the theater of operations.

(17) The personnel management actions taken to support the forces in the theater of operations.

(18) The effectiveness of reserve component forces, including their use and performance in the theater of operations.

(19) A legal analysis, including (A) the legal basis for the decision by NATO to use force, and (B) the role of the law of armed conflict in the planning and execution of military operations by the United States and the other NATO member nations.

(20) The cost to the Department of Defense of Operation Allied Force and associated relief operations, together with the Secretary's plan to refurbish or replace ordnance and other military equipment expended or destroyed during the operations.

(21) A description of the most critical lessons learned that could lead to long-term doctrinal, organizational, and technological changes.

(c) CLASSIFICATION OF REPORT.—The Secretary of Defense shall submit both the report and the preliminary report in a classified form and an unclassified form.

SEC. 1212. SENSE OF CONGRESS REGARDING THE NEED FOR VIGOROUS PROSECUTION OF WAR CRIMES, GENOCIDE, AND CRIMES AGAINST HUMANITY IN THE FORMER REPUBLIC OF YUGOSLAVIA.

(a) FINDINGS.—Congress makes the following findings:

(1) The United Nations Security Council created the International Criminal Tribunal for the former Yugoslavia (in this section referred to as the "ICTY") by resolution on May 25, 1993.

(2) Although the ICTY has indicted 89 people since its creation, those indictments have only resulted in the trial and conviction of 8 criminals.

(3) The ICTY has jurisdiction to investigate grave breaches of the 1949 Geneva Conventions (Article 2), violations of the laws or customs of war (Article 3), genocide (Article 4), and crimes against humanity (Article 5).

(4) The Chief Prosecutor of the ICTY, Justice Louise Arbour, stated on July 7, 1998, to the Contact Group for the former Yugoslavia, that "[t]he Prosecutor believes that the nature and scale of the fighting indicate that an 'armed conflict', within the meaning of international law, exists in Kosovo. As a consequence, she intends to bring charges for crimes against humanity or war crimes, if evidence of such crimes is established".

(5) Reports from Kosovar Albanian refugees provide detailed accounts of systematic efforts to displace the entire Muslim population of Kosovo.

(6) In furtherance of this plan, Serbian troops, police, and paramilitary forces have engaged in detention and summary execution of men of all ages, wanton destruction of civilian housing, forcible expulsions, mass executions in at least 60 villages and towns, as well as widespread rape of women and young girls.

(7) These reports of atrocities provide prima facie evidence of war crimes and crimes against humanity, as well as possible genocide.

(8) Any criminal investigation is best served by the depositions and interviews of witnesses as soon after the commission of the crime as possible.

(9) The indictment, arrest, and trial of war criminals would provide a significant deterrent to further atrocities.

(10) The ICTY has issued 14 international warrants for war crimes suspects that have yet to be served, despite knowledge of the suspects' whereabouts.

(11) Vigorous prosecution of war crimes after the conflict in Bosnia may have prevented the ongoing atrocities in Kosovo.

(12) Investigative reporters have identified specific documentary evidence implicating the Serbian leadership in the commission of war crimes.

(13) NATO forces and forensic teams deployed in Kosovo have uncovered physical evidence of war crimes, including mass graves.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States, in coordination with other United Nations member states, should provide sufficient resources for an expeditious and thorough investigation of allegations of the atrocities and war crimes committed in Kosovo;

(2) the United States, through its intelligence services, should provide all possible cooperation in the gathering of evidence of sufficient specificity and credibility to secure the indictment of those responsible for the commission of war crimes, crimes against humanity, and genocide in the former Yugoslavia;

(3) where evidence warrants, indictments for war crimes, crimes against humanity, and genocide should be issued against suspects regardless of their position within the Serbian leadership;

(4) the United States and all nations have an obligation to honor arrest warrants issued by the ICTY and should use all appropriate means to apprehend and bring to justice through the ICTY individuals who are already under indictment;

(5) any final settlement regarding Kosovo should not bar the indictment, apprehension, or prosecution of persons accused of war crimes, crimes against humanity, or genocide committed during operations in Kosovo; and

(6) President Slobodan Milosevic should be held accountable for his actions while President of the Federal Republic of Yugoslavia or President of the Republic of Serbia in initiating four armed conflicts and taking actions leading to the deaths of tens of thousands of people and responsibility for murder, rape, terrorism, destruction, and ethnic cleansing.

Subtitle C—Matters Relating to NATO and Other Allies

SEC. 1221. LEGAL EFFECT OF THE NEW STRATEGIC CONCEPT OF NATO.

(a) CERTIFICATION REQUIRED.—Not later than 30 days after the date of the enactment of this Act, the President shall determine and certify to the Congress whether or not the new Strategic Concept of NATO imposes any new commitment or obligation on the United States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that, if the President certifies under subsection (a) that the new Strategic Concept of NATO imposes any new commitment or obligation on the United States, the President should submit the new Strategic Concept of NATO to the Senate as a treaty for the Senate's advice and consent to ratification under article II, section 2, clause 2 of the Constitution.

(c) REPORT.—Together with the certification made under subsection (a), the President shall submit to the Congress a report containing an analysis of the potential threats facing the North Atlantic Treaty Organization in the first decade of the next millennium, with particular reference to those threats facing a member nation, or several member nations, where the commitment of NATO forces will be "out of area" or beyond the borders of NATO member nations.

(d) DEFINITION.—For the purposes of this section, the term "new Strategic Concept of NATO" means the document approved by the Heads of State and Government participating in the meeting of the North Atlantic Council in Washington, DC, on April 23 and 24, 1999.

SEC. 1222. REPORT ON ALLIED CAPABILITIES TO CONTRIBUTE TO MAJOR THEATER WARS.

(a) REPORT.—The Secretary of Defense shall prepare a report, in both classified and unclassified form, on the current military capabilities of allied nations to contribute to the successful conduct of the major theater wars as anticipated in the Quadrennial Defense Review of 1997.

(b) MATTERS TO BE INCLUDED.—The report shall set forth the following:

(1) The identity, size, structure, and capabilities of the armed forces of the allies expected to participate in the major theater wars anticipated in the Quadrennial Defense Review.

(2) The priority accorded in the national military strategies and defense programs of the anticipated allies to contributing forces to United States-led coalitions in such major theater wars.

(3) The missions currently being conducted by the armed forces of the anticipated allies and the ability of the allied armed forces to conduct simultaneously their current missions and those anticipated in the event of major theater war.

(4) Any Department of Defense assumptions about the ability of allied armed forces to deploy or redeploy from their current missions in the event of a major theater war, including any role United States Armed Forces would play in assisting and sustaining such a deployment or redeployment.

(5) Any Department of Defense assumptions about the combat missions to be executed by such allied forces in the event of major theater war.

(6) The readiness of allied armed forces to execute any such missions.

(7) Any risks to the successful execution of the military missions called for under the National Military Strategy of the United States related to the capabilities of allied armed forces.

(c) SUBMISSION OF REPORT.—The report shall be submitted to Congress not later than June 1, 2000.

SEC. 1223. ATTENDANCE AT PROFESSIONAL MILITARY EDUCATION SCHOOLS BY MILITARY PERSONNEL OF THE NEW MEMBER NATIONS OF NATO.

(a) FINDING.—Congress finds that it is in the national interest of the United States to fully integrate Poland, Hungary, and the Czech Republic (the new member nations of the North Atlantic Treaty Organization) into the NATO alliance as quickly as possible.

(b) MILITARY EDUCATION AND TRAINING PROGRAMS.—The Secretary of each military department shall give due consideration to according a high priority to the attendance of military personnel of Poland, Hungary, and the Czech Republic at professional military education schools and training programs in the United States, including the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the National Defense University, the war colleges of the Armed Forces, the command and general staff officer courses of the Armed Forces, and other schools and training programs of the Armed Forces that admit personnel of foreign armed forces.

Subtitle D—Other Matters

SEC. 1231. MULTINATIONAL ECONOMIC EMBARGOES AGAINST GOVERNMENTS IN ARMED CONFLICT WITH THE UNITED STATES.

(a) Policy on the Establishment of Embargoes.—It is the policy of the United States, that upon the use of the Armed Forces of the United States to engage in hostilities against any foreign country, the President shall, as appropriate—

(1) seek the establishment of a multinational economic embargo against such country; and

(2) seek the seizure of its foreign financial assets.

(b) Reports to Congress.—Not later than 20 days after the first day of the engagement of the United States in hostilities described in subsection (a), the President shall, if the armed conflict has continued for 14 days, submit to Congress a report setting forth—

(1) the specific steps the United States has taken and will continue to take to establish a multinational economic embargo and to initiate financial asset seizure pursuant to subsection (a); and

(2) any foreign sources of trade or revenue that directly or indirectly support the ability of the adversarial government to sustain a military conflict against the United States.

SEC. 1232. LIMITATION ON DEPLOYMENT OF ARMED FORCES IN HAITI DURING FISCAL YEAR 2000 AND CONGRESSIONAL NOTICE OF DEPLOYMENTS TO HAITI.

(a) Limitation on Deployment.—No funds available to the Department of Defense during fiscal year 2000 may be expended after May 31, 2000, for the continuous deployment of United States Armed Forces in Haiti pursuant to the Department of Defense operation designated as Operation Uphold Democracy.

(b) Report.—Whenever there is a deployment of United States Armed Forces to Haiti after May 31, 2000, the President shall, not later than 96 hours after such deployment begins, transmit to Congress a written report regarding the deployment. In any such report, the President shall specify (1) the purpose of the deployment, and (2) the date on which the deployment is expected to end.

SEC. 1233. REPORT ON THE SECURITY SITUATION ON THE KOREAN PENINSULA.

(a) Report.—Not later than April 1, 2000, the Secretary of Defense shall submit to the appropriate congressional committees a report on the security situation on the Korean peninsula. The report shall be submitted in both classified and unclassified form.

(b) Matters To Be Included.—The Secretary shall include in the report under subsection (a) the following:

(1) A net assessment analysis of the warfighting capabilities of the Combined Forces Command (CFC) of the United States and the Republic of Korea compared with the armed forces of North Korea.

(2) An assessment of challenges posed by the armed forces of North Korea to the defense of the Republic of Korea and to United States forces deployed to the region.

(3) An assessment of the current status and the future direction of weapons of mass destruction programs and ballistic missile programs of North Korea, including a determination as to whether or not North Korea—

(A) is continuing to pursue a nuclear weapons program;

(B) is seeking equipment and technology with which to enrich uranium; and

(C) is pursuing an offensive biological weapons program.

(c) Appropriate Congressional Committees.—In this section, the term "appropriate congressional committees" means—

(1) the Committee on International Relations and the Committee on Armed Services of the House of Representatives; and

(2) the Committee on Foreign Relations and the Committee on Armed Services of the Senate.

SEC. 1234. SENSE OF CONGRESS REGARDING THE CONTINUATION OF SANCTIONS AGAINST LIBYA.

(a) Findings.—Congress makes the following findings:

(1) On December 21, 1988, 270 people, including 189 United States citizens, were killed in a terrorist bombing on Pan American Flight 103 over Lockerbie, Scotland.

(2) The United Kingdom and the United States indicted two Libyan intelligence agents, Abd al-Baset Ali al-Megrahi and Al-Amin Khalifah Fhimah, in 1991 and sought their extradition from Libya to the United States or the United Kingdom to stand trial for this heinous terrorist act.

(3) The United Nations Security Council called for the extradition of those suspects in Security Council Resolution 731 and imposed sanctions on Libya in Security Council Resolutions 748 and 883 because Libyan leader Colonel Muammar Qadhafi refused to transfer the suspects to either the United States or the United Kingdom to stand trial.

(4) United Nations Security Council Resolutions 731, 748, and 883 demand that Libya cease all support for terrorism, turn over the two suspects, cooperate with the investigation and the trial, and address the issue of appropriate compensation.

(5) The sanctions in United Nations Security Council Resolutions 748 and 883 include—

(A) a worldwide ban on Libya's national airline;

(B) a ban on flights into and out of Libya by other nations' airlines; and

(C) a prohibition on supplying arms, airplane parts, and certain oil equipment to Libya, and a blocking of Libyan Government funds in other countries.

(6) Colonel Muammar Qadhafi for many years refused to extradite the suspects to either the United States or the United Kingdom and had insisted that he would only transfer the suspects to a third and neutral country to stand trial.

(7) On August 24, 1998, the United States and the United Kingdom agreed to the proposal that Colonel Qadhafi transfer the suspects to The Netherlands, where they would stand trial under a Scottish court, under Scottish law, and with a panel of Scottish judges.

(8) The United Nations Security Council endorsed the United States-United Kingdom proposal on August 27, 1998 in United Nations Security Council Resolution 1192.

(9) The United States, consistent with United Nations Security Council resolutions, called on Libya to ensure the production of evidence, including the presence of witnesses before the court, and to comply fully with all the requirements of the United Nations Security Council resolutions.

(10) After years of intensive diplomacy, Colonel Qadhafi finally transferred the two Libyan suspects to The Netherlands on April 5, 1999, and the United Nations Security Council, in turn, suspended its sanctions against Libya that same day.

(11) Libya has only fulfilled one of four conditions (the transfer of the two suspects accused in the Lockerbie bombing) set forth in United Nations Security Council Resolutions 731, 748, and 883 that would justify the lifting of United Nations Security Council sanctions against Libya.

(12) Libya has not fulfilled the other three conditions (cooperation with the Lockerbie investigation and trial, renunciation of and ending support for terrorism, and payment of appropriate compensation) necessary to lift the United Nations Security Council sanctions.

(13) The United Nations Secretary General issued a report to the Security Council on June 30, 1999, on the issue of Libya's compliance with the remaining conditions.

(14) Any member of the United Nations Security Council has the right to introduce a resolution to lift the sanctions against Libya now that the United Nations Secretary General's report has been issued.

(15) The United States Government considers Libya a state sponsor of terrorism and the State Department Report, "Patterns of Global Terrorism; 1998", stated that Colonel Qadhafi "continued publicly and privately to support Palestinian terrorist groups, including the PIJ and the PFLP-GC".

(16) United States Government sanctions (other than sanctions on food or medicine) should be maintained on Libya, and in accordance with United States law, the Secretary of State should keep Libya on the list of countries the governments of which have repeatedly provided support for acts of international terrorism under section 6(j) of the Export Administration Act of 1979 in light of Libya's ongoing support for terrorist groups.

(b) Sense of Congress.—It is the sense of Congress that the President should use all diplomatic means necessary, including the use of the United States veto at the United Nations Security Council, to prevent the Security Council from lifting sanctions against Libya until Libya fulfills all of the conditions set forth in United Nations Security Council Resolutions 731, 748, and 883.

SEC. 1235. SENSE OF CONGRESS AND REPORT ON DISENGAGING FROM NONCRITICAL OVERSEAS MISSIONS INVOLVING UNITED STATES COMBAT FORCES.

(a) Findings.—Congress makes the following findings:

(1) It is the National Security Strategy of the United States to "deter and defeat large-scale, cross-border aggression in two distant theaters in overlapping time frames".

(2) The deterrence of Iraq and Iran in Southwest Asia and the deterrence of North Korea in Northeast Asia represent two such potential large-scale, cross-border theater requirements.

(3) The United States has 120,000 military personnel permanently assigned to the Southwest Asia and Northeast Asia theaters.

(4) The United States has an additional 70,000 military personnel assigned to non-NATO/non-Pacific threat foreign countries.

(5) The United States has more than 6,000 military personnel in Bosnia-Herzegovina on indefinite assignment.

(6) The United States has diverted permanently assigned resources from other theaters to support operations in the Balkans.

(7) The United States provides military forces to seven active United Nations peacekeeping operations, including some missions that have continued for decades.

(8) Between 1986 and 1998, the number of United States military deployments per year has nearly tripled at the same time the Department of Defense budget has been reduced in real terms by 38 percent.

(9) The Army has 10 active-duty divisions today, down from 18 in 1991, while on an average day in fiscal year 1998, 28,000 United States Army soldiers were deployed to more than 70 countries for over 300 separate missions.

(10) The number of fighter wings in the active component of the Air Force has gone from 22 to 13 since 1991, while 70 percent of air sorties in Operation Allied Force over the Balkans were United States-flown and the Air Force continues to enforce northern and southern no-fly zones in Iraq. In response, the Air Force has initiated a "stop loss" program to block normal retirements and separations.

(11) The Navy has been reduced in size to 339 ships, its lowest level since 1938, necessitating the redeployment of the only overseas homeported aircraft carrier from the western Pacific to the Mediterranean to support Operation Allied Force.

(12) In 1998, just 10 percent of eligible carrier naval aviators (27 out of 261) accepted continuation bonuses and remained in the service.

(13) In 1998, 48 percent of Air Force pilots eligible for continuation chose to leave the service.

(14) The Army could fall 6,000 below congressionally authorized strength levels by the end of 1999.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the readiness of United States military forces to execute the National Security Strategy of the United States referred to in subsection (a)(1) is being eroded by a combination of declining defense budgets and expanded missions; and

(2) there may be missions to which the United States is contributing Armed Forces from which the United States can begin disengaging.

(c) REPORT REQUIREMENT.—Not later than March 1, 2000, the President shall submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives a report prioritizing the ongoing global missions to which the United States is contributing forces. The President shall include in the report a feasibility analysis of how the United States can—

(1) shift resources from low priority missions in support of higher priority missions;

(2) consolidate or reduce United States troop commitments worldwide; and

(3) end low priority missions.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Prohibition on use of funds for specified purposes.
Sec. 1304. Limitations on use of funds for fissile material storage facility.
Sec. 1305. Limitation on use of funds for chemical weapons destruction.
Sec. 1306. Limitation on use of funds until submission of report.
Sec. 1307. Limitation on use of funds until submission of multiyear plan.
Sec. 1308. Requirement to submit report.
Sec. 1309. Report on Expanded Threat Reduction Initiative.
Sec. 1310. Limitation on use of funds until submission of certification.
Sec. 1311. Period covered by annual report on accounting for United States assistance under Cooperative Threat Reduction programs.
Sec. 1312. Russian nonstrategic nuclear arms.

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2000 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 2000 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $475,500,000 authorized to be appropriated to the Department of Defense for fiscal year 2000 in section 301(23) for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $177,300,000.

(2) For strategic nuclear arms elimination in Ukraine, $41,800,000.

(3) For activities to support warhead dismantlement processing in Russia, $9,300,000.

(4) For security enhancements at chemical weapons storage sites in Russia, $20,000,000.

(5) For weapons transportation security in Russia, $15,200,000.

(6) For planning, design, and construction of a storage facility for Russian fissile material, $64,500,000.

(7) For weapons storage security in Russia, $99,000,000.

(8) For development of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $32,300,000.

(9) For biological weapons proliferation prevention activities in Russia, $12,000,000.

(10) For activities designated as Other Assessments/Administrative Support, $1,800,000.

(11) For defense and military contacts, $2,300,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2000 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (11) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2000 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2000 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for the purposes stated in any of paragraphs (4) through (6), (8), (10), or (11) of subsection (a) in excess of 115 percent of the amount specifically authorized for such purposes.

SEC. 1303. PROHIBITION ON USE OF FUNDS FOR SPECIFIED PURPOSES.

(a) IN GENERAL.—No fiscal year 2000 Cooperative Threat Reduction funds, and no funds appropriated for Cooperative Threat Reduction programs after the date of the enactment of this Act, may be obligated or expended for any of the following purposes:

(1) Conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

(2) Provision of housing.

(3) Provision of assistance to promote environmental restoration.

(4) Provision of assistance to promote job retraining.

(b) LIMITATION WITH RESPECT TO DEFENSE CONVERSION ASSISTANCE.—None of the funds appropriated pursuant to the authorization of appropriations in section 301 of this Act, and no funds appropriated to the Department of Defense in any other Act enacted after the date of the enactment of this Act, may be obligated or expended for the provision of assistance to Russia or any other state of the former Soviet Union to promote defense conversion.

(c) LIMITATION WITH RESPECT TO CONVENTIONAL WEAPONS.—No fiscal year 2000 Cooperative Threat Reduction funds may be obligated or expended for elimination of conventional weapons or the delivery vehicles primarily intended to deliver such weapons.

SEC. 1304. LIMITATIONS ON USE OF FUNDS FOR FISSILE MATERIAL STORAGE FACILITY.

(a) LIMITATIONS ON USE OF FISCAL YEAR 2000 FUNDS.—No fiscal year 2000 Cooperative Threat Reduction funds may be used—

(1) for construction of a second wing for the storage facility for Russian fissile material referred to in section 1302(a)(6); or

(2) for design or planning with respect to such facility until 15 days after the date that the Secretary of Defense submits to Congress notification that Russia and the United States have signed a verifiable written transparency agreement that ensures that material stored at the facility is of weapons origin.

(b) LIMITATION ON CONSTRUCTION.—No funds authorized to be appropriated for Cooperative Threat Reduction programs may be used for construction of the storage facility referred to in subsection (a) until the Secretary of Defense submits to Congress the following:

(1) A certification that additional capacity is necessary at such facility for storage of Russian weapons-origin fissile material.

(2) A detailed cost estimate for a second wing for the facility.

(3) A certification that Russia and the United States have signed a verifiable written transparency agreement that ensures that material stored at the facility is of weapons origin.

SEC. 1305. LIMITATION ON USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION.

No fiscal year 2000 Cooperative Threat Reduction funds, and no funds appropriated for Cooperative Threat Reduction programs after the date of the enactment of this Act, may be obligated or expended for planning, design, or construction of a chemical weapons destruction facility in Russia.

SEC. 1306. LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF REPORT.

Not more than 50 percent of the fiscal year 2000 Cooperative Threat Reduction funds may be obligated or expended until the Secretary of Defense submits to Congress a report describing—

(1) with respect to each purpose listed in section 1302, whether the Department of Defense is the appropriate executive agency to carry out Cooperative Threat Reduction programs for such purpose, and if so, why; and

(2) for any purpose that the Secretary determines is not appropriately carried out by the Department of Defense, a plan for migrating responsibility for carrying out such purpose to the appropriate agency.

SEC. 1307. LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF MULTIYEAR PLAN.

Not more than ten percent of fiscal year 2000 Cooperative Threat Reduction funds may be obligated or expended until the Secretary of Defense submits to Congress an updated version of the multiyear plan for fiscal year 2000 required to be submitted under section 1205 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 22 U.S.C. 5952 note).

SEC. 1308. REQUIREMENT TO SUBMIT REPORT.

Not later than December 31, 1999, the Secretary of Defense shall submit to Congress a report including—

(1) an explanation of the strategy of the Department of Defense for encouraging States of the former Soviet Union that receive funds through Cooperative Threat Reduction programs to contribute financially to the threat reduction effort;

(2) a prioritization of the projects carried out by the Department of Defense under Cooperative Threat Reduction programs;

(3) an identification of any limitations that the United States has imposed or will seek to impose, either unilaterally or through negotiations with recipient States, on the level of assistance provided by the United States for each of such projects; and

(4) an identification of the amount of international financial assistance provided for Cooperative Threat Reduction programs by other States.

SEC. 1309. REPORT ON EXPANDED THREAT REDUCTION INITIATIVE.

Not later than March 31, 2000, the President shall submit to Congress a report on the Expanded Threat Reduction Initiative. Such report shall include a description of the plans for ensuring effective coordination between executive agencies in carrying out the Expanded Threat Reduction Initiative to minimize duplication of efforts.

SEC. 1310. LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF CERTIFICATION.

No funds appropriated for fiscal year 1999 for Cooperative Threat Reduction programs and remaining available for obligation or expenditure may be obligated or expended for assistance for any country under a Cooperative Threat Reduction Program until the President resubmits to Congress an updated certification under section 1203(d) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 22 U.S.C. 5952(d)), section 1412(d) of the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102–484; 22 U.S.C. 5902(d)), and section 502 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 22 U.S.C. 5852).

SEC. 1311. PERIOD COVERED BY ANNUAL REPORT ON ACCOUNTING FOR UNITED STATES ASSISTANCE UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Section 1206(a)(2) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 471; 22 U.S.C. 5955 note) is amended to read as follows:

"(2) The report shall be submitted under this section not later than January 31 of each year and shall cover the fiscal year ending in the preceding calendar year. No report is required under this section after the completion of the Cooperative Threat Reduction programs.".

SEC. 1312. RUSSIAN NONSTRATEGIC NUCLEAR ARMS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the interest of Russia to fully implement the Presidential Nuclear Initiatives announced in 1991 and 1992 by then-President of the Soviet Union Gorbachev and then-President of Russia Yeltsin;

(2) the President of the United States should call on Russia to match the unilateral reductions in the United States inventory of tactical nuclear weapons, which have reduced the inventory by nearly 90 percent; and

(3) if the re-certification under section 1310 is made, the President should emphasize the continued interest of the United States in working cooperatively with Russia to reduce the dangers associated with Russia's tactical nuclear arsenal.

(b) ANNUAL REPORTING REQUIREMENT.—(1) Each annual report on accounting for United States assistance under Cooperative Threat Reduction programs that is submitted to Congress under section 1206 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 471; 22 U.S.C. 5955 note) after fiscal year 1999 shall include, regarding Russia's arsenal of tactical nuclear warheads, the following:

(A) Estimates regarding current types, numbers, yields, viability, locations, and deployment status of the warheads.

(B) An assessment of the strategic relevance of the warheads.

(C) An assessment of the current and projected threat of theft, sale, or unauthorized use of the warheads.

(D) A summary of past, current, and planned United States efforts to work cooperatively with Russia to account for, secure, and reduce Russia's stockpile of tactical nuclear warheads and associated fissile material.

(2) The Secretary of Defense shall include in the annual report described in paragraph (1) the views on the report provided under subsection (c).

(c) VIEWS OF THE DIRECTOR OF CENTRAL INTELLIGENCE.—The Director of Central Intelligence shall submit to the Secretary of Defense, for inclusion as an appendix in the annual report described in subsection (b), the Director's views on the matters described in paragraph (1) of that subsection regarding Russia's tactical nuclear weapons.

TITLE XIV—PROLIFERATION AND EXPORT CONTROLS

Sec. 1401. Adherence of People's Republic of China to Missile Technology Control Regime.
Sec. 1402. Annual report on transfers of militarily sensitive technology to countries and entities of concern.
Sec. 1403. Resources for export license functions.
Sec. 1404. Security in connection with satellite export licensing.
Sec. 1405. Reporting of technology transmitted to People's Republic of China and of foreign launch security violations.
Sec. 1406. Report on national security implications of exporting high-performance computers to the People's Republic of China.
Sec. 1407. End-use verification for use by People's Republic of China of high-performance computers.
Sec. 1408. Enhanced multilateral export controls.
Sec. 1409. Enhancement of activities of Defense Threat Reduction Agency.
Sec. 1410. Timely notification of licensing decisions by the Department of State.
Sec. 1411. Enhanced intelligence consultation on satellite license applications.
Sec. 1412. Investigations of violations of export controls by United States satellite manufacturers.

SEC. 1401. ADHERENCE OF PEOPLE'S REPUBLIC OF CHINA TO MISSILE TECHNOLOGY CONTROL REGIME.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the President should take all actions appropriate to obtain a bilateral agreement with the People's Republic of China to adhere to the Missile Technology Control Regime (MTCR) and the MTCR Annex; and

(2) the People's Republic of China should not be permitted to join the Missile Technology Control Regime as a member without having—

(A) agreed to the Missile Technology Control Regime and the specific provisions of the MTCR Annex;

(B) demonstrated a sustained and verified record of performance with respect to the nonproliferation of missiles and missile technology; and

(C) adopted an effective export control system for implementing guidelines under the Missile Technology Control Regime and the MTCR Annex.

(b) REPORT REQUIRED.—Not later than January 31, 2000, the President shall transmit to Congress a report explaining—

(1) the policy and commitments that the People's Republic of China has stated on its adherence to the Missile Technology Control Regime and the MTCR Annex;

(2) the degree to which the People's Republic of China is complying with its stated policy and commitments on adhering to the Missile Technology Control Regime and the MTCR Annex; and

(3) actions taken by the United States to encourage the People's Republic of China to adhere to the Missile Technology Control Regime and the MTCR Annex.

(c) DEFINITIONS.—In this section:

(1) MISSILE TECHNOLOGY CONTROL REGIME.—The term "Missile Technology Control Regime" means the policy statement, between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced April 16, 1987, to restrict sensitive missile-relevant transfers based on the MTCR Annex, and any amendments thereto.

(2) MTCR ANNEX.—The term "MTCR Annex" means the Guidelines and Equipment and Technology Annex of the Missile Technology Control Regime, and any amendments thereto.

SEC. 1402. ANNUAL REPORT ON TRANSFERS OF MILITARILY SENSITIVE TECHNOLOGY TO COUNTRIES AND ENTITIES OF CONCERN.

(a) ANNUAL REPORT.—Not later than March 30 of each year beginning in the year 2000 and ending in the year 2007, the President shall transmit to Congress a report on transfers to countries and entities of concern during the preceding calendar year of the most significant categories of United States technologies and technical information with potential military applications.

(b) CONTENTS OF REPORT.—The report required by subsection (a) shall include, at a minimum, the following:

(1) An assessment by the Director of Central Intelligence of efforts by countries and entities of concern to acquire technologies and technical information referred to in subsection (a) during the preceding calendar year.

(2) An assessment by the Secretary of Defense, in consultation with the Joint Chiefs of Staff and the Director of Central Intelligence, of the cumulative impact of licenses granted by the United States for exports of technologies and technical information referred to in subsection (a) to countries and entities of concern during the preceding 5-calendar year period on—

(A) the military capabilities of such countries and entities; and

(B) countermeasures that may be necessary to overcome the use of such technologies and technical information.

(3) An audit by the Inspectors General of the Departments of Defense, State, Commerce, and Energy, in consultation with the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, of the policies and procedures of the United States Government with respect to the export of technologies and technical information referred to in subsection (a) to countries and entities of concern.

(c) ADDITIONAL REQUIREMENT FOR FIRST REPORT.—The first annual report required by subsection (a) shall include an assessment by the Inspectors General of the Departments of State, Defense, Commerce, and the Treasury and the Inspector General of the Central Intelligence Agency of the adequacy of current export controls and counterintelligence measures to protect against the acquisition by countries and entities of concern of United States technology and technical information referred to in subsection (a).

(d) SUPPORT OF OTHER AGENCIES.—Upon the request of the officials responsible for preparing the assessments required by subsection (b), the heads of other departments and agencies shall make available to those officials all information necessary to carry out the requirements of this section.

(e) CLASSIFIED AND UNCLASSIFIED REPORTS.—Each report required by this section shall be submitted in classified form and unclassified form.

(f) DEFINITION.—As used in this section, the term "countries and entities of concern" means—

(1) any country the government of which the Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979 or other applicable law, to have repeatedly provided support for acts of international terrorism;

(2) any country that—

(A) has detonated a nuclear explosive device (as defined in section 830(4) of the Nuclear Proliferation Prevention Act of 1994 (22 U.S.C. 3201 note)); and

(B) is not a member of the North Atlantic Treaty Organization; and

(3) any entity that—

(A) is engaged in international terrorism or activities in preparation thereof; or

(B) is directed or controlled by the government of a country described in paragraph (1) or (2).

SEC. 1403. RESOURCES FOR EXPORT LICENSE FUNCTIONS.

(a) OFFICE OF DEFENSE TRADE CONTROLS.—

(1) IN GENERAL.—The Secretary of State shall take the necessary steps to ensure that, in any fiscal year, adequate resources are allocated to the functions of the Office of Defense Trade Controls of the Department of State relating to the review and processing of export license applications so as to ensure that those functions are performed in a thorough and timely manner.

(2) AVAILABILITY OF EXISTING APPROPRIATIONS.—The Secretary of State shall take the necessary steps to ensure that those funds made available under the heading "Administration of Foreign Affairs, Diplomatic and Consular Programs" in title IV of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999, as contained in the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277) are made available, upon the enactment of this Act, to the Office of Defense Trade Controls of the Department of State to carry out the purposes of the Office.

(b) DEFENSE THREAT REDUCTION AGENCY.—The Secretary of Defense shall take the necessary steps to ensure that, in any fiscal year, adequate resources are allocated to the functions of the Defense Threat Reduction Agency of the Department of Defense relating to the review of export license applications so as to ensure that those functions are performed in a thorough and timely manner.

(c) UPDATING OF STATE DEPARTMENT REPORT.—Not later than March 1, 2000, the Secretary of State, in consultation with the Secretary of Defense and the Secretary of Commerce, shall transmit to Congress a report updating the information reported to Congress under section 1513(d)(3) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (22 U.S.C. 2778 note).

SEC. 1404. SECURITY IN CONNECTION WITH SATELLITE EXPORT LICENSING.

As a condition of the export license for any satellite to be launched in a country subject to section 1514 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (22 U.S.C. 2778 note), the Secretary of State shall require the following:

(1) That the technology transfer control plan required by section 1514(a)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (22 U.S.C. 2778 note) be prepared by the Department of Defense and the licensee, and that the plan set forth enhanced security arrangements for the launch of the satellite, both before and during launch operations.

(2) That each person providing security for the launch of that satellite—

(A) report directly to the launch monitor with regard to issues relevant to the technology transfer control plan;

(B) have received appropriate training in the International Trafficking in Arms Regulations (hereafter in this title referred to as "ITAR").

(C) have significant experience and expertise with satellite launches; and

(D) have been investigated in a manner at least as comprehensive as the investigation required for the issuance of a security clearance at the level designated as "Secret".

(3) That the number of such persons providing security for the launch of the satellite shall be sufficient to maintain 24-hour security of the satellite and related launch vehicle and other sensitive technology.

(4) That the licensee agree to reimburse the Department of Defense for all costs associated with the provision of security for the launch of the satellite.

SEC. 1405. REPORTING OF TECHNOLOGY TRANSMITTED TO PEOPLE'S REPUBLIC OF CHINA AND OF FOREIGN LAUNCH SECURITY VIOLATIONS.

(a) MONITORING OF INFORMATION.—The Secretary of Defense shall require that space launch monitors of the Department of Defense assigned to monitor launches in the People's Republic of China maintain records of all information authorized to be transmitted to the People's Republic of China with regard to each space launch that the monitors are responsible for monitoring, including copies of any documents authorized for such transmission, and reports on launch-related activities.

(b) TRANSMISSION TO OTHER AGENCIES.—The Secretary of Defense shall ensure that records under subsection (a) are transmitted on a current basis to appropriate elements of the Department of Defense and to the Department of State, the Department of Commerce, and the Central Intelligence Agency.

(c) RETENTION OF RECORDS.—Records described in subsection (a) shall be retained for at least the period of the statute of limitations for violations of the Arms Export Control Act.

(d) GUIDELINES.—The Secretary of Defense shall prescribe guidelines providing space launch monitors of the Department of Defense with the responsibility and the ability to report serious security violations, problems, or other issues at an overseas launch site directly to the headquarters office of the responsible Department of Defense component.

SEC. 1406. REPORT ON NATIONAL SECURITY IMPLICATIONS OF EXPORTING HIGH-PERFORMANCE COMPUTERS TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) REVIEW.—The President, in consultation with the Secretary of Defense and the Secretary of Energy, shall conduct a comprehensive review of the national security implications of exporting high-performance computers to the People's Republic of China. To the extent that such testing has not already been conducted by the Government, the President, as part of the review, shall conduct empirical testing of the extent to which national security-related operations can be performed using clustered, massively-parallel processing or other combinations of computers.

(b) REPORT.—The President shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the results of the review conducted under subsection (a). The report shall be submitted not later than 6 months after the date of the enactment of this Act in classified and unclassified form and shall be updated not later than February 1 of each of the years 2001 through 2004.

SEC. 1407. END-USE VERIFICATION FOR USE BY PEOPLE'S REPUBLIC OF CHINA OF HIGH-PERFORMANCE COMPUTERS.

(a) REVISED HPC VERIFICATION SYSTEM.—The President shall seek to enter into an agreement with the People's Republic of China to revise the existing verification system with the People's Republic of China with respect to end-use verification for high-performance computers exported or to be exported to the People's Republic of China so as to provide for an open and transparent system providing for effective end-use verification for such computers. The President shall transmit a copy of any such agreement to Congress.

(b) DEFINITION.—As used in this section and section 1406, the term "high-performance computer" means a computer which, by virtue of its composite theoretical performance level, would be subject to section 1211 of the National Defense Authorization Act for Fiscal Year 1998 (50 U.S.C. App. 2404 note).

(c) ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE LEVELS FOR POST-SHIPMENT VERIFICATION.—Section 1213 of the National Defense Authorization Act for Fiscal Year 1998 (50 U.S.C. App. 2404 note) is amended by adding at the end the following new subsection:

"(e) ADJUSTMENT OF PERFORMANCE LEVELS.—Whenever a new composite theoretical performance level is established under section 1211(d), that level shall apply for purposes of subsection (a) of this section in lieu of the level set forth in subsection (a).".

SEC. 1408. ENHANCED MULTILATERAL EXPORT CONTROLS.

(a) NEW INTERNATIONAL CONTROLS.—The President shall seek to establish new enhanced international controls on technology transfers that threaten international peace and United States national security.

(b) IMPROVED SHARING OF INFORMATION.—The President shall take appropriate actions to improve the sharing of information by nations that are major exporters of technology so that the United States can track movements of technology covered by the Wassenaar Arrangement and enforce technology controls and re-export requirements for such technology.

(c) DEFINITION.—As used in this section, the term "Wassenaar Arrangement" means the multilateral export control regime covering conventional armaments and sensitive dual-use goods and technologies that was agreed to by 33 cofounding countries in July 1996 and began operation in September 1996.

SEC. 1409. ENHANCEMENT OF ACTIVITIES OF DEFENSE THREAT REDUCTION AGENCY.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations to—

(1) authorize the personnel of the Defense Threat Reduction Agency (DTRA) who monitor satellite launch campaigns overseas to suspend such campaigns at any time if the suspension is required for purposes of the national security of the United States;

(2) ensure that persons assigned as space launch campaign monitors are provided sufficient training and have adequate experience in the regulations prescribed by the Secretary of State known as the ITAR and have significant experience and expertise with satellite technology, launch vehicle technology, and launch operations technology;

(3) ensure that adequate numbers of such monitors are assigned to space launch campaigns so that 24-hour, 7-day per week coverage is provided;

(4) take steps to ensure, to the maximum extent possible, the continuity of service by monitors for the entire space launch campaign period (from satellite marketing to launch and, if necessary, completion of a launch failure analysis);

(5) adopt measures designed to make service as a space launch campaign monitor an attractive career opportunity;

(6) allocate funds and other resources to the Agency at levels sufficient to prevent any shortfalls in the number of such personnel;

(7) establish mechanisms in accordance with the provisions of section 1514(a)(2)(A) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2175; 22 U.S.C. 2778 note) that provide for—

(A) the payment to the Department of Defense by the person or entity receiving the launch monitoring services concerned, before the beginning of a fiscal year, of an amount equal to the amount estimated to be required by the Department to monitor the launch campaigns during that fiscal year;

(B) the reimbursement of the Department of Defense, at the end of each fiscal year, for amounts expended by the Department in monitoring the launch campaigns in excess of the amount provided under subparagraph (A); and

(C) the reimbursement of the person or entity receiving the launch monitoring services if the amount provided under subparagraph (A) exceeds the amount actually expended by the Department of Defense in monitoring the launch campaigns;

(8) review and improve guidelines on the scope of permissible discussions with foreign persons regarding technology and technical information, including the technology and technical information that should not be included in such discussions;

(9) provide, in conjunction with other Federal agencies, on at least an annual basis, briefings to the officers and employees of United States commercial satellite entities on United States export license standards, guidelines, and restrictions, and encourage such officers and employees to participate in such briefings;

(10) establish a system for—

(A) the preparation and filing by personnel of the Agency who monitor satellite launch campaigns overseas of detailed reports of all relevant activities observed by such personnel in the course of monitoring such campaigns;

(B) the systematic archiving of reports filed under subparagraph (A); and

(C) the preservation of such reports in accordance with applicable laws; and

(11) establish a counterintelligence program within the Agency as part of its satellite launch monitoring program.

(b) ANNUAL REPORT ON IMPLEMENTATION OF SATELLITE TECHNOLOGY SAFEGUARDS.—(1) The Secretary of Defense and the Secretary of State shall each submit to Congress each year, as part of the annual report for that year under section 1514(a)(8) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, the following:

(A) A summary of the satellite launch campaigns and related activities monitored by the Defense Threat Reduction Agency during the preceding fiscal year.

(B) A description of any license infractions or violations that may have occurred during such campaigns and activities.

(C) A description of the personnel, funds, and other resources dedicated to the satellite launch monitoring program of the Agency during that fiscal year.

(D) An assessment of the record of United States satellite makers in cooperating with Agency monitors, and in complying with United States export control laws, during that fiscal year.

(2) Each report under paragraph (1) shall be submitted in classified form and unclassified form.

SEC. 1410. TIMELY NOTIFICATION OF LICENSING DECISIONS BY THE DEPARTMENT OF STATE.

Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall prescribe regulations to provide timely notice to the manufacturer of a commercial satellite of United States origin of the final determination of the decision on the application for a license involving the overseas launch of such satellite.

SEC. 1411. ENHANCED INTELLIGENCE CONSULTATION ON SATELLITE LICENSE APPLICATIONS.

(a) CONSULTATION DURING REVIEW OF APPLICATIONS.—The Secretary of State and Secretary of Defense, as appropriate, shall consult with the Director of Central Intelligence during the review of any application for a license involving the overseas launch of a commercial satellite of United States origin. The purpose of the consultation is to assure that the launch of the satellite, if the license is approved, will meet the requirements necessary to protect the national security interests of the United States.

(b) ADVISORY GROUP.—(1) The Director of Central Intelligence shall establish within the intelligence community an advisory group to provide information and analysis to Congress, and to appropriate departments and agencies of the Federal Government, on the national security implications of granting licenses involving the overseas launch of commercial satellites of United States origin.

(2) The advisory group shall include technically-qualified representatives of the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, the National Air Intelligence Center, and the Department of State Bureau of Intelligence and Research and representatives of other elements of the intelligence community with appropriate expertise.

(3) In addition to the duties under paragraph (1), the advisory group shall—

(A) review, on a continuing basis, information relating to transfers of satellite, launch vehicle, or other technology or knowledge with respect to the course of the overseas launch of commercial satellites of United States origin; and

(B) analyze the potential impact of such transfers on the space and military systems, programs, or activities of foreign countries.

(4) The Director of the Nonproliferation Center of the Central Intelligence Agency shall serve as chairman of the advisory group.

(5)(A) The advisory group shall, upon request (but not less often than annually), submit reports on the matters referred to in paragraphs (1) and (3) to the appropriate committees of Congress and to appropriate departments and agencies of the Federal Government.

(B) The first annual report under subparagraph (A) shall be submitted not later than one year after the date of the enactment of this Act.

(c) INTELLIGENCE COMMUNITY DEFINED.—In this section, the term "intelligence community" has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 1412. INVESTIGATIONS OF VIOLATIONS OF EXPORT CONTROLS BY UNITED STATES SATELLITE MANUFACTURERS.

(a) NOTICE TO CONGRESS OF INVESTIGATIONS.—The President shall promptly notify the appropriate committees of Congress whenever an investigation is undertaken by the Department of Justice of—

(1) an alleged violation of United States export control laws in connection with a commercial satellite of United States origin; or

(2) an alleged violation of United States export control laws in connection with an item controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778) that is likely to cause significant harm or damage to the national security interests of the United States.

(b) NOTICE TO CONGRESS OF CERTAIN EXPORT WAIVERS.—The President shall promptly notify the appropriate committees of Congress whenever an export waiver pursuant to section 902 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (22 U.S.C. 2151 note) is granted on behalf of any United States person that is the subject of an investigation described in subsection (a). The notice shall include a justification for the waiver.

(c) EXCEPTION.—The requirements in subsections (a) and (b) shall not apply if the President determines that notification of the appropriate committees of Congress under such subsections would jeopardize an on-going criminal investigation. If the President makes such a determination, the President shall provide written notification of such determination to the Speaker of the House of Representatives, the majority leader of the Senate, the minority leader of the House of Representatives, and the minority leader of the Senate. The notification shall include a justification for the determination.

(d) IDENTIFICATION OF PERSONS SUBJECT TO INVESTIGATION.—The Secretary of State and the Attorney General shall develop appropriate mechanisms to identify, for the purposes of processing export licenses for commercial satellites, persons who are the subject of an investigation described in subsection (a).

(e) PROTECTION OF CLASSIFIED AND OTHER SENSITIVE INFORMATION.—The appropriate committees of Congress shall ensure that appropriate procedures are in place to protect from unauthorized disclosure classified information, information relating to intelligence sources and methods, and sensitive law enforcement information that is furnished to those committees pursuant to this section.

(f) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to modify or supersede any other requirement to report information on intelligence activities to Congress, including the requirement under section 501 of the National Security Act of 1947 (50 U.S.C. 413).

(g) DEFINITIONS.—As used in this section:

(1) The term "appropriate committees of Congress" means the following:

(A) The Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services, the Committee on International Relations, and the

Permanent Select Committee on Intelligence of the House of Representatives.

(2) The term "United States person" means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern), and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President.

TITLE XV—ARMS CONTROL AND COUNTERPROLIFERATION MATTERS

Sec. 1501. Revision to limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1502. Sense of Congress on strategic arms reductions.
Sec. 1503. Report on strategic stability under START III.
Sec. 1504. Counterproliferation Program Review Committee.
Sec. 1505. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.

SEC. 1501. REVISION TO LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

(a) Revised Limitation.—Subsections (a) and (b) of section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948) are amended to read as follows:

"(a) Funding Limitation.—(1) Except as provided in paragraph (2), funds available to the Department of Defense may not be obligated or expended for retiring or dismantling, or for preparing to retire or dismantle, any of the following strategic nuclear delivery systems below the specified levels:

"(A) 76 B–52H bomber aircraft.

"(B) 18 Trident ballistic missile submarines.

"(C) 500 Minuteman III intercontinental ballistic missiles.

"(D) 50 Peacekeeper intercontinental ballistic missiles.

"(2) The limitation in paragraph (1)(B) shall be modified in accordance with paragraph (3) upon a certification by the President to Congress of the following:

"(A) That the effectiveness of the United States strategic deterrent will not be decreased by reductions in strategic nuclear delivery systems.

"(B) That the requirements of the Single Integrated Operational Plan can be met with a reduced number of strategic nuclear delivery systems.

"(C) That reducing the number of strategic nuclear delivery systems will not, in the judgment of the President, provide a disincentive for Russia to ratify the START II treaty or serve to undermine future arms control negotiations.

"(D) That the United States will retain the ability to increase the delivery capacity of its strategic nuclear delivery systems should threats arise that require more substantial United States strategic forces.

"(3) If the President submits the certification described in paragraph (2), then the applicable number in effect under paragraph (1)(B)—

"(A) shall be 16 during the period beginning on the date on which such certification is transmitted to Congress and ending on the date specified in subparagraph (B); and

"(B) shall be 14 effective as of the date that is 240 days after the date on which such certification is transmitted.

"(b) Waiver Authority.—If the START II treaty enters into force, the President may waive the application of the limitation in effect under paragraph (1)(B) or (3) of subsection (a), as the case may be, to the extent that the President determines such a waiver to be necessary in order to implement the treaty.".

(b) Conforming Amendments.—Such section is further amended—

(1) in subsection (c)(2), by striking "during the strategic delivery systems retirement limitation period" and inserting "during the fiscal year during which the START II Treaty enters into force"; and

(2) by striking subsection (g).

SEC. 1502. SENSE OF CONGRESS ON STRATEGIC ARMS REDUCTIONS.

It is the sense of Congress that, in negotiating a START III Treaty with the Russian Federation, or any other arms control treaty with the Russian Federation that would require reductions in United States strategic nuclear forces, that—

(1) the strategic nuclear forces and nuclear modernization programs of the People's Republic of China and every other nation possessing nuclear weapons should be taken into full consideration in the negotiation of such treaty; and

(2) the reductions in United States strategic nuclear forces under such a treaty should not be to such an extent as to impede the capability of the United States to respond militarily to any militarily significant increase in the threat to United States security or strategic stability posed by the People's Republic of China and any other nation.

SEC. 1503. REPORT ON STRATEGIC STABILITY UNDER START III.

(a) Report.—Not later than September 1, 2000, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report, to be prepared in consultation with the Director of Central Intelligence, on the stability of the future strategic nuclear posture of the United States for deterring the Russian Federation and other potential nuclear adversaries.

(b) Matters To Be Included.—The Secretary shall, at a minimum, include in the report the following:

(1) A discussion of the policy defining the deterrence and military-political objectives of the United States against potential nuclear adversaries.

(2) A discussion of the military requirements for United States nuclear forces, the force structure and capabilities necessary to meet those requirements, and how they relate to the achievement of the objectives identified under paragraph (1).

(3) A projection of the strategic nuclear force posture of the United States and the Russian Federation that is anticipated under a further Strategic Arms Reduction Treaty (referred to as "START III"), and an explanation of whether and how United States nuclear forces envisioned under that posture would be capable of meeting the military sufficiency requirements identified under paragraph (2).

(4) The Secretary's assessment of Russia's nuclear force posture under START III compared to its present force, including its size, vulnerability, and capability for launch on tactical warning, and an assessment of whether strategic stability would be enhanced or diminished under START III, including any stabilizing and destabilizing factors and possible incentives or disincentives for Russia to launch a first strike, or otherwise use nuclear weapons, against the United States in a possible future crisis.

(5) The Secretary's assessment of the nuclear weapon capabilities of China and other potential nuclear weapon "rogue" states in the foreseeable future, and an assessment of the effect of these capabilities on strategic stability, including their ability and inclination to use nuclear weapons against the United States in a possible future crisis.

(6) The Secretary's assessment of whether asymmetries between the United States and Russia, including doctrine, nonstrategic nuclear weapons, and active and passive defenses, are likely to erode strategic stability in the foreseeable future.

(7) Any other matters the Secretary believes are important to such a consideration of strategic stability under future nuclear postures.

(c) Classification.—The report shall be submitted in classified form and, to the extent possible, in unclassified form.

SEC. 1504. COUNTERPROLIFERATION PROGRAM REVIEW COMMITTEE.

(a) Extension of Committee.—Subsection (f) of section 1605 of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note) is amended by striking "September 30, 2000" and inserting "September 30, 2004".

(b) Executive Secretary of the Committee.—Paragraph (5) of subsection (a) of that section is amended to read as follows:

"(5) The Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs shall serve as executive secretary to the committee, except that during any period during which that position is vacant the Assistant Secretary of Defense for Strategy and Threat Reduction shall serve as the executive secretary.".

(c) Earlier Deadline for Annual Report on Counterproliferation Activities and Programs.—Section 1503(a) of the National Defense Authorization Act for Fiscal Year 1995 (22 U.S.C. 2751 note) is amended by striking "May 1 of each year" and inserting "February 1 of each year".

SEC. 1505. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) Limitation on Amount of Assistance in Fiscal Year 2000.—The total amount of the assistance for fiscal year 2000 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) Extension of Authority To Provide Assistance.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking "1999" and inserting "2000".

(c) References to United Nations Special Commission on Iraq and to Fiscal Limitations.—(1) Subsection (b)(2) of such section is amended by inserting "(or any successor organization)" after "United Nations Special Commission on Iraq".

(2) Subsection (d)(4) of such section is amended—

(A) in the first sentence of subparagraph (A)—

(i) by inserting "(or any successor organization)" after "United Nations Special Commission on Iraq"; and

(ii) by striking "the amount specified with respect to that year under paragraph (3)," and all that follows and inserting "the amount of any limitation provided by law on the total amount of such assistance for that fiscal year, the Secretary of Defense may provide such assistance with respect to that fiscal year notwithstanding that limitation."; and

(B) in subparagraph (B), by striking "under paragraph (3)".

TITLE XVI—NATIONAL SECURITY SPACE MATTERS

Subtitle A—Space Technology Guide; Reports

Sec. 1601. Space technology guide.
Sec. 1602. Report on vulnerabilities of United States space assets.

Sec. 1603. Report on space launch failures.
Sec. 1604. Report on Air Force space launch facilities.

Subtitle B—Commercial Space Launch Services

Sec. 1611. Sense of Congress regarding United States-Russian cooperation in commercial space launch services.
Sec. 1612. Sense of Congress concerning United States commercial space launch capacity.

Subtitle C—Commission To Assess United States National Security Space Management and Organization

Sec. 1621. Establishment of commission.
Sec. 1622. Duties of commission.
Sec. 1623. Report.
Sec. 1624. Assessment by the Secretary of Defense.
Sec. 1625. Powers.
Sec. 1626. Commission procedures.
Sec. 1627. Personnel matters.
Sec. 1628. Miscellaneous administrative provisions.
Sec. 1629. Funding.
Sec. 1630. Termination of the commission.

Subtitle A—Space Technology Guide; Reports

SEC. 1601. SPACE TECHNOLOGY GUIDE.

(a) REQUIREMENT.—The Secretary of Defense shall develop a detailed guide for investment in space science and technology, demonstrations of space technology, and planning and development for space technology systems. In the development of the guide, the goal shall be to identify the technologies and technology demonstrations needed for the United States to take full advantage of use of space for national security purposes.

(b) RELATIONSHIP TO FUTURE-YEARS DEFENSE PROGRAM.—The space technology guide shall include two alternative technology paths. One shall be consistent with the applicable funding limitations associated with the future-years defense program. The other shall reflect the assumption that it is not constrained by funding limitations.

(c) RELATIONSHIP TO ACTIVITIES OUTSIDE THE DEPARTMENT OF DEFENSE.—The Secretary shall include in the guide a discussion of the potential for cooperative investment and technology development with other departments and agencies of the United States and with private sector entities.

(d) MICRO-SATELLITE TECHNOLOGY DEVELOPMENT PLAN.—The Secretary shall include in the guide a micro-satellite technology development plan to guide investment decisions in micro-satellite technology and to establish priorities for technology demonstration activities.

(e) USE OF PREVIOUS STUDIES AND REPORTS.—In the development of the guide, the Secretary shall take into consideration previously completed studies and reports that may be relevant to the development of the guide, including the following:

(1) The Space Control Technology Plan of 1999 of the Department of Defense.

(2) The Long Range Plan of March 1998 of the United States Space Command.

(3) The Strategic Master Plan of December 1997 of the Air Force Space Command.

(f) REPORT.—Not later than April 15, 2000, the Secretary shall submit a report on the space technology guide to the congressional defense committees.

SEC. 1602. REPORT ON VULNERABILITIES OF UNITED STATES SPACE ASSETS.

Not later than March 1, 2000, the Secretary of Defense shall submit to the Committee on Armed Service of the House of Representatives and the Committee on Armed Services of the Senate a report, prepared in consultation with the Director of Central Intelligence, on the current and potential vulnerabilities of United States national security and commercial space assets. The report shall be submitted in classified and unclassified form. The report shall include—

(1) an assessment of the military significance of the vulnerabilities identified in the report;

(2) an assessment of the significance of space debris; and

(3) an assessment of the manner in which the vulnerabilities identified in the report could affect United States space launch policy and spacecraft design.

SEC. 1603. REPORT ON SPACE LAUNCH FAILURES.

(a) REPORT REQUIRED.—The Secretary of Defense shall submit to the President and the specified congressional committees a report on the factors involved in the three recent failures of the Titan IV space launch vehicle and the systemic and management reforms that the Secretary is implementing to minimize future failures of that vehicle and future launch systems. The report shall be submitted not later than February 15, 2000. The Secretary shall include in the report all information from the reviews of those failures conducted by the Secretary of the Air Force and launch contractors.

(b) MATTERS TO BE INCLUDED.—The report shall include the following information:

(1) An explanation for the failure of a Titan IVA launch vehicle on August 12, 1998, the failure of a Titan IVB launch vehicle on April 9, 1999, and the failure of a Titan IVB launch vehicle on April 30, 1999, as well as any information from civilian launches which may provide information on systemic problems in current Department of Defense launch systems, including, in addition to a detailed technical explanation and summary of financial costs for each such failure, a one-page summary for each such failure indicating any commonality between that failure and other military or civilian launch failures.

(2) A review of management and engineering responsibility for the Titan, Inertial Upper Stage, and Centaur systems, with an explanation of the respective roles of the Government and the private sector in ensuring mission success and identification of the responsible party (Government or private sector) for each major stage in production and launch of the vehicles.

(3) A list of all contractors and subcontractors for each of the Titan, Inertial Upper Stage, and Centaur systems and their responsibilities and five-year records for meeting program requirements.

(4) A comparison of the practices of the Department of Defense, the National Aeronautics and Space Administration, and the commercial launch industry regarding the management and oversight of the procurement and launch of expendable launch vehicles.

(5) An assessment of whether consolidation in the aerospace industry has affected mission success, including whether cost-saving efforts are having an effect on quality and whether experienced workers are being replaced by less experienced workers for cost-saving purposes.

(6) Recommendations on how Government contracts with launch service companies could be improved to protect the taxpayer, together with the Secretary's assessment of whether the withholding of award and incentive fees is a sufficient incentive to hold contractors to the highest possible quality standards and the Secretary's overall evaluation of the award fee system.

(7) A short summary of what went wrong technically and managerially in each launch failure and what specific steps are being taken by the Department of Defense and space launch contractors to ensure that those errors do not reoccur.

(8) An assessment of the role of the Department of Defense in the management and technical oversight of the launches that failed and whether the Department of Defense, in that role, contributed to the failures.

(9) An assessment of the effect of the launch failures on the schedule for Titan launches, on the schedule for development and first launch of the Evolved Expendable Launch Vehicle, and on the ability of industry to meet Department of Defense requirements.

(10) An assessment of the impact of the launch failures on assured access to space by the United States, and a consideration of means by which access to space by the United States can be better assured.

(11) An assessment of any systemic problems that may exist at the eastern launch range, whether these problems contributed to the launch failures, and what means would be most effective in addressing these problems.

(12) An assessment of the potential benefits and detriments of launch insurance and the impact of such insurance on the estimated net cost of space launches.

(13) A review of the responsibilities of the Department of Defense and industry representatives in the launch process, an examination of the incentives of the Department and industry representatives throughout the launch process, and an assessment of whether the incentives are appropriate to maximize the probability that launches will be timely and successful.

(14) Any other observations and recommendations that the Secretary considers relevant.

(c) INTERIM REPORT.—Not later than December 15, 1999, the Secretary shall submit to the specified congressional committees an interim report on the progress in the preparation of the report required by this section, including progress with respect to each of the matters required to be included in the report under subsection (b).

(d) SPECIFIED CONGRESSIONAL COMMITTEES.—For purposes of this section, the term "specified congressional committees" means the following:

(1) The Committee on Armed Services, the Select Committee on Intelligence, and the Committee on Appropriations of the Senate.

(2) The Committee on Armed Services, the Permanent Select Committee on Intelligence, and the Committee on Appropriations of the House of Representatives.

SEC. 1604. REPORT ON AIR FORCE SPACE LAUNCH FACILITIES.

(a) STUDY OF SPACE LAUNCH RANGES AND REQUIREMENTS.—The Secretary of Defense shall, using the Defense Science Board of the Department of Defense, conduct a study—

(1) to assess anticipated military, civil, and commercial space launch requirements;

(2) to examine the technical shortcomings at the space launch ranges;

(3) to evaluate current and future oversight and range safety arrangements at the space launch ranges; and

(4) to estimate future funding requirements for space launch ranges capable of meeting both national security space launch needs and civil and commercial space launch needs.

(b) REPORT.—Not later than February 15, 2000, the Secretary shall submit to the congressional defense committees a report containing the results of the study.

Subtitle B—Commercial Space Launch Services

SEC. 1611. SENSE OF CONGRESS REGARDING UNITED STATES-RUSSIAN COOPERATION IN COMMERCIAL SPACE LAUNCH SERVICES.

It is the sense of Congress that—

(1) the United States should demand full and complete cooperation from the Government of the Russian Federation on preventing the illegal transfer from Russia to Iran or any other country of any prohibited fissile material or ballistic

missile equipment or any technology necessary for the acquisition or development by the recipient country of any nuclear weapon or ballistic missile;

(2) the United States should take every appropriate measure necessary to encourage the Government of the Russian Federation to seek out and prevent the illegal transfer from Russia to Iran or any other country of any prohibited fissile material or ballistic missile equipment or any technology necessary for the acquisition or development by the recipient country of any nuclear weapon or ballistic missile;

(3) the United States Government decision to increase the quantitative limitations applicable to commercial space launch services provided by Russian space launch providers, based upon a serious commitment by the Government of the Russian Federation to seek out and prevent the illegal transfer from Russia to Iran or any other country of any prohibited ballistic missile equipment or any technology necessary for the acquisition or development by the recipient country of any ballistic missile, should facilitate greater cooperation between the United States and the Russian Federation on nonproliferation matters; and

(4) any possible future consideration of modifying such limitations should be conditioned on a continued serious commitment by the Government of the Russian Federation to preventing such illegal transfers.

SEC. 1612. SENSE OF CONGRESS CONCERNING UNITED STATES COMMERCIAL SPACE LAUNCH CAPACITY.

(a) Sense of Congress Concerning United States Commercial Space Launch Capacity.—It is the sense of Congress that Congress and the President should work together to stimulate and encourage the expansion of a commercial space launch capacity in the United States, including by taking actions to eliminate legal or regulatory barriers to long-term competitiveness of the United States commercial space launch industry.

(b) Sense of Congress Concerning Policy of Permitting Export of Commercial Satellites to People's Republic of China for Launch.—It is the sense of Congress that Congress and the President should—

(1) reexamine the current United States policy of permitting the export of commercial satellites of United States origin to the People's Republic of China for launch;

(2) review the advantages and disadvantages of phasing out that policy, including in that review advantages and disadvantages identified by Congress, the executive branch, the United States satellite industry, the United States space launch industry, the United States telecommunications industry, and other interested persons; and

(3) if the phase out of that policy is adopted, permit the export of a commercial satellite of United States origin for launch in the People's Republic of China only if—

(A) the launch is licensed as of the commencement of the phase out of that policy; and

(B) additional actions under section 1514 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2175; 22 U.S.C. 2778 note) are taken to minimize the transfer of technology to the People's Republic of China during the course of the launch.

Subtitle C—Commission To Assess United States National Security Space Management and Organization

SEC. 1621. ESTABLISHMENT OF COMMISSION.

(a) Establishment.—There is hereby established a commission known as the Commission To Assess United States National Security Space Management and Organization (in this subtitle referred to as the "Commission").

(b) Composition.—The Commission shall be composed of 13 members appointed as follows:

(1) Four members shall be appointed by the chairman of the Committee on Armed Services of the Senate.

(2) Four members shall be appointed by the chairman of the Committee on Armed Services of the House of Representatives.

(3) Three members shall be appointed jointly by the ranking minority member of the Committee on Armed Services of the Senate and the ranking minority member of the Committee on Armed Services of the House of Representatives.

(4) Two members shall be appointed by the Secretary of Defense, in consultation with the Director of Central Intelligence.

(c) Qualifications.—Members of the Commission shall be appointed from among private citizens of the United States who have knowledge and expertise in the areas of national security space policy, programs, organizations, and future national security concepts.

(d) Chairman.—The chairman of the Committee on Armed Services of the Senate, after consultation with the chairman of the Armed Services Committee of the House of Representatives and the ranking minority members of the Committees on Armed Services of the House of Representatives and the Senate, shall designate one of the members of the Commission to serve as chairman of the Commission.

(e) Period of Appointment; Vacancies.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(f) Security Clearances.—All members of the Commission shall hold appropriate security clearances.

(g) Initial Organization Requirements.—(1) All appointments to the Commission shall be made not later than 90 days after the date of the enactment of this Act.

(2) The Commission shall convene its first meeting not later than 60 days after the date as of which all members of the Commission have been appointed, but not earlier than October 15, 1999.

SEC. 1622. DUTIES OF COMMISSION.

(a) Assessment of United States National Security Space Management and Organization.—The Commission shall, concerning changes to be implemented over the near-term, medium-term, and long-term that would strengthen United States national security, assess the following:

(1) The manner in which military space assets may be exploited to provide support for United States military operations.

(2) The current interagency coordination process regarding the operation of national security space assets, including identification of interoperability and communications issues.

(3) The relationship between the intelligence and nonintelligence aspects of national security space (so-called "white space" and "black space"), and the potential costs and benefits of a partial or complete merger of the programs, projects, or activities that are differentiated by those two aspects.

(4) The manner in which military space issues are addressed by professional military education institutions.

(5) The potential costs and benefits of establishing any of the following:

(A) An independent military department and service dedicated to the national security space mission.

(B) A corps within the Air Force dedicated to the national security space mission.

(C) A position of Assistant Secretary of Defense for Space within the Office of the Secretary of Defense.

(D) A new major force program, or other budget mechanism, for managing national security space funding within the Department of Defense.

(E) Any other change to the existing organizational structure of the Department of Defense for national security space management and organization.

(b) Cooperation From Government Officials.—In carrying out its duties, the Commission should receive the full and timely cooperation of the Secretary of Defense, the Director of Central Intelligence, and any other United States Government official responsible for providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

SEC. 1623. REPORT.

The Commission shall, not later than six months after the date of its first meeting, submit to Congress and to the Secretary of Defense a report on its findings and conclusions.

SEC. 1624. ASSESSMENT BY THE SECRETARY OF DEFENSE.

The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an assessment of the Commission's findings not later than 90 days after the submission of the Commission's report.

SEC. 1625. POWERS.

(a) Hearings.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this subtitle, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) Information.—The Commission may secure directly from the Department of Defense, the other departments and agencies of the intelligence community, and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this subtitle.

SEC. 1626. COMMISSION PROCEDURES.

(a) Meetings.—The Commission shall meet at the call of the chairman.

(b) Quorum.—(1) Seven members of the Commission shall constitute a quorum other than for the purpose of holding hearings.

(2) The Commission shall act by resolution agreed to by a majority of the members of the Commission.

(c) Commission.—The Commission may establish panels composed of less than full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(d) Authority of Individuals To Act for Commission.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this subtitle.

SEC. 1627. PERSONNEL MATTERS.

(a) Pay of Members.—Members of the Commission shall serve without pay by reason of their work on the Commission.

(b) Travel Expenses.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) Staff.—(1) The chairman of the Commission may, without regard to the provisions of

title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

(2) The chairman of the Commission may fix the pay of the staff director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS–15 of the General Schedule.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

SEC. 1628. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.

(a) POSTAL AND PRINTING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(b) MISCELLANEOUS ADMINISTRATIVE AND SUPPORT SERVICES.—The Secretary of Defense shall furnish the Commission, on a reimbursable basis, any administrative and support services requested by the Commission.

(c) NATIONAL SECURITY INFORMATION.—The Secretary of Defense, in consultation with the Director of Central Intelligence, shall assume responsibility for the handling and disposition of national security information received and used by the Commission.

SEC. 1629. FUNDING.

Funds for activities of the Commission shall be provided from amounts appropriated for the Department of Defense for operation and maintenance for Defense-wide activities for fiscal year 2000. Upon receipt of a written certification from the chairman of the Commission specifying the funds required for the activities of the Commission, the Secretary of Defense shall promptly disburse to the Commission, from such amounts, the funds required by the Commission as stated in such certification.

SEC. 1630. TERMINATION OF THE COMMISSION.

The Commission shall terminate 60 days after the date of the submission of its report under section 1623.

TITLE XVII—TROOPS-TO-TEACHERS PROGRAM

Sec. 1701. Short title; definitions.
Sec. 1702. Authorization of Troops-to-Teachers Program.
Sec. 1703. Eligible members of the Armed Forces.
Sec. 1704. Selection of participants.
Sec. 1705. Stipend and bonus for participants.
Sec. 1706. Participation by States.
Sec. 1707. Termination of original program; transfer of functions.
Sec. 1708. Reporting requirements.
Sec. 1709. Funds for fiscal year 2000.

SEC. 1701. SHORT TITLE; DEFINITIONS.

(a) SHORT TITLE.—This title may be cited as the "Troops-to-Teachers Program Act of 1999".

(b) DEFINITIONS.—In this title:

(1) The term "administering Secretary", with respect to the Troops-to-Teachers Program, means the following:

(A) The Secretary of Defense with respect to the Armed Forces (other than the Coast Guard) for the period beginning on the date of the enactment of this Act, and ending on the date of the completion of the transfer of responsibility for the Troops-to-Teachers Program to the Secretary of Education under section 1707.

(B) The Secretary of Transportation with respect to the Coast Guard for the period referred to in subparagraph (A).

(C) The Secretary of Education for any period after the period referred to in subparagraph (A).

(2) The term "alternative certification or licensure requirements" means State or local teacher certification or licensure requirements that permit a demonstrated competence in appropriate subject areas gained in careers outside of education to be substituted for traditional teacher training course work.

(3) The term "member of the Armed Forces" includes a former member of the Armed Forces.

(4) The term "State" includes the District of Columbia, American Samoa, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Republic of Palau, and the United States Virgin Islands.

SEC. 1702. AUTHORIZATION OF TROOPS-TO-TEACHERS PROGRAM.

(a) PROGRAM AUTHORIZED.—The administering Secretary may carry out a program (to be known as the "Troops-to-Teachers Program")—

(1) to assist eligible members of the Armed Forces after their discharge or release, or retirement, from active duty to obtain certification or licensure as elementary or secondary school teachers or as vocational or technical teachers; and

(2) to facilitate the employment of such members by local educational agencies identified under subsection (b)(1).

(b) IDENTIFICATION OF LOCAL EDUCATIONAL AGENCIES WITH TEACHER SHORTAGES.—(1) In carrying out the Troops-to-Teachers Program, the administering Secretary shall periodically identify local educational agencies that—

(A) are receiving grants under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) as a result of having within their jurisdictions concentrations of children from low-income families; or

(B) are experiencing a shortage of qualified teachers, in particular a shortage of science, mathematics, special education, or vocational or technical teachers.

(2) The administering Secretary may identify local educational agencies under paragraph (1) through surveys conducted for that purpose or by using information on local educational agencies that is available to the administering Secretary from other sources.

(c) IDENTIFICATION OF STATES WITH ALTERNATIVE CERTIFICATION REQUIREMENTS.—In carrying out the Troops-to-Teachers Program, the administering Secretary shall also conduct a survey of States to identify those States that have alternative certification or licensure requirements for teachers, including those States that grant credit for service in the Armed Forces toward satisfying certification or licensure requirements for teachers.

(d) LIMITATION ON USE OF FUNDS FOR MANAGEMENT INFRASTRUCTURE.—The administering Secretary may utilize not more than five percent of the funds available to carry out the Troops-to-Teachers Program for a fiscal year for purposes of establishing and maintaining the management infrastructure necessary to support the program.

SEC. 1703. ELIGIBLE MEMBERS OF THE ARMED FORCES.

(a) ELIGIBLE MEMBERS.—Subject to subsection (c), the following members of the Armed Forces shall be eligible for selection to participate in the Troops-to-Teachers Program:

(1) Any member who—

(A) during the period beginning on October 1, 1990, and ending on September 30, 1999, was involuntarily discharged or released from active duty for purposes of a reduction of force after six or more years of continuous active duty immediately before the discharge or release; and

(B) satisfies such other criteria for selection as the administering Secretary may prescribe.

(2) Any member who applied for the teacher placement program administered under section 1151 of title 10, United States Code, as in effect before its repeal by section 1707, and who satisfies the eligibility criteria specified in subsection (c) of such section 1151.

(3) Any member who—

(A) on or after October 1, 1999, becomes entitled to retired or retainer pay in the manner provided in title 10 or title 14, United States Code;

(B) has the educational background required by subsection (b); and

(C) satisfies the criteria prescribed under paragraph (1)(B).

(b) EDUCATIONAL BACKGROUND.—(1) In the case of a member of the Armed Forces described in subsection (a)(3) who is applying for assistance for placement as an elementary or secondary school teacher, the administering Secretary shall require the member to have received a baccalaureate or advanced degree from an accredited institution of higher education.

(2) In the case of a member described in subsection (a)(3) who is applying for assistance for placement as a vocational or technical teacher, the administering Secretary shall require the member—

(A) to have received the equivalent of one year of college from an accredited institution of higher education and have 10 or more years of military experience in a vocational or technical field; or

(B) to otherwise meet the certification or licensure requirements for a vocational or technical teacher in the State in which the member seeks assistance for placement under the program.

(c) INELIGIBLE MEMBERS.—A member of the Armed Forces described in subsection (a) is eligible to participate in the Troops-to-Teachers Program only if the member's last period of service in the Armed Forces was characterized as honorable.

(d) INFORMATION REGARDING PROGRAM.—(1) The administering Secretary shall provide information regarding the Troops-to-Teachers Program, and make applications for the program available, to members of the Armed Forces as part of preseparation counseling provided under section 1142 of title 10, United States Code.

(2) The information provided to members shall—

(A) indicate the local educational agencies identified under section 1702(b); and

(B) identify those States surveyed under section 1702(c) that have alternative certification or licensure requirements for teachers, including those States that grant credit for service in the Armed Forces toward satisfying such requirements.

SEC. 1704. SELECTION OF PARTICIPANTS.

(a) SUBMISSION OF APPLICATIONS.—Selection of eligible members of the Armed Forces to participate in the Troops-to-Teachers Program

shall be made on the basis of applications submitted to the administering Secretary on a timely basis. An application shall be in such form and contain such information as the administering Secretary may require.

(b) TIMELY APPLICATIONS.—An application shall be considered to be submitted on a timely basis if the application is submitted as follows:

(1) In the case of a member of the Armed Forces who is eligible under section 1703(a)(1) or 1703(a)(2), not later than September 30, 2003.

(2) In the case of a member who is eligible under section 1703(a)(3), not later than four years after the date on which the member first receives retired or retainer pay under title 10 or title 14, United States Code.

(c) SELECTION PRIORITIES.—In selecting eligible members of the Armed Forces to receive assistance for placement as elementary or secondary school teachers or vocational or technical teachers, the administering Secretary shall give priority to members who—

(1) have educational or military experience in science, mathematics, special education, or vocational or technical subjects and agree to seek employment as science, mathematics, or special education teachers in elementary or secondary schools or in other schools under the jurisdiction of a local educational agency; or

(2) have educational or military experience in another subject area identified by the administering Secretary, in consultation with the National Governors Association, as important for national educational objectives and agree to seek employment in that subject area in elementary or secondary schools.

(d) SELECTION SUBJECT TO FUNDING.—The administering Secretary may not select a member of the Armed Forces to participate in the Troops-to-Teachers Program unless the administering Secretary has sufficient appropriations for the program available at the time of the selection to satisfy the obligations to be incurred by the United States under section 1705 with respect to that member.

(e) PARTICIPATION AGREEMENT.—A member of the Armed Forces selected to participate in the Troops-to-Teachers Program shall be required to enter into an agreement with the administering Secretary in which the member agrees—

(1) to obtain, within such time as the administering Secretary may require, certification or licensure as an elementary or secondary school teacher or vocational or technical teacher; and

(2) to accept an offer of full-time employment as an elementary or secondary school teacher or vocational or technical teacher for not less than four school years with a local educational agency identified under section 1702, to begin the school year after obtaining that certification or licensure.

(f) EXCEPTIONS TO VIOLATION DETERMINATION.—A participant in the Troops-to-Teachers Program shall not be considered to be in violation of an agreement entered into under subsection (e) during any period in which the participant—

(1) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

(2) is serving on active duty as a member of the Armed Forces;

(3) is temporarily totally disabled for a period of time not to exceed three years as established by sworn affidavit of a qualified physician;

(4) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

(5) is seeking and unable to find full-time employment as a teacher in an elementary or secondary school or as a vocational or technical teacher for a single period not to exceed 27 months; or

(6) satisfies the provisions of additional reimbursement exceptions that may be prescribed by the administering Secretary.

SEC. 1705. STIPEND AND BONUS FOR PARTICIPANTS.

(a) STIPEND AUTHORIZED.—(1) Subject to paragraph (2), the administering Secretary shall pay to each participant in the Troops-to-Teachers Program a stipend in an amount equal to $5,000.

(2) The total number of stipends that may be paid under paragraph (1) in any fiscal year may not exceed 3,000.

(b) BONUS AUTHORIZED.—(1) Subject to paragraph (2), the administering Secretary may, in lieu of paying a stipend under subsection (a), pay a bonus of $10,000 to each participant in the Troops-to-Teachers Program who agrees under section 1704(e) to accept full-time employment as an elementary or secondary school teacher or vocational or technical teacher for not less than four years in a high need school.

(2) The total number of bonuses that may be paid under paragraph (1) in any fiscal year may not exceed 1,000.

(3) In this subsection, the term "high need school" means an elementary school or secondary school that meets one or more of the following criteria:

(A) The school has a drop out rate that exceeds the national average school drop out rate.

(B) The school has a large percentage of students (as determined by the Secretary of Education in consultation with the National Assessment Governing Board) who speak English as a second language.

(C) The school has a large percentage of students (as so determined) who are at risk of educational failure by reason of limited proficiency in English, poverty, race, geographic location, or economic circumstances.

(D) At least one-half of the students of the school are from families with an income below the poverty line (as that term is defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(E) The school has a large percentage of students (as so determined) who qualify for assistance under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(F) The school meets any other criteria established by the administering Secretary in consultation with the National Assessment Governing Board.

(c) TREATMENT OF STIPEND AND BONUS.—Stipends and bonuses paid under this section shall be taken into account in determining the eligibility of the participant concerned for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(d) REIMBURSEMENT UNDER CERTAIN CIRCUMSTANCES.—(1) If a participant in the Troops-to-Teachers Program fails to obtain teacher certification or licensure or employment as an elementary or secondary school teacher or vocational or technical teacher as required by the agreement under section 1704(e) or voluntarily leaves, or is terminated for cause, from the employment during the four years of required service in violation of the agreement, the participant shall be required to reimburse the administering Secretary for any stipend paid to the participant under subsection (a) in an amount that bears the same ratio to the amount of the stipend as the unserved portion of required service bears to the four years of required service.

(2) If a participant in the Troops-to-Teachers Program who is paid a bonus under subsection (b) fails to obtain employment for which the bonus was paid as required by the agreement under section 1704(e), or voluntarily leaves or is terminated for cause from the employment during the four years of required service in violation of the agreement, the participant shall be required to reimburse the administering Secretary for any bonus paid to the participant under that subsection in an amount that bears the same ratio to the amount of the bonus as the unserved portion of required service bears to the four years of required service.

(3) The obligation to reimburse the administering Secretary under this subsection is, for all purposes, a debt owing the United States. A discharge in bankruptcy under title 11, United States Code, shall not release a participant from the obligation to reimburse the administering Secretary.

(4) Any amount owed by a participant under this subsection shall bear interest at the rate equal to the highest rate being paid by the United States on the day on which the reimbursement is determined to be due for securities having maturities of ninety days or less and shall accrue from the day on which the participant is first notified of the amount due.

(e) EXCEPTIONS TO REIMBURSEMENT REQUIREMENT.—A participant in the Troops-to-Teachers Program shall be excused from reimbursement under subsection (d) if the participant becomes permanently totally disabled as established by sworn affidavit of a qualified physician. The administering Secretary may also waive reimbursement in cases of extreme hardship to the participant, as determined by the administering Secretary.

(f) RELATIONSHIP TO EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL.—The receipt by a participant in the Troops-to-Teachers Program of any assistance under the program shall not reduce or otherwise affect the entitlement of the participant to any benefits under chapter 30 of title 38, United States Code, or chapter 1606 of title 10, United States Code.

SEC. 1706. PARTICIPATION BY STATES.

(a) DISCHARGE OF STATE ACTIVITIES THROUGH CONSORTIA OF STATES.—The administering Secretary may permit States participating in the Troops-to-Teachers Program to carry out activities authorized for such States under the program through one or more consortia of such States.

(b) ASSISTANCE TO STATES.—(1) Subject to paragraph (2), the administering Secretary may make grants to States participating in the Troops-to-Teachers Program, or to consortia of such States, in order to permit such States or consortia of States to operate offices for purposes of recruiting eligible members of the Armed Forces for participation in the program and facilitating the employment of participants in the program in schools in such States or consortia of States.

(2) The total amount of grants under paragraph (1) in any fiscal year may not exceed $4,000,000.

SEC. 1707. TERMINATION OF ORIGINAL PROGRAM; TRANSFER OF FUNCTIONS.

(a) TERMINATION.—(1) Section 1151 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 58 of such title is amended by striking the item relating to section 1151.

(3) The repeal of such section shall not affect the validity or terms of any agreement entered into before the date of the enactment of this Act under subsection (f) of such section, or to pay assistance, make grants, or obtain reimbursement in connection with such an agreement under subsections (g), (h), and (i) of such section, as in effect before its repeal.

(b) TRANSFER OF FUNCTIONS.—(1) The Secretary of Defense, the Secretary of Transportation, and the Secretary of Education shall provide for the transfer to the Secretary of Education of any on-going functions and responsibilities of the Secretary of Defense and the Secretary of Transportation with respect to—

(A) the program authorized by section 1151 of title 10, United States Code, before its repeal by subsection (a)(1); and

(B) the Troops-to-Teachers Program for the period beginning on the date of the enactment of this Act and ending on September 30, 2000.

(2) The Secretaries referred to in paragraph (1) shall complete the transfer under such paragraph not later than October 1, 2000.

(3) After completion of the transfer, the Secretary of Education shall discharge that Secretary's functions and responsibilities with respect to the program in consultation with the Secretary of Defense and the Secretary of Transportation with respect to the Coast Guard.

SEC. 1708. REPORTING REQUIREMENTS.

(a) REPORT REQUIRED.—Not later than March 31, 2001, the Secretary of Education (in consultation with the Secretary of Defense and the Secretary of Transportation) and the Comptroller General shall each submit to Congress a report on the effectiveness of the Troops-to-Teachers Program in the recruitment and retention of qualified personnel by local educational agencies identified under section 1702(b).

(b) ELEMENTS OF REPORT.—The report under subsection (a) shall include information on the following:

(1) The number of participants in the Troops-to-Teachers Program.

(2) The schools in which such participants are employed.

(3) The grade levels at which such participants teach.

(4) The subject matters taught by such participants.

(5) The effectiveness of the teaching of such participants, as indicated by any relevant test scores of the students of such participants.

(6) The extent of any academic improvement in the schools in which such participants teach by reason of their teaching.

(7) The rates of retention of such participants by the local educational agencies employing such participants.

(8) The effect of any stipends or bonuses under section 1705 in enhancing participation in the program or in enhancing recruitment or retention of participants in the program by the local educational agencies employing such participants.

(9) Such other matters as the Secretary of Education or the Comptroller General, as the case may be, considers appropriate.

(c) RECOMMENDATIONS.—The report of the Comptroller General under this section shall also include any recommendations of the Comptroller General as to means of improving the Troops-to-Teachers Program, including means of enhancing the recruitment and retention of participants in the program.

SEC. 1709. FUNDS FOR FISCAL YEAR 2000.

Of the amount authorized to be appropriated by section 301 for operation and maintenance for fiscal year 2000, $3,000,000 shall be available for purposes of carrying out the Troops-to-Teachers Program.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 2000".

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	$9,800,000
Alaska	Fort Richardson	$14,600,000
	Fort Wainwright	$34,800,000
Arkansas	Pine Bluff Arsenal	$18,000,000
California	Fort Irwin	$32,400,000
	Presidio of Monterey	$7,100,000
Colorado	Fort Carson	$4,400,000
	Peterson Air Force Base	$25,000,000
District of Columbia	Fort McNair	$1,250,000
	Walter Reed Medical Center	$6,800,000
Georgia	Fort Benning	$48,400,000
	Fort Stewart	$71,700,000
Hawaii	Schofield Barracks	$95,000,000
Kansas	Fort Leavenworth	$34,100,000
	Fort Riley	$27,000,000
Kentucky	Blue Grass Army Depot	$6,000,000
	Fort Campbell	$56,900,000
	Fort Knox	$1,300,000
Louisiana	Fort Polk	$6,700,000
Maryland	Fort Meade	$22,450,000
Massachusetts	Westover Air Reserve Base	$4,000,000
Missouri	Fort Leonard Wood	$27,100,000
New York	Fort Drum	$23,000,000
Nevada	Hawthorne Army Depot	$1,700,000
North Carolina	Fort Bragg	$125,400,000
	Sunny Point Military Ocean Terminal	$3,800,000
Oklahoma	Fort Sill	$33,200,000
	McAlester Army Ammunition	$16,600,000
Pennsylvania	Carlisle Barracks	$5,000,000
	Letterkenny Army Depot	$3,650,000
South Carolina	Fort Jackson	$7,400,000
Texas	Fort Bliss	$52,350,000
	Fort Hood	$84,500,000
Virginia	Fort Belvoir	$3,850,000
	Fort Eustis	$43,800,000
	Fort Myer	$2,900,000
	Fort Story	$8,000,000
Washington	Fort Lewis	$23,400,000
CONUS Various	CONUS Various	$36,400,000
	Total	$1,029,750,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Korea	Camp Casey	$31,000,000
	Camp Howze	$3,050,000
	Camp Stanley	$3,650,000
	Total	$37,700,000

SEC. 2102. FAMILY HOUSING.

(a) Construction and Acquisition.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or location	Purpose	Amount
Korea	Camp Humphreys	60 Units	$24,000,000
Virginia	Fort Lee	46 Units	$8,000,000
Washington	Fort Lewis	48 Units	$9,000,000
		Total	$41,000,000

(b) Planning and Design.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $4,300,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in sections 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $35,400,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1999, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,353,231,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $930,058,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $37,700,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,500,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $91,414,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $80,700,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,089,812,000.

(6) For the construction of the United States Disciplinary Barracks, Fort Leavenworth, Kansas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1967), $18,800,000.

(7) For the construction of the force XXI soldier development center, Fort Hood, Texas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1966), $14,000,000.

(8) For the construction of the railhead facility, Fort Hood, Texas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182), $14,800,000.

(9) For the construction of the cadet development center, United States Military Academy, West Point, New York, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182), $28,500,000.

(10) For the construction of the whole barracks complex renewal, Fort Campbell, Kentucky, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182), $32,000,000.

(11) For the construction of the multi-purpose digital training range, Fort Knox, Kentucky, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182), $16,000,000.

(12) For the construction of the power plant, Roi Namur Island, Kwajalein Atoll, Kwajalein, authorized in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2183), $35,400,000.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $46,000,000 (the balance of the amount authorized under section 2101(a) for the construction of the whole barracks complex renewal at Schofield Barracks, Hawaii);

(3) $22,000,000 (the balance of the amount authorized under section 2101(a) for the construction of the whole barracks complex renewal at Fort Bragg, North Carolina);

(4) $10,000,000 (the balance of the amount authorized under section 2101(a) for the construction of tank trail erosion mitigation at the Yakima Training Center, Fort Lewis, Washington);

(5) $10,100,000 (the balance of the amount authorized under section 2101(a) for the construction of a tactical equipment shop at Fort Sill, Oklahoma);

(6) $2,592,000 (the balance of the amount authorized under section 2101(a) for the construction of the chemical defense qualification facility at Pine Bluff Arsenal, Arkansas); and

(7) $9,000,000 (the balance of the amount authorized under section 2101(a) for the construction of the whole barracks renovation at Fort Riley, Kansas).

(c) Adjustment.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (12) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $41,953,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes; and

(2) $3,500,000, which represents the combination of savings in military family housing support resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out fiscal year 1997 project.
Sec. 2206. Authorization to accept electrical substation improvements, Guam.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$17,020,000
	Navy Detachment, Camp Navajo	$7,560,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	$34,760,000
	Marine Corps Base, Camp Pendleton	$38,460,000
	Marine Corps Logistics Base, Barstow	$4,670,000
	Marine Corps Recruit Depot, San Diego	$3,200,000
	Naval Air Station, Lemoore	$24,020,000
	Naval Air Station, North Island	$54,420,000
	Naval Air Warfare Center, China Lake	$4,000,000
	Naval Air Warfare Center, Corona	$7,070,000
	Naval Hospital, San Diego	$21,590,000
	Naval Hospital, Twentynine Palms	$7,640,000
	Naval Postgraduate School	$5,100,000
Florida	Naval Air Station, Whiting Field, Milton	$5,350,000
	Naval Station, Mayport	$9,560,000
Georgia	Marine Corps Logistics Base, Albany	$6,260,000
Hawaii	Camp H.M. Smith	$86,050,000
	Marine Corps Air Station, Kaneohe Bay	$5,790,000
	Naval Shipyard, Pearl Harbor	$10,610,000
	Naval Station, Pearl Harbor	$18,600,000
	Naval Submarine Base, Pearl Harbor	$29,460,000
Idaho	Naval Surface Warfare Center, Bayview	$10,040,000
Illinois	Naval Training Center, Great Lakes	$57,290,000
Indiana	Naval Surface Warfare Center, Crone	$7,270,000
Maine	Naval Air Station, Brunswick	$16,890,000
Maryland	Naval Air Warfare Center, Patuxent River	$4,560,000
	Naval Surface Warfare Center, Indian Head	$10,070,000
Mississippi	Naval Air Station, Meridian	$7,280,000
	Naval Construction Battalion Center Gulfport	$19,170,000
New Jersey	Naval Air Warfare Center Aircraft Division, Lakehurst	$15,710,000
North Carolina	Marine Corps Air Station, New River	$5,470,000
	Marine Corps Base, Camp Lejeune	$21,380,000
Pennsylvania	Navy Ships Parts Control Center, Mechanicsburg	$2,990,000
	Norfolk Naval Shipyard Detachment, Philadelphia	$13,320,000
South Carolina	Naval Weapons Station, Charleston	$7,640,000
	Marine Corps Air Station, Beaufort	$18,290,000
Texas	Naval Station, Ingleside	$11,780,000
Virginia	Marine Corps Combat Development Command, Quantico	$20,820,000
	Naval Air Station, Oceana	$11,490,000
	Naval Shipyard, Norfolk	$17,630,000
	Naval Station, Norfolk	$69,550,000
	Naval Weapons Station, Yorktown	$25,040,000
	Tactical Training Group Atlantic, Dam Neck	$10,310,000
Washington	Naval Ordnance Center Pacific Division Detachment, Port Hadlock	$3,440,000
	Naval Undersea Warfare Center, Keyport	$6,700,000
	Puget Sound Naval Shipyard, Bremerton	$15,610,000
	Strategic Weapons Facility Pacific, Bremerton	$6,300,000
	Total	$817,230,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Administrative Support Unit,	$83,090,000
Diego Garcia	Naval Support Facility, Diego Garcia	$8,150,000
	Total	$91,240,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation or location	Purpose	Amount
Arizona	Marine Corps Air Station, Yuma	49 Units	$8,500,000
California	Naval Air Station, Lemoore	116 Units	$20,188,000

Navy: Family Housing—Continued

State	Installation or location	Purpose	Amount
Hawaii	Marine Corps Air Station, Kaneohe Bay	100 Units	$26,615,000
	Marine Corps Base, Hawaii	30 Units	$8,000,000
	Naval Base Pearl Harbor	133 Units	$30,168,000
	Naval Base Pearl Harbor	96 Units	$19,167,000
North Carolina	Marine Corps Air Station, Cherry Point	180 Units	$22,036,000
		Total	$134,674,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $17,715,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $181,882,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1999, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,108,087,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $733,390,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $91,240,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,342,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,911,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $334,271,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $895,070,000.

(6) For the construction of the berthing wharf, Naval Station Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105-261; 112 Stat. 2187), $12,690,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $13,660,000 (the balance of the amount authorized under section 2201(a) for the construction of a berthing wharf at Naval Air Station, North Island, California); and

(3) $70,180,000 (the balance of the amount authorized under section 2201(a) for the construction of the Commander-in-Chief Headquarters, Pacific Command, Camp H.M. Smith, Hawaii).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $33,227,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes;

(2) $1,000,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(3) $3,600,000, which represents the combination of savings in military family housing support resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1997 PROJECT.

The table in section 2202(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104-201; 110 Stat. 2768) is amended in the item relating to Naval Air Station Brunswick, Maine, by striking "92 Units" in the purpose column and inserting "72 Units".

SEC. 2206. AUTHORIZATION TO ACCEPT ELECTRICAL SUBSTATION IMPROVEMENTS, GUAM.

The Secretary of the Navy may accept from the Guam Power Authority various improvements to electrical transformers at the Agana and Harmon Substations in Guam, which are valued at approximately $610,000 and are to be performed in accordance with plans and specifications acceptable to the Secretary.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$10,600,000
Alaska	Eielson Air Force Base	$24,100,000
	Elmendorf Air Force Base	$42,300,000
Arizona	Davis-Monthan Air Force Base	$7,800,000
Arkansas	Little Rock Air Force Base	$7,800,000
California	Beale Air Force Base	$8,900,000
	Edwards Air Force Base	$5,500,000
	Travis Air Force Base	$11,200,000
Colorado	Peterson Air Force Base	$40,000,000
	Schriever Air Force Base	$16,100,000
	U.S. Air Force Academy	$17,500,000
CONUS Classified	Classified Location	$16,870,000
Delaware	Dover Air Force Base	$12,000,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Florida	Eglin Air Force Base	$18,300,000
	Eglin Auxiliary Field 9	$18,800,000
	MacDill Air Force Base	$5,500,000
	Patrick Air Force Base	$17,800,000
	Tyndall Air Force Base	$10,800,000
Georgia	Fort Benning	$3,900,000
	Moody Air Force Base	$5,950,000
	Robins Air Force Base	$3,350,000
Hawaii	Hickam Air Force Base	$3,300,000
Idaho	Mountain Home Air Force Base	$17,000,000
Kansas	McConnell Air Force Base	$9,600,000
Kentucky	Fort Campbell	$6,300,000
Maryland	Andrews Air Force Base	$9,900,000
Massachusetts	Hanscom Air Force Base	$16,000,000
Mississippi	Columbus Air Force Base	$2,600,000
	Keesler Air Force Base	$35,900,000
Missouri	Whiteman Air Force Base	$24,900,000
Montana	Malmstrom Air Force Base	$11,600,000
Nebraska	Offutt Air Force Base	$8,300,000
Nevada	Nellis Air Force Base	$30,200,000
New Jersey	McGuire Air Force Base	$11,800,000
New Mexico	Cannon Air Force Base	$8,100,000
New York	Rome Research Site	$12,800,000
New Mexico	Kirtland Air Force Base	$14,000,000
North Carolina	Fort Bragg	$4,600,000
	Pope Air Force Base	$7,700,000
North Dakota	Grand Forks Air Force Base	$9,500,000
Ohio	Wright-Patterson Air Force Base	$39,700,000
Oklahoma	Tinker Air Force Base	$34,800,000
	Vance Air Force Base	$12,600,000
South Carolina	Charleston Air Force Base	$18,200,000
South Dakota	Ellsworth Air Force Base	$10,200,000
Tennessee	Arnold Air Force Base	$7,800,000
Texas	Dyess Air Force Base	$5,400,000
	Lackland Air Force Base	$13,400,000
	Laughlin Air Force Base	$3,250,000
	Randolph Air Force Base	$3,600,000
Utah	Hill Air Force Base	$4,600,000
Virginia	Langley Air Force Base	$6,300,000
Washington	Fairchild Air Force Base	$13,600,000
	McChord Air Force Base	$7,900,000
	Total	$730,520,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Guam	Andersen Air Force Base	$8,900,000
Korea	Osan Air Base	$19,600,000
United Kingdom	Ascension Island	$2,150,000
	Total	$30,650,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or country	Installation or location	Purpose	Amount
Arizona	Davis-Monthan Air Force Base	64 Units	$10,000,000
California	Beale Air Force Base	60 Units	$8,500,000
	Edwards Air Force Base	188 Units	$32,790,000
	Vandenberg Air Force Base	91 Units	$16,800,000
District of Columbia	Bolling Air Force Base	72 Units	$9,375,000
Florida	Eglin Air Force Base	130 Units	$14,080,000
	MacDill Air Force Base	54 Units	$9,034,000
Kansas	McConnell Air Force Base	Safety Improvements	$1,363,000
Mississippi	Columbus Air Force Base	100 Units	$12,290,000
Montana	Malmstrom Air Force Base	34 Units	$7,570,000
Nebraska	Offutt Air Force Base	72 Units	$12,352,000

Air Force: Family Housing—Continued

State or country	Installation or location	Purpose	Amount
New Mexico	Hollomon Air Force Base	76 Units	$9,800,000
North Carolina	Seymour Johnson Air Force Base	78 Units	$12,187,000
North Dakota	Grand Forks Air Force Base	42 Units	$10,050,000
	Minot Air Force Base	72 Units	$10,756,000
Oklahoma	Tinker Air Force Base	41 Units	$6,000,000
Texas	Lackland Air Force Base	48 Units	$7,500,000
Portugal	Lajes Field, Azores	75 Units	$12,964,000
		Total	$203,411,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $17,093,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, Uniteds States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $129,952,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1999, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,948,052,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $730,520,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $30,650,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,741,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $36,104,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $350,456,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $821,892,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $25,811,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes;

(2) $1,000,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(3) $3,500,000, which represents the combination of savings in military family housing support resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Improvements to military family housing units.
Sec. 2403. Military housing improvement program.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Increase in fiscal year 1997 authorization for military construction projects at Pueblo Chemical Activity, Colorado.
Sec. 2407. Condition on obligation of military construction funds for drug interdiction and counter-drug activities.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Demilitarization	Blue Grass Army Depot, Kentucky	$206,800,000
Defense Education Activity	Laurel Bay, South Carolina	$2,874,000
	Marine Corps Base, Camp LeJeune, North Carolina	$10,570,000
Defense Logistics Agency	Defense Distribution New Cumberland, Pennsylvania	$5,000,000
	Elmendorf Air Force Base, Alaska	$23,500,000
	Eielson Air Force Base, Alaska	$26,000,000
	Fairchild Air Force Base, Washington	$12,400,000
	Various Locations	$1,300,000
Defense Manpower Data Center	Presidio, Monterey, California	$28,000,000
National Security Agency	Fort Meade, Maryland	$2,946,000
Special Operations Command	Fleet Combat Training Center, Dam Neck, Virginia	$4,700,000
	Fort Benning, Georgia	$10,200,000
	Fort Bragg, North Carolina	$20,100,000
	Mississippi Army Ammunition Plant, Mississippi	$9,600,000
	Naval Amphibious Base, Coronado, California	$6,000,000
TRICARE Management Agency	Andrews Air Force Base, Maryland	$3,000,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
	Cheatham Annex, Virginia	$1,650,000
	Davis-Monthan Air Force Base, Arizona	$10,000,000
	Fort Lewis, Washington	$5,500,000
	Fort Riley, Kansas	$6,000,000
	Fort Sam Houston, Texas	$5,800,000
	Fort Wainwright, Alaska	$133,000,000
	Los Angeles Air Force Base, California	$13,600,000
	Marine Corps Air Station, Cherry Point, North Carolina	$3,500,000
	Moody Air Force Base, Georgia	$1,250,000
	Naval Air Station, Jacksonville, Florida	$3,780,000
	Naval Air Station, Norfolk, Virginia	$4,050,000
	Naval Air Station, Patuxent River, Maryland	$4,150,000
	Naval Air Station, Pensacola, Florida	$4,300,000
	Naval Air Station, Whidbey Island, Washington	$4,700,000
	Patrick Air Force Base, Florida	$1,750,000
	Travis Air Force Base, California	$7,500,000
	Wright-Patterson Air Force Base, Ohio	$3,900,000
	Total	$587,420,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Drug Interdiction and Counter-Drug Activities	Manta, Ecuador	$32,000,000
Defense Education Activity	Andersen Air Force Base, Guam	$44,170,000
Defense Logistics Agency	Andersen Air Force Base, Guam	$24,300,000
Tri-Care Management Agency	Naval Security Group Activity, Sabana Seca, Puerto Rico	$4,000,000
	Yongsan, Korea	$41,120,000
	Total	$145,590,000

SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $50,000.

SEC. 2403. MILITARY HOUSING IMPROVEMENT PROGRAM.

Of the amount authorized to be appropriated by section 2405(a)(8)(C), $2,000,000 shall be available for credit to the Department of Defense Family Housing Fund established by section 2883(a)(1) of title 10, United States Code.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $1,268,000.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1999, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $1,362,185,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $288,420,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $145,590,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $18,618,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $938,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $54,200,000.

(6) for energy Conservation projects authorized by section 2404, $1,268,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $689,711,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $50,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $41,440,000 of which not more than $35,639,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund as authorized by section 2403 of this Act, $2,000,000.

(9) For the construction of the Ammunition Demilitarization Facility, Anniston Army Depot, Alabama, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 104 Stat. 1758), section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1992 and 1993 (division B of Public Law 102–190; 105 Stat. 1508), section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2586), and section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337, 108 Stat. 3040), $7,000,000.

(10) For the construction of the Ammunition Demilitarization Facility, Pine Bluff Arsenal, Arkansas, authorized in section 2401 of Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the National Defense Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), and section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), $61,800,000.

(11) For the construction of the Ammunition Demilitarization Facility, Umatilla Army Depot, Oregon, authorized in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), and section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), $35,900,000.

(12) For the construction of the Ammunition Demilitarization Facility, Aberdeen Proving Ground, Maryland, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), $66,600,000.

(13) For the construction of the Ammunition Demilitarization Facility at Newport Army Depot, Indiana, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), $61,200,000.

(14) For the construction of the Ammunition Demilitarization Facility, Pueblo Army Depot, Colorado, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of this Act, $11,800,000.

(b) Limitation of Total Cost of Construction Projects.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $115,000,000 (the balance of the amount authorized under section 2401(a) for the construction of a replacement hospital at Fort Wainwright, Alaska); and

(3) $184,000,000 (the balance of the amount authorized under section 2401(a) for the construction of a chemical demilitarization facility at Blue Grass Army Depot, Kentucky).

(c) Adjustment.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (14) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $124,350,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes, and of such total reduction, $93,000,000 represents savings from military construction for chemical demilitarization.

SEC. 2406. INCREASE IN FISCAL YEAR 1997 AUTHORIZATION FOR MILITARY CONSTRUCTION PROJECTS AT PUEBLO CHEMICAL ACTIVITY, COLORADO.

The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775) is amended—

(1) in the item relating to Pueblo Chemical Activity, Colorado, under the agency heading relating to Chemical Demilitarization Program, by striking "$179,000,000" in the amount column and inserting "$203,500,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$549,954,000".

(b) Conforming Amendment.—Section 2406(b)(2) of that Act (110 Stat. 2779) is amended by striking "$179,000,000" and inserting "$203,500,000".

SEC. 2407. CONDITION ON OBLIGATION OF MILITARY CONSTRUCTION FUNDS FOR DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES.

In addition to the conditions specified in section 1024 on the development of forward operating locations for United States Southern Command counter-drug detection and monitoring flights, amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2) for the projects set forth in the table in section 2401(b) under the heading "Drug Interdiction and Counter-Drug Activities" may not be obligated until after the end of the 30-day period beginning on the date on which the Secretary of Defense submits to Congress a report describing in detail the purposes for which the amounts will be obligated and expended.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1999, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $81,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Modification of authority to carry out fiscal year 1998 project.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) Authorization of Appropriations.—There are authorized to be appropriated for fiscal years beginning after September 30, 1999, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $205,448,000; and

(B) for the Army Reserve, $107,149,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $25,389,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $253,918,000; and

(B) for the Air Force Reserve, $52,784,000.

(b) Adjustment.—(1) The amounts authorized to be appropriated pursuant to subsection (a) are reduced as follows:

(A) in paragraph (1)(A), by $4,223,000.

(B) in paragraph (1)(B), by $2,891,000.

(C) in paragraph (2), by $674,000.

(D) in paragraph (3)(A), by $5,652,000.

(E) in paragraph (3)(B), by $2,080,000.

(2) The reductions specified in paragraph (1) represent the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2602. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1998 PROJECT.

Section 2603 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85), as amended by section 2602 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2198), is amended—

(1) by striking "agreement with the State of Utah under which the State" and inserting "agreement with the State of Utah, the University of Utah, or both, under which the State or the University"; and

(2) by adding at the end the following new sentence: "The Secretary may accept funds paid under such an agreement and use the funds, in such amounts as provided in advance in appropriation Acts, to carry out the project.".

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1997 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1996 projects.
Sec. 2704. Effective date.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2002; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2003.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2002; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2003 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1997 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104-201; 110 Stat. 2782), authorizations for the projects set forth in the tables in subsection (b), as provided in sections 2201, 2202, 2401, and 2601 of that Act and amended by section 2406 of this Act, shall remain in effect until October 1, 2000, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2001, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Navy: Extension of 1997 Project Authorizations

State	*Installation or location*	*Project*	*Amount*
Florida	*Naval Station Mayport*	*Family Housing Construction (100 units)*	*$10,000,000*
Maine	*Naval Station Brunswick*	*Family Housing Construction (72 units)*	*$10,925,000*
North Carolina	*Marine Corps Base Camp Lejuene*	*Family Housing Construction (94 units)*	*$10,110,000*
South Carolina	*Marine Corps Air Station Beaufort*	*Family Housing Construction (140 units)*	*$14,000,000*
Texas	*Naval Complex Corpus Christi*	*Family Housing Construction (104 units)*	*$11,675,000*
	Naval Air Station Kingsville	*Family Housing Construction (48 units)*	*$7,550,000*
Virginia	*Marine Corps Combat Development Command, Quantico*	*Sanitary Landfill*	*$8,900,000*
Washington	*Naval Station Everett*	*Family Housing Construction (100 units)*	*$15,015,000*

Defense Agencies: Extension of 1997 Project Authorization

State	*Installation or location*	*Project*	*Amount*
Colorado	*Pueblo Chemical Activity*	*Ammunition Demilitarization Facility*	*$203,500,000*

Army National Guard: Extension of 1997 Project Authorization

State	*Installation or location*	*Project*	*Amount*
Mississippi	*Camp Shelby*	*Multipurpose Range Complex (Phase II)*	*$5,000,000*

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1996 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104-106; 110 Stat. 541), authorizations for the projects set forth in the tables in subsection (a), as provided in sections 2202 and 2601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105-261; 112 Stat. 2199), shall remain in effect until October 1, 2000, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2001, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Navy: Extension of 1996 Project Authorization

State	Installation or location	Project	Amount
California	*Camp Pendleton*	*Family Housing Construction (138 units)*	*$20,000,000*

Army National Guard: Extension of 1996 Project Authorizations

State	Installation or location	Project	Amount
Mississippi	*Camp Shelby*	*Multipurpose Range Complex (Phase I)*	*$5,000,000*
Missouri	*National Guard Training Site, Jefferson City*	*Multipurpose Range*	*$2,236,000*

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1999; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Exemption from notice and wait requirements of military construction projects supported by burdensharing funds undertaken for war or national emergency.
Sec. 2802. Development of Ford Island, Hawaii.
Sec. 2803. Expansion of entities eligible to participate in alternative authority for acquisition and improvement of military housing.
Sec. 2804. Restriction on authority to acquire or construct ancillary supporting facilities for housing units.
Sec. 2805. Planning and design for military construction projects for reserve components.
Sec. 2806. Modification of limitations on reserve component facility projects for certain safety projects.
Sec. 2807. Sense of Congress on use of incremental funding to carry out military construction projects.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Extension of authority for lease of real property for special operations activities.
Sec. 2812. Enhancement of authority relating to utility privatization.
Sec. 2813. Acceptance of funds to cover administrative expenses relating to certain real property transactions.
Sec. 2814. Operations of Naval Academy dairy farm.
Sec. 2815. Study and report on impacts to military readiness of proposed land management changes on public lands in Utah.
Sec. 2816. Designation of missile intelligence building at Redstone Arsenal, Alabama, as the Richard C. Shelby Center for Missile Intelligence.

Subtitle C—Defense Base Closure and Realignment

Sec. 2821. Economic development conveyances of base closure property.
Sec. 2822. Continuation of authority to use Department of Defense Base Closure Account 1990 for activities required to close or realign military installations.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. Transfer of jurisdiction, Fort Sam Houston, Texas.
Sec. 2832. Land exchange, Rock Island Arsenal, Illinois.
Sec. 2833. Land conveyance, Army Reserve Center, Bangor, Maine.
Sec. 2834. Land conveyance, Army Reserve Center, Kankakee, Illinois.
Sec. 2835. Land conveyance, Army Reserve Center, Cannon Falls, Minnesota.
Sec. 2836. Land conveyance, Army Maintenance Support Activity (Marine) Number 84, Marcus Hook, Pennsylvania.
Sec. 2837. Land conveyances, Army docks and related property, Alaska.
Sec. 2838. Land conveyance, Fort Huachuca, Arizona.
Sec. 2839. Land conveyance, Nike Battery 80 family housing site, East Hanover Township, New Jersey.
Sec. 2840. Land conveyances, Twin Cities Army Ammunition Plant, Minnesota.
Sec. 2841. Repair and conveyance of Red Butte Dam and Reservoir, Salt Lake City, Utah.
Sec. 2842. Modification of land conveyance, Joliet Army Ammunition Plant, Illinois.

PART II—NAVY CONVEYANCES

Sec. 2851. Land conveyance, Naval Weapons Industrial Reserve Plant No. 387, Dallas, Texas.
Sec. 2852. Land conveyance, Marine Corps Air Station, Cherry Point, North Carolina.
Sec. 2853. Land conveyance, Newport, Rhode Island.
Sec. 2854. Land conveyance, Naval Training Center, Orlando, Florida.
Sec. 2855. One-year delay in demolition of radio transmitting facility towers at Naval Station, Annapolis, Maryland, to facilitate conveyance of towers.
Sec. 2856. Clarification of land exchange, Naval Reserve Readiness Center, Portland, Maine.
Sec. 2857. Revision to lease authority, Naval Air Station, Meridian, Mississippi.
Sec. 2858. Land conveyances, Norfolk, Virginia.

PART III—AIR FORCE CONVEYANCES

Sec. 2861. Land conveyance, Newington Defense Fuel Supply Point, New Hampshire.
Sec. 2862. Land conveyance, Tyndall Air Force Base, Florida.
Sec. 2863. Land conveyance, Port of Anchorage, Alaska.
Sec. 2864. Land conveyance, Forestport Test Annex, New York.
Sec. 2865. Land conveyance, McClellan Nuclear Radiation Center, California.

Subtitle E—Other Matters

Sec. 2871. Acceptance of guarantees in connection with gifts to military service academies.
Sec. 2872. Acquisition of State-held inholdings, east range of Fort Huachuca, Arizona.
Sec. 2873. Enhancement of Pentagon renovation activities.

Subtitle F—Expansion of Arlington National Cemetery

Sec. 2881. Transfer from Navy Annex, Arlington, Virginia.
Sec. 2882. Transfer from Fort Myer, Arlington, Virginia.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. EXEMPTION FROM NOTICE AND WAIT REQUIREMENTS OF MILITARY CONSTRUCTION PROJECTS SUPPORTED BY BURDENSHARING FUNDS UNDERTAKEN FOR WAR OR NATIONAL EMERGENCY.

(a) EXEMPTION.—Subsection (e) of section 2350j of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3)(A) A military construction project under subsection (d) may be carried out without regard to the requirement in paragraph (1) and the limitation in paragraph (2) if the project is necessary to support the armed forces in the country or region in which the project is carried out by reason of a declaration of war, or a declaration by the President of a national emergency pursuant to the National Emergencies Act (50 U.S.C. 1601 et seq.), that is in force at the time of the commencement of the project.

"(B) When a decision is made to carry out a military construction project under subparagraph (A), the Secretary of Defense shall submit to the congressional committees specified in subsection (g)—

"(i) a notice of the decision; and

"(ii) a statement of the current estimated cost of the project, including the cost of any real property transaction in connection with the project.".

(b) CONFORMING AMENDMENT.—Subsection (g) of such section is amended by striking "subsection (e)(1)" and inserting "subsection (e)".

SEC. 2802. DEVELOPMENT OF FORD ISLAND, HAWAII.

(a) CONDITIONAL AUTHORITY TO DEVELOP.—(1) Subchapter I of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

"§2814. Special authority for development of Ford Island, Hawaii

"(a) IN GENERAL.—(1) Subject to paragraph (2), the Secretary of the Navy may exercise any authority or combination of authorities in this section for the purpose of developing or facilitating the development of Ford Island, Hawaii, to the extent that the Secretary determines the development is compatible with the mission of the Navy.

"(2) The Secretary of the Navy may not exercise any authority under this section until—

"(A) the Secretary submits to the appropriate committees of Congress a master plan for the development of Ford Island, Hawaii; and

"(B) a period of 30 calendar days has elapsed following the date on which the notification is received by those committees.

"(b) CONVEYANCE AUTHORITY.—(1) The Secretary of the Navy may convey to any public or private person or entity all right, title, and interest of the United States in and to any real property (including any improvements thereon) or personal property under the jurisdiction of the Secretary in the State of Hawaii that the Secretary determines—

"(A) is excess to the needs of the Navy and all of the other armed forces; and

"(B) will promote the purpose of this section.

"(2) A conveyance under this subsection may include such terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

"(c) LEASE AUTHORITY.—(1) The Secretary of the Navy may lease to any public or private person or entity any real property or personal property under the jurisdiction of the Secretary in the State of Hawaii that the Secretary determines—

"(A) is not needed for current operations of the Navy and all of the other armed forces; and

"(B) will promote the purpose of this section.

"(2) A lease under this subsection shall be subject to section 2667(b)(1) of this title and may include such others terms as the Secretary considers appropriate to protect the interests of the United States.

"(3) A lease of real property under this subsection may provide that, upon termination of the lease term, the lessee shall have the right of first refusal to acquire the real property covered by the lease if the property is then conveyed under subsection (b).

"(4)(A) The Secretary may provide property support services to or for real property leased under this subsection.

"(B) To the extent provided in appropriations Acts, any payment made to the Secretary for services provided under this paragraph shall be credited to the appropriation, account, or fund from which the cost of providing the services was paid.

"(d) ACQUISITION OF LEASEHOLD INTEREST BY SECRETARY.—(1) The Secretary of the Navy may acquire a leasehold interest in any facility constructed under subsection (f) as consideration for a transaction authorized by this section upon such terms as the Secretary considers appropriate to promote the purpose of this section.

"(2) The term of a lease under paragraph (1) may not exceed 10 years, unless the Secretary of Defense approves a term in excess of 10 years for purposes of this section.

"(3) A lease under this subsection may provide that, upon termination of the lease term, the United States shall have the right of first refusal to acquire the facility covered by the lease.

"(e) REQUIREMENT FOR COMPETITION.—The Secretary of the Navy shall use competitive procedures for purposes of selecting the recipient of real or personal property under subsection (b) and the lessee of real or personal property under subsection (c).

"(f) CONSIDERATION.—(1) As consideration for the conveyance of real or personal property under subsection (b), or for the lease of real or personal property under subsection (c), the Secretary of the Navy shall accept cash, real property, personal property, or services, or any combination thereof, in an aggregate amount equal to not less than the fair market value of the real or personal property conveyed or leased.

"(2) Subject to subsection (i), the services accepted by the Secretary under paragraph (1) may include the following:

"(A) The construction or improvement of facilities at Ford Island.

"(B) The restoration or rehabilitation of real property at Ford Island.

"(C) The provision of property support services for property or facilities at Ford Island.

"(g) NOTICE AND WAIT REQUIREMENTS.—The Secretary of the Navy may not carry out a transaction authorized by this section until—

"(1) the Secretary submits to the appropriate committees of Congress a notification of the transaction, including—

"(A) a detailed description of the transaction; and

"(B) a justification for the transaction specifying the manner in which the transaction will meet the purposes of this section; and

"(2) a period of 30 calendar days has elapsed following the date on which the notification is received by those committees.

"(h) FORD ISLAND IMPROVEMENT ACCOUNT.—(1) There is established on the books of the Treasury an account to be known as the 'Ford Island Improvement Account'.

"(2) There shall be deposited into the account the following amounts:

"(A) Amounts authorized and appropriated to the account.

"(B) Except as provided in subsection (c)(4)(B), the amount of any cash payment received by the Secretary for a transaction under this section.

"(i) USE OF ACCOUNT.—(1) Subject to paragraph (2), to the extent provided in advance in appropriation Acts, funds in the Ford Island Improvement Account may be used as follows:

"(A) To carry out or facilitate the carrying out of a transaction authorized by this section.

"(B) To carry out improvements of property or facilities at Ford Island.

"(C) To obtain property support services for property or facilities at Ford Island.

"(2) To extent that the authorities provided under subchapter IV of this chapter are available to the Secretary of the Navy, the Secretary may not use the authorities in this section to acquire, construct, or improve family housing units, military unaccompanied housing units, or ancillary supporting facilities related to military housing.

"(3)(A) The Secretary may transfer funds from the Ford Island Improvement Account to the following funds:

"(i) The Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of this title.

"(ii) The Department of Defense Military Unaccompanied Housing Improvement Fund established by section 2883(a)(2) of this title.

"(B) Amounts transferred under subparagraph (A) to a fund referred to in that subparagraph shall be available in accordance with the provisions of section 2883 of this title for activities authorized under subchapter IV of this chapter at Ford Island.

"(j) INAPPLICABILITY OF CERTAIN PROPERTY MANAGEMENT LAWS.—Except as otherwise provided in this section, transactions under this section shall not be subject to the following:

"(1) Sections 2667 and 2696 of this title.

"(2) Section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).

"(3) Sections 202 and 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483, 484).

"(k) SCORING.—Nothing in this section shall be construed to waive the applicability to any lease entered into under this section of the budget scorekeeping guidelines used to measure compliance with the Balanced Budget Emergency Deficit Control Act of 1985.

"(l) PROPERTY SUPPORT SERVICE DEFINED.—In this section, the term 'property support service' means the following:

"(1) Any utility service or other service listed in section 2686(a) of this title.

"(2) Any other service determined by the Secretary to be a service that supports the operation and maintenance of real property, personal property, or facilities.".

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"2814. Special authority for development of Ford Island, Hawaii.".

(b) CONFORMING AMENDMENTS.—Section 2883(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by adding at the end the following new subparagraph:

"(E) Any amounts that the Secretary of the Navy transfers to that Fund pursuant to section 2814(i)(3) of this title, subject to the restrictions on the use of the transferred amounts specified in that section."; and

(2) in paragraph (2), by adding at the end the following new subparagraph:

"(E) Any amounts that the Secretary of the Navy transfers to that Fund pursuant to section 2814(i)(3) of this title, subject to the restrictions on the use of the transferred amounts specified in that section.".

SEC. 2803. EXPANSION OF ENTITIES ELIGIBLE TO PARTICIPATE IN ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) DEFINITION OF ELIGIBLE ENTITY.—Section 2871 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (5) through (7) as paragraphs (6) through (8) respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) The term 'eligible entity' means any private person, corporation, firm, partnership, company, State or local government, or housing authority of a State or local government.".

(b) GENERAL AUTHORITY.—Section 2872 of such title is amended by striking "private persons" and inserting "eligible entities".

(c) DIRECT LOANS AND LOAN GUARANTEES.—Section 2873 of such title is amended—

(1) in subsection (a)(1)—

(A) by striking "persons in the private sector" and inserting "an eligible entity"; and

(B) by striking "such persons" and inserting "the eligible entity"; and

(2) in subsection (b)(1)—

(A) by striking "any person in the private sector" and inserting "an eligible entity"; and

(B) by striking "the person" and inserting "the eligible entity".

(d) INVESTMENTS.—Section 2875 of such title is amended—

(1) in subsection (a), by striking "nongovernmental entities" and inserting "an eligible entity";

(2) in subsection (c)—

(A) by striking "a nongovernmental entity" both places it appears and inserting "an eligible entity"; and

(B) by striking "the entity" each place it appears and inserting "the eligible entity";

(3) in subsection (d), by striking "nongovernmental" and inserting "eligible"; and

(4) in subsection (e), by striking "a nongovernmental entity" and inserting "an eligible entity".

(e) RENTAL GUARANTEES.—Section 2876 of such title is amended by striking "private persons" and inserting "eligible entities".

(f) DIFFERENTIAL LEASE PAYMENTS.—Section 2877 of such title is amended by striking "private".

(g) CONVEYANCE OR LEASE OF EXISTING PROPERTY AND FACILITIES.—Section 2878(a) of such title is amended by striking "private persons" and inserting "eligible entities".

(h) CLERICAL AMENDMENTS.—(1) The heading of section 2875 of such title is amended to read as follows:

"§2875. Investments".

(2) The table of sections at the beginning of subchapter IV of chapter 169 of such title is

amended by striking the item relating to such section and inserting the following new item:

"2875. Investments.".

SEC. 2804. RESTRICTION ON AUTHORITY TO ACQUIRE OR CONSTRUCT ANCILLARY SUPPORTING FACILITIES FOR HOUSING UNITS.

Section 2881 of title 10, United States Code, is amended—

(1) by inserting "(a) AUTHORITY TO ACQUIRE OR CONSTRUCT.—" before "Any project"; and

(2) by adding at the end the following new subsection:

"(b) RESTRICTION.—A project referred to in subsection (a) may not include the acquisition or construction of an ancillary supporting facility if, as determined by the Secretary concerned, the facility is to be used for providing merchandise or services in direct competition with—

"(1) the Army and Air Force Exchange Service;

"(2) the Navy Exchange Service Command;

"(3) a Marine Corps exchange;

"(4) the Defense Commissary Agency; or

"(5) any nonappropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.".

SEC. 2805. PLANNING AND DESIGN FOR MILITARY CONSTRUCTION PROJECTS FOR RESERVE COMPONENTS.

Section 18233(f)(1) of title 10, United States Code, is amended by inserting "design," after "planning,".

SEC. 2806. MODIFICATION OF LIMITATIONS ON RESERVE COMPONENT FACILITY PROJECTS FOR CERTAIN SAFETY PROJECTS.

(a) EXEMPTION FROM NOTICE AND WAIT REQUIREMENT.—Subsection (a)(2) of section 18233a of title 10, United States Code, is amended by adding at the end the following new subparagraph:

"(C) An unspecified minor military construction project (as defined in section 2805(a) of this title) that is intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening.".

(b) AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS.—Subsection (b) of such section is amended to read as follows:

"(b) Under such regulations as the Secretary of Defense may prescribe, the Secretary may spend, from appropriations available for operation and maintenance, amounts necessary to carry out any project authorized under section 18233(a) of this title costing not more than—

"(1) the amount specified in section 2805(c)(1) of this title, in the case of a project intended solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening; or

"(2) the amount specified in section 2805(c)(2) of this title, in the case of any other project.".

SEC. 2807. SENSE OF CONGRESS ON USE OF INCREMENTAL FUNDING TO CARRY OUT MILITARY CONSTRUCTION PROJECTS.

It is the sense of Congress that—

(1) in preparing the budget for each fiscal year for military construction for submission to Congress under section 1105 of title 31, United States Code, the President should request an amount of funds for each proposed military construction project that is sufficient to produce a complete and usable facility or a complete and usable improvement to an existing facility;

(2) in limited instances, large military construction projects may be funded in phases consistent with established practices for such projects; and

(3) the President should not request, and Congress should not agree to adopt, a general practice of authorizing or appropriating funds for military construction projects based on historical outlay rates for military construction.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. EXTENSION OF AUTHORITY FOR LEASE OF REAL PROPERTY FOR SPECIAL OPERATIONS ACTIVITIES.

Section 2680(d) of title 10, United States Code, is amended by striking "September 30, 2000" and inserting "September 30, 2005".

SEC. 2812. ENHANCEMENT OF AUTHORITY RELATING TO UTILITY PRIVATIZATION.

(a) EXTENDED CONTRACTS FOR UTILITY SERVICES.—Subsection (c) of section 2688 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) A contract for the receipt of utility services as consideration under paragraph (1), or any other contract for utility services entered into by the Secretary concerned in connection with the conveyance of a utility system under this section, may be for a period not to exceed 50 years.".

(b) DEFINITION OF UTILITY SYSTEM.—Subsection (g)(2)(B) of such section is amended by striking "Easements" and inserting "Real property, easements,".

(c) FUNDS TO FACILITATE PRIVATIZATION.—Such section is further amended—

(1) by redesignating subsections (g) and (h) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (f) the following new subsection:

"(g) ASSISTANCE FOR CONSTRUCTION, REPAIR, OR REPLACEMENT OF UTILITY SYSTEMS.—In lieu of carrying out a military construction project to construct, repair, or replace a utility system, the Secretary concerned may use funds authorized and appropriated for the project to facilitate the conveyance of the utility system under this section by making a contribution toward the cost of construction, repair, or replacement of the utility system by the entity to which the utility system is being conveyed. The Secretary concerned shall consider any such contribution in the economic analysis required under subsection (e).".

SEC. 2813. ACCEPTANCE OF FUNDS TO COVER ADMINISTRATIVE EXPENSES RELATING TO CERTAIN REAL PROPERTY TRANSACTIONS.

Section 2695(b) of title 10, United States Code, is amended—

(1) by inserting "involving real property under the control of the Secretary of a military department" after "transactions"; and

(2) by adding at the end the following new paragraph:

"(4) The disposal of real property of the United States for which the Secretary will be the disposal agent.".

SEC. 2814. OPERATIONS OF NAVAL ACADEMY DAIRY FARM.

Section 6976 of title 10, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) LEASE PROCEEDS.—All money received from a lease entered into under subsection (b) shall be retained by the Superintendent of the Naval Academy and shall be available to cover expenses related to the property described in subsection (a), including reimbursing nonappropriated fund instrumentalities of the Naval Academy.".

SEC. 2815. STUDY AND REPORT ON IMPACTS TO MILITARY READINESS OF PROPOSED LAND MANAGEMENT CHANGES ON PUBLIC LANDS IN UTAH.

(a) UTAH NATIONAL DEFENSE LANDS DEFINED.—In this section, the term "Utah national defense lands" means public lands under the jurisdiction of the Bureau of Land Management in the State of Utah that are adjacent to or near the Utah Test and Training Range and Dugway Proving Ground or beneath the Military Operating Areas, Restricted Areas, and airspace that make up the Utah Test and Training Range.

(b) READINESS IMPACT STUDY.—The Secretary of Defense shall conduct a study to evaluate the impact upon military training, testing, and operational readiness of any proposed changes in land designation or management of the Utah national defense lands. In conducting the study, the Secretary of Defense shall consider the following:

(1) The present military requirements for and missions conducted at Utah Test and Training Range, as well as projected requirements for the support of aircraft, unmanned aerial vehicles, missiles, munitions, and other military requirements.

(2) The future requirements for force structure and doctrine changes, such as the Expeditionary Aerospace Force concept, that could require the use of the Utah Test and Training Range.

(3) All other pertinent issues, such as overflight requirements, access to electronic tracking and communications sites, ground access to respond to emergency or accident locations, munitions safety buffers, noise requirements, ground safety and encroachment issues.

(c) COOPERATION AND COORDINATION.—The Secretary of Defense shall conduct the study in cooperation with the Secretary of the Air Force and the Secretary of the Army.

(d) EFFECT OF STUDY.—Until the Secretary of Defense submits to Congress a report containing the results of the study, the Secretary of the Interior may not proceed with the amendment of any individual resource management plan for Utah national defense lands, or any statewide environmental impact statement or statewide resource management plan amendment package for such lands, if the statewide environmental impact statement or statewide resource management plan amendment addresses wilderness characteristics or wilderness management issues affecting such lands.

SEC. 2816. DESIGNATION OF MISSILE INTELLIGENCE BUILDING AT REDSTONE ARSENAL, ALABAMA, AS THE RICHARD C. SHELBY CENTER FOR MISSILE INTELLIGENCE.

(a) DESIGNATION.—The newly-constructed missile intelligence building located at Redstone Arsenal in Huntsville, Alabama, and housing a field agency of the Defense Intelligence Agency shall be known and designated as the "Richard C. Shelby Center for Missile Intelligence".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the missile intelligence building referred to in subsection (a) shall be deemed to be a reference to the "Richard C. Shelby Center for Missile Intelligence".

Subtitle C—Defense Base Closure and Realignment

SEC. 2821. ECONOMIC DEVELOPMENT CONVEYANCES OF BASE CLOSURE PROPERTY.

(a) 1990 LAW.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by inserting "or realigned" after "closed"; and

(B) by inserting "for purposes of job generation on the installation" before the period at the end;

(2) by redesignating subparagraphs (C), (D), (E), and (F) as subparagraphs (E), (F), (G), and (J), respectively;

(3) by striking subparagraph (B) and inserting the following new subparagraphs:

"(B) The transfer of property of a military installation under subparagraph (A) shall be

without consideration if the redevelopment authority with respect to the installation—

"(i) agrees that the proceeds from any sale or lease of the property (or any portion thereof) received by the redevelopment authority during at least the first seven years after the date of the transfer under subparagraph (A) shall be used to support the economic redevelopment of, or related to, the installation; and

"(ii) executes the agreement for transfer of the property and accepts control of the property within a reasonable time after the date of the property disposal record of decision or finding of no significant impact under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(C) For purposes of subparagraph (B), the use of proceeds from a sale or lease described in such subparagraph to pay for, or offset the costs of, public investment on or related to the installation for any of the following purposes shall be considered a use to support the economic redevelopment of, or related to, the installation:

"(i) Road construction.

"(ii) Transportation management facilities.

"(iii) Storm and sanitary sewer construction.

"(iv) Police and fire protection facilities and other public facilities.

"(v) Utility construction.

"(vi) Building rehabilitation.

"(vii) Historic property preservation.

"(viii) Pollution prevention equipment or facilities.

"(ix) Demolition.

"(x) Disposal of hazardous materials generated by demolition.

"(xi) Landscaping, grading, and other site or public improvements.

"(xii) Planning for or the marketing of the development and reuse of the installation.

"(D) The Secretary may recoup from a redevelopment authority such portion of the proceeds from a sale or lease described in subparagraph (B) as the Secretary determines appropriate if the redevelopment authority does not use the proceeds to support economic redevelopment of, or related to, the installation for the period specified in subparagraph (B).";

(4) in subparagraph (F), as redesignated by paragraph (2)—

(A) by striking "(i)"; and

(B) by striking clause (ii); and

(5) by inserting after subparagraph (F), as so redesignated, the following new subparagraphs:

"(H)(i) In the case of an agreement for the transfer of property of a military installation under this paragraph that was entered into before April 21, 1999, the Secretary may modify the agreement, and in so doing compromise, waive, adjust, release, or reduce any right, title, claim, lien, or demand of the United States, if—

"(I) the Secretary determines that as a result of changed economic circumstances, a modification of the agreement is necessary;

"(II) the terms of the modification do not require the return of any payments that have been made to the Secretary;

"(III) the terms of the modification do not compromise, waive, adjust, release, or reduce any right, title, claim, lien, or demand of the United States with respect to in-kind consideration; and

"(IV) the cash consideration to which the United States is entitled under the modified agreement, when combined with the cash consideration to be received by the United States for the disposal of other real property assets on the installation, are as sufficient as they were under the original agreement to fund the reserve account established under section 204(b)(7)(C) of the Defense Authorization Amendments and Base Closure and Realignment Act, with the depreciated value of the investment made with commissary store funds or nonappropriated funds in property disposed of pursuant to the agreement being modified, in accordance with section 2906(d).

"(ii) When exercising the authority granted by clause (i), the Secretary may waive some or all future payments if, and to the extent that, the Secretary determines such waiver is necessary.

"(iii) With the exception of the requirement that the transfer be without consideration, the requirements of subparagraphs (B), (C), and (D) shall be applicable to any agreement modified pursuant to clause (i).

"(I) In the case of an agreement for the transfer of property of a military installation under this paragraph that was entered into during the period beginning on April 21, 1999, and ending on the date of enactment of the National Defense Authorization Act for Fiscal Year 2000, at the request of the redevelopment authority concerned, the Secretary shall modify the agreement for to conform to all the requirements of subparagraphs (B), (C), and (D). Such a modification may include the compromise, waiver, adjustment, release, or reduction of any right, title, claim, lien, or demand of the United States under the agreement."

(b) 1988 LAW.—Section 204(b)(4) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by inserting "or realigned" after "closed"; and

(B) by inserting "for purposes of job generation on the installation" before the period at the end;

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (E), (F), and (I), respectively;

(3) by striking subparagraph (B) and inserting the following new subparagraphs:

"(B) The transfer of property of a military installation under subparagraph (A) shall be without consideration if the redevelopment authority with respect to the installation—

"(i) agrees that the proceeds from any sale or lease of the property (or any portion thereof) received by the redevelopment authority during at least the first seven years after the date of the transfer under subparagraph (A) shall be used to support the economic redevelopment of, or related to, the installation; and

"(ii) executes the agreement for transfer of the property and accepts control of the property within a reasonable time after the date of the property disposal record of decision or finding of no significant impact under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(C) For purposes of subparagraph (B), the use of proceeds from a sale or lease described in such subparagraph to pay for, or offset the costs of, public investment on or related to the installation for any of the following purposes shall be considered a use to support the economic redevelopment of, or related to, the installation:

"(i) Road construction.

"(ii) Transportation management facilities.

"(iii) Storm and sanitary sewer construction.

"(iv) Police and fire protection facilities and other public facilities.

"(v) Utility construction.

"(vi) Building rehabilitation.

"(vii) Historic property preservation.

"(viii) Pollution prevention equipment or facilities.

"(ix) Demolition.

"(x) Disposal of hazardous materials generated by demolition.

"(xi) Landscaping, grading, and other site or public improvements.

"(xii) Planning for or the marketing of the development and reuse of the installation.

"(D) The Secretary may recoup from a redevelopment authority such portion of the proceeds from a sale or lease described in subparagraph (B) as the Secretary determines appropriate if the redevelopment authority does not use the proceeds to support economic redevelopment of, or related to, the installation for the period specified in subparagraph (B).";

(4) in subparagraph (E), as redesignated by paragraph (2)—

(A) by striking "(i)"; and

(B) by striking clause (ii); and

(5) by inserting after subparagraph (F) the following new subparagraphs:

"(G)(i) In the case of an agreement for the transfer of property of a military installation under this paragraph that was entered into before April 21, 1999, the Secretary may modify the agreement, and in so doing compromise, waive, adjust, release, or reduce any right, title, claim, lien, or demand of the United States, if—

"(I) the Secretary determines that as a result of changed economic circumstances, a modification of the agreement is necessary;

"(II) the terms of the modification do not require the return of any payments that have been made to the Secretary;

"(III) the terms of the modification do not compromise, waive, adjust, release, or reduce any right, title, claim, lien, or demand of the United States with respect to in-kind consideration; and

"(IV) the cash consideration to which the United States is entitled under the modified agreement, when combined with the cash consideration to be received by the United States for the disposal of other real property assets on the installation, are as sufficient as they were under the original agreement to fund the reserve account established under paragraph (7)(C), with the depreciated value of the investment made with commissary store funds or nonappropriated funds in property disposed of pursuant to the agreement being modified, in accordance with section 2906(d) of the Defense Base Closure and Realignment Act of 1990.

"(ii) When exercising the authority granted by clause (i), the Secretary may waive some or all future payments if, and to the extent that, the Secretary determines such waiver is necessary.

"(iii) With the exception of the requirement that the transfer be without consideration, the requirements of subparagraphs (B), (C), and (D) shall be applicable to any agreement modified pursuant to clause (i).

"(H) In the case of an agreement for the transfer of property of a military installation under this paragraph that was entered into during the period beginning on April 21, 1999, and ending on the date of enactment of the National Defense Authorization Act for Fiscal Year 2000, at the request of the redevelopment authority concerned, the Secretary shall modify the agreement for to conform to all the requirements of subparagraphs (B), (C), and (D). Such a modification may include the compromise, waiver, adjustment, release, or reduction of any right, title, claim, lien, or demand of the United States under the agreement."

SEC. 2822. CONTINUATION OF AUTHORITY TO USE DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 1990 FOR ACTIVITIES REQUIRED TO CLOSE OR REALIGN MILITARY INSTALLATIONS.

(a) DURATION OF ACCOUNT.—Subsection (a) of section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by adding at the end the following new paragraph:

"(3) The Account shall be closed at the time and in the manner provided for appropriation accounts under section 1555 of title 31, United States Code. Unobligated funds which remain in

the Account upon closure shall be held by the Secretary of the Treasury until transferred by law after the congressional defense committees receive the final report transmitted under subsection (c)(2).".

(b) EFFECT OF CONTINUATION ON USE OF ACCOUNT.—Subsection (b)(1) of such section is amended by adding at the end the following new sentence: "After July 13, 2001, the Account shall be the sole source of Federal funds for environmental restoration, property management, and other caretaker costs associated with any real property at military installations closed or realigned under this part or such title II.".

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (c)—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2) and, in such paragraph, by inserting after "this part" the following: "and no later than 60 days after the closure of the Account under subsection (a)(3)"; and

(2) in subsection (e), by striking "the termination of the authority of the Secretary to carry out a closure or realignment under this part" and inserting "the closure of the Account under subsection (a)(3)".

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. TRANSFER OF JURISDICTION, FORT SAM HOUSTON, TEXAS.

(a) TRANSFER OF LAND FOR INCLUSION IN NATIONAL CEMETERY.—The Secretary of the Army may transfer, without reimbursement, to the administrative jurisdiction of the Secretary of Veterans Affairs a parcel of real property, including any improvements thereon, consisting of approximately 152 acres and comprising a portion of Fort Sam Houston, Texas.

(b) USE OF LAND.—The Secretary of Veterans Affairs shall include the real property transferred under subsection (a) in the Fort Sam Houston National Cemetery and use the conveyed property as a national cemetery under chapter 24 of title 38, United States Code.

(c) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under this section shall be determined by a survey satisfactory to the Secretary of the Army. The cost of the survey shall be borne by the Secretary of Veterans Affairs.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the transfer under this section as the Secretary of the Army considers appropriate to protect the interests of the United States.

SEC. 2832. LAND EXCHANGE, ROCK ISLAND ARSENAL, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the City of Moline, Illinois (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately .3 acres at the Rock Island Arsenal for the purpose of permitting the City to construct a new entrance and exit ramp for the bridge that crosses the southeast end of the island containing the Arsenal.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall convey to the Secretary all right, title, and interest of the City in and to a parcel of real property consisting of approximately .2 acres and located in the vicinity of the parcel to be conveyed under subsection (a).

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels to be conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE, ARMY RESERVE CENTER, BANGOR, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Bangor, Maine (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 5 acres and containing the Army Reserve Center in Bangor, Maine, known as the Harold S. Slager Army Reserve Center, for the purpose of permitting the City to develop the parcel for educational purposes.

(b) ALTERNATIVE CONVEYANCE AUTHORITY.—If at the time of the conveyance authorized by subsection (a) the Secretary has transferred jurisdiction over any of the property to be conveyed to the Administrator of General Services, the Administrator shall make the conveyance of such property under this section.

(c) FEDERAL SCREENING.—(1) If any of the property authorized to be conveyed by subsection (a) is under the jurisdiction of the Administrator as of the date of the enactment of this Act, the Administrator shall conduct with respect to such property the screening for further Federal use otherwise required by subsection (a) of section 2696 of title 10, United States Code.

(2) Subsections (b) through (d) of such section 2696 shall apply to the screening under paragraph (1) as if the screening were a screening conducted under subsection (a) of such section. For purposes of such subsection (b), the date of the enactment of the provision of law authorizing the conveyance of the property authorized to be conveyed by this section shall be the date of the enactment of this Act.

(d) REVERSIONARY INTEREST.—During the five-period beginning on the date the conveyance authorized by subsection (a) is made, if the official making the conveyance determines that the conveyed property is not being used for the purpose specified in such subsection, all right, title, and interest in and to the property shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination under this subsection shall be made on the record after an opportunity for a hearing.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the official having jurisdiction over the property at the time of the conveyance. The cost of the survey shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The official having jurisdiction over the property authorized to be conveyed by subsection (a) at the time of the conveyance may require such additional terms and conditions in connection with the conveyance as that official considers appropriate to protect the interest of the United States.

SEC. 2834. LAND CONVEYANCE, ARMY RESERVE CENTER, KANKAKEE, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Kankakee, Illinois (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 1600 Willow Street in Kankakee, Illinois, and contains the vacant Stefaninch Army Reserve Center for the purpose of permitting the City to use the parcel for economic development and other public purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. LAND CONVEYANCE, ARMY RESERVE CENTER, CANNON FALLS, MINNESOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Cannon Falls Area Schools, Minnesota Independent School District Number 252 (in this section referred to as the "District"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 710 State Street East in Cannon Falls, Minnesota, and contains an Army Reserve Center for the purpose of permitting the District to develop the parcel for educational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. LAND CONVEYANCE, ARMY MAINTENANCE SUPPORT ACTIVITY (MARINE) NUMBER 84, MARCUS HOOK, PENNSYLVANIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Borough of Marcus Hook, Pennsylvania (in this section referred to as the "Borough"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 5 acres that is located at 7 West Delaware Avenue in Marcus Hook, Pennsylvania, and contains the facility known as the Army Maintenance Support Activity (Marine) Number 84, for the purpose of permitting the Borough to develop the parcel for recreational or economic development purposes.

(b) Condition of Conveyance.—The conveyance under subsection (a) shall be subject to the condition that the Borough—

(1) use the conveyed property, directly or through an agreement with a public or private entity, for recreational or economic purposes; or

(2) convey the property to an appropriate public or private entity for use for such purposes.

(c) Reversion.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for recreational or economic development purposes, as required by subsection (b), all right, title, and interest in and to the property conveyed under subsection (a), including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Borough.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND CONVEYANCES, ARMY DOCKS AND RELATED PROPERTY, ALASKA.

(a) Juneau National Guard Dock.—The Secretary of the Army may convey, without consideration, to the City of Juneau, Alaska, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, located at 1030 Thane Highway in Juneau, Alaska, and consisting of approximately 0.04 acres and the appurtenant facility known as the Juneau National Guard Dock, for the purpose permitting the recipient to use the parcel for navigation-related commerce.

(b) Whittier Delong Dock.—The Secretary may convey, without consideration, to the Alaska Railroad Corporation all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, located in Whittier, Alaska, and consisting of approximately 6.13 acres and the appurtenant facility known as the DeLong Dock, for the purpose permitting the recipient to use the parcel for economic development.

(c) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the recipient of the real property.

(d) Reversionary Interests.—During the five-year period beginning on the date the Secretary makes a conveyance authorized under this section, if the Secretary determines that the real property conveyed by that conveyance is not being used in accordance with the purpose of the conveyance, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsection (a) and (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2838. LAND CONVEYANCE, FORT HUACHUCA, ARIZONA.

(a) Conveyance Authorized.—The Secretary of the Army may convey, without consideration, to the Department of Veterans' Services of the State of Arizona (in this section referred to as the "Department"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 130 acres at Fort Huachuca, Arizona, for the purpose of permitting the Department to establish a State-run cemetery for veterans.

(b) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Department.

(c) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, NIKE BATTERY 80 FAMILY HOUSING SITE, EAST HANOVER TOWNSHIP, NEW JERSEY.

(a) Conveyance Authorized.—The Secretary of the Army may convey, without consideration, to the Township Council of East Hanover, New Jersey (in this section referred to as the "Township"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 13.88 acres located near the unincorporated area of Hanover Neck in East Hanover, New Jersey, and was a former family housing site for Nike Battery 80, for the purpose of permitting the Township to develop the parcel for affordable housing and for recreational purposes.

(b) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Township.

(c) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2840. LAND CONVEYANCES, TWIN CITIES ARMY AMMUNITION PLANT, MINNESOTA.

(a) Conveyance to City Authorized.—The Secretary of the Army may convey to the City of Arden Hills, Minnesota (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4 acres at the Twin Cities Army Ammunition Plant, for the purpose of permitting the City to construct a city hall complex on the parcel.

(b) Conveyance to County Authorized.—The Secretary of the Army may convey to Ramsey County, Minnesota (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 35 acres at the Twin Cities Army Ammunition Plant, for the purpose of permitting the County to construct a maintenance facility on the parcel.

(c) Consideration.—As consideration for the conveyances under this section, the City shall make the city hall complex available for use by the Minnesota National Guard for public meetings, and the County shall make the maintenance facility available for use by the Minnesota National Guard, as detailed in agreements entered into between the City, County, and the Commanding General of the Minnesota National Guard. Use of the city hall complex and maintenance facility by the Minnesota National Guard shall be without cost to the Minnesota National Guard.

(d) Description of Property.—The exact acreage and legal description of the real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary. The cost of the survey shall be borne by the recipient of the real property.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2841. REPAIR AND CONVEYANCE OF RED BUTTE DAM AND RESERVOIR, SALT LAKE CITY, UTAH.

(a) Conveyance Authorized.—The Secretary of the Army may convey, without consideration, to the Central Utah Water Conservancy District, Utah (in this section referred to as the "District"), all right, title, and interest of the United States in and to the real property, including the dam, spillway, and any other improvements thereon, comprising the Red Butte Dam and Reservoir, Salt Lake City, Utah. The Secretary shall make the conveyance without regard to the department or agency of the Federal Government having jurisdiction over Red Butte Dam and Reservoir.

(b) Funds for Improvement of Dam and Reservoir.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary may make funds available to the District for purposes of the improvement of Red Butte Dam and Reservoir to meet the standards applicable to the dam and reservoir under the laws of the State of Utah. The amount of funds made available may not exceed $6,000,000.

(2) The District shall use funds made available to the District under paragraph (1) solely for purposes of improving Red Butte Dam and Reservoir to meet the standards referred to in such paragraph.

(c) Responsibility for Maintenance and Operation.—Upon the conveyance of Red Butte Dam and Reservoir under subsection (a), the District shall assume all responsibility for the operation and maintenance of Red Butte Dam and Reservoir for fish, wildlife, and flood control purposes in accordance with the repayment contract or other applicable agreement between the District and the Bureau of Reclamation with respect to Red Butte Dam and Reservoir.

(d) Description of Property.—The legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the District.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. MODIFICATION OF LAND CONVEYANCE, JOLIET ARMY AMMUNITION PLANT, ILLINOIS.

Section 2922(c) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 605) is amended—

(1) by inserting "(1)" before "The conveyance"; and

(2) by adding at the end the following new paragraph:

"(2) The landfill established on the real property conveyed under subsection (a) may contain only waste generated in the county in which the landfill is established and waste generated in municipalities located at least in part in that county. The landfill shall be closed and capped after 23 years of operation.".

PART II—NAVY CONVEYANCES

SEC. 2851. LAND CONVEYANCE, NAVAL WEAPONS INDUSTRIAL RESERVE PLANT NO. 387, DALLAS, TEXAS.

(a) Conveyance Authorized.—(1) The Secretary of the Navy may convey to the City of Dallas, Texas (in this section referred to as the "City"), all right, title, and interest of the United States in and to parcels of real property consisting of approximately 314 acres and comprising the Naval Weapons Industrial Reserve Plant No. 387, Dallas, Texas.

(2)(A) As part of the conveyance authorized by paragraph (1), the Secretary may convey to the City such improvements, equipment, fixtures, and other personal property located on the parcels referred to in that paragraph as the Secretary determines to be not required by the Navy for other purposes.

(B) The Secretary may permit the City to review and inspect the improvements, equipment, fixtures, and other personal property located on the parcels referred to in paragraph (1) for purposes of the conveyance authorized by this paragraph.

(b) Authority To Convey Without Consideration.—The conveyance authorized by subsection (a) may be made without consideration if the Secretary determines that the conveyance on that basis would be in the best interests of the United States.

(c) Condition of Conveyance.—The conveyance authorized by subsection (a) shall be subject to the condition that the City—

(1) use the parcels, directly or through an agreement with a public or private entity, for economic purposes or such other public purposes as the City determines appropriate; or

(2) convey the parcels to an appropriate public entity for use for such purposes.

(d) Reversion.—If, during the 5-year period beginning on the date the Secretary makes the conveyance authorized by subsection (a), the Secretary determines that the conveyed real property is not being used for a purpose specified in subsection (c), all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property.

(e) Limitation on Certain Subsequent Conveyances.—(1) Subject to paragraph (2), if at any time after the Secretary makes the conveyance authorized by subsection (a) the City conveys any portion of the parcels conveyed under that subsection to a private entity, the City shall pay to the United States an amount equal to the fair market value (as determined by the Secretary) of the portion conveyed at the time of its conveyance under this subsection.

(2) Paragraph (1) applies to a conveyance described in that paragraph only if the Secretary makes the conveyance authorized by subsection (a) without consideration.

(3) The Secretary shall cover over into the General Fund of the Treasury as miscellaneous receipts any amounts paid the Secretary under this subsection.

(f) Interim Lease.—(1) Until such time as the real property described in subsection (a) is conveyed by deed under this section, the Secretary may continue to lease the property, together with improvements thereon, to the tenant occupying the property as of the date of the enactment of this Act (in this section referred to as the "current tenant") under the terms and conditions of the lease for the property in effect on that date (in this section referred to as the "existing lease") or a successor lease.

(2) If good faith negotiations for the conveyance of the property continue under this section beyond the end of the third year of the term of the existing lease for the property, and the current tenant is in compliance with the lease, the Secretary shall continue to lease the property to the current tenant under the terms and conditions applicable to the first three years of the existing lease pursuant to the existing lease for the property.

(3) If the property has not been conveyed by deed under this section within six years after the date of the enactment of this Act, the Secretary may extend or renegotiate the existing lease.

(g) Maintenance of Property.—(1) If the existing lease is continued under subsection (f), the current tenant of the real property covered by the lease shall be responsible for maintenance of the property as provided for in the existing lease, any extension thereof, or any successor lease.

(2) To the extent provided in advance in appropriations Acts, the Secretary shall be responsible for maintaining the real property to be conveyed under this section after the date of the termination of the lease with the current tenant or the date the property is vacated by the current tenant, whichever is later, until such time as the property is conveyed by deed under this section.

(h) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(i) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2852. LAND CONVEYANCE, MARINE CORPS AIR STATION, CHERRY POINT, NORTH CAROLINA.

(a) Conveyance Authorized.—The Secretary of the Navy may convey, without consideration, to the State of North Carolina (in this section referred to as the "State"), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 20 acres at the Marine Corps Air Station, Cherry Point, North Carolina, for the purpose of permitting the State to develop the parcel for educational purposes.

(b) Condition of Conveyance.—The conveyance authorized by subsection (a) shall be subject to the condition that the State convey to the United States such easements and rights-of-way regarding the parcel as the Secretary considers necessary to ensure use of the parcel by the State is compatible with the use of the Marine Corps Air Station.

(c) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the State.

(d) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2853. LAND CONVEYANCE, NEWPORT, RHODE ISLAND.

(a) Conveyance Authorized.—The Secretary of the Navy may convey to the City of Newport, Rhode Island (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (together with any improvements thereon) consisting of approximately 15 acres and known as the Connell Manor housing area, which is located on Ranger Road and is bounded to the north by Coddington Highway, to the west and south by city streets, and to the east by private properties.

(b) Consideration.—As consideration for the conveyance under subsection (a), the City shall pay to the Secretary an amount sufficient to cover the cost, as determined by the Secretary—

(1) to carry out any environmental assessments and any other studies, analyses, and assessments that may be required under Federal law in connection with the conveyance; and

(2) to sever and realign utility systems as may be necessary to complete the conveyance.

(c) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(d) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2854. LAND CONVEYANCE, NAVAL TRAINING CENTER, ORLANDO, FLORIDA.

The Secretary of the Navy shall convey all right, title, and interest of the United States in and to the land comprising the main base portion of the Naval Training Center and the McCoy Annex Areas, Orlando, Florida, to the City of Orlando, Florida, in accordance with the terms and conditions set forth in the Memorandum of Agreement by and between the United States of America and the City of Orlando for the Economic Development Conveyance of Property on the Main Base and McCoy Annex Areas of the Naval Training Center, Orlando, executed by the Parties on December 9, 1997, as amended.

SEC. 2855. ONE-YEAR DELAY IN DEMOLITION OF RADIO TRANSMITTING FACILITY TOWERS AT NAVAL STATION, ANNAPOLIS, MARYLAND, TO FACILITATE CONVEYANCE OF TOWERS.

(a) Demolition Delay.—During the one-year period beginning on the date of the enactment of this Act, funds authorized to be appropriated by this or any other Act may not obligated or expended by the Secretary of the Navy to demolish the three southeastern most naval radio transmitting towers located at Naval Station, Annapolis, Maryland, that are otherwise scheduled for demolition as of that date.

(b) Conveyance of Towers.—The Secretary may convey, without consideration, to the State of Maryland or the County of Anne Arundel, Maryland, all right, title, and interest (including maintenance responsibility) of the United States in and to the naval radio transmitting towers described in subsection (a) if, during the period specified in such subsection, the recipient agrees to accept the towers in an as is condition.

(c) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2856. CLARIFICATION OF LAND EXCHANGE, NAVAL RESERVE READINESS CENTER, PORTLAND, MAINE.

(a) Clarification on Conveyee.—Subsection (a)(1) of section 2852 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2220) is amended by striking "Gulf of Maine Aquarium Development Corporation, Portland, Maine (in this section referred to as the 'Corporation')" and inserting "Gulf of Maine Aquarium Development Corporation, Portland, Maine, a nonprofit education and research institute (in this section referred to as the 'Aquarium')".

(b) Conforming Amendments.—Such section is further amended by striking "the Corporation" each place it appears and inserting "the Aquarium".

SEC. 2857. REVISION TO LEASE AUTHORITY, NAVAL AIR STATION, MERIDIAN, MISSISSIPPI.

Section 2837 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2798), as amended by section 2853 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 2009), is amended—

(1) in subsection (a)(1), by striking "22,000 square feet" and inserting "27,000 square feet"; and

(2) in subsection (b)(2), by striking "20 percent" and inserting "25 percent".

SEC. 2858. LAND CONVEYANCES, NORFOLK, VIRGINIA.

(a) Conveyances Authorized.—The Secretary of the Navy may convey to the Commonwealth of Virginia (in this section referred to as the "Commonwealth"), all right, title, and interest of the United States in and to such parcels of real property in the Norfolk, Virginia, area as the Secretary and the Commonwealth jointly determine to be required for the projects referred to in subsection (d).

(b) Grants of Easement or Right-of-Way.—The Secretary may grant to the Commonwealth such easements, rights-of-way, or other interests in land under the jurisdiction of the Secretary as the Secretary and the Commonwealth jointly determine to be required for the projects referred to in subsection (d).

(c) Consideration.—(1) As consideration for the grant of easements and rights-of-way under subsection (b), the Secretary may require the Commonwealth—

(A) to provide in the Virginia Transportation Improvement Plan for improved access for ingress and egress from Interstate Route 564 to the new air terminal at Naval Air Station, Norfolk, Virginia; a

(B) to include funding for a project or projects necessary for such access in the Fiscal Year 2000–2001 Six Year Improvement Program of the Commonwealth of Virginia; and

(C) to relocate or replace (at no cost to the Department of the Navy) facilities of the Navy that are affected by the projects referred to in subsection (d).

(2) The consideration to be provided under this subsection for any grants of easement and right-of-way under this section shall be set forth in a memorandum of agreement between the Secretary and the Commonwealth.

(d) Covered Projects.—The projects referred to in this subsection are projects relating to highway construction, as follows:

(1) Project number 0337–122–F14, PE–101 (Back Gate).

(2) Project number 0337–122–F14, PE–102 (Front Gate).

(3) Project number 0564–122–108, PE–101 (Interstate Route 564 intermodal connector).

(e) Sense of Congress Regarding Construction of Access to Naval Air Station, Norfolk, Virginia.—It is the sense of Congress that, by reason of the conveyances under subsection (a), the Commonwealth should work with the Secretary for purposes of constructing on Interstate Route 564 an interchange providing improved access to the new air terminal at Naval Air Station, Norfolk, Virginia.

(f) Exemption From Federal Screening Requirement.—The conveyances authorized by subsection (a) shall be made without regard to the requirement under section 2696 of title 10, United States Code, that the property be screened for further Federal use in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

(g) Description of Property.—The exact acreage and legal description of any real property conveyed under subsection (a), and of any easements, rights-of-way, or other interests granted under subsection (b), shall be determined by a survey or surveys satisfactory to the Secretary. The cost of the survey or surveys shall be borne by the Commonwealth.

(h) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance of any real property under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

PART III—AIR FORCE CONVEYANCES

SEC. 2861. LAND CONVEYANCE, NEWINGTON DEFENSE FUEL SUPPLY POINT, NEW HAMPSHIRE.

(a) Conveyance Authorized.—The Secretary of the Air Force may convey, without consideration, to the Pease Development Authority, New Hampshire (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to parcels of real property, together with any improvements thereon, consisting of approximately 10.26 acres and located in Newington, New Hampshire, the site of the Newington Defense Fuel Supply Point.

(b) Related Pipeline and Easement.—As part of the conveyance authorized by subsection (a), the Secretary may convey to the Authority, without consideration, all right, title, and interest of the United States in and to the following:

(1) The pipeline approximately 1.25 miles in length that runs between the property authorized to be conveyed under subsection (a) and former Pease Air Force Base, New Hampshire, and any facilities and equipment related thereto.

(2) An easement consisting of approximately 4.612 acres for purposes of activities relating to the pipeline.

(c) Condition of Conveyance.—The conveyance authorized by subsection (a) may only be made if the Authority agrees to make the fuel supply pipeline available for use by the New Hampshire Air National Guard under terms and conditions acceptable to the Secretary.

(d) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a), the easement to be conveyed under subsection (b)(2), and the pipeline to be conveyed under subsection (b)(1) shall be determined by surveys and other means satisfactory to the Secretary. The cost of any survey or other services performed at the direction of the Secretary under the preceding sentence shall be borne by the Authority.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as Secretary considers appropriate to protect the interests of the United States.

SEC. 2862. LAND CONVEYANCE, TYNDALL AIR FORCE BASE, FLORIDA.

(a) Conveyance Authorized.—The Secretary of the Air Force may convey to Panama City, Florida (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 33.07 acres in Bay County, Florida, and containing the military family housing project for Tyndall Air Force Base known as Cove Garden.

(b) Consideration.—As consideration for the conveyance under subsection (a), the City shall pay to the United States an amount equal to the fair market value of the real property to be conveyed, as determined by the Secretary.

(c) Use of Proceeds.—In such amounts as are provided in advance in appropriations Acts, the Secretary may use the funds paid by the City under subsection (b) to construct or improve military family housing units at Tyndall Air Force Base and to improve ancillary supporting facilities related to such housing.

(d) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2863. LAND CONVEYANCE, PORT OF ANCHORAGE, ALASKA.

(a) Conveyance Authorized.—The Secretary of the Air Force and the Secretary of the Interior may convey, without consideration, to the Port of Anchorage, an entity of the City of Anchorage, Alaska (in this section referred to as the "Port"), all right, title, and interest of the United States in and to two parcels of real property, including improvements thereon, consisting of a total of approximately 14.22 acres located adjacent to the Port of Anchorage Marine Industrial Park in Anchorage, Alaska, and leased by the Port from the Department of the Air Force and the Bureau of Land Management, for the purpose of permitting the Port to use the parcels for economic development.

(b) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Air Force and the Secretary of the Interior. The cost of the survey shall be borne by the Port.

(c) Reversionary Interest.—During the five-year period beginning on the date the Secretary concerned makes the conveyance authorized under subsection (a), if that Secretary determines that the real property conveyed by that Secretary is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to that property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary concerned under this subsection shall be made on the record after an opportunity for a hearing.

(d) Additional Terms and Conditions.—The Secretary of the Air Force and the Secretary of the Interior may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretaries considers appropriate to protect the interests of the United States.

SEC. 2864. LAND CONVEYANCE, FORESTPORT TEST ANNEX, NEW YORK.

(a) Conveyance Authorized.—The Secretary of the Air Force may convey, without consideration, to the Town of Ohio, New York (in this section referred to as the "Town"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 164 acres in Herkimer County, New York, and approximately 18 acres in Oneida County, New York, and containing the Forestport Test Annex for the purpose of permitting the Town to develop the parcel for economic purposes and to further the provision of municipal services.

(b) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Town.

(c) Reversionary Interest.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance

specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2865. LAND CONVEYANCE, MCCLELLAN NUCLEAR RADIATION CENTER, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—(1) Consistent with applicable laws, including section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620), the Secretary of the Air Force may convey, without consideration, to the Regents of the University of California, acting on behalf of the University of California, Davis (in this section referred to as the "Regents"), all right, title, and interest of the United States in and to the parcel of real property, including improvements thereon, consisting of the McClellan Nuclear Radiation Center, California.

(2) Pending the completion of all actions necessary to prepare the property described in paragraph (1) for conveyance under such paragraph, the Secretary may lease the property to the Regents.

(b) INSPECTION OF PROPERTY.—At an appropriate time before any conveyance or lease under subsection (a), the Secretary shall permit the Regents access to the property described in such subsection for purposes of such investigation of the McClellan Nuclear Radiation Center and the atomic reactor located at the Center as the Regents consider appropriate.

(c) HOLD HARMLESS.—(1)(A) The Secretary may not make the conveyance or lease authorized by subsection (a) unless the Regents agree to indemnify and hold harmless the United States for and against the following:

(i) Any and all costs associated with the decontamination and decommissioning of the atomic reactor at the McClellan Nuclear Radiation Center under requirements that are imposed by the Nuclear Regulatory Commission or any other appropriate Federal or State regulatory agency.

(ii) Any and all injury, damage, or other liability arising from the operation of the atomic reactor after its conveyance under this section.

(B) The Secretary may pay the Regents an amount not exceed $17,593,000 as consideration for the agreement under subparagraph (A). Notwithstanding section 2906(b) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), the Secretary may use amounts appropriated pursuant to the authorization of appropriation in section 2405(a)(7) to make the payment under this subparagraph.

(2) Notwithstanding the agreement under paragraph (1), the Secretary may, as part of the conveyance or lease authorized by subsection (a), enter into an agreement with the Regents under which the United States shall indemnify and hold harmless the University of California for and against any injury, damage, or other liability in connection with the operation of the atomic reactor at the McClellan Nuclear Radiation Center after its conveyance or lease that arises from a defect in the atomic reactor that could not have been discovered in the course of the inspection carried out under subsection (b).

(d) CONTINUING OPERATION OF REACTOR.—Until such time as the property authorized to be conveyed by subsection (a) is conveyed by deed or lease, the Secretary shall take appropriate actions, including the allocation of personnel, funds, and other resources, to ensure the continuing operation of the atomic reactor located at the McClellan Nuclear Radiation Center in accordance with applicable requirements of the Nuclear Regulatory Commission and otherwise in accordance with law.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance or lease under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2871. ACCEPTANCE OF GUARANTEES IN CONNECTION WITH GIFTS TO MILITARY SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Chapter 403 of title 10, United States Code, is amended by inserting after section 4356 the following new section:

"§4357. Acceptance of guarantees with gifts for major projects

"(a) ACCEPTANCE AUTHORITY.—Subject to subsection (c), the Secretary of the Army may accept from a donor or donors a qualified guarantee for the completion of a major project for the benefit of the Academy.

"(b) OBLIGATION AUTHORITY.—The amount of a qualified guarantee accepted under this section shall be considered as contract authority to provide obligation authority for purposes of Federal fiscal and contractual requirements. Funds available for a project for which such a guarantee has been accepted may be obligated and expended for the project without regard to whether the total amount of the funds and other resources available for the project (not taking into account the amount of the guarantee) is sufficient to pay for completion of the project.

"(c) NOTICE OF PROPOSED ACCEPTANCE.—The Secretary of the Army may not accept a qualified guarantee under this section for the completion of a major project until after the expiration of 30 days following the date upon which a report of the facts concerning the proposed guarantee is submitted to Congress.

"(d) PROHIBITION ON COMMINGLING OF FUNDS.—The Secretary of the Army may not enter into any contract or other transaction involving the use of a qualified guarantee and appropriated funds in the same contract or transaction.

"(e) DEFINITIONS.—In this section:

"(1) MAJOR PROJECT.—The term 'major project' means a project for the purchase or other procurement of real or personal property, or for the construction, renovation, or repair of real or personal property, the total cost of which is, or is estimated to be, at least $1,000,000.

"(2) QUALIFIED GUARANTEE.—The term 'qualified guarantee', with respect to a major project, means a guarantee that—

"(A) is made by one or more persons in connection with a donation, specifically for the project, of a total amount in cash or securities that, as determined by the Secretary of the Army, is sufficient to defray a substantial portion of the total cost of the project;

"(B) is made to facilitate or expedite the completion of the project in reasonable anticipation that other donors will contribute sufficient funds or other resources in amounts sufficient to pay for completion of the project;

"(C) is set forth as a written agreement that provides for the donor to furnish in cash or securities, in addition to the donor's other gift or gifts for the project, any additional amount that may become necessary for paying the cost of completing the project by reason of a failure to obtain from other donors or sources funds or other resources in amounts sufficient to pay the cost of completing the project; and

"(D) is accompanied by—

"(i) an irrevocable and unconditional standby letter of credit for the benefit of the Academy that is in the amount of the guarantee and is issued by a major United States commercial bank; or

"(ii) a qualified account control agreement.

"(3) QUALIFIED ACCOUNT CONTROL AGREEMENT.—The term 'qualified account control agreement', with respect to a guarantee of a donor, means an agreement among the donor, the Secretary of the Army, and a major United States investment management firm that—

"(A) ensures the availability of sufficient funds or other financial resources to pay the amount guaranteed during the period of the guarantee;

"(B) provides for the perfection of a security interest in the assets of the account for the United States for the benefit of the Academy with the highest priority available for liens and security interests under applicable law;

"(C) requires the donor to maintain in an account with the investment management firm assets having a total value that is not less than 130 percent of the amount guaranteed; and

"(D) requires the investment management firm, at any time that the value of the account is less than the value required to be maintained under subparagraph (C), to liquidate any noncash assets in the account and reinvest the proceeds in Treasury bills issued under section 3104 of title 31.

"(4) MAJOR UNITED STATES COMMERCIAL BANK.—The term 'major United States commercial bank' means a commercial bank that—

"(A) is an insured bank (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813));

"(B) is headquartered in the United States; and

"(C) has net assets in a total amount considered by the Secretary of the Army to qualify the bank as a major bank.

"(5) MAJOR UNITED STATES INVESTMENT MANAGEMENT FIRM.—The term 'major United States investment management firm' means any broker, dealer, investment adviser, or provider of investment supervisory services (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) or section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) or a major United States commercial bank that—

"(A) is headquartered in the United States; and

"(B) holds for the account of others investment assets in a total amount considered by the Secretary of the Army to qualify the firm as a major investment management firm.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4356 the following new item:

"4357. Acceptance of guarantees with gifts for major projects.".

(b) NAVAL ACADEMY.—(1) Chapter 603 of title 10, United States Code, is amended by inserting after section 6974 the following new section:

"§6975. Acceptance of guarantees with gifts for major projects

"(a) ACCEPTANCE AUTHORITY.—Subject to subsection (c), the Secretary of the Navy may accept from a donor or donors a qualified guarantee for the completion of a major project for the benefit of the Naval Academy.

"(b) OBLIGATION AUTHORITY.—The amount of a qualified guarantee accepted under this section shall be considered as contract authority to provide obligation authority for purposes of Federal fiscal and contractual requirements. Funds available for a project for which such a guarantee has been accepted may be obligated and expended for the project without regard to whether the total amount of the funds and other resources available for the project (not taking into account the amount of the guarantee) is sufficient to pay for completion of the project.

"(c) NOTICE OF PROPOSED ACCEPTANCE.—The Secretary of the Navy may not accept a qualified guarantee under this section for the completion of a major project until after the expiration of 30 days following the date upon which a report of the facts concerning the proposed guarantee is submitted to Congress.

"(d) PROHIBITION ON COMMINGLING OF FUNDS.—The Secretary of the Navy may not enter into any contract or other transaction involving the use of a qualified guarantee and appropriated funds in the same contract or transaction.

"(e) DEFINITIONS.—In this section:

"(1) MAJOR PROJECT.—The term 'major project' means a project for the purchase or other procurement of real or personal property, or for the construction, renovation, or repair of real or personal property, the total cost of which is, or is estimated to be, at least $1,000,000.

"(2) QUALIFIED GUARANTEE.—The term 'qualified guarantee', with respect to a major project, means a guarantee that—

"(A) is made by one or more persons in connection with a donation, specifically for the project, of a total amount in cash or securities that, as determined by the Secretary of the Navy, is sufficient to defray a substantial portion of the total cost of the project;

"(B) is made to facilitate or expedite the completion of the project in reasonable anticipation that other donors will contribute sufficient funds or other resources in amounts sufficient to pay for completion of the project;

"(C) is set forth as a written agreement that provides for the donor to furnish in cash or securities, in addition to the donor's other gift or gifts for the project, any additional amount that may become necessary for paying the cost of completing the project by reason of a failure to obtain from other donors or sources funds or other resources in amounts sufficient to pay the cost of completing the project; and

"(D) is accompanied by—

"(i) an irrevocable and unconditional standby letter of credit for the benefit of the Naval Academy that is in the amount of the guarantee and is issued by a major United States commercial bank; or

"(ii) a qualified account control agreement.

"(3) QUALIFIED ACCOUNT CONTROL AGREEMENT.—The term 'qualified account control agreement', with respect to a guarantee of a donor, means an agreement among the donor, the Secretary of the Navy, and a major United States investment management firm that—

"(A) ensures the availability of sufficient funds or other financial resources to pay the amount guaranteed during the period of the guarantee;

"(B) provides for the perfection of a security interest in the assets of the account for the United States for the benefit of the Naval Academy with the highest priority available for liens and security interests under applicable law;

"(C) requires the donor to maintain in an account with the investment management firm assets having a total value that is not less than 130 percent of the amount guaranteed; and

"(D) requires the investment management firm, at any time that the value of the account is less than the value required to be maintained under subparagraph (C), to liquidate any noncash assets in the account and reinvest the proceeds in Treasury bills issued under section 3104 of title 31.

"(4) MAJOR UNITED STATES COMMERCIAL BANK.—The term 'major United States commercial bank' means a commercial bank that—

"(A) is an insured bank (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813));

"(B) is headquartered in the United States; and

"(C) has net assets in a total amount considered by the Secretary of the Navy to qualify the bank as a major bank.

"(5) MAJOR UNITED STATES INVESTMENT MANAGEMENT FIRM.—The term 'major United States investment management firm' means any broker, dealer, investment adviser, or provider of investment supervisory services (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) or section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) or a major United States commercial bank that—

"(A) is headquartered in the United States; and

"(B) holds for the account of others investment assets in a total amount considered by the Secretary of the Navy to qualify the firm as a major investment management firm.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6974 the following new item:

"6975. Acceptance of guarantees with gifts for major projects.".

(c) AIR FORCE ACADEMY.—(1) Chapter 903 of title 10, United States Code, is amended by inserting after section 9355 the following new section:

"§9356. Acceptance of guarantees with gifts for major projects

"(a) ACCEPTANCE AUTHORITY.—Subject to subsection (c), the Secretary of the Air Force may accept from a donor or donors a qualified guarantee for the completion of a major project for the benefit of the Academy.

"(b) OBLIGATION AUTHORITY.—The amount of a qualified guarantee accepted under this section shall be considered as contract authority to provide obligation authority for purposes of Federal fiscal and contractual requirements. Funds available for a project for which such a guarantee has been accepted may be obligated and expended for the project without regard to whether the total amount of the funds and other resources available for the project (not taking into account the amount of the guarantee) is sufficient to pay for completion of the project.

"(c) NOTICE OF PROPOSED ACCEPTANCE.—The Secretary of the Air Force may not accept a qualified guarantee under this section for the completion of a major project until after the expiration of 30 days following the date upon which a report of the facts concerning the proposed guarantee is submitted to Congress.

"(d) PROHIBITION ON COMMINGLING OF FUNDS.—The Secretary of the Air Force may not enter into any contract or other transaction involving the use of a qualified guarantee and appropriated funds in the same contract or transaction.

"(e) DEFINITIONS.—In this section:

"(1) MAJOR PROJECT.—The term 'major project' means a project for the purchase or other procurement of real or personal property, or for the construction, renovation, or repair of real or personal property, the total cost of which is, or is estimated to be, at least $1,000,000.

"(2) QUALIFIED GUARANTEE.—The term 'qualified guarantee', with respect to a major project, means a guarantee that—

"(A) is made by one or more persons in connection with a donation, specifically for the project, of a total amount in cash or securities that, as determined by the Secretary of the Air Force, is sufficient to defray a substantial portion of the total cost of the project;

"(B) is made to facilitate or expedite the completion of the project in reasonable anticipation that other donors will contribute sufficient funds or other resources in amounts sufficient to pay for completion of the project;

"(C) is set forth as a written agreement that provides for the donor to furnish in cash or securities, in addition to the donor's other gift or gifts for the project, any additional amount that may become necessary for paying the cost of completing the project by reason of a failure to obtain from other donors or sources funds or other resources in amounts sufficient to pay the cost of completing the project; and

"(D) is accompanied by—

"(i) an irrevocable and unconditional standby letter of credit for the benefit of the Academy that is in the amount of the guarantee and is issued by a major United States commercial bank; or

"(ii) a qualified account control agreement.

"(3) QUALIFIED ACCOUNT CONTROL AGREEMENT.—The term 'qualified account control agreement', with respect to a guarantee of a donor, means an agreement among the donor, the Secretary of the Air Force, and a major United States investment management firm that—

"(A) ensures the availability of sufficient funds or other financial resources to pay the amount guaranteed during the period of the guarantee;

"(B) provides for the perfection of a security interest in the assets of the account for the United States for the benefit of the Academy with the highest priority available for liens and security interests under applicable law;

"(C) requires the donor to maintain in an account with the investment management firm assets having a total value that is not less than 130 percent of the amount guaranteed; and

"(D) requires the investment management firm, at any time that the value of the account is less than the value required to be maintained under subparagraph (C), to liquidate any noncash assets in the account and reinvest the proceeds in Treasury bills issued under section 3104 of title 31.

"(4) MAJOR UNITED STATES COMMERCIAL BANK.—The term 'major United States commercial bank' means a commercial bank that—

"(A) is an insured bank (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813));

"(B) is headquartered in the United States; and

"(C) has net assets in a total amount considered by the Secretary of the Air Force to qualify the bank as a major bank.

"(5) MAJOR UNITED STATES INVESTMENT MANAGEMENT FIRM.—The term 'major United States investment management firm' means any broker, dealer, investment adviser, or provider of investment supervisory services (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) or section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) or a major United States commercial bank that—

"(A) is headquartered in the United States; and

"(B) holds for the account of others investment assets in a total amount considered by the Secretary of the Air Force to qualify the firm as a major investment management firm.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9355 the following new item:

"9356. Acceptance of guarantees with gifts for major projects.".

SEC. 2872. ACQUISITION OF STATE-HELD INHOLDINGS, EAST RANGE OF FORT HUACHUCA, ARIZONA.

(a) ACQUISITION AUTHORIZED.—(1) The Secretary of the Interior may acquire by eminent domain, but with the consent of the State of Arizona, all right, title, and interest (including any mineral rights) of the State of Arizona in and to unimproved Arizona State Trust lands consisting of approximately 1,536.47 acres in the Fort Huachuca East Range, Cochise County, Arizona.

(2) The Secretary may also acquire by eminent domain, but with the consent of the State of Arizona, any trust mineral estate of the State of Arizona located beneath the surface estates of the United States in one or more parcels of land consisting of approximately 12,943 acres in the Fort Huachuca East Range, Cochise County, Arizona.

(b) CONSIDERATION.—(1) Subject to subsection (c), as consideration for the acquisition by the United States of Arizona State trust lands and mineral interests under subsection (a), the Secretary, acting through the Bureau of Land Management, may convey to the State of Arizona all right, title, and interest of the United States, or some lesser interest, in one or more parcels of Federal land under the jurisdiction of the Bureau of Land Management in the State of Arizona.

(2) The lands or interests in land to be conveyed under this subsection shall be mutually agreed upon by the Secretary and the State of Arizona, as provided in subsection (c)(1).

(3) The value of the lands conveyed out of Federal ownership under this subsection either shall be equal to the value of the lands and mineral interests received by the United States under subsection (a) or, if not, shall be equalized by a payment made by the Secretary or the State of Arizona, as necessary.

(c) CONDITIONS ON CONVEYANCE TO STATE.—The Secretary may make the conveyance described in subsection (b) only if—

(1) the transfer of the Federal lands to the State of Arizona is acceptable to the State Land Commissioner; and

(2) the conveyance of lands and interests in lands under subsection (b) is accepted by the State of Arizona as full consideration for the land and mineral rights acquired by the United States under subsection (a) and terminates all right, title, and interest of all parties (other than the United States) in and to the acquired lands and mineral rights.

(d) USE OF EMINENT DOMAIN.—The Secretary may acquire the State lands and mineral rights under subsection (a) pursuant to the laws and regulations governing eminent domain.

(e) DETERMINATION OF FAIR MARKET VALUE.—Notwithstanding any other provision of law, the value of lands and interests in lands acquired or conveyed by the United States under this section shall be determined in accordance with the Uniform Appraisal Standards for Federal Land Acquisition, as published by the Department of Justice in 1992. The appraisal shall be subject to the review and acceptance by the Land Department of the State of Arizona and the Bureau of Land Management.

(f) DESCRIPTIONS OF LAND.—The exact acreage and legal descriptions of the lands and interests in lands acquired or conveyed by the United States under this section shall be determined by surveys that are satisfactory to the Secretary of the Interior and the State of Arizona.

(g) WITHDRAWAL OF ACQUIRED LANDS FOR MILITARY PURPOSES.—After acquisition, the lands acquired by the United States under subsection (a) may be withdrawn and reserved, in accordance with all applicable environmental laws, for use by the Secretary of the Army for military training and testing in the same manner as other Federal lands located in the Fort Huachuca East Range that were withdrawn and reserved for Army use through Public Land Order 1471 of 1957.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Interior may require such additional terms and conditions in connection with the conveyance and acquisition of lands and interests in land under this section as the Secretary considers appropriate to protect the interests of the United States and any valid existing rights.

(i) COST REIMBURSEMENT.—All costs associated with the processing of the acquisition of State trust lands and mineral interests under subsection (a) and the conveyance of public lands under subsection (b) shall be borne by the Secretary of the Army.

SEC. 2873. ENHANCEMENT OF PENTAGON RENOVATION ACTIVITIES.

(a) RENOVATION ENHANCEMENTS.—The Secretary of Defense, in conjunction with the Pentagon Renovation Program, may design and construct secure secretarial office and support facilities and make security-related enhancements to the bus and subway station entrance at the Pentagon Reservation.

(b) REPORT REQUIRED.—As part of the report required under section 2674(a) of title 10, United States Code, in 2000, the Secretary of Defense shall include the estimated cost for the planning, design, construction, and installation of equipment for the enhancements authorized by subsection (a) and a revised estimate for the total cost of the renovation of the Pentagon Reservation.

Subtitle F—Expansion of Arlington National Cemetery

SEC. 2881. TRANSFER FROM NAVY ANNEX, ARLINGTON, VIRGINIA.

(a) LAND TRANSFER REQUIRED.—The Secretary of Defense shall provide for the transfer to the Secretary of the Army of administrative jurisdiction over three parcels of real property consisting of approximately 36 acres and known as the Navy Annex (in this section referred to as the "Navy Annex property").

(b) USE OF LAND.—(1) Subject to paragraph (2), the Secretary of the Army shall incorporate the Navy Annex property transferred under subsection (a) into Arlington National Cemetery.

(2) The Secretary of Defense may reserve not to exceed 10 acres of the Navy Annex property (of which not more than six acres may be north of the existing Columbia Pike) as a site for—

(A) a National Military Museum, if such site is recommended for such purpose by the Commission on the National Military Museum established under section 2901; and

(B) such other memorials that the Secretary of Defense considers compatible with Arlington National Cemetery.

(c) REMEDIATION OF LAND FOR CEMETERY USE.—Immediately after the transfer of administrative jurisdiction over the Navy Annex property, the Secretary of Defense shall provide for the removal of any improvements on that property and shall prepare the property for use as a part of Arlington National Cemetery.

(d) ESTABLISHMENT OF MASTER PLAN.—(1) The Secretary of Defense shall establish a master plan for the use of the Navy Annex property transferred under subsection (a).

(2) The master plan shall take into account (A) the report submitted by the Secretary of the Army on the expansion of Arlington National Cemetery required at page 787 of the Joint Explanatory Statement of the Committee of Conference to accompany the bill H.R. 3616 of the One Hundred Fifth Congress (House Report 105–436 of the 105th Congress), and (B) the recommendation (if any) of the Commission on the National Military Museum to use a portion of the Navy Annex property as the site for the National Military Museum.

(3) The master plan shall be established in consultation with the National Capital Planning Commission and only after coordination with appropriate officials of the Commonwealth of Virginia and of the County of Arlington, Virginia, with respect to matters pertaining to real property under the jurisdiction of those officials located in or adjacent to the Navy Annex property, including assessments of the effects on transportation, infrastructure, and utilities in that county by reason of the proposed uses of the Navy Annex property under subsection (b).

(4) Not later than 180 days after the date on which the Commission on the National Military Museum submits to Congress its report under section 2903, the Secretary of Defense shall submit to Congress the master plan established under this subsection.

(e) IMPLEMENTATION OF MASTER PLAN.—The Secretary of Defense may implement the provisions of the master plan at any time after the Secretary submits the master plan to Congress.

(f) LEGAL DESCRIPTION.—In conjunction with the development of the master plan required by subsection (d), the Secretary of Defense shall determine the exact acreage and legal description of the portion of the Navy Annex property reserved under subsection (b)(2) and of the portion transferred under subsection (a) for incorporation into Arlington National Cemetery.

(g) REPORTS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Secretary of Defense a copy of the report to Congress on the expansion of Arlington National Cemetery required at page 787 of the Joint Explanatory Statement of the Committee of Conference to accompany the bill H.R. 3616 of the One Hundred Fifth Congress (House Report 105–736 of the 105th Congress).

(2) The Secretary of Defense shall include a description of the use of the Navy Annex property transferred under subsection (a) in the annual report to Congress under section 2674(a)(2) of title 10, United States Code, on the state of the renovation of the Pentagon Reservation.

(h) DEADLINE.—The Secretary of Defense shall complete the transfer of administrative jurisdiction required by subsection (a) not later than the earlier of—

(A) January 1, 2010; or

(B) the date when the Navy Annex property is no longer required (as determined by the Secretary) for use as temporary office space due to the renovation of the Pentagon.

SEC. 2882. TRANSFER FROM FORT MYER, ARLINGTON, VIRGINIA.

(a) LAND TRANSFER REQUIRED.—The Secretary of the Army shall modify the boundaries of Arlington National Cemetery and of Fort Myer to include in Arlington National Cemetery the following parcels of real property situated in Fort Myer, Arlington, Virginia:

(1) A parcel comprising approximately five acres bounded by the Fort Myer Post Traditional Chapel to the southwest, McNair Road to the northwest, the Vehicle Maintenance Complex to the northeast, and the masonry wall of Arlington National Cemetery to the southeast.

(2) A parcel comprising approximately three acres bounded by the Vehicle Maintenance Complex to the southwest, Jackson Avenue to the northwest, the water pumping station to the northeast, and the masonry wall of Arlington National Cemetery to the southeast.

(b) LEGAL DESCRIPTION.—The exact acreage and legal description of the real property to be transferred under subsection (a) shall be determined by a survey satisfactory to the Secretary.

TITLE XXIX—COMMISSION ON NATIONAL MILITARY MUSEUM

Sec. 2901. Establishment.
Sec. 2902. Duties of Commission.
Sec. 2903. Report.

Sec. 2904. Powers.
Sec. 2905. Commission procedures.
Sec. 2906. Personnel matters.
Sec. 2907. Miscellaneous administrative provisions.
Sec. 2908. Funding.
Sec. 2909. Termination of Commission.

SEC. 2901. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "Commission on the National Military Museum" (in this title referred to as the "Commission").

(b) COMPOSITION.—(1) The Commission shall be composed of 11 voting members appointed from among individuals who have an expertise in military or museum matters as follows:

(A) Five shall be appointed by the President.

(B) Two shall be appointed by the Speaker of the House of Representatives, in consultation with the chairman of the Committee on Armed Services of the House of Representatives.

(C) One shall be appointed by the minority leader of the House of Representatives, in consultation with the ranking member of the Committee on Armed Services of the House of Representatives.

(D) Two shall be appointed by the majority leader of the Senate, in consultation with the chairman of the Committee on Armed Services of the Senate.

(E) One shall be appointed by the minority leader of the Senate, in consultation with the ranking member of the Committee on Armed Services of the Senate.

(2) The following shall be nonvoting members of the Commission:

(A) The Secretary of Defense.

(B) The Secretary of the Army.

(C) The Secretary of the Navy.

(D) The Secretary of the Air Force.

(E) The Secretary of Transportation.

(F) The Secretary of the Smithsonian Institution.

(G) The Chairman of the National Capital Planning Commission.

(H) The Chairperson of the Commission of Fine Arts.

(c) CHAIRMAN.—The President shall designate one of the individuals first appointed to the Commission under subsection (b)(1)(A) as the chairman of the Commission.

(d) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(e) INITIAL ORGANIZATION REQUIREMENTS.—(1) All appointments to the Commission shall be made not later than 90 days after the date of the enactment of this Act.

(2) The Commission shall convene its first meeting not later than 60 days after the date as of which all members of the Commission have been appointed.

SEC. 2902. DUTIES OF COMMISSION.

(a) STUDY OF NATIONAL MILITARY MUSEUM.—The Commission shall conduct a study in order to make recommendations to Congress regarding an authorization for the construction of a national military museum in the National Capital Area.

(b) STUDY ELEMENTS.—In conducting the study, the Commission shall do the following:

(1) Determine whether existing military museums, historic sites, and memorials in the United States are adequate—

(A) to provide in a cost-effective manner for display of, and interaction with, adequately visited and adequately preserved artifacts and representations of the Armed Forces and of the wars in which the United States has been engaged;

(B) to honor the service to the United States of the active and reserve members of the Armed Forces and the veterans of the United States;

(C) to educate current and future generations regarding the Armed Forces and the sacrifices of members of the Armed Forces and the Nation in furtherance of the defense of freedom; and

(D) to foster public pride in the achievements and activities of the Armed Forces.

(2) Determine whether adequate inventories of artifacts and representations of the Armed Forces and of the wars in which the United States has been engaged are available, either in current inventories or in private or public collections, for loan or other provision to a national military museum.

(3) Develop preliminary proposals for—

(A) the dimensions and design of a national military museum in the National Capital Area;

(B) the location of the museum in that Area; and

(C) the approximate cost of the final design and construction of the museum and of the costs of operating the museum.

(c) ADDITIONAL DUTIES.—If the Commission determines to recommend that Congress authorize the construction of a national military museum in the National Capital Area, the Commission shall also, as a part of the study under subsection (a), do the following:

(1) Recommend not fewer than three sites for the museum ranked by preference.

(2) Propose a schedule for construction of the museum.

(3) Assess the potential effects of the museum on the environment, facilities, and roadways in the vicinity of the site or sites where the museum is proposed to be located.

(4) Recommend the percentages of funding for the museum to be provided by the United States, State and local governments, and private sources, respectively.

(5) Assess the potential for fundraising for the museum during the 20-year period following the authorization of construction of the museum.

(6) Assess and recommend various governing structures for the museum, including a governing structure that places the museum within the Smithsonian Institution.

(d) REQUIREMENTS FOR LOCATION ON NAVY ANNEX PROPERTY.—In the case of a recommendation under subsection (c)(1) to authorize construction of a national military museum on the Navy Annex property authorized for reservation for such purpose by section 2871(b), the design of the national military museum on such property shall be subject to the following requirements:

(1) The design shall be prepared in consultation with the Superintendent of Arlington National Cemetery.

(2) The design may not provide for access by vehicles to the national military museum through Arlington National Cemetery.

SEC. 2903. REPORT.

The Commission shall, not later than 12 months after the date of its first meeting, submit to Congress a report on its findings and conclusions under this title, including any recommendations under section 2902.

SEC. 2904. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this title, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

(b) INFORMATION.—The Commission may secure directly from the Department of Defense and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this title.

SEC. 2905. COMMISSION PROCEDURES.

(a) MEETINGS.—The Commission shall meet at the call of the chairman.

(b) QUORUM.—(1) Six of the members appointed under section 2901(b)(1) shall constitute a quorum other than for the purpose of holding hearings.

(2) The Commission shall act by resolution agreed to by a majority of the members of the Commission.

(c) COMMISSION.—The Commission may establish panels composed of less than full membership of the Commission for the purpose of carrying out the Commission's duties. The actions of each such panel shall be subject to the review and control of the Commission. Any findings and determinations made by such a panel shall not be considered the findings and determinations of the Commission unless approved by the Commission.

(d) AUTHORITY OF INDIVIDUALS TO ACT FOR COMMISSION.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this title.

SEC. 2906. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—Members of the Commission appointed under section 2901(b)(1) shall serve without pay by reason of their work on the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—(1) The chairman of the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties. The appointment of a staff director shall be subject to the approval of the Commission.

(2) The chairman of the Commission may fix the pay of the staff director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS–15 of the General Schedule.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of such title.

SEC. 2907. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.

(a) POSTAL AND PRINTING SERVICES.—The Commission may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the United States.

(b) MISCELLANEOUS ADMINISTRATIVE AND SUPPORT SERVICES.—The Secretary of Defense shall furnish the Commission, on a reimbursable basis, any administrative and support services requested by the Commission.

SEC. 2908. FUNDING.

(a) IN GENERAL.—Funds for activities of the Commission shall be provided from amounts appropriated for the Department of Defense for operation and maintenance for Defense-wide activities for fiscal year 2000.

(b) REQUEST.—Upon receipt of a written certification from the chairman of the Commission specifying the funds required for the activities of the Commission, the Secretary of Defense shall promptly disburse to the Commission, from such amounts, the funds required by the Commission as stated in such certification.

(c) AVAILABILITY OF CERTAIN FUNDS.—Of the funds available for activities of the Commission under this section, $2,000,000 shall be available for the activities, if any, of the Commission under section 2902(c).

SEC. 2909. TERMINATION OF COMMISSION.

The Commission shall terminate 60 days after the date of the submission of its report under section 2903.

TITLE XXX—MILITARY LAND WITHDRAWALS

Sec. 3001. Short title.

Subtitle A—Withdrawals Generally

Sec. 3011. Withdrawals.
Sec. 3012. Maps and legal descriptions.
Sec. 3013. Termination of withdrawals in Military Lands Withdrawal Act of 1986.
Sec. 3014. Management of lands.
Sec. 3015. Duration of withdrawal and reservation.
Sec. 3016. Extension of initial withdrawal and reservation.
Sec. 3017. Ongoing decontamination.
Sec. 3018. Delegation.
Sec. 3019. Water rights.
Sec. 3020. Hunting, fishing, and trapping.
Sec. 3021. Mining and mineral leasing.
Sec. 3022. Use of mineral materials.
Sec. 3023. Immunity of United States.

Subtitle B—Withdrawals in Arizona

Sec. 3031. Barry M. Goldwater Range, Arizona.
Sec. 3032. Military use of Cabeza Prieta National Wildlife Refuge and Cabeza Prieta Wilderness.
Sec. 3033. Maps and legal description.
Sec. 3034. Water rights.
Sec. 3035. Hunting, fishing, and trapping.
Sec. 3036. Use of mineral materials.
Sec. 3037. Immunity of United States.

Subtitle C—Authorization of Appropriations

Sec. 3041. Authorization of appropriations.

SEC. 3001. SHORT TITLE.

This title may be cited as the "Military Lands Withdrawal Act of 1999".

Subtitle A—Withdrawals Generally

SEC. 3011. WITHDRAWALS.

(a) NAVAL AIR STATION FALLON RANGES, NEVADA.—

(1) WITHDRAWAL AND RESERVATION.—(A) Subject to valid existing rights and except as otherwise provided in this subtitle, the lands established at the B–16, B–17, B–19, and B–20 Ranges, as referred to in paragraph (2), and all other areas within the boundary of such lands as depicted on the map referred to in such paragraph which may become subject to the operation of the public land laws, are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws and the mineral leasing and geothermal leasing laws.

(B) The lands and interests in lands within the boundaries established at the Dixie Valley Training Area, as referred to in paragraph (2), are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws and geothermal leasing laws, but not the mineral leasing laws.

(C) The lands withdrawn by subparagraphs (A) and (B) are reserved for use by the Secretary of the Navy for—

(i) testing and training for aerial bombing, missile firing, and tactical maneuvering and air support; and

(ii) other defense-related purposes consistent with the purposes specified in this subparagraph.

(2) LAND DESCRIPTION.—The public lands and interests in lands withdrawn and reserved by this subsection comprise approximately 204,953 acres of land in Churchill County, Nevada, as generally depicted as "Proposed Withdrawal Land" and "Existing Withdrawals" on the map entitled "Naval Air Station Fallon Ranges—Proposed Withdrawal of Public Lands for Range Safety and Training Purposes", dated May 25, 1999, and filed in accordance with section 3012.

(3) RELATIONSHIP TO OTHER RESERVATIONS.—

(A) B–16 RANGE.—To the extent the withdrawal and reservation made by paragraph (1) for the B–16 Range withdraws lands currently withdrawn and reserved for use by the Bureau of Reclamation, the reservation made by that paragraph shall be the primary reservation for public safety management actions only, and the existing Bureau of Reclamation reservation shall be the primary reservation for all other management actions.

(B) SHOAL SITE.—The Secretary of Energy shall remain responsible and liable for the subsurface estate and all its activities at the "Shoal Site" withdrawn and reserved by Public Land Order Number 2771, as amended by Public Land Order Number 2834. The Secretary of the Navy shall be responsible for the management and use of the surface estate at the "Shoal Site" pursuant to the withdrawal and reservation made by paragraph (1).

(4) WATER RIGHTS.— Effective as of the date of the enactment of this Act, the Secretary of the Navy shall ensure that the Navy complies with the portion of the memorandum of understanding between the Department of the Navy and the United States Fish and Wildlife Service dated July 26, 1995, requiring the Navy to limit water rights to the maximum extent practicable, consistent with safety of operations, for Naval Air Station Fallon, Nevada, currently not more than 4,402 acre-feet of water per year.

(b) NELLIS AIR FORCE RANGE, NEVADA.—

(1) DEPARTMENT OF AIR FORCE.—Subject to valid existing rights and except as otherwise provided in this subtitle, the public lands described in paragraph (4) are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws and the mineral leasing and geothermal leasing laws. Such lands are reserved for use by the Secretary of the Air Force—

(A) as an armament and high hazard testing area;

(B) for training for aerial gunnery, rocketry, electronic warfare, and tactical maneuvering and air support;

(C) for equipment and tactics development and testing; and

(D) for other defense-related purposes consistent with the purposes specified in this paragraph.

(2) DEPARTMENT OF ENERGY.—

(A) REVOCATION.—Public Land Order Number 1662, published in the Federal Register on June 26, 1958, is hereby revoked in its entirety.

(B) WITHDRAWAL.—Subject to valid existing rights, all lands within the boundary of the area labeled "Pahute Mesa" as generally depicted on the map referred to in paragraph (4) are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws and the mineral leasing and geothermal leasing laws.

(C) RESERVATION.—The lands withdrawn under subparagraph (B) are reserved for use by the Secretary of Energy as an integral part of the Nevada Test Site. Other provisions of this subtitle do not apply to the land withdrawn and reserved under this paragraph, except as provided in section 3017.

(3) DEPARTMENT OF INTERIOR.—Notwithstanding the Desert National Wildlife Refuge withdrawal and reservation made by Executive Order Number 7373, dated May 20, 1936, as amended by Public Land Order Number 4079, dated August 26, 1966, and Public Land Order Number 7070, dated August 4, 1994, the lands depicted as impact areas on the map referred to in paragraph (4) are, upon completion of the transfers authorized in paragraph (5)(F)(ii), transferred to the primary jurisdiction of the Secretary of the Air Force, who shall manage the lands in accordance with the memorandum of understanding referred to in paragraph (5)(E). The Secretary of the Interior shall retain secondary jurisdiction over the lands for wildlife conservation purposes.

(4) LAND DESCRIPTION.—The public lands and interests in lands withdrawn and reserved by paragraphs (1) and (2) comprise approximately 2,919,890 acres of land in Clark, Lincoln, and Nye Counties, Nevada, as generally depicted on the map entitled "Nevada Test and Training Range, Proposed Withdrawal Extension", dated April 22, 1999, and filed in accordance with section 3012.

(5) DESERT NATIONAL WILDLIFE REFUGE.—

(A) MANAGEMENT.—During the period of withdrawal and reservation of lands by this subtitle, the Secretary of the Interior shall exercise administrative jurisdiction over the Desert National Wildlife Refuge (except for the lands referred to in this subsection) through the United States Fish and Wildlife Service in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), this subtitle, and other laws applicable to the National Wildlife Refuge System.

(B) USE OF MINERAL MATERIALS.—Notwithstanding any other provision of this subtitle or the Act of July 31, 1947 (commonly known as the Materials Act of 1947; 30 U.S.C. 601 et seq.), no mineral material resources may be obtained from the parts of the Desert National Wildlife Refuge that are not depicted as impact areas on the map referred to in paragraph (4), except in accordance with the procedures set forth in the memorandum of understanding referred to in subparagraph (E).

(C) ACCESS RESTRICTIONS.—If the Secretary of the Air Force determines that military operations, public safety, or national security require the closure to the public of any road, trail, or other portion of the Desert National Wildlife Refuge that is withdrawn by this subtitle, the Secretary of the Interior shall take action to effect and maintain such closure, including agreeing to amend the memorandum of understanding referred to in subparagraph (E) to establish new or enhanced surface safety zones.

(D) EFFECT OF SUBTITLE.—Neither the withdrawal under paragraph (1) nor any other provision of this subtitle, except this subsection and subsections (a) and (b) of section 3014, shall be construed to effect the following:

(i) The National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.) or any other law related to management of the National Wildlife Refuge System.

(ii) Any Executive order or public land order in effect on the date of the enactment of this Act with respect to the Desert National Wildlife Refuge.

(iii) Any memorandum of understanding between the Secretary of the Interior and the Secretary of the Air Force concerning the joint use of lands withdrawn for use by the Air Force within the external boundaries of the Desert National Wildlife Refuge, except to the extent the

provisions of such memorandum of understanding are inconsistent with the provisions of this subtitle, in which case such memorandum of understanding shall be reviewed and amended to conform to the provisions of this title not later than 120 days after the date of the enactment of this Act.

(E) MEMORANDUM OF UNDERSTANDING.—(i) The Secretary of the Interior, in coordination with the Secretary of the Air Force, shall manage the portion of the Desert National Wildlife Refuge withdrawn by this subtitle, except for the lands referred to in paragraph (3), for the purposes for which the refuge was established, and to support current and future military aviation training needs consistent with the current memorandum of understanding between the Department of the Air Force and the Department of the Interior, including any extension or other amendment of such memorandum of understanding as provided under this subparagraph.

(ii) As part of the review of the existing memorandum of understanding provided for in this paragraph, the Secretary of the Interior and the Secretary of the Air Force shall extend the memorandum of understanding for a period that coincides with the duration of the withdrawal of the lands constituting Nellis Air Force Range under this subtitle.

(iii) Nothing in this paragraph shall be construed as prohibiting the Secretary of the Interior and the Secretary of the Air Force from revising the memorandum of understanding at any future time should they mutually agree to do so.

(iv) Amendments to the memorandum of understanding shall take effect 90 days after the date on which the Secretary of the Interior submits notice of such amendments to the Committees on Environment and Public Works, Energy and Natural Resources, and Armed Services of the Senate and the Committees on Resources and Armed Services of the House of Representatives.

(F) ACQUISITION OF REPLACEMENT PROPERTY.—(i) In addition to any other amounts authorized to be appropriated by section 3041, there are hereby authorized to be appropriated to the Secretary of the Air Force such sums as may be necessary for the replacement of National Wildlife Refuge System lands in Nevada covered by this subsection.

(ii) The Secretary of the Air Force may, using funds appropriated pursuant to the authorization of appropriations in clause (i) to—

(I) acquire lands, waters, or interests in lands or waters in Nevada pursuant to clause (i) which are acceptable to the Secretary of the Interior, and transfer such lands to the Secretary of the Interior; or

(II) transfer such funds to the Secretary of the Interior for the purpose of acquiring such lands.

(iii) The transfers authorized by clause (ii) shall be deemed complete upon written notification from the Secretary of the Interior to the Secretary of the Air Force that lands, or funds, equal to the amount appropriated pursuant to the authorization of appropriations in clause (i) have been received by the Secretary of the Interior from the Secretary of the Air Force.

(c) FORT GREELY AND FORT WAINWRIGHT TRAINING RANGES, ALASKA.—

(1) WITHDRAWAL AND RESERVATION.—Subject to valid existing rights and except as otherwise provided in this subtitle, all lands and interests in lands within the boundaries established at the Fort Greely East and West Training Ranges and the Yukon Training Range of Fort Wainwright, as referred to in paragraph (2), are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws and the mineral leasing and geothermal leasing laws. Such lands are reserved for use by the Secretary of the Army for—

(A) military maneuvering, training, and equipment development and testing;

(B) training for aerial gunnery, rocketry, electronic warfare, and tactical maneuvering and air support; and

(C) other defense-related purposes consistent with the purposes specified in this paragraph.

(2) LAND DESCRIPTION.—The public lands and interests in lands withdrawn and reserved by this subsection comprise approximately 869,862 acres of land in the Fairbanks North Star Borough and the Unorganized Borough, Alaska, as generally depicted on the map entitled "Fort Wainwright and Fort Greely Regional Context Map", dated June 3, 1987, and filed in accordance with section 3012.

(d) MCGREGOR RANGE, FORT BLISS, NEW MEXICO.—

(1) WITHDRAWAL AND RESERVATION.—Subject to valid existing rights and except as otherwise provided in this subtitle, all lands and interests in lands within the boundaries established at the McGregor Range of Fort Bliss, as referred to in paragraph (2), are hereby withdrawn from all forms of appropriation under the public land laws, including the mining laws and the mineral leasing and geothermal leasing laws. Such lands are reserved for use by the Secretary of the Army for—

(A) military maneuvering, training, and equipment development and testing;

(B) training for aerial gunnery, rocketry, electronic warfare, and tactical maneuvering and air support associated with the Air Force Tactical Target Complex; and

(C) other defense-related purposes consistent with the purposes specified in this paragraph.

(2) LAND DESCRIPTION.—The public lands and interests in lands withdrawn and reserved by this subsection comprise 608,385 acres of land in Otero County, New Mexico, as generally depicted on the map entitled "McGregor Range Withdrawal", dated June 3, 1999, and filed in accordance with section 3012.

SEC. 3012. MAPS AND LEGAL DESCRIPTIONS.

(a) PUBLICATION AND FILING.—As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall—

(1) publish in the Federal Register a notice containing the legal description of the lands withdrawn and reserved by this subtitle; and

(2) file maps and the legal descriptions of the lands withdrawn and reserved by this subtitle with the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives.

(b) TECHNICAL CORRECTIONS.—Such maps and legal descriptions shall have the same force and effect as if included in this subtitle, except that the Secretary of the Interior may correct clerical and typographical errors in such maps and legal descriptions.

(c) AVAILABILITY FOR PUBLIC INSPECTION.—Copies of such maps and legal descriptions shall be available for public inspection in the offices of the Director and appropriate State Directors and field office managers of the Bureau of Land Management, the office of the commander, Naval Air Station Fallon, Nevada, the offices of the Director and appropriate Regional Directors of the United States Fish and Wildlife Service, the office of the commander, Nellis Air Force Base, Nevada, the office of the commander, Fort Bliss, Texas, the office of the commander, Fort Greely, Alaska, the office of the commander, Fort Wainwright, Alaska, and the Office of the Secretary of Defense.

(d) REIMBURSEMENT.—The Secretary of Defense shall reimburse the Secretary of the Interior for any costs incurred by the Secretary of the Interior in implementing this section.

SEC. 3013. TERMINATION OF WITHDRAWALS IN MILITARY LANDS WITHDRAWAL ACT OF 1986.

Except as otherwise provided in this title, the withdrawals made by the Military Lands Withdrawal Act of 1986 (Public Law 99-606) shall terminate after November 6, 2001.

SEC. 3014. MANAGEMENT OF LANDS.

(a) MANAGEMENT BY SECRETARY OF INTERIOR.—

(1) APPLICABLE LAW.—During the period of the withdrawal of lands under this subtitle, the Secretary of the Interior shall manage the lands withdrawn by section 3011 pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), other applicable law, and this subtitle. The Secretary shall manage the lands within the Desert National Wildlife Refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.) and other applicable law. No provision of this subtitle, except sections 3011(b)(5)(D), 3020, and 3021, shall apply to the management of the Desert National Wildlife Refuge.

(2) ACTIVITIES AUTHORIZED.—To the extent consistent with applicable law and Executive orders, the lands withdrawn by section 3011 may be managed in a manner permitting—

(A) the continuation of grazing where permitted on the date of the enactment of this Act;

(B) the protection of wildlife and wildlife habitat;

(C) the control of predatory and other animals;

(D) recreation; and

(E) the prevention and appropriate suppression of brush and range fires resulting from nonmilitary activities.

(3) NONMILITARY USES.—

(A) IN GENERAL.—All nonmilitary use of the lands referred to in paragraph (2), other than the uses described in that paragraph, shall be subject to such conditions and restrictions as may be necessary to permit the military use of such lands for the purposes specified in or authorized pursuant to this subtitle.

(B) LEASES, EASEMENTS, AND RIGHTS OF WAY.—The Secretary of the Interior may issue a lease, easement, right of way, or other authorization with respect to the nonmilitary use of lands referred to in paragraph (2) only with the concurrence of the Secretary of the military department concerned.

(b) CLOSURE TO PUBLIC.—

(1) IN GENERAL.—If the Secretary of the military department concerned determines that military operations, public safety, or national security require the closure to public use of any road, trail, or other portion of lands withdrawn by this subtitle, that Secretary may take such action as that Secretary determines necessary or desirable to effect and maintain such closure.

(2) LIMITATIONS.—Any closure under paragraph (1) shall be limited to the minimum areas and periods which the Secretary of the military department concerned determines are required to carry out this subsection.

(3) NOTICE.—Before and during any closure under this subsection, the Secretary of the military department concerned shall—

(A) keep appropriate warning notices posted; and

(B) take appropriate steps to notify the public concerning such closure.

(c) MANAGEMENT PLAN.—The Secretary of the Interior, after consultation with the Secretary of the military department concerned, shall develop a plan for the management of each area withdrawn by section 3011 during the period of withdrawal under this subtitle. Each plan shall—

(1) be consistent with applicable law;

(2) be subject to the conditions and restrictions specified in subsection (a)(3);

(3) include such provisions as may be necessary for proper management and protection of the resources and values of such area; and

(4) be developed not later than two years after the date of the enactment of this Act.

(d) BRUSH AND RANGE FIRES.—

(1) IN GENERAL.—The Secretary of the military department concerned shall take necessary precautions to prevent and suppress brush and range fires occurring within and outside lands withdrawn by section 3011 as a result of military activities and may seek assistance from the Bureau of Land Management in the suppression of such fires.

(2) ASSISTANCE.—Each memorandum of understanding required by subsection (e) shall—

(A) require the Bureau of Land Management to provide assistance in the suppression of fires under paragraph (1) upon the request of the Secretary of the military department concerned; and

(B) provide for a transfer of funds from the military department concerned to the Bureau of Land Management as compensation for any assistance so provided.

(e) MEMORANDUM OF UNDERSTANDING.—

(1) REQUIREMENT.—The Secretary of the Interior and the Secretary of the military department concerned shall, with respect to each lands withdrawn by section 3011, enter into a memorandum of understanding to implement the management plan for such lands under subsection (c).

(2) DURATION.—The duration of any memorandum of understanding for lands withdrawn by section 3011 shall be the same as the period of the withdrawal of such lands under this subtitle.

(f) ADDITIONAL MILITARY USES.—

(1) IN GENERAL.—Lands withdrawn by section 3011 (except lands within the Desert National Wildlife Refuge) may be used for defense-related purposes other than those specified in the applicable provisions of such section.

(2) NOTICE.—The Secretary of Defense shall promptly notify the Secretary of the Interior in the event that lands withdrawn by this subtitle will be used for defense-related purposes other than those specified in the applicable provisions of section 3011.

(3) CONTENTS OF NOTICE.—A notice under paragraph (2) shall indicate the additional use or uses involved, the proposed duration of such use or uses, and the extent to which such use or uses will require that additional or more stringent conditions or restrictions be imposed on otherwise permitted nonmilitary uses of the lands concerned, or portions thereof.

SEC. 3015. DURATION OF WITHDRAWAL AND RESERVATION.

(a) GENERAL TERMINATION DATE.—The withdrawal and reservation of lands by section 3011 shall terminate 25 years after November 6, 2001, except as otherwise provided in this subtitle and except for the withdrawals provided for under subsections (a) and (b) of section 3011 which shall terminate 20 years after November 6, 2001.

(b) COMMENCEMENT DATE FOR CERTAIN LANDS.—As to the lands withdrawn for military purposes by section 3011, but not withdrawn for military purposes by section 1 of the Military Lands Withdrawal Act of 1986 (Public Law 99-606), the withdrawal of such lands shall become effective on the date of the enactment of this Act.

(c) OPENING DATE.—On the date of the termination of the withdrawal and reservation of lands under this subtitle, such lands shall not be open to any form of appropriation under the public land laws, including the mineral laws and the mineral leasing and geothermal leasing laws, until the Secretary of the Interior publishes in the Federal Register an appropriate order stating the date upon which such lands shall be restored to the public domain and opened.

SEC. 3016. EXTENSION OF INITIAL WITHDRAWAL AND RESERVATION.

(a) IN GENERAL.—Not later than three years before the termination date of the initial withdrawal and reservation of lands under this subtitle, the Secretary of the military department concerned shall notify Congress and the Secretary of the Interior concerning whether the military department will have a continuing military need after such termination date for all or any portion of such lands.

(b) DUTIES REGARDING CONTINUING MILITARY NEED.—

(1) IN GENERAL.—If the Secretary of the military department concerned determines that there will be a continuing military need for any lands withdrawn by this subtitle, the Secretary of the military department concerned shall—

(A) consult with the Secretary of the Interior concerning any adjustments to be made to the extent of, or to the allocation of management responsibility for, such lands; and

(B) file with the Secretary of the Interior, within one year after the notice required by subsection (a), an application for extension of the withdrawal and reservation of such lands.

(2) APPLICATION FOR EXTENSION.—Notwithstanding any general procedure of the Department of the Interior for processing Federal land withdrawals, an application for extension under paragraph (1) shall be considered complete if the application includes the following:

(A) The information required by section 3 of the Engle Act (43 U.S.C. 157), except that no information shall be required concerning the use or development of mineral, timber, or grazing resources unless, and to the extent, the Secretary of the military department concerned proposes to use or develop such resources during the period of extension.

(B) A copy of the most recent report prepared in accordance with the Sikes Act (16 U.S.C. 670 et seq.).

(c) LEGISLATIVE PROPOSALS.—The Secretary of the Interior and the Secretary of the military department concerned shall ensure that any legislative proposal for the extension of the withdrawal and reservation of lands under this subtitle is submitted to Congress not later than May 1 of the year preceding the year in which the withdrawal and reservation of such lands would otherwise terminate under this subtitle.

(d) NOTICE OF INTENT REGARDING RELINQUISHMENT.—If during the period of the withdrawal and reservation of lands under this subtitle, the Secretary of the military department concerned decides to relinquish all or any of the lands withdrawn and reserved by section 3011, such Secretary shall transmit a notice of intent to relinquish such lands to the Secretary of the Interior.

SEC. 3017. ONGOING DECONTAMINATION.

(a) PROGRAM.—Throughout the duration of the withdrawal of lands under this subtitle, the Secretary of the military department concerned shall, to the extent funds are available for such purpose, maintain a program of decontamination of such lands consistent with applicable Federal and State law.

(b) REPORTS.—

(1) REQUIREMENT.—Not later than 45 days after the date on which the President transmits to Congress the President's proposed budget for any fiscal year beginning after the date of the enactment of this Act, the Secretary of each military department shall transmit to the Committees on Appropriations, Armed Services, and Energy and Natural Resources of the Senate and the Committees on Appropriations, Armed Services, and Resources of the House of Representatives a description of the decontamination efforts undertaken on lands under this subtitle under the jurisdiction of such Secretary during the previous fiscal year and the decontamination activities proposed to be undertaken on such lands during the next fiscal year.

(2) REPORT ELEMENTS.—Each report shall specify the following:

(A) Amounts appropriated and obligated or expended for decontamination of such lands.

(B) The methods used to decontaminate such lands.

(C) The amounts and types of decontaminants removed from such lands.

(D) The estimated types and amounts of residual contamination on such lands.

(E) An estimate of the costs for full decontamination of such lands and the estimate of the time to complete such decontamination.

(c) DECONTAMINATION BEFORE RELINQUISHMENT.—

(1) DUTIES BEFORE NOTICE OF INTENT TO RELINQUISH.—Before transmitting a notice of intent to relinquish lands under section 3016(d), the Secretary of Defense, acting through the Secretary of the military department concerned, shall prepare a written determination concerning whether and to what extent such lands are contaminated with explosive, toxic, or other hazardous materials.

(2) DETERMINATION ACCOMPANIES NOTICE.—A copy of any determination prepared with respect to lands under paragraph (1) shall be transmitted together with the notice of intent to relinquish such lands under section 3016(d).

(3) PUBLICATION OF NOTICE AND DETERMINATION.—The Secretary of the Interior shall publish in the Federal Register a copy of any notice of intent to relinquish and determination concerning the contaminated state of the lands that is transmitted under this subsection.

(d) ALTERNATIVES TO DECONTAMINATION BEFORE RELINQUISHMENT.—If the Secretary of the Interior, after consultation with the Secretary of the military department concerned, determines that decontamination of any land which is the subject of a notice of intent to relinquish under section 3016(d) is not practicable or economically feasible, or that such land cannot be decontaminated sufficiently to be opened to the operation of some or all of the public land laws, or if Congress does not appropriate sufficient funds for the decontamination of such land, the Secretary of the Interior shall not be required to accept such land for relinquishment.

(e) STATUS OF CONTAMINATED LANDS.—If because of their contaminated state the Secretary of the Interior declines to accept jurisdiction over lands withdrawn by this subtitle which have been proposed for relinquishment, or if at the expiration of the withdrawal of such lands by this subtitle the Secretary of the Interior determines that some of such lands are contaminated to an extent which prevents opening such lands to operation of the public land laws—

(1) the Secretary of the military department concerned shall take appropriate steps to warn the public of the contaminated state of such lands and any risks associated with entry onto such lands;

(2) after the expiration of the withdrawal of such lands under this subtitle, the Secretary of the military department concerned shall undertake no activities on such lands except in connection with decontamination of such lands; and

(3) the Secretary of the military department concerned shall submit to the Secretary of the Interior and Congress a report on the status of such lands and all actions taken under this subsection.

(f) REVOCATION AUTHORITY.—

(1) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of the Interior, upon deciding that it is in the public interest to accept jurisdiction over lands proposed for relinquishment under section 3016(d), may revoke the withdrawal and reservation of lands under this subtitle as it applies to such lands.

(2) ORDER.—Should a decision be made to revoke the withdrawal and reservation of lands under paragraph (1), the Secretary of the Interior shall publish in the Federal Register an appropriate order which shall —

(A) terminate the withdrawal and reservation of such lands under this subtitle;

(B) constitute official acceptance of full jurisdiction over such lands by the Secretary of the Interior; and

(C) state the date on which such lands will be opened to the operation of some or all of the public lands laws, including the mining laws.

SEC. 3018. DELEGATION.

(a) Military Departments.—The functions of the Secretary of Defense, or of the Secretary of a military department, under this subtitle may be delegated.

(b) Department of Interior.—The functions of the Secretary of the Interior under this subtitle may be delegated, except that an order described in section 3017(f)(2) may be approved and signed only by the Secretary of the Interior, the Under Secretary of the Interior, or an Assistant Secretary of the Interior.

SEC. 3019. WATER RIGHTS.

Nothing in this subtitle shall be construed to establish a reservation to the United States with respect to any water or water right on lands covered by section 3011. No provision of this subtitle shall be construed as authorizing the appropriation of water on lands covered by section 3011 by the United States after the date of the enactment of this Act, except in accordance with the law of the State in which such lands are located. This section shall not be construed to affect water rights acquired by the United States before the date of the enactment of this Act.

SEC. 3020. HUNTING, FISHING, AND TRAPPING.

All hunting, fishing, and trapping on lands withdrawn by this subtitle shall be conducted in accordance with the provisions of section 2671 of title 10, United States Code, except that hunting, fishing, and trapping within the Desert National Wildlife Refuge shall be conducted in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), the Recreation Use of Wildlife Areas Act of 1969 (16 U.S.C. 460k et seq.), and other laws applicable to the National Wildlife Refuge System.

SEC. 3021. MINING AND MINERAL LEASING.

(a) Determination of Lands Suitable for Opening.—

(1) Determination.—As soon as practicable after the date of the enactment of this Act and at least every five years thereafter, the Secretary of the Interior shall determine, with the concurrence of the Secretary of the military department concerned, which public and acquired lands covered by section 3011 the Secretary of the Interior considers suitable for opening to the operation of the Mining Law of 1872, the Mineral Lands Leasing Act of 1920, the Mineral Leasing Act for Acquired Lands of 1947, the Geothermal Steam Act of 1970, or any one or more of such Acts.

(2) Exceptions.—The Secretary of the Interior may not make any determination otherwise required under paragraph (1) with respect to lands contained within the Desert National Wildlife Refuge in Nevada.

(3) Notice.—The Secretary of the Interior shall publish a notice in the Federal Register listing the lands determined suitable for opening under this subsection and specifying the opening date for such lands.

(b) Opening Lands.—On the date specified by the Secretary of the Interior in a notice published in the Federal Register under subsection (a), the land identified under that subsection as suitable for opening to the operation of one or more of the laws specified in that subsection shall automatically be open to the operation of such laws without the necessity for further action by the Secretary or Congress.

(c) Exception for Common Varieties.—No deposit of minerals or materials of the types identified by section 3 of the Act of July 23, 1955 (69 Stat. 367), whether or not included in the term "common varieties" in that Act, shall be subject to location under the Mining Law of 1872 on lands covered by section 3011.

(d) Regulations.—The Secretary of the Interior, with the advice and concurrence of the Secretary of the military department concerned, shall prescribe such regulations to carry out this section as may be necessary to assure safe, uninterrupted, and unimpeded use of the lands covered by section 3011 for military purposes. Such regulations shall also contain guidelines to assist mining claimants in determining how much, if any, of the surface of any lands opened pursuant to this section may be used for purposes incident to mining.

(e) Closure of Mining Lands.—In the event of a national emergency or for purposes of national defense or security, the Secretary of the Interior, at the request of the Secretary of the military department concerned, shall close any lands that have been opened to mining or to mineral or geothermal leasing pursuant to this section.

(f) Laws Governing Mining on Withdrawn Lands.—

(1) In general.—Except as otherwise provided in this subtitle, mining claims located pursuant to this subtitle shall be subject to the provisions of the mining laws. In the event of a conflict between such laws and this subtitle, this subtitle shall prevail.

(2) Regulation under FLPMA.—Any mining claim located under this subtitle shall be subject to the provisions of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

(g) Patents.—

(1) In general.—Patents issued pursuant to this subtitle for locatable minerals shall convey title to locatable minerals only, together with the right to use so much of the surface as may be necessary for purposes incident to mining under the guidelines for such use established by the Secretary of the Interior by regulation.

(2) Reservation.—All patents referred to in paragraph (1) shall contain a reservation to the United States of the surface of all lands patented and of all nonlocatable minerals on such lands.

(3) Locatable minerals.—For purposes of this subsection, all minerals subject to location under the Mining Law of 1872 are referred to as "locatable minerals".

SEC. 3022. USE OF MINERAL MATERIALS.

Notwithstanding any other provision of this subtitle (except as provided in section 3011(b)(5)(B)), or the Act of July 31, 1947 (commonly known as the Materials Act of 1947; 30 U.S.C. 601 et seq.), the Secretary of the military department concerned may use sand, gravel, or similar mineral material resources of the type subject to disposition under that Act from lands withdrawn and reserved by this subtitle if use of such resources is required for construction needs on such lands.

SEC. 3023. IMMUNITY OF UNITED STATES.

The United States and all departments or agencies thereof shall be held harmless and shall not be liable for any injuries or damages to persons or property suffered in the course of any mining or mineral or geothermal leasing activity conducted on lands covered by section 3011.

Subtitle B—Withdrawals in Arizona

SEC. 3031. BARRY M. GOLDWATER RANGE, ARIZONA.

(a) Withdrawal and Reservation.—

(1) Withdrawal.—Subject to valid existing rights and except as otherwise provided in this title, all lands and interests in lands within the boundaries established at the Barry M. Goldwater Range, referred to in paragraph (3), are hereby withdrawn from all forms of appropriation under the general land laws, including the mining laws and the mineral leasing and geothermal leasing laws, and jurisdiction over such lands and interests in lands is hereby transferred to the Secretary of the Navy and the Secretary of the Air Force.

(2) Reservation.—The lands withdrawn by paragraph (1) for the Barry M. Goldwater Range—East are reserved for use by the Secretary of the Air Force, and for Barry M. Goldwater Range—West are reserved for use by the Secretary of the Navy, for—

(A) an armament and high-hazard testing area;

(B) training for aerial gunnery, rocketry, electronic warfare, and tactical maneuvering and air support;

(C) equipment and tactics development and testing; and

(D) other defense-related purposes consistent with the purposes specified in this paragraph.

(3) Land description.—The public lands and interests in lands withdrawn and reserved by this subsection comprise approximately 1,650,200 acres of land in Maricopa, Pima, and Yuma Counties, Arizona, as generally depicted on the map entitled "Barry M. Goldwater Range Land Withdrawal", dated June 17, 1999, and filed in accordance with section 3033.

(4) Termination of current withdrawal.—Except as otherwise provided in section 3032, as to the lands withdrawn by section 1(c) of the Military Lands Withdrawal Act of 1986 (Public Law 99–606), but not withdrawn for military purposes by this section, the withdrawal of such lands under that Act shall not terminate until after November 6, 2001, or until the relinquishment by the Secretary of the Air Force of such lands is accepted by the Secretary of the Interior. The withdrawal under that Act with respect to the Cabeza Prieta National Wildlife Refuge shall terminate on the date of the enactment of this Act.

(5) Changes in use.—The Secretary of the Navy and the Secretary of the Air Force shall consult with the Secretary of the Interior before using the lands withdrawn and reserved by this section for any purpose other than the purposes specified in paragraph (2).

(6) Indian tribes.—Nothing in this section shall be construed as altering any rights reserved for Indians by treaty or Federal law.

(7) Study.—(A) The Secretary of the Interior, in coordination with the Secretary of Defense, shall conduct a study of the lands referred to in subparagraph (C) that have important aboriginal, cultural, environmental, or archaeological significance in order to determine the appropriate method to manage and protect such lands following relinquishment of such lands by the Secretary of the Air Force. The study shall consider whether such lands can be better managed by the Federal Government or through conveyance of such lands to another appropriate entity.

(B) In carrying out the study required by subparagraph (A), the Secretary of Interior shall work with the affected tribes and other Federal and State agencies having experience and knowledge of the matters covered by the study, including all applicable laws relating to the management of the resources referred to in subparagraph (A) on the lands referred to in that subparagraph.

(C) The lands referred to in subparagraph (A) are four tracts of land currently included within the military land withdrawal for the Barry M. Goldwater Air Force Range in the State of Arizona, but that have been identified by the Air Force as unnecessary for military purposes in the Air Force's Draft Legislative Environmental Impact Statement, dated September 1998, and are depicted in figure 2–1 at page 2–7 of such

statement, as amended by figure A at page 177 of volume 2 of the Air Force's Final Legislative Environmental Impact Statement, dated March 1999, as the following:

(i) Area 1 (the Sand Tank Mountains) containing approximately 83,554 acres.

(ii) Area 9 (the Sentinel Plain) containing approximately 24,756 acres.

(iii) Area 13 (lands surrounding the Ajo Airport) containing approximately 2,779 acres.

(iv) Interstate 8 Vicinity Non-renewal Area containing approximately 1,090 acres.

(D) Not later than one year after the date of the enactment of this Act, the Secretary of Interior shall submit to Congress a report containing the results of the study required by subparagraph (A).

(b) MANAGEMENT OF WITHDRAWN AND RESERVED LANDS.—

(1) GENERAL MANAGEMENT AUTHORITY.—(A) During the period of the withdrawal and reservation of lands by this section, the Secretary of the Navy and the Secretary of the Air Force shall manage the lands withdrawn and reserved by this section for the military purposes specified in this section, and in accordance with the integrated natural resource management plan prepared pursuant to paragraph (3).

(B) Responsibility for the natural and cultural resources management of the lands referred to in subparagraph (A), and the enforcement of Federal laws related thereto, shall not transfer under that subparagraph before the earlier of—

(i) the date on which the integrated natural resources management plan required by paragraph (3) is completed; or

(ii) November 6, 2001.

(C) The Secretary of the Interior may, if appropriate, transfer responsibility for the natural and cultural resources of the lands referred to in subparagraph (A) to the Department of the Interior pursuant to paragraph (7).

(2) ACCESS RESTRICTIONS.—(A) If the Secretary of the Navy or the Secretary of the Air Force determines that military operations, public safety, or national security require the closure to the public of any road, trail, or other portion of lands withdrawn and reserved by this section, the Secretary of the Navy or the Secretary of the Air Force may take such action as the Secretary of the Navy or the Secretary of the Air Force determines necessary or desirable to effect and maintain such closure.

(B) Any closure under this paragraph shall be limited to the minimum areas and periods that the Secretary of the Navy or the Secretary of the Air Force determines are required for the purposes specified in subparagraph (A).

(C) Before any nonemergency closure under this paragraph not specified in the integrated natural resources management plan required by paragraph (3), the Secretary of the Navy or the Secretary of the Air Force shall consult with the Secretary of the Interior and, where such closure may affect tribal lands, treaty rights, or sacred sites, the Secretary of the Navy or the Secretary of the Air Force shall consult, at the earliest practicable time, with affected Indian tribes.

(D) Immediately before and during any closure under this paragraph, the Secretary of the Navy or the Secretary of the Air Force shall post appropriate warning notices and take other steps, as necessary, to notify the public of such closure.

(3) INTEGRATED NATURAL RESOURCES MANAGEMENT PLAN.—(A) Not later than two years after the date of the enactment of this Act, the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior shall jointly prepare an integrated natural resources management plan for the lands withdrawn and reserved by this section.

(B) The Secretary of the Navy and the Secretary of the Interior may jointly prepare a separate plan pursuant to this paragraph.

(C) Any disagreement concerning the contents of a plan under this paragraph, or any subsequent amendments to the plan, shall be resolved by the Secretary of the Navy for the West Range and the Secretary of the Air Force for the East Range, after consultation with the Secretary of the Interior through the State Director, Bureau of Land Management and, as appropriate, the Regional Director, United States Fish and Wildlife Service. This authority may be delegated to the installation commanders.

(D) Any plan under this paragraph shall be prepared and implemented in accordance with the Sikes Act (16 U.S.C. 670 et seq.) and the requirements of this section.

(E) A plan under this paragraph for lands withdrawn and reserved by this section shall—

(i) include provisions for proper management and protection of the natural and cultural resources of such lands, and for sustainable use by the public of such resources to the extent consistent with the military purposes for which such lands are withdrawn and reserved by this section;

(ii) be developed in consultation with affected Indian tribes and include provisions that address how the Secretary of the Navy and the Secretary of the Air Force intend to—

(I) meet the trust responsibilities of the United States with respect to Indian tribes, lands, and rights reserved by treaty or Federal law affected by the withdrawal and reservation;

(II) allow access to and ceremonial use of sacred sites to the extent consistent with the military purposes for which such lands are withdrawn and reserved; and

(III) provide for timely consultation with affected Indian tribes;

(iii) provide that any hunting, fishing, and trapping on such lands be conducted in accordance with the provisions of 2671 of title 10, United States Code;

(iv) provide for continued livestock grazing and agricultural out-leasing where it currently exists in accordance with the provisions of section 2667 of title 10, United States Code, and at the discretion of the Secretary of the Navy or the Secretary of the Air Force, as the case may be;

(v) identify current test and target impact areas and related buffer or safety zones;

(vi) provide that the Secretary of the Navy and the Secretary of the Air Force—

(I) shall take necessary actions to prevent, suppress, and manage brush and range fires occurring within the boundaries of the Barry M. Goldwater Range, as well as brush and range fires occurring outside the boundaries of the Barry M. Goldwater Range resulting from military activities; and

(II) may obligate funds appropriated or otherwise available to the Secretaries to enter into memoranda of understanding, and cooperative agreements that shall reimburse the Secretary of the Interior for costs incurred under this clause;

(vii) provide that all gates, fences, and barriers constructed on such lands after the date of the enactment of this Act be designed and erected to allow wildlife access, to the extent practicable and consistent with military security, safety, and sound wildlife management use;

(viii) incorporate any existing management plans pertaining to such lands, to the extent that the Secretary of the Navy, the Secretary of the Air Force and the Secretary of the Interior, upon reviewing such plans, mutually determine that incorporation of such plans into a plan under this paragraph is appropriate;

(ix) include procedures to ensure that the periodic reviews of the plan under the Sikes Act are conducted jointly by the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior, and that affected States and Indian tribes, and the public, are provided a meaningful opportunity to comment upon any substantial revisions to the plan that may be proposed; and

(x) provide procedures to amend the plan as necessary.

(4) MEMORANDA OF UNDERSTANDING AND COOPERATIVE AGREEMENTS.—(A) The Secretary of the Navy and the Secretary of the Air Force may enter into memoranda of understanding or cooperative agreements with the Secretary of the Interior or other appropriate Federal, State, or local agencies, Indian tribes, or other public or private organizations or institutions for purposes of implementing an integrated natural resources management plan prepared under paragraph (3).

(B) Any memorandum of understanding or cooperative agreement under subparagraph (A) affecting integrated natural resources management may be combined, where appropriate, with any other memorandum of understanding or cooperative agreement entered into under this subtitle, and shall not be subject to the provisions of chapter 63 of title 31, United States Code.

(5) PUBLIC REPORTS.—(A)(i) Concurrent with each review of the integrated natural resources management plan under paragraph (3) pursuant to subparagraph (E)(ix) of that paragraph, the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior shall jointly prepare and issue a report describing changes in the condition of the lands withdrawn and reserved by this section from the later of the date of any previous report under this paragraph or the date of the environmental impact statement prepared to support this section.

(ii) Any report under clause (i) shall include a summary of current military use of the lands referred to in that clause, any changes in military use of the lands since the previous report, and efforts related to the management of natural and cultural resources and environmental remediation of the lands during the previous five years.

(iii) Any report under this subparagraph may be combined with any report required by the Sikes Act.

(iv) Any disagreements concerning the contents of a report under this subparagraph shall be resolved by the Secretary of the Navy and the Secretary of the Air Force. This authority may be delegated to the installation commanders.

(B)(i) Before the finalization of any report under this paragraph, the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior shall invite interested members of the public to review and comment on the report, and shall hold at least one public meeting concerning the report in a location or locations reasonably accessible to persons who may be affected by management of the lands addressed by the report.

(ii) Each public meeting under clause (i) shall be announced not less than 15 days before the date of the meeting by advertisements in local newspapers of general circulation, publication of an announcement in the Federal Register, and any other means considered necessary.

(C) The final version of any report under this paragraph shall be made available to the public and submitted to appropriate committees of Congress.

(6) INTERGOVERNMENTAL EXECUTIVE COMMITTEE.—(A) Not later than two years after the date of the enactment of this Act, the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior shall, by memorandum of understanding, establish an intergovernmental executive committee comprised of selected representatives from interested Federal

agencies, as well as at least one elected officer (or other authorized representative) from State government and at least one elected officer (or other authorized representative) from each local and tribal government as may be designated at the discretion of the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior.

(B) The intergovernmental executive committee shall be established solely for the purpose of exchanging views, information, and advice relating to the management of the natural and cultural resources of the lands withdrawn and reserved by this section.

(C) The intergovernmental executive committee shall operate in accordance with the terms set forth in the memorandum of understanding under subparagraph (A), which shall specify the Federal agencies and elected officers or representatives of State, local and tribal governments to be invited to participate.

(D) The memorandum of understanding under subparagraph (A) shall establish procedures for creating a forum for exchanging views, information, and advice relating to the management of natural and cultural resources on the lands concerned, procedures for rotating the chair of the intergovernmental executive committee, and procedures for scheduling regular meetings.

(E) The Secretary of the Navy and the Secretary of the Air Force shall, in consultation with the Secretary of the Interior, appoint an individual to serve as coordinator of the intergovernmental executive committee. The duties of the coordinator shall be included in the memorandum of understanding under subparagraph (A). The coordinator shall not be a member of the committee.

(7) TRANSFER OF MANAGEMENT RESPONSIBILITY.—(A)(i) If the Secretary of the Interior determines that the Secretary of the Navy or the Secretary of the Air Force has failed to manage lands withdrawn and reserved by this section for military purposes in accordance with the integrated natural resource management plan for such lands under paragraph (3), and that failure to do so is resulting in significant and verifiable degradation of the natural or cultural resources of such lands, the Secretary of the Interior shall give the Secretary of the Navy or the Secretary of the Air Force, as the case may be, written notice of such determination, a description of the deficiencies in management practices by the Secretary of the Navy or the Secretary of the Air Force, as the case may be, and an explanation of the methodology employed in reaching the determination.

(ii) Not later than 60 days after the date a notification under clause (i) is received, the Secretary of the Navy or the Secretary of the Air Force, as the case may be, shall submit a response to the Secretary of the Interior, which response may include a plan of action for addressing any deficiencies identified in the notice in the conduct of management responsibility and for preventing further significant degradation of the natural or cultural resources of the lands concerned.

(iii) If, not earlier than three months after the date a notification under clause (i) is received, the Secretary of the Interior determines that deficiencies identified in the notice are not being corrected, and that significant and verifiable degradation of the natural or cultural resources of the lands concerned is continuing, the Secretary of the Interior may, not earlier than 90 days after the date on which the Secretary of the Interior submits to the committees referred to in section 3032(d)(3) notice and a report on the determination, transfer management responsibility for the natural and cultural resources of such lands from the Secretary of the Navy or the Secretary of the Air Force, as the case may be, to the Secretary of the Interior in accordance with a schedule for such transfer established by the Secretary of the Interior.

(B) After a transfer of management responsibility pursuant to subparagraph (A), the Secretary of the Interior may transfer management responsibility back to the Secretary of the Navy or the Secretary of the Air Force if the Secretary of the Interior determines that adequate procedures and plans have been established to ensure that the lands concerned will be adequately managed by the Secretary of the Navy or the Secretary of the Air Force, as the case may be, in accordance with the integrated natural resources management plan for such lands under paragraph (3).

(C) For any period during which the Secretary of the Interior has management responsibility under this paragraph for lands withdrawn and reserved by this section, the integrated natural resources management plan for such lands under paragraph (3), including any amendments to the plan, shall remain in effect, pending the development of a management plan prepared pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), in cooperation with the Secretary of the Navy or the Secretary of the Air Force.

(D) Assumption by the Secretary of the Interior pursuant to this paragraph of management responsibility for the natural and cultural resources of lands shall not affect the use of such lands for military purposes, and the Secretary of the Navy or the Secretary of the Air Force, as the case may be, shall continue to direct military activities on such lands.

(8) PAYMENT FOR SERVICES.—The Secretary of the Navy and the Secretary of the Air Force shall assume all costs for implementation of an integrated natural resources management plan under paragraph (3), including payment to the Secretary of the Interior under section 1535 of title 31, United States Code, for any costs the Secretary of the Interior incurs in providing goods or services to assist the Secretary of the Navy or the Secretary of the Air Force, as the case may be, in the implementation of the integrated natural resources management plan.

(9) DEFINITIONS.—In this subsection:

(A) The term "Indian tribe" means an Indian or Alaska Native tribe, band, nation, pueblo, village, or community that the Secretary of the Interior acknowledges to exist as an Indian tribe pursuant to the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C 479 et seq.).

(B) The term "sacred site" means any specific, discrete, narrowly delineated location on Federal land that is identified by an Indian tribe, or its designee, as sacred by virtue of its established religious significance to, or ceremonial use by, an Indian religion, but only to the extent that the tribe or its designee, has informed the Secretary of the Navy or the Secretary of the Air Force of the existence of such site. Neither the Secretary of the Department of Defense, the Secretary of the Navy, the Secretary of the Air Force, nor the Secretary of the Interior shall be required under section 552 of title 5, United States Code, to make available to the public any information concerning the location, character, or use of any traditional Indian religious or sacred site located on lands withdrawn and reserved by this subsection.

(c) ENVIRONMENTAL REQUIREMENTS.—

(1) DURING WITHDRAWAL AND RESERVATION.—Throughout the duration of the withdrawal and reservation of lands by this section, including the duration of any renewal or extension, and with respect both to the activities undertaken by the Secretary of the Navy and the Secretary of the Air Force on such lands and to all activities occurring on such lands during such times as the Secretary of the Navy and the Secretary of the Air Force may exercise management jurisdiction over such lands, the Secretary of the Navy and the Secretary of the Air Force shall—

(A) be responsible for and pay all costs related to the compliance of the Department of the Navy or the Department of the Air Force, as the case may be, with applicable Federal, State, and local environmental laws, regulations, rules, and standards;

(B) carry out and maintain in accordance with the requirements of all regulations, rules, and standards issued by the Department of Defense pursuant to chapter 160 of title 10, United States Code, relating to the Defense Environmental Restoration Program, the joint board on ammunition storage established under section 172 of that title, and Executive Order No. 12580, a program to address—

(i) any release or substantial threat of release attributable to military munitions (including unexploded ordnance) and other constituents; and

(ii) any release or substantial threat of release, regardless of its source, occurring on or emanating from such lands during the period of withdrawal and reservation; and

(C) provide to the Secretary of the Interior a copy of any report prepared by the Secretary of the Navy or the Secretary of the Air Force, as the case may be, pursuant to any Federal, State, or local environmental law, regulation, rule, or standard.

(2) BEFORE RELINQUISHMENT OR TERMINATION.—

(A) ENVIRONMENTAL REVIEW.—(i) Upon notifying the Secretary of the Interior that the Secretary of the Navy or the Secretary of the Air Force intends, pursuant to subsection (f), to relinquish jurisdiction over lands withdrawn and reserved by this section, the Secretary of the Navy or the Secretary of the Air Force shall provide to the Secretary of the Interior an environmental baseline survey, military range assessment, or other environmental review characterizing the environmental condition of the land, air, and water resources affected by the activities undertaken by the Secretary of the Navy or the Secretary of the Air Force, as the case may be, on and over such lands.

(ii) If hazardous substances were stored for one year or more, known to have been released or disposed of, or if a substantial threat of release exists, on lands referred to in clause (i), any environmental review under that clause shall include notice of the type and quantity of such hazardous substances and notice of the time during which such storage, release, substantial threat of release, or disposal took place.

(B) MEMORANDUM OF UNDERSTANDING.—(i) In addition to any other requirements under this section, the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior may enter into a memorandum of understanding to implement the environmental remediation requirements of this section.

(ii) The memorandum of understanding under clause (i) may include appropriate, technically feasible, and mutually acceptable cleanup standards that the concerned Secretaries believe environmental remediation activities shall achieve and a schedule for completing cleanup activities to meet such standards.

(iii) Cleanup standards under clause (ii) shall be consistent with any legally applicable or relevant and appropriate standard, requirement, criteria, or limitation otherwise required by law.

(C) ENVIRONMENTAL REMEDIATION.—With respect to lands to be relinquished pursuant to subsection (f), the Secretary of the Navy or the Secretary of the Air Force shall take all actions necessary to address any release or substantial threat of release, regardless of its source, occurring on or emanating from such lands during the period of withdrawal and reservation under this section. To the extent practicable, all such response actions shall be taken before the termination of the withdrawal and reservation of such lands under this section.

(D) CONSULTATION.—If the Secretary of the Interior accepts the relinquishment of jurisdiction over any lands withdrawn and reserved by this section before all necessary response actions under this section have been completed, the Secretary of the Interior shall consult with the Secretary of the Navy or the Secretary of the Air Force, as the case may be, before undertaking or authorizing any activities on such lands that may affect existing releases, interfere with the installation, maintenance, or operation of any response action, or expose any person to a safety or health risk associated with either the releases or the response action being undertaken.

(3) RESPONSIBILITY AND LIABILITY.—(A) The Secretary of the Navy and the Secretary of the Air Force, and not the Secretary of the Interior, shall be responsible for and conduct the necessary remediation of all releases or substantial threats of release, whether located on or emanating from lands withdrawn and reserved by this section, and whether known at the time of relinquishment or termination or subsequently discovered, attributable to management of the lands withdrawn and reserved by this section by the Secretary of the Navy or the Secretary of the Air Force, as the case may be, or the use, management, storage, release, treatment, or disposal of hazardous materials, hazardous substances, hazardous wastes, pollutants, contaminants, petroleum products and their derivatives, military munitions, or other constituents on such lands by the Secretary of the Navy or the Secretary of the Air Force, as the case may be.

(B) Responsibility under subparagraph (A) shall include liability for any costs or claims asserted against the United States for activities referred to in that subparagraph.

(C) Nothing in this paragraph is intended to prevent the United States from bringing a cost recovery, contribution, or other action against third persons or parties the Secretary of the Navy or the Secretary of the Air Force reasonably believes may have contributed to a release or substantial threat of release.

(4) OTHER FEDERAL AGENCIES.—If the Secretary of the Navy or the Secretary of the Air Force delegates responsibility or jurisdiction to another Federal agency over, or permits another Federal agency to operate on, lands withdrawn and reserved by this section, the agency shall assume all responsibility and liability described in paragraph (3) for their activities with respect to such lands.

(5) DEFINITIONS.—In this subsection:

(A)(i) The term "military munitions"—

(I) means all ammunition products and components produced or used by or for the Department of Defense or the Armed Services for national defense and security, including military munitions under the control of the Department of Defense, the Coast Guard, the Department of Energy, and National Guard personnel;

(II) includes confined gaseous, liquid, and solid propellants, explosives, pyrotechnics, chemical and riot control agents, smokes, and incendiaries used by and for Department of Defense components, including bulk explosives and chemical warfare agents, chemical munitions, rockets, guided and ballistic missiles, bombs, warheads, mortar rounds, artillery ammunition, small arms ammunition, grenades, mines torpedoes, depth charges, cluster munitions and dispensers, demolition charges, and devices and components thereof; and

(III) includes nonnuclear components of nuclear devices managed under the nuclear weapons program of the Department of Energy after all required sanitization operations under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) have been completed.

(ii) The term does not include wholly inert items, improvised explosive devices, and nuclear weapons, nuclear devices, and nuclear components thereof.

(B) The term "unexploded ordnance" means military munitions that have been primed, fused, armed, or otherwise prepared for action, and have been fired, dropped, launched, projected, or placed in such a manner as to constitute a hazard or potential hazard, to operations, installation, personnel, or material, and remain unexploded either by malfunction, design, or other cause.

(C) The term "other constituents" means potentially hazardous compounds, mixtures, or elements that are released from military munitions or unexploded ordnance or result from other activities on military ranges.

(d) DURATION OF WITHDRAWAL AND RESERVATIONS.—

(1) IN GENERAL.—Unless extended pursuant to subsection (e), the withdrawal and reservation of lands by this section shall terminate 25 years after the date of the enactment of this Act, except as otherwise provided in subsection (f)(4).

(2) OPENING.—On the date of the termination of the withdrawal and reservation of lands by this section, such lands shall not be open to any form of appropriation under the general land laws, including the mining laws and the mineral leasing and geothermal leasing laws, until the Secretary of the Interior publishes in the Federal Register an appropriate order stating the date upon which such lands shall be restored to the public domain and opened.

(e) EXTENSION OF INITIAL WITHDRAWAL AND RESERVATION.—

(1) IN GENERAL.—Not later than three years before the termination date of the initial withdrawal and reservation of lands by this section, the Secretary of the Navy and the Secretary of the Air Force shall notify Congress and the Secretary of the Interior concerning whether the Navy or Air Force, as the case may be, will have a continuing military need, after such termination date, for all or any portion of such lands.

(2) DUTIES REGARDING CONTINUING MILITARY NEED.—(A) If the Secretary of the Navy or the Secretary of the Air Force determines that there will be a continuing military need for any lands withdrawn by this section, the Secretary of the Navy or the Secretary of the Air Force, as the case may be, shall—

(A) consult with the Secretary of the Interior concerning any adjustments to be made to the extent of, or to the allocation of management responsibility for, such lands; and

(B) file with the Secretary of the Interior, not later than one year after the notice required by paragraph (1), an application for extension of the withdrawal and reservation of such lands.

(B) The general procedures of the Department of the Interior for processing Federal Land withdrawals notwithstanding, any application for extension under this paragraph shall be considered complete if it includes the following:

(i) The information required by section 3 of the Engle Act (43 U.S.C. 157), except that no information shall be required concerning the use or development of mineral, timber, or grazing resources unless, and to the extent, the Secretary of the Navy or the Secretary of the Air Force proposes to use or develop such resources during the period of extension.

(ii) A copy of the most recent public report prepared in accordance with subsection (b)(5).

(3) LEGISLATIVE PROPOSALS.—The Secretary of the Interior, the Secretary of the Navy, and the Secretary of the Air Force shall ensure that any legislative proposal for the extension of the withdrawal and reservation of lands under this section is submitted to Congress not later than May 1 of the year preceding the year in which the existing withdrawal and reservation would otherwise terminate under this section.

(f) TERMINATION AND RELINQUISHMENT.—

(1) NOTICE OF INTENT TO RELINQUISH.—At any time during the withdrawal and reservation of lands under this section, but not later than three years before the termination of the withdrawal and reservation, if the Secretary of the Navy or the Secretary of the Air Force determines that there is no continuing military need for lands withdrawn and reserved by this section, or any portion of such lands, the Secretary of the Navy or the Secretary of the Air Force, as the case may be, shall notify the Secretary of the Interior of an intent to relinquish jurisdiction over such lands, which notice shall specify the proposed date of relinquishment.

(2) AUTHORITY TO ACCEPT RELINQUISHMENT.—The Secretary of the Interior may accept jurisdiction over any lands covered by a notice of intent to relinquish jurisdiction under this subsection if the Secretary of the Interior determines that the Secretary of the Navy or the Secretary of the Air Force has taken the environmental response actions required under this section.

(3) ORDER.—If the Secretary of the Interior accepts jurisdiction over lands covered by a notice of intent to relinquish jurisdiction under this subsection before the termination date of the withdrawal and reservation of such lands under this section, the Secretary of the Interior shall publish in the Federal Register an appropriate order that shall—

(A) terminate the withdrawal and reservation of such lands under this section;

(B) constitute official acceptance of administrative jurisdiction over such lands by the Secretary of the Interior; and

(C) state the date upon which such lands shall be opened to the operation of the general land laws, including the mining laws and the mineral leasing and geothermal leasing laws, if appropriate.

(4) JURISDICTION PENDING RELINQUISHMENT.—(A) Notwithstanding the termination date, unless and until the Secretary of the Interior accepts jurisdiction of land proposed for relinquishment under this subsection, or until the Administrator of General Services accepts jurisdiction of such lands under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 251 et seq.), such lands shall remain under the jurisdiction of the Secretary of the Navy or the Secretary of the Air Force, as the case may be, for the limited purposes of—

(i) environmental response actions under this section; and

(ii) continued land management responsibilities pursuant to the integrated natural resources management plan for such lands under subsection (b)(3).

(B) For any land that the Secretary of the Interior determines to be suitable for return to the public domain, but does not agree with the Secretary of the Navy or the Secretary of the Air Force that all necessary environmental response actions under this section have been taken, the Secretary of the Navy or the Secretary of the Air Force, as the case may be, and the Secretary of the Interior shall resolve the dispute in accordance with any applicable dispute resolution process.

(C) For any land that the Secretary of the Interior determines to be unsuitable for return to the public domain, the Secretary of the Interior shall immediately notify the Administrator of General Services.

(5) SCOPE OF FUNCTIONS.—All functions described under this subsection, including transfers, relinquishes, extensions, and other determinations, may be made on a parcel-by-parcel basis.

(g) DELEGATIONS OF FUNCTIONS.—The functions of the Secretary of the Interior under this section may be delegated, except that the following determinations and decisions may be approved and signed only by the Secretary of the Interior, the Deputy Secretary of the Interior,

an Assistant Secretary of the Interior, or the Director, Bureau of Land Management:

(1) Decisions to accept transfer, relinquishment, or jurisdiction of lands under this section and to open such lands to operation of the public land laws.

(2) Decisions to transfer management responsibility from or to a military department pursuant to subsection (b)(7).

SEC. 3032. MILITARY USE OF CABEZA PRIETA NATIONAL WILDLIFE REFUGE AND CABEZA PRIETA WILDERNESS.

(a) FINDINGS.—Congress makes the following findings:

(1) The historic use of the areas designated as the Cabeza Prieta National Wildlife Refuge and the Cabeza Prieta Wilderness by the Marine Corps and the Air Force has been integral to the effective operation of the Barry M. Goldwater Air Force Range.

(2) Continued use of the Cabeza Prieta National Wildlife Refuge and Cabeza Prieta Wilderness by the Marine Corps and the Air Force to support military aviation training will remain necessary to ensure the readiness of the Armed Forces.

(3) The historic use of the Cabeza Prieta National Wildlife Refuge and Cabeza Prieta Wilderness by the Marine Corps and the Air Force has coexisted for many years with the wildlife conservation and wilderness purposes for which the refuge and wilderness were established.

(4) The designation of the Cabeza Prieta National Wildlife Refuge and the Cabeza Prieta Wilderness recognizes the area as one of our nation's most ecologically and culturally valuable areas.

(b) MANAGEMENT AND USE OF REFUGE AND WILDERNESS.—

(1) IN GENERAL.—The Secretary of the Interior, in coordination with the Secretary of the Navy and the Secretary of the Air Force, shall manage the Cabeza Prieta National Wildlife Refuge and Cabeza Prieta Wilderness—

(A) for the purposes for which the refuge and wilderness were established; and

(B) to support current and future military aviation training needs consistent with the November 21, 1994, memorandum of understanding among the Department of the Interior, the Department of the Navy, and the Department of the Air Force, including any extension or other amendment of such memorandum of understanding under this section.

(2) CONSTRUCTION.—Except as otherwise provided in this section, nothing in this subtitle shall be construed to effect the following:

(A) The National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.) or any other law related to management of the National Wildlife Refuge System.

(B) Any Executive order or public land order in effect on the date of the enactment of this Act with respect to the Cabeza Prieta National Wildlife Refuge.

(c) EXTENSION OF MEMORANDUM OF UNDERSTANDING.—The Secretary of the Interior, the Secretary of the Navy, and the Secretary of the Air Force shall extend the memorandum of understanding referred to in subsection (b)(1)(B). The memorandum of understanding shall be extended for a period that coincides with the duration of the withdrawal and reservation of the Barry M. Goldwater Air Force Range made by section 3031.

(d) OTHER AMENDMENTS OF MEMORANDUM OF UNDERSTANDING.—

(1) AMENDMENTS TO MEET MILITARY AVIATION TRAINING NEEDS.—(A) When determined by the Secretary of the Navy or the Secretary of the Air Force to be essential to support military aviation training, the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior shall negotiate amendments to the memorandum of understanding referred to in subsection (b)(1)(B) in order—

(i) to revise existing or establish new low-level training routes or to otherwise accommodate low-level overflight;

(ii) to establish new or enlarged areas closed to public use as surface safety zones; or

(iii) to accommodate the maintenance, upgrade, replacement, or installation of existing or new associated ground instrumentation.

(B) Any amendment of the memorandum of understanding shall be consistent with the responsibilities under law of the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of the Interior, respectively.

(C) As provided by the existing provisions of the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105–57) and the Arizona Desert Wilderness Act of 1990 (Public Law 101–628), amendments to the memorandum of understanding to revise existing or establish new low-level training routes or to otherwise accommodate low-level overflight are not subject to compatibility determinations nor precluded by the designation of lands within the Cabeza Prieta National Wildlife Refuge as wilderness.

(D) Amendments to the memorandum of understanding with respect to the upgrade or replacement of existing associated ground instrumentation or the installation of new associated ground instrumentation shall not be precluded by the existing designation of lands within the Cabeza Prieta National Wildlife Refuge as wilderness to the extent that the Secretary of the Interior, after consultation with the Secretary of the Navy and the Secretary of the Air Force, determines that such actions, considered both individually and cumulatively, create similar or less impact than the existing ground instrumentation permitted by the Arizona Desert Wilderness Act of 1990.

(2) OTHER AMENDMENTS.—The Secretary of the Interior, the Secretary of the Navy, or the Secretary of the Air Force may initiate renegotiation of the memorandum of understanding at any time to address other needed changes, and the memorandum of understanding may be amended to accommodate such changes by the mutual consent of the parties consistent with their respective responsibilities under law.

(3) EFFECTIVE DATE OF AMENDMENTS.—Amendments to the memorandum of understanding shall take effect 90 days after the date on which the Secretary of the Interior submits notice of such amendments to the Committees on Environment and Public Works, Energy and Natural Resources, and Armed Services of the Senate and the Committees on Resources and Armed Services of the House of Representatives.

(e) ACCESS RESTRICTIONS.—If the Secretary of the Navy or the Secretary of the Air Force determines that military operations, public safety, or national security require the closure to the public of any road, trail, or other portion of the Cabeza Prieta National Wildlife Refuge or the Cabeza Prieta Wilderness, the Secretary of the Interior shall take such action as is determined necessary or desirable to effect and maintain such closure, including agreeing to amend the memorandum of understanding to establish new or enhanced surface safety zones.

(f) STATUS OF CONTAMINATED LANDS.—

(1) DECONTAMINATION.—Throughout the duration of the withdrawal of the Barry M. Goldwater Range under section 3031, the Secretary of the Navy and the Secretary of the Air Force shall, to the extent that funds are made available for such purpose, carry out a program of decontamination of the portion of the Cabeza Prieta National Wildlife Refuge and the Cabeza Prieta Wilderness used for military training purposes that maintains a level of cleanup of such lands equivalent to the level of cleanup of such lands as of the date of the enactment of this Act. Any environmental contamination of the Cabeza Prieta National Wildlife Refuge or the Cabeza Prieta Wilderness caused or contributed to by the Department of the Navy or the Department of the Air Force shall be the responsibility of the Department of the Navy or the Department of the Air Force, respectively, and not the responsibility of the Department of the Interior.

(2) CONSTRUCTION.—Nothing in this subsection shall be construed as constituting or effecting a relinquishment within the meaning of section 8 of the Military Lands Withdrawal Act of 1986 (Public Law 99–606).

SEC. 3033. MAPS AND LEGAL DESCRIPTION.

(a) PUBLICATION AND FILING.—As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall—

(1) publish in the Federal Register a notice containing the legal description of the lands withdrawn and reserved by this subtitle; and

(2) file maps and the legal description of the lands withdrawn and reserved by this subtitle with the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives.

(b) TECHNICAL CORRECTIONS.—Such maps and legal description shall have the same force and effect as if included in this subtitle, except that the Secretary of the Interior may correct clerical and typographical errors in such maps and legal description.

(c) AVAILABILITY FOR PUBLIC INSPECTION.—Copies of such maps and legal descriptions shall be available for public inspection in the offices of the Director and appropriate State Directors and field office managers of the Bureau of Land Management, the office of the commander, Luke Air Force Base, Arizona, the office of the commander, Marine Corps Air Station, Yuma, Arizona, and the Office of the Secretary of Defense.

(d) REIMBURSEMENT.—The Secretary of Defense shall reimburse the Secretary of the Interior for any costs incurred by the Secretary of the Interior in implementing this section.

(e) DELEGATIONS.—

(1) MILITARY DEPARTMENTS.—The functions of the Secretary of Defense, or of the Secretary of a military department, under this section may be delegated.

(2) DEPARTMENT OF INTERIOR.—The functions of the Secretary of the Interior under this section may be delegated.

SEC. 3034. WATER RIGHTS.

Nothing in this subtitle shall be construed to establish a reservation to the United States with respect to any water or water right on lands covered by section 3031 or 3032. No provision of this subtitle shall be construed as authorizing the appropriation of water on lands covered by section 3031 or 3032 by the United States after the date of the enactment of this Act, except in accordance with the law of the State in which such lands are located. This section shall not be construed to affect water rights acquired by the United States before the date of the enactment of this Act.

SEC. 3035. HUNTING, FISHING, AND TRAPPING.

All hunting, fishing, and trapping on lands withdrawn by this subtitle shall be conducted in accordance with the provisions of section 2671 of title 10, United States Code, except that hunting, fishing, and trapping within the Cabeza Prieta National Wildlife Refuge shall be conducted in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), the Recreation Use of Wildlife Areas Act of 1969 (16 U.S.C. 460k et seq.), and other laws applicable to the National Wildlife Refuge System.

SEC. 3036. USE OF MINERAL MATERIALS.

Notwithstanding any other provision of this subtitle or the Act of July 31, 1947 (commonly known as the Materials Act of 1947; 30 U.S.C. 601 et seq.), the Secretary of the military department concerned may use sand, gravel, or similar mineral material resources of the type subject to disposition under that Act from lands withdrawn and reserved by this subtitle if use of such resources is required for construction needs on such lands.

SEC. 3037. IMMUNITY OF UNITED STATES.

The United States and all departments or agencies thereof shall be held harmless and shall not be liable for any injuries or damages to persons or property suffered in the course of any mining or mineral or geothermal leasing activity conducted on lands covered by section 3031.

Subtitle C—Authorization of Appropriations

SEC. 3041. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. Weapons activities.
Sec. 3102. Defense environmental restoration and waste management.
Sec. 3103. Other defense activities.
Sec. 3104. Defense nuclear waste disposal.
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Subtitle B—Recurring General Provisions

Sec. 3121. Reprogramming.
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Sec. 3124. Fund transfer authority.
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Sec. 3127. Funds available for all national security programs of the Department of Energy.
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Subtitle C—Program Authorizations, Restrictions, and Limitations

Sec. 3131. Prohibition on use of funds for certain activities under formerly utilized site remedial action program.
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Sec. 3134. Procedures for meeting tritium production requirements.
Sec. 3135. Independent cost estimate of accelerator production of tritium.
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Subtitle D—Matters Relating to Safeguards, Security, and Counterintelligence

Sec. 3141. Short title.
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Sec. 3148. Increased penalties for misuse of Restricted Data.
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Sec. 3155. Definitions of national laboratory and nuclear weapons production facility.
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Sec. 3172. Integrated fissile materials management plan.
Sec. 3173. Identification in budget materials of amounts for declassification activities and limitation on expenditures for such activities.
Sec. 3174. Sense of Congress regarding technology transfer coordination for Department of Energy national laboratories.
Sec. 3175. Pilot program for project management oversight regarding Department of Energy construction projects.
Sec. 3176. Pilot program of Department of Energy to authorize use of prior year unobligated balances for accelerated site cleanup at Rocky Flats Environmental Technology Site, Colorado.
Sec. 3177. Proposed schedule for shipments of waste from Rocky Flats Environmental Technology Site, Colorado, to Waste Isolation Pilot Plant, New Mexico.
Sec. 3178. Comptroller General report on closure of Rocky Flats Environmental Technology Site, Colorado.
Sec. 3179. Extension of review of Waste Isolation Pilot Plant, New Mexico.

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for weapons activities in carrying out programs necessary for national security in the amount of $4,489,995,000, to be allocated as follows:

(1) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $2,252,300,000, to be allocated as follows:

(A) For core stockpile stewardship, $1,743,500,000, to be allocated as follows:

(i) For operation and maintenance, $1,610,355,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $133,145,000, to be allocated as follows:

Project 00–D–103, terascale simulation facility, Lawrence Livermore National Laboratory, Livermore, California, $8,000,000.

Project 00–D–105, strategic computing complex, Los Alamos National Laboratory, Los Alamos, New Mexico, $26,000,000.

Project 00–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 99–D–102, rehabilitation of maintenance facility, Lawrence Livermore National Laboratory, Livermore, California, $3,900,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $2,000,000.

Project 99–D–104, protection of real property (roof reconstruction, Phase II), Lawrence Livermore National Laboratory, Livermore, California, $2,400,000.

Project 99–D–105, central health physics calibration facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,000,000.

Project 99–D–106, model validation and system certification test center, Sandia National Laboratories, Albuquerque, New Mexico, $6,500,000.

Project 99–D–108, renovate existing roadways, Nevada Test Site, Nevada, $7,005,000.

Project 97–D–102, dual-axis radiographic hydrotest facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $61,000,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,640,000.

Project 96–D–104, processing and environmental technology laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $10,900,000.

(B) For inertial fusion, $475,700,000, to be allocated as follows:

(i) For operation and maintenance, $227,600,000.

(ii) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto), $248,100,000, to be allocated as follows:

Project 96–D–111, national ignition facility, Lawrence Livermore National Laboratory, Livermore, California, $248,100,000.

(C) For technology partnership and education, $33,100,000, of which $14,500,000 shall be allocated for technology partnership and $18,600,000 shall be allocated for education.

(2) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,023,300,000, to be allocated as follows:

(A) For operation and maintenance, $1,864,621,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $158,679,000, to be allocated as follows:

Project 99–D–122, rapid reactivation, various locations, $11,700,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $17,000,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant consolidation, Amarillo, Texas, $3,429,000.

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $11,300,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Plant, Aiken, South Carolina, $21,800,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation, Oak Ridge, Tennessee, $3,150,000.

Project 98–D–125, tritium extraction facility, Savannah River Plant, Aiken, South Carolina, $33,000,000.

Project 98–D–126, accelerator production of tritium, various locations, $31,000,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $4,800,000.

Project 95–D–102, chemistry and metallurgy research upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $18,000,000.

Project 88–D–123, security enhancements, Pantex Plant, Amarillo, Texas, $3,500,000.

(3) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for program direction in carrying out weapons activities necessary for national security programs in the amount of $241,500,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to subsection (a) is the sum of the amounts authorized to be appropriated in paragraphs (1) through (3) of that subsection, reduced by $27,105,000.

SEC. 3102. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for environmental restoration and waste management in carrying out programs necessary for national security in the amount of $5,495,868,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7274n) in the amount of $1,069,492,000.

(2) SITE PROJECT AND COMPLETION.—For site project and completion in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $980,919,000, to be allocated as follows:

(A) For operation and maintenance, $892,629,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $88,290,000, to be allocated as follows:

Project 99–D–402, tank farm support services, F&H areas, Savannah River Site, Aiken, South Carolina, $3,100,000.

Project 99–D–404, health physics instrumentation laboratory, Idaho National Engineering and Environmental Laboratory, Idaho, $7,200,000.

Project 98–D–401, H-tank farm storm water systems upgrade, Savannah River Site, Aiken, South Carolina, $2,977,000.

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $16,860,000.

Project 98–D–700, road rehabilitation, Idaho National Engineering and Environmental Laboratory, Idaho, $2,590,000.

Project 97–D–450, Actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $4,000,000.

Project 97–D–470, regulatory monitoring and bioassay laboratory, Savannah River Site, Aiken, South Carolina, $12,220,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $24,441,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering and Environmental Laboratory, Idaho, $11,971,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $931,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $2,000,000.

(3) POST-2006 COMPLETION.—For post-2006 project completion in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,919,948,000, to be allocated as follows:

(A) For operation and maintenance, $2,873,697,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $46,251,000, to be allocated as follows:

Project 00–D–401, spent nuclear fuel treatment and storage facility, title I and II, Savannah River Site, Aiken, South Carolina, $7,000,000.

Project 99–D–403, privatization phase I infrastructure support, Richland, Washington, $13,988,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $20,516,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $4,060,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $8,987,000.

(4) SCIENCE AND TECHNOLOGY.—For science and technology in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $230,500,000.

(5) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $339,409,000.

(b) ADJUSTMENTS.—(1) The total amount authorized to be appropriated in subsection (a) is the sum of the amounts authorized to be appropriated in paragraphs (1) through (5) of that subsection reduced by $44,400,000, to be derived from environmental restoration and waste management, environment, safety, and health programs.

(2) The amount authorized to be appropriated pursuant to subsection (a)(3)(B) is reduced by $8,300,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for other defense activities in carrying out programs necessary for national security in the amount of $1,805,959,000, to be allocated as follows:

(1) NONPROLIFERATION AND NATIONAL SECURITY.—For nonproliferation and national security, $732,100,000, to be allocated as follows:

(A) For verification and control technology, $497,000,000, to be allocated as follows:

(i) For nonproliferation and verification research and development, $221,000,000, to be allocated as follows:

(I) For operation and maintenance, $215,000,000.

(II) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $6,000,000, to be allocated as follows:

Project 00–D–192, nonproliferation and international security center, Los Alamos National Laboratory, Los Alamos, New Mexico, $6,000,000.

(ii) For arms control, $276,000,000.

(B) For nuclear safeguards and security, $59,100,000.

(C) For international nuclear safety, $24,700,000.

(D) For security investigations, $44,100,000.

(E) For emergency management, $21,000,000.

(F) For highly enriched uranium transparency implementation, $15,750,000.

(G) For program direction, $90,450,000.

(2) INTELLIGENCE.—For intelligence, $36,059,000.

(3) COUNTERINTELLIGENCE.—For counterintelligence, $39,200,000.

(4) WORKER AND COMMUNITY TRANSITION ASSISTANCE.—For worker and community transition assistance, $30,000,000, to be allocated as follows:

(A) For worker and community transition, $26,500,000.

(B) For program direction, $3,500,000.

(5) FISSILE MATERIALS CONTROL AND DISPOSITION.—For fissile materials control and disposition, $200,000,000, to be allocated as follows:

(A) For operation and maintenance, $129,766,000.

(B) For program direction, $7,343,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $62,891,000, to be allocated as follows:

Project 00–D–142, immobilization and associated processing facility, various locations, $21,765,000.

Project 99–D–141, pit disassembly and conversion facility, various locations, $28,751,000.

Project 99–D–143, mixed oxide fuel fabrication facility, various locations, $12,375,000.

(6) ENVIRONMENT, SAFETY, AND HEALTH.—For environment, safety, and health, defense, $98,000,000, to be allocated as follows:

(A) For the Office of Environment, Safety, and Health (Defense), $73,231,000.

(B) For program direction, $24,769,000.

(7) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals, $3,000,000.

(8) NAVAL REACTORS.—For naval reactors, $677,600,000, to be allocated as follows:

(A) For naval reactors development, $657,000,000, to be allocated as follows:

(i) For operation and maintenance, $633,000,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $24,000,000, to be allocated as follows:

GPN–101 general plant projects, various locations, $9,000,000.

Project 98–D–200, site laboratory/facility upgrade, various locations, $3,000,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $12,000,000.

(B) For program direction, $20,600,000.

(b) ADJUSTMENTS.—(1) The total amount authorized to be appropriated pursuant to subsection (a) is the sum of the amounts authorized

to be appropriated in paragraphs (1) through (8) of that subsection, reduced by $10,000,000.

(2) The amount authorized to be appropriated pursuant to subsection (a)(1)(D) is reduced by $20,000,000 to reflect an offset provided by user organizations for security investigations.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

(a) Defense Nuclear Waste Disposal.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $112,000,000.

(b) Adjustment.—The amount authorized to be appropriated pursuant to subsection (a) is reduced by $39,000,000.

SEC. 3105. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

(a) In General.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2000 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $228,000,000, to be allocated as follows:

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $5,000,000.

Project 98–PVT–5, environmental management and waste disposal, Oak Ridge, Tennessee, $20,000,000.

Project 97–PVT–1, tank waste remediation system phase I, Hanford, Washington, $106,000,000.

Project 97–PVT–2, advanced mixed waste treatment facility, Idaho Falls, Idaho, $110,000,000.

Project 97–PVT–3, transuranic waste treatment, Oak Ridge, Tennessee, $12,000,000.

(b) Explanation of Adjustment.—The amount authorized to be appropriated in subsection (a) is the sum of the amounts authorized to be appropriated for the projects in that subsection reduced by $25,000,000 for use of prior year balances of funds for defense environmental management privatization.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) In General.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 45 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) Report.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 45-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) Limitations.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) In General.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $5,000,000.

(b) Report to Congress.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $5,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) In General.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) Exception.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) Transfer to Other Federal Agencies.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) Transfer Within Department of Energy.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

(c) Limitation.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) Notice to Congress.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) Requirement for Conceptual Design.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) Authority for Construction Design.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) Authority.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) Limitation.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) Specific Authority.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) In General.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) Exception for Program Direction Funds.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to

be expended only until the end of fiscal year 2001.

SEC. 3129. TRANSFERS OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Only one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under subsection (a) may not exceed $5,000,000 in a fiscal year.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term "program or project" means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraph (2) or (3) of section 3102.

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term "defense environmental management funds" means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 1999, and ending on September 30, 2000.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. PROHIBITION ON USE OF FUNDS FOR CERTAIN ACTIVITIES UNDER FORMERLY UTILIZED SITE REMEDIAL ACTION PROGRAM.

Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act, or by any Act authorizing appropriations for the military activities of the Department of Defense or the defense activities of the Department of Energy for a fiscal year after fiscal year 2000, may be obligated or expended to conduct treatment, storage, or disposal activities at any site designated as a site under the Formerly Utilized Site Remedial Action Program as of the date of the enactment of this Act.

SEC. 3132. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSITION OF LEGACY NUCLEAR MATERIALS.

The Secretary of Energy shall continue operations and maintain a high state of readiness at the F-canyon and H-canyon facilities at the Savannah River Site, Aiken, South Carolina, and shall provide the technical staff necessary to operate and so maintain such facilities.

SEC. 3133. NUCLEAR WEAPONS STOCKPILE LIFE EXTENSION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Energy shall, in consultation with the Secretary of Defense, carry out a program to provide for the extension of the effective life of the weapons in the nuclear weapons stockpile.

(b) ADMINISTRATIVE RESPONSIBILITY FOR PROGRAM.—(1) The program under subsection (a) shall be carried out through the element of the Department of Energy with responsibility for defense programs.

(2) For each budget submitted by the President to Congress under section 1105 of title 31, United States Code, the amounts requested for the program shall be clearly identified in the budget justification materials submitted to Congress in support of that budget.

(c) PROGRAM PLAN.—As part of the program under subsection (a), the Secretary shall develop a long-term plan for the extension of the effective life of the weapons in the nuclear weapons stockpile. The plan shall include the following:

(1) Mechanisms to provide for the remanufacture, refurbishment, and modernization of each weapon design designated by the Secretary for inclusion in the enduring nuclear weapons stockpile as of the date of the enactment of this Act.

(2) Mechanisms to expedite the collection of information necessary for carrying out the program, including information relating to the aging of materials and components, new manufacturing techniques, and the replacement or substitution of materials.

(3) Mechanisms to ensure the appropriate assignment of roles and missions for each nuclear weapons laboratory and production plant of the Department, including mechanisms for allocation of workload, mechanisms to ensure the carrying out of appropriate modernization activities, and mechanisms to ensure the retention of skilled personnel.

(4) Mechanisms for allocating funds for activities under the program, including allocations of funds by weapon type and facility.

(5) An identification of the funds needed, in the current fiscal year and in each of the next five fiscal years, to carry out the program.

(d) ANNUAL SUBMITTAL OF PLAN.—(1) The Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives the plan developed under subsection (c) not later than January 1, 2000. The plan shall contain the maximum level of detail practicable.

(2) The Secretary shall submit to the committees referred to in paragraph (1) each year after 2000, at the same time as the submission of the budget for the fiscal year beginning in such year under section 1105 of title 31, United States Code, an update of the plan submitted under paragraph (1). Each update shall contain the same level of detail as the plan submitted under paragraph (1).

(e) GAO ASSESSMENT.—Not later than 30 days after the submission of the plan under subsection (d)(1) or any update of the plan under subsection (d)(2), the Comptroller General shall submit to the committees referred to in subsection (d)(1) an assessment of whether the program can be carried out under the plan or the update (as applicable)—

(1) in the current fiscal year, given the budget for that fiscal year; and

(2) in future fiscal years.

(f) SENSE OF CONGRESS REGARDING FUNDING OF PROGRAM.—It is the sense of Congress that the President should include in each budget for a fiscal year submitted to Congress under section 1105 of title 31, United States Code, sufficient funds to carry out in the fiscal year covered by such budget the activities under the program under subsection (a) that are specified in the most current version of the plan for the program under this section.

SEC. 3134. PROCEDURES FOR MEETING TRITIUM PRODUCTION REQUIREMENTS.

(a) PRODUCTION OF NEW TRITIUM.—The Secretary of Energy shall produce new tritium to meet the requirements of the Nuclear Weapons Stockpile Memorandum at the Tennessee Valley Authority Watts Bar or Sequoyah nuclear power plants consistent with the Secretary's December 22, 1998, decision document designating the Secretary's preferred tritium production technology.

(b) SUPPORT.—To support the method of tritium production set forth in subsection (a), the Secretary shall design and construct a new tritium extraction facility in the H–Area of the Savannah River Site, Aiken, South Carolina.

(c) DESIGN AND ENGINEERING DEVELOPMENT.—The Secretary shall—

(1) complete preliminary design and engineering development of the Accelerator Production of Tritium technology design as a backup source of tritium to the source set forth in subsection (a) and consistent with the Secretary's December 22, 1998, decision document; and

(2) make available those funds necessary to complete engineering development and demonstration, preliminary design, and detailed design of key elements of the system consistent with the Secretary's decision document of December 22, 1998.

SEC. 3135. INDEPENDENT COST ESTIMATE OF ACCELERATOR PRODUCTION OF TRITIUM.

(a) INDEPENDENT COST ESTIMATE.—(1) The Secretary of Energy shall obtain an independent cost estimate of the accelerator production of tritium.

(2) The estimate shall be obtained from an entity not within the Department of Energy.

(3) The estimate shall be conducted at the highest possible level of detail, but in no event at a level of detail below that currently defined by the Secretary as Type III, "parametric estimate".

(b) REPORT.—Not later than April 1, 2000, the Secretary shall submit to the congressional defense committees a report on the independent cost estimate obtained pursuant to subsection (a).

SEC. 3136. NONPROLIFERATION INITIATIVES AND ACTIVITIES.

(a) INITIATIVE FOR PROLIFERATION PREVENTION PROGRAM.—(1) Not more than 35 percent of the funds available in any fiscal year after fiscal year 1999 for the Initiatives for Proliferation Prevention program (IPP) may be obligated or expended by the Department of Energy national laboratories to carry out or provide oversight of any activities under that program.

(2)(A) None of the funds available in any fiscal year after fiscal year 1999 for the Initiatives for Proliferation Prevention program may be used to increase or otherwise supplement the pay or benefits of a scientist or engineer if the scientist or engineer—

(i) is currently engaged in activities directly related to the design, development, production, or testing of chemical or biological weapons or a missile system to deliver such weapons; or

(ii) was not formerly engaged in activities directly related to the design, development, production, or testing of weapons of mass destruction or a missile system to deliver such weapons.

(B) None of the funds available in any fiscal year after fiscal year 1999 for the Initiatives for

Proliferation Prevention program may be made available to an institute if the institute—

(i) is currently involved in activities described in subparagraph (A)(i); or

(ii) was not formerly involved in activities described in subparagraph (A)(ii).

(3)(A) No funds available for the Initiatives for Proliferation Prevention program may be provided to an institute or scientist under the program if the Secretary of Energy determines that the institute or scientist has made a scientific or business contact in any way associated with or related to weapons of mass destruction with a representative of a country of proliferation concern.

(B) For purposes of this paragraph, the term "country of proliferation concern" means any country so designated by the Director of Central Intelligence for purposes of the Initiatives for Proliferation Prevention program.

(4)(A) The Secretary of Energy shall prescribe procedures for the review of projects under the Initiatives for Proliferation Prevention program. The purpose of the review shall be to ensure the following:

(i) That the military applications of such projects, and any information relating to such applications, is not inadvertently transferred or utilized for military purposes.

(ii) That activities under the projects are not redirected toward work relating to weapons of mass destruction.

(iii) That the national security interests of the United States are otherwise fully considered before the commencement of the projects.

(B) Not later than 30 days after the date on which the Secretary prescribes the procedures required by subparagraph (A), the Secretary shall submit to Congress a report on the procedures. The report shall set forth a schedule for the implementation of the procedures.

(5)(A) The Secretary shall evaluate the projects carried out under the Initiatives for Proliferation Prevention program for commercial purposes to determine whether or not such projects are likely to achieve their intended commercial objectives.

(B) If the Secretary determines as a result of the evaluation that a project is not likely to achieve its intended commercial objective, the Secretary shall terminate the project.

(6) Funds appropriated for the Initiatives for Proliferation Prevention program may not be used to pay any tax or customs duty levied by the government of the Russian Federation. In the event payment of such a tax or customs duty with such funds is unavoidable, the Secretary of Energy shall—

(A) after such payment, submit a report to the congressional defense committees explaining the particular circumstances making such payment under the Initiatives for Proliferation Prevention program with such funds unavoidable; and

(B) ensure that sufficient additional funds are provided to the Initiatives for Proliferation Prevention Program to offset the amount of such payment.

(b) NUCLEAR CITIES INITIATIVE.—(1) No amounts authorized to be appropriated by this title for the Nuclear Cities Initiative may be obligated or expended for purposes of the initiative until the Secretary of Energy certifies to Congress that Russia has agreed to close some of its facilities engaged in work on weapons of mass destruction.

(2) Notwithstanding a certification under paragraph (1), amounts authorized to be appropriated by this title for the Nuclear Cities Initiative may not be obligated or expended for purposes of providing assistance under the initiative to more than three nuclear cities, and more than two serial production facilities, in Russia in fiscal year 2000.

(3)(A) The Secretary shall conduct a study of the potential economic effects of each commercial program proposed under the Nuclear Cities Initiative before providing assistance for the conduct of the program. The study shall include an assessment regarding whether or not the mechanisms for job creation under each program are likely to lead to the creation of the jobs intended to be created by that program.

(B) If the Secretary determines as a result of the study that the intended commercial benefits of a program are not likely to be achieved, the Secretary may not provide assistance for the conduct of that program.

(4) Not later than January 1, 2000, the Secretary shall submit to Congress a report describing the participation in or contribution to the Nuclear Cities Initiative of each department and agency of the United States Government that participates in or contributes to the initiative. The report shall describe separately any interagency participation in or contribution to the initiative.

(c) REPORT.—(1) Not later than January 1, 2000, the Secretary of Energy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the Initiatives for Proliferation Prevention program and the Nuclear Cities Initiative.

(2) The report shall include the following:

(A) A strategic plan for the Initiatives for Proliferation Prevention program and for the Nuclear Cities Initiative, which shall establish objectives for the program or initiative, as the case may be, and means for measuring the achievement of such objectives.

(B) A list of the most successful projects under the Initiatives for Proliferation Prevention program, including for each such project the name of the institute and scientists who are participating or have participated in the project, the number of jobs created through the project, and the manner in which the project has met the nonproliferation objectives of the United States.

(C) A list of the institutes and scientists associated with weapons of mass destruction programs or other defense-related programs in the states of the former Soviet Union that the Department seeks to engage in commercial work under the Initiatives for Proliferation Prevention program or the Nuclear Cities Initiative, including—

(i) a description of the work performed by such institutes and scientists under such weapons of mass destruction programs or other defense-related programs; and

(ii) a description of any work proposed to be performed by such institutes and scientists under the Initiatives for Proliferation Prevention program or the Nuclear Cities Initiative.

(d) NUCLEAR CITIES INITIATIVE DEFINED.—For purposes of this section, the term "Nuclear Cities Initiative" means the initiative arising pursuant to the March 1998 discussions between the Vice President of the United States and the Prime Minister of the Russian Federation and between the Secretary of Energy of the United States and the Minister of Atomic Energy of the Russian Federation.

SEC. 3137. SUPPORT OF THEATER BALLISTIC MISSILE DEFENSE ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) FUNDS TO CARRY OUT CERTAIN BALLISTIC MISSILE DEFENSE ACTIVITIES.—Of the amounts authorized to be appropriated to the Department of Energy pursuant to section 3101, $25,000,000 shall be available for research, development, and demonstration activities to support the mission of the Ballistic Missile Defense Organization of the Department of Defense, including the following activities:

(1) Technology development, concept demonstration, and integrated testing to improve reliability and reduce risk in hit-to-kill interceptors for theater ballistic missile defense.

(2) Support for science and engineering teams to address technical problems identified by the Director of the Ballistic Missile Defense Organization as critical to acquisition of a theater ballistic missile defense capability.

(b) MEMORANDUM OF UNDERSTANDING.—The activities referred to in subsection (a) shall be carried out under the memorandum of understanding entered into by the Secretary of Energy and the Secretary of Defense for the use of national laboratories for ballistic missile defense programs, as required by section 3131 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2034).

(c) METHOD OF FUNDING.—Funds for activities referred to in subsection (a) may be provided—

(1) by direct payment from funds available pursuant to subsection (a); or

(2) in the case of such an activity carried out by a national laboratory but paid for by the Ballistic Missile Defense Organization, through a method under which the Secretary of Energy waives any requirement for the Department of Defense to pay any indirect expenses (including overhead and federal administrative charges) of the Department of Energy or its contractors.

Subtitle D—Matters Relating to Safeguards, Security, and Counterintelligence

SEC. 3141. SHORT TITLE.

This subtitle may be cited as the "Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement Act of 1999".

SEC. 3142. COMMISSION ON SAFEGUARDS, SECURITY, AND COUNTERINTELLIGENCE AT DEPARTMENT OF ENERGY FACILITIES.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the Commission on Safeguards, Security, and Counterintelligence at Department of Energy Facilities (in this section referred to as the "Commission").

(b) MEMBERSHIP AND ORGANIZATION.—(1) The Commission shall be composed of nine members appointed from among individuals in the public and private sectors who have significant experience in matters related to the security of nuclear weapons and materials, the classification of information, or counterintelligence matters, as follows:

(A) Two shall be appointed by the chairman of the Committee on Armed Services of the Senate, in consultation with the ranking member of that Committee.

(B) One shall be appointed by the ranking member of the Committee on Armed Services of the Senate, in consultation with the chairman of that Committee.

(C) Two shall be appointed by the chairman of the Committee on Armed Services of the House of Representatives, in consultation with the ranking member of that Committee.

(D) One shall be appointed by the ranking member of the Committee on Armed Services of the House of Representatives, in consultation with the chairman of that Committee.

(E) One shall be appointed by the Secretary of Defense.

(F) One shall be appointed by the Director of the Federal Bureau of Investigation.

(G) One shall be appointed by the Director of Central Intelligence.

(2) Members of the Commission shall be appointed for four year terms, except as follows:

(A) One member initially appointed under paragraph (1)(A) shall serve a term of two years, to be designated at the time of appointment.

(B) One member initially appointed under paragraph (1)(C) shall serve a term of two years, to be designated at the time of appointment.

(C) The member initially appointed under paragraph (1)(E) shall serve a term of two years.

(3) Any vacancy in the Commission shall be filled in the same manner as the original appointment and shall not affect the powers of the Commission.

(4)(A) After five members of the Commission have been appointed under paragraph (1), the chairman of the Committee on Armed Services of the Senate, in consultation with the chairman of the Committee on Armed Services of the House of Representatives, shall designate the chairman of the Commission from among the members appointed under paragraph (1)(A).

(B) The chairman of the Commission may be designated once five members of the Commission have been appointed under paragraph (1).

(5) The initial members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act.

(6) The members of the Commission shall establish procedures for the activities of the Commission, including procedures for calling meetings, requirements for quorums, and the manner of taking votes.

(7) The Commission shall meet not less often than once every three months.

(8) The Commission may commence its activities under this section upon the designation of the chairman of the Commission under paragraph (4).

(c) Duties.—(1) The Commission shall, in accordance with this section, review the safeguards, security, and counterintelligence activities (including activities relating to information management, computer security, and personnel security) at Department of Energy facilities to—

(A) determine the adequacy of those activities to ensure the security of sensitive information, processes, and activities under the jurisdiction of the Department against threats to the disclosure of such information, processes, and activities; and

(B) make recommendations for actions the Commission determines as being necessary to ensure that such security is achieved and maintained.

(2) The activities of the Commission under paragraph (1) shall include the following:

(A) An analysis of the sufficiency of the Design Threat Basis documents as a basis for the allocation of resources for safeguards, security, and counterintelligence activities at the Department facilities in light of applicable guidance with respect to such activities, including applicable laws, Department of Energy orders, Presidential Decision Directives, and Executive orders.

(B) Visits to Department facilities to assess the adequacy of the safeguards, security, and counterintelligence activities at such facilities.

(C) Evaluations of specific concerns set forth in Department reports regarding the status of safeguards, security, or counterintelligence activities at particular Department facilities or at facilities throughout the Department.

(D) Reviews of relevant laws, Department orders, and other requirements relating to safeguards, security, and counterintelligence activities at Department facilities.

(E) Any other activities relating to safeguards, security, and counterintelligence activities at Department facilities that the Secretary of Energy considers appropriate.

(d) Report.—(1) Not later than February 15 each year, the Commission shall submit to the Secretary of Energy and to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the activities of the Commission during the preceding year. The report shall be submitted in unclassified form, but may include a classified annex.

(2) Each report—

(A) shall describe the activities of the Commission during the year covered by the report;

(B) shall set forth proposals for any changes in safeguards, security, or counterintelligence activities at Department of Energy facilities that the Commission considers appropriate in light of such activities; and

(C) may include any other recommendations for legislation or administrative action that the Commission considers appropriate.

(e) Personnel Matters.—(1)(A) Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission.

(B) All members of the Commission who are officers or employees of the United States shall serve without compensation by reason of their service on the Commission.

(2) The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3)(A) The Commission may, without regard to the civil service laws and regulations, appoint and terminate such personnel as may be necessary to enable the Commission to perform its duties.

(B) The Commission may fix the compensation of the personnel of the Commission without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(4) Any officer or employee of the United States may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) The members and employees of the Commission shall hold security clearances appropriate for the matters considered by the Commission in the discharge of its duties under this section.

(f) Applicability of FACA.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Commission.

(g) Funding.—(1) From amounts authorized to be appropriated by sections 3101 and 3103, the Secretary of Energy shall make available to the Commission not more than $1,000,000 for the activities of the Commission under this section.

(2) Amounts made available to the Commission under this subsection shall remain available until expended.

(h) Termination of Department of Energy Security Management Board.—(1) Section 3161 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2048; 42 U.S.C. 7251 note) is repealed.

(2) Section 3162 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2049; 42 U.S.C. 7274 note) is amended—

(A) by striking "(a) In General.—"; and

(B) by striking subsection (b).

SEC. 3143. BACKGROUND INVESTIGATIONS OF CERTAIN PERSONNEL AT DEPARTMENT OF ENERGY FACILITIES.

(a) In General.—The Secretary of Energy shall ensure that an investigation meeting the requirements of section 145 of the Atomic Energy Act of 1954 (42 U.S.C. 2165) is made for each Department of Energy employee, or contractor employee, at a national laboratory or nuclear weapons production facility who—

(1) carries out duties or responsibilities in or around a location where Restricted Data is present; or

(2) has or may have regular access to a location where Restricted Data is present.

(b) Compliance.—The Secretary shall have 15 months from the date of the enactment of this Act to meet the requirement in subsection (a).

SEC. 3144. CONDUCT OF SECURITY CLEARANCES.

(a) Responsibility of Federal Bureau of Investigation.—Subsection e. of section 145 of the Atomic Energy Act of 1954 (42 U.S.C. 2165) is amended—

(1) by inserting "(1)" before "If"; and

(2) by adding at the end the following new paragraph:

"(2) In the case of an individual employed in a program known as a Special Access Program or a Personnel Security and Assurance Program, any investigation required by subsections a., b., and c. of this section shall be made by the Federal Bureau of Investigation.".

(b) Compliance.—The Director of the Federal Bureau of Investigation shall have 18 months from the date of the enactment of this Act to meet the responsibilities of the Bureau under subsection e.(2) of section 145 of the Atomic Energy Act of 1954, as added by subsection (a).

(c) Report.—(1) Not later than six months after the date of the enactment of this Act, the Director of the Federal Bureau of Investigation shall submit to the committees specified in paragraph (2) a report on the implementation of the responsibilities of the Bureau under subsection e.(2) of that section. That report shall include the following:

(A) An assessment of the capability of the Bureau to execute the additional clearance requirements, to include additional post-initial investigations.

(B) An estimate of the additional resources required, to include funding, to support the expanded use of the Bureau to conduct the additional investigations.

(C) The extent to which contractor personnel are and would be used in the clearance process.

(2) The committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 3145. PROTECTION OF CLASSIFIED INFORMATION DURING LABORATORY-TO-LABORATORY EXCHANGES.

(a) Provision of Training.—The Secretary of Energy shall ensure that all Department of Energy employees and Department of Energy contractor employees participating in laboratory-to-laboratory cooperative exchange activities are fully trained in matters relating to the protection of classified information and to potential espionage and counterintelligence threats.

(b) Countering of Espionage and Intelligence-Gathering Abroad.—(1) The Secretary shall establish a pool of Department employees and Department contractor employees who are specially trained to counter threats of espionage and intelligence-gathering by foreign nationals against Department employees and Department contractor employees who travel abroad for laboratory-to-laboratory exchange activities or other cooperative exchange activities on behalf of the Department.

(2) The Director of Counterintelligence of the Department of Energy may assign at least one employee from the pool established under paragraph (1) to accompany a group of Department employees or Department contractor employees who travel to any nation designated to be a sensitive country for laboratory-to-laboratory exchange activities or other cooperative exchange activities on behalf of the Department.

SEC. 3146. RESTRICTIONS ON ACCESS TO NATIONAL LABORATORIES BY FOREIGN VISITORS FROM SENSITIVE COUNTRIES.

(a) Background Review Required.—The Secretary of Energy may not admit to any facility of a national laboratory other than areas accessible to the general public any individual who is a citizen or agent of a nation that is

named on the current sensitive countries list unless the Secretary first completes a background review with respect to that individual.

(b) Moratorium Pending Certification.—(1) During the period described in paragraph (2), the Secretary may not admit to any facility of a national laboratory other than areas accessible to the general public any individual who is a citizen or agent of a nation that is named on the current sensitive countries list.

(2) The period referred to in paragraph (1) is the period beginning 30 days after the date of the enactment of this Act and ending on the later of the following:

(A) The date that is 90 days after the date of the enactment of this Act.

(B) The date that is 45 days after the date on which the Secretary submits to Congress the certifications described in paragraph (3).

(3) The certifications referred to in paragraph (2) are one certification each by the Director of Counterintelligence of the Department of Energy, the Director of the Federal Bureau of Investigation, and the Director of Central Intelligence, of each of the following:

(A) That the foreign visitors program at that facility complies with applicable orders, regulations, and policies of the Department of Energy relating to the safeguarding and security of sensitive information and fulfills any counterintelligence requirements arising under such orders, regulations, and policies.

(B) That the foreign visitors program at that facility complies with Presidential Decision Directives and similar requirements relating to the safeguarding and security of sensitive information and fulfills any counterintelligence requirements arising under such Directives or requirements.

(C) That the foreign visitors program at that facility includes adequate protections against the inadvertent release of Restricted Data, information important to the national security of the United States, and any other sensitive information the disclosure of which might harm the interests of the United States.

(D) That the foreign visitors program at that facility does not pose an undue risk to the national security interests of the United States.

(c) Waiver of Moratorium.—(1) The Secretary of Energy may waive the prohibition in subsection (b) on a case-by-case basis with respect to any specific individual or any specific delegation of individuals whose admission to a national laboratory is determined by the Secretary to be in the interest of the national security of the United States.

(2) Not later than the seventh day of the month following a month in which a waiver is made, the Secretary shall submit a report in writing providing notice of each waiver made in that month to the following:

(A) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

(3) Each such report shall be in classified form and shall contain the identity of each individual or delegation for whom such a waiver was made and, with respect to each such individual or delegation, the following information:

(A) A detailed justification for the waiver.

(B) For each individual with respect to whom a background review was conducted, whether the background review determined that negative information exists with respect to that individual.

(C) The Secretary's certification that the admission of that individual or delegation to a national laboratory is in the interest of the national security of the United States.

(4) The authority of the Secretary under paragraph (1) may be delegated only to the Director of Counterintelligence of the Department of Energy.

(d) Exception to Moratorium for Certain Individuals.—The moratorium under subsection (b) shall not apply to any person who—

(1) is, on the date of the enactment of this Act, an employee or assignee of the Department of Energy, or of a contractor of the Department; and

(2) has undergone a background review in accordance with subsection (a).

(e) Exception to Moratorium for Certain Programs.—The moratorium under subsection (b) shall not apply—

(1) to activities relating to cooperative threat reduction with states of the former Soviet Union; or

(2) to the materials protection control and accounting program of the Department.

(f) Sense of Congress Regarding Background Reviews.—It is the sense of Congress that the Secretary of Energy, the Director of the Federal Bureau of Investigation, and the Director of Central Intelligence should ensure that background reviews carried out under this section are completed in not more than 15 days.

(g) Definitions.—For purposes of this section:

(1) The term "background review", commonly known as an indices check, means a review of information provided by the Director of Central Intelligence and the Director of the Federal Bureau of Investigation regarding personal background, including information relating to any history of criminal activity or to any evidence of espionage.

(2) The term "sensitive countries list" means the list prescribed by the Secretary of Energy known as the Department of Energy List of Sensitive Countries as in effect on January 1, 1999.

SEC. 3147. DEPARTMENT OF ENERGY REGULATIONS RELATING TO THE SAFEGUARDING AND SECURITY OF RESTRICTED DATA.

(a) In General.—Chapter 18 of title I of the Atomic Energy Act of 1954 (42 U.S.C. 2271 et seq.) is amended by inserting after section 234A the following new section:

"Sec. 234B. Civil Monetary Penalties for Violations of Department of Energy Regulations Regarding Security of Classified or Sensitive Information or Data.—

"a. Any person who has entered into a contract or agreement with the Department of Energy, or a subcontract or subagreement thereto, and who violates (or whose employee violates) any applicable rule, regulation, or order prescribed or otherwise issued by the Secretary pursuant to this Act relating to the safeguarding or security of Restricted Data or other classified or sensitive information shall be subject to a civil penalty of not to exceed $100,000 for each such violation.

"b. The Secretary shall include in each contract with a contractor of the Department provisions which provide an appropriate reduction in the fees or amounts paid to the contractor under the contract in the event of a violation by the contractor or contractor employee of any rule, regulation, or order relating to the safeguarding or security of Restricted Data or other classified or sensitive information. The provisions shall specify various degrees of violations and the amount of the reduction attributable to each degree of violation.

"c. The powers and limitations applicable to the assessment of civil penalties under section 234A, except for subsection d. of that section, shall apply to the assessment of civil penalties under this section.

"d. In the case of an entity specified in subsection d. of section 234A—

"(1) the assessment of any civil penalty under subsection a. against that entity may not be made until the entity enters into a new contract with the Department of Energy or an extension of a current contract with the Department; and

"(2) the total amount of civil penalties under subsection a. in a fiscal year may not exceed the total amount of fees paid by the Department of Energy to that entity in that fiscal year.".

(b) Applicability.—Subsection a. of section 234B of the Atomic Energy Act of 1954, as added by subsection (a), applies to any violation after the date of the enactment of this Act.

(c) Clarifying Amendment.—The section heading of section 234A of such Act (42 U.S.C. 2282a) is amended by inserting "Safety" before "Regulations".

(d) Clerical Amendment.—The table of sections for that Act is amended by inserting after the item relating to section 234 the following new items:

"Sec. 234A. Civil Monetary Penalties for Violations of Department of Energy Safety Regulations.
"Sec. 234B. Civil Monetary Penalties for Violations of Department of Energy Regulations Regarding Security of Classified or Sensitive Information or Data.".

SEC. 3148. INCREASED PENALTIES FOR MISUSE OF RESTRICTED DATA.

(a) Communication of Restricted Data.—Section 224 of the Atomic Energy Act of 1954 (42 U.S.C. 2274) is amended—

(1) in clause a., by striking "$20,000" and inserting "$100,000"; and

(2) in clause b., by striking "$10,000" and inserting "$500,000".

(b) Receipt of Restricted Data.—Section 225 of such Act (42 U.S.C. 2275) is amended by striking "$20,000" and inserting "$100,000".

(c) Disclosure of Restricted Data.—Section 227 of such Act (42 U.S.C. 2277) is amended by striking "$2,500" and inserting "$12,500".

SEC. 3149. SUPPLEMENT TO PLAN FOR DECLASSIFICATION OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.

(a) Supplement to Plan.—The Secretary of Energy and the Archivist of the United States shall, after consultation with the members of the National Security Council and in consultation with the Secretary of Defense and the heads of other appropriate Federal agencies, develop a supplement to the plan required under subsection (a) of section 3161 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2260; 50 U.S.C. 435 note).

(b) Contents of Supplement.—The supplement shall provide for the application of that plan (including in particular the element of the plan required by section 3161(b)(1) of that Act) to all records subject to Executive Order No. 12958 that were determined before the date of the enactment of that Act to be suitable for declassification.

(c) Limitation on Declassification of Records.—All records referred to in subsection (b) shall be treated, for purposes of section 3161(c) of that Act, in the same manner as records referred to in section 3161(a) of that Act.

(d) Submission of Supplement.—The Secretary of Energy shall submit the supplement required under subsection (a) to the recipients of the plan referred to in section 3161(d) of that Act.

SEC. 3150. NOTICE TO CONGRESSIONAL COMMITTEES OF CERTAIN SECURITY AND COUNTERINTELLIGENCE FAILURES WITHIN NUCLEAR ENERGY DEFENSE PROGRAMS.

(a) Required Notification.—The Secretary of Energy shall submit to the Committees on Armed Services of the Senate and House of Representatives a notification of each significant nuclear defense intelligence loss. Any such notification shall be provided only after consultation with the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, as appropriate.

(b) SIGNIFICANT NUCLEAR DEFENSE INTELLIGENCE LOSSES.—In this section, the term "significant nuclear defense intelligence loss" means any national security or counterintelligence failure or compromise of classified information at a facility of the Department of Energy or operated by a contractor of the Department that the Secretary considers likely to cause significant harm or damage to the national security interests of the United States.

(c) MANNER OF NOTIFICATION.—Notification of a significant nuclear defense intelligence loss under subsection (a) shall be provided, in accordance with the procedures established pursuant to subsection (d), not later than 30 days after the date on which the Department of Energy determines that the loss has taken place.

(d) PROCEDURES.—The Secretary of Energy and the Committees on Armed Services of the Senate and House of Representatives shall each establish such procedures as may be necessary to protect from unauthorized disclosure classified information, information relating to intelligence sources and methods, and sensitive law enforcement information that is submitted to those committees pursuant to this section and that are otherwise necessary to carry out the provisions of this section.

(e) STATUTORY CONSTRUCTION.—(1) Nothing in this section shall be construed as authority to withhold any information from the Committees on Armed Services of the Senate and House of Representatives on the grounds that providing the information to those committees would constitute the unauthorized disclosure of classified information, information relating to intelligence sources and methods, or sensitive law enforcement information.

(2) Nothing in this section shall be construed to modify or supersede any other requirement to report information on intelligence activities to the Congress, including the requirement under section 501 of the National Security Act of 1947 (50 U.S.C. 413) for the President to ensure that the congressional intelligence committees are kept fully informed of the intelligence activities of the United States and for those committees to notify promptly other congressional committees of any matter relating to intelligence activities requiring the attention of those committees.

SEC. 3151. ANNUAL REPORT BY THE PRESIDENT ON ESPIONAGE BY THE PEOPLE'S REPUBLIC OF CHINA.

(a) ANNUAL REPORT REQUIRED.—The President shall transmit to Congress an annual report on the steps being taken by the Department of Energy, the Department of Defense, the Federal Bureau of Investigation, the Central Intelligence Agency, and all other relevant executive departments and agencies to respond to espionage and other intelligence activities by the People's Republic of China, particularly with respect to—

(1) the theft of sophisticated United States nuclear weapons design information; and

(2) the targeting by the People's Republic of China of United States nuclear weapons codes and other national security information of strategic concern.

(b) INITIAL REPORT.—The first report under this section shall be transmitted not later than March 1, 2000.

SEC. 3152. REPORT ON COUNTERINTELLIGENCE AND SECURITY PRACTICES AT NATIONAL LABORATORIES.

(a) IN GENERAL.—Not later than March 1 of each year, the Secretary of Energy shall submit to the Congress a report for the preceding year on counterintelligence and security practices at the facilities of the national laboratories (whether or not classified activities are carried out at the facility).

(b) CONTENT OF REPORT.—The report shall include, with respect to each national laboratory, the following:

(1) The number of employees, including full-time counterintelligence and security professionals and contractor employees.

(2) A description of the counterintelligence and security training courses conducted and, for each such course, any requirement that employees successfully complete that course.

(3) A description of each contract awarded that provides an incentive for the effective performance of counterintelligence or security activities.

(4) A description of the requirement that an employee report the travel to sensitive countries of that employee (whether or not the travel was for official business).

(5) The number of trips by individuals who traveled to sensitive countries, with identification of the sensitive countries visited.

SEC. 3153. REPORT ON SECURITY VULNERABILITIES OF NATIONAL LABORATORY COMPUTERS.

(a) REPORT REQUIRED.—Not later than March 1 of each year, the National Counterintelligence Policy Board shall prepare a report on the security vulnerabilities of the computers of the national laboratories.

(b) PREPARATION OF REPORT.—In preparing the report, the National Counterintelligence Policy Board shall establish a so-called "red team" of individuals to perform an operational evaluation of the security vulnerabilities of the computers of one or more national laboratories, including by direct experimentation. Such individuals shall be selected by the National Counterintelligence Policy Board from among employees of the Department of Defense, the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, and of other agencies, and may be detailed to the National Counterintelligence Policy Board from such agencies without reimbursement and without interruption or loss of civil service status or privilege.

(c) SUBMISSION OF REPORT TO SECRETARY OF ENERGY AND TO FBI DIRECTOR.—Not later than March 1 of each year, the report shall be submitted in classified and unclassified form to the Secretary of Energy and the Director of the Federal Bureau of Investigation.

(d) FORWARDING TO CONGRESSIONAL COMMITTEES.—Not later than 30 days after the report is submitted, the Secretary and the Director shall each separately forward that report, with the recommendations in classified and unclassified form of the Secretary or the Director, as applicable, in response to the findings of that report, to the following:

(1) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(2) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

(e) FIRST REPORT.—The first report under this section shall be the report for the year 2000. That report shall cover each of the national laboratories.

SEC. 3154. COUNTERINTELLIGENCE POLYGRAPH PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Energy, acting through the Director of Counterintelligence, shall carry out a counterintelligence polygraph program for the defense-related activities of the Department. The counterintelligence polygraph program shall consist of the administration of counterintelligence polygraph examinations to each covered person who has access to high-risk programs.

(b) COVERED PERSONS.—For purposes of this section, a covered person is one of the following:

(1) An officer or employee of the Department.

(2) An expert or consultant under contract to the Department.

(3) An officer or employee of a contractor of the Department.

(c) HIGH-RISK PROGRAMS.—For purposes of this section, high-risk programs are the programs known as—

(1) Special Access Programs; and

(2) Personnel Security And Assurance Programs.

(d) INITIAL TESTING AND CONSENT.—The Secretary may not permit a covered person to have initial access to any high-risk program unless that person first undergoes a counterintelligence polygraph examination and consents in a signed writing to the counterintelligence polygraph examinations required by this section.

(e) ADDITIONAL TESTING.—The Secretary may not permit a covered person to have continued access to any high-risk program unless that person undergoes a counterintelligence polygraph examination within five years after that person has initial access, and thereafter—

(1) not less frequently than every five years; and

(2) at any time at the direction of the Director of Counterintelligence.

(f) COUNTERINTELLIGENCE POLYGRAPH EXAMINATION.—For purposes of this section, the term "counterintelligence polygraph examination" means a polygraph examination using questions reasonably calculated to obtain counterintelligence information, including questions relating to espionage, sabotage, unauthorized disclosure of classified information, and unauthorized contact with foreign nationals.

(g) REGULATIONS.—The Secretary shall prescribe any regulations necessary to carry out this section. Those regulations shall include procedures, to be developed in consultation with the Federal Bureau of Investigation, for—

(1) identifying and addressing "false positive" results of polygraph examinations; and

(2) ensuring that adverse personnel actions not be taken against an individual solely by reason of that individual's physiological reaction to a question in a polygraph examination, unless reasonable efforts are first made to independently determine through alternative means the veracity of that individual's response to that question.

(h) PLAN FOR EXTENSION OF PROGRAM.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a plan on extending the program required by this section. The plan shall provide for the administration of counterintelligence polygraph examinations in accordance with the program to each covered person who has access to—

(1) the programs known as Personnel Assurance Programs; and

(2) the information identified as Sensitive Compartmented Information.

SEC. 3155. DEFINITIONS OF NATIONAL LABORATORY AND NUCLEAR WEAPONS PRODUCTION FACILITY.

For purposes of this subtitle:

(1) The term "national laboratory" means any of the following:

(A) The Lawrence Livermore National Laboratory, Livermore, California.

(B) The Los Alamos National Laboratory, Los Alamos, New Mexico.

(C) The Sandia National Laboratories, Albuquerque, New Mexico and Livermore, California.

(2) The term "nuclear weapons production facility" means any of the following:

(A) The Kansas City Plant, Kansas City, Missouri.

(B) The Pantex Plant, Amarillo, Texas.

(C) The Y–12 Plant, Oak Ridge, Tennessee.

(D) The tritium operations at the Savannah River Site, Aiken, South Carolina.

(E) The Nevada Test Site, Nevada.

SEC. 3156. DEFINITION OF RESTRICTED DATA.

In this subtitle, the term "Restricted Data" has the meaning given that term in section 11 y.

of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

Subtitle E—Matters Relating to Personnel

SEC. 3161. EXTENSION OF AUTHORITY OF DEPARTMENT OF ENERGY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) EXTENSION.—Notwithstanding subsection (c)(2)(D) of section 663 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (as contained in section 101(f) of division A of Public Law 104–208; 110 Stat. 3009–383; 5 U.S.C. 5597 note), the Department of Energy may pay voluntary separation incentive payments under such section 663 to qualifying employees who voluntarily separate (whether by retirement or resignation) before January 1, 2003.

(b) REPORT.—(1) Not later than March 15, 2000, the Secretary of Energy shall submit to the Director of the Office of Personnel Management and the specified congressional committees a report describing how the Department has, by reason of the provisions of subsection (a), paid voluntary separation payments under such section 663.

(2) The report under paragraph (1) shall—

(A) include the occupations and grade levels of each employee with respect to whom the Department has, by reason of the provisions of subsection (a), paid voluntary separation payments under such section 663; and

(B) describe how the paying of such payments by reason of the provisions of subsection (a) relates to the restructuring plans of the Department.

(3) For purposes of this subsection, the term "specified congressional committees" means the following:

(A) The Committee on Armed Services, the Committee on Government Reform, and the Committee on Commerce of the House of Representatives.

(B) The Committee on Armed Services and the Committee on Governmental Affairs of the Senate.

SEC. 3162. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—Subsection (a) of section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 621; 42 U.S.C. 2121 note) is amended—

(1) by striking "the Secretary" in the second sentence and all that follows through "provide educational assistance" and inserting "the Secretary shall provide educational assistance";

(2) by striking the semicolon after "complex" in the second sentence and inserting a period; and

(3) by striking paragraphs (2) and (3).

(b) ELIGIBLE INDIVIDUALS.—Subsection (b) of such section is amended by inserting "are United States citizens who" in the matter preceding paragraph (1) after "program".

(c) COVERED FACILITIES.—Subsection (c) of such section is amended by adding at the end the following new paragraphs:

"(5) The Lawrence Livermore National Laboratory, Livermore, California.

"(6) The Los Alamos National Laboratory, Los Alamos, New Mexico.

"(7) The Sandia National Laboratories, Albuquerque, New Mexico, and Livermore, California.".

(d) AGREEMENT REQUIRED.—Subsection (f) of such section is amended to read as follows:

"(f) AGREEMENT.—(1) The Secretary may allow an individual to participate in the program only if the individual signs an agreement described in paragraph (2).

"(2) An agreement referred to in paragraph (1) shall be in writing, shall be signed by the participant, and shall include the participant's agreement to serve, after completion of the course of study for which the assistance was provided, as a full-time employee in a position in the Department of Energy for a period of time to be established by the Secretary of Energy of not less than one year, if such a position is offered to the participant.".

(e) PLAN.—(1) Not later than January 1, 2000, the Secretary of Energy shall submit to the congressional defense committees a plan for the administration of the fellowship program under section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 42 U.S.C. 2121 note), as amended by this section.

(2) The plan shall include the criteria for the selection of individuals for participation in such fellowship program and a description of the provisions to be included in the agreement required by subsection (f) of such section (as amended by this section), including the period of time established by the Secretary for the participants to serve as employees.

(f) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy pursuant to section 3101, $5,000,000 shall be available only to conduct the fellowship program under section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 42 U.S.C. 2121 note), as amended by this section.

SEC. 3163. MAINTENANCE OF NUCLEAR WEAPONS EXPERTISE IN THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY.

(a) ADMINISTRATION OF JOINT NUCLEAR WEAPONS COUNCIL.—(1) Subsection (b) of section 179 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) The Council shall meet not less often than once every three months.".

(2) Subsection (c) of that section is amended by adding at the end the following new paragraph:

"(3)(A) Whenever the position of Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs has been vacant a period of more than 6 months, the Secretary of Energy shall designate a qualified individual to serve as acting staff director of the Council until the position of that Assistant to the Secretary is filled.

"(B) An individual appointed under subparagraph (A) shall possess substantial technical and policy experience relevant to the management and oversight of nuclear weapons programs.".

(b) REVITALIZATION OF JOINT NUCLEAR WEAPONS COUNCIL.—(1) The Secretary of Defense and the Secretary of Energy shall jointly prepare, and not later than March 15, 2000, submit to the committees specified in subsection (g), a plan to revitalize the Joint Nuclear Weapons Council established by section 179 of title 10, United States Code.

(2) The plan shall include any proposed modification to the membership or responsibilities of the Council that the Secretaries jointly determine advisable to enhance the capability of the Council to ensure the integration of Department of Defense requirements for nuclear weapons into the programs and budget processes of the Department of Energy.

(c) ANNUAL REPORT ON COUNCIL ACTIVITIES.—Section 179(f) of title 10, United States Code, is amended by adding at the end the following:

"(3) A description of the activities of the Council during the 12-month period ending on the date of the report together with any assessments or studies conducted by the Council during that period.

"(4) A description of the highest priority requirements of the Department of Defense with respect to the Department of Energy stockpile stewardship and management program as of that date.

"(5) An assessment of the extent to which the requirements referred to in paragraph (4) are being addressed by the Department of Energy as of that date.".

(d) NUCLEAR MISSION MANAGEMENT PLAN.—(1) The Secretary of Defense shall develop and implement a plan to ensure the continued reliability of the capability of the Department of Defense to carry out its nuclear deterrent mission.

(2) The plan shall do the following:

(A) Articulate the current policy of the United States on the role of nuclear weapons and nuclear deterrence in the conduct of defense and foreign relations matters.

(B) Establish stockpile viability and capability requirements with respect to that mission, including the number and variety of warheads required.

(C) Establish requirements relating to the contractor industrial base, support infrastructure, and surveillance, testing, assessment, and certification of nuclear weapons necessary to support that mission.

(3) The plan shall take into account the following:

(A) Requirements for the critical skills, readiness, training, exercise, and testing of personnel necessary to meet that mission.

(B) The relevant programs and plans of the military departments and the Defense Agencies with respect to readiness, sustainment (including research and development), and modernization of the strategic deterrent forces.

(e) NUCLEAR EXPERTISE RETENTION MEASURES.—(1) Not later than March 15, 2000, the Secretary of Energy and Secretary of Defense shall submit to the committees specified in subsection (g) a joint plan setting forth the actions that the Secretaries consider necessary to retain core scientific, engineering, and technical skills and capabilities within the Department of Energy, the Department of Defense, and the contractors of those departments in order to maintain the United States nuclear deterrent force indefinitely.

(2) The plan shall include the following elements:

(A) A baseline of current skills and capabilities by location.

(B) A statement of the skills or capabilities that are at risk of being lost within the next ten years.

(C) A statement of measures that will be taken to retain such skills and capabilities.

(D) A proposal for recruitment measures to address the loss of such skills or capabilities.

(E) A proposal for the training and evaluation of personnel with core scientific, engineering, and technical skills and capabilities.

(F) A statement of the additional advanced manufacturing programs and process engineering programs that are required to maintain the nuclear deterrent force indefinitely.

(G) An assessment of the desirability of establishing a nuclear weapons workforce reserve to ensure the availability of the skills and capabilities of present and former employees of the Department of Energy, the Department of Defense, and the contractors of those departments in the event of an urgent future need for such skills and capabilities.

(f) REPORTS ON CRITICAL DIFFICULTIES AT NUCLEAR WEAPONS LABORATORIES.—Section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2842; 42 U.S.C. 7274o) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d) INCLUSION OF REPORTS IN ANNUAL STOCKPILE CERTIFICATION.—Any report submitted pursuant to subsection (a) shall also be *included with the decision documents that accompany the annual certification of the safety and reliability of the United States nuclear weapons stockpile which is provided to the President for the year in which such report is submitted.".*

(g) SPECIFIED COMMITTEES.—The committees specified in this subsection are the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

SEC. 3164. WHISTLEBLOWER PROTECTION PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Energy shall establish a program to ensure that covered individuals may not be discharged, demoted, or otherwise discriminated against as a reprisal for making protected disclosures.

(b) COVERED INDIVIDUALS.—For purposes of this section, a covered individual is an individual who is an employee of the Department of Energy, or of a contractor of the Department, who is engaged in the defense activities of the Department.

(c) PROTECTED DISCLOSURES.—For purposes of this section, a protected disclosure is a disclosure—

(1) made by a covered individual who takes appropriate steps to protect the security of the information in accordance with guidance provided under this section;

(2) made to a person or entity specified in subsection (d); and

(3) of classified or other information that the covered individual reasonably believes to provide direct and specific evidence of any of the following:

(A) A violation of law or Federal regulation.

(B) Gross mismanagement, a gross waste of funds, or abuse of authority.

(C) A false statement to Congress on an issue of material fact.

(d) PERSONS AND ENTITIES TO WHICH DISCLOSURES MAY BE MADE.—A person or entity specified in this subsection is any of the following:

(1) A member of a committee of Congress having primary responsibility for oversight of the department, agency, or element of the Government to which the disclosed information relates.

(2) An employee of Congress who is a staff member of such a committee and has an appropriate security clearance for access to information of the type disclosed.

(3) The Inspector General of the Department of Energy.

(4) The Federal Bureau of Investigation.

(5) Any other element of the Government designated by the Secretary as authorized to receive information of the type disclosed.

(e) OFFICIAL CAPACITY OF PERSONS TO WHOM INFORMATION IS DISCLOSED.—A member of, or an employee of Congress who is a staff member of, a committee of Congress specified in subsection (d) who receives a protected disclosure under this section does so in that member or employee's official capacity as such a member or employee.

(f) ASSISTANCE AND GUIDANCE.—The Secretary, acting through the Inspector General of the Department of Energy, shall provide assistance and guidance to each covered individual who seeks to make a protected disclosure under this section. Such assistance and guidance shall include the following:

(1) Identifying the persons or entities under subsection (d) to which that disclosure may be made.

(2) Advising that individual regarding the steps to be taken to protect the security of the information to be disclosed.

(3) Taking appropriate actions to protect the identity of that individual throughout that disclosure.

(4) Taking appropriate actions to coordinate that disclosure with any other Federal agency or agencies that originated the information.

(g) REGULATIONS.—The Secretary shall prescribe regulations to ensure the security of any information disclosed under this section.

(h) NOTIFICATION TO COVERED INDIVIDUALS.—The Secretary shall notify each covered individual of the following:

(1) The rights of that individual under this section.

(2) The assistance and guidance provided under this section.

(3) That the individual has a responsibility to obtain that assistance and guidance before seeking to make a protected disclosure.

(i) COMPLAINT BY COVERED INDIVIDUALS.—If a covered individual believes that that individual has been discharged, demoted, or otherwise discriminated against as a reprisal for making a protected disclosure under this section, the individual may submit a complaint relating to such matter to the Director of the Office of Hearings and Appeals of the Department of Energy.

(j) INVESTIGATION BY OFFICE OF HEARINGS AND APPEALS.—(1) For each complaint submitted under subsection (i), the Director of the Office of Hearings and Appeals shall—

(A) determine whether or not the complaint is frivolous; and

(B) if the Director determines the complaint is not frivolous, conduct an investigation of the complaint.

(2) The Director shall submit a report on each investigation undertaken under paragraph (1)(B) to—

(A) the individual who submitted the complaint on which the investigation is based;

(B) the contractor concerned, if any; and

(C) the Secretary of Energy.

(k) REMEDIAL ACTION.—(1) Whenever the Secretary determines that a covered individual has been discharged, demoted, or otherwise discriminated against as a reprisal for making a protected disclosure under this section, the Secretary shall—

(A) in the case of a Department employee, take appropriate actions to abate the action; or

(B) in the case of a contractor employee, order the contractor concerned to take appropriate actions to abate the action.

(2)(A) If a contractor fails to comply with an order issued under paragraph (1)(B), the Secretary may file an action for enforcement of the order in the appropriate United States district court.

(B) In any action brought under subparagraph (A), the court may grant appropriate relief, including injunctive relief and compensatory and exemplary damages.

(l) RELATIONSHIP TO OTHER LAWS.—The protections provided by this section are independent of, and not subject to any limitations that may be provided in, the Whistleblower Protection Act of 1989 (Public Law 101–512) or any other law that may provide protection for disclosures of information by employees of the Department of Energy or of a contractor of the Department.

(m) ANNUAL REPORT.—(1) Not later than 30 days after the commencement of each fiscal year, the Director shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the investigations undertaken under subsection (j)(1)(B) during the preceding fiscal year, including a summary of the results of each such investigation.

(2) A report under paragraph (1) may not identify or otherwise provide any information about an individual submitting a complaint under this section without the consent of the individual.

(n) IMPLEMENTATION REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report describing the implementation of the program required by this section.

Subtitle F—Other Matters

SEC. 3171. REQUIREMENT FOR PLAN TO IMPROVE REPROGRAMMING PROCESSES.

Not later than November 15, 1999, the Secretary of Energy shall submit to the congressional defense committees a report on improving the reprogramming processes relating to the defense activities of the Department of Energy. The report shall include a plan to ensure that the reprogramming requests of the Department relating to those activities are submitted in a timely and disciplined manner.

SEC. 3172. INTEGRATED FISSILE MATERIALS MANAGEMENT PLAN.

(a) PLAN.—The Secretary of Energy shall develop a long-term plan for the integrated management of fissile materials by the Department of Energy. The plan shall—

(1) identify means of coordinating or integrating the responsibilities of the Office of Environmental Management, the Office of Fissile Materials Disposition, the Office of Nuclear Energy, and the Office of Defense Programs for the treatment, storage and disposition of fissile materials, and for the waste streams containing fissile materials, in order to achieve budgetary and other efficiencies in the discharge of those responsibilities; and

(2) identify any expenditures necessary at the sites that are anticipated to have an enduring mission for plutonium management in order to achieve the integrated management of fissile materials by the Department.

(b) SUBMITTAL TO CONGRESS.—The Secretary shall submit the plan required by subsection (a) to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives not later than March 31, 2000.

SEC. 3173. IDENTIFICATION IN BUDGET MATERIALS OF AMOUNTS FOR DECLASSIFICATION ACTIVITIES AND LIMITATION ON EXPENDITURES FOR SUCH ACTIVITIES.

(a) AMOUNTS FOR DECLASSIFICATION OF RECORDS.—The Secretary of Energy shall include in the budget justification materials submitted to Congress in support of the Department of Energy budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) specific identification, as a budgetary line item, of the amounts required to carry out programmed activities during that fiscal year to declassify records pursuant to Executive Order 12958 (50 U.S.C. 435 note), or any successor Executive order, or to comply with any statutory requirement to declassify Government records.

(b) CERTIFICATION REQUIRED WITH RESPECT TO AUTOMATIC DECLASSIFICATION OF RECORDS.—No records of the Department of Energy that have not as of the date of the enactment of this Act been reviewed for declassification shall be subject to automatic declassification unless the Secretary of Energy certifies to Congress that such declassification would not harm the national security.

(c) REPORT ON AUTOMATIC DECLASSIFICATION OF DEPARTMENT OF ENERGY RECORDS.—Not later than February 1, 2001, the Secretary of Energy shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate a report on the efforts of the Department of Energy relating to the declassification of classified records under the control of the Department of Energy. Such report shall include the following:

(1) An assessment of whether the Department will be able to review all relevant records for declassification before any date established for automatic declassification.

(2) An estimate of the number of records, if any, that the Department will be unable to review for declassification before any such date and the effect on national security of the automatic declassification of those records.

(3) An estimate of the length of time by which any such date would need to be extended to avoid the automatic declassification of records that have not yet been reviewed as of such date.

SEC. 3174. SENSE OF CONGRESS REGARDING TECHNOLOGY TRANSFER COORDINATION FOR DEPARTMENT OF ENERGY NATIONAL LABORATORIES.

(a) TECHNOLOGY TRANSFER COORDINATION.—It is the sense of Congress that, within 90 days after the date of the enactment of this Act, the Secretary of Energy should ensure, for each national laboratory, the following:

(1) Consistency of technology transfer policies and procedures with respect to patenting, licensing, and commercialization.

(2) Training to ensure that laboratory personnel responsible for patenting, licensing, and commercialization activities are knowledgeable of the appropriate legal, procedural, and ethical standards.

(b) DEFINITION OF NATIONAL LABORATORY.—As used in this section, the term "national laboratory" means any of the following laboratories:

(1) The Los Alamos National Laboratory, Los Alamos, New Mexico.

(2) The Lawrence Livermore National Laboratory, Livermore, California.

(3) The Sandia National Laboratories, Albuquerque, New Mexico, and Livermore, California.

SEC. 3175. PILOT PROGRAM FOR PROJECT MANAGEMENT OVERSIGHT REGARDING DEPARTMENT OF ENERGY CONSTRUCTION PROJECTS.

(a) REQUIREMENT.—(1) The Secretary of Energy shall carry out a pilot program on use of project management oversight services (in this section referred to as "PMO services") for construction projects of the Department of Energy.

(2) The purpose of the pilot program shall be to provide a basis for determining whether or not the use of competitively procured, external PMO services for those construction projects would permit the Department to control excessive costs and schedule delays associated with those construction projects that have large capital costs.

(b) PROJECTS COVERED BY PROGRAM.—(1) Subject to paragraph (2), the Secretary shall carry out the pilot program at construction projects selected by the Secretary. The projects shall include one or more construction projects authorized pursuant to section 3101 and one construction project authorized pursuant to section 3102.

(2) Each project selected by the Secretary shall be a project having capital construction costs anticipated to be not less than $25,000,000.

(c) SERVICES UNDER PROGRAM.—The PMO services used under the pilot program shall include the following services:

(1) Monitoring the overall progress of a project.

(2) Determining whether or not a project is on schedule.

(3) Determining whether or not a project is within budget.

(4) Determining whether or not a project conforms with plans and specifications approved by the Department.

(5) Determining whether or not a project is being carried out efficiently and effectively.

(6) Any other management oversight services that the Secretary considers appropriate for purposes of the pilot program.

(d) PROCUREMENT OF SERVICES UNDER PROGRAM.—Any PMO services procured under the pilot program shall be acquired—

(1) on a competitive basis; and

(2) from among commercial entities that—

(A) do not currently manage or operate facilities at a location where the pilot program is being conducted; and

(B) have an expertise in the management of large construction projects.

(e) REPORT.—Not later than February 1, 2000, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the pilot program. The report shall include the assessment of the Secretary as to the feasibility and desirability of using PMO services for construction projects of the Department.

SEC. 3176. PILOT PROGRAM OF DEPARTMENT OF ENERGY TO AUTHORIZE USE OF PRIOR YEAR UNOBLIGATED BALANCES FOR ACCELERATED SITE CLEANUP AT ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, COLORADO.

(a) AUTHORITY TO USE AMOUNTS.—The Secretary of Energy shall carry out a pilot program under which the Secretary may use prior year unobligated balances in the defense environment management account for the closure project of the Department of Energy at the Rocky Flats Environmental Technology Site, Colorado, for purposes of meeting accelerated cleanup schedule milestones with respect to that closure project. The amount of prior year unobligated balances that are obligated under the pilot program in any fiscal year may not exceed $15,000,000.

(b) NOTICE OF INTENT TO USE AUTHORITY.—Not less than 30 days before any obligation of funds under the pilot program under subsection (a), the Secretary shall notify the congressional defense committees of the intent of the Secretary to make such obligation.

(c) REPORT ON PILOT PROGRAM.—Not later than July 31, 2002, the Secretary shall submit to the congressional defense committees and the Committee on Commerce of the House of Representatives a report on the implementation of the pilot program carried out under subsection (a). The report shall include the following:

(1) Any use of the authority under that pilot program.

(2) The recommendations of the Secretary as to whether—

(A) the termination date in subsection (d) should be extended; and

(B) the authority under that pilot program should be applied to additional closure projects of the Department.

(d) TERMINATION.—The authority to obligate funds under the pilot program shall cease to be in effect at the close of September 30, 2002.

SEC. 3177. PROPOSED SCHEDULE FOR SHIPMENTS OF WASTE FROM ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, COLORADO, TO WASTE ISOLATION PILOT PLANT, NEW MEXICO.

(a) SUBMITTAL OF PROPOSED SCHEDULE.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Energy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services and the Committee on Commerce of the House of Representatives a proposed schedule for shipment of mixed and unmixed transuranic waste from the Rocky Flats Environmental Technology Site, Colorado, to the Waste Isolation Pilot Plant, New Mexico. The proposed schedule shall identify a schedule for certifying, producing, and delivering appropriate shipping containers.

(b) REQUIREMENTS REGARDING SCHEDULE.—In preparing the schedule required under subsection (a), the Secretary shall assume the following:

(1) That the Rocky Flats Environmental Technology Site will have a closure date that is in 2006.

(2) That all waste that is transferable from the Rocky Flats Environmental Technology Site to the Waste Isolation Pilot Plant will be removed from the Rocky Flats Environmental Technology Site by that closure date as specified in the current 2006 Rocky Flats Environmental Technology Site Closure Plan.

(3) That, to the maximum extent practicable, shipments of waste from the Rocky Flats Environmental Technology Site to the Waste Isolation Pilot Plant will be carried out on an expedited schedule, but not interfere with other shipments of waste to the Waste Isolation Pilot Plant that are planned as of the date of the enactment of this Act.

SEC. 3178. COMPTROLLER GENERAL REPORT ON CLOSURE OF ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE, COLORADO.

(a) REPORT.—Not later than December 31, 2000, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report assessing the progress in the closure of the Rocky Flats Environmental Technology Site, Colorado.

(b) REPORT ELEMENTS.—The report shall address and make recommendations on the following:

(1) How decisions with respect to the future use of the Rocky Flats Environmental Technology Site affect ongoing cleanup at the site.

(2) How failure to make decisions with respect to the future use of the Rocky Flats site affect ongoing cleanup at that site.

(3) Whether the Secretary of Energy could provide additional flexibility to the contractor at the Rocky Flats site in order to accelerate the cleanup of that site.

(4) Whether the Secretary could take additional actions throughout the nuclear weapons complex of the Department of Energy in order to accelerate the closure of the Rocky Flats site.

(5) The developments, if any, since the April 1999 report of the Comptroller General that could alter the pace of the closure of the Rocky Flats site.

(6) The possibility of closure of the Rocky Flats site by 2006.

(7) The actions that should be taken by the Secretary or Congress to ensure that the Rocky Flats site will be closed by 2006.

(8) The impact of the schedule to transport mixed and unmixed transuranic waste on the ability of the Secretary to close the Rocky Flats site by 2006.

SEC. 3179. EXTENSION OF REVIEW OF WASTE ISOLATION PILOT PLANT, NEW MEXICO.

Section 1433(a) of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2073) is amended in the second sentence by striking "nine additional one-year periods" and inserting "fourteen additional one-year periods".

TITLE XXXII—NATIONAL NUCLEAR SECURITY ADMINISTRATION

Sec. 3201. Short title.
Sec. 3202. Under Secretary for Nuclear Security of Department of Energy.
Sec. 3203. Establishment of policy for National Nuclear Security Administration.
Sec. 3204. Organization of Department of Energy counterintelligence and intelligence programs and activities.

Subtitle A—Establishment and Organization

Sec. 3211. Establishment and mission.
Sec. 3212. Administrator for Nuclear Security.
Sec. 3213. Status of Administration and contractor personnel within Department of Energy.
Sec. 3214. Deputy Administrator for Defense Programs.
Sec. 3215. Deputy Administrator for Defense Nuclear Nonproliferation.

Sec. 3216. Deputy Administrator for Naval Reactors.
Sec. 3217. General Counsel.
Sec. 3218. Staff of Administration.

Subtitle B—Matters Relating to Security

Sec. 3231. Protection of national security information.
Sec. 3232. Office of Defense Nuclear Counterintelligence and Office of Defense Nuclear Security.
Sec. 3233. Counterintelligence programs.
Sec. 3234. Procedures relating to access by individuals to classified areas and information of Administration.
Sec. 3235. Government access to information on Administration computers.
Sec. 3236. Congressional oversight of special access programs.

Subtitle C—Matters Relating to Personnel

Sec. 3241. Authority to establish certain scientific, engineering, and technical positions.
Sec. 3242. Voluntary early retirement authority.
Sec. 3243. Severance pay.
Sec. 3244. Continued coverage of health care benefits.

Subtitle D—Budget and Financial Management

Sec. 3251. Separate treatment in budget.
Sec. 3252. Planning, programming, and budgeting process.
Sec. 3253. Future-years nuclear security program.

Subtitle E—Miscellaneous Provisions

Sec. 3261. Environmental protection, safety, and health requirements.
Sec. 3262. Compliance with Federal Acquisition Regulation.
Sec. 3263. Sharing of technology with Department of Defense.
Sec. 3264. Use of capabilities of national security laboratories by entities outside Administration.

Subtitle F—Definitions

Sec. 3281. Definitions.

Subtitle G—Amendatory Provisions, Transition Provisions, and Effective Dates

Sec. 3291. Functions transferred.
Sec. 3292. Transfer of funds and employees.
Sec. 3293. Pay levels.
Sec. 3294. Conforming amendments.
Sec. 3295. Transition provisions.
Sec. 3296. Applicability of preexisting laws and regulations.
Sec. 3297. Report containing implementation plan of Secretary of Energy.
Sec. 3298. Classification in United States Code.
Sec. 3299. Effective dates.

SEC. 3201. SHORT TITLE.

This title may be cited as the "National Nuclear Security Administration Act".

SEC. 3202. UNDER SECRETARY FOR NUCLEAR SECURITY OF DEPARTMENT OF ENERGY.

Section 202 of the Department of Energy Organization Act (42 U.S.C. 7132) is amended by adding at the end the following new subsection:

"(c)(1) There shall be in the Department an Under Secretary for Nuclear Security, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall be compensated at the rate provided for at level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(2) The Under Secretary for Nuclear Security shall be appointed from among persons who—

"(A) have extensive background in national security, organizational management, and appropriate technical fields; and

"(B) are well qualified to manage the nuclear weapons, nonproliferation, and materials disposition programs of the National Nuclear Security Administration in a manner that advances and protects the national security of the United States.

"(3) The Under Secretary for Nuclear Security shall serve as the Administrator for Nuclear Security under section 3212 of the National Nuclear Security Administration Act. In carrying out the functions of the Administrator, the Under Secretary shall be subject to the authority, direction, and control of the Secretary. Such authority, direction, and control may be delegated only to the Deputy Secretary of Energy, without redelegation.".

SEC. 3203. ESTABLISHMENT OF POLICY FOR NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) ESTABLISHMENT OF POLICY FOR ADMINISTRATION.—The Department of Energy Organization Act is amended by adding at the end of title II (42 U.S.C. 7131 et seq.) the following new section:

"ESTABLISHMENT OF POLICY FOR NATIONAL NUCLEAR SECURITY ADMINISTRATION

"SEC. 213. (a) The Secretary shall be responsible for establishing policy for the National Nuclear Security Administration.

"(b) The Secretary may direct officials of the Department who are not within the National Nuclear Security Administration to review the programs and activities of the Administration and to make recommendations to the Secretary regarding administration of those programs and activities, including consistency with other similar programs and activities of the Department.

"(c) The Secretary shall have adequate staff to support the Secretary in carrying out the Secretary's responsibilities under this section.".

(b) CLERICAL AMENDMENT.—The table of contents at the beginning of the Department of Energy Organization Act is amended by inserting after the item relating to section 212 the following new item:

"213. Establishment of policy for National Nuclear Security Administration.".

SEC. 3204. ORGANIZATION OF DEPARTMENT OF ENERGY COUNTERINTELLIGENCE AND INTELLIGENCE PROGRAMS AND ACTIVITIES.

(a) ESTABLISHMENT OF OFFICES.—The Department of Energy Organization Act (42 U.S.C. 7101 et seq.) is amended by inserting after section 213, as added by section 3203(a), the following new sections:

"ESTABLISHMENT OF SECURITY, COUNTERINTELLIGENCE, AND INTELLIGENCE POLICIES

"SEC. 214. The Secretary shall be responsible for developing and promulgating the security, counterintelligence, and intelligence policies of the Department. The Secretary may use the immediate staff of the Secretary to assist in developing and promulgating those policies.

"OFFICE OF COUNTERINTELLIGENCE

"SEC. 215. (a) There is within the Department an Office of Counterintelligence.

"(b)(1) The head of the Office shall be the Director of the Office of Counterintelligence, which shall be a position in the Senior Executive Service. The Director of the Office shall report directly to the Secretary.

"(2) The Secretary shall select the Director of the Office from among individuals who have substantial expertise in matters relating to counterintelligence.

"(3) The Director of the Federal Bureau of Investigation may detail, on a reimbursable basis, any employee of the Bureau to the Department for service as Director of the Office. The service of an employee of the Bureau as Director of the Office shall not result in any loss of status, right, or privilege by the employee within the Bureau.

"(c)(1) The Director of the Office shall be responsible for establishing policy for counterintelligence programs and activities at Department facilities in order to reduce the threat of disclosure or loss of classified and other sensitive information at such facilities.

"(2) The Director of the Office shall be responsible for establishing policy for the personnel assurance programs of the Department.

"(3) The Director shall inform the Secretary, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation on a regular basis, and upon specific request by any such official, regarding the status and effectiveness of the counterintelligence programs and activities at Department facilities.

"(d)(1) Not later than March 1 each year, the Director of the Office shall submit a report on the status and effectiveness of the counterintelligence programs and activities at each Department facility during the preceding year. Each such report shall be submitted to the following:

"(A) The Secretary.

"(B) The Director of Central Intelligence.

"(C) The Director of the Federal Bureau of Investigation.

"(D) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

"(E) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

"(2) Each such report shall include for the year covered by the report the following:

"(A) A description of the status and effectiveness of the counterintelligence programs and activities at Department facilities.

"(B) A description of any violation of law or other requirement relating to intelligence, counterintelligence, or security at such facilities, including—

"(i) the number of violations that were investigated; and

"(ii) the number of violations that remain unresolved.

"(C) A description of the number of foreign visitors to Department facilities, including the locations of the visits of such visitors.

"(D) The adequacy of the Department's procedures and policies for protecting national security information, making such recommendations to Congress as may be appropriate.

"(E) A determination of whether each Department of Energy national laboratory is in full compliance with all departmental security requirements and, in the case of any such laboratory that is not, what measures are being taken to bring that laboratory into compliance.

"(3) Not less than 30 days before the date that the report required by paragraph (1) is submitted, the director of each Department of Energy national laboratory shall certify in writing to the Director of the Office whether that laboratory is in full compliance with all departmental security requirements and, if not, what measures are being taken to bring that laboratory into compliance and a schedule for implementing those measures.

"(4) Each report under this subsection as submitted to the committees referred to in subparagraphs (D) and (E) of paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

"OFFICE OF INTELLIGENCE

"SEC. 216. (a) There is within the Department an Office of Intelligence.

"(b)(1) The head of the Office shall be the Director of the Office of Intelligence, which shall be a position in the Senior Executive Service. The Director of the Office shall report directly to the Secretary.

"(2) The Secretary shall select the Director of the Office from among individuals who have substantial expertise in matters relating to foreign intelligence.

"(c) Subject to the authority, direction, and control of the Secretary, the Director of the Office shall perform such duties and exercise such powers as the Secretary may prescribe.".

(b) CLERICAL AMENDMENT.—The table of contents at the beginning of the Department of Energy Organization Act is amended by inserting after the item relating to section 213, as added by section 3203(b), the following new items:

"214. Establishment of security, counterintelligence, and intelligence policies.
"215. Office of Counterintelligence.
"216. Office of Intelligence.".

Subtitle A—Establishment and Organization

SEC. 3211. ESTABLISHMENT AND MISSION.

(a) ESTABLISHMENT.—There is established within the Department of Energy a separately organized agency to be known as the National Nuclear Security Administration (in this title referred to as the "Administration").

(b) MISSION.—The mission of the Administration shall be the following:

(1) To enhance United States national security through the military application of nuclear energy.

(2) To maintain and enhance the safety, reliability, and performance of the United States nuclear weapons stockpile, including the ability to design, produce, and test, in order to meet national security requirements.

(3) To provide the United States Navy with safe, militarily effective nuclear propulsion plants and to ensure the safe and reliable operation of those plants.

(4) To promote international nuclear safety and nonproliferation.

(5) To reduce global danger from weapons of mass destruction.

(6) To support United States leadership in science and technology.

(c) OPERATIONS AND ACTIVITIES TO BE CARRIED OUT CONSISTENT WITH CERTAIN PRINCIPLES.—In carrying out the mission of the Administration, the Administrator shall ensure that all operations and activities of the Administration are consistent with the principles of protecting the environment and safeguarding the safety and health of the public and of the workforce of the Administration.

SEC. 3212. ADMINISTRATOR FOR NUCLEAR SECURITY.

(a) IN GENERAL.—(1) There is at the head of the Administration an Administrator for Nuclear Security (in this title referred to as the "Administrator").

(2) Pursuant to subsection (c) of section 202 of the Department of Energy Organization Act (42 U.S.C. 7132), as added by section 3202 of this Act, the Under Secretary for Nuclear Security of the Department of Energy serves as the Administrator.

(b) FUNCTIONS.—The Administrator has authority over, and is responsible for, all programs and activities of the Administration (except for the functions of the Deputy Administrator for Naval Reactors specified in the Executive order referred to in section 3216(b)), including the following:

(1) Strategic management.

(2) Policy development and guidance.

(3) Budget formulation, guidance, and execution, and other financial matters.

(4) Resource requirements determination and allocation.

(5) Program management and direction.

(6) Safeguards and security.

(7) Emergency management.

(8) Integrated safety management.

(9) Environment, safety, and health operations.

(10) Administration of contracts, including the management and operations of the nuclear weapons production facilities and the national security laboratories.

(11) Intelligence.

(12) Counterintelligence.

(13) Personnel, including the selection, appointment, distribution, supervision, establishing of compensation, and separation of personnel in accordance with subtitle C of this title.

(14) Procurement of services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(15) Legal matters.

(16) Legislative affairs.

(17) Public affairs.

(18) Liaison with other elements of the Department of Energy and with other Federal agencies, State, tribal, and local governments, and the public.

(c) PROCUREMENT AUTHORITY.—The Administrator is the senior procurement executive for the Administration for the purposes of section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

(d) POLICY AUTHORITY.—The Administrator may establish Administration-specific policies, unless disapproved by the Secretary of Energy.

SEC. 3213. STATUS OF ADMINISTRATION AND CONTRACTOR PERSONNEL WITHIN DEPARTMENT OF ENERGY.

(a) STATUS OF ADMINISTRATION PERSONNEL.—Each officer or employee of the Administration, in carrying out any function of the Administration—

(1) shall be responsible to and subject to the authority, direction, and control of—

(A) the Secretary acting through the Administrator and consistent with section 202(c)(3) of the Department of Energy Organization Act;

(B) the Administrator; or

(C) the Administrator's designee within the Administration; and

(2) shall not be responsible to, or subject to the authority, direction, or control of, any other officer, employee, or agent of the Department of Energy.

(b) STATUS OF CONTRACTOR PERSONNEL.—Each officer or employee of a contractor of the Administration, in carrying out any function of the Administration, shall not be responsible to, or subject to the authority, direction, or control of, any officer, employee, or agent of the Department of Energy who is not an employee of the Administration, except for the Secretary of Energy consistent with section 202(c)(3) of the Department of Energy Organization Act.

(c) CONSTRUCTION OF SECTION.—Subsections (a) and (b) may not be interpreted to in any way preclude or interfere with the communication of technical findings derived from, and in accord with, duly authorized activities between (1) the head, or any contractor employee, of a national security laboratory or of a nuclear weapons production facility, and (2) the Department of Energy, the President, or Congress.

SEC. 3214. DEPUTY ADMINISTRATOR FOR DEFENSE PROGRAMS.

(a) IN GENERAL.—There is in the Administration a Deputy Administrator for Defense Programs, who is appointed by the President, by and with the advice and consent of the Senate.

(b) DUTIES.—Subject to the authority, direction, and control of the Administrator, the Deputy Administrator for Defense Programs shall perform such duties and exercise such powers as the Administrator may prescribe, including the following:

(1) Maintaining and enhancing the safety, reliability, and performance of the United States nuclear weapons stockpile, including the ability to design, produce, and test, in order to meet national security requirements.

(2) Directing, managing, and overseeing the nuclear weapons production facilities and the national security laboratories.

(3) Directing, managing, and overseeing assets to respond to incidents involving nuclear weapons and materials.

(c) RELATIONSHIP TO LABORATORIES AND FACILITIES.—The head of each national security laboratory and nuclear weapons production facility shall, consistent with applicable contractual obligations, report to the Deputy Administrator for Defense Programs.

SEC. 3215. DEPUTY ADMINISTRATOR FOR DEFENSE NUCLEAR NONPROLIFERATION.

(a) IN GENERAL.—There is in the Administration a Deputy Administrator for Defense Nuclear Nonproliferation, who is appointed by the President, by and with the advice and consent of the Senate.

(b) DUTIES.—Subject to the authority, direction, and control of the Administrator, the Deputy Administrator for Defense Nuclear Nonproliferation shall perform such duties and exercise such powers as the Administrator may prescribe, including the following:

(1) Preventing the spread of materials, technology, and expertise relating to weapons of mass destruction.

(2) Detecting the proliferation of weapons of mass destruction worldwide.

(3) Eliminating inventories of surplus fissile materials usable for nuclear weapons.

(4) Providing for international nuclear safety.

SEC. 3216. DEPUTY ADMINISTRATOR FOR NAVAL REACTORS.

(a) IN GENERAL.—(1) There is in the Administration a Deputy Administrator for Naval Reactors. The director of the Naval Nuclear Propulsion Program provided for under the Naval Nuclear Propulsion Executive Order shall serve as the Deputy Administrator for Naval Reactors.

(2) Within the Department of Energy, the Deputy Administrator shall report to the Secretary of Energy through the Administrator and shall have direct access to the Secretary and other senior officials in the Department.

(b) DUTIES.—The Deputy Administrator shall be assigned the responsibilities, authorities, and accountability for all functions of the Office of Naval Reactors under the Naval Nuclear Propulsion Executive Order.

(c) EFFECT ON EXECUTIVE ORDER.—Except as otherwise specified in this section and notwithstanding any other provision of this title, the provisions of the Naval Nuclear Propulsion Executive Order remain in full force and effect until changed by law.

(d) NAVAL NUCLEAR PROPULSION EXECUTIVE ORDER.—As used in this section, the Naval Nuclear Propulsion Executive Order is Executive Order Number 12344, dated February 1, 1982 (42 U.S.C. 7158 note) (as in force pursuant to section 1634 of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 42 U.S.C. 7158 note)).

SEC. 3217. GENERAL COUNSEL.

There is a General Counsel of the Administration. The General Counsel is the chief legal officer of the Administration.

SEC. 3218. STAFF OF ADMINISTRATION.

(a) IN GENERAL.—The Administrator shall maintain within the Administration sufficient staff to assist the Administrator in carrying out the duties and responsibilities of the Administrator.

(b) RESPONSIBILITIES.—The staff of the Administration shall perform, in accordance with applicable law, such of the functions of the Administrator as the Administrator shall prescribe. The Administrator shall assign to the staff responsibility for the following functions:

(1) Personnel.

(2) Legislative affairs.

(3) Public affairs.

(4) Liaison with other elements of the Department of Energy and with other Federal agencies, State, tribal, and local governments, and the public.

Subtitle B—Matters Relating to Security

SEC. 3231. PROTECTION OF NATIONAL SECURITY INFORMATION.

(a) Policies and Procedures Required.—The Administrator shall establish procedures to ensure the maximum protection of classified information in the possession of the Administration.

(b) Prompt Reporting.—The Administrator shall establish procedures to ensure prompt reporting to the Administrator of any significant problem, abuse, violation of law or Executive order, or deficiency relating to the management of classified information by personnel of the Administration.

SEC. 3232. OFFICE OF DEFENSE NUCLEAR COUNTERINTELLIGENCE AND OFFICE OF DEFENSE NUCLEAR SECURITY.

(a) Establishment.—(1) There are within the Administration—

(A) an Office of Defense Nuclear Counterintelligence; and

(B) an Office of Defense Nuclear Security.

(2) Each office established under paragraph (1) shall be headed by a Chief appointed by the Secretary of Energy. The Administrator shall recommend to the Secretary suitable candidates for each such position.

(b) Chief of Defense Nuclear Counterintelligence.—(1) The head of the Office of Defense Nuclear Counterintelligence is the Chief of Defense Nuclear Counterintelligence, who shall report to the Administrator and shall implement the counterintelligence policies directed by the Secretary and Administrator.

(2) The Secretary shall appoint the Chief, in consultation with the Director of the Federal Bureau of Investigation, from among individuals who have special expertise in counterintelligence. If an individual to serve as the Chief of Defense Nuclear Counterintelligence is a Federal employee of an entity other than the Administration, the service of that employee as Chief shall not result in any loss of employment status, right, or privilege by that employee.

(3) The Chief shall have direct access to the Secretary and all other officials of the Department and the contractors of the Department concerning counterintelligence matters.

(4) The Chief shall be responsible for—

(A) the development and implementation of the counterintelligence programs of the Administration to prevent the disclosure or loss of classified or other sensitive information; and

(B) the development and administration of personnel assurance programs within the Administration.

(c) Chief of Defense Nuclear Security.—(1) The head of the Office of Defense Nuclear Security is the Chief of Defense Nuclear Security, who shall report to the Administrator and shall implement the security policies directed by the Secretary and Administrator.

(2) The Chief shall have direct access to the Secretary and all other officials of the Department and the contractors of the Department concerning security matters.

(3) The Chief shall be responsible for the development and implementation of security programs for the Administration, including the protection, control and accounting of materials, and for the physical and cyber security for all facilities of the Administration.

SEC. 3233. COUNTERINTELLIGENCE PROGRAMS.

(a) National Security Laboratories and Nuclear Weapons Production Facilities.—The Administrator shall, at each national security laboratory and nuclear weapons production facility, establish and maintain a counterintelligence program adequate to protect national security information at that laboratory or production facility.

(b) Other Facilities.—The Administrator shall, at each Administration facility not described in subsection (a) at which Restricted Data is located, assign an employee of the Office of Defense Nuclear Counterintelligence who shall be responsible for and assess counterintelligence matters at that facility.

SEC. 3234. PROCEDURES RELATING TO ACCESS BY INDIVIDUALS TO CLASSIFIED AREAS AND INFORMATION OF ADMINISTRATION.

The Administrator shall establish appropriate procedures to ensure that any individual is not permitted unescorted access to any classified area, or access to classified information, of the Administration until that individual has been verified to hold the appropriate security clearances.

SEC. 3235. GOVERNMENT ACCESS TO INFORMATION ON ADMINISTRATION COMPUTERS.

(a) Procedures Required.—The Administrator shall establish procedures to govern access to information on Administration computers. Those procedures shall, at a minimum, provide that any individual who has access to information on an Administration computer shall be required as a condition of such access to provide to the Administrator written consent which permits access by an authorized investigative agency to any Administration computer used in the performance of the duties of such employee during the period of that individual's access to information on an Administration computer and for a period of three years thereafter.

(b) Expectation of Privacy in Administration Computers.—Notwithstanding any other provision of law (including any provision of law enacted by the Electronic Communications Privacy Act of 1986), no user of an Administration computer shall have any expectation of privacy in the use of that computer.

(c) Definition.—For purposes of this section, the term "authorized investigative agency" means an agency authorized by law or regulation to conduct a counterintelligence investigation or investigations of persons who are proposed for access to classified information to ascertain whether such persons satisfy the criteria for obtaining and retaining access to such information.

SEC. 3236. CONGRESSIONAL OVERSIGHT OF SPECIAL ACCESS PROGRAMS.

(a) Annual Report on Special Access Programs.—(1) Not later than February 1 of each year, the Administrator shall submit to the congressional defense committees a report on special access programs of the Administration.

(2) Each such report shall set forth—

(A) the total amount requested for such programs in the President's budget for the next fiscal year submitted under section 1105 of title 31, United States Code; and

(B) for each such program in that budget, the following:

(i) A brief description of the program.

(ii) A brief discussion of the major milestones established for the program.

(iii) The actual cost of the program for each fiscal year during which the program has been conducted before the fiscal year during which that budget is submitted.

(iv) The estimated total cost of the program and the estimated cost of the program for (I) the current fiscal year, (II) the fiscal year for which the budget is submitted, and (III) each of the four succeeding fiscal years during which the program is expected to be conducted.

(b) Annual Report on New Special Access Programs.—(1) Not later than February 1 of each year, the Administrator shall submit to the congressional defense committees a report that, with respect to each new special access program, provides—

(A) notice of the designation of the program as a special access program; and

(B) justification for such designation.

(2) A report under paragraph (1) with respect to a program shall include—

(A) the current estimate of the total program cost for the program; and

(B) an identification of existing programs or technologies that are similar to the technology, or that have a mission similar to the mission, of the program that is the subject of the notice.

(3) In this subsection, the term "new special access program" means a special access program that has not previously been covered in a notice and justification under this subsection.

(c) Reports on Changes in Classification of Special Access Programs.—(1) Whenever a change in the classification of a special access program of the Administration is planned to be made or whenever classified information concerning a special access program of the Administration is to be declassified and made public, the Administrator shall submit to the congressional defense committees a report containing a description of the proposed change, the reasons for the proposed change, and notice of any public announcement planned to be made with respect to the proposed change.

(2) Except as provided in paragraph (3), any report referred to in paragraph (1) shall be submitted not less than 14 days before the date on which the proposed change or public announcement is to occur.

(3) If the Administrator determines that because of exceptional circumstances the requirement of paragraph (2) cannot be met with respect to a proposed change or public announcement concerning a special access program of the Administration, the Administrator may submit the report required by paragraph (1) regarding the proposed change or public announcement at any time before the proposed change or public announcement is made and shall include in the report an explanation of the exceptional circumstances.

(d) Notice of Change in SAP Designation Criteria.—Whenever there is a modification or termination of the policy and criteria used for designating a program of the Administration as a special access program, the Administrator shall promptly notify the congressional defense committees of such modification or termination. Any such notification shall contain the reasons for the modification or termination and, in the case of a modification, the provisions of the policy as modified.

(e) Waiver Authority.—(1) The Administrator may waive any requirement under subsection (a), (b), or (c) that certain information be included in a report under that subsection if the Administrator determines that inclusion of that information in the report would adversely affect the national security. The Administrator may waive the report-and-wait requirement in subsection (f) if the Administrator determines that compliance with such requirement would adversely affect the national security. Any waiver under this paragraph shall be made on a case-by-case basis.

(2) If the Administrator exercises the authority provided under paragraph (1), the Administrator shall provide the information described in that subsection with respect to the special access program concerned, and the justification for the waiver, jointly to the chairman and ranking minority member of each of the congressional defense committees.

(f) Report and Wait for Initiating New Programs.—A special access program may not be initiated until—

(1) the congressional defense committees are notified of the program; and

(2) a period of 30 days elapses after such notification is received.

Subtitle C—Matters Relating to Personnel

SEC. 3241. AUTHORITY TO ESTABLISH CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL POSITIONS.

The Administrator may, for the purposes of carrying out the responsibilities of the Administrator under this title, establish not more than 300 scientific, engineering, and technical positions in the Administration, appoint individuals to such positions, and fix the compensation of such individuals. Subject to the limitations in the preceding sentence, the authority of the Administrator to make appointments and fix compensation with respect to positions in the Administration under this section shall be equivalent to, and subject to the limitations of, the authority under section 161 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2201(d)) to make appointments and fix compensation with respect to officers and employees described in such section.

SEC. 3242. VOLUNTARY EARLY RETIREMENT AUTHORITY.

(a) AUTHORITY.—An employee of the Department of Energy who is separated from the service under conditions described in subsection (b) after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an annuity in accordance with the provisions in chapter 83 or 84 of title 5, United States Code, as applicable.

(b) CONDITIONS OF SEPARATION.—Subsection (a) applies to an employee who—

(1) has been employed continuously by the Department of Energy for more than 30 days before the date on which the Secretary of Energy makes the determination required under paragraph (4)(A);

(2) is serving under an appointment that is not limited by time;

(3) has not received a decision notice of involuntary separation for misconduct or unacceptable performance that is pending decision; and

(4) is separated from the service voluntarily during a period with respect to which—

(A) the Secretary of Energy determines that the Department of Energy is undergoing a major reorganization as a result of the establishment of the National Nuclear Security Administration; and

(B) the employee is within the scope of an offer of voluntary early retirement (as defined by organizational unit, occupational series or level, geographical location, any other similar factor that the Office of Personnel Management determines appropriate, or any combination of such definitions of scope), as determined by the Secretary under regulations prescribed by the Office.

(c) TREATMENT OF EMPLOYEES.—For purposes of chapters 83 and 84 of title 5, United States Code (including for purposes of computation of an annuity under such chapters), an employee entitled to an annuity under this section shall be treated as an employee entitled to an annuity under section 8336(d) or 8414(b) of such title, as applicable.

(d) DEFINITIONS.—As used in this section, the terms "employee" and "annuity"—

(1) with respect to individuals covered by the Civil Service Retirement System established in subchapter III of chapter 83 of title 5, United States Code, have the meaning of such terms as used in such chapter; and

(2) with respect to individuals covered by the Federal Employees Retirement System established in chapter 84 of such title, have the meaning of such terms as used in such chapter.

(e) LIMITATION AND TERMINATION OF AUTHORITY.—The authority provided in subsection (a)—

(1) may be applied with respect to a total of not more than 600 employees of the Department of Energy; and

(2) shall expire on September 30, 2003.

SEC. 3243. SEVERANCE PAY.

Section 5595 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(j)(1) In the case of an employee of the Department of Energy who is entitled to severance pay under this section as a result of the establishment of the National Nuclear Security Administration, the Secretary of Energy may, upon application by the employee, pay the total amount of the severance pay to the employee in one lump sum.

"(2)(A) If an employee paid severance pay in a lump sum under this subsection is reemployed by the Government of the United States or the government of the District of Columbia at such time that, had the employee been paid severance pay in regular pay periods under subsection (b), the payments of such pay would have been discontinued under subsection (d) upon such reemployment, the employee shall repay to the Department of Energy an amount equal to the amount of severance pay to which the employee was entitled under this section that would not have been paid to the employee under subsection (d) by reason of such reemployment.

"(B) The period of service represented by an amount of severance pay repaid by an employee under subparagraph (A) shall be considered service for which severance pay has not been received by the employee under this section.

"(C) Amounts repaid to the Department of Energy under this paragraph shall be credited to the appropriation available for the pay of employees of the agency for the fiscal year in which received. Amounts so credited shall be merged with, and shall be available for the same purposes and the same period as, the other funds in that appropriation.

"(3) If an employee fails to repay to the Department of Energy an amount required to be repaid under paragraph (2)(A), that amount is recoverable from the employee as a debt due the United States.".

SEC. 3244. CONTINUED COVERAGE OF HEALTH CARE BENEFITS.

Section 8905a(d)(4)(A) of title 5, United States Code, is amended by inserting ", or the Department of Energy due to a reduction in force resulting from the establishment of the National Nuclear Security Administration" after "reduction in force".

Subtitle D—Budget and Financial Management

SEC. 3251. SEPARATE TREATMENT IN BUDGET.

(a) PRESIDENT'S BUDGET.—In each budget submitted by the President to the Congress under section 1105 of title 31, United States Code, amounts requested for the Administration shall be set forth separately within the other amounts requested for the Department of Energy.

(b) BUDGET JUSTIFICATION MATERIALS.—In the budget justification materials submitted to Congress in support of each such budget, the amounts requested for the Administration shall be specified in individual, dedicated program elements.

SEC. 3252. PLANNING, PROGRAMMING, AND BUDGETING PROCESS.

The Administrator shall establish procedures to ensure that the planning, programming, budgeting, and financial activities of the Administration comport with sound financial and fiscal management principles. Those procedures shall, at a minimum, provide for the planning, programming, and budgeting of activities of the Administration using funds that are available for obligation for a limited number of years.

SEC. 3253. FUTURE-YEARS NUCLEAR SECURITY PROGRAM.

(a) SUBMISSION TO CONGRESS.—The Administrator shall submit to Congress each year, at or about the time that the President's budget is submitted to Congress that year under section 1105(a) of title 31, United States Code, a future-years nuclear security program (including associated annexes) reflecting the estimated expenditures and proposed appropriations included in that budget. Any such future-years nuclear security program shall cover the fiscal year with respect to which the budget is submitted and at least the four succeeding fiscal years.

(b) ELEMENTS.—Each future-years nuclear security program shall contain the following:

(1) The estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the Administration during the five-fiscal year period covered by the program, expressed in a level of detail comparable to that contained in the budget submitted by the President to Congress under section 1105 of title 31, United States Code.

(2) A description of the anticipated workload requirements for each Administration site during that five-fiscal year period.

(c) EFFECT OF BUDGET ON STOCKPILE.—The Administrator shall include in the materials the Administrator submits to Congress in support of the budget for any fiscal year that is submitted by the President pursuant to section 1105 of title 31, United States Code, a description of how the funds identified for each program element in the weapons activities budget of the Administration for such fiscal year will help ensure that the nuclear weapons stockpile is safe and reliable as determined in accordance with the criteria established under 3158 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2257; 42 U.S.C. 2121 note).

(d) CONSISTENCY IN BUDGETING.—(1) The Administrator shall ensure that amounts described in subparagraph (A) of paragraph (2) for any fiscal year are consistent with amounts described in subparagraph (B) of paragraph (2) for that fiscal year.

(2) Amounts referred to in paragraph (1) are the following:

(A) The amounts specified in program and budget information submitted to Congress by the Administrator in support of expenditure estimates and proposed appropriations in the budget submitted to Congress by the President under section 1105(a) of title 31, United States Code, for any fiscal year, as shown in the future-years nuclear security program submitted pursuant to subsection (a).

(B) The total amounts of estimated expenditures and proposed appropriations necessary to support the programs, projects, and activities of the Administration included pursuant to paragraph (5) of section 1105(a) of such title in the budget submitted to Congress under that section for any fiscal year.

(e) TREATMENT OF MANAGEMENT CONTINGENCIES.—Nothing in this section shall be construed to prohibit the inclusion in the future-years nuclear security program of amounts for management contingencies, subject to the requirements of subsection (d).

Subtitle E—Miscellaneous Provisions

SEC. 3261. ENVIRONMENTAL PROTECTION, SAFETY, AND HEALTH REQUIREMENTS.

(a) COMPLIANCE REQUIRED.—The Administrator shall ensure that the Administration complies with all applicable environmental, safety, and health statutes and substantive requirements.

(b) PROCEDURES REQUIRED.—The Administrator shall develop procedures for meeting such requirements.

(c) RULE OF CONSTRUCTION.—Nothing in this title shall diminish the authority of the Secretary of Energy to ascertain and ensure that such compliance occurs.

SEC. 3262. COMPLIANCE WITH FEDERAL ACQUISITION REGULATION.

The Administrator shall establish procedures to ensure that the mission and programs of the Administration are executed in full compliance with all applicable provisions of the Federal Acquisition Regulation issued pursuant to the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.).

SEC. 3263. SHARING OF TECHNOLOGY WITH DEPARTMENT OF DEFENSE.

The Administrator shall, in cooperation with the Secretary of Defense, establish procedures and programs to provide for the sharing of technology, technical capability, and expertise between the Administration and the Department of Defense to further national security objectives.

SEC. 3264. USE OF CAPABILITIES OF NATIONAL SECURITY LABORATORIES BY ENTITIES OUTSIDE ADMINISTRATION.

The Secretary, in consultation with the Administrator, shall establish appropriate procedures to provide for the use, in a manner consistent with the national security mission of the Administration under section 3211(b), of the capabilities of the national security laboratories by elements of the Department of Energy not within the Administration, other Federal agencies, and other appropriate entities, including the use of those capabilities to support efforts to defend against weapons of mass destruction.

Subtitle F—Definitions

SEC. 3281. DEFINITIONS.

For purposes of this title:

(1) The term "national security laboratory" means any of the following:

(A) Los Alamos National Laboratory, Los Alamos, New Mexico.

(B) Sandia National Laboratories, Albuquerque, New Mexico, and Livermore, California.

(C) Lawrence Livermore National Laboratory, Livermore, California.

(2) The term "nuclear weapons production facility" means any of the following:

(A) The Kansas City Plant, Kansas City, Missouri.

(B) The Pantex Plant, Amarillo, Texas.

(C) The Y–12 Plant, Oak Ridge, Tennessee.

(D) The tritium operations facilities at the Savannah River Site, Aiken, South Carolina.

(E) The Nevada Test Site, Nevada.

(F) Any facility of the Department of Energy that the Secretary of Energy, in consultation with the Administrator and the Congress, determines to be consistent with the mission of the Administration.

(3) The term "classified information" means any information that has been determined pursuant to Executive Order No. 12333 of December 4, 1981 (50 U.S.C. 401 note), Executive Order No. 12958 of April 17, 1995 (50 U.S.C. 435 note), or successor orders, to require protection against unauthorized disclosure and that is so designated.

(4) The term "Restricted Data" has the meaning given such term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

(5) The term "congressional defense committees" means—

(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

Subtitle G—Amendatory Provisions, Transition Provisions, and Effective Dates

SEC. 3291. FUNCTIONS TRANSFERRED.

(a) Transfers.—There are hereby transferred to the Administrator all national security functions and activities performed immediately before the date of the enactment of this Act by the following elements of the Department of Energy:

(1) The Office of Defense Programs.

(2) The Office of Nonproliferation and National Security.

(3) The Office of Fissile Materials Disposition.

(4) The nuclear weapons production facilities.

(5) The national security laboratories.

(6) The Office of Naval Reactors.

(b) Authority to Transfer Additional Functions.—The Secretary of Energy may transfer to the Administrator any other facility, mission, or function that the Secretary, in consultation with the Administrator and Congress, determines to be consistent with the mission of the Administration.

(c) Environmental Remediation and Waste Management Activities.—In the case of any environmental remediation and waste management activity of any element specified in subsection (a), the Secretary of Energy may determine to transfer responsibility for that activity to another element of the Department.

SEC. 3292. TRANSFER OF FUNDS AND EMPLOYEES.

(a) Transfer of Funds.—(1) Any balance of appropriations that the Secretary of Energy determines is available and needed to finance or discharge a function, power, or duty or an activity that is transferred to the Administration shall be transferred to the Administration and used for any purpose for which those appropriations were originally available. Balances of appropriations so transferred shall—

(A) be credited to any applicable appropriation account of the Administration; or

(B) be credited to a new account that may be established on the books of the Department of the Treasury;

and shall be merged with the funds already credited to that account and accounted for as one fund.

(2) Balances of appropriations credited to an account under paragraph (1)(A) are subject only to such limitations as are specifically applicable to that account. Balances of appropriations credited to an account under paragraph (1)(B) are subject only to such limitations as are applicable to the appropriations from which they are transferred.

(b) Personnel.—(1) With respect to any function, power, or duty or activity of the Department of Energy that is transferred to the Administration, those employees of the element of the Department of Energy from which the transfer is made that the Secretary of Energy determines are needed to perform that function, power, or duty, or for that activity, as the case may be, shall be transferred to the Administration.

(2) The authorized strength in civilian employees of any element of the Department of Energy from which employees are transferred under this section is reduced by the number of employees so transferred.

SEC. 3293. PAY LEVELS.

(a) Under Secretary for Nuclear Security.—Section 5314 of title 5, United States Code, is amended by striking "Under Secretary, Department of Energy" and inserting "Under Secretaries of Energy (2)".

(b) Deputy Administrators.—Section 5315 of such title is amended by adding at the end the following new item:

"Deputy Administrators of the National Nuclear Security Administration (3), but if the Deputy Administrator for Naval Reactors is an officer of the Navy on active duty, (2).".

SEC. 3294. CONFORMING AMENDMENTS.

(a) Reduction in Number of Assistant Secretaries of Energy.—(1) Section 5315 of title 5, United States Code, is amended by striking "(8)" after "Assistant Secretaries of Energy" and inserting "(6)".

(2) Subsection (a) of section 203 of the Department of Energy Organization Act (42 U.S.C. 7133) is amended in the first sentence by striking "eight" and inserting "six".

(b) Functions Required to Be Assigned to Assistant Secretaries of Energy.—Subsection (a) of section 203 of the Department of Energy Organization Act (42 U.S.C. 7133) is amended by striking paragraph (5).

(c) Office of Naval Reactors.—Section 309 of the Department of Energy Organization Act (42 U.S.C. 7158) is amended—

(1) by striking subsection (b);

(2) by striking "(a)"; and

(3) by striking "Assistant Secretary to whom the Secretary has assigned the function listed in section 203(a)(2)(E)" and inserting "Under Secretary for Nuclear Security".

(d) Office of Fissile Materials Disposition.—(1) Section 212 of the Department of Energy Organization Act (42 U.S.C. 7143) is repealed.

(2) The table of contents at the beginning of such Act is amended by striking the item relating to section 212.

(e) Repeal of Restated Provision Relating to DOE Special Access Programs; Conforming Amendment.—(1)(A) Section 93 of the Atomic Energy Act of 1954 (42 U.S.C. 2122a) is repealed.

(B) The table of contents at the beginning of such Act is amended by striking the item relating to section 93.

(2) Clause (ii) of section 1152(g)(1)(B) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 50 U.S.C. 435 note) is amended to read as follows:

"(ii) the National Nuclear Security Administration (which is required to submit reports on special access programs under section 3237 of the National Nuclear Security Administration Act); or".

(f) Repeal of Five-Year Budget Requirement for DOE National Security Programs.—Section 3155 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2841; 42 U.S.C. 7271b) is repealed.

SEC. 3295. TRANSITION PROVISIONS.

(a) Compliance With Financial Principles.—(1) The Under Secretary of Energy for Nuclear Security shall ensure that the compliance with sound financial and fiscal management principles specified in section 3252 is achieved not later than October 1, 2000.

(2) In carrying out paragraph (1), the Under Secretary of Energy for Nuclear Security shall conduct a review and develop a plan to bring applicable activities of the Administration into full compliance with those principles not later than such date.

(3) Not later than January 1, 2000, the Under Secretary of Energy for Nuclear Security shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of that review and a description of that plan.

(b) Initial Report for Future-Years Nuclear Security Program.—The first report under section 3253 shall be submitted in conjunction with the budget submitted for fiscal year 2001.

(c) Procedures for Computer Access.—The regulations to implement the procedures under section 3235 shall be prescribed not later than 90 days after the effective date of this title.

(d) Compliance With FAR.—(1) The Under Secretary of Energy for Nuclear Security shall ensure that the compliance with the Federal Acquisition Regulation specified in section 3262 is achieved not later than October 1, 2000.

(2) In carrying out paragraph (1), the Under Secretary of Energy for Nuclear Security shall conduct a review and develop a plan to bring applicable activities of the Administration into full compliance with the Federal Acquisition Regulation not later than such date.

(3) Not later than January 1, 2000, the Under Secretary of Energy for Nuclear Security shall

submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of that review and a description of that plan.

SEC. 3296. APPLICABILITY OF PREEXISTING LAWS AND REGULATIONS.

Unless otherwise provided in this title, all provisions of law and regulations in effect immediately before the effective date of this title that are applicable to functions of the Department of Energy specified in section 3291 shall continue to apply to the corresponding functions of the Administration.

SEC. 3297. REPORT CONTAINING IMPLEMENTATION PLAN OF SECRETARY OF ENERGY.

Not later than January 1, 2000, the Secretary of Energy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the Secretary's plan for the implementation of the provisions of this title.

SEC. 3298. CLASSIFICATION IN UNITED STATES CODE.

Subtitles A through F of this title (other than provisions of those subtitles amending existing provisions of law) shall be classified to the United States Code as a new chapter of title 50, United States Code.

SEC. 3299. EFFECTIVE DATES.

(a) In General.—Except as provided in subsection (b), the provisions of this title shall take effect on March 1, 2000.

(b) Exceptions.—(1) Sections 3202, 3204, 3251, 3295, and 3297 shall take effect on the date of the enactment of this Act.

(2) Sections 3234 and 3235 shall take effect on the date of the enactment of this Act. During the period beginning on the date of the enactment of this Act and ending on the effective date of this title, the Secretary of Energy shall carry out those sections and any reference in those sections to the Administrator and the Administration shall be treated as references to the Secretary and the Department of Energy, respectively.

TITLE XXXIII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3301. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2000, $17,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIV—NATIONAL DEFENSE STOCKPILE

Sec. 3401. Authorized uses of stockpile funds.
Sec. 3402. Disposal of certain materials in National Defense Stockpile.
Sec. 3403. Limitations on previous authority for disposal of stockpile materials.

SEC. 3401. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) Obligation of Stockpile Funds.—During fiscal year 2000, the National Defense Stockpile Manager may obligate up to $78,700,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) Additional Obligations.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) Limitations.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3402. DISPOSAL OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) Disposal Required.—Subject to subsection (c), the President shall make disposals from the National Defense Stockpile of materials in quantities as follows:

(1) Beryllium metal, 250 short tons.

(2) Chromium ferro alloy, 496,204 short tons.

(3) Chromium metal, 5,000 short tons.

(4) Palladium, 497,271 troy ounces.

(b) Management of Disposal To Achieve Objectives for Receipts.—The President shall manage the disposal of materials under subsection (a) so as to result in receipts to the United States in amounts equal to—

(1) $10,000,000 during fiscal year 2000;

(2) $100,000,000 during the 5-fiscal year period ending September 30, 2004; and

(3) $300,000,000 during the 10-fiscal year period ending September 30, 2009.

(c) Minimization of Disruption and Loss.—The President may not dispose of the material under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) Disposition of Receipts.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials under subsection (a) shall be deposited into the general fund of the Treasury.

(e) Relationship to Other Disposal Authority.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(f) Increased Receipts Under Prior Disposal Authority.—(1) Section 3303(a)(2) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat 2855; 50 U.S.C. 98d note) is amended by striking "$612,000,000" and inserting "$720,000,000".

(2) Section 3305(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat 2057; 50 U.S.C. 98d note) is amended—

(A) in paragraph (2), by striking "$30,000,000" and inserting "$50,000,000";

(B) in paragraph (3), by striking "$34,000,000" and inserting "$64,000,000"; and

(C) in paragraph (4), by striking "$34,000,000" and inserting "$67,000,000".

(g) Elimination of Disposal Restrictions on Earlier Disposal Authority.—Section 3303 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 629) is repealed.

SEC. 3403. LIMITATIONS ON PREVIOUS AUTHORITY FOR DISPOSAL OF STOCKPILE MATERIALS.

(a) Public Law 105–261 Authority.—Section 3303(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2263; 50 U.S.C. 98d note) is amended—

(1) by striking "(b) Limitation on Disposal Quantity.—" and inserting "(b) Limitations on Disposal Authority.—(1)"; and

(2) by adding at the end the following:

"(2) The President may not dispose of materials under this section in excess of the disposals necessary to result in receipts in the amounts specified in subsection (a).".

(b) Public Law 105–85 Authority.—Section 3305(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2058; 50 U.S.C. 98d note) is amended—

(1) by striking "(b) Limitation on Disposal Quantity.—" and inserting "(b) Limitations on Disposal Authority.—(1)"; and

(2) by adding at the end the following:

"(2) The President may not dispose of cobalt under this section in excess of the disposals necessary to result in receipts in the amounts specified in subsection (a).".

(c) Public Law 104–201 Authority.—Section 3303(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2855; 50 U.S.C. 98d note) is amended—

(1) by striking "(b) Limitation on Disposal Quantity.—" and inserting "(b) Limitations on Disposal Authority.—(1)"; and

(2) by adding at the end the following:

"(2) The President may not dispose of materials under this section in excess of the disposals necessary to result in receipts in the amounts specified in subsection (a).".

TITLE XXXV—PANAMA CANAL COMMISSION

Sec. 3501. Short title.
Sec. 3502. Authorization of expenditures.
Sec. 3503. Purchase of vehicles.
Sec. 3504. Office of Transition Administration.
Sec. 3505. Expenditures only in accordance with treaties.

SEC. 3501. SHORT TITLE.

This title may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 2000".

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) In General.—Subject to subsection (b), the Panama Canal Commission is authorized to use amounts in the Panama Canal Revolving Fund to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for the period October 1, 1999, through noon on December 31, 1999.

(b) Limitations.—For the period described in subsection (a), the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $75,000 for official reception and representation expenses, of which—

(1) not more than $21,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $10,500 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $43,500 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any other provision of law, the funds available to the Panama Canal Commission shall be available for the purchase and transportation to the Republic of Panama of replacement passenger motor vehicles, the purchase price of which shall not exceed $26,000 per vehicle.

SEC. 3504. OFFICE OF TRANSITION ADMINISTRATION.

(a) Expenditures From Panama Canal Commission Dissolution Fund.—Section 1305(c)(5) of the Panama Canal Act of 1979 (22 U.S.C. 3714a(c)(5)) is amended by inserting "(A)" after "(5)" and by adding at the end the following:

"(B) The office established by subsection (b) is authorized to expend or obligate funds from the Fund for the purposes enumerated in clauses (i) and (ii) of paragraph (2)(A) until October 1, 2004.".

(b) Operation of the Office of Transition Administration.—

(1) IN GENERAL.—The Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) shall continue to govern the Office of Transition Administration until October 1, 2004.

(2) PROCUREMENT.—For purposes of exercising authority under the procurement laws of the United States, the director of the Office of Transition Administration shall have the status of the head of an agency.

(3) OFFICES.—The Office of Transition Administration shall have offices in the Republic of Panama and in the District of Columbia. Section 1110(b)(1) of the Panama Canal Act of 1973 (22 U.S.C. 3620(b)(1)) does not apply to such office in the Republic of Panama.

(4) OFFICE OF TRANSITION ADMINISTRATION DEFINED.—In this subsection the term "Office of Transition Administration" means the office established under section 1305 of the Panama Canal Act of 1979 (22 U.S.C. 3714a) to close out the affairs of the Panama Canal Commission.

(5) EFFECTIVE DATE.—This subsection shall be effective on and after the termination of the Panama Canal Treaty of 1977.

(c) OVERSIGHT OF CLOSE-OUT ACTIVITIES.—The Panama Canal Commission shall enter into an agreement with the head of a department or agency of the Federal Government to supervise the close out of the affairs of the Commission under section 1305 of the Panama Canal Act of 1979 and to certify the completion of that function.

SEC. 3505. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

Expenditures authorized under this title may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

TITLE XXXVI—MARITIME ADMINISTRATION

Sec. 3601. Short title.
Sec. 3602. Authorization of appropriations for fiscal year 2000.
Sec. 3603. Extension of war risk insurance authority.
Sec. 3604. Ownership of the JEREMIAH O'BRIEN.

SEC. 3601. SHORT TITLE.

This title may be cited as the "Maritime Administration Authorization Act for Fiscal Year 2000".

SEC. 3602. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2000.

Funds are hereby authorized to be appropriated, to be available without fiscal year limitation if so provided in appropriations Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $79,764,000 for fiscal year 2000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.), $14,893,000 for fiscal year 2000, of which—

(A) $11,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $3,893,000 is for administrative expenses related to loan guarantee commitments under the program.

SEC. 3603. EXTENSION OF WAR RISK INSURANCE AUTHORITY.

Section 1214 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1294) is amended by striking "June 30, 2000" and inserting "June 30, 2005".

SEC. 3604. OWNERSHIP OF THE JEREMIAH O'BRIEN.

Section 3302(l)(1)(C) of title 46, United States Code, is amended by striking "owned by the United States Maritime Administration" and inserting "owned by the National Liberty Ship Memorial, Inc.".

And the House agree to the same.

From the Committee on Armed Services, for consideration of the Senate bill and the House amendment, and modifications committed to conference:

FLOYD SPENCE,
BOB STUMP,
DUNCAN HUNTER,
HERBERT H. BATEMAN,
JAMES V. HANSEN,
CURT WELDON,
JOEL HEFLEY,
JIM SAXTON,
STEVE BUYER,
TILLIE K. FOWLER,
JOHN M. MCHUGH,
JAMES TALENT,
TERRY EVERETT,
ROSCOE G. BARTLETT,
HOWARD "BUCK" MCKEON,
J.C. WATTS, Jr.,
MAC THORNBERRY,
JOHN HOSTETTLER,
SAXBY CHAMBLISS,
VAN HILLEARY,
IKE SKELTON
(except sec. 32),
NORMAN SISISKY,
JOHN M. SPRATT, Jr.
(except for 27 and 32)
SOLOMON P. ORTIZ,
OWEN PICKETT,
LANE EVANS,
GENE TAYLOR,
NEIL ABERCROMBIE,
MARTY MEEHAN,
ROBERT A. UNDERWOOD,
SILVESTER REYES,
JIM TURNER,
LORETTA SANCHEZ,
ELLEN O. TAUSCHER
(except sec. 32),
ROBERT E. ANDREWS,
JOHN B. LARSON,
PORTER J. GOSS,
JERRY LEWIS,

From the Committee on Banking and Financial Services, for consideration of section 1059 of the Senate bill and section 1409 of the House bill, and modifications committed to conference:

BILL MCCOLLUM,
SPENCER BACHUS,
JOHN J. LAFALCE,

From the Committee on Education and the Workforce, for consideration of sections 579 and 698 of the Senate bill, and sections 341, 343, 549, 567, and 673 of the House amendment, and modifications committed to conference:

BILL GOODLING,
NATHAN DEAL,
PATSY T. MINK,

From the Committee on Government Reform, for consideration of sections 538, 652, 654, 805–810, 1004, 1052–54, 1080, 1101–07, 2831, 2862, 3160, 3161, 3163, and 3173 of the Senate bill, and sections 522, 524, 525, 661–64, 672, 802, 1101–05, 2802, and 3162 of the House amendment, and modifications committed to conference:

DAN BURTON,
JOE SCARBOROUGH,

Provided that Mr. Horn is appointed in lieu of Mr. Scarborough for consideration of sections 538, 805–810, 1052–54, 1080, 2831, 2862, 3160, and 3161 of the Senate bill and sections 802 and 2802 of the House amendment, and modifications committed to conference:

STEPHEN HORN,

From the Committee on House Administration, for consideration of section 1303 of the Senate bill and modifications committed to conference:

WM. THOMAS,
JOHN BOEHNER,
STENY H. HOYER,

From the Committee on International Relations, for consideration of sections 1013, 1043, 1044, 1046, 1066, 1071, 1072, and 1083 of the Senate bill, and sections 1202, 1206, 1301–07, 1404, 1407, 1408, 1411, and 1413 of the House amendment, and modifications committed to conference:

BENJAMIN A. GILMAN,
DOUG BEREUTER,

From the Committee on the Judiciary, for consideration of sections 3156 and 3163 of the Senate bill, and sections 3166 and 3194 of the House amendment, and modifications committed to conference:

HENRY HYDE,
BILL MCCOLLUM,

From the Committee on Resources, for consideration of sections 601, 602, 695, 2833, and 2861 of the Senate bill, and sections 365, 601, 602, 653, 654, and 2863 of the House amendment, and modifications committed to conference:

DON YOUNG,
BILLY TAUZIN,

From the Committee on Transportation and Infrastructure, for consideration of sections 601, 602, 1060, 1079, and 1080 of the Senate bill, and sections 361, 601, 602, and 3404 of the House amendment, and modifications committed to conference:

BUD SHUSTER,
WAYNE T. GILCHREST,
PETER DEFAZIO,

From the Committee on Veterans' Affairs, for consideration of sections 671–75, 681, 682, 696, 697, 1062, and 1066 of the Senate bill, and modifications committed to conference:

MICHAEL BILIRAKIS,
JACK QUINN,
Managers on the Part of the House.

JOHN WARNER,
STROM THURMOND,
JOHN MCCAIN,
BOB SMITH,
JAMES M. INHOFE,
RICK SANTORUM,
OLYMPIA SNOWE,
PAT ROBERTS,
WAYNE ALLARD,
TIM HUTCHINSON,
JEFF SESSIONS,
ROBERT C. BYRD,
CHUCK ROBB,
MARY L. LANDRIEU,
MAX CLELAND,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1059) authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense programs of the Department of Energy, to prescribe personnel strengths for such fiscal year for the armed forces, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the

House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUMMARY STATEMENT OF CONFERENCE ACTION

The conferees recommend authorizations for the Department of Defense for procurement, research and development, test and evaluation, operation and maintenance, working capital funds, military construction and family housing, weapons programs of the Department of Energy, and the civil defense that have budget authority implications of $288.8 billion.

SUMMARY TABLE OF AUTHORIZATIONS

The defense authorization act provides authorizations for appropriations but does not generally provide budget authority. Budget authority is provided in appropriations acts.

In order to relate the conference recommendations to the Budget Resolution, matter in addition to the dollar authorizations contained in this bill must be taken into account. A number of programs in the defense function are authorized permanently or, in certain instances, authorized in other annual legislation. In addition, this authorization bill would establish personnel levels and include a number of legislative provisions affecting military compensation.

The following table summarizes authorizations included in the bill for fiscal year 2000 and, in addition, summarizes the implications of the conference action for the budget totals for national defense (budget function 050).

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement	BA Request	BA House	BA Senate	BA Conference
DIVISION A **TITLE I** **PROCUREMENT**									
Aircraft Procurement, Army	1,229,888	1,415,211	1,498,188	229,800	1,459,688	1,229,888	1,415,211	1,498,188	1,459,688
Missile Procurement, Army	1,358,104	1,415,959	1,411,104	(99,806)	1,258,298	1,358,104	1,415,959	1,411,104	1,258,298
Procurement of Weapons and Tracked Combat Vehicles, Army	1,416,765	1,575,096	1,678,865	154,900	1,571,665	1,416,765	1,575,096	1,678,865	1,571,665
Procurement of Ammunition, Army	1,140,816	1,196,216	1,209,816	74,400	1,215,216	1,140,816	1,196,216	1,209,816	1,215,216
Other Procurement, Army	3,423,870	3,799,895	3,647,370	239,051	3,662,921	3,423,870	3,799,895	3,647,370	3,662,921
Chemical Agents and Munitions Destruction, Army									
Operation & Maintenance	593,500	0	0	(45,000)	548,500	593,500	0	0	548,500
Procurement	241,500	0	0	(50,000)	191,500	241,500	0	0	191,500
Research, Development, Test & Evaluation	334,000	0	0	(50,000)	284,000	334,000	0	0	284,000
Aircraft Procurement, Navy	8,228,655	8,826,051	8,927,255	570,129	8,798,784	8,228,655	8,826,051	8,927,255	8,798,784
Weapons Procurement, Navy	1,357,400	1,764,655	1,392,100	59,700	1,417,100	1,357,400	1,764,655	1,392,100	1,417,100
Procurement of Ammunition, Navy and Marine Corps	484,900	612,900	542,700	49,800	534,700	484,900	612,900	542,700	534,700
Shipbuilding and Conversion, Navy	6,678,454	6,687,172	7,016,454	338,000	7,015,454	6,678,454	6,687,172	7,016,454	7,016,454
Other Procurement, Navy	4,100,091	4,238,444	4,197,791	166,800	4,265,891	4,100,091	4,238,444	4,197,791	4,266,891
Procurement, Marine Corps	1,137,220	1,297,463	1,302,070	159,750	1,296,970	1,137,220	1,297,463	1,302,070	1,296,970
Aircraft Procurement, Air Force	9,302,086	9,647,651	9,704,886	456,800	9,758,886	9,302,086	9,647,651	9,704,886	9,758,886
Procurement of Ammunition, Air Force	419,537	560,537	411,837	48,000	467,537	419,537	560,537	411,837	467,537
Missile Procurement, Air Force	2,359,608	2,303,661	2,389,208	36,000	2,395,608	2,359,608	2,303,661	2,389,208	2,395,608
Other Procurement, Air Force	7,085,177	7,077,762	7,142,177	73,350	7,158,527	7,085,177	7,077,762	7,142,177	7,158,527
Procurement, Defense-wide	2,128,967	2,107,839	2,293,417	216,201	2,345,168	2,128,967	2,107,839	2,293,417	2,345,168
Procurement, National Guard and Reserve Equipment	0	60,000	0	60,000	60,000	0	60,000	0	60,000
Chemical Agents and Munitions Destruction, Defense									
Operation & Maintenance	0	550,000	589,000	0	0	0	550,000	589,000	0
Procurement	0	232,000	241,500	0	0	0	232,000	241,500	0
Research, Development, Test & Evaluation	0	230,000	334,000	0	0	0	230,000	334,000	0
Procurement, Defense Health Program	356,970	356,970	356,970	0	356,970	0	0	0	0
Procurement, Office of the Inspector General	2,100	2,100	2,100	0	2,100	0	0	0	0
Defense Export Loan Guarantee Program		1,250	0	0	0	0	0	0	0
Total Procurement	53,379,608	55,958,832	56,288,808	2,687,875	56,067,483	53,020,538	55,598,512	55,929,738	55,708,413
TITLE II **RESEARCH, DEVELOPMENT, TEST & EVALUATION**									
Research, Development, Test & Evaluation, Army	4,426,194	4,708,194	4,695,894	365,049	4,791,243	4,426,194	4,708,194	4,695,894	4,791,243
Research, Development, Test & Evaluation, Navy	7,984,016	8,358,529	8,207,616	378,500	8,362,516	7,984,016	8,358,529	8,207,616	8,362,516
Research, Development, Test & Evaluation, Air Force	13,077,829	13,212,671	13,573,308	552,244	13,630,073	13,077,829	13,212,671	13,573,308	13,630,073

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization	House	Senate	Conference		BA			
	Request	Authorized	Authorized	Change	Agreement	Request	House	Senate	Conference
REVOLVING FUNDS									
Defense Working Capital Fund (Air Force)	28,344	28,344	28,344	0	28,344	28,344	28,344	28,344	28,344
Army Working Capital Fund	62,000	62,000	62,000	0	62,000	62,000	62,000	62.000	62,000
National Defense Sealift Fund	354,700	434,700	394,700	80,000	434,700	354,700	434,700	394,700	434,700
Defense Reutilization and Marketing Service	67,000	0	0	(67,000)	0	67,000	0	0	0
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)	(150,000)	(150,000)	(150,000)	0	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
National Defense Stockpile Transaction Fund (Excess of Routine Sales)						(230,000)	(230,000)	(230,000)	(230,000)
Subtotal Working Capital Funds	362,044	375,044	335,044	13,000	375,044	132,044	145,044	105,044	145,044
Total Operation and Maintenance & Working Capital Funds	103.230,824	106,054,860	104,436,319	1,476,990	104,707,814	103,680,424	106,504,460	104,885,919	105,157,414
TITLES IV-V-VI **MILITARY PERSONNEL**									
Military Personnel	73,723,293	72,115,367	71,693,093	(1,838,426)	71,884,867	73,723,293	72,115,367	71,693,093	71,884,867
Emergency Kosovo Supplemental(prior appropriations)		1,838,426	1,838,000	1,838,426	1,838,426	0	1,838,426	1,838,000	1,838,426
Total Military Personnel	73,723,293	73.953,793	73.531.093	0	73,723,293	73,723,293	73,953,793	73,531,093	73,723,293
GENERAL PROVISIONS DIVISION B **MILITARY CONSTRUCTION**									
Military Construction, Army	656,003	1,214,405	1,034.722	530,216	1,186,219	656,003	1,214,405	1,034,722	1,186,219
Military Construction, Navy	319,786	933,022	883,293	563,560	883,346	319,786	933,022	883,293	883,346
Military Construction, Air Force	179,479	713,165	775,488	600,725	780,204	179,479	713,165	775,488	780,204
Military Construction, Defense-wide	193,005	756.708	786.590	393,179	586,184	193,005	756,708	786,590	586,184
Military Construction, Defense-wide (Fwd Op Location Transfer)		36,100	42,835	42,800	42,800	0	36,100	42,835	42,800
Military Construction, Army National Guard	16,045	123,878	189,639	189,403	205,448	16,045	123,878	189,639	205,448
Military Construction, Air National Guard	21,319	151,170	232,340	232,599	253,918	21,319	151,170	232,340	253,918
Military Construction, Army Reserve	23,120	92.515	104,817	84,029	107,149	23,120	92,515	104,817	107,149
Military Construction, Naval Reserve	4,933	21,574	28,475	20,456	25,389	4,933	21,574	28,475	25,389
Military Construction, Air Force Reserve	12,155	48,564	34,864	40,629	52,784	12,155	48,564	34,864	52,784
Base Realignment and Closure II, III, IV	705,911	705,911	892.911	(16,200)	689,711	705,911	681,373	892,911	665,173
NATO Infrastructure	191,000	191,000	166,340	(110,000)	81,000	191,000	191,000	166,340	81,000
Total Military Construction	2,322,756	4,988,012	5,172,314	2,571,396	4,894,152	2,322,756	4,963,474	5,172,314	4,869,614
FAMILY HOUSING									
Family Housing Construction, Army	14,003	80,200	61.531	66,697	80,700	14,003	80,200	61,531	80,700
Family Housing Support, Army	1,098,080	1,089,812	1,098,080	(11,768)	1,086,312	1,098,080	1,089,812	1,098,080	1,086,312
Family Housing Construction, Navy and Marine Corps	64,605	256,015	298,354	268,666	333,271	64,605	256,015	298,354	333,271
Family Housing Support, Navy and Marine Corps	895,070	895,070	895,070	(3,600)	891,470	895,070	895,070	895,070	891,470
Family Housing Construction, Air Force	101,791	338,996	333,671	247,665	349,456	101,791	338,996	333,671	349,456

Summary of National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization	House	Senate	Conference		----BA----			
	Request	Authorized	Authorized	Change	Agreement	Request	House	Senate	Conference
Family Housing Support, Air Force	821,892	821,892	821.892	(3,500)	818,392	821,892	821,892	821,892	818,392
Family Housing Construction, Defense-wide	50	50	50	0	50	50	50	50	50
Family Housing Support, Defense-wide	41,440	41,440	41,440	0	41,440	41,440	41,440	41,440	41,440
Homeowners Assistance Fund	0	0	0	0	0	0	24,538	0	24,538
DoD Family Housing Improvement Fund	78,756	78,756	78,756	(76,756)	2,000	78,756	78,756	78.756	2,000
Total Family Housing	3,115,687	3,602,231	3,628,844	487.404	3,603.091	3,115,687	3,626,769	3,628,844	3,627,629
DIVISION C									
TITLE XXXI-XXXII									
ATOMIC ENERGY DEFENSE ACTIVITIES (053)									
Weapons Activities	4,531,000	4,536,800	4,530,000	(41,005)	4,489,995	4,531,000	4,536,800	4.530,000	4,489,995
Defense Environmental Restoration and Waste Management	4,514,376	5,650,468	5,532,868	981,492	5,495,868	4,514,376	5,650,468	5,532,868	5,495,868
Defense Nuclear Waste Disposal	73,000	73,000	73,000	0	73,000	73,000	73,000	73,000	73,000
Other Defense Actitivities	1,792,000	1,779,059	1,821,000	13,959	1,805,959	1,792,000	1,779,059	1,821,000	1,805,959
Defense Facilities Closure Projects	1,054,492	0	0	(1,054,492)	0	1,054,492	0	0	0
Defense Environmental Management Privatization	228,000	228.000	216,000	0	228,000	228.000	228,000	216,000	228,000
Formerly Utilized Site Remediation	150,000	0	0	(150,000)	0	150,000	0	0	0
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500	0	17,500	17,500	17,500	17,500	17,500
Total Atomic Energy Defense Activities (053)	12,360,368	12,284,827	12,190,368	(250,046)	12,110,322	12,360,368	12,284,827	12,190,368	12,110,322
Recapitulation									
Department of Defense (Division A)	264,708.944	269,964,738	268,284.119	4,217,757	268,926,701	264,799,474	270,054.018	268,374,649	269,017,231
Department of Defense (Division B)	5,438,443	8,590,243	8,801,158	3,058,800	8,497,243	5,438,443	8,590,243	8,801.158	8,497,243
Net Other Funds	5,000	0	0	(5,000)	0	240,000	235.000	235,000	235,000
Resicissions				1,316,800	1,316,800	(1,650,000)	(1,650,000)	0	(333,200)
Transfer Authority sec 1001 [Memo Entry]	2,000,000	2,000,000	2,000,000	0	2,000,000	2,000,000	2,000,000	2.000,000	2,000,000
Offsetting Receipts				0	0	(1,888,000)	(1,888,000)	(1.888,000)	(1.888.000)
Total Department of Defense Military (051)	270,152,387	278,554,981	277,085,277	8,588,357	278,740,744	266,939,917	275,341,261	275.522,807	275,528,274
Total Atomic Energy Defense Activities (053)	12,360,368	12,284,827	12,190,368	(250,046)	12,110,322	12.360.368	12,284,827	12,190,368	12,110,322
Total Defense Related Activities (054)	49,623	0	0	(49,623)	0	1,222,279	1,172,656	1,172,656	1,172,656
TOTAL NATIONAL DEFENSE FUNCTION (050)	282,562,378	290,839,808	289,275,645	8,288,688	290,851,066	280,522,564	288,798,744	288,885,831	288,811,252

CONGRESSIONAL DEFENSE COMMITTEES

The term "congressional defense committees" is often used in this statement of managers. It means the Defense Authorization and Appropriations Committee of the Senate and House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Procurement Overview

The budget request for fiscal year 2000 included an authorization of $53,379.6 million for Procurement in the Department of Defense.

The Senate bill would authorize $56,288.8 million.

The House amendment would authorize $55,958.8 million.

The conferees recommended an authorization of $56,067.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
TITLE I					
PROCUREMENT					
Aircraft Procurement, Army	1,229,888	1,415,211	1,498,188	229,800	1,459,688
Missile Procurement, Army	1,358,104	1,415,959	1,411,104	(99,806)	1,258,298
Procurement of Weapons and Tracked Combat Vehicles, Army	1,416,765	1,575,096	1,678,865	154,900	1,571,665
Procurement of Ammunition, Army	1,140,816	1,196,216	1,209,816	74,400	1,215,216
Other Procurement, Army	3,423,870	3,799,895	3,647,370	239,051	3,662,921
Chemical Agents and Munitions Destruction, Army					
Operation & Maintenance	593,500	0	0	(45,000)	548,500
Procurement	241,500	0	0	(50,000)	191,500
Research, Development, Test & Evaluation	334,000	0	0	(50,000)	284,000
Aircraft Procurement, Navy	8,228,655	8,826,051	8,927,255	570,129	8,798,784
Weapons Procurement, Navy	1,357,400	1,764,655	1,392,100	59,700	1,417,100
Procurement of Ammunition, Navy and Marine Corps	484,900	612,900	542,700	49,800	534,700
Shipbuilding and Conversion, Navy	6,678,454	6,687,172	7,016,454	338,000	7,016,454
Other Procurement, Navy	4,100,091	4,238,444	4,197,791	166,800	4,266,891
Procurement, Marine Corps	1,137,220	1,297,463	1,302,070	159,750	1,296,970
Aircraft Procurement, Air Force	9,302,086	9,647,651	9,704,886	456,800	9,758,886
Procurement of Ammunition, Air Force	419,537	560,537	411,837	48,000	467,537
Missile Procurement, Air Force	2,359,608	2,303,661	2,389,208	36,000	2,395,608
Other Procurement, Air Force	7,085,177	7,077,762	7,142,177	73,350	7,158,527
Procurement, Defense-wide	2,128,967	2,107,839	2,293,417	216,201	2,345,168
Procurement, National Guard and Reserve Equipment	0	60,000	0	60,000	60,000
Chemical Agents and Munitions Destruction, Defense					
Operation & Maintenance	0	550,000	589,000	0	0
Procurement	0	232,000	241,500	0	0

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Research, Development, Test & Evaluation	0	230,000	334,000	0	0
Procurement, Defense Health Program	356,970	356,970	356,970	0	356,970
Procurement, Office of the Inspector General	2,100	2,100	2,100	0	2,100
Defense Export Loan Guarantee Program		1,250	0	0	0
Total Procurement	53,379,608	55,958,832	56,288,808	2,687,875	56,067,483

Overview

The budget request for fiscal year 2000 included an authorization of $1,229.9 million for Aircraft Procurement, Army in the Department of Defense.

The Senate bill would authorize $1,498.2 million.

The House amendment would authorize $1,415.2 million.

The conferees recommended an authorization of $1,459.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	AIRCRAFT PROCUREMENT, ARMY										
	AIRCRAFT										
	FIXED WING										
1	ARL (TIARA)	-	-	-	-	-	-	-	-	-	-
2	UTILITY F/W (MR) AIRCRAFT	-	-	-	-	-	-	-	-	-	-
3	GUARDRAIL COMMON SENSOR/ACS (TIARA)	-	-	-	-	-	-	-	-	-	-
	ROTARY										
4	UH-60 BLACKHAWK (MYP)	8	86,140	11	112,857	17	176,140	9	90,000	17	176,140
5	ADVANCE PROCUREMENT (CY)	-	16,700	-	16,700	-	16,700	-	-	-	16,700
	MODIFICATION OF AIRCRAFT										
	MODIFICATION OF AIRCRAFT										
6	GUARDRAIL MODS (TIARA)	-	18,863	-	18,863	-	18,863	-	-	-	18,863
7	ARL MODS	-	5,828	-	5,828	-	5,828	-	-	-	5,828
8	AHIF MODS	-	432	-	432	-	432	-	-	-	432
9	AH-64 MODS	-	22,565	-	32,565	-	22,565	-	10,000	-	32,565
10	CH-47 CARGO HELICOPTER MODS (MYP)	-	70,738	-	126,838	-	126,838	-	56,100	-	126,838
11	CH-47 ICH	-	-	-	-	-	-	-	-	-	-
12	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
13	UTILITY/CARGO AIRPLANE MODS	-	6,308	-	9,308	-	6,308	-	3,000	-	9,308
14	OH-58 MODS	-	468	-	468	-	468	-	-	-	468
15	AIRCRAFT LONG RANGE MODS	-	761	-	761	-	761	-	-	-	761
16	LONGBOW	-	771,219	-	816,219	-	816,219	-	45,000	-	816,219
	LESS: ADVANCED PROCUREMENT (PY)	-	(41,683)	-	(41,683)	-	(41,683)	-	-	-	(41,683)
17	ADVANCE PROCUREMENT (CY)	-	35,702	-	40,602	-	35,702	-	-	-	35,702
18	UH-1 MODS	-	4,380	-	4,380	-	74,880	-	-	-	4,380
19	UH-60 MODS	-	12,087	-	22,587	-	12,087	-	1,500	-	13,587
20	KIOWA WARRIOR	-	39,046	-	39,046	-	39,046	-	-	-	39,046
21	EH-60 QUICKFIX MODS	-	4,915	-	4,915	-	4,915	-	-	-	4,915
22	AIRBORNE AVIONICS	-	43,690	-	43,690	-	43,690	-	-	-	43,690

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
23	ASE MODS (SIRFC)	-	11,796	-	23,296	-	11,796	-	6,000	-	17,796
24	ASE MODS (ATIRCM)	-	-	-	-	-	8,100	-	8,100	-	8,100
25	GATM	-	7,090	-	7,090	-	7,090	-	-	-	7,090
26	MODIFICATIONS LESS THAN $5.0M	-	2,586	-	2,586	-	2,586	-	-	-	2,586
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
27	SPARE PARTS (AIR)	-	16,075	-	16,075	-	16,075	-	-	-	16,075
	SUPPORT EQUIPMENT AND FACILITIES										
	GROUND SUPPORT AVIONICS										
28	AIRCRAFT SURVIVABILITY EQUIPMENT	-	88	-	18,188	-	88	-	18,100	-	18,188
29	ASE INFRARED CM	-	-	-	-	-	6,600	-	-	-	-
	OTHER SUPPORT										
30	AIRBORNE COMMAND & CONTROL	-	-	-	-	-	-	-	-	-	-
31	AVIONICS SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
32	TRAINING DEVICES	-	-	-	-	-	-	-	-	-	-
33	COMMON GROUND EQUIPMENT	-	35,915	-	35,915	-	35,915	-	-	-	35,915
34	AIRCREW INTEGRATED SYSTEMS	-	4,394	-	4,394	-	4,394	-	-	-	4,394
35	AIR TRAFFIC CONTROL	-	8,760	-	8,760	-	8,760	-	-	-	8,760
36	INDUSTRIAL FACILITIES	-	1,462	-	1,462	-	1,462	-	-	-	1,462
37	AIRBORNE COMMUNICATIONS	-	43,563	-	43,563	-	43,563	-	-	-	43,563
	ADVISORY AND ASSISITANCE			-	(494)						
	ECONOMIC ADJUSTMENT						(8,000)		(8,000)	-	(8,000)
	TOTAL, AIRCRAFT PROCUREMENT, ARMY		1,229,888		1,415,211		1,498,188		229,800		1,459,688

UH–60 blackhawk

The budget request included $86.1 million for eight UH–60L Blackhawk helicopters.

The Senate bill would authorize an increase of $90.0 million to procure an additional nine UH–60L Blackhawk helicopters.

The House amendment would authorize an increase of $26.7 million to procure an additional three UH–60L Blackhawk helicopters.

The conferees agree to authorize an increase of $90.0 million for nine additional UH–60L Blackhawk helicopters necessary to meet outstanding Army National Guard requirements.

AH–64 modifications

The budget request included $22.6 million for AH–64 Apache helicopter modifications.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $3.0 million for an oil debris detection system (ODDS) similar to systems installed on other military aircraft, and an additional increase of $7.0 million for the vibration management enhancement program (VMEP).

The conferees agree to authorize an increase of $10.0 million for AH–64 Apache helicopter modifications, $3.0 million for ODDS installation and $7.0 million for VMEP.

UH–60 modifications

The budget request included $12.1 million for UH–60 Blackhawk helicopter modifications.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $9.0 million to procure UH–60Q medical evacuation modification kits to reconfigure two Army National Guard UH–60A Blackhawk helicopters and an additional increase of $1.5 million to accelerate procurement of UH–60Q medical mockup training device.

The conferees agree to authorize an increase of $1.5 million to accelerate procurement of a UH–60Q medical mockup training device.

Aircraft survivability equipment modifications

The budget request included $11.8 million for aircraft survivability equipment modifications.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $11.5 million for aircraft survivability equipment modifications, $5.5 million to establish an engineering change proposal (ECP) to integrate a precision laser azimuth and discrimination capability onto existing laser detection equipment and $6.0 million is to procure additional AN/AVR–2A laser detection sets (LDS).

The conferees agree to authorize an increase of $6.0 million for LDS.

Aircraft survivability equipment modifications, (Advanced Threat Infrared Countermeasures)

The budget request included no funds for aircraft survivability equipment modifications, Advanced Threat Infrared Countermeasures (ATIRCM).

The Senate bill would authorize an increase of $8.1 million to ensure that the ATIRCM equipment is installed on Apache Longbow aircraft during the production of these critical attack aircraft.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $8.1. million to conduct assembly line modifications necessary to install ATIRCM devices on Apache Longbow aircraft during the production of these aircraft.

Overview

The budget request for fiscal year 2000 included an authorization of $1,358.1 million for Missile Procurement, Army in the Department of Defense.

The Senate bill would authorize $1,411.1 million.

The House amendment would authorize $1,416.0 million.

The conferees recommended an authorization of $1,258.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	MISSILE PROCUREMENT, ARMY										
	OTHER MISSILES										
	SURFACE-TO-AIR MISSILE SYSTEM										
1	EFOG-M (ENHANCED FIBER OPTIC GUIDED MIS.)	-	-	-	-	-	-	-	-	-	-
2	AVENGER SYSTEM SUMMARY	20	33,750	20	35,050	20	33,750	-	1,300	20	35,050
	AIR-TO-SURFACE MISSILE SYSTEM										
3	HELLFIRE SYS SUMMARY	2,200	309,816	2,200	309,816	2,200	309,816	-	-	2,200	309,816
4	LESS: ADVANCE PROCUREMENT (PY)	-	(13,344)	-	(13,344)	-	(13,344)	-	-	-	(13,344)
	ANTI-TANK/ASSAULT MISSILE SYSTEM										
5	JAVELIN (AAWS-M) SYSTEM SUMMARY	2,682	307,677	2,682	307,677	2,682	307,677	-	-	2,682	307,677
6	ADVANCE PROCUREMENT (CY)	-	98,406	-	98,406	-	98,406	-	(98,406)	-	-
7	TOW 2 SYSTEM SUMMARY	-	-	-	-	-	-	-	-	-	-
8	MLRS ROCKET	-	3,338	-	3,338	-	3,338	-	-	-	3,338
9	MLRS LAUNCHER SYSTEMS	47	130,634	47	186,434	47	130,634	-	-	47	130,634
10	ADVANCE PROCUREMENT (CY)	-	15,993	-	15,993	-	15,993	-	-	-	15,993
11	ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	110	95,619	110	95,619	110	95,619	-	-	110	95,619
12	ATACMS/BAT	61	76,787	61	76,787	61	76,787	-	-	61	76,787
13	BAT	846	149,254	846	146,554	846	149,254	-	-	846	149,254
14	MULTI PURPOSE INDV MUN	-	-	-	-	-	-	-	-	-	-
15	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
	MODIFICATION OF MISSILES										
	MODIFICATIONS										
16	PATRIOT MODS	-	30,840	-	30,840	-	90,840	-	-	-	30,840
17	STINGER MODS	-	17,392	-	17,392	-	17,392	-	-	-	17,392
18	AVENGER MODS	-	-	-	4,300	-	-	-	4,300	-	4,300
19	ITAS/TOW MODS	-	68,306	-	68,306	-	68,306	-	-	-	68,306
20	MLRS MODS	-	6,654	-	6,654	-	6,654	-	-	-	6,654
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
21	SPARES AND REPAIR PARTS	-	19,002	-	19,002	-	19,002	-	-	-	19,002

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	SUPPORT EQUIPMENT AND FACILITIES										
	SUPPORT EQUIPMENT AND FACILITIES										
22	AIR DEFENSE TARGETS	-	2,373	-	2,373	-	2,373	-	-	-	2,373
23	ITEMS LESS THAN $5.0M (MISSILES)	-	989	-	989	-	989	-	-	-	989
24	MISSILE DEMILITARIZATION	-	1,397	-	1,397	-	1,397	-	-	-	1,397
25	PRODUCTION BASE SUPPORT	-	3,221	-	3,221	-	3,221	-	-	-	3,221
	ADVISORY AND ASSISTANCE SERVICES			-	(545)						
	ECONOMIC ADJUSTMENT						(7,000)		(7,000)	-	(7,000)
	TOTAL, MISSILE PROCUREMENT, ARMY		1,358,104		1,415,959		1,411,104		(99,806)		1,258,298

Avenger system summary

The budget request $33.8 million for the Avenger missile system.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $1.3 million to procure additional environmental control unit/prime power unit (ECU/PPU) upgrades for Army National Guard (ARNG) Avenger systems.

The conferees agree to authorize an increase of $1.3 million for ECU/PPU upgrades for the ARNG.

Javelin system summary-advanced procurement

The budget request included $98.4 million for advanced procurement requirements for the Javelin missile.

The Senate bill and House amendment would authorize the budget request.

The conferees agree to authorize no funds for advanced procurement funding for the Javelin missile.

Patriot anti-cruise missile

The budget request included no funds for development or production of the Patriot anti-cruise missile (PACM) upgrade system.

The Senate bill would authorize $60.0 million in Missile Procurement, Army, for long-lead materials land initiation of a low-rate initial production program of 200 PACM modification kits.

The House amendment would authorize the budget request.

The conferees have supported development and testing of the PACM seeker. The conferees note the conclusion of the Army's April 1999 report to Congress, which indicated that, based on extensive ground testing, "the performance of the PACM design has been demonstrated." the conferees also note that the first PACM flight test appears to have been successful. The conferees direct the Secretary of the Army to complete the PACM flight test program using funds previously appropriated for this purpose.

Based on information obtained from the PACM ground and flight test program, the conferees direct the Secretary of Defense to assess the capability of the PACM missile to counter cruise missiles, including low-observable cruise missiles, compared to the capability of the Patriot PAC–3 missile and other upgraded versions of the Patriot missile to counter such threats, and the opportunity costs of PACM acquisition. In preparing this assessment, the Secretary shall utilize the Defense Science Board. If, based on the findings of this assessment, the Secretary determines that production of PACM missiles is warranted during fiscal year 2000, up to $35.0 million of funds authorized to be appropriated in Missile Procurement, Army, may be made available to retrofit and improve the current inventory of Patriot missiles in order to meet current and projected threats from cruise missiles. The Secretary shall submit a report on his assessment and recommendations to the congressional defense committees by March 15, 2000.

Avenger modifications

The budget request included no funds for Avenger missile modification requirements.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $4.3 million for Avenger slew-to-cue (STC) fire control computers for the Army National Guard (ARNG).

The conferees agree to authorize an increase of $4.3 million for STC fire control computers to upgrade one ARNG Avenger battalion.

Overview

The budget request for fiscal year 2000 included an authorization of $1,416.8 million for Weapons and Tracked Combat Vehicles Procurement, Army in the Department of Defense.

The Senate bill would authorize $1,678.9 million.

The House amendment would authorize $1,575.1 million.

The conferees recommended an authorization of $1,571.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00		House		Senate		Conference			
		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	PROCUREMENT OF W&TCV, ARMY										
	TRACKED COMBAT VEHICLES										
	TRACKED COMBAT VEHICLES										
1	ABRAMS TRNG DEV MOD	-	2,640	-	2,640	-	2,640	-	-	-	2,640
2	BRADLEY BASE SUSTAINMENT	-	308,762	-	380,762	-	308,762	-	72,000	-	380,762
3	ADVANCE PROCUREMENT (CY)	-	27,675	-	27,675	-	27,675	-	-	-	27,675
4	BRADLEY FVS TRAINING DEVICES	-	23,441	-	23,441	-	23,441	-	-	-	23,441
5	BREACHER TRAINING DEVICES	-	-	-	-	-	-	-	-	-	-
6	HAB TRAINING DEVICES	-	14,910	-	14,910	-	14,910	-	-	-	14,910
7	BRADLEY FVS TRAINING DEVICES (MOD)	-	4,334	-	4,334	-	4,334	-	-	-	4,334
8	FIELD ARTILLERY AMMUNITION SUPPORT VEH	-	-	-	-	-	-	-	-	-	-
9	ABRAMS TANK TRAINING DEVICES	-	8,086	-	8,086	-	8,086	-	-	-	8,086
10	COMMAND & CONTROL VEHICLE	12	54,545	12	54,545	12	54,545	-	-	12	54,545
11	ADVANCE PROCUREMENT (CY)	-	2,559	-	2,559	-	2,559	-	-	-	2,559
	MODIFICATION OF TRACKED COMBAT VEHICLES										
12	CARRIER, MOD	-	53,463	-	78,463	-	78,463	-	15,000	-	68,463
13	FIST VEHICLE (MOD)	-	27,338	-	27,338	-	27,338	-	-	-	27,338
14	BFVS SERIES (MOD)	-	7,087	-	7,087	-	81,287	-	-	-	7,087
15	HOWITZER, MED SP FT 155MM M109A6 (MOD)	-	6,259	-	6,259	-	26,259	-	20,000	-	26,259
16	FAASV PIP TO FLEET	-	230	-	230	-	20,230	-	-	-	230
17	IMPROVED RECOVERY VEHICLE (M88 MOD)	-	-	-	-	-	72,000	-	-	-	-
18	BREACHER SYSTEM (MOD)	-	19,680	-	19,680	-	19,680	-	-	-	19,680
19	HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)	-	67,312	-	81,312	-	81,312	-	14,000	-	81,312
	ADVANCED PROCUREMENT (CY)										
20	ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)	-	1,443	-	1,443	-	1,443	-	-	-	1,443
21	M1 ABRAMS TANK (MOD)	-	29,815	-	29,815	-	29,815	-	-	-	29,815
22	ABRAMS UPGRADE PROGRAM	-	685,938	-	685,938	-	713,538	-	-	-	685,938
	LESS: ADVANCED PROCUREMENT (PY)		(262,942)	-	(262,942)	-	(262,942)	-	-	-	(262,942)
23	ADVANCE PROCUREMENT (CY)	-	213,406	-	213,406	-	213,406	-	-	-	213,406
24	MODIFICATIONS LESS THAN $5.0M (TCV-WTCV)	-	192	-	192	-	192	-	-	-	192

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	SUPPORT EQUIPMENT AND FACILITIES										
25	ITEMS LESS THAN $5.0M (TCV-WTCV)	-	138	-	138	-	138	-	-	-	138
26	PRODUCTION BASE SUPPORT (TCV-WTCV)	-	8,924	-	8,924	-	8,924	-	-	-	8,924
	WEAPONS AND OTHER COMBAT VEHICLES										
	WEAPONS AND OTHER COMBAT VEHICLES										
27	ARMOR MACHINE GUN, 7.62MM M240 SERIES	1,304	12,204	1,304	40,004	1,304	12,204	-	27,800	1,304	40,004
28	MACHINE GUN, 5.56MM (SAW)	-	-	-	10,100	-	-	-	10,100	-	10,100
29	GRENADE LAUNCHER, AUTO, 40MM, MK19-3	1,085	18,290	1,085	28,290	1,789	36,590	-	5,000	1,085	23,290
30	M16 RIFLE	12,479	5,744	12,479	5,744	12,479	5,744	-	-	12,479	5,744
31	XM107, CAL. 50, SNIPER RIFLE	85	1,138	85	1,138	85	1,138	-	-	85	1,138
32	5.56 CARBINE M4	8,687	5,309	8,687	5,309	8,687	5,309	-	-	8,687	5,309
	MOD OF WEAPONS AND OTHER COMBAT VEH										
33	MARK-19 MODIFICATIONS	-	1,980	-	1,980	-	1,980	-	-	-	1,980
34	M4 CARBINE MODS	-	5,315	-	5,315	-	5,315	-	-	-	5,315
35	SQUAD AUTOMATIC WEAPON (MOD)	-	8,326	-	8,326	-	8,326	-	-	-	8,326
36	HOWITZER, TOWED, 155MM, M198 (MODS)	-	3,345	-	3,345	-	3,345	-	-	-	3,345
37	M119 MODIFICATIONS	-	4,784	-	4,784	-	4,784	-	-	-	4,784
38	M16 RIFLE MODS	-	7,180	-	7,180	-	7,180	-	-	-	7,180
39	MODIFICATIONS LESS THAN $5.0M (WOCV-WTCV)	-	1,006	-	1,006	-	1,006	-	-	-	1,006
	SUPPORT EQUIPMENT AND FACILITIES										
40	ITEMS LESS THAN $5.0M (WOCV-WTCV)	-	1,206	-	1,206	-	1,206	-	-	-	1,206
41	PRODUCTION BASE SUPPORT (WOCV-WTCV)	-	4,566	-	4,566	-	4,566	-	-	-	4,566
42	INDUSTRIAL PREPAREDNESS	-	3,084	-	3,084	-	3,084	-	-	-	3,084
43	SMALL ARMS (SOLDIER ENH PROG)	-	5,214	-	5,214	-	5,214	-	-	-	5,214
44	CLOSED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	SPARE AND REPAIR PARTS										
	SPARES										
45	SPARES AND REPAIR PARTS (WTCV)	-	22,839	-	22,839	-	22,839	-	-	-	22,839
	ECONOMIC ADJUSTMENT						(9,000)		(9,000)	-	(9,000)
	ADVISORY AND ASSITANCE			-	(569)						
	TOTAL, PROCUREMENT OF W&TCV, ARMY		1,416,765		1,575,096		1,678,865		154,900		1,571,665

Bradley base sustainment

The budget request included $308.8 million for Bradley modification requirements.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $72.0 million for Bradley A2 Operation Desert Storm (ODS) upgrades for the Army National Guard (ARNG).

The conferees agree to authorize an increase of $72.0 million for Bradley A2ODS upgrades for the ARNG.

Carrier modifications

The budget request included $53.5 million for M113 armored personnel carrier modifications.

The Senate bill would authorize an increase of $25.0 million to procure additional M113 carrier upgrades.

The House amendment would authorize an identical increase.

The conferees agree to authorize an increase of $15.0 million to procure additional M113 carrier upgrades.

Howitzer, M109A6 modifications

The budget request included $6.3 million for M109A6 Paladin system requirements.

The Senate bill would authorize an increase of $20.0 million for additional M109A6 Paladin equipment requirements necessary to complete system fielding to Army National Guard (ARNG) units.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $20.0 million for Paladin system fielding requirements for the ARNG.

Heavy assault bridge

The budget request included $67.3 million to procure the Wolverine heavy assault bridge (HAB) system.

The Senate bill would authorize an increase of $14.0 million in advance procurement to align the fiscal year 2000 Abrams upgrade program and Wolverine HAB advanced procurement which will result in net savings to the government.

The House amendment would authorize an identical increase.

The conferees agree to authorize an increase of $14.0 million to align the production of both the Abrams and Wolverine systems, for a total authorization of $81.3 million.

Grenade launcher, automatic, 40mm MK19–3

The budget request included $18.3 million for MK19 automatic grenade launcher.

The Senate bill would authorize an increase of $18.3 million to procure additional MK19 weapons.

The House amendment would authorize an increase of $10.0 million to procure additional MK19 systems.

The conferees agree to authorize an increase of $5.0 million to procure additional MK19 systems and to avoid a break in production of these critical weapons.

Overview

The budget request for fiscal year 2000 included an authorization of $1,140.8 million for Ammunition Procurement, Army in the Department of Defense.

The Senate bill would authorize $1,209.8 million.

The House amendment would authorize $1,196.2 million.

The conferees recommended an authorization of $1,215.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT OF AMMUNITION, ARMY										
	AMMUNITION										
	SMALL/MEDIUM CAL AMMUNITION										
1	CTG, 5.56MM, ALL TYPES	-	127,087	-	127,087	-	127,087	-	-	-	127,087
2	CTG 5.56MM ARMOR PIERCING M995	-	1,891	-	1,891	-	1,891	-	-	-	1,891
3	CTG, 7.62MM, ALL TYPES	-	8,529	-	8,529	-	8,529	-	-	-	8,529
4	CTG 7.62MM ARMOR PIERCING XM993	600	1,355	600	1,355	600	1,355	-	-	600	1,355
5	CTG, 9MM, ALL TYPES	-	983	-	983	-	983	-	-	-	983
6	CTG, .45 CAL, ALL TYPES	-	-	-	-	-	-	-	-	-	-
7	CTG, .50 CAL, ALL TYPES	-	23,374	-	23,374	-	23,374	-	-	-	23,374
8	CTG CAL .50 API MK211 MOD 0	-	-	-	-	-	-	-	-	-	-
9	CTG, 20MM, ALL TYPES	-	2,764	-	2,764	-	2,764	-	-	-	2,764
10	CTG, 25MM, ALL TYPES	-	46,618	-	48,618	-	48,618	-	2,000	-	48,618
11	CTG, 30MM, ALL TYPES	-	5,353	-	5,353	-	5,353	-	-	-	5,353
12	CTG, 40MM, ALL TYPES	-	36,645	-	44,645	-	44,645	-	8,000	-	44,645
13	NONLETHAL WEAPONS CAPABILITY SET	-	7,989	-	7,989	-	7,989	-	-	-	7,989
	MORTAR AMMUNITION			-	-						
14	60MM MORTAR, ALL TYPES	-	15,616	-	15,616	-	24,616	-	9,000	-	24,616
	60MM MORTAR, WP M722										
15	CTG 81MM INFRARED (IR) ILLUM XM816	-	-	-	-	-	-	-	-	-	-
16	CTG MORTAR 81MM PRAC 1/10 RANGE M880	30	1,906	30	1,906	30	1,906	-	-	30	1,906
17	REFURBISHMENT KIT F/81MM PRAC M880	-	-	-	-	-	-	-	-	-	-
18	CTG MORTAR 120MM FULL RANGE PRACTICE M931	-	-	-	-	-	-	-	-	-	-
19	CTG MORTAR 120MM HE M934 W/MO FUZE	60	46,279	60	46,279	60	50,279	-	3,000	60	49,279
20	CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ	-	-	-	5,000	-	-	-	5,000	-	5,000
21	CTG 120MM WP SMOKE M929A1	56	51,819	56	56,819	56	51,819	-	5,000	56	56,819
	TANK AMMUNITION										
22	CTG 120MM APFSDS-T M829A2/M829E3	-	-	-	-	-	-	-	-	-	-
23	CTG 120MM HEAT-MP-T M830A1	-	-	-	-	-	-	-	-	-	-
24	CTG TANK 120MM TP-T M831/M831A1	57	32,623	57	32,623	57	32,623	-	-	57	32,623

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
25	CTG TANK 120MM TPCSDS-T M865	165	86,027	165	86,027	165	86,027	-	-	165	86,027
	ARTILLERY AMMUNITION										
26	CTG ARTY 75MM BLANK M337A1	68	2,570	68	2,570	68	2,570	-	-	68	2,570
27	CTG ARTY 105MM BLANK M395	125	6,774	125	6,774	125	6,774	-	-	125	6,774
28	CTG ARTY 105MM DPICM XM915	-	-	-	5,000	-	10,000	-	10,000	-	10,000
29	CTG ARTY 105MM HERA M913	-	-	-	-	-	-	-	-	-	-
30	CTG ARY 105MM M927	-	-	-	-	-	-	-	-	-	-
31	CTG ARTY 105MM ILLUM M314 SERIES	14	8,000	14	8,000	14	8,000	-	-	14	8,000
32	PROJ ARTY 155MM SMOKE WP M825	-	14,789	-	14,789	-	14,789	-	-	-	14,789
33	PROJ ARTY 155MM HE M795	20	9,860	20	9,860	20	9,860	-	-	20	9,860
34	PROJ ARTY 155MM SADARM M898	227	54,546	227	54,546	227	54,546	-	(24,000)	227	30,546
35	REMOTE AREA DENIAL ARTILLERY MUNITION (RADA	100	48,250	100	48,250	100	48,250	-	-	100	48,250
36	PROJ ARTY 155MM HE M107	113	24,973	113	24,973	113	24,973	-	-	113	24,973
37	MODULAR ARTILLERY CHARGE SYSTEM (MACS)	367	42,938	367	42,938	367	42,938	-	-	367	42,938
	ARTILLERY FUZES										
38	FUZE ARTY ELEC TIME M767	235	32,041	235	32,041	235	32,041	-	-	235	32,041
39	FUZE MULTI OPTION	45	14,061	45	14,061	45	14,061	-	-	45	14,061
	MINES										
40	MINE, TRAINING, ALL TYPES	251	8,067	251	8,067	251	8,067	-	-	251	8,067
41	MINE AT M87 (VOLCANO)	-	-	-	10,000	-	18,000	-	18,000	-	18,000
42	WIDE AREA MUNITIONS	79	10,387	79	10,387	79	20,387	-	10,000	79	20,387
	ROCKETS										
43	BUNKER DEFEATING MUNITION (BDM)	-	-	-	10,000	-	-	-	10,000	-	10,000
44	ROCKET, HYDRA 70, ALL TYPES	245	144,760	245	144,760	245	144,760	-	-	245	144,760
	OTHER AMMUNITION										
45	DEMOLITION MUNITIONS, ALL TYPES	-	11,246	-	11,246	-	11,246	-	-	-	11,246
46	GRENADES, ALL TYPES	-	11,431	-	16,431	-	11,431	-	5,000	-	16,431
47	SIGNALS, ALL TYPES	-	9,782	-	9,782	-	9,782	-	-	-	9,782
48	SIMULATORS, ALL TYPES	-	2,265	-	2,265	-	2,265	-	-	-	2,265
	MISCELLANEOUS									-	-

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
49	AMMO COMPONENTS, ALL TYPES	-	6,876	-	6,876	-	6,876	-	-	-	6,876
50	CAD/PAD ALL TYPES	-	2,928	-	2,928	-	2,928	-	-	-	2,928
51	ITEMS LESS THAN $5 MILLION	-	7,659	-	7,659	-	7,659	-	-	-	7,659
52	AMMUNITION PECULIAR EQUIPMENT	-	10,679	-	10,679	-	10,679	-	-	-	10,679
53	FIRST DESTINATION TRANSPORTATION (AMMO)	-	5,303	-	5,303	-	5,303	-	-	-	5,303
54	CLOSED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
	AMMUNITION PRODUCTION BASE SUPPORT										
	PRODUCTION BASE SUPPORT										
55	PROVISION OF INDUSTRIAL FACILITIES	-	46,139	-	51,539	-	46,139	-	5,400	-	51,539
56	LAYAWAY OF INDUSTRIAL FACILITIES	-	3,525	-	3,525	-	3,525	-	-	-	3,525
57	MAINTENANCE OF INACTIVE FACILITIES	-	13,043	-	13,043	-	13,043	-	-	-	13,043
58	CONVENTIONAL AMMO DEMILITARIZATION	-	86,291	-	86,291	-	86,291	-	-	-	86,291
59	ARMS INITIATIVE	-	4,775	-	4,775	-	18,775	-	14,000	-	18,775
	ECONOMIC ADJUSTMENT						(6,000)		(6,000)	-	(6,000)
	TOTAL, PROCUREMENT OF AMMUNITION, ARMY		1,140,816		1,196,216		1,209,816		74,400		1,215,216

Sense and destroy armament

The budget request included $54.5 million for the procurement of sense and destroy armament (SADARM).

The Senate bill and the House amendment would authorize the budget request.

The conferees agree to authorize $30.5 million for procurement of SADARM. The conferees further agree to a $10.0 million increase for SADARM engineering development in PE 64814A.

Overview

The budget request for fiscal year 2000 included an authorization of $3,423.9 million for Other Procurement, Army in the Department of Defense.

The Senate bill would authorize $3,647.4 million.

The House amendment would authorize $3,799.9 million.

The conferees recommended an authorization of $3,662.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	OTHER PROCUREMENT, ARMY										
	TACTICAL AND SUPPORT VEHICLES										
	TACTICAL VEHICLES										
1	TACTICAL TRAILERS/DOLLY SETS	632	15,277	632	15,277	632	15,277	-	-	632	15,277
2	SEMITRAILER FB BB/CONT TRANS 22 1/2 T	208	7,108	208	7,108	208	7,108	-	-	208	7,108
3	SEMITRAILER LB 40T M870A1 (CCE)	24	1,926	24	1,926	24	1,926	-	-	24	1,926
4	SEMITRAILER, TANK, 5000G	285	25,365	285	25,365	285	25,365	-	-	285	25,365
5	SEMITRAILER, TANK, 7500G, BULKHAUL	63	4,124	63	4,124	63	4,124	-	-	63	4,124
6	SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	70	6,260	70	6,260	70	6,260	-	-	70	6,260
7	HI MOB MULTI-PURP WHLD VEH (HMMWV)	867	92,092	867	92,092	867	109,092	-	-	867	92,092
8	TRUCK, DUMP, 20T (CCE)	-	13,076	-	13,076	-	13,076	-	-	-	13,076
9	FAMILY OF MEDIUM TACTICAL VEH (FMTV)	2,179	425,855	2.179	425,855	2,179	425,855	-	-	2,179	425,855
10	FIRETRUCKS & ASSOCIATED FIREFIGHTING EQUIPM	-	7,374	-	7,374	-	7,374	-	-	-	7,374
11	FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)	450	190,399	450	196,399	450	190,399	-	6,000	450	196,399
12	ARMORED SECURITY VEHICLES (ASV)	12	7,043	12	7,043	12	7,043	-	-	12	7,043
13	TRUCK, TRACTOR, LINE HAUL, M915/M916	344	50,131	344	50,131	344	50,131	-	-	344	50,131
14	TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	24	1,960	24	1,960	24	1,960	-	-	24	1,960
15	HVY EXPANDED MOBILITY TACTICAL TRUCK EXT SE	23	4,901	23	4,901	23	4,901	-	-	23	4,901
16	MEDIUM TRUCK EXTENDED SVC PGM(ESP) (PREV SL	-	-	-	-	-	-	-	-	-	-
17	LINE HAUL ESP	115	9,256	115	9,256	115	9,256	-	-	115	9,256
18	HMMWV RECAPITALIZATION PROGRAM	-	-	-	-	-	-	-	-	-	-
19	MODIFICATION OF IN SVC EQUIP	-	29,769	-	29,769	-	29,769	-	-	-	29,769
20	ITEMS LESS THAN $5.0M (TAC VEH)	-	1,558	-	1,558	-	1,558	-	-	-	1,558
	NON-TACTICAL VEHICLES										
21	HEAVY ARMORED SEDAN	3	588	3	588	3	588	-	-	3	588
22	PASSENGER CARRYING VEHICLES	36	846	36	846	36	846	-	-	36	846
23	GENERAL PURPOSE VEHICLES	-	998	-	12,998	-	998	-	-	-	998
24	SPECIAL PURPOSE VEHICLES	-	1,034	-	1,034	-	1,034	-	-	-	1,034
	SUPPORT EQUIPMENT AND FACILITIES										
25	SYSTEM FIELDING SUPPORT PEO	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
26	PROJECT MANAGEMENT SUPPORT	-	-	-	-	-	-	-	-	-	-
27	SYSTEM FIELDING SUPPORT (TACOM)	-	-	-	-	-	-	-	-	-	-
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	COMM - JOINT COMMUNICATIONS										
28	COMBAT IDENTIFICATION PROGRAM	-	7,568	-	7,568	-	7,568	-	-	-	7,568
29	JCSE EQUIPMENT (USREDCOM)	-	5,119	-	5,119	-	5,119	-	-	-	5,119
	COMM - SATELLITE COMMUNICATIONS										
30	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SP	-	68,489	-	68,489	-	68,489	-	-	-	68,489
31	SHF TERM	16	31,950	16	31,950	16	31,950	-	-	16	31,950
32	SAT TERM, EMUT (SPACE)	-	1,547	-	1,547	-	1,547	-	-	-	1,547
33	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)	-	6,557	-	6,557	-	6,557	-	-	-	6,557
34	GROUND COMMAND POST	-	-	-	-	-	-	-	-	-	-
35	SMART-T (SPACE)	-	61,761	-	61,761	-	51,761	-	(10,000)	-	51,761
36	SCAMP (SPACE)	-	5,033	-	5,033	-	5,033	-	-	-	5,033
37	GLOBAL BRDCST SVC - GBS	40	10,920	40	10,920	40	10,920	-	-	40	10,920
38	MOD OF IN-SVC EQUIP (TAC SAT)	-	500	-	500	-	500	-	-	-	500
	COMM - C3 SYSTEM										
39	ARMY GLOBAL CMD & CONTROL SYS (AGCCS)	-	12,963	-	12,963	-	12,963	-	-	-	12,963
	COMM - COMBAT COMMUNICATIONS			-	-	-	-			-	-
40	ARMY DATA DISTRIBUTION SYSTEM (DATA RADIO)	-	38,763	-	64.663	-	64,663	-	20,000	-	58,763
41	SINCGARS FAMILY	-	13,205	-	60,405	-	83,205	-	20,000	-	33,205
42	JOINT TACTICAL AREA COMMAND SYSTEMS	-	980	-	980	-	980	-	-	-	980
43	ACUS MOD PROGRAM (WIN T/T)	-	109,056	-	109,956	-	159,056	-	40,900	-	149,956
44	COMMS-ELEC EQUIP FIELDING	-	4,151	-	4,151	-	4,151	-	-	-	4,151
45	SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONIC	-	3,326	-	3,326	-	3.326	-	-	-	3,326
	PRODUCT IMPROVED COMBAT VEHICLE CREWMAN HEADSET			-	15,000				15,000	-	15,000
46	COMBAT SURVIVOR EVADER LOCATOR (CSEL)	-	-	-	-	-	-	-	-	-	-
47	MEDICAL COMM FOR CBT CASUALTY CARE (MC4)	-	20,600	-	20,600	-	20,600	-	-	-	20,600
	COMM - INTELLIGENCE COMM										
48	CI AUTOMATION ARCHITECTURE	-	1,585	-	1,585	-	1,585	-	-	-	1,585

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	INFORMATION SECUTITY										
49	TSEC - ARMY KEY MGT SYS (AKMS)	-	11,038	-	11,038	-	11,038	-	-	-	11,038
50	INFORMATION SYSTEM SECURITY PROGRAM-ISSP	-	28,750	-	31,750	-	28,750	-	3,000	-	31,750
	COMM - LONG HAUL COMMUNICATIONS										
51	TERRESTRIAL TRANSMISSION	-	2,029	-	2,029	-	2,029	-	-	-	2,029
52	BASE SUPPORT COMMUNICATIONS	-	1,836	-	1,836	-	1,836	-	-	-	1,836
53	ARMY DISN ROUTER	-	3,700	-	3,700	-	3,700	-	-	-	3,700
54	ELECTROMAG COMP PROG (EMCP)	-	440	-	440	-	440	-	-	-	440
55	WW TECH CON IMP PROG (WWTCIP)	-	2,891	-	2,891	-	2,891	-	-	-	2,891
	COMM - BASE COMMUNICATIONS										
56	INFORMATION SYSTEMS	-	56,915	-	56,915	-	56,915	-	-	-	56,915
57	DEFENSE MESSAGE SYSTEM (DMS)	-	18,454	-	18,454	-	18,454	-	-	-	18,454
58	LOCAL AREA NETWORK (LAN)	-	100,018	-	100,018	-	100,018	-	-	-	100,018
59	PENTAGON INFORMATION MGT AND TELECOM	-	17,256	-	17,256	-	17,256	-	-	-	17,256
	ELECT EQUIP - NAT FOR INT PROG (NFIP)										
60	FOREIGN COUNTERINTELLIGENCE PROG (FCI)	-	1,846	-	1,846	-	1,846	-	-	-	1,846
61	GENERAL DEFENSE INTELL PROG (GDIP)	-	18,345	-	18,345	-	18,345	-	-	-	18,345
62	ITEMS LESS THAN $5.0M (INTEL SPT) - TIARA	-	-	-	-	-	-	-	-	-	-
	ELECT EQUIP - TACT INT REL ACT (TIARA)										
63	ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	-	56,514	-	56,514	-	56,514	-	-	-	56,514
64	JTT/CIBS-M (TIARA)	155	24,262	155	24,262	155	24,262	-	-	155	24,262
65	IEW - GND BASE COMMON SENSORS (TIARA)	-	-	-	-	-	-	-	-	-	-
66	TACTICAL UNMANNED AERIAL VEHICLE (TUAV)	-	45,863	-	45,863	-	45,863	-	(45,863)	-	-
	HUNTER UNMANNED AERIAL			-	9,000						
67	JOINT STARS (ARMY) (TIARA)	12	82,176	12	112,176	12	82,176	-	25,000	12	107,176
68	INTEGRATED BROADCAST TERMINAL MODS (TIARA)	-	-	-	-	-	-	-	-	-	-
69	DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	36	24,500	36	24,500	36	24,500	-	-	36	24,500
70	DRUG INTERDICTION PROGRAM (DIP) (TIARA)	-	-	-	-	-	-	-	-	-	-
71	TACTICAL EXPLOITATION OF NAT CAPABILITIES	-	4,370	-	4,370	-	4,370	-	-	-	4,370
72	COMMON IMAGERY GROUND/SURFACE SYSTEM (CIGSS	-	2,791	-	2,791	-	2,791	-	-	-	2,791

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00	Request	House	Authorized	Senate	Authorized	Conference	Change	Conference	Agreement
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
73	JOINT TACTICAL GROUND STATION MODS (JTAGS)	-	-	-	-	-	-	-	-	-	-
74	TROJAN (TIARA)	-	4,268	-	4,268	-	4,268	-	-	-	4,268
75	MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)	-	9,090	-	9,090	-	9,090	-	-	-	9,090
76	CI HUMINT AUTOMATED TOOL SET (CHATS) (TIARA	-	3,137	-	3,137	-	3,137	-	-	-	3,137
77	ITEMS LESS THAN $5.0M (TIARA)	-	530	-	530	-	530	-	-	-	530
	ELECT EQUIP - ELECTRONIC WARFARE (EW)										
78	SHORTSTOP	-	-	-	40,000	-	-	-	28,000	-	28,000
79	COUNTERINTELLIGENCE/SECURITY COUNTERMEASURE	-	1,691	-	1,691	-	1,691	-	-	-	1,691
	ELECT EQUIP - TACTICAL SURV. (TAC SURV)										
80	FAAD GBS	11	38,379	11	38,379	11	38,379	-	-	11	38,379
81	SENTINEL MODS	-	-	-	-	-	-	-	-	-	-
82	TARGET LOCATION OBSERVATION SYSTEM (TLOS)	-	-	-	-	-	-	-	-	-	-
83	NIGHT VISION DEVICES	9,448	20,977	9,448	53,977	9,448	116,377	-	50,000	9,448	70,977
84	LONG RANGE ADVANCED SCOUT SURVEILLANCE SYST	66	43,223	66	43,223	66	43,223	-	-	66	43,223
85	LTWT VIDEO RECON SYSTEM (LWVRS)	145	3,436	145	5,936	145	3,436	-	2,500	145	5,936
86	NIGHT VISION, THERMAL WPN SIGHT	3,330	35,901	3,330	35,901	3,330	35,901	-	-	3,330	35,901
87	COMBAT IDENTIFICATION / AIMING LIGHT	275	9,486	275	9,486	275	9,486	(275)	(9,486)	-	-
88	ARTILLERY ACCURACY EQUIP	-	4,283	-	7,283	-	4,283	-	-	-	4,283
89	PORTABLE INDUCTIVE ARTILLERY FUZE SETTER (P	3,492	4,137	3,492	4,137	3,492	4,137	-	-	3,492	4,137
90	MOD OF IN-SVC EQUIP (TAC SURV)	-	6,533	-	11,533	-	6,533	-	8,100	-	14,633
91	DIGITIZATION APPLIQUE	-	66,423	-	66,423	-	66,423	-	-	-	66,423
92	LIGHTWEIGHT LASER DESIGNATOR/RANGEFINDER (L	14	6,262	14	6,262	14	6,262	-	-	14	6,262
93	COMPUTER BALLISTICS: MORTAR M-30	-	2,852	-	2,852	-	2,852	-	-	-	2,852
94	MORTAR FIRE CONTROL SYSTEM	15	3,740	15	3,740	15	3,740	-	-	15	3,740
95	INTEGRATED MET SYS SENSORS (IMETS) - TIARA	-	5,469	-	5,469	-	5,469	-	-	-	5,469
	ELECT EQUIP - TACTICAL C2 SYSTEMS										
96	TACTICAL OPERATIONS CENTERS	-	28,098	-	28,098	-	28,098	-	-	-	28,098
97	ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	456	43,343	456	43,343	456	43,343	-	-	456	43,343
98	FIRE SUPPORT ADA CONVERSION	-	980	-	980	-	980	-	-	-	980
99	CMBT SVC SUPT CONTROL SYS (CSSCS)	270	19,922	270	19,922	270	19,922	-	-	270	19,922

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
100	FAAD C2	2	10,594	2	10,594	2	31,594	-	-	2	10,594
101	FAADC2I MODIFICATIONS	-	5,880	-	5,880	-	5,880	-	-	-	5,880
102	AIR & MSL DEFENSE PLANNING & CONTROL SYS (A	1	2,939	1	2,939	1	2,939	-	-	1	2,939
103	FORWARD ENTRY DEVICE (FED)	-	15,822	-	15,822	-	15,822	-	-	-	15,822
104	STRIKER-COMMAND AND CONTROL SYSTEM	30	12,307	30	12,307	30	12,307	-	-	30	12,307
105	LIFE CYCLE SOFTWARE SUPPORT (LCSS)	-	863	-	863	-	863	-	-	-	863
106	LOGTECH	-	4,190	-	4,190	-	4,190	-	5,000	-	9,190
107	TC AIMS II	-	1,739	-	1,739	-	1,739	-	-	-	1,739
108	GUN LAYING AND POS SYS (GLPS)	81	7,465	81	7,465	81	7,465	-	-	81	7,465
109	ISYSCON EQUIPMENT	-	14,714	-	14,714	-	14,714	-	-	-	14,714
110	MANEUVER CONTROL SYSTEM (MCS)	-	52,049	-	52,049	-	30,349	-	(21,700)	-	30,349
111	STAMIS TACTICAL COMPUTERS (STACOMP)	-	33,711	-	33,711	-	33,711	-	-	-	33,711
112	STANDARD INTEGRATED CMD POST SYSTEM	-	30,700	-	30,700	-	39,900	-	-	-	30,700
	ELECT EQUIP - AUTOMATION										
113	ARMY TRAINING XXI MODERNIZATION	-	15,361	-	15,361	-	15,361	-	-	-	15,361
114	AUTOMATED DATA PROCESSING EQUIP	-	138,607	-	153,807	-	138,607	-	11,000	-	149,607
115	RESERVE COMPONENT AUTOMATION SYS (RCAS)	-	83,040	-	83,040	-	83,040	-	-	-	83,040
	ELECT EQUIP - AUDIO VISUAL SYS (A/V)										
116	AFRTS	-	490	-	490	-	490	-	-	-	490
117	ITEMS LESS THAN $5.0M (A/V)	-	2,689	-	2,689	-	2,689	-	-		2,689
	ELECT EQUIP - SUPPORT										
118	PRODUCTION BASE SUPPORT (C-E)	-	378	-	378	-	378	-	-	-	378
	OTHER SUPPORT EQUIPMENT										
	CHEMICAL DEFENSIVE EQUIPMENT										
119	SMOKE/OBSCURANT SYSTEMS ROLL	-	6,286	-	22,286	-	6,286	-	-	-	6,286
120	GENERATOR, SMOKE, MECH M58	-	3,420	-	3,420	-	3,420	-	-	-	3,420
121	M6 DISCHARGER	1,878	3,038	1,878	3,038	1,878	3,038	-	-	1,878	3,038
122	ITEMS LESS THAN $5.0M (CHEM DEF)	-	-	-	-	-	-	-	-	-	-
	BRIDGING EQUIPMENT										
123	HEAVY DRY SUPT BRIDGE SYSTEM	3	13,980	3	13,980	3	13,980	-	-	3	13,980

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
124	RIBBON BRIDGE	65	12,077	65	25,577	65	12,077	-	13,500	65	25,577
	ENGINEER (NON-CONSTRUCTION) EQUIPMENT										
125	HANDHELD STANDOFF MINEFIELD DETECTION SYS-H	-	-	-	-	-	-	-	-	-	-
126	KIT, STANDARD TELEOPERATING	-	3,972	-	23,972	-	3,972	-	-	-	3,972
127	METALLIC MINE DETECTOR, VEHICLE MOUNTED	-	-	-	-	-	-	-	-	-	-
128	WIDE AREA MUNITIONS (REMOTE CONTROL UNIT)	-	-	-	-	-	-	-	-	-	-
129	MINI-FLAIL ROBOTIC	-	-	-	-	-	-	-	-	-	-
130	EXPLOSIVE ORDNANCE DISPOSAL EQPMT (EOD EQPM	-	4,989	-	4,989	-	4,989	-	-	-	4,989
131	BN COUNTERMINE SIP	-	8,900	-	8,900	-	8,900	-	-	-	8,900
	COMBAT SERVICE SUPPORT EQUIPMENT										
132	ENVIRONMENTAL CONTROL UNITS	-	-	-	-	-	-	-	-	-	-
133	ARMY SPACE HEATER 120,000 BTU (ASH)	58	912	58	912	58	912	-	-	58	912
134	LARGE CAPACITY FIELD HEATER, 400K BTU	20	1,312	20	1,312	20	1,312	-	-	20	1,312
135	AIR CONDITIONERS	-	3,756	-	3,756	-	3,756	-	-	-	3,756
136	FIRETRUCKS	-	-	-	-	-	-	-	-	-	-
137	LAUNDRIES, SHOWERS AND LATRINES	-	9,844	-	9,844	-	9,844	-	-	-	9,844
138	FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS	-	2,370	-	2,370	-	2,370	-	-	-	2,370
139	SOLDIER ENHANCEMENT	-	3,586	-	3,586	-	3,586	-	-	-	3,586
140	LIGHTWEIGHT MAINTENANCE ENCLOSURE (LME)	197	2,128	197	2,128	197	5,328	-	3,200	197	5,328
141	FORCE PROVIDER	3	18,622	3	18,622	3	18,622	-	-	3	18,622
142	FIELD FEEDING AND REFRIGERATION	55	8,654	55	8,654	55	8,654	-	-	55	8,654
143	AIR DROP PROGRAM	14,698	3,371	14,698	3,371	14,698	3,371	-	-	14,698	3,371
144	ITEMS LESS THAN $5.0M (CSS-EQ)	-	-	-	-	-	-	-	-	-	-
145	ITEMS LESS THAN $2.0M (CSS-EQ)	-	2,553	-	2,553	-	2,553	-	-	-	2,553
	PETROLEUM EQUIPMENT										
146	FAMILY OF TANK ASSEMBLIES, FABRIC, COLLAPSI	-	11,249	-	11,249	-	11,249	-	-	-	11,249
147	LABS, PETROLEUM & WATER	-	6,252	-	6,252	-	6,252	-	-	-	6,252
148	DISTRIBUTION SYS, PET & WATER	-	10,716	-	10,716	-	10,716	-	-	-	10,716
149	PUMPS, WATER AND FUEL	146	3,695	146	3,695	146	3,695	-	-	146	3,695
150	INLAND PETROLEUM DISTRIBUTION SYSTEM	-	6,855	-	6,855	-	6,855	-	-	-	6,855

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
151	FORWARD AREA REFUELING SYS ADV AVIATION	-	-	-	-	-	-	-	-	-	-
152	ITEMS LESS THAN $5.0M (POL)	-	3,083	-	3,083	-	3,083	-	-	-	3,083
	WATER EQUIPMENT										
153	WATER PURIFICATION SYS	-	10,396	-	10,396	-	10,396	-	-	-	10,396
154	SMALL MOBILE WATER CHILLER (SMWC)	-	-	-	-	-	-	-	-	-	-
155	ITEMS LESS THAN $2.0M (WATER EQ)	-	1,737	-	1,737	-	1,737	-	-	-	1,737
	MEDICAL EQUIPMENT										
156	COMBAT SUPPORT MEDICAL	-	25,250	-	40,250	-	25,250	-	15,000	-	40,250
	MAINTENANCE EQUIPMENT			-	-	-	-	-	-	-	-
157	SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	135	7,811	135	7,811	135	7,811	-	-	135	7,811
158	WELDING SHOP, TRAILER MTD	95	6,072	95	6,072	95	6,072	-	-	95	6,072
159	ITEMS LESS THAN $5.0M (MAINT EQ)	-	3,085	-	3,085	-	3,085	-	-	-	3,085
160	STEAM CLEANER, TRAILER MOUNTED	47	1,249	47	1,249	47	1,249	-	-	47	1,249
	CONSTRUCTION EQUIPMENT										
161	CONCRETE MOBILE MIXER MODOULE, 8 CUBIC YARD	19	2,170	19	2,170	19	2,170	-	-	19	2,170
162	ENGINEERING MISSION MODULES	-	-	-	-	-	-	-	-	-	-
163	BITUMINOUS DISTRIBUTOR MODULE, 2800 GAL.	12	1,086	12	1,086	12	1,086	-	-	12	1,086
164	ROLLER, VIBRATORY, SELF-PROPELLED (CCE)	-	-	-	10,300	-	-	-	10,300	-	10,300
165	COMPACTOR, HIGH SPEED	67	9,798	67	12,398	67	9,798	-	2,600	67	12,398
166	LOADER, SCOOP TYPE, 4-5 CU YD (CCE)	27	7,737	27	7,737	27	7,737	-	-	27	7,737
167	DUMP MODULE, 12 CUBIC YARD	63	2,241	63	2,241	63	2,241	-	-	63	2,241
168	HYDRAULIC EXCAVATOR	34	8,300	34	8,300	34	8,300	-	-	34	8,300
169	DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	43	16,650	43	16,650	43	16,650	-	-	43	16,650
170	CRANE SHOVEL CRAWLER MTD, 20-40 TON W/ATTAC	5	3,865	5	3,865	5	3,865	-	-	5	3,865
171	TRUCK, DUMP, 20T (CCE)	-	-	-	-	-	-	-	-	-	-
172	CRUSHING/SCREENING PLANT, 150 TPH	4	7,359	4	7,359	4	7,359	-	-	4	7,359
173	CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	47	12,089	47	20,089	47	12,089	-	8,000	47	20,089
174	ITEMS LESS THAN $2.0M (CONST EQUIP)	-	4,286	-	6,286	-	4,286	-	2,000	-	6,286
	RAIL FLOAT CONTAINERIZATION EQUIPMENT										
175	PUSHER TUG, SMALL	-	-	-	9,000	-	-	3	9,000	3	9,000

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
176	FLOATING CRANE, 100-250 TON	-	-	-	-	-	-	-	-	-	-
177	LOGISTIC SUPPORT VESSEL (LSV)	1	18,924	1	18,924	1	18,924	-	-	1	18,924
178	LOGISTICS SUPPORT VESSEL (ESP)	-	-	-	-	-	-	-	-	-	-
179	CONTAINERIZED MAINTENANCE FACILITY	-	-	-	-	-	-	-	-	-	-
180	CAUSEWAY SYSTEMS	-	16,740	-	16,740	-	16,740	-	-	-	16,740
181	RAILWAY CAR, FLAT, 89 FOOT	-	4,951	-	4,951	-	4,951	-	-	-	4,951
182	ITEMS LESS THAN $5.0M (FLOAT/RAIL)	-	6,837	-	6,837	-	6,837	-	-	-	6,837
	GENERATORS										
183	GENERATORS AND ASSOCIATED EQUIP	-	78,639	-	78,639	-	78,639	-	-	-	78,639
184	GEN SET, DE, 3KW, 60HZ	-	-	-	-	-	-	-	-	-	-
185	GEN SET, DE, 3KW, 400 HZ	-	-	-	-	-	-	-	-	-	-
186	POWER PLANT, AN/MJQ-38, TRL MTD	-	-	-	-	-	-	-	-	-	-
187	POWER UNIT, PU 798	-	-	-	-	-	-	-	-	-	-
188	TRL, MTG F/GEN SET, 5KW, 60HZ, AN/MJQ-35	-	-	-	-	-	-	-	-	-	-
189	POWER PLANT,AN/MJQ-37 10KW 60HZ DED	-	-	-	-	-	-	-	-	-	-
190	GEN SET, TRL MTD, POWER PLANT AN/MJQ-39	-	-	-	-	-	-	-	-	-	-
191	GEN SET, TRL MTD, DE, 15KW 60HZ, PU-405	-	-	-	-	-	-	-	-	-	-
192	GEN SET, TRL MTD 15KW 400HZ PU-800	-	-	-	-	-	-	-	-	-	-
193	GEN SET, DE, 15KW, 400HZ	-	-	-	-	-	-	-	-	-	-
194	GEN SET, DE, 15KW, 60HZ	-	-	-	-	-	-	-	-	-	-
195	GEN SET, DE, 30KW, 400 HZ	-	-	-	-	-	-	-	-	-	-
196	GEN SET, DE, 60KW, 400HZ	-	-	-	-	-	-	-	-	-	-
197	GEN SET, DE, 60KW, 60HZ	-	-	-	-	-	-	-	-	-	-
198	GEN SET, TRL MTD, POWER PLANT, AN/MJQ-40	-	-	-	-	-	-	-	-	-	-
199	GEN SET, TRL MTD, DE, 30KW 400HZ PU-804	-	-	-	-	-	-	-	-	-	-
200	GEN SET, TRL MTD, DE, 30KW 60HZ PU-803	-	-	-	-	-	-	-	-	-	-
201	GEN SET, TRL MTD, DE, 60KW 400HZ PU-806	-	-	-	-	-	-	-	-	-	-
202	LARGE SETS (=> 100 KW)	-	486	-	486	-	486	-	-	-	486
203	DISTRIBUTION SYSTEM-150KW	-	-	-	-	-	-	-	-	-	-
204	DISE 60 AMP	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00		House		Senate		Conference			
		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
205	DISE/RECEPTACLE	-	-	-	-	-	-	-	-	-	-
206	DISE 100 AMP	-	-	-	-	-	-	-	-	-	-
207	FEEDER SYS ELEC 200 AMP	-	-	-	-	-	-	-	-	-	-
208	KIT ELEC UTIL RECEP AND LIGHTING	-	-	-	-	-	-	-	-	-	-
	MATERIAL HANDLING EQUIPMENT			-	-						
209	TRUCK, FORK LIFT, DE, PT, RT, 50000 LB	-	-	-	-	-	-	-	-	-	-
210	ALL TERRAIN LIFTING ARMY SYSTEM	215	23,569	215	23,569	215	23,569	-	-	215	23,569
211	ROUGH TERRAIN CONTAINER CRANE	22	10,930	22	10,930	22	10,930	-	-	22	10,930
212	ITEMS LESS THAN $5.0M (MHE)	-	1,763	-	1,763	-	1,763	-	-	-	1,763
	TRAINING EQUIPMENT										
213	COMBAT TRAINING CENTERS SUPPORT	-	2,450	-	2,450	-	9,450	-	7,000	-	9,450
214	TRAINING DEVICES, NONSYSTEM	-	67,374	-	80,674	-	67,374	-	-	-	67,374
215	SIMNET/CLOSE COMBAT TACTICAL TRAINER	-	75,367	-	75,367	-	75,367	-	-	-	75,367
216	FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER	-	24,518	-	24,518	-	24,518	-	-	-	24,518
	TEST MEASURE AND DIG EQUIPMENT (TMD)							-	-		
217	CALIBRATION SETS EQUIPMENT	-	11,407	-	11,407	-	11,407	-	-	-	11,407
218	ELECTRONIC REPAIR SHELTER	-	10,462	-	10,462	-	10,462	-	-	-	10,462
219	INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	-	41,602	-	51,602	-	41,602	-	10,000	-	51,602
220	TEST EQUIPMENT MODERNIZATION (TEMOD)	-	14,257	-	14,257	-	14,257	-	-	-	14,257
221	ARMY DIAGNOSTICS IMPROVEMENT PROGRAM (ADIP)	-	5,194	-	5,194	-	5,194	-	-	-	5,194
	OTHER SUPPORT EQUIPMENT										
222	RECONFIGURABLE SIMULATORS	-	2,408	-	2,408	-	2,408	-	-	-	2,408
223	PHYSICAL SECURITY SYSTEMS (OPA3)	-	18,093	-	18,093	-	18,093	-	-	-	18,093
224	MOBILE DETECTION ASSESSMENT RESPONSE SYSTEM	-	887	-	887	-	887	-	-	-	887
225	SYSTEM FIELDING SUPPORT (OPA-3)	-	-	-	-	-	-	-	-	-	-
226	BASE LEVEL COM'L EQUIPMENT	-	6,769	-	6,769	-	6,769	-	-	-	6,769
227	TRANSPORTATION AUTOMATED MEASURING SYS (TRA	-	-	-	-	-	-	-	-	-	-
228	MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)	-	24,852	-	34,852	-	32,952	-	10,000	-	34,852
229	SPECIAL EQUIPMENT FOR USER TESTING	-	16,847	-	16,847	-	16,847	-	-	-	16,847
230	ITEMS LESS THAN $5.0M (OTH SPT EQ)	-	2,417	-	2,417	-	2,417	-	-	-	2,417

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
231	MA8975	-	4,406	-	4,406	-	4,406	-	-	-	4,406
232	CLOSED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
233	ACQUISITION STABILITY RESERVE	-	-	-	-	-	-	-	-	-	-
	ULTRA LIGHT CAMOUFLAGE NETTING SYSTEM								20,000	-	20,000
	CONSTRUCTION EQUIPMENT					-	29,600				
	SPARE AND REPAIR PARTS										
	OPA1										
234	INITIAL SPARES - TSV	-	72	-	72	-	72	-	-	-	72
	OPA2										
235	INITIAL SPARES - C&E	-	43,263	-	43,263	-	43,263	-	-	-	43,263
	OPA3										
236	INITIAL SPARES - OTHER SUPPORT EQUIP	-	880	-	880	-	880	-	-	-	880
	TRANSFER TO COMBATING TERRORISM					-	(62,200)				
	ADVISORY AND ASSISTANCE			-	(1,375)						
	ECONOMIC ADJUSTMENTS						(19,000)		(19,000)	-	(19,000)
	TOTAL, OTHER PROCUREMENT, ARMY		3,423,870		3,799,895		3,647,370		239,051		3,662,921

Family of heavy tactical vehicles

The budget request included $190.4 million for heavy tactical vehicle procurement.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $6.0 million to procure 21 heavy expanded mobility tactical truck (HEMTT) wreckers for the Army Reserve.

The conferees agree to authorize an increase of $6.0 million to procure 21 HEMTT wreckers.

Army data distribution system

The budget request included $38.8 million for Army data distribution system requirements.

The Senate bill would authorize an increase of $25.9 million to procure additional enhanced position location reporting systems (EPLRS).

The House amendment would authorize an increase of $25.9 million to procure additional EPLRS for the Army National Guard (ARNG).

The conferees agree to authorize an increase of $10.0 million for ongoing Army digitization activities and $10.0 million to procure additional EPLRS for the ARNG, a total increase of $20.0 million.

Single channel ground and airborne radio system

The budget request included $13.2 million for Army single channel ground and airborne radio system (SINCGARS) requirements.

The Senate bill would authorize an increase of $70.0 million to procure additional SINCGARS.

The House amendment would authorize $47.2 million to procure SINCGARS for the Army National Guard (ARNG).

The conferees agree to authorize an increase of $20.0 million to procure SINCGARS needed for outstanding ARNG requirements.

Warfighter information network

The budget request included $109.1 million to procure Army warfighter information network equipment.

The Senate bill would authorize an increase of $50.0 million to accelerate warfighter information network (WIN) block II upgrades by one year.

The House amendment would authorize an increase of $900,000 to procure and field high speed multiplexers (HSMUX) for Army National Guard (ARNG) signal units.

The conferees agree to authorize an increase of $40.9 million, $40.0 million to support the acceleration of WIN block II upgrades and $900,000 to procure and field HSMUX upgrades for the ARNG.

Information system security program

The budget request included $28.8 million for information system security program (ISSP) requirements.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $3.0 million to replace obsolete secure voice and data terminals.

The conferees agree to authorize an increase of $3.0 million to procure new secure voice and data terminal equipment.

Tactical unmanned aerial vehicle

The budget request included $45.9 million for the procurement of the tactical unmanned aerial vehicle (TUAV).

The Senate bill and the House amendment would authorize the budget request.

The conferees agree to transfer $45.9 million from Other Procurement, Army to Research, Development, Test, and Evaluation, Army, an increase of $45.9 million in PE 35204A, due to a delay in production and a requirement for continued TUAV development.

Night vision devices

The budget request included $21.0 million to procure Army night vision equipment.

The Senate bill would authorize an increase of $95.4 million to procure the following night vision equipment:

(1) $34.2 million for AN/PAS–13 thermal weapon sights;

(2) $21.0 million for AN/AVS–5 driver's viewer enhancer equipment;

(3) $7.2 million for AN/PEQ–2A infrared aiming lights and AN/PAQ–4C infrared laser aiming devices and associated rail grabbers;

(4) $8.0 million for AN/PVS–7D night vision goggles; and

(5) $25.0 million for generation III 25mm image intensification tubes.

The House amendment would authorize an increase of $33.0 million to procure the following night vision equipment:

(1) $8.0 million for AN/PVS–7D night vision goggles; and

(2) $25.0 million for generation III 25mm image intensification tubes.

The conferees agree to authorize an increase of $50.0 million, for a total authorization of $71.0 million, to procure the following night vision equipment:

(1) $5.0 million for AN/PAS–13 thermal weapon sights;

(2) $5.0 million for AN/AVS–5 driver's viewer enhancer equipment;

(3) $7.0 million for AN/PEQ–2A infrared aiming lights and AN/PAQ–4C infrared laser aiming devices and associated rail grabbers;

(4) $8.0 million for AN/PVS–7D night vision goggles; and

(5) $25.0 million for generation III 25mm image intensification tubes.

Combat identification/aiming light

The budget request included $9.5 million for combat identification/aiming light requirements.

The Senate bill and House amendment would authorize the budget request.

The conferees agree to authorize a transfer of $9.5 million from Other Procurement, Army, to PE 34817A/D902, Combat Identification for the Dismounted Soldier.

Modification of in-service equipment (tactical surveillance)

The budget request included $6.5 million for Army tactical surveillance equipment modification requirements.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $5.0 million for modifications to the Firefinder radar system.

The conferees agree to authorize an increase of $8.1 million for critical upgrades to existing Firefinder radar systems.

Automated identification technology

The budget request included $4.2 million for LOGTECH requirements and $138.6 million for automated data processing equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $8.7 million for maintenance and $11.0 million for ammunition automatic identification technology (AIT).

The conferees agree to authorize an increase of $5.0 million in LOGTECH for maintenance AIT requirements and $11.0 million in the automated data processing equipment line for ammunition AIT requirements.

Maneuver control system

The budget request included $52.0 million for the maneuver control system.

The Senate bill would authorize a decrease of $21.7 million to support a program adjustment requested by the Army and reallocate these funds to Force XXI Battle Command, Brigade and Below research and development PE 23759A.

The House amendment would authorize the budget request.

The conferees agree to authorize $30.3 million for the maneuver control system.

Vibratory, self-propelled roller

The budget request included no funds for self-propelled vibratory roller equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $10.3 million to procure vibratory, self-propelled roller equipment.

the conferees agree to authorize an increase of $10.3 million to procure vibratory, self-propelled roller equipment for Army and Army Reserve engineer units.

High speed compactor

The budget request included $9.8 million for high speed compactor equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $2.6 million to procure additional high-speed compactor equipment.

The conferees agree to authorize an increase of $2.6 million to procure additional high-speed compactor equipment.

Wheel-mounted 25-ton crane

The budget request included $12.1 million to procure wheel-mounted 25-ton crane equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $8.0 million to procure wheel-mounted 25-ton crane equipment.

The conferees agree to authorize an increase of $8.0 million to procure additional wheel-mounted 25-ton crane equipment.

Items less than $2.0 million construction equipment

The budget request included $4.3 million for construction equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $2.0 million to procure ultimate building machine equipment for the active and reserve components.

The conferees agree to authorize an increase of $2.0 million to procure ultimate building machine equipment for the Army and the Army National Guard.

Modification of in-service equipment (OPA-3)

The budget request included $24.9 million for in-service equipment modifications.

The Senate bill would authorize an increase of $8.1 million to upgrade existing Firefinder radar equipment and address technical issues associated with false alarm rates.

The House amendment would authorize an increase of $10.0 million to support D–7 dozer service life extension activities.

The conferees agree to authorize an increase of $10.0 million for D–7 dozer service life extension requirements.

Ultra lightweight camouflage net system

The budget request included no funding for the Ultra Lightweight Camouflage Net System (ULCANS).

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $30.0 millions for ULCANS.

The conferees agree to authorize an increase of $20.0 million for ULCANS.

Overview

The budget request for fiscal year 2000 included an authorization of $1,169.0 million for Chemical Agents and Munitions Destruction, Army.

The Senate bill would authorize no funding for Chemical Agents and Munitions Destruction, Army, but would transfer the authorization of $1,164.5 million for Chemical Agents and Munitions Destruction, Defense.

The House amendment would authorize no funding for Chemical Agents and Munitions Destruction, Army but would transfer the authorization of $1,012.0 million for Chemical Agents and Munitions Destruction, Defense.

The conferees agree to authorize $1,024.0 million for Chemical Agents and Munitions Destruction, Army. Unless noted explicitly in the conference agreement, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY										
	CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E										
	RESEARCH AND DEVELOPMENT										
1	CHEM DEMILITARIZATION - RDTE	-	334,000	-	-	-	-	-	(40,000)	-	294,000
	CHEM AGENTS & MUNITIONS DESTRUCT-PROC										
	PROCUREMENT										
2	CHEM DEMILITARIZATION - PROC	-	241,500	-	-	-	-	-	(50,000)	-	191,500
	CHEM AGENTS & MUNITIONS DESTRUCT-O&M										
	OPERATION AND MAINTENANCE										
3	CHEM DEMILITARIZATION - O&M	-	593,500	-	-	-	-	-	(50,000)	-	543,500
	ECONOMIC ADJUSTMENTS								(5,000)	-	(5,000)
	TOTAL, CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY		1,169,000		-		-		(145,000)		1,024,000

Overview

The budget request for fiscal year 2000 included an authorization of $8,228.7 million for Aircraft Procurement, Navy in the Department of Defense.

The Senate bill would authorize $8,927.3 million.

The House amendment would authorize $8,826.1 million.

The conferees recommended an authorization of $8,798.8 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement
(Dollars in Thousands)

		FY 00		House		Senate		Conference			
Ln		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	AIRCRAFT PROCUREMENT, NAVY										
	COMBAT AIRCRAFT										
	COMBAT AIRCRAFT										
1	AV-8B (V/STOL)HARRIER	12	301,239	12	301,239	12	301,239	-	-	12	301,239
	LESS: ADVANCE PROCUREMENT (PY)		(40,795)	-	(40,795)	-	(40,795)	-	-	-	(40,795)
2	ADVANCE PROCUREMENT (CY)	-	30,832	-	30,832	-	30,832	-	-	-	30,832
3	F/A-18C/D (FIGHTER) HORNET	-	-	-	-	-	-	-	-	-	-
4	F/A-18E/F (FIGHTER) HORNET	36	2,801,108	36	2,801,108	36	2,801,108	-	-	36	2,801,108
	LESS: ADVANCE PROCUREMENT (PY)		(109,119)	-	(109,119)	-	(109,119)	-	-	-	(109,119)
5	ADVANCE PROCUREMENT (CY)	-	162,240	-	162,240	-	162,240	-	-	-	162,240
6	V-22 (MEDIUM LIFT)	10	850,254	11	910,254	12	973,254	2	123,000	12	973,254
	LESS: ADVANCE PROCUREMENT (PY)		(53,862)	-	(53,862)	-	(53,862)	-	-	-	(53,862)
7	ADVANCE PROCUREMENT (CY)	-	71,044	-	71,044	-	71,044	-	-	-	71,044
8	AH-1W (HELICOPTER) SEA COBRA	-	1,961	-	1,961	-	1,961	-	-	-	1,961
9	UH-1Y/AH-1Z	-	-	-	-	-	-	-	-	-	-
10	SH-60R	7	216,692	7	216,692	7	216,692	-	-	7	216,692
11	E-2C (EARLY WARNING) HAWKEYE	3	248,199	3	248,199	3	248,199	-	-	3	248,199
	LESS: ADVANCE PROCUREMENT (PY)		(37,737)	-	(37,737)	-	(37,737)	-	-	-	(37,737)
12	ADVANCE PROCUREMENT (CY)	-	172,554	-	172,554	-	172,554	-	-	-	172,554
	AIRLIFT AIRCRAFT										
	AIRLIFT AIRCRAFT										
13	CH-60S	13	234,577	15	272,577	16	301,577	3	67,000	16	301,577
	LESS: ADVANCE PROCUREMENT (PY)		(26,084)	-	(26,084)	-	(26,084)	-	-	-	(26,084)
14	ADVANCE PROCUREMENT (CY)	-	73,792	-	73,792	-	73,792	-	-	-	73,792
15	UC-35	-	-	3	18,000	3	18,000	2	12,000	2	12,000
16	C-40A	1	49,029	1	49,029	2	103,029	1	49,029	2	98,058
17	C-37	-	-	-	-	-	-	-	-	-	-
	TRAINER AIRCRAFT										
	TRAINER AIRCRAFT										
18	T-45TS (TRAINER) GOSHAWK	15	333,453	15	331,453	15	333,453	-	-	15	333,453

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	LESS: ADVANCE PROCUREMENT (PY)		(7,977)	-	(7,977)	-	(7,977)	-	-	-	(7,977)
19	ADVANCE PROCUREMENT (CY)	-	9,552	-	9,552	-	9,552	-	-	-	9,552
20	JPATS	8	44,826	8	43,826	8	44,826	-	-	8	44,826
	OTHER AIRCRAFT										
	OTHER AIRCRAFT										
21	KC-130J	-	12,257	4	264,257	2	142,057	4	252,000	4	264,257
	MODIFICATION OF AIRCRAFT										
	MODIFICATION OF AIRCRAFT										
22	EA-6 SERIES	-	161,047	-	206,047	-	186,047	-	25,000	-	186,047
23	AV-8 SERIES	-	39,126	-	39,126	-	39,126	-	-	-	39,126
24	F-14 SERIES	-	83,352	-	83,352	-	83,352	-	-	-	83,352
25	ADVERSARY	-	-	-	-	-	-	-	-	-	-
26	ES-3 SERIES	-	-	-	-	-	-	-	-	-	-
27	F-18 SERIES	-	308,789	-	371,789	-	439,189	-	11,000	-	319,789
28	H-46 SERIES	-	17,888	-	17,888	-	17,888	-	-	-	17,888
29	AH-1W SERIES	-	13,726	-	13,726	-	22,726	-	7,000	-	20,726
30	H-53 SERIES	-	45,240	-	45,240	-	45,240	-	-	-	45,240
31	SH-60 SERIES	-	56,824	-	56,824	-	56,824	-	-	-	56,824
32	H-1 SERIES	-	6,339	-	6,339	-	21,339	-	10,000	-	16,339
33	H-3 SERIES	-	45	-	45	-	45	-	-	-	45
34	EP-3 SERIES	-	27,433	-	27,433	-	27,433	-	-	-	27,433
35	P-3 SERIES	-	276,202	-	351,202	-	414,802	-	65,000	-	341,202
36	S-3 SERIES	-	94,119	-	94,119	-	94,119	-	-	-	94,119
37	E-2 SERIES	-	28,201	-	100,201	-	28,201	-	26,900	-	55,101
38	TRAINER A/C SERIES	-	8,914	-	8,914	-	8,914	-	-	-	8,914
39	C-2A	-	19,524	-	19,524	-	19,524	-	-	-	19,524
40	C-130 SERIES	-	15,250	-	15,250	-	32,050	-	-	-	15,250
41	FEWSG	-	600	-	600	-	600	-	-	-	600
42	CARGO/TRANSPORT A/C SERIES	-	16,412	-	16,412	-	16,412	-	-	-	16,412
43	E-6 SERIES	-	86,950	-	86,950	-	86,950	-	-	-	86,950

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
44	EXECUTIVE HELICOPTERS SERIES	-	12,761	-	12,761	-	12,761	-	-	-	12,761
45	SPECIAL PROJECT AIRCRAFT	-	28,782	-	30,782	-	28,782	-	2,000	-	30,782
46	T-45 SERIES	-	9,675	-	9,675	-	9,675	-	-	-	9,675
47	POWER PLANT CHANGES	-	15,595	-	15,595	-	15,595	-	-	-	15,595
48	COMMON ECM EQUIPMENT	-	50,584	-	50,584	-	66,584	-	-	-	50,584
49	COMMON AVIONICS CHANGES	-	81,599	-	80,299	-	81,599	-	-	-	81,599
	AIRCRAFT SPARES AND REPAIR PARTS										
	AIRCRAFT SPARES AND REPAIR PARTS										
50	SPARES AND REPAIR PARTS	-	871,820	-	871,820	-	871,820	-	-	-	871,820
	AIRCRAFT SUPPORT EQUIPMENT & FACILITIES										
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
51	COMMON GROUND EQUIPMENT	-	413,732	-	393,732	-	413,732	-	(35,800)	-	377,932
52	AIRCRAFT INDUSTRIAL FACILITIES	-	12,769	-	12,769	-	12,769	-	-	-	12,769
53	WAR CONSUMABLES	-	11,683	-	11,683	-	11,683	-	-	-	11,683
54	OTHER PRODUCTION CHARGES	-	39,991	-	39,991	-	39,991	-	-	-	39,991
55	SPECIAL SUPPORT EQUIPMENT	-	34,177	-	34,177	-	34,177	-	-	-	34,177
56	FIRST DESTINATION TRANSPORTATION	-	1,471	-	1,471	-	1,471	-	-	-	1,471
57	CANCELLED ACCOUNT ADJUSTMENTS (M)	-	-	-	-	-	-	-	-	-	-
	ECONOMIC ADJUSTMENT						(44,000)		(44,000)	-	(44,000)
	ADVISORY AND ASSISTANCE			-	(3,304)						
	TOTAL, AIRCRAFT PROCUREMENT, NAVY		8,228,655		8,826,051		8,927,255		570,129		8,798,784

CH–60 helicopters

The budget request included $234.5 million for procurement and $73.8 million for advance procurement of CH–60 helicopters.

The Senate bill would authorize an increase of $67.0 million for procurement of three additional CH–60 helicopters.

The House amendment would authorize an increase of $38.0 million for two CH–60s helicopters for the Naval Reserve.

The conferees agree to authorize an increase of $67.0 million for procurement of three additional CH–60 helicopters.

UC–35A aircraft

The budget request included no funds for UC–35A aircraft for the Marine Corps.

The Senate bill would authorize an increase of $18.0 million for three UC–35A aircraft for the Marine Corps.

The House amendment would authorize an identical increase.

The conferees agree to authorize an increase of $12.0 million for two UC–35A aircraft for the Marine Corps.

C–40A

The budget request included $49.0 million for the procurement of one C–40A long-range utility aircraft.

The Senate bill would authorize an increase of $54.0 million for the procurement of one additional aircraft.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $49.0 million for the procurement of one additional C–40A aircraft.

E–6B modifications

The budget request included $161.0 million for various modifications to the EA–6B aircraft.

The Senate bill would authorize an increase of $25.0 million for the procurement of additional modified band 9/10 transmitters.

The House amendment would authorize an increase of $45.0 million for the procurement of additional band 9/10 transmitters.

The conferees agree to authorize an increase of $25.0 million for the procurement of additional band 9/10 transmitters.

F/A–18 aircraft modifications.

The budget request included $308.8 million for modifications for the F/A–18 series of aircraft.

The Senate bill would authorize an increase of $130.4 million, as follows:

(1) an increase of $63.0 million for engineering change proposal 583 (ECP–583) kits;

(2) an increase of $38.0 million for replacement of APG–65 radars with APG–73; and

(3) an increase of $29.4 million for incorporation of the multifunctional information distributions system (MIDS).

The House amendment would authorize an increase of $63.0 million for incorporation of additional ECP–583 kits.

The conferees agree to authorize an increase of $11.0 million for modifications to the F/A–18 aircraft, as follows:

(1) an increase of $38.0 million for replacement of APG–65 radars with APG–73; and

(2) a decrease of $27.0 million due to the premature procurement of an advanced targeting forward-looking infrared system.

The conferees understand the Navy is planning to conduct the competitive MIDS procurement as a multiple source award to two or more contractors, with the intent of promoting competition and obtaining best value; and that this procurement will commence within the first six months of calendar year 2000. The conferees support a competitive procurement decision by the Navy and would commend the Secretary of the Navy for taking this action.

AH–1W series

The budget request included $13.7 million to support AH–1W series procurement requirements.

The Senate bill would authorize an increase of $9.0 million for AH–1W night targeting device requirements.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $7.0 million for procurement of AH–1W night targeting devices.

H–1 series

The budget request included $6.3 million to support H–1 series equipment requirements.

The Senate bill would authorize an increase of $15.0 million to meet outstanding requirements for navigational thermal imaging systems for UH–1N aircraft.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million to support procurement and fielding of navigational thermal imaging systems for existing Marine Corps UH–1N aircraft.

P–3 modifications

The budget request included $276.2 million for various modifications to the P–3 aircraft.

The Senate bill would authorize an increase of $138.6 million for the procurement of eight additional anti-surface warfare improvement program (AIP) kits, and for the sustained readiness program.

The House amendment would authorize an increase of $70.0 million for the procurement of five additional AIP kits, and an increase of $5.0 million for the procurement of lightweight environmentally sealed parachute assemblies (LESPAs).

The conferees agree to authorize an increase of $65.0 million for the P–3 program, as follows:

(1) an increase of $60.0 million for the procurement of additional AIP kits; and

(2) an increase of $5.0 million for the procurement of LESPAs.

E–2 modifications

The budget request included $28.2 million for modifications to the E–2 aircraft.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $45.0 million for Hawkeye 2000 upgrades, an increase of $22.0 million for cooperative engagement capability upgrades, and an increase of $5.0 million for lightweight environmentally sealed parachute assemblies (LESPAs).

The conferees agree to authorize an increase of $26.9 million for modifications to the E–2 aircraft, including:

(1) an increase of $21.9 million for cooperative engagement capability; and

(2) an increase of $5.0 million for LESPAs.

Special project aircraft

The budget request included $28.8 million for modifications for special project aircraft.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $2.0 million for an additional common data link (CDL) terminal and outfitting two more aircraft with CDL.

The conferees agree to authorize an increase of $2.0 million for an additional common data link (CDL) terminal and outfitting two more aircraft with CDL.

Common ground equipment

The budget request included $413.7 million for common ground equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize a decrease of $20.0 million due to unexplained cost growth.

The conferees have learned that the Navy has realigned $35.8 million of prior year funds that were budgeted for the universal jet air start unit (UNIJASU) program. The Navy decided to shift these funds to another project, delaying the procurement of new starting units by several years. The conferees are very concerned that the Navy made the decision to realign funding in February 1999, yet failed to notify all the congressional defense committees until information on program status was requested. The conferees agree to authorize a decrease of $35.8 million for common ground equipment.

Overview

The budget request for fiscal year 2000 included an authorization of $1,357.4 million for Weapons Procurement, Navy in the Department of Defense.

The Senate bill would authorize $1,392.1 million.

The House amendment would authorize $1,764.7 million.

The conferees recommended an authorization of $1,417.1 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	WEAPONS PROCUREMENT, NAVY										
	BALLISTIC MISSILES										
	BALLISTIC MISSILES										
1	TRIDENT II	12	476,337	12	476,337	12	476,337	-	-	12	476,337
	LESS: ADVANCE PROCUREMENT (PY)		(38,849)	-	(38,849)	-	(38,849)	-	-	-	(38,849)
2	ADVANCE PROCUREMENT (CY)	-	51,400	-	51,400	-	51,400	-	-	-	51,400
	SUPPORT EQUIPMENT AND FACILITIES										
3	MISSILE INDUSTRIAL FACILITIES	-	2,180	-	2,180	-	2,180	-	-	-	2,180
	OTHER MISSILES										
	STRATEGIC MISSILES										
4	TOMAHAWK	148	50,894	148	350,894	148	50,894	-	-	148	50,894
5	ESSM	-	11,668	-	10,568	-	11,668	-	-	-	11,668
	TACTICAL MISSILES										
6	AMRAAM	100	46,261	100	46,261	100	46,261	-	-	100	46,261
7	JSOW	615	154,913	1,016	229,913	615	154,913	-	-	615	154,913
8	SLAM-ER	56	38,088	56	38,088	56	38,088	-	-	56	38,088
9	STANDARD MISSILE	91	198,867	193	159,867	91	198,867	-	-	91	198,867
10	RAM	90	45,429	90	44,429	90	45,429	-	-	90	45,429
11	HELLFIRE	-	-	750	52,000	-	25,000	420	25,000	420	25,000
12	PENGUIN	-	-	-	-	-	-	-	-	-	-
13	AERIAL TARGETS	-	21,177	-	44,077	-	21,177	-	25,000	-	46,177
14	DRONES AND DECOYS	-	-	-	-	-	10,000	-	10,000	-	10,000
15	OTHER MISSILE SUPPORT	-	12,784	-	12,784	-	12,784	-	-	-	12,784
	MODIFICATION OF MISSILES										
16	SIDEWINDER MODS	75	29,387	75	29,387	75	29,387	-	-	75	29,387
17	HARPOON MODS	-	-	-	-	-	-	-	-	-	-
18	STANDARD MISSILES MODS	-	41,927	-	41,927	-	41,927	-	-	-	41,927
	SUPPORT EQUIPMENT AND FACILITIES										
19	WEAPONS INDUSTRIAL FACILITIES	-	20,199	-	19,199	-	27,899	-	7,700	-	27,899
20	FLEET SATELLITE COMM FOLLOW-ON	-	-	-	-	-	-	-	-	-	-

Title I - Procurement
(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
21	ADVANCE PROCUREMENT (CY)	-	9,789	-	9,789	-	9,789	-	-	-	9,789
	ORDNANCE SUPPORT EQUIPMENT										
22	ORDNANCE SUPPORT EQUIPMENT	-	4,125	-	4,125	-	4,125	-	-	-	4,125
	TORPEDOES AND RELATED EQUIPMENT										
	TORPEDOES AND RELATED EQUIP.										
23	ASW TARGETS	-	1,996	-	1,996	-	1,996	-	-	-	1,996
	MOD OF TORPEDOES AND RELATED EQUIP										
24	MK-46 TORPEDO MODS	-	28,699	-	28,699	-	28,699	-	-	-	28,699
25	ISLMM	-	-	-	-	-	-	-	-	-	-
26	MK-48 TORPEDO ADCAP MODS	-	52,755	-	52,755	-	52,755	-	-	-	52,755
27	QUICKSTRIKE MINE	-	-	-	-	-	-	-	-		
	SUPPORT EQUIPMENT										
28	TORPEDO SUPPORT EQUIPMENT	-	23,350	-	23,350	-	23,350	-	-	-	23,350
29	ASW RANGE SUPPORT	-	15,166	-	15,166	-	15,166	-	-	-	15,166
	DESTINATION TRANSPORTATION										
30	FIRST DESTINATION TRANSPORTATION	-	1,663	-	1,663	-	1,663	-	-	-	1,663
	OTHER WEAPONS										
	GUNS AND GUN MOUNTS										
31	SMALL ARMS AND WEAPONS	-	880	-	880	-	880	-	-	-	880
	MODIFICATION OF GUNS AND GUN MOUNTS										
32	CIWS MODS	-	2,977	-	2,977	-	2,977	-	-	-	2,977
33	5/54 GUN MOUNT MODS	-	1,444	-	1,444	-	1,444	-	-	-	1,444
34	MK-75 76MM GUN MOUNT MODS	-	1,969	-	1,969	-	1,969	-	-	-	1,969
35	MODS UNDER $2 MILLION	-	1,311	-	1,311	-	1,311	-	-	-	1,311
	OTHER										
36	PIONEER	-	-	-	-	-	-	-	-	-	-
37	CANCELLED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
38	SPARES AND REPAIR PARTS	-	48,614	-	48,614	-	48,614	-	-	-	48,614

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	ECONOMIC ADJUSTMENT						(8,000)		(8,000)	-	(8,000)
	ADVISORY AND ASSISTANCE			-	(545)						
	TOTAL, WEAPONS PROCUREMENT, NAVY		1,357,400		1,764,655		1,392,100		59,700		1,417,100

Aerial targets

The budget request included $22.2 million for aerial targets.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $25.0 million to procure BQM-74 aerial targets. This increase was offset by a reduction of $2.1 million for unexplained government costs.

The conferees agree to authorize an increase of $25.0 million for the procurement of BQM-74 aerial targets.

Drones and decoys

The budget request included no funds for drones and decoys.

The Senate bill would authorize an increase of $10.0 million for the procurement of improved tactical air launched decoys (ITALDs).

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million for the procurement of ITALDs.

Weapons industrial facilities

The budget request included $20.0 million for various activities at government-owned and contractor-operated weapons industrial facilities.

The Senate bill would authorize an increase of $7.7 million to accelerate the facilities restoration program at the Allegany Ballistics Laboratory.

The House amendment would authorize a decrease of $1.0 million.

The conferees agree to authorize an increase of $7.7 million to accelerate the facilities restoration program at the Allegany Ballistics Laboratory.

Overview

The budget request for fiscal year 2000 included an authorization of $484.9 million for Ammunition Procurement, Navy and Marine Corps in the Department of Defense.

The Senate bill would authorize $542.7 million.

The House amendment would authorize $612.9 million.

The conferees recommended an authorization of $534.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	PROCUREMENT OF AMMO, NAVY & MARINE CORPS										
	PROC AMMO, NAVY										
	NAVY AMMUNITION										
1	GENERAL PURPOSE BOMBS	-	77,915	-	77,915	-	105,915	-	-	-	77,915
2	JDAM	785	35,563	2,613	83,563	785	35,563	-	-	785	35,563
3	2.75 INCH ROCKETS	-	21,229	-	21,229	-	21,229	-	-	-	21,229
4	MACHINE GUN AMMUNITION	-	9,153	-	9,153	-	9,153	-	-	-	9,153
5	PRACTICE BOMBS	-	49,106	-	49,106	-	49,106	-	-	-	49,106
6	CARTRIDGES & CART ACTUATED DEVICES	-	26,826	-	26,826	-	26,826	-	-	-	26,826
7	AIRCRAFT ESCAPE ROCKETS	-	10,469	-	10,469	-	10,469	-	-	-	10,469
8	AIR EXPENDABLE COUNTERMEASURES	-	34,259	-	39,259	-	36,259	-	5,000	-	39,259
9	MARINE LOCATION MARKERS	-	-	-	-	-	-	-	-	-	-
10	JATOS	-	4,969	-	4,969	-	4,969	-	-	-	4,969
11	5 INCH/54 GUN AMMUNITION	-	15,758	-	15,758	-	15,758	-	-	-	15,758
12	EXTENDED RANGE GUIDED MUNITIONS (ERGM)	-	3,004	-	3,004	-	3,004	-	-	-	3,004
13	CIWS AMMUNITION	-	-	-	-	-	-	-	-	-	-
14	76MM GUN AMMUNITION	-	7,012	-	7,012	-	7,012	-	-	-	7,012
15	OTHER SHIP GUN AMMUNITION	-	5,841	-	5,841	-	5,841	-	-	-	5,841
16	SMALL ARMS & LANDING PARTY AMMO	-	8,030	-	8,030	-	8,030	-	-	-	8,030
17	PYROTECHNIC AND DEMOLITION	-	8,165	-	8,165	-	8,165	-	-	-	8,165
18	MINE NEUTRALIZATION DEVICES	-	9,199	-	9,199	-	9,199	-	-	-	9,199
19	AMMUNITION LESS THAN $5 MILLION	-	2,226	-	2,226	-	2,226	-	-	-	2,226
	PROC AMMO, MC										
	MARINE CORPS AMMUNITION										
20	5.56 MM, ALL TYPES	-	12,958	-	21,958	-	12,958	-	9,000	-	21,958
21	7.62 MM, ALL TYPES	-	7	-	5,007	-	7	-	5,000	-	5,007
22	LINEAR CHARGES, ALL TYPES	-	28,639	-	38,639	-	28,639	-	-	-	28,639
23	.50 CALIBER	-	16,364	-	20,364	-	16,364	-	2,000	-	18,364
24	40 MM, ALL TYPES	-	11,247	-	12,547	-	12,647	-	1,400	-	12,647
25	60MM, ALL TYPES	-	12,433	-	16,433	-	16,433	-	4,000	-	16,433

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
26	81MM, ALL TYPES	-	6,152	-	6,152	-	6,152	-	-	-	6,152
27	120MM, ALL TYPES	-	12,010	-	12,010	-	12,010	-	-	-	12,010
28	CTG 25MM, ALL TYPES	-	3,194	-	11,394	-	9,394	-	8,200	-	11,394
29	9 MM ALL TYPES	-	1,922	-	1,922	-	1,922	-	-	-	1,922
30	GRENADES, ALL TYPES	-	2,270	-	5,270	-	2,270	-	2,000	-	4,270
31	STINGER SLEP	-	1,972	-	1,972	-	1,972	-	-	-	1,972
32	ROCKETS, ALL TYPES	-	11,030	-	25,030	-	20,030	-	9,000	-	20,030
33	ARTILLERY, ALL TYPES	-	166	-	8,166	-	166	-	-	-	166
34	DEMOLITION MUNITIONS, ALL TYPES	-	14,733	-	21,933	-	21,933	-	7,200	-	21,933
35	FUZE, ALL TYPES	-	2,410	-	2,410	-	5,410	-	-	-	2,410
36	NON LETHALS	-	1,977	-	1,977	-	1,977	-	-	-	1,977
37	AMMO MODERNIZATION	-	10,702	-	10,702	-	10,702	-	-	-	10,702
38	ITEMS LESS THAN $5 MILLION	-	5,990	-	7,290	-	5,990	-	-	-	5,990
39	ITEMS LESS THAN $2 MILLION	-	-	-	-	-	-	-	-	-	-
	ECONOMIC ADJUSTMENT						(3,000)		(3,000)	-	(3,000)
	TOTAL, PROCUREMENT OF AMMO, NAVY & MARINE CORPS		484,900		612,900		542,700		49,800		534,700

Overview

The budget request for fiscal year 2000 included an authorization of $6,678.5 million for Shipbuilding and Conversion, Navy in the Department of Defense.

The Senate bill would authorize $7,016.5 million.

The House amendment would authorize $6,687.2 million.

The conferees recommended an authorization of $7,016.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00		House		Senate		Conference			
		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	SHIPBUILDING & CONVERSION, NAVY										
	OTHER WARSHIPS										
	OTHER WARSHIPS										
1	CARRIER REPLACEMENT PROGRAM	-	-	-	-	-	-	-	-	-	-
2	ADVANCE PROCUREMENT (CY)	-	751,540	-	751,540	-	751,540	-	-	-	751,540
3	SSN-21	-	-	-	-	-	-	-	-	-	-
4	NEW SSN	-	-	-	5,000	-	-	-	-	-	-
5	ADVANCE PROCUREMENT (CY)	-	748,497	-	748,497	-	748,497	-	-	-	748,497
6	CVN REFUELING OVERHAULS	-	-	-	-	-	-	-	-	-	-
7	ADVANCE PROCUREMENT (CY)	-	345,565	-	345,565	-	345,565	-	-	-	345,565
8	DDG-51	3	2,735,340	3	2,735,340	3	2,735,340	-	-	3	2,735,340
	LESS: ADVANCE PROCUREMENT (PY)		(53,687)	-	(53,687)	-	(53,687)	-	-	-	(53,687)
9	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
	AMPHIBIOUS SHIPS							-	-		
	AMPHIBIOUS SHIPS							-	-		
10	LHD-1 AMPHIBIOUS ASSAULT SHIP (MYP)	-	-	-	15,000	-	375,000	-	-	-	375,000
	LHD-8 ADVANCED PROCUREMENT					-		-	375,000		
11	LPD-17	2	1,508,338	2	1,508,338	2	1,508,338	-	-	2	1,508,338
12	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
	AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM										
	AUXILIARIES, CRAFT AND PRIOR YR PROGRAM CO										
13	OCEANOGRAPHIC SHIPS	-	-	-	-	-	-	-	-	-	-
14	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
15	ADC(X)	1	439,966	1	439,966	1	439,966	-	-	1	439,966
16	SERVICE CRAFT	-	-	-	-	-	-	-	-	-	-
17	LCAC LANDING CRAFT	-	12,407	-	12,407	-	12,407	-	-	-	12,407
	LESS: ADVANCE PROCUREMENT (PY)		(12,407)	-	(12,407)	-	(12,407)	-	-	-	(12,407)
18	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
19	OUTFITTING	-	171,119	-	162,519	-	171,119	-	-	-	171,119
20	POST DELIVERY	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

n o.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
21	LCAC SLEP	2	31,776	2	31,776	2	31,776	-	-	2	31,776
22	FIRST DESTINATION TRANSPORTATION	-	-	-	-	-	-	-	-	-	-
	ECONOMIC ADJUSTMENT						(37,000)		(37,000)	-	(37,000)
	ADVISORY AND ASSISTANCE			-	(2,682)						
	TOTAL, SHIPBUILDING & CONVERSION, NAVY		6,678,454		6,687,172		7,016,454		338,000		7,016,454

Overview

The budget request for fiscal year 2000 included an authorization of $4,100.1 million for Other Procurement, Navy in the Department of Defense.

The Senate bill would authorize $4,197.8 million.

The House amendment would authorize $4,238.4 million.

The conferees recommended an authorization of $4,266.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00		House		Senate		Conference			
		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	OTHER PROCUREMENT, NAVY										
	SHIPS SUPPORT EQUIPMENT										
	SHIP PROPULSION EQUIPMENT										
1	LM-2500 GAS TURBINE	-	8,333	-	8,333	-	8,333	-	-	-	8,333
2	ALLISON 501K GAS TURBINE	-	8,378	-	8,378	-	8,378	-	-	-	8,378
3	STEAM PROPULSION IMPROVEMENT	-	-	-	-	-	-	-	-	-	-
4	OTHER PROPULSION EQUIPMENT	-	-	-	-	-	-	-	-	-	-
	GENERATORS										
5	OTHER GENERATORS	-	-	-	-	-	-	-	-	-	-
	PUMPS										
6	OTHER PUMPS	-	-	-	-	-	-	-	-	-	-
	PROPELLERS										
7	SUBMARINE PROPELLERS	-	-	-	-	-	-	-	-	-	-
8	OTHER PROPELLERS AND SHAFTS	-	-	-	-	-	-	-	-	-	-
	NAVIGATION EQUIPMENT										
9	OTHER NAVIGATION EQUIPMENT	-	67,516	-	97,516	-	82,516	-	25,000	-	92,516
	UNDERWAY REPLENISHMENT EQUIPMENT										
10	UNDERWAY REPLENISHMENT EQUIPMENT	-	15,638	-	15,638	-	15,638	-	-	-	15,638
	PERISCOPES										
11	SUB PERISCOPES & IMAGING EQUIP	-	65,039	-	65,039	-	65,039	-	-	-	65,039
	OTHER SHIPBOARD EQUIPMENT										
12	FIREFIGHTING EQUIPMENT	-	17,031	-	32,031	-	17,031	-	-	-	17,031
13	COMMAND AND CONTROL SWITCHBOARD	-	12,301	-	12,301	-	12,301	-	-	-	12,301
14	POLLUTION CONTROL EQUIPMENT	-	113,506	-	113,506	-	113,506	-	-	-	113,506
15	SUBMARINE SILENCING EQUIPMENT	-	-	-	-	-	-	-	-	-	-
16	SUBMARINE SUPPORT EQUIPMENT	-	50,981	-	50,981	-	50,981	-	-	-	50,981
17	SUBMARINE BATTERIES	-	13,101	-	13,101	-	13,101	-	-	-	13,101
18	SSN21 CLASS SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
19	STRATEGIC PLATFORM SUPPORT EQUIP	-	6,070	-	6,070	-	6,070	-	-	-	6,070
20	DSSP EQUIPMENT	-	7,989	-	7,989	-	7,989	-	-	-	7,989

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
21	LCAC	-	4,048	-	4,048	-	4,048	-	-	-	4,048
22	MINESWEEPING EQUIPMENT	-	16,302	-	24,902	-	16,302	-	4,500	-	20,802
23	HM&E ITEMS UNDER $2 MILLION	-	-	-	-	-	-	-	-	-	-
24	ITEMS LESS THAN $5 MILLION	-	126,133	-	140,133	-	157,033	-	30,900	-	157,033
25	SURFACE IMA	-	-	-	-	-	-	-	-	-	-
26	RADIOLOGICAL CONTROLS	-	-	-	-	-	-	-	-	-	-
27	MINI/MICRO MINI ELECTRONIC REPAIR	-	-	-	-	-	-	-	-	-	-
28	SUBMARINE LIFE SUPPORT SYSTEM	-	949	-	949	-	949	-	-	-	949
	REACTOR PLANT EQUIPMENT			-	-						
29	REACTOR POWER UNITS	-	-	-	-	-	-	-	-	-	-
30	REACTOR COMPONENTS	-	199,110	-	199,110	-	199,110	-	-	-	199,110
	OCEAN ENGINEERING										
31	DIVING AND SALVAGE EQUIPMENT	-	5,521	-	5,521	-	5,521	-	-	-	5,521
32	EOD UNDERWATER EQUIPMENT	-	292	-	292	-	292	-	-	-	292
	SMALL BOATS							-	-		
33	STANDARD BOATS	-	3,143	-	2,143	-	3,143	-	-	-	3,143
	TRAINING EQUIPMENT										
34	OTHER SHIPS TRAINING EQUIPMENT	-	3,862	-	3,862	-	3,862	-	-	-	3,862
	PRODUCTION FACILITIES EQUIPMENT										
35	PRODUCTION SUPPORT FACILITIES	-	-	-	-	-	-	-	-	-	-
36	OPERATING FORCES IPE	-	4,548	-	4,548	-	4,548	-	-	-	4,548
	OTHER SHIP SUPPORT										
37	NUCLEAR ALTERATIONS	-	108,918	-	108,918	-	108,918			-	108,918
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT							-	-		
	SHIP RADARS							-	-		
38	AN/SPS-40	-	-	-	-	-	-	-	-	-	-
39	AN/SPS-48	-	-	-	-	-	-	-	-	-	-
40	AN/SPS-49	-	2,245	-	2,245	-	2,245	-	-	-	2,245
41	MK-23 TARGET ACQUISITION SYSTEM	-	-	-	-	-	-	-	-	-	-
42	RADAR SUPPORT	-	-	-	-	-	8,000	-	22,000	-	22,000

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
43	TISS	-	1,755	-	1,755	-	1,755	-	-	-	1,755
	SHIP SONARS										
44	SURFACE SONAR SUPPORT EQUIPMENT	-	-	-	5,000	-	-	-	5,000	-	5,000
45	AN/SQQ-89 SURF ASW COMBAT SYSTEM	-	31,914	-	31,914	-	31,914	-	-	-	31,914
46	SSN ACOUSTICS	-	227,042	-	227,042	-	227,042	-	-	-	227,042
	SURFACE SONAR WINDOWS AND DOME										
47	UNDERSEA WARFARE SUPPORT EQUIPMENT	-	2,605	-	11,205	-	2,605	-	8,600	-	11,205
48	SONAR SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
49	SONAR SWITCHES AND TRANSDUCERS	-	12,095	-	12,095	-	12,095	-	-	-	12,095
	ASW ELECTRONIC EQUIPMENT										
50	SUBMARINE ACOUSTIC WARFARE SYSTEM	-	11,202	-	11,202	-	11,202	-	-	-	11,202
51	SSTD	-	-	-	-	-	-	-	-	-	-
52	ACOUSTIC COMMUNICATIONS	-	-	-	-	-	-	-	-	-	-
53	FIXED SURVEILLANCE SYSTEM	-	16,674	-	16,674	-	16,674	-	-	-	16,674
54	SURTASS	-	7,267	-	7,267	-	7,267	-	-	-	7,267
55	ASW OPERATIONS CENTER	-	4,434	-	4,434	-	4,434	-	-	-	4,434
56	CARRIER ASW MODULE	-	-	-	-	-	-	-	-	-	-
	ELECTRONIC WARFARE EQUIPMENT										
57	AN/SLQ-32	-	1,918	-	1,918	-	1,918	-	-	-	1,918
58	AN/WLR-1	-	-	-	-	-	-	-	-	-	-
59	INFORMATION WARFARE SYSTEMS	-	4,121	-	4,121	-	4,121	-	-	-	4,121
60	EW SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
61	C-3 COUNTERMEASURES	-	-	-	-	-	-	-	-	-	-
	RECONNAISSANCE EQUIPMENT										
62	SHIPBOARD IW EXPLOIT	-	48,031	-	26,031	-	48,031	-	-	-	48,031
63	COMBAT DF	-	-	-	-	-	-	-	-	-	-
64	OUTBOARD	-	-	-	-	-	-	-	-	-	-
65	COMMON HIGH BANDWIDTH DATA LINK	-	40,083	-	40,083	-	40,083	-	-	-	40,083
	SUBMARINE SURVEILLANCE EQUIPMENT										
66	AN/WLQ-4	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
67	SUBMARINE SUPPORT EQUIPMENT PROG	-	35,201	-	35,201	-	35,201	-	-	-	35,201
	OTHER SHIP ELECTRONIC EQUIPMENT										
68	NAVY TACTICAL DATA SYSTEM	-	-	-	-	-	-	-	-	-	-
69	COOPERATIVE ENGAGEMENT CAPABILITY	-	60,494	-	60,494	-	38,594	-	-	-	60,494
70	GCCS-M EQUIPMENT AFLOAT	-	25,067	-	25,067	-	25,067	-	-	-	25,067
71	NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCS	-	48,222	-	48,222	-	48,222	-	-	-	48,222
72	ATDLS	-	19,143	-	19,143	-	19,143	-	-	-	19,143
73	MINESWEEPING SYSTEM REPLACEMENT	-	20,762	-	20,762	-	20,762	-	-	-	20,762
74	SHALLOW WATER MCM	-	18,813	-	18,813	-	18,813	-	-	-	18,813
75	NAVSTAR GPS RECEIVERS (SPACE)	-	8,518	-	8,518	-	8,518	-	-	-	8,518
76	ARMED FORCES RADIO AND TV	-	4,229	-	4,229	-	4,229	-	-	-	4,229
77	STRATEGIC PLATFORM SUPPORT EQUIP	-	21,820	-	21,820	-	21,820	-	-	-	21,820
	TRAINING EQUIPMENT							-	-		
78	OTHER SPAWAR TRAINING EQUIPMENT	-	1,011	-	1,011	-	1,011	-	-	-	1,011
79	OTHER TRAINING EQUIPMENT	-	44,229	-	56,229	-	44,229	-	10,000	-	54,229
	AVIATION ELECTRONIC EQUIPMENT							-	-		
80	MATCALS	-	12,412	-	12,412	-	12,412	-	-	-	12,412
81	SHIPBOARD AIR TRAFFIC CONTROL	-	7,543	-	7,543	-	7,543	-	-	-	7,543
82	AUTOMATIC CARRIER LANDING SYSTEM	-	19,440	-	19,440	-	19,440	-	-	-	19,440
83	NATIONAL AIR SPACE SYSTEM	-	35,115	-	35,115	-	35,115	-	-	-	35,115
84	AIR STATION SUPPORT EQUIPMENT	-	7,277	-	7,277	-	7,277	-	-	-	7,277
85	MICROWAVE LANDING SYSTEM	-	5,318	-	5,318	-	5,318	-	-	-	5,318
86	FACSFAC	-	4,514	-	4,514	-	4,514	-	-	-	4,514
87	ID SYSTEMS	-	13,400	-	13,400	-	13,400	-	-	-	13,400
88	SURFACE IDENTIFICATION SYSTEMS	-	590	-	590	-	590	-	-	-	590
89	TAC A/C MISSION PLANNING SYS(TAMPS)	-	20,769	-	20,769	-	20,769	-	-	-	20,769
	OTHER SHORE ELECTRONIC EQUIPMENT							-	-		
90	GCCS-M EQUIPMENT ASHORE	-	9,440	-	9,440	-	9,440	-	-	-	9,440
91	OSIS EVOLUTIONARY DEVELOPMENT (OED)	-	-	-	-	-	-	-	-	-	-
92	TADIX-B	-	6,248	-	6,248	-	6,248	-	-	-	6,248

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
93	NAVAL SPACE SURVEILLANCE SYSTEM	-	6,634	-	6,634	-	6,634	-	1,000	-	7,634
94	GCCS-M EQUIPMENT TACTICAL/MOBILE	-	7,077	-	7,077	-	7,077	-	-	-	7,077
95	COMMON IMAGERY GROUND SURFACE SYSTEMS	-	41,255	-	41,255	-	41,255	-	-	-	41,255
96	RADIAC	-	7,778	-	7,778	-	7,778	-	-	-	7,778
97	GPETE	-	9,006	-	9,006	-	9,006	-	-	-	9,006
98	INTEG COMBAT SYSTEM TEST FACILITY	-	4,356	-	4,356	-	9,356	-	-	-	4,356
99	CALIBRATION STANDARDS	-	-	-	-	-	-	-	-	-	-
100	EMI CONTROL INSTRUMENTATION	-	6,554	-	6,554	-	6,554	-	-	-	6,554
101	SHORE ELEC ITEMS UNDER $2 MILLION	-	-	-	-	-	-	-	-	-	-
102	ITEMS LESS THAN $5 MILLION	-	5,206	-	15,206	-	5,206	-	5,000	-	10,206
	SHIPBOARD COMMUNICATIONS										
103	SHIPBOARD TACTICAL COMMUNICATIONS	-	21,487	-	21,487	-	21,487	-	-	-	21,487
104	PORTABLE RADIOS	-	-	-	-	-	-	-	-	-	-
105	SINCGARS	-	-	-	-	-	-	-	-	-	-
106	SHIP COMMUNICATIONS AUTOMATION	-	220,670	-	220,670	-	220,670	-	-	-	220,670
107	SHIP COMM ITEMS UNDER $5 MILLION	-	20,746	-	20,746	-	20,746	-	-	-	20,746
108	INTEGRATED BROADCAST SYSTEM	-	-	-	-	-	-	-	-	-	-
	SUBMARINE COMMUNICATIONS										
109	SHORE LF/VLF COMMUNICATIONS	-	36,361	-	36,361	-	36,361	-	-	-	36,361
110	SUBMARINE COMMUNICATION EQUIPMENT	-	85,368	-	85,368	-	85,368	-	-	-	85,368
111	ADVANCED VLF RECEIVER	-	-	-	-	-	-	-	-	-	-
	SATELLITE COMMUNICATIONS										
112	SATCOM SHIP TERMINALS (SPACE)	-	237,722	-	247,722	-	237,722	-	10,000	-	247,722
113	SATCOM SHORE TERMINALS (SPACE)	-	65,710	-	65,710	-	65,710	-	-	-	65,710
	SHORE COMMUNICATIONS										
114	JCS COMMUNICATIONS EQUIPMENT	-	3,703	-	3,703	-	3,703	-	-	-	3,703
115	NSIPS	-	5,022	-	5,022	-	5,022	-	-	-	5,022
116	JEDMICS	-	-	-	12,000	-	9,000	-	12,000	-	12,000
117	GCCS EQUIPMENT	-	-	-	-	-	-	-	-	-	-
118	NAVAL SHORE COMMUNICATIONS	-	114,339	-	114,339	-	145,039	-	-	-	114,339

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	CRYPTOGRAPHIC EQUIPMENT										
119	INFO SYSTEMS SECURITY PROGRAM (ISSP)	-	64,139	-	67,139	-	76,139	-	3,500	-	67,639
	CRYPTOLOGIC EQUIPMENT										
120	CRYPTOLOGIC COMMUNICATIONS EQUIP	-	21,133	-	21,133	-	21,133	-	-	-	21,133
	DRUG INTERDICTION SUPPORT										
121	OTHER DRUG INTERDICTION SUPPORT	-	-	-	-	-	-	-	-	-	-
	AVIATION SUPPORT EQUIPMENT										
	SONOBUOYS										
122	AN/SSQ-36 (BT)	-	-	-	-	-	-	-	-	-	-
123	AN/SSQ-53 (DIFAR)	-	-	-	-	-	-	-	-	-	-
124	PASSIVE SONOBUOYS (NON-BEAM FORMING)	-	15,933	-	28,733	-	15,933	-	8,000	-	23,933
125	AN/SSQ-57 (SPECIAL PURPOSE)	-	-	-	-	-	-	-	-	-	-
126	AN/SSQ-62 (DICASS)	-	17,111	-	23,111	-	17,111	-	5,000	-	22,111
127	AN/SSQ-77 (VLAD)	-	-	-	-	-	-	-	-	-	-
128	AN/SSQ-101 (ADAR)	-	12,773	-	13,973	-	12,773	-	1,200	-	13,973
129	AN/SSQ-110	-	-	-	-	-	-	-	-	-	-
130	SIGNAL, UNDERWATER SOUND (SUS)	-	-	-	-	-	-	-	-	-	-
131	MISCELLANEOUS SONOBUOYS LESS THAN $5 MILLIO	-	2,193	-	2,193	-	2,193	-	-	-	2,193
	AIRCRAFT SUPPORT EQUIPMENT										
132	WEAPONS RANGE SUPPORT EQUIPMENT	-	12,166	-	20,166	-	12,166	-	6,000	-	18,166
133	EXPEDITIONARY AIRFIELDS	-	62	-	62	-	62	-	-	-	62
134	AIRCRAFT REARMING EQUIPMENT	-	12,456	-	12,456	-	12,456	-	-	-	12,456
135	AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	-	48,659	-	48,659	-	48,659	-	-	-	48,659
136	METEOROLOGICAL EQUIPMENT	-	31,504	-	31,504	-	31,504	-	-	-	31,504
137	OTHER PHOTOGRAPHIC EQUIPMENT	-	1,685	-	1,685	-	1,685	-	-	-	1,685
138	AVIATION LIFE SUPPORT	-	17,053	-	17,053	-	35,153	-	18,100	-	35,153
139	AIRBORNE MINE COUNTERMEASURES	-	40,455	-	40,455	-	40,455	-	-	-	40,455
140	LAMPS MK III SHIPBOARD EQUIPMENT	-	-	-	-	-	-	-	-	-	-
141	REWSON PHOTOGRAPHIC EQUIPMENT	-	-	-	-	-	-	-	-	-	-
142	STOCK SURVEILLANCE EQUIPMENT	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00 Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
143	OTHER AVIATION SUPPORT EQUIPMENT	-	4,187	-	4,187	-	4,187	-	-	-	4,187
	ORDNANCE SUPPORT EQUIPMENT										
	SHIP GUN SYSTEM EQUIPMENT										
144	GUN FIRE CONTROL EQUIPMENT	-	5,871	-	5,871	-	5,871	-	-	-	5,871
	SHIP MISSILE SYSTEMS EQUIPMENT									-	-
145	MK-92 FIRE CONTROL SYSTEM	-	-	-	-	-	-	-	-	-	-
146	HARPOON SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
147	TARTAR SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
148	POINT DEFENSE SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
149	NATO SEASPARROW	-	492	-	492	-	492	-	-	-	492
150	RAM GMLS	-	39,295	-	39,295	-	39,295	-	-	-	39,295
151	SHIP SELF DEFENSE SYSTEM	-	38,790	-	38,790	-	38,790	-	-	-	38,790
152	AEGIS SUPPORT EQUIPMENT	-	86,668	-	94,668	-	86,668	-	2,000	-	88,668
153	SURFACE TOMAHAWK SUPPORT EQUIPMENT	-	85,782	-	85,782	-	85,782	-	-	-	85,782
154	SUBMARINE TOMAHAWK SUPPORT EQUIP	-	2,075	-	2,075	-	2,075	-	-	-	2,075
155	VERTICAL LAUNCH SYSTEMS	-	7,218	-	7,218	-	7,218	-	-	-	7,218
	FBM SUPPORT EQUIPMENT										
156	STRATEGIC PLATFORM SUPPORT EQUIP	-	9,359	-	9,359	-	9,359	-	-	-	9,359
157	STRATEGIC MISSILE SYSTEMS EQUIP	-	239,514	-	239,514	-	239,514	-	-	-	239,514
158	ANTI-SHIP MISSILE DECOY SYSTEM	-	20,446	-	20,446	-	35,746	-	12,000	-	32,446
	ASW SUPPORT EQUIPMENT										
159	SSN COMBAT CONTROL SYSTEMS	-	26,056	-	26,056	-	26,056	-	-	-	26,056
160	SUBMARINE ASW SUPPORT EQUIPMENT	-	3,700	-	3,700	-	3,700	-	-	-	3,700
161	SURFACE ASW SUPPORT EQUIPMENT	-	6,138	-	6,138	-	6,138	-	-	-	6,138
162	ASW RANGE SUPPORT EQUIPMENT	-	6,407	-	6,407	-	6,407	-	-	-	6,407
	OTHER ORDNANCE SUPPORT EQUIPMENT										
163	EXPLOSIVE ORDNANCE DISPOSAL EQUIP	-	8,965	-	8,965	-	8,965	-	-	-	8,965
164	UNMANNED SEABORNE TARGET	-	-	-	-	-	-	-	-	-	-
165	INDUSTRIAL FACILITIES (CALIBRATION EQUIPMEN	-	-	-	-	-	-	-	-	-	-
166	ITEMS LESS THAN $5 MILLION	-	4,362	-	4,362	-	4,362	-	-	-	4,362

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
167	STOCK SURVEILLANCE EQUIPMENT	-	-	-	-	-	-	-	-	-	-
	OTHER EXPENDABLE ORDNANCE										
168	FLEET MINE SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
169	SURFACE TRAINING DEVICE MODS	-	10,701	-	10,701	-	10,701	-	-	-	10,701
170	SUBMARINE TRAINING DEVICE MODS	-	27,579	-	27,579	-	27,579	-	-	-	27,579
171	ACQUISITION STABILITY RESERVE	-	-	-	-	-	-	-	-	-	-
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
172	ARMORED SEDANS	-	-	-	-	-	-	-	-	-	-
173	PASSENGER CARRYING VEHICLES	25	557	25	557	25	557	-	-	25	557
174	SPECIAL PURPOSE VEHICLES	-	-	-	-	-	-	-	-	-	-
175	GENERAL PURPOSE TRUCKS	-	1,631	-	1,631	-	1,631	-	-	-	1,631
176	CONSTRUCTION & MAINTENANCE EQUIP	-	2,677	-	2,677	-	2,677	-	-	-	2,677
177	FIRE FIGHTING EQUIPMENT	-	2,285	-	2,285	-	2,285	-	-	-	2,285
178	TACTICAL VEHICLES	-	9,373	-	8,173	-	9,373	-	-	-	9,373
179	AMPHIBIOUS EQUIPMENT	-	20,484	-	20,484	-	20,484	-	-	-	20,484
180	COMBAT CONSTRUCTION SUPPORT EQUIP	-	-	-	1,000	-	-	-	-	-	-
181	MOBILE UTILITIES SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
182	COLLATERAL EQUIPMENT	-	-	-	-	-	-	-	-	-	-
183	OCEAN CONSTRUCTION EQUIPMENT	-	-	-	-	-	-	-	-	-	-
184	POLLUTION CONTROL EQUIPMENT	-	24,062	-	24,062	-	24,062	-	-	-	24,062
185	ITEMS UNDER $5 MILLION	-	6,075	-	5,075	-	6,075	-	-	-	6,075
	SUPPLY SUPPORT EQUIPMENT										
	SUPPLY SUPPORT EQUIPMENT										
186	FORKLIFT TRUCKS	-	-	-	-	-	-	-	-	-	-
187	MATERIALS HANDLING EQUIPMENT	-	6,245	-	6,245	-	6,245	-	-	-	6,245
188	OTHER MATERIALS HANDLING EQUIPMENT	-	-	-	-	-	-	-	-	-	-
189	OTHER SUPPLY SUPPORT EQUIPMENT	-	5,825	-	5,825	-	5,825	-	-	-	5,825
190	FIRST DESTINATION TRANSPORTATION	-	1,658	-	1,658	-	1,658	-	-	-	1,658
191	SPECIAL PURPOSE SUPPLY SYSTEMS	-	125,900	-	125,900	-	125,900	-	-	-	125,900

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	PERSONNEL AND COMMAND SUPPORT EQUIPMENT										
	TRAINING DEVICES										
192	TRAINING SUPPORT EQUIPMENT	-	3,076	-	3,076	-	3,076	-	-	-	3,076
	COMMAND SUPPORT EQUIPMENT										
193	COMMAND SUPPORT EQUIPMENT	-	14,471	-	14,471	-	14,471	-	-	-	14,471
194	EDUCATION SUPPORT EQUIPMENT	-	-	-	-	-	-	-	-	-	-
195	MEDICAL SUPPORT EQUIPMENT	-	5,033	-	5,033	-	5,033	-	-	-	5,033
196	INTELLIGENCE SUPPORT EQUIPMENT	-	19,439	-	19,439	-	19,439	-	-	-	19,439
197	OPERATING FORCES SUPPORT EQUIPMENT	-	5,848	-	5,848	-	5,848			-	5,848
198	ENVIRONMENTAL SUPPORT EQUIPMENT	-	18,354	-	18,354	-	18,354	-	-	-	18,354
199	PHYSICAL SECURITY EQUIPMENT	-	1,377	-	1,377	-	1,377	-	-	-	1,377
	OTHER										
200	CANCELLED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
201	SPARES AND REPAIR PARTS	-	276,130	-	276,130	-	276,130	-	-	-	276,130
	TRANSFER TO COMBATING TERRORISM					-	(1,400)				
	ECONOMIC ADJUSTMENT						(23,000)		(23,000)	-	(23,000)
	ADVISORY AND ASSISTANCE			-	(1,647)						
	TOTAL, OTHER PROCUREMENT, NAVY		4,100,091		4,238,444		4,197,791		166,800		4,266,891

WSN–7 inertial navigation system and WQN–2 doppler sonar velocity log

The budget request included $21.8 million for procurement of AN/WSN–7 ring laser inertial navigation systems and included no funds for the WQN–2 doppler sonar velocity log.

The Senate bill would authorize an increase of $15.0 million for the procurement and installation of additional AN/WSN–7 ring laser inertial navigation systems.

The House amendment would authorize an increase of $12.0 million for WSN–7 ring laser inertial navigation systems and an increase of $10.0 million for WQN–2 doppler sonar velocity log systems.

The conferees agree to authorize an increase of $25.0 million including $15.0 million for the procurement and installation of additional AN/WSN–7 ring laser inertial navigation systems and $10.0 million for WQN–2 doppler sonar velocity log systems.

Minesweeping equipment

The budget request included $900,000 for procurement of the versatile exercise mine system (VEMS) support equipment. The budget request did not include funds for the procurement of the Dyad mine countermeasures system.

The House amendment would authorize an increase of $4.1 million for additional VEMS equipment and an increase of $4.5 million to procure the Dyad mine countermeasures system.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $4.5 million for a mine countermeasures system consisting of an influence sweep that is towed behind a small vessel.

Items less than $5.0 million, afloat force protection for maritime interdiction operations equipment.

The budget request included no funds for procurement of equipment required by sailors conducting maritime interdiction operations.

The Senate bill would authorize an increase of $24.4 million as requested by the Chief of Naval Operations for afloat force protection equipment for sailors conducting maritime interdiction operations.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $24.4 million for afloat force protection equipment.

Items less than $5.0 million, integrated condition assessment system

The budget request included $17.4 million for integrated condition assessment system (ICAS) equipment for ships.

The Senate bill would authorize an increase of $6.5 million for procurement and installation of ICAS equipment.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $6.5 million for procurement and installation of ICAS equipment.

Surface search radars.

The budget request included $1.1 million for the procurement and installation of AN/SPS–73(V) surface search radars for surface ships. The budget request did not include funding for the procurement of AN/BPS–15/16H submarine radar navigation sets.

The Senate bill would authorize an increase of $8.0 million for AN/BPS–16H software and hardware upgrades to bring them into electronic chart display information systems-navigation (ECDIS–N) compliance.

The House amendment would authorize and increase of $8.0 million for the procurement and installation of equipment to upgrade the AN/BPS–16H submarine navigation radar and an increase of $14.0 million to procure and install additional AN/SPS–73(V) surface search radars and the associated non-recurring combat systems integration costs.

The conferees agree to authorize an increase of $8.0 million of AN/BPS–16H software and hardware upgrades to bring them into ECDIS–N compliance and an increased of $14.0 million to procure and install additional AN/SPS–73(V) surface search radars and the associated non-recurring combat systems integration costs.

Sonar dome material

The budget request included no funds for surface sonar support equipment.

The House amendment would authorize an increase of $5.0 million to refine manufacturing processes and reduce production costs of a new sonar dome for surface ships.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million to refine manufacturing processes and reduce production costs of a new sonar dome for surface ships.

Undersea warfare support equipment

The budget request included $1.2 million for the procurement of 55 launched expendable acoustic devices (LEADs).

The House amendment would authorize an increase of $8.6 million for procurement of 300 LEADs and two surface ship torpedo defense test beds for large deck ships.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $8.6 million for procurement of 300 LEADs and tow surface ship torpedo defense test beds for large deck ships.

Other training equipment

The budget request included $27.9 million for procurement of battle force tactical training (BFTT) equipment.

The House amendment would authorize an increase of $7.0 million for procurement and installation of 12 air traffic controller (ATC) trainers and $5.0 million for 30 BFTT electronic warfare trainer (BEWT).

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $5.8 million for procurement and installation of air traffic controller (ATC) trainers and $4.2 million for BFTT electronic warfare trainers (BEWT).

Naval space surveillance system

The budget request included $6.6 million for a Naval space surveillance system.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $1.0 million in combat construction support equipment to procure ultimate building machines for the navy to provide rapid shelter construction equipment.

The conferees agree to authorize an increase of $1.0 million to procure ultimate building machines for the Navy.

Shipboard display emulator equipment

The budget request included no funds for shipboard display emulator equipment (SDE) for Perry and Spruance class surface combatants and older Aegis-equipped ships not equipped with the vertical launching system.

The House amendment would authorize an increase of $10.0 million to procure and install modern state-of-the-art SDE equipment in older surface combatants.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million to procure and install SDE equipment in older surface combatants.

Joint engineering data management and information control system

The budget request included no funds for joint engineering data management and information control system (JEDMICS), the designated Department of Defense standard system for management, control and storage of engineering drawings.

The Senate bill would authorize an increase of $9.0 million for the continued security system procurement, integration and accreditation surveys for the JEDMICS system.

The House amendment would authorize an increase of $12.0 million for the integration of DiamondTEK technology, a commercial-off-the-shelf network security product, into JEDMICS.

The conferees agree to authorize an increase of $12.0 million for procurement, integration (including embedded security data labels and DiamondTek technology), and accreditation surveys into JEDMICS.

Information system security program

The budget request included $64.1 million for information system security program (ISSP) requirements.

The Senate bill would authorize an increase of $12.0 million for IT–21 related information systems security program devices.

The House amendment would authorize an increase of $3.0 million to replace obsolete secure voice and data terminals.

The conferees agree to authorize an increase of $3.5 million to procure new secure voice and data terminal equipment.

Mobile remote emitter simulator

The budget request included $12.2 million for weapons range support equipment but included no funds to procure the mobile remote emitter simulator (MRES).

The House amendment would authorize an increase of $8.0 million to procure and install one MRES system.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $6.0 million to procure and install one MRES system.

Computer aided submode training (CAST) lesson authoring system (CLASS)

The budget request included $86.7 million for Aegis support equipment, but did not include a request for computer aided submode training (CAST) lesson authoring system (CLASS) expansion to ships or systems other than AN/UYQ–70 equipped Aegis destroyers.

The House amendment would authorize an increase of $8.0 million for back-fitting CLASS on non-AN/UYQ–70-equipped Aegis ships and to expand this technology to other systems.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million for back-fitting CLASS on non-AN/UYQ–70-equipped Aegis ships and to expand this technology to other systems.

NULKA anti-ship missile decoy system

The budget request included $21.5 million for procurement and installation of the NULKA anti-ship missile decoy program. NULKA is a proven decoy against anti-ship missiles.

The Senate bill would authorize an increase of $15.3 million for the procurement of launcher systems and decoys to outfit the fleet with this key self-defense equipment.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $12.0 million for the procurement of NULKA anti-ship missile decoy launcher systems and decoys.

Overview

The budget request for fiscal year 2000 included an authorization of $1.137.2 million for Marine Corps Procurement, Navy in the Department of Defense.

The Senate bill would authorize $1,302.1 million.

The House amendment would authorize $1.297.5 million.

The conferees recommended an authorization of $1,297.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	PROCUREMENT, MARINE CORPS										
	WEAPONS AND COMBAT VEHICLES										
	TRACKED COMBAT VEHICLES										
1	AAV7A1 PIP	-	80,714	-	80,714	-	80,714	-	-	-	80,714
2	LAV PIP	-	1,706	-	1,706	-	1,706	-	-	-	1,706
3	LIGHT ARMORED VEHICLE	-	-	-	-	-	-	-	-	-	-
4	MODIFICATION KITS (TRKD VEH)	-	22,853	-	72,253	-	83,353	-	60,500	-	83,353
5	ITEMS UNDER $2M (TRKD VEH)	-	-	-	-	-	-	-	-	-	-
	ARTILLERY AND OTHER WEAPONS										
6	MOD KITS (ARTILLERY)	-	3,288	-	3,288	-	3,288	-	-	-	3,288
7	ITEMS UNDER $2M (ALL OTHER)	-	-	-	-	-	-	-	-	-	-
8	MARINE ENHANCEMENT PROGRAM	-	2,956	-	7,956	-	2,956	-	-	-	2,956
9	WEAPONS AND COMBAT VEHICLES UNDER $5 MILLION	-	323	-	323	-	323	-	-	-	323
	WEAPONS										
10	155MM LIGHTWEIGHT TOWED HOWITZER	-	-	-	-	-	-	-	-	-	-
11	MODULAR WEAPON SYSTEM	-	-	-	-	-	-	-	-	-	-
12	ACQUISITION STABILITY RESERVE	-	-	-	-	-	-	-	-	-	-
	OTHER SUPPORT										
13	OPERATIONS OTHER THAN WAR	-	1,462	-	1,462	-	1,462	-	-	-	1,462
	GUIDED MISSILES AND EQUIPMENT										
	GUIDED MISSILES										
14	EADS MOD	-	-	-	-	-	-	-	-	-	-
15	JAVELIN	954	92,737	954	92,737	954	92,737	-	-	954	92,737
16	PEDESTAL MOUNTED STINGER (PMS) (MYP)	-	-	-	-	-	-	-	-	-	-
17	ITEMS UNDER $5 MILLION	-	3,731	-	4,731	-	3,731	-	-	-	3,731
18	PREDATOR (SRAW)	-	-	-	-	-	-	-	-	-	-
	OTHER SUPPORT										
19	MODIFICATION KITS	-	-	-	-	-	-	-	-	-	-
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	REPAIR AND TEST EQUIPMENT										

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
20	AUTO TEST EQUIP SYS	-	29,068	-	29,068	-	29,068	-	-	-	29,068
21	GENERAL PURPOSE ELECTRONIC TEST EQUIP.	-	7,863	-	7,863	-	7,863	-	-	-	7,863
	INTELL/COMM EQUIPMENT (NON-TEL)										
22	ITEMS UNDER $5 MILLION (COMM & ELEC)	-	10,303	-	10,303	-	10,303	-	-	-	10,303
23	AN/TPQ-36 FIRE FINDER RADAR UPGRADE	-	-	-	-	-	-	-	-	-	-
24	INTELLIGENCE SUPPORT EQUIPMENT	-	18,466	-	18,466	-	18,466	-	-	-	18,466
25	MOD KITS (INTEL)	-	18,482	-	18,482	-	18,482	-	-	-	18,482
26	ITEMS UNDER $5 MILLION (INTELL)	-	2,083	-	2,083	-	2,083	-	-	-	2,083
27	ITEMS LESS THAN $2M (INTELL)	-	-	-	-	-	-	-	-	-	-
	REPAIR AND TEST EQUIPMENT (NON-TEL)										
28	GENERAL PRUPOSE MECHANICAL TMDE	-	4,774	-	4,774	-	4,774	-	-	-	4,774
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)										
29	NIGHT VISION EQUIPMENT	-	9,032	-	17,532	-	17,532	-	8,500	-	17,532
	OTHER SUPPORT (NON-TEL)										
30	COMMON COMPUTER RESOURCES	-	102,814	-	102,814	-	102,814	-	-	-	102,814
31	COMMAND POST SYSTEMS	-	4,383	-	4,383	-	4,383	-	-	-	4,383
32	MANEUVER C2 SYSTEMS	-	6,838	-	6,838	-	6,838	-	-	-	6,838
33	RADIO SYSTEMS	-	82,881	-	103,181	-	82,881	-	10,900	-	93,781
34	COMM SWITCHING & CONTROL SYSTEMS	-	65,125	-	65,125	-	65,125	-	-	-	65,125
35	COMM & ELEC INFRASTRUCTURE SUPPORT	-	81,770	-	131,770	-	136,120	-	54,350	-	136,120
36	MOD KITS MAGTF C41	-	13,821	-	18,821	-	13,821	-	5,000	-	18,821
37	ITEMS LESS THAN $2M MAGTF C41	-	-	-	-	-	-	-	-	-	-
38	MODIFICATION KITS (OTHER)	-	-	-	-	-	-	-	-	-	-
39	ITEMS LESS THAN $2M (OTHER)	-	-	-	-	-	-	-	-	-	-
40	AIR OPERATIONS C2 SYSTEMS	-	4,152	-	4,152	-	4,152	-	-	-	4,152
41	INTELLIGENCE C2 SYSTEMS	-	8,286	-	8,286	-	8,286	-	-	-	8,286
42	FIRE SUPPORT SYSTEM	-	-	-	4,000	-	-	-	4,000	-	4,000
	SUPPORT VEHICLES										
	ADMINISTRATIVE VEHICLES										
43	COMMERCIAL PASSENGER VEHICLES	43	1,325	43	1,325	43	1,325	-	-	43	1,325

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00		House		Senate		Conference			
		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
44	COMMERCIAL CARGO VEHICLES	-	8,900	-	8,900	-	8,900	-	-	-	8,900
	TACTICAL VEHICLES										
45	5/4T TRUCK HMMWV (MYP)	2,078	124,407	2,078	124,407	2,746	164,407	-	-	2,078	124,407
46	MEDIUM TACTICAL VEHICLE REPLACEMENT	788	138,268	788	138,268	788	138,268	-	-	788	138,268
47	LT TACTICAL VEHICLE REPLACEMENT(LTVR)	-	-	-	-	-	-	-	-	-	-
48	LOGISTICS VEHICLE SYSTEM REP	-	-	-	-	-	-	-	-	-	-
	OTHER SUPPORT										
49	ITEMS LESS THAN $2 MILLION	-	-	-	-	-	-	-	-	-	-
50	ITEMS LESS THAN $5 MILLION	-	9,927	-	9,927	-	9,927	-	-	-	9,927
	ENGINEER AND OTHER EQUIPMENT										
	ENGINEER AND OTHER EQUIPMENT										
51	ENVIRONMENTAL CONTROL EQUIP ASSORT	-	3,629	-	3,629	-	3,629	-	-	-	3,629
52	BULK LIQUID EQUIPMENT	-	3,228	-	3,228	-	3,228	-	-	-	3,228
53	TACTICAL FUEL SYSTEMS	-	9,727	-	9,727	-	9,727	-	-	-	9,727
54	DEMOLITION SUPPORT SYSTEMS	-	8,358	-	8,358	-	8,358	-	-	-	8,358
55	POWER EQUIPMENT ASSORTED	-	10,887	-	10,887	-	10,887	-	-	-	10,887
56	SHOP EQ CONTACT MAINTENANCE (SECM)	-	3,281	-	3,281	-	3,281	-	-	-	3,281
	MATERIALS HANDLING EQUIPMENT										
57	COMMAND SUPPORT EQUIPMENT	-	-	-	1,000	-	-	-	1,000	-	1,000
58	AMPHIBIOUS RAID EQUIPMENT	-	-	-	-	-	-	-	-	-	-
59	PHYSICAL SECURITY EQUIPMENT	-	5,685	-	5,685	-	5,685	-	-	-	5,685
60	GARRISON MOBILE ENGR EQUIP	-	6,956	-	6,956	-	6,956	-	-	-	6,956
61	WAREHOUSE MODERNIZATION	-	-	-	-	-	-	-	-	-	-
62	MATERIAL HANDLING EQUIP	-	50,010	-	66,510	-	50,010	-	16,500	-	66,510
63	FIRST DESTINATION TRANSPORTATION	-	4,154	-	4,154	-	4,154	-	-	-	4,154
	GENERAL PROPERTY										
64	FIELD MEDICAL EQUIPMENT	-	2,445	-	2,445	-	8,945	-	4,000	-	6,445
65	TRAINING DEVICES	-	13,848	-	13,848	-	13,848	-	-	-	13,848
66	CONTAINER FAMILY	-	5,714	-	5,714	-	5,714	-	-	-	5,714
	OTHER SUPPORT										

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
67	MODIFICATION KITS	-	-	-	-	-	-	-	-	-	-
68	ITEMS LESS THAN $2 MILLION	-	-	-	-	-	-	-	-	-	-
69	ITEMS LESS THAN $5 MILLION	-	9,102	-	9,102	-	9,102	-	-	-	9,102
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
70	SPARES AND REPAIR PARTS	-	37,458	-	37,458	-	37,458	-	-	-	37,458
	ECONOMIC ADJUSTMENT						(5,000)		(5,000)	-	(5,000)
	ADVISORY AND ASSISTANCE			-	(457)						
	TOTAL, PROCUREMENT, MARINE CORPS		1,137,220		1,297,463		1,302,070		159,750		1,296,970

Modification kits-tracked vehicles

The budget request included $22.9 million for modification kit requirements for Marine Corps tracked vehicles.

The Senate bill would authorize an increase of $60.5 million to begin procurement of Marine Corps M88A2 Hercules improved recovery vehicles. This increase was partially offset by a decrease of $7.2 million from research and development in PE 026623M, ground combat/supporting arms systems, and a decrease of $3.9 million in Marine Corps operation and maintenance account, equipment maintenance M88A1.

The House amendment would authorize an increase of $49.4 million to procure M88A2 Hercules tank recovery vehicles.

The conferees agree to authorize an increase of $60.5 million to begin procurement of Marine Corps M88A2 Hercules improved recovery vehicles. This increase will be partially offset by the amounts indicated in the Senate bill.

Night vision equipment

The budget request included $9.0 million to procure night vision equipment.

The Senate bill would authorize an increase of $8.5 million to procure generation III 25 millimeter image intensification tubes and AN/PEQ–2 laser target/illuminator/aiming lights.

The House amendment would authorize an identical increase.

The conferees agree to authorize an increase of $8.5 million to procure generation III 25 millimeter image intensification tubes and AN/PEQ–2 devices, $5.0 million for AN/PEQ–2 devices and $3.5 million for generation III image intensification tubes.

Radio systems

The budget request included $82.9 million for Marine Corps radio system requirements.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $20.3 million for enhanced position location reporting system (EPLRS).

The conferees agree to authorize an increase of $10.9 million to procure EPLRS equipment.

Communications and electronics infrastructure support

The budget request included $81.8 million for communications and electronics infrastructure support.

The Senate bill would authorize an increase of $54.4 million to upgrade communications and electronics infrastructure at Marine Corps installations.

The House amendment would authorize an increase of $50.0 million for Marine Corps infrastructure requirements.

The conferees agree to authorize an increase of $54.4 million to upgrade communications and electronics infrastructure at installations identified on the Marine Corps' unfunded requirements list.

Modification kits-Marine Corps air ground task force

The budget request included $13.8 for Marine Corps air ground task force modification kit requirements.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $5.0 million to modify and install ground based common sensor systems into existing Marine Corps vehicles.

The conferees agree to authorize an increase of $5.0 million to modify and install ground based common sensor systems into existing Marine Corps vehicles.

Command support equipment

The budget request included no funds for command support equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $1.0 million to procure ultimate building machines for rapid shelter construction requirements in support of contingency, humanitarian assistance, and disaster relief operations.

The conferees agree to authorize an increase of $1.0 million to procure ultimate building machines.

Field medical equipment

The budget request included $2.5 million to procure equipment for the Chemical and Biological Incident Response Force (CBIRF) to meet emerging threat requirements.

The Senate bill would authorize an increase of $6.5 million to procure military medical evaluation tools.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.0 million to procure CBIRF military medical evaluation tools.

Overview

The budget request for fiscal year 2000 included an authorization of $9,302.1 million for Aircraft Procurement, Air Force in the Department of Defense.

The Senate bill would authorize $9,704.9 million.

The House amendment would authorize $9,647.7 million.

The conferees recommended an authorization of $9,758.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	AIRCRAFT PROCUREMENT, AIR FORCE										
	COMBAT AIRCRAFT										
	STRATEGIC OFFENSIVE										
1	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
2	B-1B (MYP)	-	-	-	-	-	-	-	-	-	-
3	B-2A (MYP)	-	-	-	-	-	-	-	-	-	-
	TACTICAL FORCES										
4	F-22 RAPTOR	6	1,766,213	6	1,766,213	6	1,766,213	-	-	6	1,766,213
	LESS ADVANCED PROCUREMENT (PY)		(191,232)	-	(191,232)	-	(191,232)	-	-	-	(191,232)
5	ADVANCE PROCUREMENT (CY)	-	277,094	-	277,094	-	277,094	-	-	-	277,094
6	F-15A	-	-	-	-	-	-	-	-	-	-
7	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
8	F-16 C/D (MYP)	10	252,610	10	250,110	10	252,610	-	-	10	252,610
	ADVANCE PROCUREMENT (CY)										
	AIRLIFT AIRCRAFT										
	TACTICAL AIRLIFT										
9	C-17 (MYP)	15	3,439,647	15	3,443,147	15	3,439,647	-	-	15	3,439,647
	LESS ADVANCED PROCUREMENT (PY)		(359,500)	-	(359,500)	-	(359,500)	-	-	-	(359,500)
10	ADVANCE PROCUREMENT (CY)	-	304,900	-	304,900	-	304,900	-	-	-	304,900
	OTHER AIRLIFT										
11	WC-130	-	-	-	-	-	-	-	-	-	-
12	EC-130J	-	-	-	-	-	30,000	-	-	-	-
13	C-130H	-	-	-	-	-	-	-	-	-	-
14	C-130J	-	30,618	-	30,618	-	54,818	-	24,200	-	54,818
	TRAINER AIRCRAFT										
	OPERATIONAL TRAINERS										
15	JPATS	21	88,232	21	88,232	39	173,632	12	54,000	33	142,232
	OTHER AIRCRAFT										
	HELICOPTERS										
16	V-22 OSPREY	-	29,221	-	29,221	-	29,221	-	-	-	29,221

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
17	ADVANCE PROCUREMENT (CY)	-	20,290	-	20,290	-	20,290	-	-	-	20,290
	MISSION SUPPORT AIRCRAFT										
18	SMALL VCX	-	-	-	-	-	-	-	-	-	-
19	C-32A	-	-	-	-	-	-	-	-	-	-
20	ADVANCE PROCUREMENT (CY)	-		-	-	-	-	-	-	-	-
	OPERATIONAL SUPPORT AIRCRAFT										
21	CIVIL AIR PATROL A/C	27	2,531	27	2,531	27	2,531	-	-	27	2,531
	OTHER AIRCRAFT										
22	TARGET DRONES	-	36,152	-	36,152	-	36,152	-	-	-	36,152
23	E-8C	1	316,150	1	316,150	1	362,150	-	-	1	316,150
	LESS ADVANCED PROCUREMENT (PY)		(35,885)	-	(35,885)	-	(35,885)	-		-	(35,885)
24	ADVANCE PROCUREMENT (CY)	-	-	-	46,000	-	-	-	46,000	-	46,000
25	HAEUAV	-	-	-	-	-	-	-	-	-	-
26	PREDATOR UAV	3	38,003	3	58,003	3	38,003	-	20,000	3	58,003
	MODIFICATION OF INSERVICE AIRCRAFT										
	STRATEGIC AIRCRAFT										
27	B-2A	-	20,083	-	20,083	-	20,083	-	-	-	20,083
28	B-1B	-	130,389	-	130,389	-	130,389	-	-	-	130,389
29	B-52	-	15,973	-	15,973	-	15,973	-	-	-	15,973
30	F-117	-	34,646	-	34,646	-	34,646	-	-	-	34,646
	TACTICAL AIRCRAFT										
31	A-10	-	24,360	-	24,360	-	24,360	-	-	-	24,360
32	F-15	-	263,490	-	313,490	-	283,490	-	28,000	-	291,490
33	F-16	-	249,536	-	296,436	-	379,836	-	70,400	-	319,936
34	EF-111	-	-	-	-	-	-	-	-	-	-
35	T/AT-37	-	85	-	85	-	85	-	-	-	85
	AIRLIFT AIRCRAFT										
36	C-5	-	70,037	-	70,037	-	70,037	-	-	-	70,037
37	C-9	-	11,863	-	11,863	-	11,863	-	-	-	11,863
38	C-17A	-	95,643	-	93,543	-	95,643	-	3,500	-	99,143

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
39	C-21	-	8,713	-	8,713	-	8,713	-	-	-	8,713
40	C-22	-	174	-	174	-	174	-	-	-	174
41	C-STOL	-	-	-	-	-	-	-	-	-	-
42	C-32A	-	499	-	499	-	499	-	-	-	499
43	C-37A	-	383	-	383	-	383	-	-	-	383
44	C-137	-	-	-	-	-	-	-	-	-	-
45	C-141	-	10,021	-	10,021	-	10,021	-	-	-	10,021
	TRAINER AIRCRAFT										
46	T-1	-	10	-	10	-	10	-	-	-	10
47	T-3 (EFS) AIRCRAFT	-	2,196	-	2,196	-	2,196	-	-	-	2,196
48	T-38	-	94,487	-	91,087	-	94,487	-	-	-	94,487
49	T-41 AIRCRAFT	-	91	-	91	-	91	-	-	-	91
50	T-43	-	721	-	11,021	-	3,821	-	-	-	721
	OTHER AIRCRAFT										
51	KC-10A (ATCA)	-	53,366	-	59,366	-	53,366	-	-	-	53,366
52	C-12	-	2,441	-	2,441	-	2,441	-	-	-	2,441
53	C-18	-	343	-	343	-	343	-	-	-	343
54	C-20 MODS	-	3,486	-	14,286	-	15,686	-	-	-	3,486
55	VC-25A MOD	-	9,262	-	9,262	-	9,262	-	-	-	9,262
56	C-130	-	207,646	-	207,646	-	207,646	-	-	-	207,646
57	C-135	-	347,088	-	415,188	-	355,788	-	52,000	-	399,088
58	DARP	-	138,436	-	178,136	-	220,436	-	121,700	-	260,136
59	E-3	-	124,061	-	124,061	-	124,061	-	-	-	124,061
60	E-4	-	19,985	-	19,985	-	26,885	-	-	-	19,985
61	E-8	-	28,558	-	28,558	-	28,558	-	-	-	28,558
62	H-1	-	254	-	254	-	254	-	-	-	254
63	H-60	-	15,565	-	15,565	-	15,565	-	-	-	15,565
64	OTHER AIRCRAFT	-	20,204	-	20,204	-	20,204	-	-	-	20,204
65	PREDATOR MODS	-	-	-	-	-	-	-	-	-	-
	OTHER MODIFICATIONS										

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
66	CLASSIFIED PROJECTS	-	9,390	-	9,390	-	9,390	-	-	-	9,390
	AIRCRAFT SPARES AND REPAIR PARTS										
	AIRCRAFT SPARES + REPAIR PARTS										
67	SPARES AND REPAIR PARTS	-	420,921	-	420,921	-	420,921	-	-	-	420,921
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
	COMMON SUPPORT EQUIPMENT										
68	COMMON SUPPORT EQUIPMENT	-	171,369	-	171,369	-	171,369	-	-	-	171,369
	POST PRODUCTION SUPPORT										
69	A-10	-	8,300	-	8,300	-	8,300	-	-	-	8,300
70	B-2A	-	106,882	-	141,882	-	106,882	-	-	-	106,882
71	C-5	-	-	-	-	-	-	-	-	-	-
72	F-15 POST PRODUCTION SUPPORT	-	7,398	-	7,398	-	7,398	-	-	-	7,398
73	F-16 POST PRODUCTION SUPPORT	-	30,010	-	50,010	-	30,010	-	20,000	-	50,010
	INDUSTRIAL PREPAREDNESS										
74	INDUSTRIAL PREPAREDNESS	-	24,794	-	23,794	-	24,794	-	-	-	24,794
	WAR CONSUMABLES										
75	WAR CONSUMABLES	-	29,282	-	29,282	-	29,282	-	-	-	29,282
	OTHER PRODUCTION CHARGES										
76	MISC PRODUCTION CHARGES	-	339,606	-	341,606	-	339,606	-	-	-	339,606
	COMMON ECM EQUIPMENT										
77	COMMON ECM EQUIPMENT	-	4,866	-	4,866	-	4,866	-	-	-	4,866
	OTHER PRODUCTION CHARGES - SOF										
78	CANCELLED ACCOUNT PY ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
	DARP										
79	DARP	-	130,129	-	130,129	-	130,129	-	-	-	130,129
	PASSENGER SAFETY MODIFICATIONS								63,000	-	63,000
	ECONOMIC ADJUSTMENTS						(46,000)		(46,000)	-	(46,000)
	ADVISORY AND ASSISTANCE			-	(3,735)						
	TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE		9,302,086		9,647,651		9,704,886		456,800		9,758,886

C–130J Aircraft

The budget request included $30.6 million for C–130J aircraft.

The Senate bill would authorize an increase of $24.2 million for additional logistics and training assets for the C–130J aircraft.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $24.2 million for additional logistics and training assets for the C–130J aircraft.

Joint primary aircrew training system

The budget request included $88.2 million for the procurement of 21 joint primary aircrew training system (JPATS) aircraft for the Air Force.

The Senate bill would authorize an increase of $85.4 million to procure an additional 18 JPATS aircraft.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $54.0 million to procure an additional 12 JPATS aircraft for the Air Force.

Joint surveillance/target attack radar system

The budget request included $316.2 million for the procurement of one E8–C joint surveillance/target attack radar system (JSTARS) aircraft.

The senate bill would authorize an increase of $46.0 million for either long lead production for another JSTARS aircraft or for shutdown of the production line.

The House amendment would authorize an increase of $46.0 million for long lead production for another JSTARS aircraft.

The conferees agree to authorize an increase of $46.0 million for long lead production for another JSTARS aircraft.

Predator unmanned aerial vehicle

The budget request included $38.0 million for the procurement of three Predator unmanned aerial vehicle (UAV) systems.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $20.0 million for the procurement of two additional UAVs and other associated systems.

The conferees agree to authorize an increase of $20.0 million for the procurement of attrition Predator UAVs and associated systems.

F–15 aircraft modifications

The budget request included $263.5 million for modifications to the F–15 aircraft, with $13.8 million dedicated to the F100–220E engine upgrade.

The Senate bill would authorize an increase of $20.0 million to further accelerate the fielding of this upgrade.

The House amendment would authorize an increase of $50.0 million for additional engine upgrades for the Air National Guard (ANG).

The conferees agree to authorize an increase of $50.0 million for F100–220E engine upgrades, $25.0 million for the ANG, and $25.0 million for active component Air Force aircraft.

The conferees also understand that there has been a delay in the F–15 APG–63(V) 1 radar upgrade program. Therefore, the conferees agree to a reduction of $22.0 million to reflect a delay in the requirement for non-recurring equipment purchases.

F–16 aircraft modifications

The budget request included $249.5 million for modifications to the F–16 aircraft.

The Senate bill would authorize an increase of $130.3 million, as follows:

(1) an increase of $13.9 million for procurement of the high speed anti-radiation missile (HARM) targeting system;

(2) an increase of $80.0 million for procurement of Litening II precision guided munitions (PGM) targeting systems;

(3) an increase of $12.0 million for the procurement of digital terrain systems;

(4) an increase of $13.5 million for the procurement of medium altitude electro-optical (MAEO) reconnaissance cameras; and

(5) an increase of $10.9 million for engine modifications.

The House amendment would authorize an increase of $46.9 million, as follows:

(1) an increase of $30.0 million for procurement of Litening II PGM targeting systems;

(2) an increase of $20.0 million for the procurement of digital terrain systems;

(3) an increase of $4.0 million for the procurement of 600 gallon fuel tanks; and

(4) a decrease of $7.1 million due to unexplained cost growth in various projects.

The conferees agree to authorize an increase of $70.4 million for modifications to the F–16 aircraft, as follows:

(1) an increase of $30.0 million for procurement of Litening II PGM targeting systems for the Air National Guard and Air Force Reserve;

(2) an increase of $12.0 million for the procurement of digital terrain system;

(3) an increase of $13.5 million for the procurement of MAEO reconnaissance cameras;

(4) an increase of $10.9 million for engine modifications; and

(5) an increase of $4.0 million for the 600 gallon fuel tank program for additional configuration testing for F–16 flight envelope expansion, including the procurement of any additional 600 gallon fuel tanks required for this purpose.

The conferees further agree to designate the MAEO reconnaissance cameras a congressional interest item.

C–17 aircraft modifications

The budget request included $95.6 million for modifications to the C–17A aircraft.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $3.5 million in C–17A procurement for advance procurement of an Air National Guard (ANG) maintenance training system (MTS)

The conferees agree to authorize an increase of $3.5 million in C–17A aircraft modifications for the advance procurement of a MTS for the ANG.

C–135 aircraft modifications

The budget request included $347.1 million for modifications to C–135/KC–135 aircraft.

The Senate bill would authorize an increase of $8.7 million for incorporation of the global air traffic management modification.

The House amendment would authorize an increase of $68.1 million, as follows:

(1) an increase of $52.0 million for the reengining of two KC–135s;

(2) an increase of $18.2 million for the terrain awareness and warning system modification; and

(3) a decrease of $2.1 million to the PACER CRAG modification.

The conferees agree to authorize an increase of $52.0 million for the reengining of two KC–135s. The conferees have consolidated authorization for increases for the global air traffic management and the terrain awareness and warning system modifications as passenger safety modifications elsewhere in this conference report.

Defense airborne reconnaissance program aircraft modifications

The budget request included $138.4 million for modifications defense airborne reconnaissance program (DARP) aircraft.

The Senate bill would authorize an increase of $82.0 million, as follows:

(1) an increase of $60.0 million to reengine two RC–135 aircraft;

(2) an increase of $12.0 million for U–2 aircraft cockpit modernization; and

(3) an increase of $10.0 million for U–2 aircraft 29–F radar warning receivers.

The Senate bill would also provide an increase of $17.3 million for the theater airborne warning system (TAWS) for RC–135 aircraft in PE28060F.

The House amendment would authorize an increase of $39.7 million, as follows:

(1) an increase of $13.4 million for RC–135 Rivet Joint quick reaction capabilities (QRCs);

(2) an increase of $5.0 million to upgrade the U–2 common data link (CDL); and

(3) an increase of $21.3 for modifications described in the classified annex to the House report accompanying H.R. 1401 (H. Rept. 106–162).

The conferees agree to authorize an increase of $121.7 million for modifications to DARP aircraft, as follows:

(1) an increase of $60.0 million to reengine two RC–135 aircraft;

(2) an increase of $12.0 million for U–2 aircraft cockpit modernization;

(3) an increase of $10.0 million for U–2 aircraft 29–F radar warning receivers;

(4) an increase of $13.4 million for RC–135 Rivet Joint QRCs;

(5) an increase of $5.0 million to upgrade the U–2 CDL;

(6) an increase of $17.3 million for TAWS for RC–135 aircraft; and

(7) an increase of $4.0 million for senior year electro-optic reconnaissance system (SYERS) improvements for U–2 aircraft.

F–16 aircraft post production support

The budget request included $30.0 million for post production support for the F–16 aircraft.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $20.0 million for four additional improved avionics intermediate shops (IAISs).

The conferees agree to authorize an increase of $20.0 million for four additional IAISs.

Passenger safety modifications

The budget request included $29.6 million for global air traffic management (GATM) modifications for the C–135 aircraft, but included no GATM modification funds for the E–4 or C–20 aircraft. The budget request also included $35.7 million for the procurement and installation of the terrain awareness and warning system (TAWS) modification for the C–135, KC–10, and C–20 aircraft, but included no TAWS modification funds for the T–43 aircraft.

The Senate bill would authorize an increase of $23.0 million for GATM modifications for the E–4, C–20, and C–135 aircraft. The Senate bill would also authorize an increase of $7.9 million for the TAWS modification for the T–43 and C–20 aircraft.

The House amendment would authorize an increase of $45.3 million for the TAWS modification for the T–43, KC–10, C–20, and C–135 aircraft.

The conferees agree to authorize an increase of $63.0 million for passenger safety modifications, as follows:

(1) an increase of $23.0 million for GATM modifications for the E–4, C–20, and C–135 series aircraft; and

(2) an increase of $40.0 million for the TAWS modification for the T–43, KC–10, C–20, and C–135 series aircraft.

Overview

The budget request for fiscal year 2000 included an authorization of $419.5 million for Ammunition Procurement, Air Force in the Department of Defense.

The Senate bill would authorize $411.8 million.

The House amendment would authorize $560.5 million.

The conferees recommended an authorization of $467.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT OF AMMUNITION, AIR FORCE										
	PROCUREMENT OF AMMO, AIR FORCE										
	ROCKETS										
1	ROCKETS	-	9,806	-	14,806	-	9,806	-	-	-	9,806
2	2.75 INCH ROCKET MOTOR	-	-	-	-	-	-	-	-	-	-
3	2.75" ROCKET HEAD SIGNATURE	-	-	-	-	-	-	-	-	-	-
4	2.75 IN ROCKET, FLARE IR	-	-	-	-	-	-	-	-	-	-
5	ITEMS LESS THAN $5,000,000	-	-	-	-	-	-	-	-	-	-
	CARTRIDGES										
6	CARTRIDGES	-	70,703	-	85,303	-	70,703	-	-	-	70,703
7	5.56 MM	-	-	-	-	-	-	-	-	-	-
8	30 MM TRAINING	-	-	-	-	-	-	-	-	-	-
9	CARTRIDGE CHAFF RR-180	-	-	-	-	-	-	-	-	-	-
10	CARTRIDGE CHAFF RR-188	-	-	-	-	-	-	-	-	-	-
11	SIGNAL MK-4 MOD 3	-	-	-	-	-	-	-	-	-	-
12	ITEMS LESS THAN $5,000,000	-	-	-	-	-	-	-	-	-	-
	BOMBS										
13	PRACTICE BOMBS	-	24,325	-	47,525	-	24,325	-	-	-	24,325
14	GENERAL PURPOSE BOMBS	-	40,553	-	58,053	-	40,553	-	-	-	40,553
15	MK-82 INERT/BDU-50	-	-	-	-	-	-	-	-	-	-
16	GBU-28 HARD TARGET PENETRATOR	-	-	-	-	-	-	-	-	-	-
17	GBU - 37	-	-	-	-	-	-	-	-	-	-
18	BOMB PRACTICE 25 POUND	-	-	-	-	-	-	-	-	-	-
19	2000 LB HE BOMB MK-84	-	-	-	-	-	-	-	-	-	-
20	MK-84 BOMB-EMPTY	-	-	-	-	-	-	-	-	-	-
21	SENSOR FUZED WEAPON	203	61,334	203	61,334	203	61,334	-	-	203	61,334
22	JOINT DIRECT ATTACK MUNITION	5,410	125,605	5,410	191,605	5,410	125,605	-	50,000	5,410	175,605
23	WIND CORRECTED MUNITIONS DISPENSER	2,922	48,875	2,922	48,875	2,922	58,975	-	-	2,922	48,875
24	ITEMS LESS THAN $5,000,000	-	-	-	-	-	-	-	-	-	-
	FLARE, IR MJU-7B										

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
25	ASTE (INFRARED EXPENDABLE)	-	-	-	-	-	-	-	-	-	-
26	OTHER MISCELLANEOUS ITEMS	-	5,593	-	5,593	-	5,593	-	-	-	5,593
27	FLARE, IR MJU-7B	-	-	-	-	-	-	-	-	-	-
28	MJU-10B	-	-	-	-	-	-	-	-	-	-
29	M-206 CARTRIDGE FLARE	-	-	-	-	-	-	-	-	-	-
30	CAD/PAD	-	-	-	-	-	-	-	-	-	-
31	LUU-19 FLARE	-	-	-	-	-	-	-	-	-	-
32	INITIAL SPARES	-	2,304	-	2,304	-	2,304	-	-	-	2,304
33	MODIFICATIONS LESS THAN $5,000,000	-	657	-	657	-	657	-	-	-	657
34	ITEMS LESS THAN $5,000,000	-	-	-	-	-	-	-	-	-	-
	FUZES										
35	FLARES	-	26,342	-	41,042	-	26,342	-	-	-	26,342
36	JOINT PROGRAMMABLE FUSE(JPF)	-	-	-	-	-	-	-	-	-	-
	WEAPONS										
	SMALL ARMS										
37	SMALL ARMS	-	3,440	-	3,440	-	3,440	-	-	-	3,440
38	M-16 A2 RIFLE	-	-	-	-	-	-	-	-	-	-
39	9MM COMPACT PISTOL	-	-	-	-	-	-	-	-	-	-
40	M-9 PISTOL	-	-	-	-	-	-	-	-	-	-
41	ITEMS LESS THAN $5,000,000	-	-	-	-	-	-	-	-	-	-
	TRANSFER TO COUNTER TERRORISN FUND					-	(15,800)				
	ECONOMIC ADJUSTMENTS						(2,000)		(2,000)	-	(2,000)
	TOTAL, PROCUREMENT OF AMMUNITION, AIR FORCE		419,537		560,537		411,837		48,000		467,537

Practice bombs

The budget request included $24.3 million for practice bombs.

The Senate bill would authorize $24.3 million for practice bombs.

The House amendment would authorize $47.5 million for practice bombs.

The conferees agree to authorize $24.3 million for practice bombs. Of the amount recommended for practice bombs, the conferees expect $6.0 million to be designated for MK–84 (BDU-56) cast ductile iron practice bombs.

Overview

The budget request for fiscal year 2000 included an authorization of $2,359.6 million for Missile Procurement, Air Force in the Department of Defense.

The Senate bill would authorize $2,389.2 million.

The House amendment would authorize $2,303.7 million.

The conferees recommended an authorization of $2,395.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	MISSILE PROCUREMENT, AIR FORCE										
	BALLISTIC MISSILES										
	MISSILE REPLACEMENT EQUIPMENT - BALLISTIC										
1	MISSILE REPLACEMENT EQ-BALLISTIC	-	15,593	-	15,593	-	15,593	-	-	-	15,593
	OTHER MISSILES										
	STRATEGIC										
2	ADVANCED CRUISE MISSILE	-	1,050	-	1,050	-	1,050	-	-	-	1,050
3	HAVE NAP	-	-	-	-	-	-	-	-	-	-
	TACTICAL										
4	JASSM	-	-	-	-	-	-	-	-	-	-
5	JOINT STANDOFF WEAPON	193	79,981	400	114,981	193	79,981	-	-	193	79,981
6	AGM-130 POWERED GBU-15	-	220	-	220	-	220	-	-	-	220
7	AMRAAM	210	97,279	210	97,279	210	97,279	-	-	210	97,279
	TARGET DRONES										
8	TARGET DRONES	-	-	-	-	-	-	-	-	-	-
	INDUSTRIAL FACILITIES										
9	INDUSTRIAL FACILITIES	-	3,064	-	3,064	-	3,064	-	-	-	3,064
	MODIFICATION OF INSERVICE MISSILES										
	CLASS IV										
10	ADVANCED CRUISE MISSILE	-	2,950	-	2,950	-	2,950	-	-	-	2,950
11	CONVENTIONAL ALCM	-	-	-	-	-	-	-	-	-	-
12	SIDEWINDER (AIM-9X)	-	31,103	-	31,103	-	31,103	-	-	-	31,103
13	MM III MODIFICATIONS	-	242,960	-	282,960	-	282,960	-	40,000	-	282,960
14	AGM-65D MAVERICK	-	2,800	-	12,800	-	2,800	-	10,000	-	12,800
15	AGM-88C HARM	-	-	-	-	-	-	-	-	-	-
16	AIR LAUNCH CRUISE MISSILE	-	-	-	-	-	-	-	-	-	-
17	PEACEKEEPER (M-X)	-	8,919	-	8,919	-	8,919	-	-	-	8,919
18	MODIFICATIONS UNDER $5.0M	-	100	-	100	-	100	-	-	-	100
	SPARES AND REPAIR PARTS										
	MISSILE SPARES + REPAIR PARTS										

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
19	SPARES AND REPAIR PARTS	-	18,022	-	18,022	-	18,022	-	-	-	18,022
	OTHER SUPPORT										
	SPACE PROGRAMS										
20	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
21	SPACEBORNE EQUIP (COMSEC)	-	9,594	-	4,594	-	9,594	-	-	-	9,594
22	GLOBAL POSITIONING (SPACE)	-	139,049	-	139,049	-	139,049	-	-	-	139,049
23	ADVANCE PROCUREMENT (CY)	-	31,798	-	31,798	-	31,798	-	-	-	31,798
24	NUDET DETECTION SYSTEM	-	11,375	-	11,375	-	11,375	-	-	-	11,375
25	INERTIAL UPPER STAGES(SPACE)	-	-	-	-	-	-	-	-	-	-
26	DEF METEOROLOGICAL SAT PROG(SPACE)	-	38,223	-	38,223	-	38,223	-	-	-	38,223
27	DEFENSE SUPPORT PROGRAM(SPACE)	-	111,609	-	111,609	-	111,609	-	-	-	111,609
28	DEFENSE SATELLITE COMM SYSTEM(SPACE)	-	30,765	-	30,765	-	30,765	-	-	-	30,765
29	TITAN SPACE BOOSTERS (SPACE)	-	431,165	-	411,165	-	431,165	-	-	-	431,165
30	EVOLVED EXPENDABLE LAUNCH VEH(SPACE)	1	70,812	1	70,812	1	70,812	-	-	1	70,812
31	MEDIUM LAUNCH VEHICLE(SPACE)	-	64,834	-	64,834	-	64,834	-	-	-	64,834
32	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
33	ADVANCE PROCUREMENT (CY)	-	-	-	-	-	-	-	-	-	-
	SPECIAL PROGRAMS							-	-		
34	CANCELLED ACCOUNT PY ADJUSTMENTS	-	-	-	-	-	-	-	-		
35	SPECIAL PROGRAMS	-	716,703	-	601,703	-	716,703	-	-	-	716,703
36	SPECIAL UPDATE PROGRAMS	-	199,640	-	199,640	-	199,640	-	-	-	199,640
	ECONOMIC ADJUSTMENT						(10,400)		(14,000)	-	(14,000)
	ADVISORY AND ASSISTANCE			-	(947)						
	TOTAL, MISSILE PROCUREMENT, AIR FORCE		2,359,608		2,303,661		2,389,208		36,000		2,395,608

AGM-65 modifications

The budget request included $2.8 million to modify AGM-65G Maverick missiles to the AGM-65K configuration.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $10.0 million to modify AGM-65B Maverick missiles to the AGM-65H and AGM-65K configurations.

The conferees agree to authorize an increase of $10.0 million to modify AGM-65B Maverick missiles to the AGMH and AGM-65K configurations.

Overview

The budget request for fiscal year 2000 included an authorization of $7,085.2 million for Other Procurement, Air Force in the Department of Defense.

The Senate bill would authorize $7,142.2 million.

The House amendment would authorize $7,077.8 million.

The conferees recommended an authorization of $7,158.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln		FY 00		House		Senate		Conference			
		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	OTHER PROCUREMENT, AIR FORCE										
	VEHICULAR EQUIPMENT										
	PASSENGER CARRYING VEHICLES										
1	SEDAN, 4 DR 4X2	-	-	-	-	-	-	-	-	-	-
2	STATION WAGON, 4X2	-	-	-	-	-	-	-	-	-	-
3	BUSES	-	-	-	-	-	-	-	-	-	-
4	AMBULANCES	-	-	-	-	-	-	-	-	-	-
5	LAW ENFORCEMENT VEHICLE	53	986	53	986	53	986	-	-	53	986
6	ARMORED SEDAN	-	-	-	-	-	-	-	-	-	-
	CARGO + UTILITY VEHICLES										
7	TRUCK, CARGO-UTILITY, 3/4T, 4X4	-	-	-	-	-	-	-	-	-	-
8	TRUCK, CARGO-UTILITY, 1/2T, 4X2	-	-	-	-	-	-	-	-	-	-
9	TRUCK, PICKUP, 1/2T, 4X2	-	-	-	-	-	-	-	-	-	-
10	TRUCK, PICKUP, COMPACT	-	-	-	-	-	-	-	-	-	-
11	TRUCK MULTI-STOP 1 TON 4X2	-	-	-	-	-	-	-	-	-	-
12	TRUCK CARRYALL	-	-	-	-	-	-	-	-	-	-
13	COMMERCIAL UTILITY CARGO VEHICLE	-	-	-	-	-	-	-	-	-	-
14	FAMILY MEDIUM TACTICAL VEHICLES	-	-	-	-	-	-	-	-	-	-
15	HIGH MOBILITY VEHICLE (MYP)	194	11,343	194	11,343	314	18,343	-	-	194	11,343
16	TRUCK TRACTOR, OVER 5T	-	-	-	-	-	-	-	-	-	-
17	TRUCK, UTILITY	-	-	-	-	-	-	-	-	-	-
18	CAP VEHICLES	-	751	-	751	-	751	-	-	-	751
19	ITEMS LESS THAN $5,000,000	-	28,220	-	28,220	-	28,220	-	-	-	28,220
	SPECIAL PURPOSE VEHICLES										
20	TRUCK TANK FUEL R-11	-	-	-	-	-	18,000	-	-	-	-
21	HMMWV, ARMORED	-	-	-	-	-	-	-	-	-	-
22	TRACTOR, A/C TOW, MB-2	-	-	-	-	-	-	-	-	-	-
23	TRACTOR, TOW, FLIGHTLINE	272	7,710	272	7,710	272	7,710	-	-	272	7,710
24	ITEMS LESS THAN $5,000,000	-	21,808	-	21,808	-	21,808	-	-	-	21,808
	FIRE FIGHTING EQUIPMENT										

Title I - Procurement
(Dollars in Thousands)

Ln		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
25	TRUCK CRASH P-19	-	-	-	-	-	-	-	-	-	-
26	ITEMS LESS THAN $5,000,000	-	3,869	-	3,869	-	3,869	-	-	-	3,869
	MATERIALS HANDLING EQUIPMENT										
27	TRUCK, F/L 6000 LB	-	-	-	-	-	-	-	-	-	-
28	TRUCK, F/L 10,000 LB	89	6,983	89	6,983	89	6,983	-	-	89	6,983
29	60K A/C LOADER	39	81,163	39	93,663	48	93,663	-	12,500	39	93,663
30	NEXT GENERATION SMALL LOADER(NGSL)	13	9,754	13	9,754	13	9,754	-	-	13	9,754
31	ITEMS LESS THAN $5,000,000	-	6,637	-	11,637	-	6,637	-	-	-	6,637
	BASE MAINTENANCE SUPPORT										
32	TRUCK, DUMP	105	5,428	105	5,428	105	5,428	-	-	105	5,428
33	RUNWAY SNOW REMOVE & CLEANING EQUIP	65	7,392	65	7,392	65	7,392	-	-	65	7,392
34	MODIFICATIONS	-	887	-	887	-	887	-	-	-	887
35	ITEMS LESS THAN $5,000,000	-	10,070	-	10,070	-	10,070	-	-	-	10,070
36	VEHICLE LEASES	-	-	-	-	-	-	-	-	-	-
	CANCELLED ACCOUNT ADJUSTM										
37	CANCELLED ACCOUNT ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
	ELECTRONICS AND TELECOMMUNICATIONS EQUIP										
	COMM SECURITY EQUIPMENT(COMSEC)										
38	COMSEC EQUIPMENT	-	28,133	-	28,133	-	28,133	-	-	-	28,133
39	MODIFICATIONS (COMSEC)	-	488	-	488	-	488	-	-	-	488
	INTELLIGENCE PROGRAMS										
40	INTELLIGENCE DATA HANDLING SYS	-	23,931	-	28,931	-	23,931	-	-	-	23,931
41	INTELLIGENCE TRAINING EQUIPMENT	-	2,042	-	2,042	-	2,042	-	-	-	2,042
42	INTELLIGENCE COMM EQUIP	-	5,495	-	5,495	-	5,495	-	-	-	5,495
	ELECTRONICS PROGRAMS										
43	AIR TRAFFIC CTRL/LAND SYS (ATCALS)	-	887	-	887	-	887	-	5,000	-	5,887
44	NATIONAL AIRSPACE SYSTEM	-	54,394	-	54,394	-	54,394	-	-	-	54,394
45	THEATER AIR CONTROL SYS IMPROVEMENT	-	37,917	-	61,917	-	37,917	-	-	-	37,917
46	WEATHER OBSERV/FORECAST	-	25,434	-	25,434	-	25,434	-	-	-	25,434
47	STRATEGIC COMMAND AND CONTROL	-	22,143	-	22,143	-	22,143	-	-	-	22,143

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
48	CHEYENNE MOUNTAIN COMPLEX	-	6,371	-	6,371	-	6,371	-	-	-	6,371
49	TAC SIGINT SUPPORT	-	1,801	-	1,801	-	1,801	-	-	-	1,801
50	DRUG INTERDICTION PROGRAM	-	-	-	-	-	-	-	-	-	-
	SPECIAL COMM-ELECTRONICS PROJECTS										
51	AUTOMATIC DATA PROCESSING EQUIP	-	71,173	-	81,173	-	71,173	-	10,000	-	81,173
52	AF GLOBAL COMMAND & CONTROL SYS	-	5,722	-	5,722	-	5,722	-	-	-	5,722
53	MOBILITY COMMAND AND CONTROL	-	10,366	-	10,366	-	10,366	-	-	-	10,366
54	AIR FORCE PHYSICAL SECURITY SYSTEM	-	32,583	-	32,583	-	32,583	-	-	-	32,583
55	COMBAT TRAINING RANGES	-	17,503	-	19,503	-	17,503	-	-	-	17,503
56	MINIMUM ESSENTIAL EMERGENCY COMM NET	-	5,168	-	5,168	-	5,168	-	-	-	5,168
57	FORCE PROTECTION/ANTI-TERRORISM	-	-	-	-	-	-	-	-	-	-
58	C3 COUNTERMEASURES	-	13,275	-	16,275	-	13,275	-	3,000	-	16,275
59	JOINT SURVEILLANCE SYSTEM	-	2,871	-	2,871	-	2,871	-	-	-	2,871
60	BASE LEVEL DATA AUTO PROGRAM	-	28,361	-	28,361	-	28,361	-	-	-	28,361
61	THEATER BATTLE MGT C2 SYS	-	47,648	-	47,648	-	47,648	-	-	-	47,648
	AIR FORCE COMMUNICATIONS										
62	INFORMATION TRANSMISSION SYSTEMS	-	14,012	-	14,012	-	14,012	-	-	-	14,012
63	BASE INFORMATION INFRASTRUCTURE	-	122,839	-	122,839	-	156,839	-	30,000	-	152,839
64	USCENTCOM	-	5,770	-	5,770	-	5,770	-	-	-	5,770
65	DEFENSE MESSAGE SYSTEM (DMS)	-	14,025	-	14,025	-	14,025	-	-	-	14,025
	DISA PROGRAMS										
66	NAVSTAR GPS SPACE	-	14,614	-	14,614	-	14,614	-	-	-	14,614
67	DEF METEOROLOGICAL SAT PROG SPACE	-	1,011	-	1,011	-	1,011	-	-	-	1,011
68	NUDET DETECTION SYS (NDS) SPACE	-	3,490	-	3,490	-	3,490	-	-	-	3,490
69	AF SATELLITE CONTROL NETWORK SPACE	-	33,591	-	33,591	-	32,391	-	-	-	33,591
70	EASTERN/WESTERN RANGE I&M SPACE	-	83,410	-	83,410	-	83,410	-	-	-	83,410
71	MILSATCOM SPACE	-	46,257	-	39,957	-	46,257	-	-	-	46,257
72	SPACE MODS SPACE	-	2,835	-	2,835	-	2,835	-	-	-	2,835
	ORGANIZATION AND BASE										
73	TACTICAL C-E EQUIPMENT	-	49,710	-	84,210	-	85,810	-	34,500	-	84,210

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
74	COMBAT SURVIVOR/EVADER LOCATER RADIO	-	843	-	843	-	843	-	-	-	843
75	RADIO EQUIPMENT	-	16,685	-	20,485	-	16,685	-	3,750	-	20,435
76	TV EQUIPMENT (AFRTV)	-	1,991	-	1,991	-	1,991	-	-	-	1,991
77	CCTV/AUDIOVISUAL EQUIPMENT	-	3,208	-	3,208	-	3,208	-	-	-	3,208
78	BASE COMM INFRASTRUCTURE	-	41,589	-	41,589	-	41,589	-	-	-	41,589
79	CAP COM & ELECT	-	382	-	382	-	382	-	-	-	382
80	ITEMS LESS THAN $5,000,000	-	7,034	-	7,034	-	7,034	-	-	-	7,034
	MODIFICATIONS										
81	COMM ELECT MODS	-	56,195	-	56,195	-	56,195	-	-	-	56,195
	OTHER BASE MAINTENANCE AND SUPPORT EQUIP										
	TEST EQUIPMENT										
82	BASE/ALC CALIBRATION PACKAGE	-	10,157	-	10,157	-	10,157	-	-	-	10,157
83	PRIMARY STANDARDS LABORATORY PACKAGE	-	1,071	-	1,071	-	1,071	-	-	-	1,071
84	ITEMS LESS THAN $5,000,000	-	9,750	-	16,350	-	9,750	-	-	-	9,750
	PERSONAL SAFETY AND RESCUE EQUIP										
85	NIGHT VISION GOGGLES	-	2,800	-	2,800	-	2,800	-	-	-	2,800
86	ITEMS LESS THAN $5,000,000	-	3,559	-	3,559	-	5,959	-	3,000	-	6,559
	DEPOT PLANT + MATERIALS HANDLING EQ										
87	MECHANIZED MATERIAL HANDLING EQUIP	-	15,320	-	25,320	-	15,320	-	10,000	-	25,320
88	ITEMS LESS THAN $5,000,000	-	8,533	-	8,533	-	8,533	-	-	-	8,533
	ELECTRICAL EQUIPMENT										
89	GENERATORS-MOBILE ELECTRIC	-	-	-	-	-	-	-	-	-	-
90	FLOODLIGHTS	-	13,461	-	13,461	-	13,461	-	-	-	13,461
91	ITEMS LESS THAN $5,000,000	-	7,638	-	7,638	-	7,638	-	-	-	7,638
	BASE SUPPORT EQUIPMENT										
92	BASE PROCURED EQUIPMENT	-	14,035	-	16,035	-	14,035	-	7,000	-	21,035
93	MEDICAL/DENTAL EQUIPMENT	-	14,331	-	14,331	-	14,331	-	-	-	14,331
94	ENVIRONMENTAL PROJECTS	-	955	-	955	-	955	-	-	-	955
95	AIR BASE OPERABILITY	-	4,417	-	4,417	-	4,417	-	-	-	4,417
96	PALLET AIR CARGO	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
97	NET ASSEMBLY, 108"X88"	-	-	-	-	-	-	-	-	-	-
98	BLADDERS FUEL	-	-	-	-	-	-	-	-	-	-
99	AERIAL BULK FUEL DELIVERY SYSTEM	-	-	-	-	-	-	-	-	-	-
100	PHOTOGRAPHIC EQUIPMENT	-	5,932	-	5,932	-	5,932	-	-	-	5,932
101	PRODUCTIVITY INVESTMENTS	-	15,093	-	15,093	-	15,093	-	-	-	15,093
102	MOBILITY EQUIPMENT	-	46,865	-	46,865	-	46,865	-	-	-	46,865
103	DEPLOYMENT/EMPLOYMENT CONTAINERS	-	-	-	-	-	-	-	-	-	-
104	AIR CONDITIONERS	-	6,711	-	6,711	-	6,711	-	-	-	6,711
105	ITEMS LESS THAN $5,000,000	-	22,500	-	22,500	-	22,500	-	(1,000)	-	21,500
	SPECIAL SUPPORT PROJECTS										
106	INTELLIGENCE PRODUCTION ACTIVITY	-	40,047	-	50,047	-	40,047	-	-	-	40,047
107	TECH SURV COUNTERMEASURES EQ	-	2,976	-	2,976	-	2,976	-	-	-	2,976
108	DARP RC135	-	12,658	-	12,658	-	12,658	-	-	-	12,658
109	DARP, MRIGS	-	106,394	-	106,394	-	106,394	-	-	-	106,394
110	SELECTED ACTIVITIES	-	5,352,231	-	5,225,561	-	5,352,231	-	-	-	5,352,231
111	SPECIAL UPDATE PROGRAM	-	142,515	-	142,515	-	142,515	-	-	-	142,515
112	DEFENSE SPACE RECONNAISSANCE PROGRAM	-	7,910	-	7,910	-	7,910	-	-	-	7,910
113	INDUSTRIAL PREPAREDNESS	-	1,151	-	1,151	-	1,151	-	-	-	1,151
114	PROJECT MANAGEMENT ADMINISTRATION	-	-	-	-	-	-	-	-	-	-
115	MODIFICATIONS	-	179	-	179	-	179	-	-	-	179
116	FIRST DESTINATION TRANSPORTATION	-	13,304	-	13,304	-	13,304	-	-	-	13,304
	SPARE AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
117	SPARES AND REPAIR PARTS	-	36,486	-	36,486	-	36,486	-	-	-	36,486
	TRANSFER TO COMBATING TERRORISM					-	(39,400)				
	ECONOMIC ADJUSTMENT						(12,400)		(44,400)	-	(44,400)
	ADVISORY AND ASSISTANCE			-	(2,845)						
	TOTAL, OTHER PROCUREMENT, AIR FORCE		7,085,177		7,077,762		7,142,177		73,350		7,158,527

Air traffic control/land system

The budget request included $887,000 for air traffic control and landing systems, but included no funds allocated for mobile radar approach controls (RAPCONs) for the Air National Guard (ANG).

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $24.0 million for the procurement of RAPCONs for the ANG.

The conferees agree to authorize an increase of $5.0 million for the procurement of mobile RAPCONs for the ANG.

Automatic data processing equipment

The budget request included $71.2 million for the procurement of automatic data processing equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $10.0 million for the spare parts production and reprocurement system.

The conferees agree to authorize an increase of $10.0 million for the spare parts production and reprocurement system.

C3 countermeasures

The budget request included $13.3 million for C3 countermeasures.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $3.0 million for secure terminal equipment.

The conferees agree to authorize $3.0 million for secure terminal equipment.

Base Information Infrastructure

The budget request included $122.8 million for base information infrastructure.

The Senate bill would authorize an increase of $34.0 million to procure hardware and software for computer network defense, and network management systems.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $30.0 million for base information infrastructure.

Tactical communications-electronics equipment

The budget request included $49.7 million for tactical communications-electronics (C-E) equipment.

The Senate bill would authorize an increase of $36.1 million for tactical C-E, as follows:

(1) an increase of $13.9 million for theater deployable communications (TDC) sets; and

(2) an increase of $22.2 million for the global combat support system.

The House amendment would authorize an increase of $34.5 million for accelerating the procurement of TDC sets.

The conferees agree to authorize an increase of $34.5 million for TDC sets.

Radio equipment

The budget request included $16.7 million for radio equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $3.8 million to incorporate a high frequency electronic mail capability into the Scope Command network.

The conferees agree to authorize an increase of $3.8 million to incorporate a high frequency electronic mail capability into the Scope Command network.

Aircrew laser eye protection

The budget request included $3.6 million for personal safety and rescue equipment, but contained no funds for aircrew laser eye protection.

The Senate bill would authorize an increase of $2.4 million for the procurement of ALEP devices.

The House amendment would authorize an increase of $6.6 million for the procurement of ALEP devices.

The conferees agree to authorize an increase of $3.0 million for procurement of ALEP devices.

Mechanized material handling equipment

The budget request included $15.3 million for mechanized material handling equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $10.0 million for the supply asset tracking system.

The conferees agree to authorize an increase of $10.0 million for the supply asset tracking system.

Base procured equipment

The budget request included $14.0 million for base procured equipment.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $2.0 million for base procured equipment to procure ultimate building machines. The House amendment would also authorize an increase of $5.0 million for material handling equipment to procure master cranes.

The conferees agree to authorize an increase of $7.0 million in base procured equipment, with $2.0 million for ultimate building machines and $5.0 million for master cranes.

Base support equipment

The budget request included $22.5 million for items of base support equipment less than $5.0 million.

The Senate bill and the House amendment would authorize the budget request.

The conferees agree to authorize a decrease of $1.0 million due to reduced requirements for pallets.

Overview

The budget request for fiscal year 2000 included an authorization of $2,129.0 million for Defense-wide Procurement in the Department of Defense.

The Senate bill would authorize $2,293.4 million.

The House amendment would authorize $2,107.8 million.

The conferees recommended an authorization of $2,345.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
	PROCUREMENT, DEFENSE-WIDE										
	MAJOR EQUIPMENT										
	MAJOR EQUIPMENT, OSD/WHS										
1	MOTOR VEHICLES	-	309	-	309	-	309	-	-	-	309
2	MAJOR EQUIPMENT, OSD	-	88,976	-	62,705	-	88,976	-	-	-	88,976
3	MAJOR EQUIPMENT, WHS	-	20,530	-	20,530	-	20,530	-	-	-	20,530
4	ARMED FORCES INFORMATION SERVICES	-	5,472	-	5,472	-	5,472	-	-	-	5,472
5	DEPARTMENT OF DEFENSE EDUCATION ACTIVITY	-	1,560	-	1,560	-	1,560	-	-	-	1,560
6	DEFENSE TECHNOLOGY SECURITY ADMIN	-	-	-	-	-	-	-	-	-	-
7	DARP	-	-	-	-	-	-	-	-	-	-
	MAJOR EQUIPMENT, NSA										
9	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	-	11,513	-	11,513	-	11,513	-	-	-	11,513
	MAJOR EQUIPMENT, DISA										
10	MOBILE SATELLITE SYSTEM TECH	-	25,977	-	25,977	-	25,977	-	-	-	25,977
11	INFORMATION SYSTEMS SECURITY	-	20,889	-	20,889	-	40,889	-	-	-	20,889
12	CONTINUITY OF OPERATIONS	-	3,557	-	3,557	-	3,557	-	-	-	3,557
13	DEFENSE MESSAGE SYSTEM	-	28,279	-	28,279	-	28,279	-	-	-	28,279
14	GLOBAL COMMAND AND CONTROL SYS	-	4,119	-	4,119	-	4,119	-	-	-	4,119
15	GLOBAL COMBAT SUPPORT SYSTEM	-	4,755	-	4,755	-	4,755	-	-	-	4,755
16	STANDARD TACTICAL ENTRY POINT	-	2,969	-	2,969	-	2,969	-	-	-	2,969
17	PLANS & PROGRAM ANALYSIS SUPPORT CTR	-	-	-	-	-	-	-	-	-	-
18	ITEMS LESS THAN $5 MILLION	-	13,785	-	13,785	-	13,785	-	-	-	13,785
19	DRUG INTERDICTION SUPPORT		-	-	-	-	-	-	-	-	-
	MAJOR EQUIPMENT, DIA										
	MAJOR EQUIPMENT, DLA										
21	DEFENSE SUPPORT ACTIVITIES	-	47,455	-	47,455	-	47,455	-	-	-	47,455
	AUTOMATED DOCUMENT CONVERSION SYSTEM			-	32,000				32,000	-	32,000
	MAJOR EQUIPMENT, DSS										
22	VEHICLES	-	-	-	-	-	-	-	-	-	-
23	OTHER CAPITAL EQUIPMENT	-	-	-	-	-	-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	MAJOR EQUIPMENT, DCAA										
24	ITEMS LESS THAN $5 MILLION	-	4,734	-	4,734	-	4,734	-	-	-	4,734
	MAJOR EQUIPMENT, DSPO										
25	MAJOR EQUIPMENT, DSPO	-	-	-	-	-	-	-	-	-	-
	MAJOR EQUIPMENT, TJS										
26	MAJOR EQUIPMENT, TJS	-	31,417	-	31,417	-	31,417	-	-	-	31,417
	BALLISTIC MISSILE DEFENSE ORGANIZATION										
27	PATRIOT PAC-3	32	300,898	32	300,898	32	360,898	-	60,000	32	360,898
28	NATIONAL MISSILE DEFENSE	-	-	-	-	-	-	-	-	-	-
29	C4I	-	-	-	-	-	-	-	-	-	-
30	NAVY AREA TBDM PROGRAM	7	55,002	7	-	7	55,002	-	-	7	55,002
	NATIONAL IMAGERY AND MAPPING AGENCY										
	DEFENSE COMMISSARY AGENCY										
32	EQUIPMENT	-	-	-	-	-	-	-	-	-	-
	DEFENSE THREAT REDUCTION AGENCY										
33	VEHICLES	-	147	-	147	-	147	-	-	-	147
34	OTHER MAJOR EQUIPMENT	-	34,286	-	34,286	-	34,286	-	-	-	34,286
	DEFENSE SECURITY COOPERATION AGENCY										
35	OTHER MAJOR EQUIPMENT	-	419	-	419	-	419	-	-	-	419
	SPECIAL OPERATIONS COMMAND										
	AVIATION PROGRAMS										
36	SOF ROTARY WING UPGRADES	-	41,233	-	41,233	-	83,233	-	42,000	-	83,233
37	SOF TRAINING SYSTEMS	-	2,107	-	2,107	-	2,107	-	-	-	2,107
38	MC-130H COMBAT TALON II	-	16,895	-	16,895	-	16,895	-	-	-	16,895
39	CV-22 SOF MODIFICATION	-	3,582	-	3,582	-	3,582	-	-	-	3,582
40	OH-6 PROCUREMENT & MODIFICATIONS	-	-	-	-	-	-	-	-	-	-
41	AC-130U GUNSHIP ACQUISITION	-	26,796	-	26,796	-	26,796	-	-	-	26,796
42	C-130 MODIFICATIONS	-	98,893	-	98,893	-	98,893	-	-	-	98,893
43	AIRCRAFT SUPPORT	-	1,729	-	1,729	-	1,729	-	-	-	1,729
	SHIPBUILDING										

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request Qty	FY 00 Request Cost	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Agreement Qty	Conference Agreement Cost
44	ADV SEAL DELIVERY SYSTEM	-	41,532	-	41,532	-	41,532	-	-	-	41,532
	LESS: ADVANCE PROCUREMENT (PY)		(41,532)	-	(41,532)	-	(41,532)	-	-	-	(41,532)
45	PC,CYCLONE CLASS	-	-	-	-	-	-	-	-	-	-
46	ADVANCED SEAL DELIVERY SYS	-	21,501	-	21,501	-	21,501	-	(13,813)	-	7,688
	LESS: ADVANCE PROCUREMENT (PY)		(288)	-	(288)	-	(288)	-		-	(288)
47	ADVANCE PROCUREMENT (CY)	-	17,286	-	17,286	-	17,286	-	(9,286)	-	8,000
48	MK VIII MOD 1 - SEAL DELIVERY VEH	-	-	-	-	-	-	-	-	-	-
49	SUBMARINE CONVERSION	-	3,284	-	3,284	-	3,284	-	-	-	3,284
50	MK V SPECIAL OPERATIONS CRAFT	-	-	-	-	-	-	-	-	-	-
	AMMUNITION PROGRAMS										
51	SOF ORDNANCE REPLENISHMENT	-	37,876	-	37,876	-	43,876	-	6,000	-	43,876
52	SOF ORDNANCE ACQUISITION	-	15,992	-	15,992	-	15,992	-	-	-	15,992
	OTHER PROCUREMENT PROGRAMS										
53	COMM EQUIPMENT & ELECTRONICS	-	86,758	-	86,758	-	86,758	-	-	-	86,758
54	SOF INTELLIGENCE SYSTEMS	-	19,154	-	19,154	-	19,154	-	-	-	19,154
55	SOF SMALL ARMS & WEAPONS	-	23,355	-	30,355	-	39,105	-	12,000	-	35,355
56	MARITIME EQUIPMENT MODS	-	2,183	-	2,183	-	2,183	-	-	-	2,183
57	NAVAL SPC WARFARE RIGID INFLATABLE BOAT	-	-	-	-	-	-	-	-	-	-
58	SOF COMBATANT CRAFT SYSTEMS	-	18,771	-	18,771	-	18,771	-	-	-	18,771
59	SPARES AND REPAIR PARTS	-	29,836	-	29,836	-	29,836	-	-	-	29,836
60	SOF MARITIME EQUIPMENT	-	4,949	-	4,949	-	4,949	-	-	-	4,949
61	DRUG INTERDICTION	-	-	-	-	-	-	-	-	-	-
62	MISCELLANEOUS EQUIPMENT	-	10,073	-	10,073	-	10,073	-	-	-	10,073
63	SOF PLANNING AND REHEARSAL SYSTEM	-	2,432	-	2,432	-	2,432	-	-	-	2,432
64	CLASSIFIED PROGRAMS	-	110,147	-	108,647	-	215,147	-	90,000	-	200,147
65	PSYOP EQUIPMENT	-	11,716	-	11,716	-	11,716	-	-	-	11,716
	CHEMICAL/BIOLOGICAL DEFENSE										
	CBDP										
66	INDIVIDUAL PROTECTION	-	124,612	-	124,612	-	143,512	-	1,000	-	125,612
67	DECONTAMINATION	-	10,920	-	10,920	-	12,420	-	1,500	-	12,420

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
68	JOINT BIO DEFENSE PROGRAM	-	99,573	-	99,573	-	99,573	-	-	-	99,573
69	COLLECTIVE PROTECTION	-	36,732	-	36,732	-	36,732	-	-	-	36,732
70	CONTAMINATION AVOIDANCE	-	105,559	-	105,559	-	115,559	-	-	-	105,559
999	CLASSIFIED PROGRAMS	-	438,263	-	461,763	-	438,263	-	-	-	438,263
	TRANSFER TO COMBATING TERRORISM					-	(110,900)				
	ECONOMIC ADJUSTMENT						(3,800)		(5,200)	-	(5,200)
	ADVISORY AND ASSISTANCE			-	(855)						
	TOTAL, PROCUREMENT, DEFENSE-WIDE		2,128,967		2,107,839		2,293,417		216,201		2,345,168

Title I - Procurement

(Dollars in Thousands)

Ln No.		FY 00 Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	CHEM AGENTS & MUNITIONS DESTRUCTION, DEF										
	CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E										
	RESEARCH AND DEVELOPMENT										
1	CHEM DEMILITARIZATION - RDTE	-	-	-	230,000	-	334,000	-	-	-	-
	CHEM AGENTS & MUNITIONS DESTRUCT-PROC										
	PROCUREMENT										
2	CHEM DEMILITARIZATION - PROC	-	-	-	232,000	-	241,500	-	-	-	-
	CHEM AGENTS & MUNITIONS DESTRUCT-O&M										
	OPERATION AND MAINTENANCE										
3	CHEM DEMILITARIZATION - O&M	-	-	-	550,000	-	593,500	-	-	-	-
	ECONOMIC ADJUSTMENT						(4,500)				
	TOTAL, CHEM AGENTS & MUNITIONS DESTRUCTION, DEF		-		1,012,000		1,164,500		-		-
	DEFENSE LOAN GUARANTEE PROGRAM			-	1,250						
	Total Procurement		53,020,538		55,599,762		55,929,738		2,687,875		55,708,413

Advanced SEAL delivery system

The budget request included $21.5 million for procurement of advanced SEAL delivery system (ASDS) components. An additional $17.3 million was included for ASDS advanced procurement requirements.

The Commander in Chief of United States Special Operations Command has asked the conferees to reallocate requested funding for the ASDS program. The conferees understand the reallocation of funding is necessary for additional support equipment, interim support spares, pre-planned product improvements, and the complete data package for system certifications previously deferred. The conferees agree to support this request and reallocate funding as follows:

(1) A decrease of $9.3 million for ASDS advanced procurement;

(2) A decrease of $13.8 million for ASDS procurement;

(3) A decrease of $3.0 million for ASDS Operation and Maintenance, Defense-Wide; and

(4) An increase of $26.1 million in PE 1160404BB, Special Operations Tactical Systems Development.

The conferees continue to be very concerned about the cost growth associated with this program, contractor performance, and the elimination of critical development and testing activities in an effort to mitigate rising costs. The issues associated with the development of this program have yet to be adequately addressed. The conferees are particularly concerned with the level of oversight exercised over this program to date, and agree to establish this program as an item of special interest and will monitor the progress of this program closely. The conferees direct the Commander in Chief of the Special Operations Command to provide a report to the congressional defense committees, no later than March 1, 2000, that outlines the following:

(1) changes in requirements that have been made since the last acquisition milestone;

(2) originally planned and/or programmed development and testing activities that have been modified or eliminated;

(3) program modifications and/or procurement objectives that will have to be modified due to unforseen cost growth;

(4) corrective actions to address program oversight and cost growth issues;

(5) alternatives to the current baseline program that would provide for increased program stability; and

(6) the analysis used to determine the future operational suitability of ASDS without vessel shock testing and an operational degaussing system offered in the original contractor proposal.

The conferees recognize that there is no formal requirement for shock testing and an operational degaussing system, but are concerned that pressures associated with the cost growth of this program may result in safety tradeoffs that could put crews needlessly at risk. Finally, the conferees are concerned that the Department may not have been providing adequate supervision to this important acquisition program. The conferees understand that the dollar value of this program may not meet the normal thresholds that would automatically elevate this program to an acquisition category requiring more direct involvement of the Under Secretary of Defense for Acquisition and Technology. Nevertheless, given the troubled history of this program, and the concern that this program may not be out of difficulty yet, the conferees believe that this program should be elevated to include a Department of Defense level of review. If, after reviewing the situation, the Secretary of Defense believes that such a change is not appropriate, he shall report to the congressional defense committees on that determination of the appropriate acquisition category for the ASDS program and any justification for that decision. If the Secretary decides not to elevate ASDS to include a DOD level of review, the conferees will expect the justification to include more rationale rather than merely mechanically applying dollar thresholds values to the ASDS funding profile.

Special operations forces small arms and weapons

The budget request include $23.4 million for special operations forces small arms and weapons.

The Senate bill would authorize an increase of $15.8 million, $9.8 million for the body armor load carriage system and $6.0 million for the integrated day/night fire control observer device (INOD).

The House amendment would authorize an increase of $7.0 million for Nightstar binoculars.

The conferees agree to authorize an increase of $12.0 million, $7.0 million for nightstar binoculars and $5.0 million for INOD procurement, for a total authorization of $35.4 million.

Chemical and Biological Defense Program

The budget request included $716.9 million for the Chemical and Biological Defense Program (CBDP). The request includes $377.4 million for procurement and $339.5 million for research and development.

The Senate bill would authorize increase for the following chemical and biological defense program activities: $15.0 million in the Joint Service Lightweight Integrated Suit Technology program; $3.9 million in the M45 General Aviation Mask; $1.5 million in the Modular Decontamination Systems program; $5.0 million in PE 62384BP for Safeguard; $10.0 million in the M93 FOX NBC Reconnaissance Vehicle; $4.0 million in PE 63384BP for the Chemical and Biological Individual Sampler; and, $5.2 million in PE 63384BP for the Small Unit Biological Detector program.

The House amendment would authorize an increase of $3.5 million in PE 61384BP and an increase of $5.5 million in PE 62384BP to accelerate basic and applied research in advanced technologies for chemical and biological point detectors, an increase of $1.0 million in PE 61384BP for basic research in organic and inorganic optical computing device materials for use in standoff sensors for detection and identification of chemical agents, and an increase of $4.0 million in PE 62384BP to continue the Safeguard technology development and demonstration program.

The conferees agree to authorize: an increase in PE 61384BP of $1.0 million for optical computing device materials and an increase of $3.5 million for chemical and biological point detector technologies; an increase in PE 62384BP of $3.0 million for Safeguard and an increase of $4.5 million for chemical and biological point detector technologies; an increase of $1.0 million for procurement of protective masks; and, an increase of $1.5 million in the Modular Decontamination Systems program.

Section 1701 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) requires that the budget requests of the Department of Defense reflect a coordinated and integrated chemical-biological defense program for the military departments, that shall not be included in the budget accounts of the military departments, but shall be set forth as a separate account in the Department's budget. The conferees remain concerned that the Defense Department continues to request funding for chemical-biological defense programs through other program elements or accounts. The conferees note that the management of this program may be stifled by the Administration's reluctance to nominate a candidate for the statutorily required position of Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Defense Programs. The conferees direct the Under Secretary of Defense for Acquisition and Technology to ensure that all research, development, and acquisition of chemical and biological defense technologies and equipment are integrated, coordinated, and that funding for such programs is requested in the chemical-biological defense program.

Overview

The budget request for fiscal year 2000 included no authorization for National Guard and Reserve Procurement in the Department of Defense.

The Senate bill would authorize no funds.

The House amendment would authorize $60.0 million.

The conferees recommended an authorization of $60.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

		FY 00		House		Senate		Conference			
Ln		Request		Authorized		Authorized		Change		Agreement	
No.		Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
	NATIONAL GUARD & RESERVE EQUIPMENT										
	RESERVE EQUIPMENT										
	ARMY RESERVE										
1	MISCELLANEOUS EQUIPMENT	-	-	-	10,000	-	-	-	10,000	-	10,000
	NAVY RESERVE										
2	MISCELLANEOUS EQUIPMENT	-	-	-	10,000	-	-	-	10,000	-	10,000
	MARINE CORPS RESERVE										
3	MISCELLANEOUS EQUIPMENT	-	-	-	10,000	-	-	-	10,000	-	10,000
	AIR FORCE RESERVE										
4	MISCELLANEOUS EQUIPMENT	-	-	-	10,000	-	-	-	10,000	-	10,000
	NATIONAL GUARD EQUIPMENT										
	ARMY NATIONAL GUARD										
5	MISCELLANEOUS EQUIPMENT	-	-	-	10,000	-	-	-	10,000	-	10,000
	AIR NATIONAL GUARD										
6	MISCELLANEOUS EQUIPMENT	-	-	-	10,000	-	-	-	10,000	-	10,000
	TOTAL, NATIONAL GUARD & RESERVE EQUIPMENT		-		60,000		-		60,000		60,000

ITEMS OF SPECIAL INTEREST

Common rack and launcher test set

The conferees support Department of Defense efforts to achieve support equipment commonality across the services and note the recent demonstration of the capabilities of the Navy's Common Rack and Launcher Test Set (CRALTS). The conferees understand that the CRALTS is capable of replacing numerous system-specific test sets currently in use for bomb racks, missile launchers, and pylons.

As the CRALTS may have applicability to both the Army and Air Force aviation communities, the conferees direct the Secretaries of the Army and Air Force to evaluate the utility of CRALTS for service requirements and report their findings to the congressional defense committees by March 31, 2000.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Authorization of Appropriations (secs. 101–108)

The Senate bill contained provisions (secs. 101–107) that would authorize the recommended fiscal year 2000 funding levels for the Army, Navy, and Marine Corps, Air Force, Defense-Wide Activities, Defense Inspector General, Chemical Demilitarization Program, and the Defense Health Program.

The House amendment contained similar provisions.

The conference agreement includes these provisions.

Chemical demilitarization program (sec. 107)

The budget request for the Army included $1,169.0 million for the chemical agents and munitions destruction program.

The Senate bill would authorize no funding for Chemical Agents and Munitions Destruction, Army, but contained a provision (sec. 106) that would authorize $1,164.5 million for destruction of the lethal chemical agents and munitions stockpile pursuant to section 1412 of the Department of Defense Authorization Act for Fiscal Year 1986 (Public Law 99–45) and U.S. chemical warfare material not covered by section 1412 of the Act, a $4.5 million reduction to the budget request.

The House amendment would authorize no funding for Chemical Agents and Munitions Destruction, Army, but contained a provision (sec. 107) that would authorize $1,012.0 million for the Department of Defense (DoD) for fiscal year 2000, a reduction of $157.0 million to the budget request.

The conferees agree to a provision that would authorize $1,024.0 million for the chemical agents and munitions destruction program, including $294.0 million for research and development, $191.5 million for procurement, and $538.5 million for operations and maintenance.

Section 1521(f) of title 50, United States Code, requires that funding for the chemical agents and munitions destruction program, including funds for military construction projects, shall be set forth in the budget of the Department of Defense as a separate account, and shall not be included in the budget accounts for any military department. The conferees note that section 152 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) provides that funding for the chemical stockpile emergency preparedness program will be contained in the budget of the Department of Defense and will be made available to the Federal Emergency Management Agency to implement its responsibilities under the program. The conferees expect that the Secretary of Defense will comply with these requirements in any future budget request for the chemical agents and munitions destruction program.

The conferees note the concerns expressed in the House report accompanying H.R. 1401 (H. Rept. 106–162) and the Senate report accompanying S. 1059 (S. Rept. 106–50) regarding the total cost of the chemical demilitarization program, the magnitude and complexity of the program, and the need to proceed thoroughly and expeditiously to ensure that the destruction of the stockpile is accomplished in a timely manner using the appropriate destruction technologies.

The conferees note that concerns have been raised regarding the management and execution of the chemical demilitarization program which cited the presence of unobligated and unexpended balances in program funding. A recent program funding execution assessment by the DOD Comptroller and a review by the General Accounting Office cite that the reasons for the low expenditure rates have been beyond the influence and control of the program office, and indicate that no instances of inadequate program management controls or gross violation of DOD financial regulations have been found. The Comptroller's review indicates that $87.9 million in program funding could be deferred to fiscal year 2001, but concluded that the budgeted funds are needed to satisfy valid program requirements and that any deferral of funds would affect the ability of the program to meet the legislated destruction-completion date of April 29, 2007. The Comptroller's review further indicated that any funding decrease for fiscal year 2000 would have to be added back in a future budget. The conferees intend to continue to monitor closely the management and execution of the program to ensure its efficient execution and the availability of the funds necessary to meet the objectives of the program.

Section 8065 of the Omnibus Consolidated Appropriations Act for Fiscal Year 1997 (Public Law 104–208) required the Secretary of Defense to identify and demonstrate not less than two alternatives to the baseline incineration process for the demilitarization of assembled chemical munitions. The conferees expect that the Secretary will submit to the Congress in September 1999 the results of an assessment of the three alternative technologies that were previously selected for demonstration under the Assembled Chemical Weapons Assessment (ACWA) program. The conferees have been advised that the Department intends to conduct evaluations of the three remaining alternative technologies in the ACWA program in addition to the three technologies previously selected for demonstration and to allocate for this purpose $40.0 million of the funds that had been identified for potential deferral.

The conferees recognize that the deferral and other uncertainties in program funding create the potential for additional funding requirements that may have to be addressed during fiscal year 2000. As a part of a financial management and program execution assessment conducted in accordance with this Act, the conferees encourage the Secretary to identify requirements for additional funds that may be required in fiscal year 2000 to ensure execution of the program and to make appropriate recommendations for reprogramming or other actions necessary to provide those funds at the earliest opportunity.

The conferees underscore the concern that all necessary funds should be made available to ensure that the chemical demilitarization program is successfully completed within the deadline established by the Chemical Weapons Convention.

Subtitle B—Army Programs

Multiyear procurement authority for Army programs (sec. 111)

The Senate bill contained a provision (sec. 111) that would authorize the Secretary of the Army to enter into a multiyear procurement contract for the M270A1 launcher, family of medium tactical vehicles, Javelin missile system, AH–64 Apache Longbow helicopter, M1A2 Abrams system enhancement program, and the M2A3 Bradley fighting vehicle.

The House amendment contained a similar provision (sec. 111) that would authorize the Secretary of the Army to enter into a multiyear procurement contract for the Javelin missile system, M2A3 Bradley fighting vehicle, AH–64 Apache Longbow helicopter, and M1A2 Abrams main battle tank upgrade program.

The Senate recedes with an amendment that would authorize the Secretary of the Army to enter into a multiyear procurement contract for the Javelin missile system, AH-64 Apache Longbow helicopter, M1A2 Abrams system enhancement program combined with the Heavy Assault Bridge program, and the M2A3 Bradley fighting vehicle.

Procurement requirements for the Family of Medium Tactical Vehicles (sec. 112)

The House amendment contained a provision (sec. 113) that would revise the conditions for award of a second-source procurement contract for the family of medium tactical vehicles (FMTV).

The Senate bill did not contain any similar provision.

The Senate recedes with an amendment that would repeal section 112 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) and directs the Secretary of the Army to terminate the second source procurement program and to use competitive procedures for future production contracts.

The Army FMTV second source production program, phase II, calls for a second source producer to build 588 vehicles to demonstrate the ability of the manufacturer to produce FMTV vehicles for the price specified in the contractor's proposal. This program would allow the second source producer to propose modifications to the existing vehicle design for future truck production, while providing trucks with common components that are interchangeable among similarly configured models, and to provide these trucks at a lower price by reducing the cost of vehicle components through innovative designs and modifications.

The conferees are concerned that the Army has yet to provide any substantive analysis justifying the second source production program. While the Army has cited anecdotal examples of other programs that have benefited from competition, it has yet to provide any detailed analysis to support the assertion that the second source program will produce substantial cost savings in future production contracts. In fact, analysis completed by the General Accounting Office (GAO), and a separate review by the U.S. Army Cost and Economic Analysis Center (USACEAC) on the Army proposed course of action have suggested that achieving any savings through the second source program will be very difficult. Unless the Army is committed to increasing the level of funding associated with truck production significantly, the conferees believe future budgets will likely be unable to support two manufacturers. The conferees note the following regarding the Army's second source proposal:

(1) the FMTV program has suffered from low levels of production which resulted in uneconomical production rates;

(2) the history of Army truck production and shortfalls in other Army modernization programs do not suggest that the service will be able to add funding for future truck production;

(3) the proposed second source competition will stretch even further limited resources that would be applied to two producers, resulting in even less economical production rates.

The conferees are also concerned that a competition based upon performance specifications may essentially abandon the current 85 percent component commonality across the fourteen FMTV variants achieved by adherence to a validated technical data package (TDP). Failing to adhere to a TDP could result in greater life cycle costs, thereby vitiating any production cost savings achieved through competition. The conferees believe that reducing maintenance and logistical burdens are critically important and are concerned that competition tied to a performance specification in lieu of an approved technical data package would increase those burdens. Unfortunately, previous Army analysis of the proposed competition has ignored these potential added costs.

The conferees direct the Secretary of the Army to develop an acquisition strategy using competitive procedures for the next FMTV production contract, and to cancel any solicitation associated with the second source, phase II proposed contract award. The conferees further direct the proposed acquisition strategy include, but not be limited to the following:

(1) a validated FMTV TDP will serve as the baseline for family of medium tactical vehicle configuration;

(2) competitors shall warrant to the government the TDP for the vehicle they propose;

(3) any changes to the baseline will be subject to first article testing in accordance with existing performance, quality and environmental standards; and

(4) an estimation of life cycle costs as determined by validated life cycle cost models will be given at least equal weighting with other factors in the source selection evaluation criteria for the competition.

The conferees expect the Secretary of the Army to develop an acquisition strategy that ensures future procurements of FMTV trucks meet or exceed the achieved capabilities of the current fleet of vehicles while maintaining the maximum domestic content that is practicable. The conferees direct the Secretary to provide the proposed acquisition strategy to the congressional defense committees, no later than January 15, 2000.

Army aviation modernization (sec. 113)

The Senate bill contained a provision (sec. 113) that would direct the Secretary of the Army to submit to the congressional defense committees a comprehensive plan for the modernization of Army helicopter forces. The provision established basic guidelines for Army aviation and directed that current plans be revised to reflect the following:

(1) Restore the Apache Longbow program to reflect filling the original objective of 747 aircraft and at least 227 fire control radars. The program should include a plan to qualify and train reserve component pilots as augmentation crews in the AH–64D Apache Longbow helicopters to insure 24–hour war fighting capability in deployed attack helicopter units. The program should field the number of AH–64D aircraft in reserve component aviation units required to implement this objective. The program should also include a plan to retire all AH–1 Cobra attack helicopters still in service as soon as practicable.

(2) Review the total requirements and acquisition objective for the RAH–66 Comanche. Provide a revised program that will field Comanche helicopters to the planned aviation force structure, reflecting the restoration of the Apache Longbow program to original acquisition quantities.

The committee is concerned with the logic that calls for an increase in force structure once these more capable aircraft are fielded. The Army has decided to assume risk and field aviation units with reduced numbers of current-capability reconnaissance aircraft. The increased capability of the Comanche, fielded on a one-to-one replacement basis, will significantly reduce that risk. It is unlikely that a greater than one-to-one replacement is necessary or feasible. If the total requirement for Comanche is reduced below what is currently programmed, the Army should reorient program funding and fielding plans to reflect program modifications.

(3) Establish a program to upgrade aging UH–1 Huey aircraft. Total force requirements for UH–1 utility helicopters must be revised to reflect both war fighting and support requirements of the theater commanders-in-chief.

(4) For requirements that cannot be met by UH–1 aircraft, identify additional UH–60 Blackhawk requirements and an acquisition strategy to reflect both war fighting and support requirements of the theater commanders in chief. Establish a UH–60 modernization program to provide required enhancements to existing aircraft.

(5) Maintain the schedule and funding for CH–47 Chinook helicopter service life extension effort.

(6) Establish an OH–58D Kiowa Warrior upgrade program to ensure the viability of these aircraft until they are retired from service.

(7) Provide a revised assessment of the Army's present and future helicopter requirements and inventory, including the number of aircraft, average age of aircraft, availability of spare parts, flight hour costs, roles and functions assigned to the fleet as a whole and to its individual types of aircraft, and the mix of active component aircraft and reserve component aircraft in the fleet.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary of the Army to expand the scope of the plan to modernize Army helicopter forces.

The conferees continue to be concerned about the ability of the Army to maintain the fleet of rotary wing aircraft that is rapidly aging. A growing number of obsolescent parts are affecting procurements of major end items, as well as procurements of spare parts. The conferees note that the Senate report S. 1059 (S. Rept. 106–50) accompanying the provision directed the Army to address how it intends to identify the extent of this problem over time, and address how the service will deal with this issue as technology continues to evolve. The conferees recognize that future transformation of the Army and corresponding changes to force structure could result in a different requirement for AH–64D Longbow aircraft. The conferees believe, however, that any requirement for attack helicopters should consist exclusively of AH–64D Longbow aircraft to support operations and training commonality.

The conferees direct that not more than 90 percent of the total of the amount appropriated pursuant to the authorization of appropriations in section 101(2), Aircraft Procurement, Army, may be obligated before the date that is 30 days after the date on which the Secretary of the Army submits to the congressional defense committees a revised comprehensive plan for the modernization of the Army's helicopter fleet. The Secretary of the Army shall design a plan that is complete, and will be fully funded in future budget submissions.

Multiple Launch Rocket System (sec. 114)

The Senate bill contained a provision (sec. 114) that would authorize the Army to make available $500,000 of funds available under Missile Procurement, Army, to complete the development of reuse and demilitarization tools and technologies for use in the disposition of Army Multiple Launch Rocket System rockets.

The House amendment contained no similar provision.

The House recedes.

Extension of pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources (sec. 115)

The Senate bill contained a provision (sec. 142) that would extend authorization for the pilot program for Army industrial facilities, which allows the Army to sell to commercial entities articles or services that will ultimately be incorporated into weapon systems procured by the Department of Defense.

The House amendment contained a similar provision (sec. 112) that would also require an update of an Inspector General report.

The Senate recedes.

Extension of authority to carry out Armament Retooling and Manufacturing Support Initiative (sec. 116)

The Senate bill contained a provision (sec. 141) that would extend the authorization of the Armament Retooling and Manufacturing Support Initiative through fiscal year 2001.

The House amendment contained no similar provision.

The House recedes.

Subtitle C–Navy Programs

F/A–18E/F Super Hornet aircraft program (sec. 121)

The Senate bill contained a provision (sec. 125) that would authorize the Secretary of the Navy to enter into a multiyear procurement contract for the F/A–18E/F aircraft.

The House amendment contained a similar provision (sec. 121).

The Senate recedes with a clarifying amendment.

Arleigh Burke class destroyer program (sec. 122)

The Senate bill contained a provision (sec. 122) that would authorize an extension of the 1997 multiyear authorization to include the fiscal year 2002 and fiscal year 2003 DDG–51 procurements. The provision would also increase the total number of ships authorized for multiyear procurement from 12 to 18. In addition the provision would authorize the Secretary of the Navy to transfer up to $190.0 million for fiscal year 2000 advance procurement and up to $371.0 million for advance procurement in fiscal year 2001 for the ships associated with the extension of the multiyear procurement.

The House amendment contained no similar provision.

The House recedes.

Repeal of requirement for annual report from shipbuilders under certain nuclear attack submarine programs (sec. 123)

The Senate bill contained a provision (sec. 123) that would repeal the requirement for an annual report on design responsibility for the Virginia-class attack submarine program by amending section 121(g) of the National Defense Authorization Act for Fiscal Year 1997.

The House amendment contained no similar provision.

The House recedes.

LHD–8 amphibious assault ship program (sec. 124)

The Senate bill contained a provision (sec. 121) that would authorize construction of LHD–8 and advance procurement and construction of components for the LHD–8. The provision would also authorize an increase of $375.0 million for these purposes.

The House amendment contained no similar provision but would authorize an increase of $15.0 million for advance procurement for LHD–8.

The House recedes.

D–5 missile program (sec. 125)

The Senate bill contained a provision (sec. 143) that would require the Secretary of Defense to prepare a report on the D–5 missile program.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle D—Air Force Programs

F–22 aircraft program (sec. 131)

The Senate bill contained a provision (sec. 131) that would require the Secretary of Defense to certify to the congressional defense committees that the F–22 aircraft program retains adequate test content and is projected to meet its development and production cost caps prior to the Secretary of the Air Force contracting for low rate initial production.

The House amendment contained no similar provision. The House report accompanying H.R. 1401 (H. Rept. 106–162) would direct the Secretary of the Air Force to provide a similar certification.

The House recedes with a clarifying amendment that would require a report if the Secretary of Defense is unable to make the certifications. The conferees agree that the certification by the Secretary of the Air Force identified in the House report is no longer required.

Replacement options for conventional air-launched cruise missile (sec. 132)

The Senate bill contained a provision (sec. 227) that would require the Secretary of the Air Force to submit to the congressional defense committees a report on how the requirement currently being met by the conventional air-launched cruise missile will be met upon depletion of that weapon system.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Procurement of firefighting equipment for the Air National Guard and the Air Force Reserve (sec. 133)

The House amendment contained a provision (sec. 152) that would authorize the Secretary of the Air Force to make available up to $16.0 million of funds available under section 103, for the purpose of modernizing airborne firefighting capabilities of the Air National Guard and Air Force Reserve.

The Senate bill contained no similar provision.

The Senate recedes.

F–16 tactical manned reconnaissance aircraft (sec. 134)

The conferees agree to a new provision that would exempt funds authorized in this Act for the medium altitude electro-optic (MAEO) reconnaissance cameras from limitations imposed in section 216 of the National Defense Authorization Act for Fiscal Year 1997.

Subtitle E—Chemical Stockpile Destruction Program

Destruction of existing stockpile of lethal chemical agents and munitions (sec. 141)

The House amendment contained a provision (sec. 141) that would require the Secretary of Defense to conduct an assessment of the chemical agents and munitions stockpile destruction program and authorize the Secretary to take those actions permitted under existing law to achieve the purposes of the assessment and would direct the Secretary to recommend any additional legislative authority that may be needed.

The House provision would amend paragraph 1412(c)(2) of the National Defense Authorization Act for Fiscal Year 1986 (Public Law 99–145) to provide that facilities constructed to carry out the chemical stockpile destruction program shall be disposed of in accordance with the law and site-specific, mutual agreements between the Secretary of the Army and the governor of the state in which the facility is located.

Lastly, the provision would amend subsection 1412(c) to allow non-stockpile chemical agents, munitions, or related materials specifically designated by the Secretary of Defense to be destroyed at stockpile facilities if the affected states have issued the appropriate permits. The conferees expect that site specific decisions of the type indicated would be arrived at in accordance with review processes that permit the views of the local jurisdictions to be considered.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Comptroller General to conduct a review and assessment of the chemical agents and munitions destruction program and to report the results of this assessment to the congressional defense committees not later than March 1, 2000.

Comptroller General report on anticipated effects of proposed changes in operations of storage sites for lethal chemical agents and munitions. (sec. 142)

The Senate bill contained a provision (sec. 1027) that would require the Comptroller General to review the Army's plans to reduce the federal civilian workforce involved in the operation of the eight storage sites for lethal chemical agents and munitions in the continental United States and to convert to contractor operation of the storage sites.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Alternative technologies for destruction of assembled chemical weapons

The House amendment contained a provision (sec. 142) that would direct and establish conditions for the transfer of management oversight responsibility for the Assembled Chemical Weapons Assessment program from the Under Secretary of Defense for Acquisition and Technology to the Secretary of the Army.

The Senate bill contained no similar provision.

The House recedes.

Close combat tactical trainer program

The Senate bill contained a provision (sec. 112) that would restrict funding for the close combat tactical trainer (CCTT) until the Secretary of the Army provided a report to the congressional defense committees that CCTT reliability issues identified by the Director, Operational Test and Evaluation, had been resolved.

The House amendment contained no similar provision.

The Senate recedes.

The conferees note recent testing reports that indicate favorable resolution of reliability issues.

Defense Export Loan Guarantee program

The House amendment contained a provision (sec. 109) that would authorize $1.3 million for the Defense Loan Guarantee program.

The Senate bill contained no similar provision.

The House recedes.

Cooperative engagement capability

The Senate bill contained a provision (sec. 124) that would prohibit the procurement and installation of cooperative engagement capability (CEC) equipment for other than new construction or land based test facilities until the completion of operational test and evaluation (OT&E).

The House amendment contained a provision (sec. 153) that would authorize the Navy to procure and install CEC equipment into commissioned vessels, shore facilities, and aircraft prior to completion of OT&E of shipboard CEC to ensure fielding of a battle group with fully functional CEC by fiscal year 2003. The provision would also authorize an increase of $22.0 million for E–2C aircraft modification for CEC equipment and authorize a decrease of $22.0 million in shipboard information warfare exploit systems procurement.

Both the Senate and House recede from their provisions.

Limitation on expenditures for satellite communications

The House amendment contained a provision (sec. 151) that would limit funds for the procurement of satellite communications devices until such time as they are tested and proven not to interfere with collocated global positioning satellite receivers.

The Senate bill contained no similar provision.

The House recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Research, Development, Test, and Evaluation Overview

The budget request for fiscal year 2000 included an authorization of $34,375.2 million for Research and Development in the Department of Defense.

The Senate bill would authorize $35,865.9 million.

The House amendment would authorize $35,835.7 million.

The conferees recommended an authorization of $36,266.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
TITLE II RESEARCH, DEVELOPMENT, TEST & EVALUATION					
Research, Development, Test & Evaluation, Army	4,426,194	4,708,194	4,695,894	365,049	4,791,243
Research, Development, Test & Evaluation, Navy	7,984,016	8,358,529	8,207,616	378,500	8,362,516
Research, Development, Test & Evaluation, Air Force	13,077,829	13,212,671	13,573,308	552,244	13,630,073
Research, Development, Test & Evaluation, Defense-wide	8,609,289	9,278,394	9,111,190	595,525	9,204,814
Operational Test & Evaluation, Defense	24,434	24,434	24,434	0	24,434
Developmental Test & Evaluation, Defense	253,457	253,457	253,457	0	253,457
Total Research, Development, Test & Evaluation	34,375,219	35,835,679	35,865,899	1,891,318	36,266,537

Overview

The budget request for fiscal year 2000 included an authorization of $4,426.2 million for Army, Research and Development in the Department of Defense.

The Senate bill would authorize $4,695.9 million.

The House amendment would authorize $4,708.2 million.

The conferees recommended an authorization of $4,791.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL, ARMY					
0601101A	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,193	14,193	14,193	-	14,193
0601102A	2	DEFENSE RESEARCH SCIENCES	125,613	125,613	125,613	-	125,613
0601104A	3	UNIVERSITY AND INDUSTRY RESEARCH CENTERS	47,066	48,466	62,066	-	63,366
		Basic Research in Counter-Terrorism			[15,000]	15,000	
		Advanced and Interactive Displays		[1,400]		1,300	
0602104A	4	TRACTOR ROSE	6,766	6,766	6,766	-	6,766
0602105A	5	MATERIALS TECHNOLOGY	13,849	13,849	16,349	-	16,349
		AAN Materials			[2,500]	2,500	
0602120A	6	SENSORS AND ELECTRONIC SURVIVABILITY	22,978	26,978	22,978	-	25,978
		Geo Positioning System--Inertial Measurement Unit Integration		[1,000]			
		Passive Millimeter Wave Imaging		[3,000]		3,000	
0602122A	7	TRACTOR HIP	9,298	9,298	9,298	-	9,298
0602211A	8	AVIATION TECHNOLOGY	30,165	30,165	30,165	-	30,165
0602270A	9	EW TECHNOLOGY	17,487	17,487	17,487	-	17,487
0602303A	10	MISSILE TECHNOLOGY	32,892	32,892	34,892	-	35,892
		Geo Positioning System--Inertial Measurement Unit Integration				1,000	
		Scramjet Technologies			[2,000]	2,000	
0602308A	11	MODELING AND SIMULATION TECHNOLOGY	24,955	24,955	24,955	-	24,955
0602601A	12	COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	39,749	64,249	46,249	-	55,749
		Future Combat Vehicle (Note: Authorized in PE 0603004/5A)		[12,000]			
		Full Spectrum Active Protection		[2,500]		2,500	
		Alternative Vehicle Propulsion Initiative		[10,000]		10,000	
		Smart Truck			[6,500]	3,500	
0602618A	13	BALLISTICS TECHNOLOGY	36,287	36,287	36,287	-	36,287
0602622A	14	CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	3,996	3,996	3,996	-	3,996
0602623A	15	JOINT SERVICE SMALL ARMS PROGRAM	5,187	5,187	5,187	-	5,187
0602624A	16	WEAPONS AND MUNITIONS TECHNOLOGY	34,687	34,687	34,687	-	34,687
0602705A	17	ELECTRONICS AND ELECTRONIC DEVICES	25,796	25,796	25,796	-	25,796
0602709A	18	NIGHT VISION TECHNOLOGY	20,111	30,111	20,111	-	20,111
		Panoramic Night Vision Goggles		[10,000]			

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0602712A	19	COUNTERMINE SYSTEMS	10,321	10,321	12,121	-	12,121
		Humanitarian Demining			[1,800]	1,800	
0602716A	20	HUMAN FACTORS ENGINEERING TECHNOLOGY	16,392	19,792	18,192	-	19,792
		Medteams		[3,400]	[1,800]	3,400	
0602720A	21	ENVIRONMENTAL QUALITY TECHNOLOGY	12,758	15,758	20,758	-	23,758
		TRIES-Computer Based Land Management Model		[3,000]		3,000	
		PEPS			[8,000]	8,000	
0602782A	22	COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	19,613	19,613	19,613	-	19,613
0602783A	23	COMPUTER AND SOFTWARE TECHNOLOGY	5,210	5,210	5,210	-	5,210
0602784A	24	MILITARY ENGINEERING TECHNOLOGY	41,085	56,085	41,085	-	59,085
		Geographic Synthetic Aperture Radar		[15,000]		15,000	
		University Partnering for Ops Support				3,000	
0602785A	25	MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	12,071	12,071	12,071	-	12,071
0602786A	26	WARFIGHTER TECHNOLOGY	23,971	23,971	23,971	-	23,971
0602787A	27	MEDICAL TECHNOLOGY	70,136	74,136	70,136	-	70,136
		Heart Rate Variability Technology		[4,000]			
0602789A	28	ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY	1,276	1,276	1,276	-	1,276
0602805A	29	DUAL USE APPLICATIONS PROGRAM	18,222	18,222	18,222	-	18,222
0603001A	30	WARFIGHTER ADVANCED TECHNOLOGY	31,287	31,287	31,287	-	31,287
0603002A	31	MEDICAL ADVANCED TECHNOLOGY	10,539	10,539	15,539	-	10,539
		Virtual Retinal Eye Display Technology			[5,000]	-	
0603003A	32	AVIATION ADVANCED TECHNOLOGY	34,167	34,167	34,167	-	34,167
0603004A	33	WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	39,893	42,393	39,893	-	41,893
		Future Combat Vehicle				2,000	
		Proximity Fuze for DPICM Submuniitons		[2,500]			
0603005A	34	COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	90,941	92,941	100,941	-	102,941
		Combined Turbine Diesel Engine		[2,000]		2,000	
		Future Combat Vehicle Development			[10,000]	10,000	
0603006A	35	COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECH	20,883	20,883	20,883	-	20,883
0603007A	36	MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,030	5,030	3,030	-	5,030
		Air Crew Coordination Training		[2,000]		2,000	

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0603009A	37	TRACTOR HIKE	12,553	12,553	12,553	-	12,553
0603013A	38	TRACTOR DIRT		-	-	-	-
0603017A	39	TRACTOR RED	4,582	4,582	4,582	-	4,582
0603020A	40	TRACTOR ROSE	11,151	11,151	11,151	-	11,151
0603105A	41	MILITARY HIV RESEARCH	5,976	5,976	5,976	-	5,976
0603122A	42	TRACTOR HIP	2,432	2,432	2,432	-	2,432
0603238A	43	GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECH DEM	24,618	24,618	24,618	-	24,618
0603270A	44	EW TECHNOLOGY	16,169	16,169	16,169	-	16,169
0603313A	45	MISSILE AND ROCKET ADVANCED TECHNOLOGY	43,639	43,639	43,639	-	43,639
0603322A	46	TRACTOR CAGE	2,665	2,665	2,665	-	2,665
0603606A	47	LANDMINE WARFARE AND BARRIER ADVANCFD TECHNOLOGY	47,456	47,456	47,456	-	47,456
0603607A	48	JOINT SERVICE SMALL ARMS PROGRAM	4,869	9,869	4,869	-	4,869
		OICW Improvements, 5.56mm Ammo Dev, High Vel Sm Arms Projectile Tech		[5,000]			
0603654A	49	LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	41,619	41,619	41,619	-	41,619
0603710A	50	NIGHT VISION ADVANCED TECHNOLOGY	36,628	39,628	36,628	-	39,628
		Helmet Mounted Sensors for Firefighters/Damage Control Personnel		[3,000]		3,000	
0603728A	51	ENVIRONMENTAL QUALITY TECHNOLOGY DEVELOPMENT	1,337	1,337	1,337	-	1,337
0603734A	52	MILITARY ENGINEERING ADVANCED TECHNOLOGY	15,881	15,881	15,881	-	15,881
0603772A	53	ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHNOLOGY	22,610	22,610	24,610	-	24,610
		Digital Situation Mapboard			[2,000]	2,000	
0604280A	54	JOINT TACTICAL RADIO		-	-	-	-
0603308A	55	ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEM/VAL)	12,353	12,353	30,353	-	30,353
		THEL			[10,000]	10,000	
		Accoustic Technology Research			[4,000]	4,000	
		Radar Power Technology			[4,000]	4,000	
0603619A	56	LANDMINE WARFARE AND BARRIER - ADV DEV	4,099	4,099	4,099	-	14,504
		Transfer from PE 0604808A				10,405	
0603639A	57	ARMAMENT ENHANCEMENT INITIATIVE	36,937	44,937	36,937	-	44,937
		TERM-KE		[8,000]		8,000	
0603640A	58	ARTILLERY PROPELLANT DEVELOPMENT		-	-	-	-
0603645A	59	ARMORED SYSTEM MODERNIZATION - ADV DEV		-	-	-	-

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0603653A	60	ADVANCED TANK ARMAMENT SYSTEM (ATAS)	1,937	1,937	1,937	-	1,937
0603713A	61	ARMY DATA DISTRIBUTION SYSTEM	10	10	10	-	10
0603747A	62	SOLDIER SUPPORT AND SURVIVABILITY	12,804	12,804	12,804	-	12,804
0603766A	63	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV		2,500	-	-	-
		Semi-Automated Imagery Processor		[2,500]		-	
0603774A	64	NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	3,188	3,188	3,188	-	3,188
0603790A	65	NATO RESEARCH AND DEVELOPMENT	1,872	1,872	1,872	-	1,872
0603801A	66	AVIATION - ADV DEV	5,746	5,746	5,746	-	5,746
0603802A	67	WEAPONS AND MUNITIONS - ADV DEV	1,751	1,751	16,551	-	16,551
		OICW (Transfer from 0604802A)			[14,800]	14,800	
0603804A	68	LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	6,514	6,514	6,514	-	6,514
0603805A	69	COMBAT SERVICE SUPPORT CONTROL SYSTEM EVAL AND ANALYSIS	11,062	11,062	11,062	-	11,062
0603807A	70	MEDICAL SYSTEMS - ADV DEV	12,723	12,723	12,723	-	12,723
0603851A	71	TRACTOR CAGE (DEM/VAL)	1,087	1,087	1,087	-	1,087
0603854A	72	ARTILLERY SYSTEMS - DEM/VAL	282,937	282,937	282,937	-	282,937
0603856A	73	SCAMP BLOCK II DEM/VAL	10,703	10,703	10,703	-	10,703
0604201A	74	AIRCRAFT AVIONICS	6,372	21,672	6,372	-	6,372
		Airborne Command and Control Systems		[15,300]			
0604223A	75	COMANCHE	427,069	483,069	483,069		483,069
		Acceleration of 2nd Prototype Flight Testing/MEP		[56,000]	[56,000]	56,000	
0604270A	76	EW DEVELOPMENT	78,603	78,603	78,603	-	78,603
0604280A	77	JOINT TACTICAL RADIO	36,797	36,797	36,797	-	36,797
0604321A	78	ALL SOURCE ANALYSIS SYSTEM	49,684	44,984	49,684	-	49,684
		Program Reduction		[-4,700]			
0604325A	79	FOLLOW-ON TO TOW		-	-	-	-
0604328A	80	TRACTOR CAGE	2,848	2,848	2,848	-	2,848
0604601A	81	INFANTRY SUPPORT WEAPONS		-	-	-	-
0604604A	82	MEDIUM TACTICAL VEHICLES	1,973	1,973	1,973	-	1,973
0604609A	83	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV	918	918	918	-	918
0604611A	84	JAVELIN	493	493	493	-	493
0604619A	85	LANDMINE WARFARE	13,318	13,318	13,318	-	13,318

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604622A	86	FAMILY OF HEAVY TACTICAL VEHICLES		-	-	-	-
0604633A	87	AIR TRAFFIC CONTROL	1,981	1,981	1,981	-	1,981
0604640A	88	ADVANCED COMMAND AND CONTROL VEHICLE (AC2V)		-	-	-	-
0604641A	89	TACTICAL UNMANNED GROUND VEHICLE (TUGV)		-	-	-	-
0604642A	90	LIGHT TACTICAL WHEELED VEHICLES	7,498	7,498	7,498	-	7,498
0604645A	91	ARMORED SYSTEMS MODERNIZATION (ASM)-ENG. DEV.	2,899	2,899	2,899	-	2,899
0604649A	92	ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	58,321	58,321	58,321	-	58,321
0604710A	93	NIGHT VISION SYSTEMS - ENG DEV	30,644	33,644	30,644	-	33,644
		Combustion Driven Eye-Safe Laser		[3,000]		3,000	
0604713A	94	COMBAT FEEDING, CLOTHING, AND EQUIPMENT	110,829	110,829	110,829	-	84,329
		Land Warrior				(26,500)	
0604715A	95	NON-SYSTEM TRAINING DEVICES - ENG DEV	71,034	71,034	71,034	-	71,034
0604716A	96	TERRAIN INFORMATION - ENG DEV	5,348	5,348	5,348	-	5,348
0604726A	97	INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	2,318	2,318	2,318	-	2,318
0604739A	98	INTEGRATED BROADCAST SERVICE	4,552	4,552	4,552	-	4,552
0604741A	99	AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE - ENG DEV	7,995	7,995	7,995	-	7,995
0604746A	100	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	10,252	10,252	10,252	-	10,252
0604760A	101	DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENGINEERING DEV	7,657	7,657	7,657	-	7,657
0604766A	102	TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES - EMD (TIARA)	70,940	70,940	70,940	-	73,440
		Semi-Automated Imagery Processor				2,500	
0604768A	103	BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	128,026	128,026	128,026	-	128,026
0604770A	104	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	11,535	19,535	11,535	-	19,535
		SCDL SIP		[8,000]		8,000	
0604778A	105	POSITIONING SYSTEMS DEVELOPMENT (SPACE)	443	443	443	-	443
0604780A	106	COMBINED ARMS TACTICAL TRAINER (CATT) CORE	19,925	19,925	19,925	-	19,925
0604801A	107	AVIATION - ENG DEV	6,312	6,312	6,312	-	6,312
0604802A	108	WEAPONS AND MUNITIONS - ENG DEV	54,943	57,443	40,143	-	42,643
		Small Arms Fire Control System		[2,500]		2,500	
		OICW (Transfer to 0603802A)			[-14,800]	(14,800)	
0604804A	109	LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	22,996	22,996	22,996	-	22,996
0604805A	110	COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	23,987	23,987	23,987	-	23,987

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0604807A	111	MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEF EQUIPMENT - ENG DEV	9,705	13,205	9,705	-	13,205
		LSTAT		[3,500]		3,500	
0604808A	112	LANDMINE WARFARE/BARRIER - ENG DEV	40,916	40,916	40,916	-	30,511
		Schedule Delay (Transfer to PE 0603619A)				(10,405)	
0604814A	113	SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	19,366	19,366	19,366	-	29,366
		Program Increase				10,000	
0604817A	114	COMBAT IDENTIFICATION	8,658	8,658	8,658	-	18,144
		Transfer from Other Procurement, Army				9,486	
0604818A	115	ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	35,299	35,299	35,299	-	35,299
0604820A	116	RADAR DEVELOPMENT	5,128	5,128	5,128	-	5,128
0604823A	117	FIREFINDER	32,353	32,353	40,253		40,253
		Accelerate TBM Cueing Requirement			[7,900]	7,900	
0604824A	118	DUAP COMMERCIAL OPERATIONS AND SUPPORT SAVINGS		-	-	-	-
0604854A	119	ARTILLERY SYSTEMS - EMD	65,806	65,806	65,806	-	65,806
0604256A	120	THREAT SIMULATOR DEVELOPMENT	13,680	13,680	13,680	-	13,680
0604258A	121	TARGET SYSTEMS DEVELOPMENT	13,397	13,397	13,397	-	13,397
0604759A	122	MAJOR T&E INVESTMENT	39,380	39,380	39,380	-	39,380
0605103A	123	RAND ARROYO CENTER	17,656	17,656	17,656	-	17,656
0605301A	124	ARMY KWAJALEIN ATOLL	140,344	148,344	140,344	-	140,344
		Range Modernization		[8,000]			
0605326A	125	CONCEPTS EXPERIMENTATION PROGRAM	16,990	21,990	19,990	-	22,990
		Mounted Manuever Battlespace Lab		[5,000]		3,000	
		Digital Information Technology Testbed			[3,000]	3,000	
0605502A	126	SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605601A	127	ARMY TEST RANGES AND FACILITIES	137,193	137,193	137,193	-	137,193
0605602A	128	ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	30,470	31,670	30,470	-	31,670
		Characterization & Quantification of Missile Hazards to Aircraft		[1,200]		1,200	
0605604A	129	SURVIVABILITY/LETHALITY ANALYSIS	30,138	30,138	30,138	-	30,138
0605605A	130	DOD HIGH ENERGY LASER TEST FACILITY	14,230	38,230	19,230	-	34,230
		High Energy Solid State Laser Technology Development/Testbed		[20,000]	[5,000]	20,000	
		Navy Free Electron Laser Technology		[4,000]			

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0605606A	131	AIRCRAFT CERTIFICATION	3,021	3,021	3,021	-	3,021
0605702A	132	METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,843	6,843	6,843	-	6,843
0605706A	133	MATERIEL SYSTEMS ANALYSIS	8,796	8,796	8,796	-	8,796
0605709A	134	EXPLOITATION OF FOREIGN ITEMS	4,143	4,143	4,143	-	4,143
0605712A	135	SUPPORT OF OPERATIONAL TESTING	68,946	68,946	68,946	-	68,946
0605716A	136	ARMY EVALUATION CENTER	24,255	24,255	24,255	-	24,255
0605801A	137	PROGRAMWIDE ACTIVITIES	64,121	64,121	64,121	-	64,121
0605803A	138	TECHNICAL INFORMATION ACTIVITIES	15,973	15,973	15,973	-	15,973
0605805A	139	MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	10,537	10,537	10,537	-	12,537
		Cryofracture Disposal of Anti-Personnel Mines				2,000	
0605853A	140	ENVIRONMENTAL CONSERVATION		-	-	-	-
0605854A	141	POLLUTION PREVENTION		-	-	-	-
0605856A	142	ENVIRONMENTAL COMPLIANCE		-	-	-	-
0605876A	143	MINOR CONSTRUCTION (RPM) - RDT&E		-	-	-	-
0605878A	144	MAINTENANCE AND REPAIR (RPM) - RDT&E		-	-	-	-
0605879A	145	REAL PROPERTY SERVICES (RPS) - RDT&E		-	-	-	-
0605896A	146	BASE OPERATIONS - RDT&E		-	-	-	-
0605898A	147	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	5,191	5,191	5,191	-	5,191
0909999A	148	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-
0603778A	149	MLRS PRODUCT IMPROVEMENT PROGRAM	36,540	67,440	67,140		67,440
		High Mobility Rocket System (HIMARS)		[30,900]	[30,600]	30,900	
0102419A	150	AEROSTAT JOINT PROJECT OFFICE	24,903	24,903	24,903	-	24,903
0203610A	151	DOMESTIC PREPAREDNESS AGAINST WEAPONS OF MASS DESTRUCTION		-	-	-	-
0203726A	152	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	36,222	36,222	36,222	-	36,222
0203735A	153	COMBAT VEHICLE IMPROVEMENT PROGRAMS	29,544	31,544	50,044		31,544
		Light Weight Vehicle Track Development		[2,000]		2,000	
		Bradley A3 Production Enhancements			[20,500]	-	
0203740A	154	MANEUVER CONTROL SYSTEM	45,125	46,125	45,125	-	46,125
		Tactical Voice Control for Maneuver Control Systems		[1,000]		1,000	
0203744A	155	AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	51,644	51,644	83,044	-	66,644
		Blackhawk SLEP			[31,500]	15,000	

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0203752A	156	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,900	2,900	2,900	-	2,900
0203758A	157	DIGITIZATION	28,180	28,180	28,180	-	28,180
0203759A	158	FORCE XXI BATTLE COMMAND, BRIGADE AND BELOW (FBCB2)	44,225	44,225	65,925	-	65,925
		Additional FBCB2 Development			[21,700]	21,700	
0203761A	159	FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION PROG	55,921	55,921	55,921	-	55,921
0203762A	160	STRIKER (WRAP)		-	-	-	-
0203763A	161	RADIO FREQUENCY TECHNOLOGY (RF TAGS) - ICS3		-	-	-	-
0203801A	162	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	29,985	29,985	29,985	-	29,985
0203802A	163	OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	9,914	9,914	9,914	-	9,914
0203806A	164	TRACTOR RUT		-	-	-	-
0203808A	165	TRACTOR CARD	3,898	3,898	3,898	-	3,898
0208010A	166	JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	18,432	18,432	18,432	-	18,432
0208053A	167	JOINT TACTICAL GROUND SYSTEM	28,061	28,061	28,061	-	28,061
0301359A	168	SPECIAL ARMY PROGRAM	6,584	6,584	6,584	-	6,584
0303140A	169	INFORMATION SYSTEMS SECURITY PROGRAM	9,426	15,426	9,426	-	15,426
		Defense Healthcare Information Assurance Program		[6,000]		6,000	
0303142A	170	SATCOM GROUND ENVIRONMENT (SPACE)	36,230	36,230	36,230	-	36,230
0303150A	171	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	11,606	11,606	11,606	-	11,606
0305114A	172	TRAFFIC CONTROL, APPROACH AND LANDING SYSTEM		-	-	-	-
0305128A	173	SECURITY AND INVESTIGATIVE ACTIVITIES		10,000	-	-	10,000
		Intelligence Command Land Information Warfare Activity		[10,000]		10,000	
0305204A	174	TACTICAL UNMANNED AERIAL VEHICLES	3,866	3,866	3,866	-	49,729
		Transfer from Other Procurement, Army				45,863	
0305206A	175	AIRBORNE RECONNAISSANCE SYSTEMS	4,932	4,932	4,932	-	4,932
0305208A	176	DISTRIBUTED COMMON GROUND SYSTEMS	8,066	8,066	8,066	-	8,066
0708045A	177	END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	66,167	86,167	66,167	-	81,167
		Manufacturing Technology				15,000	
		Munitions Manufacturing Technology		[17,000]		-	
		Rotary Wing Sustainment Manufacturing Technology		[3,000]		-	
1001018A	178	NATO JOINT STARS		-	-	-	-
XXXXXX		SPACE CONTROL TECHNOLOGY		-	41,000	10,000	10,000

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	Ln		FY 00	House	Senate	Conference	
ACCOUNT	No.		Request	Authorized	Authorized	Change	Agreement
		ECONOMIC ADJUSTMENTS			(20,000)	(20,000)	(20,000)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL,ARMY	4,426,194	4,708,194	4,695,894	365,049	4,791,243

Global positioning system-inertial measurement unit integration

The budget request included $32.9 million in PE 62303A for missile technology, but included no funding for global-positioning system-inertial measurement unit (GPS–IMU) chip level integration.

The Senate bill would authorize the budget request.

The House amendment would authorize $1.0 million in PE 62120A for GPS-IMU chip level integration.

The conferees agree to authorize an increase of $1.0 million in PE 62303A for GPS–IMU chip level integration.

Combat vehicle and automotive technology

The budget request included $39.8 million in PE 62601A for combat vehicle and automotive technology.

The Senate bill would authorize an increase of 6.5 million in PE 62601A, as follows: $3.5 million for smart truck and $3.0 million for university partnering for operational support.

The House amendment would authorize an increase of $24.5 million: $12.0 million for future combat vehicle; $2.5 million for full spectrum active protection; and $10.0 million for alternative vehicle propulsion.

The conferees agree to authorize an increase of $16.0 million: $2.5 million for full spectrum active protection; $10.0 million for alternative vehicle propulsion; an, $3.5 million for smart truck. The conferees agree to authorize an increase of $3.0 million for university partnering for operational support in PE 62784A and $12.0 million for the future combat vehicle in PE 63004A and PE 63005A, as discussed elsewhere in this conference report.

Human factors engineering technology

The budget request included $16.4 million in PE 62716A for human factors engineering technology.

The Senate bill would authorize an increase of $1.8 million in PE 62716A for medteams.

The House amendment would authorize an increase of $3.4 million for medteams.

The conferees agree to authorize an increase of $3.4 million to complete the medteams program. The conferees understand that this program will be used not only for Army medical response units but also for similar programs at civilian hospitals. To the extent that programs and technology developed at government expense are sold to the private sector, the conferees direct the Army to utilize the authority provided in section 2371 of title 10 and section 3710a of title 15, United States Code, to enter appropriate licensing agreements or otherwise seek appropriate recovery of funds.

Environmental quality technology

The budget request included $12.8 million in PE 62720A for environmental quality technology, but included no funding for the plasma energy pyrolysis system (PEPS) or the Texas Regional Institute for Environmental Studies (TRIES).

The House amendment would authorize an increase of $3.0 million to complete development of the TRIES computer-based land management model.

The Senate bill would authorize an increase of $8.0 million to continue development, demonstration, and validation of the PEPS for the destruction of hazardous waste, with the primary focus on achieving demonstration and validation of a mobile system. The purpose of PEPS is to develop an incineration process for hazardous waste disposition, which minimizes toxic air emissions and the disposal of ash contaminated with heavy metals.

The conferees agree to authorize an increase of $3.0 million for TRIES and an increase of $8.0 million to continue the development, demonstration, and validation of PEPS, and to complete the demonstration and validation of a mobile system. In relation to these increases to the budget, the conferees expect that the Secretary of the Army will ensure that the additional funds for TRIES will be used to complete development of the land management model and that appropriate performance criteria are established for the PEPS mobile system.

Combat vehicle and automotive advanced technology

The budget request included $90.9 million in PE 63005A for research and development associated with combat vehicle and automotive technology.

The Senate bill would authorize an increase of $10.0 million in PE 63005A to support an Army initiative to develop a future combat vehicle.

The House amendment would authorize an increase of $2.0 million in PE 63005A to develop combined turbine diesel engine technology and $12.0 million in PE 62601A to support the Army initiative to develop a future combat vehicle.

The conferees agree to authorize an increase of $12.0 million in PE 63005A for a total authorization of $102.9 million. Of this amount, $10.0 million is authorized to support the future combat vehicle initiative and an additional $2.0 million is to support combined turbine diesel engine technology development. In addition, the conferees agree to authorize an increase of $2.0 million in PE 63004A for weapons system advanced technology for the Army future combat vehicle.

Landmine warfare/barrier-advanced development

The budget request included $4.1 million for Landmine Warfare/Barrier advanced development and $40.9 million for engineering development.

The Senate bill and the House amendment would authorize the budget request.

The conferees agree to authorize a transfer of $10.4 million for engineering development of the Handheld Standoff Mine Detection System in PE 64808A/D415 to advanced development PE 63619A/D606.

Weapons and munitions-advanced development

The budget request included $1.8 million to develop future generation weapons and munitions.

The Senate bill would authorize an increase of $14.8 million for the objective individual combat weapon (OICW) advanced development effort for this program. This increase would be offset by a corresponding decrease in the engineering development program in the budget request to support Army restructuring of the overall OICW program.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $14.8 million in PE 63802A for the advanced development effort for OICW and a corresponding decrease in PE 64802A of $14.8 million for the engineering development program.

Comanche

The budget request included $427.1 million in PE 64223A to continue development of the Comanche helicopter.

The Senate bill and the House amendment would authorize an increase of $56.0 million in PE 64223A to accelerate flight testing of the second Comanche prototype aircraft and development of the mission equipment package.

The conferees agree to authorize an increase of $56.0 million in PE 64223A for the Comanche program to accelerate flight testing of the second prototype aircraft and development of the mission equipment package.

Combat feeding, clothing, and equipment

The budget request included $110.8 million for combat feeding, clothing and equipment requirements.

The Senate bill would authorize the budget request.

The House amendment would authorize the budget request.

The conferees agree to authorize a decrease of $26.5 million in PE 64713A for Land Warrior program.

Multiple launch rocket system product improvement program

The budget request included $36.5 million in PE 63778A to support improvements to the multiple launch rocket system.

The Senate bill would authorize an increase of $30.6 million in PE 63778A to accelerate development of the high mobility artillery system (HIMARS).

The House amendment would authorize an increase of $30.9 million in PE 63778A for HIMARS development.

The conferees agree to authorize an increase of $30.9 million in PE 63778A to accelerate development of the HIMARS system.

Aircraft modifications/product improvement programs

The budget request included $51.6 million to support improvements to Army aircraft.

The Senate bill would authorize an increase of $31.4 million to support the Blackhawk helicopter service life extension (SLEP) effort.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $15.0 million in PE 23744A for the Blackhawk SLEP program.

Force XXI Battle Command, Brigade and Below

The budget request included $44.2 million to continue the development effort of Force XXI Battle Command, Brigade and Below (FBCB2) requirements.

The Senate bill would authorize the transfer of $21.7 million from Other Procurement Army, Maneuver Control System, to support additional development requirements for the FBCB2 program.

The House amendment would authorize the budget request.

The conferees agree to authorize the transfer of $21.7 million from other procurement, Army, to PE 23759A for the FBCB2 program to meet emerging research and development requirements.

Overview

The budget request for fiscal year 2000 included an authorization of $7,984.0 million for Navy, Research and Development in the Department of Defense.

The Senate bill would authorize $8,207.6 million.

The House amendment would authorize $8,358.5 million.

The conferees recommended an authorization of $8,362.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL, NAVY					
0601152N	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	15,630	15,630	15,630	-	15,630
0601153N	2	DEFENSE RESEARCH SCIENCES	361,118	361,118	361,118	-	361,118
0602111N	3	AIR AND SURFACE LAUNCHED WEAPONS TECHNOLOGY	37,616	50,616	37,616	-	47,616
		Free Electron Laser		[3,000]		-	
		Phased Array Weather Radar		[10,000]		10,000	
0602121N	4	SHIP, SUBMARINE & LOGISTICS TECHNOLOGY	43,786	43,786	43,786	-	43,786
0602122N	5	AIRCRAFT TECHNOLOGY	20,660	20,660	20,660	-	20,660
0602131M	6	MARINE CORPS LANDING FORCE TECHNOLOGY	10,534	10,534	15,534	-	15,534
		Non-Traditional Warfare Initiatives			[5,000]	5,000	
0602228N	7	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)		-	-	-	-
0602232N	8	COMMUNICATIONS, COMMAND AND CONTROL, INTEL, SURVEILLANCE	68,823	76,823	71,823	-	77,323
		Hybrid Fiberoptic/Wireless Communication Technology		[2,500]		2,500	
		Optically Fed and Controlled Phased Array Antenna		[2,500]			
		Optically Multiplexed Wideband Radar Beamformer		[3,000]		3,000	
		Hyperspectral Research			[3,000]	3,000	
0602233N	9	HUMAN SYSTEMS TECHNOLOGY	30,586	30,586	30,586	-	30,586
0602234N	10	MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,957	85,457	82,957	-	88,457
		Silicon Carbide Semiconductor Substrates		[3,000]		3,000	
		Ultra-High Thermal Conductivity Fibers		[2,500]		2,500	
		Superconducting Waveform Generator		[2,000]		-	
		Advanced Composite Materials Processing			[3,000]	3,000	
		Heatshield Research			[2,000]	2,000	
0602270N	11	ELECTRONIC WARFARE TECHNOLOGY	24,659	24,659	37,659	-	37,659
		Free Electron Laser			[10,000]	10,000	
		Superconducting Waveform Generator.			[3,000]	3,000	
0602314N	12	UNDERSEA WARFARE SURVEILLANCE TECHNOLOGY	51,406	51,406	51,406	-	51,406
0602315N	13	MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE	45,022	45,022	45,022	-	45,022
0602435N	14	OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	60,334	60,334	60,334	-	60,334
0602633N	15	UNDERSEA WARFARE WEAPONRY TECHNOLOGY	34,066	36,066	37,566	-	39,566
		Microelectromechanical Systems (MEMS)		[2,000]		2,000	

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		Computational Engineering and Design			[3,500]	3,500	
0602805N	16	DUAL USE APPLICATIONS PROGRAM	18,390	18,390	18,390	-	18,390
0603217N	17	AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	42,046	47,046	42,046	-	47,046
		DP-2		[5,000]		5,000	
0603238N	18	PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	52,580	52,580	52,580	-	55,280
		Hybrid LIDAR/RADAR Technology for Claymore Marine				2,700	
0603270N	19	ADVANCED ELECTRONIC WARFARE TECHNOLOGY	18,984	18,984	18,984	-	18,984
0603508N	20	SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	41,515	51,015	54,515	-	59,515
		Project M		[5,000]		5,000	
		Power Node Control Centers		[1,500]	[3,000]	3,000	
		Composite Helicopter Hanger			[5,000]	5,000	
		Virtual Testbed for Advanced Electrical Systems		[3,000]	[5,000]	5,000	
0603640M	21	MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	56,943	56,943	63,443	-	63,443
		BURRO			[5,000]	5,000	
		Adv Lightweight Grenade Launcher			[1,000]	1,000	
		Vehicle Tech Demo			[500]	500	
0603706N	22	MEDICAL DEVELOPMENT	15,064	15,064	15,064	-	15,064
0603707N	23	MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	20,632	20,632	20,632	-	20,632
0603712N	24	ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY	23,809	23,809	23,809	-	26,809
		Aviation Depot Maintenance Technology Demo				3,000	
0603727N	25	NAVY TECHNICAL INFORMATION PRESENTATION SYSTEM	41,840	49,840	41,840	-	19,940
		Joint Experimentation Transfer to PE 0603727D		[8,000]		(21,900)	
0603747N	26	UNDERSEA WARFARE ADVANCED TECHNOLOGY	57,956	57,956	57,956	-	57,956
0603782N	27	MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	48,711	48,711	57,711		57,711
		Ocean Modeling for Mine and Submarine Warfare			[9,000]	9,000	
0603792N	28	ADVANCED TECHNOLOGY TRANSITION	75,635	83,335	84,635	-	89,635
		Claymore Marine		[2,700]			
		Littoral Warfare Fast Patrol Craft		[5,000]		5,000	
		Low Observable Stack			[5,000]	5,000	
		Vector Thrust Ducted Propellor			[4,000]	4,000	
0603794N	29	C3 ADVANCED TECHNOLOGY	23,808	23,808	23,808	-	23,808

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0603XXXN		C2W REPLACEMENT FOR EA6-B		5,000			5,000
		Analysis of Alternatives		[5,000]		5,000	
0603XXXN		SOFTWARE DEVELOPMENT AND MANAGEMENT		4,500			2,000
		Tri Service Software Program Manager's Network		[4,500]		2,000	
0603207N	30	AIR/OCEAN TACTICAL APPLICATIONS	30,109	30,109	30,109	-	30,109
0603216N	31	AVIATION SURVIVABILITY	7,280	7,280	7,280	-	7,280
0603254N	32	ASW SYSTEMS DEVELOPMENT	17,780	23,780	17,780	-	23,780
		Beartrap		[6,000]		6,000	
0603261N	33	TACTICAL AIRBORNE RECONNAISSANCE	1,975	1,975	1,975	-	1,975
0603382N	34	ADVANCED COMBAT SYSTEMS TECHNOLOGY	6,828	6,828	6,828	-	6,828
0603502N	35	SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	82,465	82,465	100,465		100,465
		Integrated Combat Weapons Systems for Countermeasures Ships			[18,000]	18,000	
0603504N	36	ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT		-	-	-	9,700
		Conformal Array Velocity Sensor				6,500	
		Common Towed Array Program				3,200	
0603506N	37	SURFACE SHIP TORPEDO DEFENSE	640	640	640	-	640
0603512N	38	CARRIER SYSTEMS DEVELOPMENT	142,783	142,783	142,783	-	142,783
0603513N	39	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	108,334	112,334	110,334		114,334
		Ship Survivability and Personnel Protection		[4,000]		4,000	
		Advanced Water-Jet Technology			[2,000]	2,000	
0603514N	40	SHIP COMBAT SURVIVABILITY		-	-	-	-
0603525N	41	PILOT FISH	94,085	94,085	94,085	-	94,085
0603527N	42	RETRACT LARCH	7,834	7,834	7,834	-	7,834
0603536N	43	RETRACT JUNIPER	5,983	5,983	5,983	-	5,983
0603542N	44	RADIOLOGICAL CONTROL	605	605	605	-	605
0603553N	45	SURFACE ASW	2,949	2,949	2,949	-	2,949
0603561N	46	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	115,767	132,267	118,067	-	123,067
		Advanced Submarine Technology Insertion		[6,500]			
		Affordable Advanced Acoustical Arrays		[10,000]		5,000	
		Enhanced Performance Motor Brush			[2,300]	2,300	
0603562N	47	SUBMARINE TACTICAL WARFARE SYSTEMS	4,667	4,667	4,667	-	4,667

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0603563N	48	SHIP CONCEPT ADVANCED DESIGN	5,318	8,318	21,318	-	20,318
		Smart Propulsor Product Model		[3,000]			
		Standard for the Exchange for Product Model Data			[3,000]	2,000	
		Trident SSGN Design			[13,000]	13,000	
0603564N	49	SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	12,012	12,012	12,012	-	12,012
0603570N	50	ADVANCED NUCLEAR POWER SYSTEMS	146,208	146,208	146,208	-	146,208
0603573N	51	ADVANCED SURFACE MACHINERY SYSTEMS	17,727	17,727	17,727	-	17,727
0603576N	52	CHALK EAGLE	95,329	95,329	95,329	-	95,329
0603582N	53	COMBAT SYSTEM INTEGRATION	46,740	49,740	51,740	-	54,740
		COTS Insertion Initiatives		[3,000]		3,000	
		Common Command and Decision Systems			[5,000]	5,000	
0603609N	54	CONVENTIONAL MUNITIONS	34,309	45,009	34,309	-	43,309
		Environmental Safe Energetic Materials		[2,000]		2,000	
		Optical Correlation Technology for Automatic Target Recognition		[8,700]		7,000	
0603611M	55	MARINE CORPS ASSAULT VEHICLES	94,843	121,243	121,243	-	121,243
		Advanced Amphibious Assault Vehicle	-	[26,400]	[26,400]	26,400	
0603612M	56	MARINE CORPS MINE/COUNTERMEASURES SYSTEMS - ADV DEV		-	-	-	-
0603635M	57	MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	42,654	46,854	42,654	-	42,654
		Lightweight 155mm Howitzer		[4,200]			
0603654N	58	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	11,168	11,168	11,168	-	11,168
0603658N	59	COOPERATIVE ENGAGEMENT	114,931	114,931	114,931	-	114,931
0603713N	60	OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	16,813	16,813	16,813	-	16,813
0603721N	61	ENVIRONMENTAL PROTECTION	70,793	73,793	70,793	-	70,793
		Aviation Depot Maintenance Technology		[3,000]		-	
0603724N	62	NAVY ENERGY PROGRAM	4,984	4,984	4,984	-	4,984
0603725N	63	FACILITIES IMPROVEMENT	1,985	1,985	1,985	-	1,985
0603734N	64	CHALK CORAL	42,707	42,707	42,707	-	42,707
0603739N	65	NAVY LOGISTIC PRODUCTIVITY		-	-	-	-
0603746N	66	RETRACT MAPLE	122,217	122,217	122,217	-	122,217
0603748N	67	LINK PLUMERIA	48,254	48,254	48,254	-	48,254
0603751N	68	RETRACT ELM	19,535	19,535	19,535	-	19,535

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0603755N	69	SHIP SELF DEFENSE - DEM/VAL	5,654	55,654	5,654	-	5,654
		MFR/VSR Suite/SPY-1 Upgrades/Adjuct X-Band Radar		[50,000]			
0603764N	70	LINK EVERGREEN	7,879	7,879	7,879	-	7,879
0603787N	71	SPECIAL PROCESSES	69,332	69,332	69,332	-	69,332
0603790N	72	NATO RESEARCH AND DEVELOPMENT	5,461	5,461	5,461	-	5,461
0603795N	73	LAND ATTACK TECHNOLOGY	101,489	117,989	101,489	-	116,489
		Projectile Common Guidance and Control		[4,000]		3,000	
		Proximity Fuze for DPICM Submunitions		[2,500]		2,000	
		Extended Range Guided Munitions (ERGM)		[10,000]		10,000	
0603800N	74	JOINT STRIKE FIGHTER (JSF) - DEM/VAL	241,238	241,238	241,238	-	241,238
0603851M	75	NONLETHAL WEAPONS - DEM/VAL	23,277	23,277	26,277	-	26,277
		Innovation Initiative			[3,000]	3,000	
0603857N	76	ALL SERVICE COMBAT IDENTIFICATION EVALUATION TEAM (ASCIET)	13,027	13,027	13,027	-	13,027
0603860N	77	JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL		-	-	-	-
0603889N	78	COUNTERDRUG RDT&E PROJECTS		-	-	-	-
0604327N	79	HARD AND DEEPLY BURIED TARGET DEFEAT SYS (HDBTDS) PROG	4,924	4,924	4,924	-	4,924
0604707N	80	SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENG SUP	35,170	35,170	39,170	-	39,170
		NAVCIITI			[4,000]	4,000	
0603208N	81	TRAINING SYSTEM AIRCRAFT	311	311	311	-	311
0604212N	82	OTHER HELO DEVELOPMENT	48,776	48,776	63,776	-	63,776
		Parametric Airborne Dipping Sonar			[15,000]	15,000	
0604214N	83	AV-8B AIRCRAFT - ENG DEV	38,599	38,599	38,599	-	38,599
0604215N	84	STANDARDS DEVELOPMENT	74,325	74,325	74,325	-	74,325
0604216N	85	MULTI-MISSION HELICOPTER UPGRADE DEVELOPMENT	118,701	118,701	118,701	-	118,701
0604217N	86	S-3 WEAPON SYSTEM IMPROVEMENT	2,095	9,095	2,095	-	7,095
		Surveillance System Upgrades		[7,000]		5,000	
0604218N	87	AIR/OCEAN EQUIPMENT ENGINEERING	6,095	6,095	6,095	-	6,095
0604221N	88	P-3 MODERNIZATION PROGRAM	3,010	3,010	3,010	-	3,010
0604231N	89	TACTICAL COMMAND SYSTEM	41,599	41,599	41,599	-	41,599
0604245N	90	H-1 UPGRADES	157,683	184,283	184,283	-	184,283
		4BN/4BW Helicopter Upgrade Program		[26,600]	[26,600]	26,600	

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0604261N	91	ACOUSTIC SEARCH SENSORS	25,953	25,953	25,953	-	25,953
0604262N	92	V-22A	182,885	182,885	182,885	-	182,885
0604264N	93	AIR CREW SYSTEMS DEVELOPMENT	6,801	6,801	6,801	-	6,801
0604270N	94	EW DEVELOPMENT	163,077	169,077	163,077	-	167,577
		Location of Global Positioning System Jammers		[6,000]		4,500	
0604300N	95	SC-21 TOTAL SHIP SYSTEM ENGINEERING	162,056	162,056	162,056	-	162,056
0604307N	96	SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	204,480	213,480	204,480	-	211,980
		Cruiser Conversion		[9,000]		7,500	
0604310N	97	ARSENAL SHIP		-	-	-	-
0604311N	98	LPD-17 CLASS SYSTEMS INTEGRATION	2,608	2,608	2,608	-	2,608
0604312N	99	TRI-SERVICE STANDOFF ATTACK MISSILE	2,020	2,020	2,020	-	2,020
0604355N	100	VERTICAL LAUNCH ASROC		-	-	-	-
0604366N	101	STANDARD MISSILE IMPROVEMENTS	1,140	1,140	1,140	-	1,140
0604373N	102	AIRBORNE MCM	50,642	50,642	50,642	-	50,642
0604503N	103	SSN-688 AND TRIDENT MODERNIZATION	48,896	48,896	48,896	-	59,896
		Multipurpose Processor				11,000	
0604504N	104	AIR CONTROL	8,696	8,696	8,696	-	8,696
0604507N	105	ENHANCED MODULAR SIGNAL PROCESSOR	970	970	11,970	-	970
		Multi-Purpose Processor			[11,000]	-	
0604512N	106	SHIPBOARD AVIATION SYSTEMS	9,052	9,052	9,052	-	9,052
0604518N	107	COMBAT INFORMATION CENTER CONVERSION	8,126	8,126	8,126	-	8,126
0604524N	108	SUBMARINE COMBAT SYSTEM	6,546	6,546	6,546	-	6,546
0604528N	109	SWATH (SMALL WATERPLANE AREA TWIN HULL) OCEANOGRAPHIC SHIP		-	-	-	-
0604558N	110	NEW DESIGN SSN	241,456	259,956	251,456	-	251,456
		Advanced Technology Insertion		[18,500]			
		Non-Propulsion Electronic Systems			[10,000]	10,000	
0604561N	111	SSN-21 DEVELOPMENTS	32,001	32,001	32,001	-	32,001
0604562N	112	SUBMARINE TACTICAL WARFARE SYSTEM	13,353	13,353	13,353	-	13,353
0604567N	113	SHIP CONTRACT DESIGN/ LIVE FIRE T&E	61,135	67,135	63,135	-	63,135
		Cruiser Conversion		[6,000]			
		Smart Propulsor Product Model			[2,000]	2,000	

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0604574N	114	NAVY TACTICAL COMPUTER RESOURCES	3,300	3,300	3,300	-	3,300
0604601N	115	MINE DEVELOPMENT	3,315	3,315	3,315	-	3,315
0604603N	116	UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	1,598	1,598	1,598	-	1,598
0604610N	117	LIGHTWEIGHT TORPEDO DEVELOPMENT	9,297	9,297	9,297	-	9,297
0604612M	118	MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV	1,002	1,002	1,002	-	1,002
0604618N	119	JOINT DIRECT ATTACK MUNITION	11,782	11,782	11,782	-	11,782
0604654N	120	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	7,133	7,133	7,133	-	7,133
0604703N	121	PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,252	1,252	1,252	-	1,252
0604710N	122	NAVY ENERGY PROGRAM	5,446	5,446	5,446	-	5,446
0604721N	123	BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM	1,791	1,791	1,791	-	1,791
0604727N	124	JOINT STANDOFF WEAPON SYSTEMS	30,567	30,567	30,567	-	30,567
0604755N	125	SHIP SELF DEFENSE - EMD	96,580	96,580	130,980	-	115,980
		Volume Search Radar			[30,000]	15,000	
		NULKA Anti-Ship Missile Decoy System			[4,400]	4,400	
0604771N	126	MEDICAL DEVELOPMENT	4,285	4,285	4,285	-	4,285
		Voice Interactive Devices					
0604777N	127	NAVIGATION/ID SYSTEM	19,808	19,808	19,808	-	19,808
0604784N	128	DISTRIBUTED SURVEILLANCE SYSTEM	14,910	33,910	36,910	-	36,910
		FDS Fiber Optics Sensor		[8,000]			
		Advanced Deployable System (Accelerate IOC)			[22,000]	22,000	
		Advanced Deployable System (Improved Dectection Tracking)		[11,000]			
0604800N	129	JOINT STRIKE FIGHTER (JSF) - EMD		-	-	-	-
0604805N	130	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	18,729	18,729	18,729	-	18,729
0604256N	131	THREAT SIMULATOR DEVELOPMENT	29,644	29,644	29,644	-	29,644
0604258N	132	TARGET SYSTEMS DEVELOPMENT	52,265	52,265	52,265	-	52,265
0604759N	133	MAJOR T&E INVESTMENT	42,621	42,621	42,621	-	42,621
0605152N	134	STUDIES AND ANALYSIS SUPPORT - NAVY	8,531	8,531	8,531	-	8,531
0605154N	135	CENTER FOR NAVAL ANALYSES	43,694	43,694	43,694	-	43,694
0605155N	136	FLEET TACTICAL DEVELOPMENT	3,103	3,103	3,103	-	3,103
0605502N	137	SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605804N	138	TECHNICAL INFORMATION SERVICES	6,696	6,696	6,696	-	6,696

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0605853N	139	MANAGEMENT. TECHNICAL & INTERNATIONAL SUPPORT	19,447	19,447	19,447	-	19,447
0605856N	140	STRATEGIC TECHNICAL SUPPORT	2,371	2,371	2,371	-	2,371
0605861N	141	RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	52,777	52,777	52,777	-	52,777
0605862N	142	RDT&E INSTRUMENTATION MODERNIZATION	9,258	9,258	9,258	-	9,258
0605863N	143	RDT&E SHIP AND AIRCRAFT SUPPORT	73,163	73,163	73,163	-	73,163
0605864N	144	TEST AND EVALUATION SUPPORT	270,992	270,992	270,992	-	270,992
0605865N	145	OPERATIONAL TEST AND EVALUATION CAPABILITY	9,172	9,172	9,172	-	9,172
0605866N	146	NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	2,436	2,436	2,436	-	2,436
0605867N	147	SEW SURVEILLANCE/RECONAISSANCE SUPPORT	12,121	16,121	12,121	-	16,121
		Hyper-Spectral Analysis		[4.000]		4,000	
0605873M	148	MARINE CORPS PROGRAM WIDE SUPPORT	8,198	9,698	8,198	-	18,598
		Aquifer Vulnerability/Contamination Assessment		[1.500]		1,500	
		Chemical Biological Individual Sampler(CBIS)				4,800	
		Small Unit Biological Dectector (SUBD)				4,100	
0909999N	149	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-
0604227N	150	HARPOON MODIFICATIONS		-	-	-	-
0101221N	151	STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	45,907	45,907	45,907	-	45,907
0101224N	152	SSBN SECURITY TECHNOLOGY PROGRAM	33,239	33,239	33,239	-	33,239
0101226N	153	SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	3,195	3,195	3,195	-	3,195
0204136N	154	F/A-18 SQUADRONS	315,714	318,214	315,714	-	318,214
		LAU 138A/A BOL Chaff Countermeasures		[2,500]		2,500	
0204152N	155	E-2 SQUADRONS	16,132	31,132	16,132	-	31,132
		Radar Modernization Program		[15,000]		15,000	
0204163N	156	FLEET TELECOMMUNICATIONS (TACTICAL)	9,947	9,947	9,947	-	9,947
0204229N	157	TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	147,223	147,223	147,223	-	147,223
0204311N	158	INTEGRATED SURVEILLANCE SYSTEM	18,025	18,025	18,025	-	18,025
0204413N	159	AMPHIBIOUS TACTICAL SUPPORT UNITS		-	-	-	-
0204571N	160	CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	26,257	26,257	33,757	-	33,757
		Battle Force Tactical Training			[7,500]	7,500	
0204575N	161	ELECTRONIC WARFARE (EW) READINESS SUPPORT	9,162	9,162	9,162	-	9,162
0205601N	162	HARM IMPROVEMENT	23,642	33,642	23,642	-	33,642

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		Advanced Anti-Radiation Guided Missile		[10,000]		10,000	
0205604N	163	TACTICAL DATA LINKS	46,666	46,666	46,666	-	46,666
0205620N	164	SURFACE ASW COMBAT SYSTEM INTEGRATION	16,633	16,633	16,633	-	16,633
0205632N	165	MK-48 ADCAP	20,426	20,426	20,426	-	20,426
0205633N	166	AVIATION IMPROVEMENTS	53,293	58,293	53,293	-	58,293
		New Propeller Testing for the C-2 Aircraft		[5,000]		5,000	
0205667N	167	F-14 UPGRADE	1,390	1,390	1,390	-	1,390
0205675N	168	OPERATIONAL NUCLEAR POWER SYSTEMS	53,564	53,564	53,564	-	53,564
0206313M	169	MARINE CORPS COMMUNICATIONS SYSTEMS	90,293	90,293	90,293	-	90,293
0206623M	170	MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	39,941	39,941	32,741	-	32,741
		Improved Recovery Vehicle			[-7,200]	(7,200)	
0206624M	171	MARINE CORPS COMBAT SERVICES SUPPORT	9,817	9,817	9,817	-	9,817
0207161N	172	TACTICAL AIM MISSILES	40,051	40,051	40,051	-	40,051
0207163N	173	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	13,544	13,544	13,544	-	13,544
0303109N	176	SATELLITE COMMUNICATIONS (SPACE)	38,921	38,921	38,921	-	38,921
0303140N	177	INFORMATION SYSTEMS SECURITY PROGRAM	22,978	22,978	22,978	-	22,978
0303150N	178	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM		-	-	-	-
0305160N	180	NAVY METEOROLOGICAL AND OCEAN SENSORS-SPACE (METOC)	14,507	14,507	14,507	-	14,507
0305188N	181	JOINT C4ISR BATTLE CENTER (JBC)	8,125	8,125	8,125	-	8,125
0305192N	182	JOINT MILITARY INTELLIGENCE PROGRAMS	2,064	2,064	2,064	-	2,064
0305204M	183	TACTICAL UNMANNED AERIAL VEHICLES		-	-	-	-
0305204N	184	TACTICAL UNMANNED AERIAL VEHICLES	69,742	75,742	69,742	-	75,742
		Multi-Function Self-Aligned Gate Arrays		[3,000]		3,000	
		Tactical Control Systems		[3,000]		3,000	
0305206N	185	AIRBORNE RECONNAISSANCE SYSTEMS	4,958	9,958	4,958	-	9,958
		EO Framing Technologies		[5,000]		5,000	
0305207N	186	MANNED RECONNAISSANCE SYSTEMS	30,958	30,958	30,958	-	30,958
0305208N	187	DISTRIBUTED COMMON GROUND SYSTEMS	5,583	5,583	5,583	-	5,583
0305927N	188	NAVAL SPACE SURVEILLANCE	712	712	712	-	712
0305972N	189	SPACE ACTIVITIES		-	-	-	-
0308601N	190	MODELING AND SIMULATION SUPPORT	9,621	9,621	9,621	-	9,621

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0702207N	191	DEPOT MAINTENANCE (NON-IF)	39,986	39,986	39,986	-	39,986
0708011N	192	INDUSTRIAL PREPAREDNESS	59,104	74,104	59,104	-	74,104
		Manufacturing Technology		[15,000]		15,000	
0708730N	193	MARITIME TECHNOLOGY (MARITECH)	19,681	19,681	19,681	-	19,681
XXXXXX		TRANSFER TO COMBATING TERRORISM			(3,500)		
XXXXXX	999	Classified Programs	516,472	521,385	516,472		516,472
		ECONOMIC ADJUSTMENT			(37,900)	(40,900)	(40,900)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL, NAVY	7,984,016	8,358,529	8,207,616	378,500	8,362,516

Free electron laser

The budget request included no funding for the free electron laser.

The Senate bill would authorize an increase of $10.0 million in PE 62270N for the free electron laser program.

The House amendment would authorize an increase of $7.0 million for the free electron laser, including $4.0 million in PE 65605A and $3.0 million in PE 62111N.

The conferees agree to authorize an increase of $10.0 million in PE 62270N for the free electron laser program. The conferees further direct the Secretary of Defense to review the free electron laser program for inclusion in the Department of Defense laser master plan developed pursuant to section 251 of this Act.

Precision strike and air defense technology

The budget request included $52.6 million in PE 63238N for precision strike and air defense technology.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $2.7 million in PE 63792N for risk reduction for the Claymore Marine advanced technology demonstration.

The conferees agree to authorize an increase of $2.7 million in PE 63238N for evaluation of potential applications of hybrid lidar/radar technology and risk reduction in the Claymore Marine demonstration as recommended in the House report accompanying H.R. 1401 (H. Rept. 106-162).

Command and control warfare replacement aircraft

The budget request included no funds for an analysis of alternatives to refine the requirement for a command and control warfare (C2W) aircraft that would replace the EA-6B.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $5.0 million to initiate the analysis of alternatives for a C2W replacement for the EA-6B aircraft.

The conferees agree to authorize an increase of $5.0 million to initiate a joint service (Navy/Air Force) analysis of alternatives for a C2W replacement for the EA-6B aircraft. The conferees further direct the Secretary of the Navy to establish a separate concept exploration/product definition and risk reduction program element for the program.

Tri-service software program managers network

The budget request included no funding for the tri-service software program managers network (SPMN).

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $4.5 million in PE 63XXXN for the SPMN.

The conferees agree to authorize an increase of $2.0 million in PE 63XXXN for the SPMN.

Common towed array, affordable advanced acoustical arrays

The budget request included $115.8 million in PE 63561N for advanced submarine combat systems development, including towed sonar arrays for surface ships and submarines. The budget request did not include funds in PE 63504N for sonar arrays.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $10.0 million in PE 63561N to accelerate the development and transition of all-optical array and other key enabling technologies to advanced towed, hull-mounted, and distributed acoustical array systems.

The conferees agree to authorize $5.0 million in PE 63561N to accelerate the development and transition of all-optical array and other key enabling technologies to advanced towed, hull-mounted, and distributed acoustical array systems. In addition, the conferees agree to authorize an increase of $3.2 million in PE 63504N for the common towed array program.

Trident SSGN design

The budget request included no funding for the design of a conversion to modify some of the Ohio class Trident ballistic missile submarines (SSBN) to a nuclear-powered guided-missile submarine (SSGN) configuration.

The Senate bill would authorize an increase of $13.0 million in PE 63563N to begin design activity for converting some Trident SSBNs to an SSGN-configuration.

The House amendment would authorize the budget request.

The conferees note that section 1302 of the National Defense Authorization Act for 1998 (Public Law 105–85), as amended by section 1501 of the National Defense Authorization Act for Fiscal Year 2000, limits the expenditure of funds for the retirement of any of the 18 Trident SSBNs and other strategic nuclear systems unless START II enters into force, or the President makes certain certifications regarding these systems. The conferees further note the statement of managers accompanying the Strom Thurmond National Defense Authorization Act for 1999 (H. Rept. 105–736) required the Department of Defense (DOD) to submit a report on the potential SSBN-to-SSGN conversion no later than March 1, 1999. Both the Senate report accompanying S.1059 (S. Rept 106–50) and the House report accompanying H.140 (H. Rept. 106–162) noted that the Department had been negligent in meeting the required reporting deadline.

The conferees agree to authorize an increase of $13.0 million in PE 63563N to preserve the option for converting four SSBNs.

Subsequent to passage of both the Senate bill and the House amendment, the Office of the Secretary of Defense (OSD) submitted the SBN-to-SSGN report, which noted the following:

(1) A force of 14 Ohio class SSBN is sufficient to meet U.S. national security requirements under START II, and four of the 18 SSBNs now operating will not be needed to support operational strategic nuclear missions. Therefore, current DOD plans include inactivating the four oldest Trident SSBNs in fiscal years 2003 and 2004, when they would otherwise have been scheduled for refueling and overhaul.

(2) The Department has not budgeted nor programmed any funds for conversion of SSBNs to SSGNs.

(3) A comprehensive analysis of any potential additional contribution that SSGNs could provide relative to current and programmed capabilities is necessary to reach definitive conclusions regarding the SSGNs' cost and operational effectiveness.

(4) The net cost of converting four SSBNs to SSGN configuration is estimated at $1.6 billion, exclusive of reactor core cost. Compliance with START I Conversion or Elimination (C/E) protocols would increase the cost to between $2.7 billion and $3.2 billion, exclusive of reactor core costs.

(5) Preliminary design work on a conversion must commence three years in advance of a conversion start date, and detail design and pre-conversion fabrication must commence two years in advance of a conversion start date.

(6) Conversion must be consistent with U.S. obligations under the current START I Treaty, the pending START II Treaty, and a planned future START III Treaty.

(7) Areas that require additional study or analysis to better understand the implications and benefits of the SSBN-to-SSGN conversion include: arms control issues (including the cost of compliance with START I C/E protocols, and the effects of SSGN conversion on nuclear force structure under future nuclear arms control treaties), attack of time critical targets, in-theater SSGN configuration changes, Special Operations Forces call-for-fire support, and Tomahawk inventory requirements.

If the decision is made to retire SSBN submarines as a result of arms control agreements, the conferees believe that DOD should consider the one time, near-term opportunity Trident SSBN-to-SSGN conversion presents to the United States. The conferees believe, however, that DOD needs to complete the studies and analysis identified in items (3) and (7) above before committing to a full conversion program. The conferees direct the Secretary of Defense to initiate the arms control studies and cost and operational effectiveness analysis required to provide the basis for a defense acquisition milestone decision to proceed with an SSBN-to-SSGN conversion program.

Because preliminary design work must begin three years before the start of any conversion program as noted in the Department's report, the conferees agree to authorize an increase of $13.0 million in PE 63563N to preserve the option for converting the four SSBNs. The conferees emphasize these actions should be consistent with the requirements in this Act and should not detract in any way from the overall U.S. deterrent posture.

In a related matter, the Defense Department has been stating to Congress that it would conclude a review of requirements for attack submarine forces since last year. The conferees direct the Secretary of Defense to report to the congressional defense committees not later than February 1, 2000, the results of this ongoing study/review of attack submarine force structure established by the Quadrennial Defense Review. The conferees note that a Trident submarine converted to SSGN configuration could be capable of supporting the attack submarine force in performing a number of missions for the regional commanders in chief. The conferees direct the Secretary to include in his report the implications for meeting attack submarine requirements of converting 4 SSBNs to the SSGN configuration.

Navy common command and decision system and upgrading fleet systems

The budget request included $46.7 million in PE 63582N for combat systems integration demonstration and validation.

The Senate bill would authorize an increase of $5.0 million for continuation and completion of a small business innovative research (SBIR) project for the common command and decision system as a pre-planned product improvement (P3I) to the AEGIS Weapon System and the Mk 2 Ship Self-Defense System (SSDS).

The House amendment would authorize an increase of $3.0 million to support implementation of the commercial-off-the-shelf (COTS) insertion intiative in upgrading fleet systems.

The conferees agree to authorize an increase of $8.0 million including $5.0 million for continuation and completion of a (SBIR) project for the common command and decision system and $3.0 million to support implementation of the COTS insertion intiative in upgrading fleet systems.

Environmentally safe energetics materials

The budget request included $34.3 million in PE 63609N for the development and demonstration of improvements in Navy conventional munitions. No funds were requested to continue the program for development of environmentally safe energetic materials.

The House amendment would authorize an increase of $2.0 million in PE 63609N to continue the development of environmentally safe energetic materials.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million in PE 63609N. The conferees note that this is the second year that this program element has received additional funds for development of environmentally safe energetics. It is expected that the Navy will ensure adequate funding in the budget process to support this area of concern.

Marine Corps assault vehicles

The budget request included $94.8 million to continue development of the advanced amphibious assault vehicle (AAAV) for the Marine Corps.

The Senate bill would authorize an increase of $26.4 million to support acceleration of this critical effort.

The House amendment would authorize an identical increase.

The conferees agree to authorize an increase of $26.4 million in PE 63611M to support acceleration of efforts to develop and field the AAAV and to achieve program schedule and risk mitigation objectives.

Aviation depot maintenance technology

The budget request included $70.8 million in PE 63721N for environmental protection.

The House amendment would authorize an increase of $3.0 million in PE 63721N to complete the program for demonstration of advanced maintenance technologies for removal of coatings from large aircraft, cleaning and stripping of metal surfaces, and application of tungsten carbide coatings to aircraft landing gear and hydraulic components.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million in PE 63712N to complete the demonstration program, as recommended in the House report accompanying H.R. 1401 (H. Rept. 106–162).

Proximity fuzing for dual-purpose improved conventional munition submunitions

The budget request included $39.9 million in PE 63004A for the Army's weapons and munitions advanced technology development program and $101.5 million in PE 63795N for the Navy's land attack technology development program.

The House amendment would authorize an increase of $2.5 million in PE 63004A and an increase of $2.5 million in PE 63795N to establish a joint Army/Navy program to develop a proximity fuse for dual purpose improved conventional munitions (DPICM).

The Senate bill would authorize the budget request.

The conferees authorize an increase of $2.0 million in PE 63795N to establish a program to develop a proximity fuse for the DPICM submunition. The conferees encourage the Secretary of the Army and the Secretary of the Navy to establish a joint Army/Navy DPICM development program. The conferees direct the secretaries to report jointly to the congressional defense committees by March 1, 2000, their plans for such a program or the reasons why a joint program is not advisable.

Parametric airborne dipping sonar

The budget request included no funding for the parametric airborne dipping sonar (PADS).

The Senate bill would authorize an increase of $15.0 million in PE 64212N for the continued development of PADS for mine and submarine warfare.

The House amendment would authorize the budget request and would state the committee's belief that demonstrations of the PADS prototype technology against a submarine target must be completed before any decision is made to continue with a development program for PADS.

The conferees agree to authorize an increase of $15.0 million in PE 64212N for the continued development of PADS for mine and submarine warfare.

S–3B surveillance system upgrade

The budget request included $2.1 million in PE 64217N for development of weapons systems improvements for the S–3B aircraft.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $7.0 million for the surveillance system upgrade (SSU) program.

The conferees agree to authorize an increase of $5.0 million in PE 64217N for the S–3B SSU program.

H–1 upgrades

The budget request included $157.7 million to support H–1 upgrade requirements.

The Senate bill would authorize an increase of $26.6 million to maintain the current development and fielding schedule for the Marine Corps four-bladed November/four-bladed Whiskey (4BN/4BW) helicopter upgrade program.

The House amendment would authorize an identical increase.

The conferees agree to authorize an increase of $26.6 million in PE 64245N to support the current development and fielding schedule of the 4BN/4BW program.

Electronic warfare development

The budget request included $163.1 million in PE 64270N for electronic warfare development.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $6.0 million to continue the development and evaluation of a state-of-the-art precision surveillance and targeting system for location of global positioning system jammers (LOCO GPSI).

The conferees agree to authorize an increase of $4.5 million in PE 64270N to continue the development and evaluation of the LOCO GPSI system.

Multi-Purpose Processor

The budget request included $48.9 million in PE 64503N for various submarine development efforts, including $40.0 million for sonar improvements.

The Senate bill would authorize an increase of $11.0 million in PE 64503N for continuation of the small business innovative research (SBIR) follow-on for advanced development of multi-purpose processor (MPP) transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training throughout the fleet and the Navy research and development community.

The House amendment would authorize the budget request for the submarine sonar improvement program and continued funding support for the development of advanced MPP acoustics signal processing technologies as an integral part of the Navy's sonar improvement research and development program.

The conferees agree to authorize an increase of $11.0 million in PE 64503N for continuation of the small business innovative research (SBIR) follow-on for advanced development of multi-purpose processor (MPP) transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training throughout the fleet and the Navy research and development community.

NULKA anti-ship missile decoy system

The budget request included $1.4 million in PE 64755N for continued development and testing of the NULKA active countermeasures decoy.

The Senate bill would authorize an increase of $4.4 million in PE 64755N to complete the development and operational testing of the dual band, spatially distributed infrared signature payload upgrade.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.4 million in PE 64755N to complete the development and operational testing of the dual band, spacially distributed infrared signature payload upgrade.

Advanced deployable system

The budget request included $14.9 million for advanced deployable system (ADS) research and development in PE 64784N.

The Senate bill would authorize an increase of $22.0 million to complete development of the ADS one year ahead of the schedule proposed in the budget request.

The House amendment would authorize an increase of $19.0 million in PE 64784N including $8.0 million for the continued application of remote-powered fiber optic sensor technologies for fixed distributed system (FDS) acoustic arrays and $11.0 million for the development of improved detection and tracking algorithms to provide increased automation for the ADS and an interface among it, the global command and control system (GCCS), and other network centric warfare systems.

The conferees agree to authorize an increase $22.0 million in PE 64784N.

Battle force tactical training

The budget request included $4.3 million in PE 24571N for the surface tactical team trainer (STTT). The STTT is designated to further develop an existing system, the battle force tactical training (BFTT) system, so it will be able to provide joint warfare training.

The Senate bill would authorize an increase of $7.5 million in PE 24571N for the purpose of small business innovative research (SBIR) phase III follow-on work to continue the BFTT operating system conversion.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $7.5 million in PE 24571N for SBIR phase III follow-on work to continue the BFTT operating system conversion.

Tactical unmanned aerial vehicles

The budget request included $69.7 million in PE 35204N for development of tactical unmanned aerial vehicles (UAVs). No funding was included for the operation of the Army's UAV systems integration laboratory (SIL), to continue development of the multiple UAV simulation environment (MUSE), or to continue development of the multi-function self-aligned gate (MSAG) active antenna array technology.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $6.0 million, as follows:

(1) an increase of $3.0 million for the tactical control system (TCS) ground station; and

(2) an increase of $3.0 million for (MSAG) active antenna array.

The House amendment would also shift $4.5 million of TCS software development and maintenance efforts to fund the SIL.

The conferees agree to authorize an increase of $6.0 million in PE 35204N, $3.0 for the TCS ground station and $3.0 million for MSAG.

The conferees reiterate their support for the operation of the SIL and continued development of the MUSE. The conferees also believe the SIL and MUSE support all service UAV developments and exercise support, and therefore all services should support their operation. The conferees understand that $1.5 million of the fiscal year 2000 TCS request is to fund SIL developments supporting the TCS program. The conferees expect the Department to fund any remaining fiscal year 2000 and future year requirements. Elsewhere in this report, the conferees have recommended shifting $45.9 million from Army procurement of tactical UAVs to research and development of tactical UAVs. The conferees encourage the Army to use SIL/MUSE support in executing the Army's fiscal year 2000 tactical UAV development effort.

The conferees direct the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to provide a report to the congressional defense and intelligence committees, no later than November 15, 1999, on how the Department intends to support high priority SIL and MUSE efforts in fiscal year 2000.

Overview

The budget request for fiscal year 2000 included an authorization of $13,077.8 million for Air Force, Research and Development in the Department of Defense.

The Senate bill would authorize $13,573.3 million.

The House amendment would authorize $13,212.7 million.

The conferees recommended an authorization of $13,630.1 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL, AF					
0601102F	1	DEFENSE RESEARCH SCIENCES	209,505	209,505	209,505	-	209,505
0602102F	2	MATERIALS	63,334	66,334	70,534	-	69,534
		Resin Systems			[3,000]	2,000	
		Titanium Matrix			[2,200]	2,200	
		Friction Stir Welding		[3,000]	[2,000]	2,000	
0602201F	3	AEROSPACE FLIGHT DYNAMICS	43,898	43,898	43,898	-	43,898
0602202F	4	HUMAN EFFECTIVENESS APPLIED RESEARCH	51,512	62,312	51,512	-	64,312
		Crew Safety		[10,800]		10,800	
		Solid Electrolyte Oxygen Separator				2,000	
0602203F	5	AEROSPACE PROPULSION	62,012	62,012	64,787	-	66,787
		KC-135 Variable Displacement Vane Pump				4,000	
		Science and Engineering			[775]	775	
		Solid State Electrolyte Oxygen Generator			[2,000]	-	
0602204F	6	AEROSPACE SENSORS	64,988	68,588	73,988	-	67,488
		ATR		[3,600]		2,500	
		Variable Displacement Vane Pump			[4,000]	-	
		Multi-Spectral Battlespace Simulation			[5,000]	-	
0602269F	7	HYPERSONIC TECHNOLOGY PROGRAM		-	16,600	-	16,600
		Restores Hypersonic and High Speed Propulsion Program			[16,600]	16,600	
0602601F	8	PHILLIPS LAB EXPLORATORY DEVELOPMENT	115,313	127,913	144,813	-	143,913
		Hyperspectral Imaging		[7,300]		6,400	
		Tactical Missile Propulsion/IHPRPT		[5,300]		5,300	
		Missile Propulsion Technology			[1,700]		
		Post-boost Control Systems			[2,900]	-	
		Tactical Missile Propulsion			[3,000]	3,000	
		Orbit Transfer Propulsion			[3,000]	-	
		Tropo-Weather			[2,500]	2,500	
		Space Survivability			[600]	600	
		HSI Spectral Sensing			[800]	800	
		HAARP			[10,000]	10,000	

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Lidar for Standoff Detection for Chemical Weapons			[5,000]	-	
0602602F	9	CONVENTIONAL MUNITIONS	42,205	42,205	42,205	-	42,205
0602702F	10	COMMAND CONTROL AND COMMUNICATIONS	46,448	46,448	55,748	-	55,748
		Electromagnetic Technology			[9,300]	9,300	
0602805F	11	DUAL USE SCIENCE AND TECHNOLOGY PROGRAM	17,927	17,927	17,927	-	12,927
		Reduce Program Growth				(5,000)	
0603106F	12	LOGISTICS SYSTEMS TECHNOLOGY	10,786	10,786	10,786	-	10,786
0603108F	13	INTEGRATED DATA SYSTEMS		-	-	-	-
0603112F	14	ADVANCED MATERIALS FOR WEAPON SYSTEMS	25,890	25,890	25,890	-	25,890
0603202F	15	AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	29,825	29,825	29,825	-	29,825
0603203F	16	ADVANCED AEROSPACE SENSORS	29,405	29,405	29,405	-	34,405
		Multispectral Battlespace Simulation for IDAL				5,000	
0603205F	17	FLIGHT VEHICLE TECHNOLOGY	5,992	5,992	5,992	-	5,992
0603211F	18	AEROSPACE STRUCTURES	13,749	13,749	16,749	-	16,749
		Polymeric Foam Technology			[3,000]	3,000	
0603216F	19	AEROSPACE PROPULSION AND POWER TECHNOLOGY	38,778	38,778	38,778	-	38,778
0603227F	20	PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY	4,827	4,827	4,827	-	4,827
0603231F	21	CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	14,841	19,341	16,841	-	16,841
		Aircrew Laser Eye Protection		[4,500]			
		Panoramic Night Vision Goggles			[2,000]	2,000	
0603245F	22	FLIGHT VEHICLE TECHNOLOGY INTEGRATION	8,335	8,335	8,335	-	8,335
0603253F	23	ADVANCED SENSOR INTEGRATION	9,443	9,443	9,443	-	9,443
0603270F	24	ELECTRONIC COMBAT TECHNOLOGY	27,334	27,334	27,334	-	27,334
0603302F	25	SPACE AND MISSILE ROCKET PROPULSION	11,231	11,231	11,231	-	11,231
0603311F	26	BALLISTIC MISSILE TECHNOLOGY		8,000	-	-	8,000
		Continued Technology Development and Demonstration		[8,000]		8,000	
0603401F	27	ADVANCED SPACECRAFT TECHNOLOGY	76,229	91,229	118,229	-	125,729
		Composite Space Launch Payload Dispenser				4,500	
		Low Cost Launch Technology including Scorpius		[8,000]		5,000	
		Micro-Satellite Technology				10,000	
		Military Spaceplane		[5,000]		-	

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Miniature Satellite Threat Reporting System		[2,000]		-	
		SMV			[35,000]	25,000	
		MSTRS			[5,000]	5,000	
		Standard Protocol Interpreter			[2,000]	-	
0603410F	28	SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY	3,677	3,677	3,677	-	3,677
0603601F	29	CONVENTIONAL WEAPONS TECHNOLOGY	21,479	21,479	32,079	-	21,479
		LANTRIN Support System Upgrades			[10,600]		
0603605F	30	ADVANCED WEAPONS TECHNOLOGY	38,995	38,995	38,995	-	38,995
0603707F	31	WEATHER SYSTEMS TECHNOLOGY		-	-	-	-
0603723F	32	ENVIRONMENTAL ENGINEERING TECHNOLOGY		-	-	-	-
0603726F	33	C3I SUBSYSTEM INTEGRATION	9,122	9,122	9,122	-	9,122
0603728F	34	ADVANCED COMPUTING TECHNOLOGY	4,507	4,507	4,507	-	4,507
0603789F	35	C3 ADVANCED DEVELOPMENT	17,402	17,402	17,402	-	17,402
0603876F	36	SPACE-BASED LASER	63,840	63,840	88,840	-	63,840
		Program Increase			[25,000]		
0603260F	37	INTELLIGENCE ADVANCED DEVELOPMENT	4,534	4,534	4,534	-	4,534
0603319F	38	AIRBORNE LASER PROGRAM	308,634	308,634	308,634	-	308,634
0603430F	39	ADVANCED EHF MILSATCOM (SPACE)	97,066	97,066	97,066	-	97,066
0603432F	40	POLAR MILSATCOM (SPACE)	39,678	39,678	39,678	-	39,678
0603434F	41	NAT POLAR-ORBITING OPERATIONAL ENVIRON SATELLITE SYS (SPACE)	80,137	65,137	80,137	-	80,137
		Program Reduction		[-15,000]			
0603438F	42	SPACE CONTROL TECHNOLOGY	9,822	19,822	19,822	-	14,822
		KE-ASAT		[10,000]			
		Accelerate Implementation of Space Control Technology Plan			[10,000]	5,000	
0603441F	43	SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEM/VAL	151,378	41,378	151,378	-	229,029
		Transfer from SBIRS Low EMD				77,651	
		Transfer to BMDO 63XXXC		[-110,000]			
0603617F	44	COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS	7,833	7,833	7,833	-	7,833
0603742F	45	COMBAT IDENTIFICATION TECHNOLOGY	7,393	7,393	7,393	-	7,393
0603790F	46	NATO RESEARCH AND DEVELOPMENT(H)	4,283	4,283	4,283	-	4,283
0603800F	47	JOINT STRIKE FIGHTER	235,374	265,374	250,374		265,374

Title II-RDT
(Dollars in Thousands)

	Ln		FY 00	House	Senate	Conference	
ACCOUNT	No.		Request	Authorized	Authorized	Change	Agreement
		Alternative Engine		[30,000]	[15,000]	30,000	
0603850F	48	INTEGRATED BROADCAST SERVICE (DEM/VAL)	24,446	24,446	24,446	-	24,446
0603851F	49	INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL	28,628	28,628	47,828	-	47,828
		RSLP			[19,200]	19,200	
0603852F	50	C-130J - DEM/VAL		-	-	-	-
0603853F	51	EVOLVED EXPENDABLE LAUNCH VEHICLE PROG (SPACE)- DEM/VAL		-	-	-	-
0603854F	52	WIDEBAND MILSATCOM (SPACE)	53,344	53,344	53,344	-	53,344
0603856F	53	AIR FORCE/NRO PARTNERSHIP (AFNP)	2,905	-	2,905	-	2,905
		Program Reduction		[-2,905]			
0603860F	54	JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL	16,488	16,488	16,488	-	16,488
0603876F	55	SPACE-BASED LASER		-	-	-	10,000
		Plan, Engineering, and Design of SBL Test Facitility				10,000	
0604237F	56	VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT		-	-	-	-
0604327F	57	HARD AND DEEPLY BURIED TARGET DEFEAT SYS (HDBTDS) PROGRAM	4,910	4,910	4,910	-	4,910
0604441F	58	SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD		-	-	-	-
0604012F	59	JOINT HELMET MOUNTED CUEING SYSTEM (JHMCS)	2,970	2,970	2,970	-	2,970
0604201F	60	INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	723	723	723	-	723
0604218F	61	ENGINE MODEL DERIVATIVE PROGRAM (EMDP)		-	-	-	-
0604222F	62	NUCLEAR WEAPONS SUPPORT	8,489	8,489	8,489	-	8,489
0604226F	63	B-1B	203,544	203,544	203,544	-	203,544
0604227F	64	DISTRIBUTED MISSION TRAINING (DMT)	3,835	3,835	3,835	-	3,835
0604233F	65	SPECIALIZED UNDERGRADUATE PILOT TRAINING	38,656	38,656	38,656	-	38,656
0604239F	66	F-22 EMD	1,222,232	1,222,232	1,222,232	-	1,222,232
0604240F	67	B-2 ADVANCED TECHNOLOGY BOMBER	201,765	353,765	238,765	-	314,065
		Upgrades		[152,000]		112,300	
		Link-16 Upgrades and Enhancements			[37,000]	-	
0604243F	68	MANPOWER, PERSONNEL AND TRAINING DEVELOPMENT		-	-	-	-
0604270F	69	EW DEVELOPMENT	90,347	104,047	104,347		104,047
		PLAID Development		[13,700]	[7,000]	13,700	
		DIRCM			[7,000]	-	
0604441F	70	SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	328,653	160,000	420,653	-	420,653

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Transfer to BMDO 64XXXC		[-168,653]			
		Program Growth			[92,000]	92,000	
0604442F	71	SPACE BASED INFRARED SYSTEM (SBIRS) LOW EMD	77,651	77,651	77,651	-	-
		Transfer to SBIRS DEM/VAL				(77,651)	
0604479F	72	MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	361,308	364,308	361,308	-	364,308
		Integrated Satellite Communications Control		[3,000]		3,000	
0604480F	73	GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)		-	-	-	-
0604600F	74	MUNITIONS DISPENSER DEVELOPMENT		-	3,900	-	3,900
		Correction of WCMD Testing Problems			[3,900]	3,900	
0604602F	75	ARMAMENT/ORDNANCE DEVELOPMENT	8,887	46,887	8,887	-	27,887
		Miniaturized Munitions Capabilities		[38,000]		19,000	
0604604F	76	SUBMUNITIONS	4,798	4,798	10,798	-	10,798
		3-D Advanced Acquisition and Imaging Systems			[6,000]	6,000	
0604617F	77	AGILE COMBAT SUPPORT	946	946	946	-	946
0604618F	78	JOINT DIRECT ATTACK MUNITION	1,385	1,385	1,385	-	1,385
0604703F	79	AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS	7,135	7,135	7,135	-	7,135
0604706F	80	LIFE SUPPORT SYSTEMS	6,135	10,135	9,035		8,635
		Commercial Crew Seats		[4,000]			
		Aircrew Laser Eye Protection			[400]	-	
		Inflatable Restraints			[2,500]	2,500	
0604708F	81	CIVIL, FIRE, ENVIRONMENTAL, SHELTER ENGINEERING	2,719	2,719	2,719	-	2,719
0604727F	82	JOINT STANDOFF WEAPONS SYSTEMS	10,307	10,307	10,307	-	10,307
0604735F	83	COMBAT TRAINING RANGES	6,220	12,220	6,220	-	12,220
		ADOSM		[6,000]		6,000	
0604740F	84	COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	196	196	196	-	196
0604750F	85	INTELLIGENCE EQUIPMENT	1,345	1,345	1,345	-	1,345
0604754F	86	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	8,705	8,705	8,705	-	8,705
0604762F	87	COMMON LOW OBSERVABLES VERIFICATION SYSTEM (CLOVERS)	5,893	5,893	5,893	-	5,893
0604779F	88	JOINT INTEROPERABILITY OF TACTICAL C2 SYSTEMS (JINTACCS)	5,837	5,837	5,837	-	5,837
0604800F	89	JOINT STRIKE FIGHTER EMD		-	-	-	-
0604805F	90	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	30,485	30,485	30,485	-	30,485

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604851F	91	INTERCONTINENTAL BALLISTIC MISSILE - EMD	38,804	38,804	38,804	-	38,804
0604853F	92	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE) - EMD	324,803	322,803	329,303	-	324,803
		Program Reduction		[-2,000]			
		Composite Payload Dispenser			[4,500]		
0605011F	93	RDT&E FOR AGING AIRCRAFT	4,889	4,889	4,889	-	4,889
0207325F	94	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)		-	-	-	-
0207414F	95	COMBAT INTELLIGENCE SYSTEM		-	-	-	-
0305176F	96	COMBAT SURVIVOR EVADER LOCATOR	13,412	13,412	13,412	-	13,412
0603402F	97	SPACE TEST PROGRAM (SPACE)		-	-	-	-
0604256F	98	THREAT SIMULATOR DEVELOPMENT	32,391	32,391	32,391	-	32,391
0604258F	99	TARGET SYSTEMS DEVELOPMENT	192	192	192	-	192
0604759F	100	MAJOR T&E INVESTMENT	47,334	47,334	47,334	-	47,334
0605101F	101	RAND PROJECT AIR FORCE	20,560	20,560	20,560	-	20,560
0605306F	102	RANCH HAND II EPIDEMIOLOGY STUDY	4,510	4,510	4,510	-	4,510
0605502F	103	SMALL BUSINESS INNOVATION RESEARCH		-	-	-	-
0605712F	104	INITIAL OPERATIONAL TEST & EVALUATION	23,819	23,819	23,819	-	23,819
0605807F	105	TEST AND EVALUATION SUPPORT	392,104	392,104	365,504	-	377,104
		Transfer to S&T			[-1,600]	(20,000)	
		Program Reduction			[-30,000]	-	
		Big Crow			[5,000]	5,000	
0605808F	106	DEVELOPMENT PLANNING	5,696	5,696	-	-	-
		Transfer to S&T			[-5,696]	(5,696)	
0605853F	107	ENVIRONMENTAL CONSERVATION		-	-	-	-
0605854F	108	POLLUTION PREVENTION	2,553	2,553	2,553	-	2,553
0605856F	109	ENVIRONMENTAL COMPLIANCE		-	-	-	-
0605860F	110	ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	7,913	7,913	7,913	-	7,913
0605864F	111	SPACE TEST PROGRAM (STP)	51,658	51,658	76,658	-	51,658
		Micro-Satellite Technology			[25,000]	-	
0605876F	112	MINOR CONSTRUCTION (RPM) - RDT&E		-	-	-	-
0605878F	113	MAINTENANCE AND REPAIR (RPM) - RDT&E		-	-	-	-
0605879F	114	REAL PROPERTY SERVICES (RPS) - RDT&E		-	-	-	-

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0605896F	115	BASE OPERATIONS - RDT&E		-	-	-	-
0909900F	116	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS		-	-	-	-
0909980F	117	JUDGMENT FUND REIMBURSEMENT		-	-	-	-
1001004F	118	INTERNATIONAL ACTIVITIES	3,750	3,750	3,750	-	3,750
0603690F	119	INFORMATION OPERATIONS TECHNOLOGY	491	491	491	-	491
0101113F	120	B-52 SQUADRONS	32,139	17,139	73,539	-	47,539
		Program Reduction		[-15,000]			
		Radar Warning Upgrades			[15,400]	15,400	
		GATM			[26,000]		
0101120F	121	ADVANCED CRUISE MISSILE	688	688	688	-	688
0101122F	122	AIR-LAUNCHED CRUISE MISSILE (ALCM)	5,344	5,344	5,344	-	5,344
0102325F	123	JOINT SURVEILLANCE SYSTEM		-	-	-	-
0102326F	124	REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION PROG	13,239	13,239	13,239	-	13,239
0102411F	125	NORTH ATLANTIC DEFENSE SYSTEM		-	-	-	-
0207027F	126	AIR AND SPACE COMMAND AND CONTROL AGENCY (ASC2A)	2,946	2,946	2,946	-	2,946
0207131F	127	A-10 SQUADRONS	8,108	8,108	8,108	-	8,108
0207133F	128	F-16 SQUADRONS	112,520	112,520	126,920	-	112,520
		Goldstrike			[14,400]		
0207134F	129	F-15E SQUADRONS	112,670	112,670	112,670	-	112,670
0207136F	130	MANNED DESTRUCTIVE SUPPRESSION	5,402	5,402	5,402	-	5,402
0207141F	131	F-117A SQUADRONS	4,807	4,807	4,807	-	4,807
0207161F	132	TACTICAL AIM MISSILES	41,007	41,007	36,007	-	41,007
		Transfer to S&T			[-5,000]		
0207163F	133	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	49,783	49,783	49,783	-	49,783
0207217F	134	PODDED RECONNAISSANCE SYSTEM		-	-	-	-
0207247F	135	AF TENCAP	10,102	14,102	10,102	-	10,102
		Hyper Spectral Analysis		[4,000]			
0207248F	136	SPECIAL EVALUATION PROGRAM	85,168	85,168	81,268	-	81,268
		Program Reduction			[-3,900]	(3,900)	
0207253F	137	COMPASS CALL	4,908	4,908	12,908		12,908
		Tactical Radio Acquisition and Countermeasures Subsystems (TRACS)			[8,000]	8,000	

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0207268F	138	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	160,212	130,212	160,212	-	160,212
		Acceleration of Alternative Engine Development		[-30,000]			
0207320F	139	SENSOR FUSED WEAPONS	11,785	11,785	11,785	-	11,785
0207325F	140	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	166,408	166,408	166,408	-	166,408
0207412F	141	THEATER AIR CONTROL SYSTEMS	467	467	467	-	467
0207414F	142	COMBAT INTELLIGENCE SYSTEM		-	-	-	-
0207417F	143	AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	33,393	33,393	55,793	-	33,393
		E-3 Computer Upgrades			[17,100]	-	
		GATM			[5,300]		
0207423F	144	ADVANCED COMMUNICATIONS SYSTEMS	2,864	2,864	2,864	-	2,864
0207424F	145	EVALUATION AND ANALYSIS PROGRAM	73,336	73,336	73,336	-	73,336
0207428F	146	AIR WARFARE CENTER - NELLIS RANGE COMPLEX		-	-	-	-
0207433F	147	ADVANCED PROGRAM TECHNOLOGY	54,046	56,046	56,046	32,100	86,146
0207438F	148	THEATER BATTLE MANAGEMENT (TBM) C4I	43,727	43,727	43,727	-	43,727
0207581F	149	JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYS (JOINT STARS)	130,488	160,488	185,688		178,488
		Radar Technology Insertion Program (RTIP)		[30,000]	[48,000]	48,000	
		GATM			[7,200]		
0207590F	150	SEEK EAGLE	23,133	23,133	23,133	-	23,133
0207591F	151	ADVANCED PROGRAM EVALUATION	248,342	256,342	266,342	18,000	266,342
0207601F	152	USAF MODELING AND SIMULATION	19,299	21,799	19,299	-	21,799
		Synthetic Theater Operations Research Model		[2,500]		2,500	
0207605F	153	WARGAMING AND SIMULATION CENTERS	5,192	5,192	5,192	-	5,192
0208006F	154	MISSION PLANNING SYSTEMS	16,764	16,764	16,764	-	16,764
0208019F	155	TACTICAL INFORMATION PROGRAM (TIP)		-	-	-	-
0208031F	157	WAR RESERVE MATERIEL - EQUIPMENT/SECONDARY ITEMS	1,467	1,467	1,467	-	1,467
0208060F	158	THEATER MISSILE DEFENSES	26,129	26,129	43,429	-	26,129
		TAWS			[17,300]	-	
0208160F	159	TECHNICAL EVALUATION SYSTEM	92,990	92,990	92,990	-	92,990
0208161F	160	SPECIAL EVALUATION SYSTEM	61,198	61,198	61,198	-	61,198
0301357F	165	NUDET DETECTION SYSTEM	3,200	3,200	3,200	-	3,200
0302015F	167	E-4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	12,666	12,666	20,966	-	12,666

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		GATM			[8,300]		
0303110F	168	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	8,985	8,985	6,485	-	6,485
		Transfer to S&T			[-2,500]	(2,500)	
0303131F	169	MIN ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	45,907	45,907	45,907	-	45,907
0303140F	170	INFORMATION SYSTEMS SECURITY PROGRAM	7,992	7,992	7,992	-	7,992
0303141F	171	GLOBAL COMBAT SUPPORT SYSTEM	19,389	22,389	19,389	-	19,389
		Acclerated Development of GCSS-AF		[3,000]			
0303144F	172	JOINT SPECTRUM CENTER (JSC)		-	-	-	-
0303150F	173	GLOBAL COMMAND AND CONTROL SYSTEM	3,929	3,929	3,929	-	3,929
0303152F	174	WORLD-WIDE MIL C2 SYSTEMS, INFORMATION SYSTEM		-	-	-	-
0303601F	175	MILSATCOM TERMINALS	7,026	7,026	7,026	-	7,026
0304311F	177	SELECTED ACTIVITIES	3,000	3,000	3,000	-	3,000
0305099F	178	GLOBAL AIR TRAFFIC MANAGEMENT (GATM)	6,517	6,517	6,517	-	6,517
0305110F	179	SATELLITE CONTROL NETWORK (SPACE)	61,918	61,918	51,618	-	61,918
		Transfer to S&T			[-10,300]		
0305111F	180	WEATHER SERVICE	19,069	19,069	19,069	-	19,069
0305114F	181	AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM (ATCALS)	5,588	5,588	5,588	-	5,588
0305119F	182	MEDIUM LAUNCH VEHICLES (SPACE)	1,179	1,179	1,179	-	1,179
0305128F	183	SECURITY AND INVESTIGATIVE ACTIVITIES	466	466	466	-	466
0305137F	184	NATIONAL AIRSPACE SYSTEM (NAS) PLAN	1,756	1,756	1,756	-	1,756
0305138F	185	INERTIAL UPPER STAGE (IUS)		-	-	-	-
0305144F	187	TITAN SPACE LAUNCH VEHICLES (SPACE)	45,379	45,379	45,379	-	45,379
0305158F	188	TACTICAL TERMINAL	239	239	239	-	239
0305159F	189	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	36,824	36,824	36,824	-	36,824
0305160F	190	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	21,535	21,535	21,535	-	21,535
0305164F	191	NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT) (SPACE)	53,963	53,963	53,963	-	53,963
0305165F	192	NAVSTAR GLOBAL POSITIONING SYS (SPACE & CONTROL SEGMENTS)	98,890	98,890	98,890	-	98,890
0305182F	194	SPACELIFT RANGE SYSTEM (SPACE)	43,186	46,186	43,186	-	46,186
		Universal Space Port		[3,000]		3,000	
0305205F	195	ENDURANCE UNMANNED AERIAL VEHICLES	70,835	95,835	57,635	-	89,800
		Dark Star			[-6,000]	(6,035)	

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Global Hawk		[25,000]	[-7,200]	25,000	
0305206F	196	AIRBORNE RECONNAISSANCE SYSTEMS	124,608	131,608	142,008	-	142,008
		JSAF		[7,000]	[17,400]	17,400	
0305207F	197	MANNED RECONNAISSANCE SYSTEMS	9,388	12,388	19,788	-	12,388
		Evaluation of the MSAG AAA On-Board The RC 135 Rivet Joint		[3,000]		3,000	
		GATM			[5,400]		
		SYERS Polarization			[5,000]	-	
0305208F	198	DISTRIBUTED COMMON GROUND SYSTEMS	12,820	12,820	33,820		33,820
		Eagle Vision			[21,000]	21,000	
0305906F	199	NCMC - TW/AA SYSTEM	16,408	16,408	16,408	-	16,408
0305910F	200	SPACETRACK (SPACE)	54,806	42,506	54,806	-	54,806
		Program Reductions		[-12,300]			
0305911F	201	DEFENSE SUPPORT PROGRAM (SPACE)	7,459	7,459	7,459	-	7,459
0305913F	202	NUDET DETECTION SYSTEM (SPACE)	14,430	14,430	14,430	-	14,430
0305917F	203	SPACE ARCHITECT	9,898	9,898	9,898	-	9,898
0305953F	204	EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV) (SPACE)		-	-	-	-
0308601F	205	MODELING AND SIMULATION SUPPORT	1,069	1,069	1,069	-	1,069
0308699F	206	SHARED EARLY WARNING (SEW)	11,532	11,532	11,532	-	11,532
0401119F	207	C-5 AIRLIFT SQUADRONS	63,041	63,041	63,041	-	63,041
0401130F	208	C-17 AIRCRAFT	170,718	170,718	170,718	-	170,718
0401214F	209	AIR CARGO MATERIAL HANDLING (463-L) (NON-IF)	502	502	502	-	502
0401218F	210	KC-135S	2,268	2,268	2,268	-	2,268
0702207F	211	DEPOT MAINTENANCE (NON-IF)	1,500	1,500	1,500	-	1,500
0708011F	212	INDUSTRIAL PREPAREDNESS	51,814	51,814	51,814	-	51,814
0708026F	213	PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN. PROG (PRAMPO)	9,382	9,382	9,382	-	9,382
0708071F	214	JOINT LOGISTICS PROGRAM - AMMUNITION STANDARD SYSTEM	11,333	11,333	11,333	-	11,333
0708611F	215	SUPPORT SYSTEMS DEVELOPMENT	22,383	25,383	22,383	-	25,383
		Simulation Based Forecasting Decision Support System		[3,000]		3,000	
0804734F	216	CRYPTOLOGIC/SIGINT-RELATED SKILL TRAINING		-	-	-	-
0901218F	217	CIVILIAN COMPENSATION PROGRAM	6,973	6,973	6,973	-	6,973
1001018F	218	NATO JOINT STARS		-	-	-	-

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
XXXXXXX		TRANSFER TO COMBATING TERRORISM			(7,700)		
XXXXXXX	999	Classified Programs	4,360,261	4,446,261	4,360,261		4,360,261
		ECONOMIC ADJUSTMENTS			(51,900)	(76,900)	(76,900)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL, AF	13,077,829	13,212,671	13,573,308	552,244	13,630,073

Human effectiveness applied research

The budget request included $51.5 million in PE 62202F for human effectiveness applied research.

The Senate bill would authorize an increase of $2.0 million for the solid electrolyte oxygen separator in PE 62203F.

The House amendment would authorize an increase of $10.8 million for crew safety technology, with an emphasis on the importance of research in altitude protection and the ability to effectively operate aircraft during long periods of sustained operations.

The conferees agree to authorize an increase of $12.8 million in PE 62202F; $10.8 million for crew safety technology to include oxygen research, sustained operations, spatial disorientation, altitude protection, and space training, and $2.0 million for the solid state electrolyte oxygen separator.

Aerospace propulsion

The budget request included $62.0 million in PE 62203F for aerospace propulsion.

The Senate bill would authorize an increase of $2.8 million in PE 62203F, including $775,000 for science and engineering and $2.0 million for solid state electrolyte oxygen generator.

The House amendment would authorize the budget request.

The conferees agree to authorize an increase of $6.0 million in PE 62203F, as follows: $775,000 for science and engineering and $4.0 million for the variable displacement vane pump, as discussed elsewhere in this conference report. The conferees agree to authorize an increase of $2.0 million for the solid state electrolyte oxygen generator in PE 62202F.

Aerospace sensors

The budget request included $65.0 million in PE 62204F for aerospace sensors.

The Senate bill would authorize an increase of $9.0 million in PE 62204F, including $4.0 million for variable displacement vane pump and $5.0 million for multi-spectral battlespace simulation.

The House amendment would authorize the budget request.

The conferees agree to an increase of $5.0 million in PE 63203F for multi-spectral battlespace simulation. The conferees agree to authorize $4.0 million in PE 62203F for the variable displacement vane pump, as discussed elsewhere in this conference report.

Phillips lab exploratory development

The budget request contained $115.3 million in PE 62601F for Phillips Lab Exploratory Development.

The Senate bill would authorize an increase of $29.5 million in PE 62601F for applied research to address critical needs in the Air Force science and technology program.

The House amendment would authorize an increase of $7.3 million for hyperspectral imaging and $5.3 million for tactical missile propulsion, including the Integrated High Payoff Rocket Propulsion Technology (IHPRPT).

The conferees agree to authorize an increase of $28.6 million in PE 62202F, including $6.4 million for hyperspectral imaging, $8.3 million for tactical missile propulsion and IHPRPT, $2.5 million for tropo-weather, $600,000 for space survivability, $800,000 for spectral sensing, and $10.0 million for the high frequency active auroral research program.

B-2 advanced technology bomber

The budget request included $201.8 million in PE 64240F for development of the B-2 bomber.

The Senate bill would authorize an increase of $37.0 million for the integration of Link 16 in the B-2.

The House amendment would authorize an increase of $152.0 million for integration of Link 16, a new mission display system, and a stealth enhancement initiative. The House amendment would also authorize an increase of $35.0 million in Aircraft Procurement, Air Force, for an inflight mission replanning system.

The conferees have learned that the inflight mission replanning system is in development, and is not a procurement item, and agree to authorize $314.1 million in PE 64240F, as follows:

(1) $171.7 million for continued B-2 development;

(2) $35.0 million for an inflight mission planning system;

(3) $16.0 million for stealth enhancements; and

(4) $91.4 million for integration of Link 16 in the B-2.

Armament and ordnance development

The budget request included $8.9 million in PE 64602F for armament and ordnance development.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $38.0 million to accelerate development of the miniaturized munitions capability (MMC).

The conferees agree to authorize an increase of $19.0 million in PE 64602F for risk reduction efforts, determined most appropriate by MMC systems program officials, to accelerate development of a capability addressing both fixed and relocatable targets.

Life support systems

The budget request included $6.1 million in PE 64706F for development of life support systems.

The Senate bill would authorize an increase of $2.9 million, as follows:

(1) an increase of $400,000 for aircrew laser eye protection development; and

(2) an increase of $2.5 million for development of ejection seat inflatable restraints.

The House amendment would authorize an increase of $4.0 million for the development of commercial crew seats.

The conferees agree to authorize an increase of $2.5 million in PE 64706F for development of ejection seat inflatable restraint technology to reduce aircrew injuries during ejection by stabilizing the head, neck, and body.

Air Force test and evaluation support

The budget request included $392.1 million in PE 65807F for test and evaluation support.

The Senate bill would authorize a decrease of $30.0 million to address concerns with the management of test and evaluation support functions.

The House amendment would authorize the budget request.

The conferees agree to authorize a decrease of $20.0 million for test and evaluation support. The conferees are disturbed by the Air Force's unwillingness to pursue financial management reform. The conferees fully support the reporting requirement included in the Senate report accompanying S. 1059 (S. Rept. 106-50) that would require the Comptroller General of the United States to review the financial management practices used by the services' test and evaluation centers. The conferees further request the report by the Comptroller General to address the efficiencies that could be achieved by placing the test and evaluation centers on a single financial management system.

Joint surveillance and target attack radar system

The budget request included $130.5 million in PE 27581F for development efforts for the E-8 Joint Surveillance and Target Radar System (JSTARS) aircraft.

The Senate bill would authorize an increase of $55.2 million, as follows:

(1) an increase of $48.0 million for the radar technology insertion program (RTIP); and

(2) an increase of $7.2 million for the global air traffic management (GATM) modification.

The House amendment would authorize an increase of $30.0 million for the RTIP development. The conferees agree to authorize an increase of $48.0 million in PE 27581F for the RTIP.

Airborne reconnaissance

The budget request included $124.6 million in PE 35206F for airborne reconnaissance systems.

The Senate bill would authorize an increase of $17.4 million for continued development of the joint signals intelligence (SIGINT) avionics family-low band subsystem (JSAF-LBSS).

The House amendment would authorize an increase of $7.0 million for JSAF, both high and low band subsystems.

The conferees agree to authorize an increase of $17.4 million in PE 35206F for development of high and low band subsystems of JSAF.

Distributed common ground systems

The budget request included $12.8 million in PE 35208F for distributed common ground systems.

The Senate bill would authorize an increase of $21.0 million for Eagle Vision.

The House amendment would authorize the budget request in PE 35208F, but would authorize an increase of $5.0 million in Air Force procurement for Eagle Vision.

The conferees agree to authorize an increase of $21.0 million in PE 35208F for Eagle Vision.

Overview

The budget request for fiscal year 2000 included an authorization of $8,609.3 million for Defense-Wide, Research and Development in the Department of Defense.

The Senate bill would authorize $9,111.2 million.

The House amendment would authorize $9,278.4 million.

The conferees recommended an authorization of $9,204.8 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT

(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		RESEARCH DEVELOPMENT TEST & EVAL, DEFWIDE					
0601101D8	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,033	2,033	2,033	-	2,033
0601101E	2	DEFENSE RESEARCH SCIENCES	64,293	64,293	64,293	-	64,293
0601103D8	3	UNIVERSITY RESEARCH INITIATIVES	216,778	218,278	216,778	-	218,278
		DEPSCOR				[25,000]	
		Personnel Research Institute				[2,000]	
		Advanced High Yield Software for Military Programmers		[1,500]		1,500	
0601105D8	4	GULF WAR ILLNESS	19,185	19,185	19,185	-	19,185
0601111D8	5	GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEARCH	6,351	6,351	6,351	-	6,351
0601384BP	6	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	31,386	35,886	31,386	-	35,386
		Chemical and Biological Detection Program				1,000	
		Chemical and Biological Point Detectors		[3,500]		3,000	
		Optical Computing Device Materials for Chemical Sensors		[1,000]			
0602110E	7	NEXT GENERATION INTERNET	40,000	40,000	40,000	-	40,000
0602173C	8	SUPPORT TECHNOLOGIES - APPLIED RESEARCH	65,328	95,328	84,328	-	84,328
		Innovative S&T		[20,000]			
		HFSWR			[5,000]	5,000	
		Wide Band Gap Technologies		[10,000]	[14,000]	14,000	
0602227D8	9	MEDICAL FREE ELECTRON LASER	9,719	15.019	13,719	-	12,000
		Research		[5,300]	[4,000]	2,281	
0602228D8	10	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SCIENCE	14,329	14,329	14,329	-	14,329
0602234D8	11	LINCOLN LABORATORY RESEARCH PROGRAM	20,774	20,774	20,774	-	20,774
0602301E	12	COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	322,874	322,874	323,874	-	322,874
		Computer Security			[1,000]	[500]	
0602302E	13	EXTENSIBLE INFORMATION SYSTEMS	70,000	70,000	70,000	-	45,000
		Program Reduction				(25,000)	
0602383E	14	BIOLOGICAL WARFARE DEFENSE	145,850	133,850	145,850	-	145,850
		DARPA Consequence Management		[-12,000]			
0602384BP	15	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	64,780	74,280	69,780	-	72,280
		Chemical and Biological Point Dectectors		[5,500]		4,500	
		Safeguard		[4,000]	[5,000]	3,000	

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0602702E	16	TACTICAL TECHNOLOGY	137,626	137,626	134,126	-	137,626
		Program Reduction			[-3,500]		
		Future Combat Vehicle				[18,200]	
0602708E	17	INTEGRATED COMMAND AND CONTROL TECHNOLOGY	31,296	39,996	31,296	-	39,996
		Flat Panel Displays		[8,700]		8,700	
0602712E	18	MATERIALS AND ELECTRONICS TECHNOLOGY	235,321	235,321	229,321	-	235,321
		Program Reductions			[-6,000]		
0602715BR	19	WMD RELATED TECHNOLOGY	203,512	206,512	208,512	-	211,512
		Themionics		[3,000]		3,000	
		Deep Digger			[5,000]	5,000	
0602787D8	20	MEDICAL TECHNOLOGY	8,903	8,903	8,903	-	8,903
0305108K	21	COMMAND AND CONTROL RESEARCH	1,968	1,968	1,968	-	1,968
0603002D8	22	MEDICAL ADVANCED TECHNOLOGY	2,007	2,007	2,007	-	2,007
0603104D8	23	EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,183	13,183	15,683	-	15,683
		Cyrofracture Landmine Disposal		[2,000]			
		Hot Gas Decon Facility			[4,500]	4,500	
0603120D8	24	DEMINING		-	-	-	-
0603121D8	25	ALTERNATIVE TO LANDMINES		-	-	-	-
0603122D8	26	COUNTERTERROR TECHNICAL SUPPORT	52,223	55,223	56,223	-	59,223
		Facial Recognition Technology		[3,000]		3,000	
		Air Blast Technology			[4,000]	4,000	
0603160BR	27	COUNTERPROLIFERATION SUPPORT - ADV DEV	81,245	81,245	81,245	-	81,245
0603160D8	28	COUNTERPROLIFERATION SUPPORT - ADV DEV		-	-	-	-
0603173C	29	SUPPORT TECHNOLOGIES - ADVANCED TECHNOLOGY DEVELOPMENT	173,704	198,704	213,704	-	213,704
		Exoatmospheric Interceptor/Near Term Technology		[25,000]			
		Space Based Laser		[-15,000]			
		Atmospheric Interceptor Technology		[10,000]	[30,000]	30,000	
		Low Cost Launch Technology including Scorpius		[5,000]	[5,000]	5,000	
		Excalibur			[5,000]	5,000	
0603225D8	30	JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT	14,786	14,786	14,786	-	14,786
0603232D8	31	AUTOMATIC TARGET RECOGNITION	7,775	10,775	7,775	-	7,775

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Hyperspectral Technology		[3,000]			
0603285E	32	ADVANCED AEROSPACE SYSTEMS	19,664	19,664	19,664	-	19,664
0603384BP	33	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADV DEVELOPMENT	40,910	40,910	40,910	-	40,910
0603704D8	34	SPECIAL TECHNICAL SUPPORT	10,948	15,948	15,948	-	15,948
		Complex Systems Development		[5,000]	[5,000]	5,000	
0603711BR	35	VERIFICATION TECHNOLOGY DEMONSTRATION	58,455	58,455	58,455	-	58,455
0603712S	36	GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	17,336	20,336	19,336	-	21,836
		Microelectronics for Product Data Engineering Tools				2,000	
		Competitive Sustainment Demonstration		[3,000]		2,500	
		Product Data Engineering Tools			[2,000]	-	
0603716D8	37	STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	53,506	53,506	53,506	-	53,506
0603727D8	38	JOINT WARFIGHTING PROGRAM	7,872	7,872	17,872	-	39,772
		Joint Experimentation			[10,000]	31,900	
0603728D8	39	AGILE PORT DEMONSTRATION		-	-	-	-
0603738D8	40	COOPERATIVE DOD/VA MEDICAL RESEARCH		-	-	-	-
0603739E	41	ADVANCED ELECTRONICS TECHNOLOGIES	246,023	246,023	246,023	-	246,023
0603746E	42	MARITIME TECHNOLOGY		-	-	-	-
0603747E	43	ELECTRIC VEHICLES		-	-	-	-
0603750D8	44	ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	117,969	88,569	117,969	-	117,969
		Program Reduction		[-29,400]			
0603752D8	45	COMMERCIAL TECHNOLOGY INSERTION PROGRAM		-	-	-	-
0603753S	46	ELECTRONIC COMMERCE RESOURCE CENTERS		-	-	-	-
0603755D8	47	HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	159,099	159,099	162,099	-	162,099
		High Performance Visualization Research			[3,000]	3,000	
0603760E	48	COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	222,888	222,888	222,888	-	222,888
0603761E	49	COMMUNICATION AND SIMULATION TECHNOLOGY		-	-	-	-
0603762E	50	SENSOR AND GUIDANCE TECHNOLOGY	232,319	232,319	222,319	-	228,319
		Low Cost Cruise Missile Defense				(4,000)	
		Program Reduction			[-10,000]		
0603763E	51	MARINE TECHNOLOGY	22,538	22,538	22,538	-	22,538
0603764E	52	LAND WARFARE TECHNOLOGY	97,825	97,825	97,825	-	97,825

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Future Combat Vehicle				[38,000]	
0603765E	53	CLASSIFIED DARPA PROGRAMS	77,780	77,780	77,780	-	77,780
0603800E	54	JOINT STRIKE FIGHTER (JSF) - DEM/VAL		-	-	-	-
0603805E	55	DUAL USE APPLICATIONS PROGRAMS		-	-	-	-
0603805S	56	DUAL USE APPLICATION PROGRAMS		-	-	-	-
0603832D8	57	JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	68,456	68,456	68,456	-	68,456
0605160D8	58	COUNTERPROLIFERATION SUPPORT	1,495	1,495	1,495	-	1,495
0603228D8	62	PHYSICAL SECURITY EQUIPMENT	37,107	37,107	37,107	-	32,107
		Program Reduction				(5,000)	
0603708D8	63	INTEGRATED DIAGNOSTICS		-	-	-	-
0603709D8	64	JOINT ROBOTICS PROGRAM	12,937	12,937	15,937	-	15,937
		Joint Robotics			[3,000]	3,000	
0603714D8	65	ADVANCED SENSOR APPLICATIONS PROGRAM	15,345	15,345	15,345	-	15,345
0603736D8	66	CALS INITIATIVE	1,652	1,652	3,652	-	3,652
		Integrated Data Environment			[2,000]	2,000	
0603790D8	67	NATO RESEARCH AND DEVELOPMENT		-	-	-	-
0603790T	68	NATO RESEARCH AND DEVELOPMENT		-	-	-	-
0603851D8	69	ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	23,260	23,260	23,260	-	23,260
0603857J	70	ALL SERVICE COMBAT IDENTIFICATION EVALUATION TEAM (ASCIET)		-	-	-	-
0603861C	71	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - DEM/VAL	34,133	34,133	19,133	-	527,871
		Transfer from THAAD EMD				493,738	
		Contractor Reimbursement			[-15,000]	-	
0603868C	72	NAVY THEATER WIDE MISSILE DEFENSE SYSTEM	329,768	329,768	449,768	-	419,768
		NTW Acceleration			[70,000]	40,000	
		NTW Radar Development			[50,000]	50,000	
0603869C	73	MEADS CONCEPTS - DEM/VAL	48,597	48,597	48,597	-	48,597
0603870C	74	BOOST PHASE INTERCEPT THEATER MISSILE DEF ACQ-DEM/VAL		-	-	-	-
0603871C	75	NATIONAL MISSILE DEFENSE - DEM/VAL	836,555	835,855	836,555	-	851,555
		Target Launch Operations and Target Launch Vehicles		[15,000]		15,000	
		Transfer to MILCON		[-15,000]			
0603872C	76	JOINT THEATER MISSILE DEFENSE - DEM/VAL	195,722	195,722	200,722	-	200,722

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Liquid Fueled Target Development			[5,000]	5,000	
0603873C	77	FAMILY-OF SYSTEMS ENGINEERING AND INTEGRATION (FOS E&I)	141,821	141,821	141,821	-	141,821
0603874C	78	BMD TECHNICAL OPERATIONS	190,650	200,650	193,650	-	203,650
		Development of Wide Bandwidth Information Infrastructure		[10,000]		10,000	
		Advanced Research Center			[3,000]	3,000	
0603875C	79	INTERNATIONAL COOPERATIVE PROGRAMS	36,650	61,650	51,650	-	36,650
		RAMOS		[25,000]			
		Arrow Deployability Program			[15,000]	-	
0603876C	80	THREAT AND COUNTERMEASURES	16,497	16,497	16,497	-	16,497
XXXXXX		SBIRS LOW		110,000			
		Transfer from PE 63441F		[110,000]			
0603884BP	81	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL	62,033	62,033	71,233	-	62,033
		CBIRF			[9,200]		
0603892D8	82	ASAT		-	-	-	-
0603920D8	83	HUMANITARIAN DEMINING	15,847	15,847	15,847	-	15,847
0603923D8	84	COALITION WARFARE	12,781	12,781	12,781	-	12,781
0605104T	85	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	353	353	353	-	353
0605110T	86	CRITICAL TECHNOLOGY SUPPORT		-	-	-	-
XXXXXX		UPPER TIER		90,000			
		Ballisic Missile Intercept Test (Transfer from PE 64861C)		[90,000]			
0604384BP	87	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	116,365	116,365	116,365	-	116,365
0604709D8	88	JOINT ROBOTICS PROGRAM - EMD	12,004	12,004	12,004	-	12,004
0604764K	89	ADVANCED IT SERVICES JOINT PROGRAM OFFICE (AITS-JPO)	15,172	15,172	15,172	-	15,172
0604771D8	90	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	29,382	29,382	29,382	-	29,382
0604805D8	91	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	16,976	16,976	16,976	-	16,976
0604861C	92	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD	577,493	472,493	577,493	-	-
		Transfer to THAAD DEM/VAL				(493,738)	
		Program Reduction		[-15,000]		(83,755)	
		Transfer to Upper Tier (PE 64218C)		[-90,000]			
0604865C	93	PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EMD	29,141	77,641	181,141	-	181,141
		Program Increase		[48,500]	[152,000]	152,000	

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604867C	94	NAVY AREA THEATER MISSILE DEFENSE - EMD	268,389	323,391	268,389	-	310,189
		SM-2 IVA Development and R&D for TMD--AWS		[55,002]		41,800	
XXXXXX		SBIRS HIGH		168,653			
		Transfer from PE 64441F		[168,653]			
0305889D8	95	COUNTERDRUG INTELLIGENCE SUPPORT		-	-	-	-
0603858D8	96	UNEXPLODED ORDNANCE DETECTION AND CLEARANCE	1,226	1,226	1,226	-	1,226
0604942D8	97	ASSESSMENTS AND EVALUATIONS	4,900	4,900	4,900	-	4,900
0605104D8	98	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	29,506	29,506	29,506	-	29,506
0605104T	99	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	588	588	588	-	588
0605110BR	100	USD(A&T)--CRITICAL TECHNOLOGY SUPPORT	2,215	2,215	2,215	-	2,215
0605110D8	101	USD(A&T)--CRITICAL TECHNOLOGY SUPPORT		-	-	-	-
0605114E	102	BLACK LIGHT	5,000	5,000	5,000	-	5,000
0605116D8	103	GENERAL SUPPORT TO C3I	2,000	2,000	2,000	-	2,000
0605117D8	104	FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	34,937	34,937	74,937	-	74,937
		Program Increase			[40,000]	40,000	
0605122D8	105	INDUSTRIAL CAPABILITIES ASSESSMENTS	3,299	3,299	3,299	-	3,299
0605126J	106	JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,079	20,079	17,079	-	17,079
		Uniform Models and Simulation		[3,000]			
0605128BR	107	CLASSIFIED PROGRAMS		-	-	-	-
0605128D8	108	CLASSIFIED PROGRAM USD(P)		-	-	-	-
0605160BR	109	COUNTERPROLIFERATION SUPPORT	5,315	5,315	5,315	-	5,315
0605160D8	110	COUNTERPROLIFERATION SUPPORT		-	-	-	-
0605384BP	111	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	24,043	24,043	24,043	-	24,043
0605502BP	112	SMALL BUSINESS INNOVATIVE RESEARCH - CHEMICAL BIOLOGICAL DEF		-	-	-	-
0605502D8	113	SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605502E	114	SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605710D8	115	CLASSIFIED PROGRAMS - C3I	627	627	11,627	-	627
		Information Assurance Test Bed			[5,000]	-	
		Classified Program			[6,000]	-	
0605790D8	116	SMALL BUSINESS INNOVATION RESEARCH ADMINISTRATION	1,713	1,713	1,713	-	1,713
0605798S	117	DEFENSE TECHNOLOGY ANALYSIS	4,974	4,974	4,974	-	4,974

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0605801K	118	DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	46,655	46,655	46,655	-	46,655
0605801S	119	DEFENSE TECHNICAL INFORMATION CENTER		-	-	-	-
0605803S	120	R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVALUATION	8,261	8,261	8,261	-	8,261
0605898E	121	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	31,387	31,387	31,387	-	31,387
0908612C	122	ACQUISITION PROGRAM STABILITY RESERVE		-	-	-	-
0909999F	123	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-
0208045K	124	C3 INTEROPERABILITY	27,366	27,366	27,366	-	27,366
0208052J	125	JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	1,024	1,024	1,024	-	1,024
0302016K	128	NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	613	613	613	-	613
0302019K	129	DEFENSE INFO INFRASTRUCTURE ENGINEERING AND INTEGRATION	5,316	5,316	5,316	-	5,316
0303126K	130	LONG-HAUL COMMUNICATIONS (DCS)	1,316	1,316	1,316	-	1,316
0303127K	131	SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,274	4,274	4,274	-	4,274
0303131K	132	MIN ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	3,799	3,799	3,799	-	3,799
0303140G	133	INFORMATION SYSTEMS SECURITY PROGRAM	232,661	277,661	317,661	-	232,661
		Global Networked Information Enterprise Security		[10,000]			
		Information Assurance		[35,000]	[85,000]	-	
0303149J	134	C4I FOR THE WARRIOR	3,018	3,018	3,018	-	3,018
0303149K	135	C4I FOR THE WARRIOR	388	388	388	-	388
0303153K	136	JOINT SPECTRUM CENTER	8,823	8,823	8,823	-	8,823
0305102BQ	138	DEFENSE IMAGERY AND MAPPING PROGRAM	88,401	93,401	96,401	-	101,401
		National Technology Alliance		[5,000]		5,000	
		Joint Mapping Tool Kit			[8,000]	8,000	
0305127V	139	FOREIGN COUNTERINTELLIGENCE ACTIVITIES	437	437	437	-	437
0305159I	140	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)		-	-	-	-
0305188J	141	JOINT C4ISR BATTLE CENTER (JBC)		-	-	-	-
0305190D8	142	C3I INTELLIGENCE PROGRAMS	9,480	9,480	14,480	-	15,480
		C3I Intelligence Programs				6,000	
		Strategic Technology Assessment			[5,000]	-	
0305204D8	143	TACTICAL UNMANNED AERIAL VEHICLES		-	-	-	-
0305205D8	144	ENDURANCE UNMANNED AERIAL VEHICLES		-	-	-	-
0305206D8	145	AIRBORNE RECONNAISSANCE SYSTEMS		-	-	-	-

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ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0305206G	146	AIRBORNE RECONNAISSANCE SYSTEMS	22,074	22,074	22,074	-	22,074
0305207D8	147	MANNED RECONNAISSANCE SYSTEMS		-	-	-	-
0305207G	148	MANNED RECONNAISSANCE SYSTEMS	8,494	8,494	8,494	-	16,994
		Combat Sent RC-135				8,500	
0305208D8	150	DISTRIBUTED COMMON GROUND SYSTEMS		-	-	-	-
0305208L	152	DISTRIBUTED COMMON GROUND SYSTEMS	1,000	1,000	1,000	-	1,000
0305209D8	153	DARP INTEGRATION AND SUPPORT		-	-	-	-
0305885G	155	TACTICAL CRYPTOLOGIC ACTIVITIES	109,540	106,840	109,540	-	109,540
		Airborne Common Sensors		[-2,700]			
0305889G	156	COUNTERDRUG INTELLIGENCE SUPPORT		-	-	-	-
0305898L	157	MANAGEMENT HEADQUARTERS (AUXILIARY FORCES)		-	-	-	-
0708011S	158	INDUSTRIAL PREPAREDNESS	6,665	10,415	6,665	-	9,665
		Aging Aircraft Sustainment Technology		[3,000]		3,000	
		Forging Lead Time Technology		[750]			
0902298J	159	MANAGEMENT HEADQUARTERS (OJCS)	9,531	9,531	9,531	-	9,531
0902740J	160	JOINT SIMULATION SYSTEM	18,421	18,421	18,421	-	18,421
0909999S	161	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-
1001017D8	162	PARTNERSHIP FOR PEACE ACTIVITIES		-	-	-	-
1160279BB	163	SM BUSINESS INNOVATIVE RES/SMALL BUS TECH TRANSFER PILOT PROG		-	-	-	-
1160401BB	164	SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	7,093	7,093	7,093	-	7,093
1160402BB	165	SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	7,990	7,990	7,990	-	7,990
1160404BB	166	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,671	127,671	115,671	-	157,370
		Transfer from O&MDW & PDW				26,099	
		Small Craft Propulsion Systems Improvements		[4,000]		4,000	
		Advanced Seal Delivery Systems		[8,000]		-	
		Classified Programs				11,600	
		CV-22 Modifications		[9,000]	[9,000]	9,000	
1160405BB	167	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,407	3,507	1,407	-	3,507
		SOTVS Digital Underwater Camera		[2,100]		2,100	
1160407BB	168	SOF MEDICAL TECHNOLOGY DEVELOPMENT	2,039	2,039	2,039	-	2,039
1160408BB	169	SOF OPERATIONAL ENHANCEMENTS	62,567	62,567	74,167	-	62,567

Title II-RDT
(Dollars in Thousands)

ACCOUNT	Ln No.		FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
XXXXXXX		TRANSFER TO COMBATING TERRORISM			(201,300)		
XXXXXXX	999	Classified Programs	1,048,214	1,176,614	1,228,214	150,000	1,198,214
		ECONOMIC ADJUSTMENT			(23,599)	(28,700)	(28,700)
		TOTAL, RESEARCH DEVELOPMENT TEST & EVAL, DEFWIDE	8,609,289	9,278,394	9,111,190	595,525	9,204,814
		DEVELOPMENTAL TEST & EVAL, DEFENSE					
0604940D8	1	CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT (CTEIP)	121,741	121,741	121,741	-	121,741
0605130D8	2	FOREIGN COMPARATIVE TESTING	31,876	31,876	31,876	-	31,876
0605804D8	3	DEVELOPMENT TEST AND EVALUATION	99,840	99,840	99,840	-	99,840
		TOTAL, DEVELOPMENTAL TEST & EVAL, DEFENSE	253,457	253,457	253,457	-	253,457
		OPERATIONAL TEST & EVAL, DEFENSE					
0605118D8	1	OPERATIONAL TEST AND EVALUATION	14,602	14,602	14,602	-	14,602
0605131D8	2	LIVE FIRE TESTING	9,832	9,832	9,832	-	9,832
		TOTAL, OPERATIONAL TEST & EVAL, DEFENSE	24,434	24,434	24,434	-	24,434
		Total RDT&E	34,375,219	35,835,679	35,865,899	1,891,318	36,266,537

Ballistic Missile Defense Organization funding and programmatic guidance

The budget request included approximately $3.3 billion for the Ballistic Missile Defense Organization (BMDO) for research, development, test, and evaluation (RDT&E), and procurement.

The Senate bill would authorize an increase of $399.0 million for BMDO.

The House amendment would authorize an increase of $138.5 million for BMDO. In addition, the House amendment would authorize an increase of $50.0 million in Navy RDT&E for radar upgrades associated with the Navy Theater Wide program, and would transfer $278.6 million from Air Force RDT&E to BMDO RDT&E for the Space Based Infrared System.

The conferees' recommended funding allocations for BMDO are summarized in the following table. Additional programmatic and funding guidance is also provided below.

BMDO FUNDING ALLOCATION

[In millions of dollars]

Program	Request	Senate	House	Conference	
				Change	Total
Support Technology	239.0	+59.0	+55.0	+59.0	298.0
THAAD	611.6	− 15.0	− 15.0	− 83.8	527.8
Navy Area [1]	323.4	———	———	+41.8	365.2
Navy Theater Wide	329.8	+120.0	———	+90.0	419.8
MEADS	48.6	———	———	———	48.6
NMD [2]	836.5	———	+15.0	+15.0	851.5
Joint TMD	195.7	+5.0	———	+5.0	200.7
PAC–3 [1]	330.0	+212.0	+48.5	+212.0	542.0
FOS E&I	141.8	———	———	———	141.8
BMD Tech Ops	190.6	+3.0	+10.0	+13.0	203.6
Int'l Coop Programs	36.6	+15.0	+25.0	———	36.6
Threat/Countermeasures	16.5	———	———	———	16.5
BMDO Total	3,300.1	+399.0	+138.5	+352.0	3,652.1

[1] Procurement and RDT&E.

[2] An additional $15.7 million in military construction funding for NMD is authorized elsewhere in this Act.

Support technology

The conferees continue to support BMDO's wide bandgap electronics material development program. Higher speed and higher temperature operation afforded by wide bandgap electronic materials could enhance the miniaturization and functionality of advanced sensors and processing systems for space-based ballistic missile defense (BMD) sensors and ground-based radar systems. The conferees recommend an increase of $14.0 million in PE 62173C to support this important activity. Of these funds, $10.0 million shall be available to capitalize on existing accomplishments in gallium nitride through research, development, and transition into early device application.

The conferees continue to support research and development activities in the area of high frequency surface wave radar (HFSWR) technology and recommend an increase of $5.0 million in PE 62173C to continue this important effort.

The conferees continue to support the Atmospheric Interceptor Technology (AIT) program to develop advanced interceptors with potential applications for a range of theater missile defense (TMD) programs. The conferees recommend an increase of $30.0 million in PE 63173C to continue the AIT program and directs that, of this amount, $2.0 million be utilized to develop advanced integrated missile structures and airframes. The conferees encourage the expeditious completion of the Patriot PAC–3 multi-frequency generator effort, which is being undertaken as part of the AIT program.

The conferees have supported BMDO's efforts to evaluate innovative and low cost launch concepts, especially those utilizing pressure-fed rocket engine technology. The conferees recommend an increase of $5.0 million in PE 63173C to support the Scorpius concept and an increase of $5.0 million in PE 63173C to support the Excalibur concept. In addition, the conferees recommend an increase of $5.0 million for low cost launch technology, including Scorpius, in PE 63401F.

National Missile Defense

The budget request included $836.5 million in PE 63871C for National Missile Defense (NMD).

The Senate bill would approve the budget request for NMD.

The House amendment would authorize an increase of $15.0 million for target launch operations and target launch vehicles.

The conferees agree to authorize an increase of $15.0 million for target launch operations and target launch vehicles. In addition, as addressed elsewhere in this report, the conferees agree to authorize an increase of $15.7 million in military construction for NMD.

The conferees are pleased that the Administration has decided to fully fund development and procurement of a limited National Missile Defense (NMD) system. The conferees commend the Secretary of Defense for his leadership in securing the necessary funding increase and in recognizing the fact that the threat is expected to justify deployment of an NMD system. The conferees believe that BMDO and the Navy should also begin to evaluate options for supplementing the initial ground based NMD architecture with sea-based assets, including an upgraded version of the Navy's Theater Wide theater missile defense system. The conferees direct the Secretary of Defense to conduct a follow-on study to supplement the analysis that was included in the 1998 report entitled Utility of Sea-Based Assets to National Missile Defense. This report shall address the engineering steps that would be needed to develop a sea-based NMD system to supplement the ground-based NMD system. The study should evaluate requirements, performance benefits, design trade-offs, operational impacts, and refined cost estimates. The conferees direct the Secretary to provide a report to the congressional defense committees by March 15, 2000, on this follow-on effort.

Theater High Altitude Area Defense (THAAD) System

The budget request included $527.9 million for THAAD demonstration and validation (Dem/Val) and $83.8 million for THAAD engineering and manufacturing development (EMD). The conferees continue to support the development, production, and fielding of THAAD as a matter of highest priority. As addressed elsewhere in this report, the conferees do not support BMDO's revised upper tier acquisition strategy. The conferees believe that decisions regarding the THAAD schedule and budget should be determined based on the performance of the THAAD test program and not an artificial competition with the Navy Theater Wide system. The conferees recommend no funds in PE 64861C for THAAD EMD, but strongly support rapid progression of the THAAD program into the EMD phase of the program. If the THAAD interceptor missile achieves a second successful intercept test, and if the Secretary exercises the waiver authority provided elsewhere in this Act to enter EMD after two successful interceptor tests, the conferees strongly endorse the use of funds appropriated pursuant to section 102 of division B, title I, chapter 1 of Public Law 105–277, to support THAAD EMD activities. In addition, the conferees support the use of such funds to advance the THAAD battle management/command, control, and communications (BMC3) system and radar programs into EMD at the earliest possible date. The conferees also agree to authorize the use of funds authorized to be appropriated for THAAD Dem/Val for purposes of advancing the THAAD system or any of its major subsystems into EMD, to the extent that such funds are not needed to complete the Dem/Val phase of the program.

Navy Theater Wide

The conferees continue to support the Navy Theater Wide (NTW) program. The conferees urge the Secretary of Defense to accelerate this important development program to the extent permitted by the pace of technology development. The conferees are concerned that necessary radar improvements have not kept up with developments in the NTW interceptor missile system. Therefore, the conferees recommend an increase of $50.0 million for continuation of the Navy's competitive development of an advanced radar for theater missile defense. The conferees note that, despite being informed that the NTW program was fully funded in the fiscal year 2000 budget request, neither the Navy nor BMDO requested funding for the development of the radar necessary for the NTW system. The conferees expect future budget requests to include funding required for all aspects of the NTW program, including radar development. The conferees also recommend an increase of $40.0 million for NTW acceleration, for an overall increase of $90.0 million in PE 63868C.

BMD technical operations

The conferees support the efforts being performed at the Army Space and Missile Defense Command's Advanced Research Center (ARC). The ARC continues to be a valuable tool in support of the Army's development of both theater and national missile defense systems. Therefore, the conferees recommend an increase of $3.0 million in PE 63874C for support of the ARC.

The conferees understand that BMDO is leveraging commercial internet technologies to improve the utilization of data that is now dispersed among several data centers. The conferees believe that upgrading these centers and establishing a seamless, wide bandwidth information infrastructure between the centers would allow access by the entire BMD community, resulting in significant efficiencies. The conferees believe that such a network would allow distributed BMD modeling and simulation, including hardware-in-the-loop simulations, and would enhance flexibility to meet evolving threats more rapidly. Therefore, the conferees recommend an increase of $10.0 million in PE 63874C for development of a wide bandwidth information infrastructure to link current data centers as well as specific applications to take full advantage of such an infrastructure.

BMD targets

The conferees are concerned that current TMD surrogate targets do not sufficiently represent ballistic missile threats based on liquid fuel engines. Therefore, the conferees direct the Secretary of Defense to begin development of a new liquid fueled target, or family of targets. To support this effort, the conferees recommend an increase of $5.0 million in PE 63872C.

Patriot PAC–3

The conferees remain concerned by the cost growth and schedule delays in the Patriot PAC–3 program, but understand that the technical difficulties that caused these problems have been resolved. The conferees note that the most recent flight test of the PAC–3 system was successful and that the program is scheduled to fly again shortly. If the next flight test is successful, the PAC–3 system will be authorized to proceed into low-rate initial production, assuming sufficient funds are available. The conferees approved a reprogramming of $60.0 million in fiscal year 1999 funds from procurement to help offset funding problems in the EMD program. The conferees note that even with this reprogramming, the EMD program remains under-funded in the fiscal year 2000 budget request by $152.0 million. In addition, the fiscal year 1999 reprogramming has left a $60.0 million shortfall in fiscal year 2000 budget request for procurement, which would preclude commencement of low-rate initial production during fiscal year 2000. Therefore, the conferees recommend an increase of $152.0 million in PE 64865C for PAC–3 EMD, and an increase of $60.0 million in Procurement, Defense-wide, for PAC–3 procurement.

Navy Area

The budget request included $268.3 million in PE 64867C for Navy Area EMD, and $55.0 million in Defense-wide Procurement, for Standard Missile II Block IVA production.

The Senate bill approved the budget request.

The House amendment transferred $55.0 million from Defense-wide Procurement to Navy Area EMD to cover cost growth in the EMD program.

The conferees agree to approve the budget request of $55.0 million for Navy Area procurement, and an increase of $41.8 million in PE 64867C for Navy Area EMD.

The conferees remain concerned by schedule delays and cost growth in the Navy Area program. In particular, the conferees have been troubled by the Navy's failure to keep the relevant congressional committees informed of emerging technical problems in the Navy Area program, and related Navy programs. Given the priority of the Navy Area program, the conferees support increased funds in fiscal year 2000 to compensate for cost growth, but the conferees insist that the Ballistic Missile Defense Organization and the Navy fully fund the revised baseline schedule in the Future Years Defense Program.

Russian-American Observation Satellites program

The conferees understand that BMDO, working with the Office of the Secretary of Defense, plans to make $16.0 million of current and/or prior year funds available for the Russian-American Observation Satellites (RAMOS) program. The conferees agree to authorize the use of $16.0 million for this purpose. The conferees understand that RAMOS is an important element of U.S.-Russian threat reduction efforts.

Missile defense models and simulations

The conferees are concerned that there appears to be insufficient consistency in modeling and simulation of missile defense systems and architectures. The conferees believe that such consistency is necessary to assure balanced and accurate assessment of missile defense systems. The conferees direct the Directors of BMDO and the Joint Theater Air and Missile Defense Organization to ensure that common standards for missile defense modeling and simulation are developed and adhered to throughout the Department of Defense.

Weapons of mass destruction related technologies

The budget request included $203.5 million for weapons of mass destruction related technologies (PE 62715BR) of the Defense Threat Reduction Agency (DTRA).

The Senate bill would authorize an increase of $5.0 million in PE 62715BR to continue development and testing of Deep Digger.

The House amendment would authorize an increase of $3.0 million in PE 62715BR to continue development of thermionic power conversion technology.

The conferees agree to authorize an increase of $8.0 million for Deep Digger and thermionic power conversion technology.

Complex systems design

The budget request included $10.9 million for special technical support in PE 63704D8Z, but contained no funding for research and development associated with complex systems design.

The Senate bill would authorize an increase of $5.0 million in PE 63704D8Z for complex systems design.

The House amendment would authorize an identical increase.

The conferees agree to authorize an increase of $5.0 million in PE 63704D8Z for complex systems design, and designate it a program of special interest.

The conferees agree that the complex systems design initiative offers the potential for fundamental, revolutionary improvement to the design process that can result in a monumental improvement in weapons system acquisition efficiency. Until now, only discrete portions of systems development have been integrated, but never the entire process, from establishment of requirements to delivery of the system. However, it appears that technology now exists to reach the long-standing goal of a truly integrated interactive, design process.

Joint warfighting program

The budget request included $7.9 million in PE 63727D8Z for joint warfighting program requirements. The budget request also included $41.8 million in PE 63727N for joint warfighting experimentation.

The Senate bill would authorize an increase of $10.0 million in PE 63727D8Z to support additional joint experimentation requirements.

The House amendment would authorize an increase of $8.0 million in PE 63727N for joint experimentation.

The conferees agree to authorize an increase of $31.9 million in PE 63727D8Z for joint experimentation activities. This represents an increase of $10.0 million for joint experimentation activities, and a transfer of $21.8 million in joint experimentation funds from the Navy program element into the Defense-Wide Joint Warfighting program element.

Aging aircraft sustainment technology

The budget request did not include funding for the aging aircraft sustainment technology program.

The Senate bill would authorize the budget request.

The House amendment would authorize an increase of $3.0 million in PE 78011S for the aging aircraft sustainment technology program.

The conferees understand that this program is to be initiated in fiscal year 2001 in the generic logistics research and development technology demonstration program (PE 63712S). The conferees agree to authorize an increase of $3.0 million in PE 78011S in order to begin the aging aircraft sustainment technology program in fiscal year 2000.

Special operations tactical systems development

The budget request included $106.7 million for special operations tactical system development activities.

The Senate bill would authorize an increase of $9.0 million to support production line modifications necessary to install aircraft survivability equipment on CV–22 aircraft during the production process in lieu of existing retrofit plans. The Senate bill would also authorize an increase of $11.6 million in PE 160408BB for a classified activity.

The House amendment would authorize an increase of $21.0 million for the following:

(1) $4.0 million for small craft propulsion systems improvements;

(2) $8.0 million for advanced SEAL delivery systems; and

(3) $9.0 million for CV–22 aircraft survivability equipment production enhancements.

The conferees agree to authorize an increase of $50.7 million in PE 1160404BB. Of this amount, $9.0 million is to support insertion of aircraft survivability equipment on CV–22 aircraft during the production process, $4.0 million is for small craft propulsion system improvements, $11.6 million is for the classified program as identified in the Senate bill, and $26.1 million is for Advanced SEAL delivery system efforts, discussed elsewhere in this report.

ITEMS OF SPECIAL INTEREST

Aeronautical test facilities

The House report accompanying H.R. 1401 (H. Rept. 106–162) expressed the belief that, in order for the United States to retain world leadership in the field of aeronautics, it must optimize the utilization and care of existing aerodynamic and air breathing propulsion test facilities that support the missions of the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the domestic aeronautics industry. The House report stated that the Department and NASA should establish an integrated national strategy for the management of U.S. aerodynamic, aerothermodynamic, and aeropropulsion test facilities, and for investment in the test infrastructure and technology for core national facilities and associated computational facilities, including the maintenance and modernization of key commercial aeronautical test facilities.

The conferees agree with the guidance contained in the House report and the direction to the Secretary of Defense, in coordination with the Director, NASA, to submit a report to the congressional defense committees with the President's fiscal year 2001 budget request that provides the status of the interagency agreement for establishing a National Aeronautical Test Alliance and the plans for implementation of the agreement. The conferees further agree that the Secretary and the Director should place a high priority on developing, in coordination with the U.S. aerospace industry, a national plan for developing and maintaining essential U.S. aeronautical testing capabilities and funding recommendations for support and modernization.

Aerostructures

In recent years, the Department of Defense has pursued significant cost reduction efforts in the development and production of polymer matrix composites (PMC) structures for aerospace applications. The improved performance of these PMC structures in military aircraft applications has driven the manufacturing technology and process programs to continue to look for affordability improvements. The conferees are aware of collaborative efforts between the automotive industry and the aluminum industry, which has significantly improved performance while reducing cost. With aircraft structure representing approximately 25 percent of the cost of an aircraft, the conferees direct the Secretary of Defense to provide a report to the congressional defense committees on potential applications of aluminum aerostructures as a means of reducing production and life-cycle costs of military aviation platforms. This report is to due to the congressional defense committees 180 days after the enactment of this Act.

Bioenvironmental research

The Chief of Naval Operation's Executive Board on Oceanography tasked the Office of Naval Research (ONR) to meet the challenge of understanding the littoral battle sphere by employing new means and methods. As a result of this tasking ONR has placed a significant emphasis on understanding all aspects of the Surf Zone/Very Shallow Water environment.

The Bioenvironmental Hazards Research program (BHRP) of Tulane/Xavier Center for Bioenvironmental Research (CBR) has produced long-range science and technology research projects that provide the fundamental research to advance and improve the environmental intelligence of these specific naval mission requirements. The integrated BHRP on biosensors and biomarkers are focused on both human and ecological exposure within model ecosystems, as found in the littoral regions of the world. The CBR is developing biosensor/biomarker devices that will monitor potential and actual exposure of military personnel in the field to harmful chemical or biological agents.

By employing a variety of innovative biologically based receptors, the biosensors being developed through the BHRP program will detect defense-related hazardous materials, such as heavy metals, organophosphates, and other compounds, including mixed low-level radioactive wastes, which have been identified as carceninogenic, endocrine disrupting, or toxic. These receptors use biological reactions to assess, quantify, and report the presence of environmental contaminants.

The conferees strongly support the work being performed in the BHRP program to enhance the capability of naval forces to conduct amphibious operations in the 21st Century. The conferees recognize the significant body research and scientific advances provided through the BHRP program at CBR. The conferees encourage the Chief of Naval Research to continue to leverage this partnership between CBR, ONR, the Naval Research Laboratory, the Naval Oceanographic Office, and industry to provide the mission requirement tools to meet these critical environmental needs of the fleet.

Genomics-based therapeutics

The Department of Defense (DOD) is responsible for the acute, trauma and battlefield medical treatment of its fighting forces, as well as the routine medical care of its active personnel, their dependents, and the military retired community. The Department also has the task of ensuring that it has the tools available to treat military first response forces and victims of radiation, chemical and biological incidents resulting from use of weapons of mass destruction.

The conferees are aware of the scientific progress in the field of genomics-based therapeutics. Within the last two years, the biopharmaceutical industry has achieved significant advances in converting genomic knowledge into gene and protein-based therapies with the potential to prevent, treat, and cure a variety of acute and traumatic conditions, as well as chronic diseases. These advances have a wide ranging applicability for the many patient populations under the purview of the Department.

With recent congressional focus on DOD's preparedness to deal with the threat posed by weapons of mass destruction, it is essential that the Department investigate the potential of genomics-based therapeutics to prevent and treat damage to the eyes, skin, mucositis, airways, lung and bladder. It is understood that genomics-based therapies may offer new modalities with the potential to mediate immune responses, particularly as vaccine adjuvants and B cell immune stimulants, and to treat malignancies arising from radiation, chemical, or biological exposure. Therefore, the conferees direct the Secretary of Defense to report to the congressional defense committees on potential applications of genomics-based technologies to address defense needs. This report is due to the congressional defense committees 180 days.after the enactment of this Act.

Marine mammal research

The budget request included $361.1 million in PE 61153N for the Navy's defense research sciences program.

The Senate bill would authorize the budget request.

The House amendment would authorize use of $500,000 for continuation of the Navy's cooperative marine mammal research program.

The House recedes.

The conferees note the significant contributions of the marine mammal research program to the Navy's work in undersea research. In the statement of manager's accompanying the the National Defense Authorization Act for Fiscal Year 1998, the conferees directed the Secretary of the Navy to submit a report that would include an assessment of the progress of the research, its technological implications to Navy sonar requirements, and the Navy's plan for the program's future. The conferees cite the program's highlights and accomplishments, including environmental compliance, biological sonar, and biomemetic underwater vehicle design. The conferees further recognize the unique conceptual byproducts of sonar engineering derived from this type of research, as well as the promise of additional anti-submarine warfare and mine countermeasure capabilities. Contributions cited in the report of interest to the conferees included the development of novel sonar engineering concepts, signal processing, buried mine detection, and improved target detection in underwater environments. Finally, the conferees note the Navy's intention, as expressed in the report, to maintain funding for marine mammal programs at approximately $2.0 million annually.

The conferees recognize the importance of continued marine signals and acoustics research, particularly to address the high noise and cluttered conditions known to exist in shallow, littoral areas. The conferees encourage the Secretary of the Navy to continue funding for the cooperative marine mammal research program.

Volumetrically controlled technologies

The conferees are encouraged by the progress made at the U.S. Army Medical Research and Materiel Command (USAMRMC) to develop a three dimensional volumetrically controlled maufactured (VCM) artifical hip. It is understood that the methodology being developed may allow precision control of the intrinsic properties of syntheric materials. As a result of the USAMRMC program, the mathematical foundation for advancing synthetic material development from two-dimensional processes to real-time three dimensional manufacturing may be accomplished. This development has the potential to eliminate the current mode of failure of conventional composite materials, namely delamination and polymer-fiber interface breakdown. Although this project is primarily focused on an artifical hip, VCM's potential applications have ramifications in other manufacturing areas including aerospace. The conferees direct the Secretary of Defense, through the office of the Director for Defense Research and Engineering, to explore the USAMRMC program for potential applications to meet defense needs.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Authorization of Appropriations (secs. 201–202)

The Senate bill contained provisions (secs. 201–202) that would authorize the recommended fiscal year 2000 funding levels for all research, development, test, and evaluation accounts.

The House amendment contained similar provisions.

The conference agreement includes these provisions.

Subtitle B—Program Requirements, Restrictions, and Limitations

Collaborative program to evaluate and demonstrate advanced technologies for advanced capability combat vehicles (sec. 211)

The House amendment contained a provision (sec. 211) that would direct the Secretary of Defense to establish and carry out an evaluation and competitive demonstration of concepts for advanced capability combat vehicles.

The Senate bill contained no similar provision.

The Senate recedes.

The conferees concur on the importance of initiating a future combat vehicle program and direct the Secretary of the Army and the Director of the Defense Advanced Research Projects Agency (DARPA) to enter into a memorandum of agreement that would provide for the following activities:

(1) consideration and evaluation of technologies having the potential to enable the development of advanced capability combat vehicles that are significantly superior to the existing M1 series of tanks in terms of capability for combat, survival, support, and deployment, including but not limited to the following technologies:

(a) weapon systems using electromagnetic power, directed energy, and kinetic energy;

(b) propulsion systems using hybrid electric drive;

(c) mobility systems using active and semi-active suspension and wheeled-vehicle suspension;

(d) protection system using signature management, lightweight materials, and full-spectrum active protection;

(e) advanced robotics, displays, man-machine interfaces and embedded training;

(f) advanced sensory systems and advanced systems for combat identification, tactical navigation, communication, systems status monitoring, and reconnaissance;

(g) revolutionary methods of manufacturing combat vehicles;

(2) incorporation of the most promising such technologies into demonstration models.

(3) competitive testing and evaluation of such demonstration models; and

(4) identification of the most promising such demonstration models within a period of time to enable preparation of a full development program capable of beginning by fiscal year 2007.

The conferees consider this program an item of special interest and direct the Secretary of the Army and the Director of DARPA to submit to the congressional defense committees a joint report on the implementation of the program under subsection (a) of this provision.

The report should contain the following:

(1) description of the memorandum of agreement referred to in subsection (b) of this provision.

(2) schedule for the program;

(3) identification of the funding required for fiscal year 2001 and for the future-years defense program to carry out the program;

(4) description and assessment of the acquisition strategy for combat vehicles planned by the Secretary of the Army that would sustain the existing force of M-1 series tanks, together with a complete identification of all operation, support, ownership, and other costs required to carry out such a strategy through the year 2030; and

(5) description and assessment of one or more acquisition strategies for combat vehicles, alternative to the strategy referred to in paragraph (4), that would develop a force of advanced capability combat vehicles significantly superior to the existing force of M1 series tanks and, for each such alternative acquisition strategy, an estimate of the funding required to carry out such a strategy.

Sense of Congress regarding defense science and technology program (sec. 212)

The House amendment contained a provision (sec. 213) that would express the sense of Congress that the Secretary of Defense has failed to comply with the funding objective for the defense science and technology program, as required by section 214 of the Strom Thurmond National Defense Authorization Act of Fiscal Year 1999. The provision would reiterate the sense of Congress that the Department increase the budget for defense science and technology within each military department for the Future Year Defense Program for that program for the preceding year that is at least two percent above the rate of inflation. The provision would also require the President to certify, if the funding objectives are not met, that the budget does not jeopardize the stability of the technology base or increase the risk of failure to maintain technological superiority in future weapons systems.

The Senate bill did not contain a similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to make the certification and would require the Defense Science Board submit to the Secretary and Congress a report assessing the effects such failure to comply is likely to have on defense science and technology and the national defense.

Micro-satellite technology development program (sec. 213)

The Senate bill contained a provision (sec. 212) that would authorize an increase of $25.0 million for micro-satellite technology development and require the Secretary of Defense to develop a micro-satellite technology development plan.

The House amendment contained no similar provision.

The House recedes with an amendment that would authorize an increase of $10.0 million for micro-satellite technology development. The conferees address the micro-satellite technology development plan elsewhere in this conference report.

Space control technology (sec. 214)

The Senate bill contained a provision (sec. 213) that would authorize an increase of $10.0 million for space control technology development pursuant to the Department of Defense Space Control Technology Plan of 1999 and $41.0 million for Army space control technology development, including the Kinetic Energy Anti-Satellite (KE-ASAT) program and related technologies.

The House amendment would authorize an increase of $10.0 million for the KE-ASAT program.

The House recedes with an amendment that would authorize an increase of $5.0 million for space control technology development pursuant to the Department of Defense Space Control Technology Plan of 1999, and $10.0 million for Army space control technology development, including the KE-ASAT program and related technologies.

Space Maneuver Vehicle program (sec. 215)

The Senate bill contained a provision (sec. 214) that would authorize an increase of $35.0 million for the development and acquisition of an Air Force X-40 flight test article to support the joint Air Force and National Aeronautics and Space Administration X-37 program and to meet the unique needs of the Air Force Space Maneuver Vehicle program.

The House amendment recommended an increase of $5.0 million for military spaceplane development.

The House recedes with an amendment that would authorize an increase of $25.0 million for the development and acquisition of an Air Force X-40 flight test article to support the joint Air Force and National Aeronautics and Space Administration X-37 program and to meet the unique needs of the Air Force Space Maneuver Vehicle program.

Manufacturing technology program (sec. 216)

The Senate bill contained a provision (sec. 215) that would strike the mandatory cost share requirements in the Manufacturing Technology (MANTECH) program in section 2525 in title 10 United States Code and emphasize the program's focus on high risk, defense essential requirements, as well as repair and re-manufacturing solutions in support of depots, air logistics centers, and shipyards.

The House amendment contained a similar provision (sec. 212) that would amend section 2525 of title 10, United States Code, to include as one of the purposes of the defense manufacturing technology program the development of advanced manufacturing technologies and processes that address broad defense-related manufacturing inefficiencies and requirements. The provision would also remove the requirement that the Secretary of Defense establish percentage goals for cost sharing in the program.

The House recedes with an amendment that would establish as the overall purpose of the program the development and application of advanced manufacturing technologies and processes to reduce acquisition and support costs, and manufacturing and repair cycle times for defense weapons systems. The provision would emphasize the program's focus on the development and application of advanced manufacturing technologies and processes that are essential to national defense, including repair and remanufacturing operations, in support of systems commands, depots, air logistics centers, and shipyards. The provision would also require the participation of the prospective users of the technology in the establishment of requirements for, and the periodic review of advanced manufacturing technologies or processes. The provision would require that each manufacturing technology project include an implementation plan for transition of the technology or process to the prospective use. The provision would strike the mandatory cost share requirements in the program and would provide that cost sharing be included as a factor in competitive procedures for evaluating proposals for manufacturing technology projects. The provision would also include an assessment of program effectiveness, cost sharing, and technology and process implementation plans in the annual update of the program's five-year plan.

Revision to limitations on high altitude endurance unmanned vehicle program (sec. 217)

The budget request included $70.8 million in PE 35205F for endurance unmanned aerial vehicles (EUAVs).

The Senate bill would authorize a decrease of $13.2 million, as follows:

(1) a decrease of $7.2 million in Global Hawk because of delays in the testing program; and

(2) a decrease of $6.0 million in Dark Star because of program cancellation.

The House amendment would authorize an increase of $25.0 million for Global Hawk to resume the user evaluation and testing slowed by the loss of an air vehicle and to sustain the industrial base.

The conferees agree to an increase of $25.0 million for Global Hawk for the purposes outlined in the House report accompanying H.R. 1401 (H. Rept. 106–162), offset by a reduction of $6.0 million for Dark Star cancellation. The conferees further agree to authorize the Air Force to procure up to two additional advanced concept technology demonstration air vehicles.

Subtitle C—Ballistic Missile Defense

Space Based Infrared System (SBIRS) Low program (sec. 231)

The House amendment contained a provision (sec. 231) that would establish additional program elements for ballistic missile defense (BMD) programs, including for upper tier theater missile defense, the Space Based Infrared System (SBIRS) Low and SBIRS High.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would: (1) designate BMD as the primary mission of SBIRS Low; (2) provide the Director of Ballistic Missile Defense Organization the authority to approve all system level technical requirements for SBIRS Low, any change to the SBIRS Low baseline schedule, and any change to the SBIRS Low baseline budget; (3) ensure that non-BMD missions receive proper priority to the extent that such missions do not increase technical or schedule risk; (4) transfer the management and budgeting of funds for the SBIRS Low program from the Tactical Intelligence and Related Activities aggregation to a nonintelligence budget activity of the Air Force; and (5) require that the system level technical requirements be defined not later than July 1, 2000.

Although the budget request for the SBIRS Low program included funds in both the SBIRS Low Demonstration and Validation program element (PE63441F) and the SBIRS Low Engineering and Manufacturing Development program element (PE64442F), the Air Force has requested that funds be consolidated in the EMD program element. While the conferees support the proposal to consolidate the SBIRS Low budget into a single program element, since the currently approved baseline schedule for SBIRS Low does not include a milestone II decision until fiscal year 2002, the conferees do not believe that funds should be placed in the EMD program element at this time. Therefore, the conferees agree to authorize the SBIRS Low budget request of $229.0 million in PE 63441F.

Theater missile defense upper tier acquisition strategy (sec. 232)

The Senate bill contained a provision (sec. 221) that would require the Secretary of Defense to establish an acquisition strategy for the Navy Theater Wide system and the Theater High Altitude Area Defense (THAAD) system that:

(1) retains funding for both upper tier systems in separate, independently managed program elements throughout the Future Years Defense Program;

(2) bases funding decisions and program schedules for each upper tier system on the performance of those systems independent of one another; and

(3) seeks to accelerate the deployment of both upper tier systems to the maximum extent practicable.

The House amendment contained no similar provision.

The House recedes.

The conferees do not support the proposed change to the acquisition strategy of the Defense Department for upper tier theater missile defense programs. Under the proposed strategy, a decision would be made by December 2000, to select a lead upper tier system so that funding for the two programs could be concentrated on a lead system. The funding would be consolidated in a single program element in fiscal year 2002. This approach contradicts congressional guidance from previous years and puts the two upper tier systems into an unnecessary competition for the same resources. The conferees note that the statement of managers accompanying the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (H. Rept. 105–736) clearly stated that ". . . the THAAD missile and the Navy Upper Tier missile should not be viewed as competing systems." Though overlapping to a degree, the two upper tier systems serve fundamentally different sets of equally valid requirements and do so with fundamentally different technological approaches. The conferees continue to believe that the United States has valid requirements for both systems, and that both systems should be deployed as soon as practicable.

Acquisition strategy for Theater High Altitude Area Defense (THAAD) system (sec. 233)

The Senate bill contained a provision (sec. 222) that would repeal subsection (a) of section 236 of the Strom Thurmond National Defense Act for Fiscal Year 1999 (Public Law 105–261).

The House amendment contained no similar provision.

The House recedes with an amendment that would amend section 236 of the Strom Thurmond National Defense Act for Fiscal Year 1999 to: (1) require the Secretary of Defense to take appropriate steps to assure continued independent review of the Theater High Altitude Area Defense (THAAD) program; (2) require the Secretary of Defense to proceed with the milestone approval process to allow the THAAD radar and battle management/command, control and communications (BM/C3) system to proceed into the engineering and manufacturing development (EMD) phase of development without regard to the stage of development of the THAAD interceptor missile; and (3) allow the Secretary of Defense, following a second successful THAAD interceptor test, to waive the requirement to have three successful intercept tests before the THAAD missile enters EMD. Nevertheless, the conferees expect the currently approved Demonstration/Validation flight test program to be completed.

Space Based Laser program (sec. 234)

The Senate bill contained a provision (sec. 223) that would establish a structure for the Space Based Laser (SBL) program, including a program baseline for an integrated flight experiment (IFX) and an ongoing activity for developing an objective system design.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note the recommendation contained in the January 18, 1999, report of the SBL Independent Review Team (IRT) that the IFX include "[a] ground facility to provide an end-to-end system checkout before launch—to be operational and completely checked out at least two years before the planned IFX launch date." Since the IRT found the existing facilities to be inadequate for the integrated ground test of the IFX, the conferees direct the Secretary of the Air Force, in coordination with the Director of the Ballistic Missile Defense Organization (BMDO), to begin design of the SBL test facility and agree to authorize $10.0 million for this purpose.

The conferees believe that funds made available for the SBL program in fiscal year 2000 must be focused on development of an IFX baseline and necessary supporting technology. The conferees believe that the schedule laid out by the Air Force for an IFX launch in 2012 is not sufficiently aggressive. The conferees understand that the SBL Joint Venture industry partnership will develop an SBL baseline schedule by March, 2000, and that this schedule will include an earlier launch date, consistent with the requirements of this Act. The conferees will assess the adequacy of this baseline schedule once completed. The conferees believe that the Air Force must minimize the amount of funding utilized for program management and studies that do not directly support development of the IFX to ensure that the maximum amount possible is directed to the SBL Joint Venture's efforts to develop the IFX program baseline and the technology needed to implement that baseline program. The conferees also believe that spending on facility upgrades at the Capistrano high energy laser test facility must be limited to those investments needed to support research and development activities that must occur prior to completion of a new integrated test facility. The conferees direct the Secretary of the Air Force in consultation with the Director of BMDO to develop a plan for transition of SBL research, development, test, and evaluation to the new integrated test facility.

The conferees note that the Air Force has expressed strong support for the development of deployable optics for the SBL system, but has also indicated that such a development may require significant risk reduction activities. The 1999 SBL–IRT report endorsed inclusion of deployable optics on the IFX. Although the conferees take no position on whether deployable optics must be demonstrated on the IFX or will be needed for an operational system, the conferees note that additional investment will be required in the near-term to evaluate deployable optics and retire risk associated with such optics development. The conferees direct the Secretary of the Air Force and the Director of BMDO, in consultation with the SBL Joint Venture, to carefully assess this matter in developing the IFX program baseline.

The conferees note that the Secretary of Defense has yet to submit reports on the SBL program required by the statement of managers accompanying the National Defense Authorization Acts for Fiscal Year 1996 and Fiscal Year 1998. The conferees direct the Secretary to complete the SBL report required by this Act in a timely manner. The SBL reporting requirement contained in this Act supersedes those required in prior years.

Criteria for progression of airborne laser program (sec. 235)

The Senate bill contained a provision (sec. 224) that would establish certain criteria for progression of the airborne laser program through the program definition and risk reduction phase of development and into the engineering and manufacturing development phase of development.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Sense of Congress regarding ballistic missile defense technology funding (sec. 236)

The Senate bill contained a provision (sec. 225) that would express a sense of Congress regarding the adequacy of ballistic missile defense technology funding and that the Secretary of Defense should submit a report on this matter.

The House amendment contained no similar provision.

The House recedes with an amendment that would express the sense of Congress regarding the adequacy of ballistic missile defense technology funding.

Report on national missile defense (sec. 237)

The Senate bill contained a provision (sec. 226) that would require the Secretary of Defense to submit a report to Congress on the advantages or disadvantages of a two-site deployment of a ground-based national missile defense system.

The House amendment contained no similar provision.

The House recedes.

Subtitle D—Research and Development for Long-Term Military Capabilities

Quadrennial report on emerging operational concepts (sec. 241)

The Senate bill contained a provision (sec. 231) that would extend for an additional two years the requirement for the Secretary of Defense to provide an annual report on emerging operational concepts, organizational concepts, and acquisition strategies to address emerging technologies, emerging capabilities, and changes in the international order. The provision would require the Secretary to set forth the military capabilities that are necessary to meet the most significant threats that could be posed to the U.S. national security interests over the next three decades and to identify, in consultation with science and technology experts within the Department, the research and development challenges that must be met and the technological breakthroughs necessary to develop those capabilities.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the report to be submitted on March 1, 2000 and every four years thereafter. The conferees intend that the military capabilities and associated research and development challenges identified by the Secretary will serve as a benchmark for future science and technology investments, as provided in the Joint Warfighting Science and Technology Plan.

Technology area review and assessment (sec. 242)

The Senate bill contained a provision (sec. 232) that would require the Secretary of Defense to provide the congressional defense committees with a summary of each technical area review and assessment in conjunction with the Joint Warfighting Science and Technology Plan submission.

The House amendment contained no similar provision.

The House recedes.

Report by Under Secretary of Defense for Acquisition and Technology (sec. 243)

The Senate bill contained a provision (sec. 233) that would require the Under Secretary of Defense for Acquisition and Technology to report to the congressional defense committees on actions that the Department of Defense will take to ensure appropriate emphasis on revolutionary technology initiatives, sustain a high-quality national research base, ensure the coordinated development of joint technologies, identify and incorporate commercial technologies, effectively and efficiently manage the transition of new technologies into production, and provide appropriate education and training in technology issues to the Department's military leadership.

The House amendment contained no similar provision.

The House recedes.

DARPA program for award of competitive prizes to encourage development of advanced technologies (sec. 244)

The Senate bill contained a provision (sec. 235) that would authorize the Defense Advanced Research Projects Agency (DARPA) to award competitive prizes for the development of advanced technologies for military applications. This program is expected to open the field of participation to a wider range of research and industrial activity in a field.

The House amendment contained no similar provision.

The House recedes with an amendment that would sunset the authority after four years. The conferees direct DARPA to consult with the military services before setting the objectives for which the prizes would be awarded or the criteria for making those awards. The conferees expect DARPA to use the prize authority only in cases where it determines, in consultation with the military services, that it is likely to serve as a significant incentive to develop technologies that are of high value to military end users.

Additional pilot program for revitalizing Department of Defense laboratories (sec. 245)

The Senate bill contained a provision (sec. 236) that would authorize a new pilot program to ensure that the defense laboratories can attract a balanced workforce of permanent and temporary personnel with an appropriate level of skills and experience, and can effectively compete in hiring processes to obtain the finest scientific talent.

The House amendment contained no similar provision.

The House recedes with an amendment that would clarify the objective of the pilot authority to focus on improving the efficiency of research, development, test and evaluation activities.

Subtitle E—Other Matters

Development of Department of Defense laser master plan and execution of solid state laser program (sec. 251)

The House amendment contained a provision (sec. 241) that would require the Secretary of Defense to designate the Secretary of the Army as the Department of Defense executive agent for oversight of research, development, test, and evaluation of specified high energy laser technologies, and that would require that such activities be carried out through the Army Space and Missile Defense Command at the High Energy Laser Systems Test Facility at White Sands Missile Range, New Mexico.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would: (1) require the Secretary of Defense to develop a unified Department of Defense laser master plan; (2) require the Secretary of the Army to initiate a development program for solid state laser technologies; and (3) authorize an increase of $20.0 million to carry out the Army solid state laser technology development program. The conferees note that solid-state lasers, because of their compactness, lower weight, and less volatile power sources, offer great potential for a number of military applications. The conferees also believe that the technology is more mature than is widely understood.

Chemical laser development has progressed rapidly under Air Force supervision. Two ongoing chemical laser efforts, the Airborne Laser and the Space Based Laser programs, are currently funded at almost $500.0 million annually. However, solid-state laser development has lacked focus and the conferees understand that only $20.0 million to $30.0 million is spent annually across all services on these important technologies. The conferees believe that additional investment in solid state laser technologies could prove to have military utility within several years.

Because of the potential value of solid state lasers for land-based military uses, the conferees believe that the Secretary of the Army should pursue a concerted effort to identify viable solid-state laser technologies that have weapons potential, characterize technological obstacles currently inhibiting more rapid maturity, and initiate a solid state laser development program. The conferees further believe that the Secretary of Defense should maximize use of the existing Department of Defense high energy laser facilities and the expertise in solid state lasers at the Lawrence Livermore National Laboratory, and other Department of Energy laboratories, in pursuing this initiative.

Report on Air Force distributed mission training (sec. 252)

The Senate bill contained a provision (sec. 251) that would require the Secretary of the Air Force to submit a report on the implementation status of the distributed mission training program.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Testing of airblast and improvised explosives

The Senate bill contained a provision (sec. 216) that would authorize an increase of $4.0 million in PE 63122D for testing of airblast and improvised explosives.

The House amendment contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of $4.0 million in PE 63122D for airblast and improvised explosives, as noted elsewhere in this conference report.

Use of working capital funds for financing research and development of the military departments

The Senate bill contained a provision (sec. 238) that would require all research, development, test, and evaluation activities and programs of the military departments be financed through the working-capital fund mechanism, effective upon enactment of this Act. The provision would also require the Under Secretary of Defense (Comptroller) to report to the Committees on Armed Services of the Senate and the House of Representatives on the status of implementation on April 1, 2000 and August 1, 2000.

The House amendment contained no similar provision.

The Senate recedes.

The conferees direct the Department of Defense to evaluate the potential for financing research, development, test and evaluation facilities through a working-capital fund financing mechanism and provide a report to the Committees on Armed Services of the Senate and the House of Representatives not later than September 30, 2000. This report shall include a detailed discussion of: the current method of financing research, development, test and evaluation facilities of the military services; a complete transition to working-capital fund financing for these facilities; and a mix of direct appropriations and working-capital fund financing for these facilities. Additional areas for discussion will include actions necessary to ensure a seamless transition to working-capital fund financing, the benefits and additional costs associated with the full cost recovery under working-capital fund financing, and methods to ensure that customer accounts are sufficiently funded to support full cost recovery under working-capital fund financing.

TITLE III—OPERATION AND MAINTENANCE

Overview

The budget request for fiscal year 2000 included an authorization of $102,868.8 million for Operation and Maintenance in the Department of Defense and $362.0 for Working Capital Fund Accounts in fiscal year 2000.

The Senate bill would authorize $104,101.3 million for Operation and Maintenance and $335.0 for Working Capital Fund Accounts.

The House amendment would authorize $105,679.8 million for Operation and Maintenance and $375.0 for Working Capital Fund Accounts.

The conferees recommended an authorization of $104,332.8 million for Operation and Maintenance and $375.0 for Working Capital Fund Accounts for fiscal year 2000. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
TITLE III					
OPERATION & MAINTENANCE & WORKING CAPITAL FUNDS					
Operation and Maintenance, Army	18,660,994	19,476,694	18,340,094	261,500	18,922,494
Operation and Maintenance, Navy	22,238,715	22,785,215	22,182,615	402,800	22,641,515
Operation and Maintenance, Marine Corps	2,558,929	2,777,429	2,612,529	165,600	2,724,529
Operation and Maintenance, Air Force	20,363,203	21,514,958	20,342,403	598,255	20,961,458
Operation and Maintenance, Defense-wide	11,419,233	10,968,614	10,963,033	77,400	11,496,633
Operation and Maintenance, Army Reserve	1,369,213	1,512,513	1,376,813	72,000	1,441,213
Operation and Maintenance, Navy Reserve	917,647	965,847	927,347	20,000	937,647
Operation and Maintenance, Marine Corps Reserve	123,266	137,266	125,766	12,500	135,766
Operation and Maintenance, Air Force Reserve	1,728,437	1,730,937	1,726,837	22,500	1,750,937
Operation and Maintenance, Army National Guard	2,903,549	3,141,049	2,912,249	210,135	3,113,684
Operation and Maintenance, Air National Guard	3,099,618	3,185,918	3,119,518	68,900	3,168,518
Office of the Inspector General	138,744	130,744	138,244	0	138,744
United States Court of Appeals for the Armed Forces	7,621	7,621	7,621	0	7,621
Environmental Restoration, Army	378,170	378,170	378,170	0	378,170
Environmental Restoration, Navy	284,000	284,000	284,000	0	284,000
Environmental Restoration, Air Force	376,800	376,800	376,800	0	376,800
Environmental Restoration, Defense-Wide	25,370	25,370	25,370	0	25,370
Environmental Restoration, Formerly Used Defense Sites	199,214	199,214	239,214	40,000	239,214
Overseas Humanitarian, Disaster, & Civic Aid	55,800	50,000	55,800	0	55,800
Drug Interdiction and Counter-drug Activities, Defense	788,100	811,700	804,465	15,400	803,500
Combating Terrorism	0	0	1,954,430	0	0
Defense Health Program	10,477,687	10,496,687	10,453,487	5,000	10,482,687
Former Soviet Union Threat Reduction	475,500	444,100	475,500	0	475,500
Payment to Kaho' Olawe Island Fund	15,000	15,000	15,000	0	15,000

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Overseas Contingency Operation Transfer Fund	2,387,600	2,387,600	2,387,600	(508,000)	1,879,600
QOL Enhancements	1,845,370	1,845,370	1,845,370	0	1,845,370
Defense Transfer Program	31,000	31,000	31,000	0	31,000
Overseas Military Facility Investment					0
Miscellaneous Special Funds					0
Defense Burdensharing-Allies/Nato					0
Subtotal Operation and Maintenance	102,868,780	105,679,816	104,101,275	1,463,990	104,332,770
REVOLVING FUNDS					
Defense Working Capital Fund (Air Force)	28,344	28,344	28,344	0	28,344
Army Working Capital Fund	62,000	62,000	62,000	0	62,000
National Defense Sealift Fund	354,700	434,700	394,700	80,000	434,700
Defense Reutilization and Marketing Service	67,000	0	0	(67,000)	0
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)	(150,000)	(150,000)	(150,000)	0	(150,000)
National Defense Stockpile Transaction Fund (Excess of Routine Sales)					
Subtotal Working Capital Funds	362,044	375,044	335,044	13,000	375,044
Total Operation and Maintenance & Working Capital Funds	103,230,824	106,054,860	104,436,319	1,476,990	104,707,814

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	OPERATION AND MAINTENANCE, ARMY					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	LAND FORCES	3,240,245	3,282,345	3,240,245	73,100	3,313,345
10	DIVISIONS	1,151,351	1,151,351	1,151,351	0	1,182,351
	Soldier Support--Extended Cold Weather Clothing				19,000	
	Military Gator				8,000	
	Soldier Support--Field Kitchen Burn Units (MBU)				4,000	
20	CORPS COMBAT FORCES	342,122	342,122	342,122	0	342,122
30	CORPS SUPPORT FORCES	341,220	341,220	341,220	0	341,220
40	ECHELON ABOVE CORPS FORCES	476,924	476,924	476,924	0	476,924
50	LAND FORCES OPERATIONS SUPPORT	928,628	970,728	928,628	0	970,728
	NTC Prepo Fleet Mainitenance		[28,000]		28,000	
	JRTC Prepo Fleet Maintenance		[2,000]		2,000	
	FORSCOM Deployments to NTC		[4,000]		4,000	
	CMTC Mission Support		[4,000]		4,000	
	Korea Training Area		[4,100]		4,100	
	LAND FORCES READINESS	2,201,441	2,299,441	2,201,441	35,600	2,237,041
60	FORCE READINESS OPERATIONS SUPPORT	1,090,532	1,090,532	1,090,532	0	1,090,532
70	LAND FORCES SYSTEMS READINESS	465,195	465,195	465,195	0	465,195
80	LAND FORCES DEPOT MAINTENANCE	645,714	743,714	645,714	35,600	681,314
	Maintenance Automatic Identification Technology		[2,000]			
	Ammuntion Automatic Identification Technology		[9,000]			
	LAND FORCES READINESS SUPPORT	3,432,655	3,432,655	3,432,655	0	3,432,655
90	BASE SUPPORT	2,658,717	2,658,717	2,658,717	0	2,658,717
100	MAINTENANCE OF REAL PROPERTY	490,964	490,964	490,964	0	490,964
110	MANAGEMENT AND OPERATIONAL HEADQUARTERS	126,563	126,563	126,563	0	126,563
120	UNIFIED COMMANDS	78,490	78,490	78,490	0	78,490

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request	House	Senate	Conference	
		FY 00	Authorized	Authorized	Change	Agreement
130	MISCELLANEOUS ACTIVITIES	77,921	77,921	77,921	0	77,921
	TOTAL, BUDGET ACTIVITY 1:	**8,874,341**	**9,014,441**	**8,874,341**	**108,700**	**8,983,041**
	BUDGET ACTIVITY 2: MOBILIZATION					
	MOBILITY OPERATIONS	560,041	560,041	560,041	0	560,041
140	STRATEGIC MOBILIZATION	326,228	326,228	326,228	0	326,228
150	ARMY PREPOSITIONED STOCKS	134,797	134,797	134,797	0	134,797
160	INDUSTRIAL PREPAREDNESS	69,947	69,947	69,947	0	69,947
170	MAINTENANCE OF REAL PROPERTY	29,069	29,069	29,069	0	29,069
	TOTAL, BUDGET ACTIVITY 2:	**560,041**	**560,041**	**560,041**	**0**	**560,041**
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	328,716	351,016	328,716	0	328,716
180	OFFICER ACQUISITION	65,423	65,423	65,423	0	65,423
190	RECRUIT TRAINING	14,160	14,160	14,160	0	14,160
200	ONE STATION UNIT TRAINING	13,924	13,924	13,924	0	13,924
210	RESERVE OFFICER TRAINING CORPS (ROTC)	134,842	157,142	134,842	0	134,842
	ROTC Marketing and Advertising		[5,000]			
	ROTC Scholarships		[15,000]			
	ROTC Operations and Training		[1,800]			
220	BASE SUPPORT (ACADEMY ONLY)	73,009	73,009	73,009	0	73,009
230	MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	27,358	27,358	27,358	0	27,358
	BASIC SKILL/ ADVANCE TRAINING	2,095,535	2,200,535	2,095,535	0	2,095,535
240	SPECIALIZED SKILL TRAINING	230,145	230,145	230,145	0	230,145
250	FLIGHT TRAINING	269,609	269,609	269,609	0	269,609
260	PROFESSIONAL DEVELOPMENT EDUCATION	87,429	87,429	87,429	0	87,429
270	TRAINING SUPPORT	466,975	466,975	466,975	0	466,975
280	BASE SUPPORT (OTHER TRAINING)	865,351	865,351	865,351	0	865,351
290	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	176,026	176,026	176,026	0	176,026

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference	
					Change	Agreement
	DMOSQ/LOR DEVELOPMENT		35,000			
	INSTITUTIONAL TRAINING		70,000			
	RECRUITING/OTHER TRAINING	747,591	781,491	766,591	36,500	784,091
300	RECRUITING AND ADVERTISING	255,417	271,817	255,417	15,000	270,417
310	EXAMINING	77,464	77,464	77,464	0	77,464
320	OFF-DUTY AND VOLUNTARY EDUCATION	87,660	87,660	87,660	0	87,660
330	CIVILIAN EDUCATION AND TRAINING	65,375	65,375	65,375	0	65,375
340	JUNIOR ROTC	74,282	76,282	93,282	11,000	85,282
350	BASE SUPPORT (RECRUITING LEASES)	187,393	202,893	187,393	10,500	197,893
	TOTAL, BUDGET ACTIVITY 3:	**3,171,842**	**3,333,042**	**3,190,842**	**36,500**	**3,208,342**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SECURITY PROGRAMS	**426,729**	**426,729**	**426,729**	**0**	**426,729**
360	SECURITY PROGRAMS	426,729	426,729	426,729	0	426,729
	LOGISTICS OPERATIONS	1,648,439	1,648,439	1,648,439	0	1,648,439
370	SERVICEWIDE TRANSPORTATION	546,861	546,861	546,861	0	546,861
380	CENTRAL SUPPLY ACTIVITIES	419,672	419,672	419,672	0	419,672
390	LOGISTIC SUPPORT ACTIVITIES	321,696	321,696	321,696	0	321,696
400	AMMUNITION MANAGEMENT	360,210	360,210	360,210	0	360,210
	SERVICEWIDE SUPPORT	3,705,831	3,685,431	3,705,831	-20,000	3,685,831
410	ADMINISTRATION	320,944	320,944	320,944	0	320,944
420	SERVICEWIDE COMMUNICATIONS	662,827	662,827	662,827	0	642,827
	Underexecution				-20,000	
430	MANPOWER MANAGEMENT	154,769	154,769	154,769	0	154,769
440	OTHER PERSONNEL SUPPORT	147,606	147,606	147,606	0	147,606
450	OTHER SERVICE SUPPORT	674,400	654,000	674,400	0	674,400
460	ARMY CLAIMS ACTIVITIES	116,617	116,617	116,617	0	116,617

Title III - Operations and Maintenance
(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
470	REAL ESTATE MANAGEMENT	71,312	71,312	71,312	0	71,312
480	BASE SUPPORT	1,106,387	1,106,387	1,106,387	0	1,106,387
490	COMMISSARY OPERATIONS	346,154	346,154	346,154	0	346,154
500	MAINTENANCE OF REAL PROPERTY	104,815	104,815	104,815	0	104,815
	SUPPORT OF OTHER NATIONS	273,771	258,071	273,771	0	273,771
510	INTERNATIONAL MILITARY HEADQUARTERS	224,685	224,685	224,685	0	224,685
520	MISC. SUPPORT OF OTHER NATIONS	49,086	33,386	49,086	0	49,086
	TOTAL, BUDGET ACTIVITY 4:	6,054,770	6,018,670	6,054,770	-20,000	6,034,770
	UNDISTRIBUTED					
	BASE OPERATIONS		264,000	205,000	154,600	
	REAL PROPERTY MAINTENANCE		253,000	151,000	182,600	
	CONTRACT AND ADVISORY SERVICES		-10,000	-20,000	-10,000	
	CIVILIAN UNDER-EXECUTION		-5,000	-45,100	-8,900	
	FOREIGN CURRENCY FLUCTUATION			-138,000	-138,000	
	TRANSFER TO COMBATING TERRORISM			-497,800		
	SMART CARD			5,000		
	MANAGEMENT HEADQUARTERS		-55,000		-44,000	
	CLASSIFIED PROGRAMS (UNDISTIBUTED)		6,500			
	EXTENDED COLD WEATHER CLOTHING SYSTEM		19,000			
	ULTRA-LIGHTWEIGHT CAMOFLAGE NET SYSTEM		30,000			
	INFORMATION OPERATIONS		18,000			
	TRAINING AREA ENVIRONMENTAL MANAGEMENT		32,000			
	FIELD KITCHEN MODERN BURNER UNITS (MBU)		8,000			
	REDUCTION IN JCS EXERCISES		-10,000			
	TOTAL, UNDISTRIBUTED		550,500	-339,900	136,300	136,300
	TOTAL, OPERATION AND MAINTENANCE, ARMY	18,660,994	19,476,694	18,340,094	261,500	18,922,494

OPERATION AND MAINTENANCE, NAVY

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference	
					Change	Agreement
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	3,833,829	3,937,829	3,833,829	95,100	3,928,929
10	MISSION AND OTHER FLIGHT OPERATIONS	2,232,508	2,234,508	2,232,508	0	2,234,508
	UAV Flight Hours		[2,000]		2,000	
20	FLEET AIR TRAINING	693,133	745,133	693,133	0	745,133
	Aircraft Spares		[50,000]		50,000	
	Naval Air Strike Airwarfare Center		[2,000]		2,000	
30	INTERMEDIATE MAINTENANCE	48,792	48,792	48,792	0	48,792
40	AIR OPERATIONS AND SAFETY SUPPORT	91,823	91,823	91,823	0	91,823
50	AIRCRAFT DEPOT MAINTENANCE	746,924	796,924	746,924	41,100	788,024
60	AIRCRAFT DEPOT OPERATIONS SUPPORT	20,649	20,649	20,649	0	20,649
70	BASE SUPPORT	0	0	0	0	0
80	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	SHIP OPERATIONS	6,284,135	6,311,135	6,284,135	25,000	6,309,135
90	MISSION AND OTHER SHIP OPERATIONS	1,859,279	1,859,279	1,859,279	0	1,859,279
100	SHIP OPERATIONAL SUPPORT AND TRAINING	536,641	538,641	536,641	0	536,641
	PCMS support		[2,000]			
110	INTERMEDIATE MAINTENANCE	379,253	379,253	379,253	0	379,253
120	SHIP DEPOT MAINTENANCE	2,365,144	2,390,144	2,365,144	25,000	2,390,144
130	SHIP DEPOT OPERATIONS SUPPORT	1,143,818	1,143,818	1,143,818	0	1,143,818
140	BASE SUPPORT	0	0	0	0	0
150	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	COMBAT OPERATIONS/SUPPORT	1,439,555	1,452,055	1,439,555	14,000	1,453,555
160	COMBAT COMMUNICATIONS	253,524	253,524	253,524	0	253,524
170	ELECTRONIC WARFARE	7,600	7,600	7,600	0	7,600
180	SPACE SYSTEMS AND SURVEILLANCE	156,329	156,329	156,329	0	156,329
190	WARFARE TACTICS	121,645	121,645	121,645	0	126,645
	Joint Warfare Analysis Center				5,000	

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
200	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	244,484	251,984	244,484	7,000	254,484
	UNOLS				3,000	
210	COMBAT SUPPORT FORCES	486,993	486,993	486,993	-1,000	485,993
220	EQUIPMENT MAINTENANCE	168,216	168,216	168,216	0	168,216
230	DEPOT OPERATIONS SUPPORT	764	764	764	0	764
240	BASE SUPPORT	0	0	0	0	0
250	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	JOINT WARFARE ANALYSIS CENTER		5,000			
	WEAPONS SUPPORT	1,381,477	1,389,977	1,381,477	0	1,381,477
260	CRUISE MISSILE	146,555	146,555	146,555	0	146,555
270	FLEET BALLISTIC MISSILE	812,619	812,619	812,619	0	812,619
280	IN-SERVICE WEAPONS SYSTEMS SUPPORT	47,113	49,613	47,113	0	47,113
	Dual-Net Multi-Frequency Link 11 support		[500]			
	Area Air Defense Commander system support		[2,000]			
290	WEAPONS MAINTENANCE	375,190	381,190	375,190	0	375,190
	NULKA support		[3,000]			
	CEC land based test sites support		[3,000]			
300	BASE SUPPORT	0	0	0	0	0
310	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	WORKING CAPITAL FUND SUPPORT	40,643	40,643	40,643	0	40,643
320	NWCF SUPPORT	40,643	40,643	40,643	0	40,643
	BASE SUPPORT	2,572,570	2,572,570	2,572,570	0	2,572,570
330	REAL PROPERTY MAINTENANCE	391,856	391,856	391,856	0	391,856
340	BASE SUPPORT	2,180,714	2,180,714	2,180,714	0	2,180,714
	TOTAL, BUDGET ACTIVITY 1:	**15,552,209**	**15,704,209**	**15,552,209**	**134,100**	**15,686,309**
	BUDGET ACTIVITY 2: MOBILIZATION					

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	READY RESERVE AND PREPOSITIONING FORCES	434,624	434,624	434,624	0	434,624
350	SHIP PREPOSITIONING AND SURGE	434,624	434,624	434,624	0	434,624
	ACTIVATIONS/INACTIVATIONS	284,195	284,195	284,195	0	284,195
360	AIRCRAFT ACTIVATIONS/INACTIVATIONS	2,966	2,966	2,966	0	2,966
370	SHIP ACTIVATIONS/INACTIVATIONS	281,229	281,229	281,229	0	281,229
	MOBILIZATION PREPAREDNESS	43,082	43,082	43,082	0	43,082
380	FLEET HOSPITAL PROGRAM	23,018	23,018	23,018	0	23,018
390	INDUSTRIAL READINESS	1,089	1,089	1,089	0	1,089
400	COAST GUARD SUPPORT	18,975	18,975	18,975	0	18,975
	TOTAL, BUDGET ACTIVITY 2:	761,901	761,901	761,901	0	761,901
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	151,247	151,247	151,247	0	151,247
410	OFFICER ACQUISITION	79,873	79,873	79,873	0	79,873
420	RECRUIT TRAINING	5,096	5,096	5,096	0	5,096
430	RESERVE OFFICERS TRAINING CORPS (ROTC)	66,278	66,278	66,278	0	66,278
440	BASE SUPPORT	0	0	0	0	0
450	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	BASIC SKILLS AND ADVANCED TRAINING	869,637	869,637	869,637	0	869,637
460	SPECIALIZED SKILL TRAINING	251,459	251,459	251,459	0	251,459
470	FLIGHT TRAINING	320,486	320,486	320,486	0	320,486
480	PROFESSIONAL DEVELOPMENT EDUCATION	85,374	85,374	85,374	0	85,374
490	TRAINING SUPPORT	212,318	212,318	212,318	0	212,318
500	BASE SUPPORT	0	0	0	0	0
510	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	RECRUITING, AND OTHER TRAINING AND EDUCATION	337,141	337,141	345,141	3,500	340,641

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
520	RECRUITING AND ADVERTISING	187,852	187,852	187,852	0	187,852
530	OFF-DUTY AND VOLUNTARY EDUCATION	79,609	79,609	79,609	0	79,609
540	CIVILIAN EDUCATION AND TRAINING	46,632	46,632	46,632	0	46,632
550	JUNIOR ROTC	23,048	23,048	31,048	3,500	26,548
560	BASE SUPPORT	0	0	0	0	0
570	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	BASE SUPPORT	364,501	364,501	364,501	0	364,501
580	REAL PROPERTY MAINTENANCE	47,303	47,303	47,303	0	47,303
590	BASE SUPPORT	317,198	317,198	317,198	0	317,198
	TOTAL, BUDGET ACTIVITY 3:	1,722,526	1,722,526	1,730,526	3,500	1,726,026
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE SUPPORT	1,709,801	1,719,501	1,709,801	-13,300	1,696,501
600	ADMINISTRATION	648,209	648,209	648,209	-9,300	638,909
610	EXTERNAL RELATIONS	16,765	16,765	16,765	0	16,765
620	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	120,677	120,677	120,677	0	120,677
630	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	88,319	88,319	88,319	0	88,319
640	OTHER PERSONNEL SUPPORT	203,096	203,096	203,096	0	203,096
650	SERVICEWIDE COMMUNICATIONS	369,665	369,665	369,665	-4,000	365,665
660	BASE SUPPORT	0	0	0	0	0
670	MEDICAL ACTIVITIES	0	0	0	0	0
680	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
690	COMMISSARY OPERATIONS	263,070	263,070	263,070	0	263,070
	PAPERLESS ACQUISITION		4,700			
	NAVY ENVIRONMENTAL LEADERSHIP PROGRAM		5,000			
	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	1,611,719	1,613,719	1,611,719	2,000	1,613,719
700	SERVICEWIDE TRANSPORTATION	161,738	161,738	161,738	0	161,738
710	ENVIRONMENTAL PROGRAMS	0	0	0	0	0

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
710	PLANNING, ENGINEERING AND DESIGN	329,808	329,808	329,808	0	329,808
720	ACQUISITION AND PROGRAM MANAGEMENT	681,715	681,715	681,715	0	681,715
730	AIR SYSTEMS SUPPORT	271,426	271,426	271,426	0	271,426
740	HULL, MECHANICAL AND ELECTRICAL SUPPORT	50,073	50,073	50,073	0	50,073
750	COMBAT/WEAPONS SYSTEMS	46,671	48,671	46,671	0	48,671
	Integrated Combat Systems Test Facility Support		[2,000]		2,000	
760	SPACE AND ELECTRONIC WARFARE SYSTEMS	70,288	70,288	70,288	0	70,288
770	BASE SUPPORT	0	0	0	0	0
780	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	SECURITY PROGRAMS	584,390	596,390	584,390	0	584,390
790	SECURITY PROGRAMS	584,390	584,390	584,390	0	584,390
800	BASE SUPPORT	0	0	0	0	0
810	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	ASHORE FORCE PROTECTION		12,000			
	SUPPORT OF OTHER NATIONS	8,431	8,431	8,431	0	8,431
820	INTERNATIONAL HEADQUARTERS AND AGENCIES	8,431	8,431	8,431	0	8,431
	BASE SUPPORT	287,738	287,738	287,738	0	287,738
830	REAL PROPERTY MAINTENANCE	101,868	101,868	101,868	0	101,868
840	BASE SUPPORT	185,870	185,870	185,870	0	185,870
	JUDGEMENT FUND	0	0	0	0	0
	TOTAL, BUDGET ACTIVITY 4:	4,202,079	4,225,779	4,202,079	-11,300	4,190,779
	UNDISTRIBUTED					
	SPARES			28,000	0	
	BASE OPERATIONS			95,000	91,200	
	REAL PROPERTY MAINTENANCE		395,500	170,000	285,200	
	FORCE PROTECTION ASHORE			12,000	12,000	

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	CIVILIAN UNDER-EXECUTION		-20,000	-74,400	-68,300	
	TRANSFER TO COUNTER TERRORISM FUND			-284,100		
	FOREIGN CURRENCY FLUCUATION			-10,600	-10,600	
	CLASSIFIED PROGRAMS (UNDISTIBUTED)		4,500			
	GCCS COMPUTER SYSTEMS		-9,200			
	MANAGEMENT HEADQUARTERS		-35,000		-28,000	
	REDUCTION IN JCS EXERCISES		-2,000			
	CONTRACT AND ADVISORY SERVICES		-10,000		-10,000	
	MARINE AVIATION PROGRAM RELATED LOGISTICS		35,000			
	MARINE AVIATION PROGRAM RELATED ENGINEERING		12,000			
	NAVY ENVIRONMENTAL LEADERSHIP PROGRAM				5,000	
	TOTAL, UNDISTRIBUTED		**370,800**	**-64,100**	**276,500**	**276,500**
	TOTAL, OPERATION AND MAINTENANCE, NAVY	22,238,715	22,785,215	22,182,615	402,800	22,641,515
	OPERATION AND MAINTENANCE, MARINE CORPS					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	EXPEDITIONARY FORCES	1,666,173	1,868,873	1,666,173	75,600	1,741,773
10	OPERATIONAL FORCES	378,762	378,762	378,762	0	424,462
	Initial issue				20,000	
	Rotational Training - MCAGCC Improvements				25,700	
20	FIELD LOGISTICS	231,138	231,138	231,138	0	244,938
	Corrosion Control				13,800	
30	DEPOT MAINTENANCE	96,685	116,685	96,685	20,000	112,785
	M88A1 Maintenance				-3,900	
40	BASE SUPPORT	712,187	712,187	712,187	0	712,187
50	MAINTENANCE OF REAL PROPERTY	247,401	333,401	247,401	0	247,401
	MAINTENANCE OF AGING EQUIPMENT		37,200			
	CORROSION CONTROL COATING		13,800			
	INITIAL ISSUE		20,000			
	MCAGCC IMPROVEMENTS		25,700			

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	USMC PREPOSITIONING	85,619	85,619	85,619	0	85,619
60	MARITIME PREPOSITIONING	81,849	81,849	81,849	0	81,849
70	NORWAY PREPOSITIONING	3,770	3,770	3,770	0	3,770
	TOTAL, BUDGET ACTIVITY 1:	1,751,792	1,954,492	1,751,792	75,600	1,827,392
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	84,101	84,101	84,101	0	84,101
80	RECRUIT TRAINING	9,917	9,917	9,917	0	9,917
90	OFFICER ACQUISITION	294	294	294	0	294
100	BASE SUPPORT	55,333	55,333	55,333	0	55,333
110	MAINTENANCE OF REAL PROPERTY	18,557	18,557	18,557	0	18,557
	BASIC SKILLS AND ADVANCED TRAINING	206,454	206,454	206,454	0	206,454
120	SPECIALIZED SKILLS TRAINING	31,443	31,443	31,443	0	31,443
130	FLIGHT TRAINING	162	162	162	0	162
140	PROFESSIONAL DEVELOPMENT EDUCATION	8,575	8,575	8,575	0	8,575
150	TRAINING SUPPORT	84,800	84,800	84,800	0	84,800
160	BASE SUPPORT	57,212	57,212	57,212	0	57,212
170	MAINTENANCE OF REAL PROPERTY	24,262	24,262	24,262	0	24,262
	RECRUITING AND OTHER TRAINING EDUCATION	125,817	144,017	129,817	10,000	135,817
180	RECRUITING AND ADVERTISING	90,953	99,053	90,953	5,000	95,953
190	OFF-DUTY AND VOLUNTARY EDUCATION	14,879	17,879	14,879	0	17,879
	Off-Duty and Voluntary Education		[3,000]		3,000	
200	JUNIOR ROTC	9,506	11,506	13,506	2,000	11,506
210	BASE SUPPORT	8,032	9,032	8,032	0	8,032
220	MAINTENANCE OF REAL PROPERTY	2,447	2,447	2,447	0	2,447
	MARINE SECURITY GUARD INCREASED USE		4,100			
	TOTAL, BUDGET ACTIVITY 3:	416,372	434,572	420,372	10,000	426,372

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE SUPPORT	390,765	390,765	390,765	0	390,765
230	SPECIAL SUPPORT	229,433	229,433	229,433	0	229,433
240	SERVICEWIDE TRANSPORTATION	28,632	28,632	28,632	0	28,632
250	ADMINISTRATION	25,241	25,241	25,241	0	25,241
260	BASE SUPPORT	14,569	14,569	14,569	0	14,569
270	MAINTENANCE OF REAL PROPERTY	2,056	2,056	2,056	0	2,056
280	COMMISSARY OPERATIONS	90,834	90,834	90,834	0	90,834
	TOTAL, BUDGET ACTIVITY 4:	**390,765**	**390,765**	**390,765**	**0**	**390,765**
	UNDISTRIBUTED					
	INITIAL ISSUE			10,000		
	REAL PROPERTY MAINTENANCE			82,000	80,000	
	DEPOT MAINTNENANCE			8,500		
	TRANSFER TO COUNTER TERRORISM FUND			-53,900		
	DISTANCE LEARNING			3,000		
	REDUCTION IN JCS EXERCISES		-2,400			
	TOTAL, UNDISTRIBUTED		**-2,400**	**49,600**	**80,000**	**80,000**
	TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	**2,558,929**	**2,777,429**	**2,612,529**	**165,600**	**2,724,529**
	OPERATION AND MAINTENANCE, AIR FORCE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	7,973,436	8,297,936	7,973,436	71,300	8,044,736
10	PRIMARY COMBAT FORCES	2,401,247	2,401,247	2,401,247	0	2,401,247
20	PRIMARY COMBAT WEAPONS	264,665	264,665	264,665	0	264,665
30	COMBAT ENHANCEMENT FORCES	204,091	204,091	204,091	0	204,091
40	AIR OPERATIONS TRAINING	657,352	699,652	657,352	0	699,652
	Funding for Air Warfare Center Range Support		[6,100]		6,100	
	Funding for Air Warfare Center Fiber Link		[4,600]		4,600	

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	Utah Test and Training Range Support		[11,700]		11,700	
	AETC Mission Essential Equipment		[14,000]		14,000	
	AETC Range Improvements		[5,900]		5,900	
50	DEPOT MAINTENANCE	1,096,870	1,183,870	1,096,870	31,000	1,127,870
60	COMBAT COMMUNICATIONS	936,390	936,390	936,390	0	934,390
	Communications, other contracts				-2,000	
70	BASE SUPPORT	1,835,256	1,835,256	1,835,256	0	1,835,256
80	MAINTENANCE OF REAL PROPERTY	577,565	577,565	577,565	0	577,565
	AIRCRAFT SPARES		195,200			
	COMBAT RELATED OPERATIONS	1,462,451	1,462,451	1,462,451	0	1,462,451
90	GLOBAL C3I AND EARLY WARNING	665,827	665,827	665,827	0	665,827
100	NAVIGATION/WEATHER SUPPORT	136,485	136,485	136,485	0	136,485
110	OTHER COMBAT OPS SUPPORT PROGRAMS	247,715	247,715	247,715	0	247,715
120	JCS EXERCISES	34,588	34,588	34,588	0	34,588
130	MANAGEMENT/OPERATIONAL HEADQUARTERS	123,289	123,289	123,289	0	123,289
140	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	254,547	254,547	254,547	0	254,547
	SPACE OPERATIONS	1,114,163	1,121,463	1,114,163	0	1,114,163
150	LAUNCH FACILITIES	218,743	226,043	218,743	0	218,743
160	LAUNCH VEHICLES	112,504	112,504	112,504	0	112,504
170	SPACE CONTROL SYSTEMS	259,203	259,203	259,203	0	259,203
180	SATELLITE SYSTEMS	52,753	52,753	52,753	0	52,753
190	OTHER SPACE OPERATIONS	90,461	90,461	90,461	0	90,461
200	BASE SUPPORT	324,539	324,539	324,539	0	324,539
210	MAINTENANCE OF REAL PROPERTY	55,960	55,960	55,960	0	55,960
	TOTAL, BUDGET ACTIVITY 1:	10,550,050	10.881,850	10,550,050	71,300	10,621,350
	BUDGET ACTIVITY 2: MOBILIZATION					
	MOBILITY OPERATIONS	2,685,559	2,685,559	2,685,559	0	2,685,559

Title III - Operations and Maintenance
(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
220	AIRLIFT OPERATIONS	1,359,999	1,359,999	1,359,999	0	1,359,999
230	AIRLIFT OPERATIONS C3I	30,401	30,401	30,401	0	30,401
240	MOBILIZATION PREPAREDNESS	142,983	142,983	142,983	0	142,983
250	DEPOT MAINTENANCE	312,062	312,062	312,062	0	312,062
260	PAYMENTS TO TRANSPORTATION BUSINESS AREA	312,237	312,237	312,237	0	312,237
270	BASE SUPPORT	455,730	455,730	455,730	0	455,730
280	MAINTENANCE OF REAL PROPERTY	72,147	72,147	72,147	0	72,147
	TOTAL, BUDGET ACTIVITY 2:	**2,685,559**	**2,685,559**	**2,685,559**	**0**	**2,685,559**
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	205,955	205,955	205,955	0	205,955
290	OFFICER ACQUISITION	60,067	60,067	60,067	0	60,067
300	RECRUIT TRAINING	4,494	4,494	4,494	0	4,494
310	RESERVE OFFICER TRAINING CORPS (ROTC)	58,012	58,012	58,012	0	58,012
320	BASE SUPPORT (ACADEMIES ONLY)	20,263	20,263	20,263	0	20,263
330	MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	63,119	63,119	63,119	0	63,119
	BASIC SKILLS AND ADVANCED TRAINING	1,370,593	1,370,593	1,370,593	0	1,370,593
340	SPECIALIZED SKILL TRAINING	240,449	240,449	240,449	0	240,449
350	FLIGHT TRAINING	471,526	471,526	471,526	0	471,526
360	PROFESSIONAL DEVELOPMENT EDUCATION	98,868	98,868	98,868	0	98,868
370	TRAINING SUPPORT	69,964	69,964	69,964	0	69,964
380	DEPOT MAINTENANCE	14,532	14,532	14,532	0	14,532
390	BASE SUPPORT (OTHER TRAINING)	411,644	411,644	411,644	0	411,644
400	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	63,610	63,610	63,610	0	63,610
	RECRUITING, AND OTHER TRAINING AND EDUCATION	291,695	310,695	299,695	15,000	306,695
410	RECRUITING AND ADVERTISING	102,502	102,502	102,502	0	102,502
420	EXAMINING	3,036	3,036	3,036	0	3,036
430	OFF DUTY AND VOLUNTARY EDUCATION	87,587	87,587	87,587	0	87,587

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
440	CIVILIAN EDUCATION AND TRAINING	72,475	72,475	72,475	0	72,475
450	JUNIOR ROTC	26,095	45,095	34,095	15,000	41,095
	TOTAL, BUDGET ACTIVITY 3:	**1,868,243**	**1,887,243**	**1,876,243**	**15,000**	**1,883,243**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	LOGISTICS OPERATIONS	**2,773,424**	**2,773,424**	**2,773,424**	**0**	**2,773,424**
460	LOGISTICS OPERATIONS	744,819	744,819	744,819	0	744,819
470	TECHNICAL SUPPORT ACTIVITIES	398,063	398,063	398,063	0	398,063
480	SERVICEWIDE TRANSPORTATION	217,401	217,401	217,401	0	217,401
490	DEPOT MAINTENANCE	58,334	58,334	58,334	0	58,334
500	BASE SUPPORT	1,109,593	1,109,593	1,109,593	0	1,109,593
510	MAINTENANCE OF REAL PROPERTY	245,214	245,214	245,214	0	245,214
	SERVICEWIDE ACTIVITIES	**1,874,910**	**1,863,710**	**1,874,910**	**3,500**	**1,878,410**
520	ADMINISTRATION	150,381	150,381	150,381	0	150,381
530	SERVICEWIDE COMMUNICATIONS	346,821	346,821	346,821	-4,000	342,821
540	PERSONNEL PROGRAMS	130,710	119,310	130,710	0	130,710
550	RESCUE AND RECOVERY SERVICES	60,228	60,228	60,228	0	60,228
560	ARMS CONTROL	35,477	35,477	35,477	0	35,477
570	OTHER SERVICEWIDE ACTIVITIES	619,830	612,530	619,830	0	619,830
580	OTHER PERSONNEL SUPPORT	31,812	31,812	31,812	0	31,812
590	CIVIL AIR PATROL CORPORATION	13,970	21,470	13,970	7,500	21,470
600	COMMISSARY OPERATIONS	309,061	309,061	309,061	0	309,061
610	BASE SUPPORT	158,343	158,343	158,343	0	158,343
620	MAINTENANCE OF REAL PROPERTY	18,277	18,277	18,277	0	18,277
	SECURITY PROGRAMS	**596,798**	**596,798**	**596,798**	**0**	**596,798**
630	SECURITY PROGRAMS	596,798	596,798	596,798	0	596,798
	SUPPORT TO OTHER NATIONS	**14,219**	**14,219**	**14,219**	**0**	**14,219**

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
640	INTERNATIONAL SUPPORT	14,219	14,219	14,219	0	14,219
	TOTAL, BUDGET ACTIVITY 4:	**5,259,351**	**5,248,151**	**5,259,351**	**3,500**	**5,262,851**
	UNDISTRIBUTED					
	FORCE PROTECTION INFRASTRUCTURE			5,000	5,000	
	REAL PROPERTY MAINTENANCE		360,000	100,000	259,600	
	BASE OPERATIONS		169,000	95,000	109,300	
	SPARES			45,000	85,000	
	SMART CARD			5,000		
	DEPOT MAINTNENANCE			30,000		
	CIVILAIN UNDER-EXECUTION			-59,800	-5,100	
	AIR STAFF (Transfer to S&T)			-4,000		
	SECRETARIAT (Transfer to S&T)			-10,000		
	TRANSFER TO COMABTING TERRORISM			-152,000		
	GEN REDUCTION (ENVIRON, FORMERLY UTILIZED SITES)			-40,000		
	FOREIGN CURRENCY FLUCATION			-43,000	-43,000	
	CLASSIFED PROGRAMS (UNDISTRIBUTED)		-100			
	REDUCTION IN JCS EXERCISES		-10,000			
	CONTRACT AND ADVISORY SERVICES		-10,000		-10,000	
	RIVET JOINT		12,000		12,000	
	REAL PROPERTY SUPPORT		49,000		34,900	
	NBC HIGH LEVERAGE PROGRAMS		18,800		18,800	
	C130J LOGISTICS AND TRAINING		6,055		6,055	
	SUSTAINMENT ENGINEERING		95,400			
	ICBM PRIME CONTRACT		16,300		16,300	
	AC2ISR CENTER PROGRAMS		32,700			
	IT RELATED TECHNICAL ACTIVITIES		-15,000			
	AEF JOINT EXPERIMENTATAION		35,600		35,600	
	MOBILITY CLS CONTRACT		72,400			
	MANAGEMENT HEADQUARTERS		-20,000		-16,000	

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	TOTAL, UNDISTRIBUTED		812,155	-28,800	508,455	508,455
	TOTAL, O&M, AIR FORCE	20,363,203	21,514,958	20,342,403	598,255	20,961,458
	OPERATION AND MAINTENANCE, DEFENSE-WIDE					
	BUDGET ACTIVITY 1: OPERATING FORCES	1,601,967	1,544,427	1,601,967	12,000	1,613,967
10	JOINT CHIEFS OF STAFF	382,269	327,269	382,269	0	397,269
	Mobility Enhancement Funds		[15,000]		15,000	
	Reduction in JCS Exercises		[-70,000]			
20	SPECIAL OPERATIONS COMMAND	1,219,698	1,217,158	1,219,698	0	1,216,698
	Reduction in SOF-JCS Exercises		[-2,540]			
	SOCOM-ASDS Slip				-3,000	
	TOTAL, BUDGET ACTIVITY 1:	1,601,967	1,544,427	1,601,967	12,000	1,613,967
	BUDGET ACTIVITY 2: MOBILIZATION	38,312	38,312	38,312	0	38,312
30	DEFENSE LOGISTICS AGENCY	38,312	38,312	38,312	0	38,312
	TOTAL, BUDGET ACTIVITY 2:	38,312	38,312	38,312	0	38,312
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING	238,503	207,593	238,503	0	238,503
40	AMERICAN FORCES INFORMATION SERVICE	9,512	9,512	9,512	0	9,512
50	DEFENSE ACQUISITION UNIVERSITY	100,380	100,380	100,380	0	100,380
60	DEFENSE FINANCE AND ACCOUNTING SERVICE	18,000	0	18,000	0	18,000
70	DEFENSE HUMAN RESOURCES ACTIVITY	58,100	45,190	58,100	0	58,100
80	DEFENSE SECURITY SERVICE	7,254	7,254	7,254	0	7,254
90	DEFENSE THREAT REDUCTION AGENCY	913	913	913	0	913
100	SPECIAL OPERATIONS COMMAND	44,344	44,344	44,344	0	44,344
	TOTAL, BUDGET ACTIVITY 3:	238,503	207,593	238,503	0	238,503
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES	9,540,451	9,428,281	9,455,651	135,600	9,676,051
110	AMERICAN FORCES INFORMATION SERVICE	95,865	95,865	95,865	0	95,865
120	ANTI-TERRORISM / DIPLOMATIC SECURITY PROGRAMS (NO YEAR)	0	0	0	0	0

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
130	CIVIL MILITARY PROGRAMS	87,503	87,503	87,503	0	87,503
140	CLASSIFIED AND INTELLIGENCE	4,067,679	4,161,679	4,067,679	0	4,067,679
150	CLASSIFIED AND INTELLIGENCE (FY 98/99)	0	0	0	0	0
160	DEFENSE CONTRACT AUDIT AGENCY	340,624	340,624	340,624	0	340,624
170	DEFENSE FINANCE AND ACCOUNTING SERVICE	27,138	27,138	27,138	0	27,138
180	DEFENSE HUMAN RESOURCES ACTIVITY	190,226	178,879	190,226	0	190,226
190	DEFENSE INFORMATION SYSTEMS AGENCY	822,904	722,904	822,904	0	822,904
200	DEFENSE LEGAL SERVICES AGENCY	9,483	9,483	9,483	0	9,483
210	DEFENSE LOGISTICS AGENCY	1,186,236	1,213,236	1,165,136	0	1,210,236
	CTMA Program		[12,000]		12,000	
	Document Conversion		[15,000]		12,500	
	Contract and Advisory				-500	
	TRANSFER TO COMBATING TERRORISM			[-21,100]		
220	DEFENSE POW /MISSING PERSONS OFFICE	14,505	14,505	14,505	0	14,505
230	DEFENSE SECURITY COOPERATION AGENCY	65,638	55,638	56,738	-8,900	56,738
	DSCA Partnership for Peace		[-10,000]			
240	DEFENSE SECURITY SERVICE	84,395	84,395	84,395	0	84,395
250	DEFENSE SPECIAL WEAPONS AGENCY	0	0	0	0	0
260	DEFENSE SUPPORT ACTIVITIES	0	0	0	0	0
270	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	0	0	0	0	0
280	DEFENSE THREAT REDUCTION AGENCY	195,533	182,033	195,533	-13,500	182,033
290	DEPARTMENT OF DEFENSE DEPENDENT'S EDUCATION	1,376,909	1,376,909	1,376,909	0	1,376,909
300	FEDERAL ENERGY MANAGEMENT PROGRAM	0	0	0	0	0
310	JOINT CHIEFS OF STAFF	158,647	141,325	158,647	0	158,647
	JCS Other Contracts		[-3,000]			
	JCS Other Purchase		[-14,322]			
320	OFFICE OF ECONOMIC ADJUSTMENT	30,940	30,940	30,940	0	30,940
330	OFFICE OF THE SECRETARY OF DEFENSE	423,493	418,493	436,493	0	423,493
	OSD Contracts and Other Support Services		[-5,000]			
	INFORMATION ASSURANCE INITIATIVE		0	[10,000]	150,000	150,000

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	JEFFERSON PROJECT-DIA		0	[3,000]	3,000	3,000
340	OFFICE OF THE SECRETARY OF DEFENSE (NO YEAR)	0	0	0	0	0
350	ON SITE INSPECTION AGENCY	0	0	0	0	0
360	SPECIAL OPERATIONS COMMAND	40,263	40,263	40,263	0	40,263
370	WASHINGTON HEADQUARTERS SERVICES	322,470	246,470	254,670	0	303,470
	Defense Travel System		[-53,000]		-19,000	
	TRANSFER TO COMBATING TERRORISM (Washington Services)		0			
	TOTAL, BUDGET ACTIVITY 4:	**9,540,451**	**9,428,282**	**9,455,651**	**135,600**	**9,676,051**
	UNDISTRIBUTED					
	JCS MOBILITY ENHANCEMENT FUND			10,000		
	FOREIGN CURRENCY FLUATION			-13,000	-13,000	
	CIVILIAN UNDER-EXECUTION			-30,000	-17,700	
	TRANSFER TO COMBATING TERRORISM- DECA			-1,000		
	TRANSFER TO COMBATING TERRORISM -DEFENSE WIDE			-317,400		
	AMERCIAN REDCROSS			[23,000]		
	CONTRACT AND ADVISORY SERVICES		-10,000	-20,000	-9,500	
	MANAGEMENT HEADQUARTERS REDUCTION		-110,000		-88,000	
	INNOVATIVE READINESS TRAINING		-15,000			
	DOCUMENT DECLASSIFICATION		-180,000			
	INTERNATIONAL STUDENT PROGRAM-SENIOR MILITARY COLLLEGES		2,000			
	RETIREMEMNT FLAGS FOR RESERVISTS		5,000			
	IMPACT AID		35,000		35,000	
	ARMED FORCES EMERGENCY SERVICES		23,000		23,000	
	UNITED SERVICE ORGANIZATIONS				[25,000]	
	TOTAL, UNDISTRIBUTED		**-250,000**	**-371,400**	**-70,200**	**-70,200**
	TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	**11,419,233**	**10,968,614**	**10,963,033**	**77,400**	**11,496,633**
	OPERATION AND MAINTENANCE, ARMY RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	LAND FORCES	634,612	711,612	634,612	20,000	654,612
10	DIVISION FORCES	12,469	12,469	12,469	0	12,469
20	CORPS COMBAT FORCES	26,496	26,496	26,496	0	26,496
30	CORPS SUPPORT FORCES	196,704	196,704	196,704	0	196,704
40	ECHELON ABOVE CORPS FORCES	99,091	99,091	99,091	0	99,091
50	LAND FORCES OPERATIONS SUPPORT	299,852	299,852	299,852	0	319,852
	Increased OPTEMPO		77,000		20,000	
	LAND FORCES READINESS	193,643	193,643	193,643	0	193,643
60	FORCES READINESS OPERATIONS SUPPORT	128,297	128,297	128,297	0	128,297
70	LAND FORCES SYSTEM READINESS	32,172	32,172	32,172	0	32,172
80	DEPOT MAINTENANCE	33,174	33,174	33,174	0	33,174
	LAND FORCES READINESS SUPPORT	393,950	393,950	393,950	0	393,950
90	BASE SUPPORT	314,261	314,261	314,261	0	314,261
100	MAINTENANCE OF REAL PROPERTY	78,295	78,295	78,295	0	78,295
110	UNIFIED COMMANDS	40	40	40	0	40
120	ADDITIONAL ACTIVITIES	1,354	1,354	1,354	0	1,354
	TOTAL, BUDGET ACTIVITY 1:	**1,222,205**	**1,299,205**	**1,222,205**	**20,000**	**1,242,205**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	147,008	213,308	147,008	22,000	169,008
130	ADMINISTRATION	31,108	31,108	31,108	0	31,108
140	SERVICEWIDE COMMUNICATIONS	23,199	23,199	23,199	0	23,199
150	PERSONNEL/FINANCIAL ADMINISTRATION	46,346	46,346	46,346	0	46,346
160	RECRUITING AND ADVERTISING	46,355	73,055	46,355	20,000	68,355
	Recruiting Support		2,000		2,000	
	Military Technician Funding		35,000			
	RTD Retention		2,600			
	TOTAL, BUDGET ACTIVITY 4:	**147,008**	**213,308**	**147,008**	**22,000**	**169,008**

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	UNDISTRIBUTED					
	TRAINING DEPLOYMENTS			20,000	20,000	
	REAL PROPERTY MAINTENANCE			10,000	10,000	
	TRANSFER TO COMBATING TERRORISM			-22,400		
	TOTAL, UNDISTRIBUTED		**0**	**7,600**	**30,000**	**30,000**
	TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	**1,369,213**	**1,512,513**	**1,376,813**	**72,000**	**1,441,213**
	OPERATION AND MAINTENANCE, NAVY RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	RESERVE AIR OPERATIONS	409,207	409,207	409,207	0	409,207
10	MISSION AND OTHER FLIGHT OPERATIONS	283,792	283,792	283,792	0	283,792
20	FLEET AIR TRAINING	0	0	0	0	0
30	INTERMEDIATE MAINTENANCE	17,232	17,232	17,232	0	17,232
40	AIR OPERATION AND SAFETY SUPPORT	3,829	3,829	3,829	0	3,829
50	AIRCRAFT DEPOT MAINTENANCE	104,087	104,087	104,087	0	104,087
60	AIRCRAFT DEPOT OPS SUPPORT	267	267	267	0	267
70	BASE SUPPORT	0	0	0	0	0
80	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	RESERVE SHIP OPERATIONS	177,886	177,886	177,886	0	177,886
90	MISSION AND OTHER SHIP OPERATIONS	72,200	72,200	72,200	0	72,200
100	SHIP OPERATIONAL SUPPORT AND TRAINING	615	615	615	0	615
110	INTERMEDIATE MAINTENANCE	9,323	9,323	9,323	0	9,323
120	SHIP DEPOT MAINTENANCE	92,988	92,988	92,988	0	92,988
130	SHIP DEPOT OPERATIONS SUPPORT	2,760	2,760	2,760	0	2,760
	RESERVE COMBAT OPERATIONS SUPPORT	26,678	26,678	26,678	0	26,678
140	COMBAT SUPPORT FORCES	26,678	26,678	26,678	0	26,678
150	BASE SUPPORT	0	0	0	0	0

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
160	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
	RESERVE WEAPONS SUPPORT	5,224	5,224	5,224	0	5,224
160	WEAPONS MAINTENANCE	5,224	5,224	5,224	0	5,224
	BASE SUPPORT	177,274	225,474	177,274	5,000	182,274
170	REAL PROPERTY MAINTENANCE	21,469	64,669	21,469	0	21,469
180	BASE SUPPORT	155,805	155,805	155,805	0	160,805
	Recruiting Advertising		1,000		1,000	
	Recruiting Support		4,000		4,000	
	TOTAL, BUDGET ACTIVITY 1:	**796,269**	**844,469**	**796,269**	**5,000**	**801,269**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	121,378	121,378	121,378	0	121,378
190	ADMINISTRATION	6,768	6,768	6,768	0	6,768
200	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	1,299	1,299	1,299	0	1,299
210	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	24,551	24,551	24,551	0	24,551
220	SERVICEWIDE COMMUNICATIONS	82,260	82,260	82,260	0	82,260
230	BASE SUPPORT	0	0	0	0	0
240	MAINTENANCE OF REAL PROPERTY	0	0	0	0	0
250	COMBAT/WEAPONS SYSTEMS	5,899	5,899	5,899	0	5,899
260	GENERAL DEFENSE INTELLIGENCE PROGRAM	601	601	601	0	601
	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	0	0	0	0	0
270	AIR SYSTEMS SUPPORT	0	0	0	0	0
	TOTAL, BUDGET ACTIVITY 4:	**121,378**	**121,378**	**121,378**	**0**	**121,378**
	UNDISTRIBUTED					
	TRANSFER TO COMBATING TERRORISM			-5,300		
	REAL PROPERTY MAINTENANCE			10,000	10,000	

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	BASE OPERATIONS			5,000	5,000	
	TOTAL, UNDISTRIBUTED		0	9,700	15,000	15,000
	TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	917,647	965,847	927,347	20,000	937,647
	OPERATION AND MAINTENANCE, MARINE CORPS RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	MISSION FORCES	88,642	102,642	88,642	0	88,642
10	TRAINING	18,121	18,121	18,121	0	18,121
20	OPERATING FORCES	38,529	38,529	38,529	0	38,529
30	BASE SUPPORT	14,588	14,588	14,588	0	14,588
40	MAINTENANCE OF REAL PROPERTY	6,054	7,054	6,054	0	6,054
50	DEPOT MAINTENANCE	11,350	11,350	11,350	0	11,350
	MAINTENANCE OF AGING EQUIPMENT		1,500			
	CORROSION CONTROL COATING		1,500			
	INITIAL ISSUE		10,000			
	TOTAL, BUDGET ACTIVITY 1:	88,642	102,642	88,642	0	88,642
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	34,624	34,624	34,624	0	34,624
60	RECRUITING AND ADVERTISING	7,841	7,841	7,841	0	7,841
70	SPECIAL SUPPORT	11,116	11,116	11,116	0	11,116
80	SERVICEWIDE TRANSPORTATION	476	476	476	0	476
90	ADMINISTRATION	7,441	7,441	7,441	0	7,441
100	BASE SUPPORT	7,750	7,750	7,750	0	7,750
	TOTAL, BUDGET ACTIVITY 4:	34,624	34,624	34,624	0	34,624
	UNDISTRIBUTED					
	DEPOT MAINTENANCE			1,500	1,500	
	REAL PROPERTY MAINTENANCE			1,000	1,000	
	INITIAL ISSUE				10,000	

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	TOTAL, UNDISTRIBUTED		0	2,500	12,500	12,500
	TOTAL, O&M, MARINE CORPS RESERVE	123,266	137,266	125,766	12,500	135,766
	OPERATION AND MAINTENANCE, AIR FORCE RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	1,643,924	1,643,924	1,643,924	0	1,643,924
10	PRIMARY COMBAT FORCES	1,058,142	1,058,142	1,058,142	0	1,058,142
20	MISSION SUPPORT OPERATIONS	45,972	45,972	45,972	0	45,972
30	DEPOT MAINTENANCE	265,429	265,429	265,429	0	265,429
40	BASE SUPPORT	235,907	235,907	235,907	0	235,907
50	MAINTENANCE OF REAL PROPERTY	38,474	38,474	38,474	0	38,474
	TOTAL, BUDGET ACTIVITY 1:	1,643,924	1,643,924	1,643,924	0	1,643,924
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	84,513	87,013	84,513	2,500	87,013
60	ADMINISTRATION	46,819	46,819	46,819	0	46,819
70	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	20,254	20,254	20,254	0	20,254
80	RECRUITING AND ADVERTISING	10,418	11,918	10,418	1,500	12,918
	Recruiting Support		1,000		1,000	
90	OTHER PERSONNEL SUPPORT	6,390	6,390	6,390	0	6,390
100	AUDIOVISUAL	632	632	632	0	632
	TOTAL, BUDGET ACTIVITY 4:	84,513	87,013	84,513	2,500	87,013
	UNDISTRIBUTED					
	REAL PROPERTY MAINTENANCE			10,000	10,000	
	BASE OPERATIONS			10,000	10,000	
	TRANSFER TO COMBATING TERRORISM			-21,600		
	TOTAL, UNDISTRIBUTED		0	-1,600	20,000	20,000
	TOTAL, O&M, AIR FORCE RESERVE	1,728,437	1,730,937	1,726,837	22,500	1,750,937

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	LAND FORCES	1,558,514	1,595,514	1,558,514	0	1,558,514
10	DIVISIONS	367,379	390,379	367,379	0	367,379
20	CORPS COMBAT FORCES	773,892	773,892	773,892	0	773,892
30	CORPS SUPPORT FORCES	183,763	183,763	183,763	0	183,763
40	ECHELON ABOVE CORPS FORCES	139,382	139,382	139,382	0	139,382
50	LAND FORCES OPERATION SUPPORT	94,098	94,098	94,098	0	94,098
	EXTENDED COLD WEATHER CLOTHING SYSTEM		14,000			
	LAND FORCES READINESS	193,216	234,216	193,216	10,000	203,216
60	LAND FORCES SYSTEM READINESS	5,889	5,889	5,889	0	5,889
70	DEPOT MAINTENANCE	187,327	228,327	187,327	10,000	197,327
	LAND FORCES READINESS SUPPORT	980,733	1,052,733	980,733	0	980,733
80	BASE OPERATIONS	468,029	468,029	468,029	0	468,029
90	REAL PROPERTY MAINTENANCE	111,716	183,716	111,716	0	111,716
100	MANAGEMENT AND OPERATIONAL HEADQUARTERS	400,988	400,988	400,988	0	400,988
	TOTAL, BUDGET ACTIVITY 1:	**2,732,463**	**2,882,463**	**2,732,463**	**10,000**	**2,742,463**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	171,086	258,586	171,086	46,500	217,586
110	STAFF MANAGEMENT	58,902	58,902	58,902	0	58,902
120	INFORMATION MANAGEMENT	18,981	18,981	18,981	0	18,981
130	PERSONNEL ADMINISTRATION	50,840	50,840	50,840	0	50,840
140	RECRUITING AND ADVERTISING	42,363	60,363	42,363	6,500	48,863
	Recruiting Support		13,000			
	Military Technicians Funding		56,500		40,000	40,000
	TOTAL, BUDGET ACTIVITY 4:	**171,086**	**258,586**	**171,086**	**46,500**	**217,586**

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	UNDISTRIBUTED					
	OPTEMPO			20,000	20,000	
	REAL PROPERTY MAINTENANCE			10,000	20,000	
	TRAINING DEPLOYMENTS			20,000	20,000	
	EXTENDED COLD WEATHER CLOTHING SYSTEM				14,000	
	RAID TEAMS				79,635	
	TRANSFER TO COMBATING TERRORISM			-41,300		
	TOTAL, UNDISTRIBUTED		**0**	**8,700**	**153,635**	**153,635**
	TOTAL, OPERATION & MAINTENANCE, ARMY NAT. GUARD	**2,903,549**	**3,141,049**	**2,912,249**	**210,135**	**3,113,684**
	OPERATION AND MAINTENANCE, AIR NATIONAL GUARD					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	**3,087,333**	**3,169,533**	**3,087,333**	**64,800**	**3,152,133**
10	AIRCRAFT OPERATIONS	1,977,442	1,977,442	1,977,442	0	1,987,442
	AIRCRAFT SPARES		26,000		10,000	
20	MISSION SUPPORT OPERATIONS	357,487	357,487	357,487	0	357,487
30	BASE SUPPORT	299,089	303,889	299,089	9,800	308,889
40	MAINTENANCE OF REAL PROPERTY	38,130	38,130	38,130	10,000	48,130
50	DEPOT MAINTENANCE	415,185	444,685	415,185	20,000	450,185
	F-16 FLIGHT TRAINING HOURS		21,900		15,000	
	TOTAL, BUDGET ACTIVITY 1:	**3,087,333**	**3,169,533**	**3,087,333**	**64,800**	**3,152,133**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE ACTIVITIES	**12,285**	**16,385**	**12,285**	**4,100**	**16,385**
60	ADMINISTRATION	2,656	2,656	2,656	0	2,656
70	RECRUITING AND ADVERTISING	9,629	13,729	9,629	4,100	13,729
	TOTAL, BUDGET ACTIVITY 4:	**12,285**	**16,385**	**12,285**	**4,100**	**16,385**
	UNDISTRIBUTED					
	BASE OPERATIONS			10,000		

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	REAL PROPERTY MAINTENANCE			10,000		
	TRANSFER TO COMBATING TERRORISM			-100		
	TOTAL, UNDISTRIBUTED		**0**	**19,900**	**0**	**0**
	TOTAL, O&M, AIR NATIONAL GUARD	**3,099,618**	**3,185,918**	**3,119,518**	**68,900**	**3,168,518**
	TRANSFER ACCOUNTS AND MISCELLANEOUS					
	TRANSFER ACCOUNTS	**4,439,254**	**4,462,854**	**6,450,049**	**-452,600**	**3,986,654**
10	ENVIRONMENTAL RESTORATION, ARMY	378,170	378,170	378,170	0	378,170
20	ENVIRONMENTAL RESTORATION, NAVY	284,000	284,000	284,000	0	284,000
30	ENVIRONMENTAL RESTORATION, AIR FORCE	376,800	376,800	376,800	0	376,800
40	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	25,370	25,370	25,370	0	25,370
50	ENVIRONMENTAL RESTORATION, FORMERLY UTILIZED DEFENSE SITES	199,214	199,214	239,214	40,000	239,214
60	DRUG INTERDICTION	788,100	811,700	804,465	58,200	803,500
	(Transfer to Milcon for Forward Operating Locations)			[-42,835]	-42,800	
	COMBATING TERRORISM			1,954,430		0
	RAID TEAMS			[79,635]		
70	OVERSEAS CONTINGENCIES	2,387,600	2,387,600	2,387,600	-508,000	1,879,600
80	PENTAGON RENOVATION	0	0	0	0	0
	TOTAL, O&M, TRANSFER ACCOUNTS:	**4,439,254**	**4,462,854**	**6,450,049**	**-452,600**	**3,986,654**
	MISCELLANEOUS	**13,046,722**	**13,020,522**	**13,022,022**	**5,000**	**13,051,722**
90	DEFENSE HEALTH PROGRAM	10,477,687	10,496,687	10,453,487	0	10,482,687
	Waiver of Detuctibles for deployed Reserve Component		[4,000]			
	Trauma Center Start-Up Costs		[4,000]			
	Navy Medical Equipment and Property Maintenance		[5,000]			
	Automated Clinical Practice Guidelines		[5,000]		5,000	
	Army Maintenance and Repair		[1,000]			
	TRANSFER TO COMBATING TERRORISM		0			
100	DEFENSE LOAN GUARANTEE	0	0	0	0	0

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	Request FY 00	House Authorized	Senate Authorized	Conference Change	Conference Agreement
110	DEFENSE VESSELS	31,000	31,000	31,000	0	31,000
120	EMERGENCY RESPONSE FUND, DEFENSE	0	0	0	0	0
130	FORMER SOVIET UNION THREAT REDUCTION	475,500	444,100	475,500	0	475,500
140	INSPECTOR GENERAL	138,744	130,744	138,244	0	138,744
	TRANSFER TO COMBATING TERRORISM		0	[-500]		
150	MWR PERSONEL SUPPORT	0	0	0	0	0
160	OPPLAN 34A-35	0	0	0	0	0
170	OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS	55,800	50,000	55,800	0	55,800
180	PAYMENT TO KAHO'OLAWE ISLAND	15,000	15,000	15,000	0	15,000
190	QUALITY OF LIFE ENHANCEMENTS	1,845,370	1,845,370	1,845,370	0	1,845,370
200	U.S. COURT OF APPEALS FOR THE ARMED FORCES	7,621	7,621	7,621	0	7,621
	TOTAL, MISCELLANEOUS:	**13,046,722**	**13,020,522**	**13,022,022**	**5,000**	**13,051,722**
	TOTAL OPERATION AND MAINTENANCE TITLE:	**102,868,780**	**105,679,816**	**104,101,275**	**1,463,990**	**104,332,770**

Military Gator

The budget request included no funds for procurement of the Military Gator, a six wheeled vehicle required by the 82nd Airborne Division.

The Senate bill would authorize no funds for the Military Gator.

The House amendment would authorize $8.0 million in procurement for the Military Gator.

The conferees agree to authorize $8.0 million in operations and maintenance for the Military Gator.

Arms control implementation

The budget request included $249.7 million for arms control implementation programs, representing an increase from the fiscal year 1999 level of $227.3 million.

The Senate bill would authorize the budget request.

The House amendment would authorize $236.2 million.

The conferees agree to authorize $236.2 million and to make the following reductions to the Defense Threat Reduction Agency arms control operations and maintenance accounts: $2.0 million for START II implementation activities; $1.5 million for Open Skies Treaty implementation; and $1.0 million for Comprehensive Test Ban Treaty-related activities. The conferees also disapprove the request of $9.0 million to reimburse the Organization for the Prohibition of Chemical Weapons for costs associated with inspections and escort activities at Department of Defense facilities under the terms of the Chemical Weapons Convention.

Information assurance

The Senate bill would authorize an increase of $120.0 million for information assurance programs, projects and activities, including:

(1) $10.0 million in Procurement, Defense-wide, for acquisition by the Defense Information Systems Agency (DISA) of secure terminal equipment;

(2) $10.0 million in Procurement, Defense-wide, for acquisition by DISA of tools for real-time computer intrusion detection, analysis and warning;

(3) $5.0 million in PE 65710D8 to establish an information assurance testbed;

(4) $85.0 million in the National Security Agency's Information System Security Program (ISSP) research and development account (PE 33140G) for secure wireless communications, public key infrastructure, tool development by the Information Operations Technology Center, critical infrastructure modeling; and software security research, including evaluation of the Trusted RUBIX database guard; and

(5) $10.0 million in Operations and Maintenance, Defense-wide, for training, education, and retention of information technology professionals at the DOD.

The House amendment would authorize an increase of $45.0 million for information assurance programs, projects and activities, including:

(1) $10.0 million in PE 33140G to support the development of advanced security measures for elements of the Global Networked Information Enterprise; and

(2) $35.0 million in PE 33140G for the development of enhanced information assurance tools for protection of the defense information infrastructure and for real-time detection, collection, and analysis of attack sensing and warning data.

The conferees agree to authorize an increase of $150.0 million in Operations and Maintenance, Defense-wide, for information assurance programs, projects, and activities, including those recommended in the Senate bill and the House amendment.

Overseas contingencies

The budget request included $2,387.6 million for overseas contingencies.

The Senate bill would authorize $2,387.6 million for overseas contingencies.

The House amendment would authorize $2,387.6 million for overseas contingencies.

The conferees agree to authorize $1,879.6 million for overseas contingencies. The conferees note the Administration's recent decision to dramatically reduce the number of forces deployed to Bosnia which will decrease the level of funding required.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Authorization of Appropriations (secs. 301–302)

The Senate bill contained provisions (secs. 301–302) that would authorize the recommended fiscal year 2000 funding levels for all operations and maintenance and working capital fund accounts.

The House amendment contained similar provisions.

The conference agreement includes these provisions.

Armed Forces Retirement Home (sec. 303)

The Senate bill contained a provision (sec. 303) that would authorize $68.3 million from the Armed Forces Retirement Home Trust Fund to be appropriated for operation of the Armed Forces Retirement Home during fiscal year 2000.

The House amendment contained an identical provision.

The conference agreement includes this provision.

Transfer from National Defense Stockpile Transaction Fund (sec. 304)

The Senate bill contained a provision (sec. 304) that would, to the extent provided in an appropriations act, transfer $150.0 million from the National Defense Stockpile Transaction Fund.

The House amendment contained an identical provision.

The conference agreement includes this provision.

Transfer to Defense Working Capital Funds to support Defense Commissary Agency (sec. 305)

The House amendment contained a provision (sec. 305) that would transfer funding for the Defense Commissary Agency from the military services' operations and maintenance accounts to the Defense Working Capital Fund.

The Senate bill contained no similar provision.

The Senate recedes.

Subtitle B—Program Requirements, Restrictions, and Limitations

Armed Forces Emergency Services (sec. 311)

The Senate bill contained a provision (sec. 306) that would require that, of the funds authorized to be appropriated in Operation and Maintenance, Defense-wide activities, $23.0 million be available to fund the Red Cross Armed Forces Emergency Services.

The House amendment contained no similar provision; however, the House amendment did include $23.0 million for Red Cross Armed Forces Emergency Services in the operation and maintenance table.

The House recedes with a technical amendment.

Replacement of nonsecure tactical radios of the 82nd airborne division (sec. 312)

The House amendment contained a provision (sec. 312) that would make available $5.5 million from funds authorized to be appropriated for Army operations and maintenance to replace nonsecure tactical radios used by the 82nd Airborne Division.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Large medium-speed roll-on/roll-off (LMSR) program (sec. 313)

The House amendment would authorize an increase of $80.0 million in the National Defense Sealift Fund (NDSF), including $50.0 million for advance procurement of long lead components for the construction of a large, medium speed roll-on/roll-off (LMSR) ship and $30.0 million for the modification of an existing LMSR for the maritime prepositioning force (enhanced) requirement.

The Senate bill would authorize the budget request.

The conferees agree to include a provision to authorize construction of a LMSR ship including advance construction of components. Additionally, the conferees agree to authorize an increase of $80.0 million in the NDSF for advance procurement of long lead components for the construction of a LMSR.

Contributions for Spirit of Hope endowment fund of United Service Organizations, Incorporated (sec. 314)

The House amendment contained a provision (sec. 1038) that would authorize the Secretary of Defense to provide a grant of $25.0 million to the United Service Organizations, Incorporated (USO) for the purposes of helping to capitalize the Spirit of Hope Endowment Fund. The provision would require that the release of the authorized funds be contingent on the ability of the USO to match the authorized funds with funds raised from private sector sources.

The Senate bill contained no similar provision.

The Senate recedes.

The conferees note that the USO established an endowment organization, the Spirit of Hope foundation, on June 1, 1997, to preserve the organization and its valued services overseas. In order to help ensure that the USO remains a viable service organization, the conferees intend that all funds received since the establishment of the "Spirit of Hope" foundation may be used to meet the matching requirement of this provision.

Subtitle C—Environmental Provisions

Extension of limitation on payment of fines and penalties using funds in environmental restoration accounts (sec. 321)

The Senate bill contained a provision (sec. 323) that would extend the requirement of section 2703(e) of title 10, United States Code, that stipulated penalties assessed at environmental restoration sites be subject to congressional authorization.

The House amendment contained no similar provision.

The House recedes.

Modification of requirements for annual reports on environmental compliance activities (sec. 322)

The Senate bill contained a provision (sec. 324) that would amend section 2706(b) of title 10, United States Code.

The House amendement contained no similar provision.

The House recedes with a clarifying amendment.

Defense environmental technology program and investment control process for environmental technologies (sec. 323)

The Senate bill contained a provision (sec. 321) that would establish management requirements intended to hold the Department of Defense and the military departments accountable for achieving environmental technology program results. The provision ensures that the responsibility for those program results is aligned with program direction and the management of appropriated funds. The provision also includes a reporting requirement.

The House amendment contained no similar provision.

The House recedes with an amendment that would provide for a management and reporting framework.

Modification of membership of Strategic Environmental Research and Development Program Council (sec. 324)

The Senate bill contained a provision (sec. 325) that would amend section 2902(b) of title 10, United States Code, so that the statute is consistent with a reorganization that occurred within the Department of Defense.

The House amendment contained no similar provision.

The House recedes.

Extension of pilot program for sale of air pollution emission reduction incentives (sec. 325)

The Senate bill contained a provision (sec. 326) that would reauthorize a pilot program for the sale of air emission reduction incentives established under section 351 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85).

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Reimbursement for certain costs in connection with Fresno Drum Superfund site, Fresno, California (sec. 326)

The Senate bill contained a provision (sec. 327) that would authorize the Secretary of Defense to reimburse the Fresno Drum Special Account of the Hazardous Substance Superfund, established by section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507).

The House amendment contained no similar provision.

The House recedes.

Payment of stipulated penalties assessed under CERCLA in connection with F.E. Warren Air Force Base, Wyoming (sec. 327)

The Senate bill contained a provision (sec. 328) that would authorize the payment of stipulated penalties assessed in connection with F.E. Warren Air Force Base (AFB), Wyoming, under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980 (42 U.S.C. 9601 et seq.).

The House amendment contained no similar provision.

The House recedes.

Remediation of asbestos and lead-based paint (sec. 328)

The House amendment contained a provision (sec. 321) that would require the Secretary of Defense to use Army Corps of Engineers indefinite delivery, indefinite quantity contracts for the remediation of asbestos and lead-based paint at military installations within the United States, in accordance with applicable Federal and State laws and Department of Defense regulations.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to give appropriate consideration to existing contract vehicles for remediation of asbestos and lead-based paint, to include indefinite delivery, indefinite quantity contracts.

The conferees note that the selected contract vehicle must ensure the most cost-effective solution for the Department of Defense and do not express a preference for any particular contract vehicle. The conferees further note that section 2304a(d)(3) of title 10, United States Code, establishes a statutory preference for awarding multiple indefinite delivery, indefinite quantity contracts for the same scope of work, to ensure competition for individual task orders and delivery orders. This statutory preference applies to contracts for the remediation of lead and asbestos hazards that may be entered into by the Army Corps of Engineers and other Department of Defense entities.

Release of information to foreign countries regarding any environmental contamination at former United States military installations in those countries (sec. 329)

The Senate bill contained a provision (sec. 329) that would require the Secretary of Defense to disclose publicly existing, available information relevant to a foreign nation's determination of the nature and extent of environmental contamination, if any, at a site within the foreign nation where the United States operated a military installation that has been closed as of the date of enactment of this Act.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to provide information only if the information: (1) is requested by the government of the foreign nation from which U.S. military forces were withdrawn in 1992; (2) has not been previously provided; and (3) has been requested within one year after the date of enactment of this Act. The amendment would require the Secretary to provide existing, available information relevant to the foreign nation's determination of the nature and extent of environmental contamination or report to Congress on the nature of the information requested and the reasons why such information was not provided. The conferees agreed to include the limitations on U.S. liability and the national security exemption contained in the Senate bill.

Toussaint River ordnance mitigation study (sec. 330)

The Senate bill contained a provision (sec. 330) that would direct the Secretary of Defense to undertake a study regarding the removal of ordnance that infiltrates the Federal navigation channel and adjacent shorelines of the Toussaint River. The provision would also authorize the Secretary to conduct removal of the ordnance.

The House amendment contained no similar provision.

The House recedes with an amendment that would direct the Secretary to conduct a study to remove ordnance infiltrating the federal navigation channel and adjacent shorelines of the Toussaint River in Ottawa County, Ohio. The Secretary shall include in the report recommendations regarding continuation or termination of any ongoing use of Lake Erie as an ordnance firing range, and explain any recommendation to continue such activities.

The Secretary would be authorized to use no more than $800,000 to conduct the study. The report would be due no later than April 1, 2000.

Subtitle D—Depot-Level Activities

Sales of articles and services of defense industrial facilities to purchasers outside the Department of Defense (sec. 331)

The Senate bill contained a provision (sec. 344) that would authorize the Secretary of Defense to waive the restrictions in sections 2208(j) and 2553 of title 10, United States Code.

The House amendment contained a provision (sec. 363) that would clarify the term "not available" in section 2553 of title 10, United States Code.

The House recedes with an amendment that would authorize the Secretary of Defense to waive the restrictions for national security reasons and would clarify the term "not available."

Expansion of contracting authority for defense working capital funded industrial facilities (sec. 332)

The House amendment contained a provision (sec. 362) that would extend the authority of public sector industrial facilities to provide services (to include engineering services and subcontracts) to private sector firms if such services are to be incorporated into a defense contract.

The Senate bill contained no similar provision.

The Senate recedes.

The conferees recognize that the ability under this provision for public sector facilities to enter into a subcontractor relationship with private sector contractors raises concerns over the nature of the contractual relationship and the manner in which disputes will be settled. The conferees direct the Secretary of Defense to establish regulations regarding the manner in which disputes in such cases will be resolved. These regulations should include specific instructions on how these concerns are to be addressed in the contract formulation process, including the extent to which private sector contractors will be held harmless in any case where a public sector facility fails to meet the terms of a subcontract under which it is performing work for the private sector, and thus the prime contractor is unable to meet the obligations of the contract with the Department of Defense.

Annual reports on expenditures for depot-level maintenance and repair workloads by public and private sector (sec. 333)

The House amendment contained a provision (sec. 334) that would require the Secretary of Defense to provide the Congress with a report that would outline the percentages of depot maintenance funds obligated for public and private sector performance of depot maintenance over the past two years, as well as the percentages that are expected to be obligated in each year over the next five years.

The Senate bill contained no similar provision.

The Senate recedes.

Applicability of competition requirement in contracting out workloads performed by depot-level activities of Department of Defense (sec. 334)

The House amendment contained a provision (sec. 335) that would clarify existing policy on including the cost of both labor and materials in the determination of value of a depot maintenance workload, as specified in section 2469 of title 10, United States Code.

The Senate bill contained no similar provision.

The Senate recedes.

Treatment of public sector winning bidders for contracts for performance of depot-level maintenance and repair workloads formerly performed at certain military installations (sec. 335)

The House amendment contained a provision (sec. 336) that would prohibit the imposition of any requirements on the management of depot maintenance workloads obtained through competition that would not be imposed on other depot maintenance workloads performed by public depots.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would allow the imposition of such requirements only to the extent necessary to ensure compliance with the terms of the contract for the workload obtained through competition.

Additional matters to be reported before prime vendor contract for depot-level maintenance and repair is entered into (sec. 336)

The Senate bill contained a provision (sec. 342) that would require the Secretary of Defense or the secretary of a military department to include within the report required by section 346 of the National Defense Authorization Act for Fiscal Year 1999, an analysis of the extent to which a contract conforms to the requirements of sections 2466 and 2464 of title 10, United States Code.

The House amendment contained no similar provision.

The House recedes.

Subtitle E—Performance of Functions by Private-Sector Sources

Reduced threshold for consideration of effect on local community of changing defense functions to private sector performance (sec. 341)

The House amendment contained a provision (sec. 333) that would require an evaluation of the impact on local economies and local communities of decisions to convert the performance of functions being performed by 50 or more government personnel to private sector performance.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would clarify that the evaluation did not include a complete economic assessment or review of unique circumstances affecting the local economy.

Congressional notification of A-76 cost comparison waivers (sec. 342)

The House amendment contained a provision (sec. 332) that would require congressional notification of any decision to waive cost comparison studies as part of the process to convert commercial activities currently being performed by government employees to performance by a private contractor.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Report on use of employees of non-Federal entities to provide services to Department of Defense (sec. 343)

The House amendment contained a provision (sec. 331) that would expand the required information provided in the annual report to Congress on the level of commercial and industrial functions that are procured by the Department of Defense from private sector sources.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the inclusion of such information as may be practicably obtained from existing government systems or voluntarily obtained from private contractors.

Evaluation of total system performance responsibility program (sec. 344)

The House amendment contained a provision (sec. 338) that would require the Secretary of the Air Force to provide a report to Congress that would identify all Air Force programs that are currently managed or presently planned to be managed under the Total System Performance Responsibility Program.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Sense of Congress regarding process for modernization of Army computer services (sec. 345)

The House amendment contained a provision (sec. 337) that would require the Secretary of the Army to provide Department of Defense civilian employees at the Logistics Systems Support Center, St. Louis, Missouri, and the Industrial Logistics Systems Center in Chambersburg, Pennsylvania, with the opportunity to establish a most efficient organization for the purpose of establishing a partnership with a private sector entity selected to develop and implement new computer systems at these locations.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would outline the sense of Congress on the practices and oversight measures that should be implemented for the Army Wholesale Logistics Modernization Program.

Subtitle F—Defense Dependents Education

Assistance to local education agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees (sec. 351)

The Senate bill contained a provision (sec. 345) that would require the Department of Defense to use preceding year average daily attendance to determine whether a local education agency qualifies for financial assistance.

The House amendment contained a provision (sec. 341) that would authorize $35.0 million for educational assistance to local education agencies where the standard for the minimum level of education within the state could not be maintained because of the large number of military connected students and would modify the procedures used to distribute funds to local education agencies in order to speed a process much delayed by legal and policy impediments.

The Senate recedes.

Unified school boards for all Department of Defense Domestic Dependent Schools in the Commonwealth of Puerto Rico and Guam (sec. 352)

The Senate bill contained a provision (sec. 1056) that would authorize one school board for all Department of Defense domestic dependent elementary and secondary schools (DDESS) arrangements in Puerto Rico and one school board for all DDESS arrangements in Guam, even though there may be schools located on more than one military installation in Puerto Rico and Guam.

The House bill contained no similar provision.

The House recedes.

Continuation of enrollment at Department of Defense Domestic Dependent Elementary and Secondary Schools (sec. 353)

The Senate bill contained a provision (sec. 1055) that would authorize the Secretary of Defense to allow, for good cause, dependents of a member or former member of the armed forces, or of a federal employee or former federal employee, to continue their education in a Department of Defense domestic dependent elementary or secondary school, even after the status of the member or the employee changes.

The House amendment contained a provision (sec. 342) that would permit a student who is enrolled in his or her junior year at a Department of Defense domestic secondary school to complete the student's senior year at that same school, even if the student would be otherwise ineligible to attend the school because of a change in the status of the student's sponsor.

The House recedes with an amendment that would merge the two provisions.

Technical amendments to Defense Dependents' Education Act of 1978 (sec. 354)

The House amendment contained a provision (sec. 343) that would make a number of technical and clerical amendments to the Defense Dependents' Education Act of 1978 (title XIV of Public Law 95–561).

The Senate bill contained no similar provision.

The Senate recedes.

Subtitle G—Military Readiness Issues

Independent study of military readiness reporting system (sec. 361)

The House amendment contained a provision (sec. 353) that would require the Secretary of Defense to commission RAND to perform an assessment of the requirements for a comprehensive readiness reporting system for the Department of Defense.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Independent study of Department of Defense secondary inventory and parts shortages (sec. 362)

The House amendment contained a provision (sec. 351) that would require an independent study of Department of Defense secondary inventory and parts shortages, as well as a review of the extent to which excess inventory can be eliminated.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the report to be performed by the Comptroller General of the United States. The conferees direct the Comptroller General to perform the review of excess inventory using methodology designed to ensure that the Department's unique national security requirements are considered, rather than apply a methodology which is more appropriate for a commercial entity.

Report on inventory and control of military equipment (sec. 363)

The Senate bill contained a provision (sec. 1024) that would require each of the military services to perform a systematic inventory of major-end-items and a report on the results of each of these inventories to Congress no later than August 31, 2000. These reports should include the status and location of each item accounted for, and the number and types of items unaccounted for, and the steps taken to locate these items and improve oversight in the future.

The House amendment contained no similar provision.

The House recedes.

Comptroller General study of adequacy of Department restructured sustainment and reengineered logistics product support practices (sec. 364)

The House amendment contained a provision (sec. 352) that would require an independent study of new sustainment and other logistics practices of the Department of Defense to determine if there are adequate sustainment supplies necessary to successfully execute the National Military Strategy.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require this study to be performed by the Comptroller General of the United States.

Comptroller General review of real property maintenance and its effects on readiness (sec. 365)

The House amendment contained a provision (sec. 354) that would require the Secretary of Defense to commission an independent report on the impact that inadequate funding for real property maintenance has had upon military readiness.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Comptroller General of the United States to perform the review and provide the report.

Establishment of logistics standards for sustained military operations (sec. 366)

The House amendment contained a provision (sec. 355) that would require the Secretary of Defense to establish standards for deployable units of the armed forces regarding the required level of spare parts and other similar logistic and sustainment needs.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the secretaries of the military departments to establish these standards.

Subtitle H—Information Technology Issues

Discretionary authority to install telecommunication equipment for persons performing voluntary services (sec. 371)

The House amendment contained a provision (sec. 361) that would authorize the Secretary of Defense to install telephone lines and any necessary telecommunication equipment in the private residences of individuals providing voluntary services to the United States Armed Forces. This equipment would be available for official use in connection with the voluntary services provide.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Authority for disbursing officers to support use of automated teller machines on naval vessels for financial transactions (sec. 372)

The Senate bill contained a provision (sec. 1006) that would authorize the Department of Defense disbursing officials to provide operating funds to Automated Teller Machines (ATMs) on naval vessels and to accept funds transferred from credit unions and commercial banks via these ATMs.

The House amendment contained a similar provision.

The House recedes with a technical amendment.

Use of Smart Card technology in the Department of Defense (sec. 373)

The Senate bill contained a provision (sec. 346) that would designate the Navy as the lead agency for development and implementation of Smart Card technology within the Department of Defense (DOD). The provision would require the Army and Air Force to establish project offices and establish a senior DOD coordinating group and would require the Navy to establish a plan to use Smart Cards throughout two major regions in the United States. The Senate bill would also authorize funding for Army and Air Force demonstration projects.

The House amendment contained no similar provision.

The House recedes with an amendment that clarifies that the senior coordinating group shall report to and receive guidance from the DOD Chief Information Officer, and deletes the funding for Army and Air Force demonstration projects.

Report on Defense use of Smart Card as PKI authentication device carrier (sec. 374)

The Senate bill contained a provision (sec. 347) that would direct the Secretary of Defense to conduct a study to determine the potential benefits of using the Smart Card as the Department of Defense Public-Private Key Infrastructure (PKI) authentication device.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the study to compare the costs and benefits of using the Smart Card with those of any other device that could be readily used for PKI authentication.

Subtitle I—Other Matters

Authority to lend or donate obsolete or condemned rifles for funeral and other ceremonies (sec. 381)

The Senate bill contained a provision (sec. 348) that would increase from 10 to 15 the number of excess M1 rifles the Secretary of the Army may lend for use in funeral ceremonies, and would also allow the Secretary to donate, as well as lend, these excess rifles to honor guard units, law enforcement agencies, or other veterans' organizations recognized by the Secretary for use in funeral ceremonies for members or former members of the armed forces.

The Senate bill contained an additional provision (sec. 1065) that would allow the Secretary to donate M1 rifles to certain reorganizations.

The House amendment contained no similar provisions.

The House recedes with a technical amendment that would combine the two provisions and require the Comptroller General of the Unites States to review and report on the implementation of these procedures.

Extension of warranty claims recovery pilot program (sec. 382)

The Senate bill contained a provision (sec. 341) that would extend the authority for the program to recover funds owed the Department of Defense for work performed at government expense on engines under warranty.

The House amendment contained no similar provision.

The House recedes with an amendment to extend the due dates of the reports.

Preservation of historic buildings and grounds at United States Soldiers' and Airmen's Home, District of Columbia (sec. 383)

The House amendment contained a provision (sec. 365) that would permit the Chairman of the Retirement Home Board and the Director of the United States Soldiers' and Airmen's Home to apply and accept a direct grant from the Secretary of the Interior under section 101(e)(3) of the National Historic Preservation Act (16 United States Code 470a(e)(3)) for the purpose of maintaining, repairing, and preserving the historic buildings and grounds of the United States Soldiers' and Airmen's Home included on the National Register of Historic Places.

The Senate bill contained no similar provision.

The Senate recedes.

Clarification of land conveyance authority, United States Soldiers' and Airmen's Home (sec. 384)

The House amendment contained a provision (sec. 366) that would clarify section 1053 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201), concerning the authorization for the United States Soldiers' and Airmen's Home, located in the District of Columbia, to sell approximately 49 acres of excess land. The section would establish the specific manner, terms and conditions for the conveyance of this land by sale or lease within 12 months of enactment of the provision. The section would also preclude the conveyance of this excess property through any public/private partnership, and would give the Catholic University of America, located adjacent to the excess land in the District of Columbia, the right to match any bona fide offer received for the sale or lease of the property.

The Senate bill contained no similar provision.

The Senate recedes.

The conferees do not intend that this provision be interpreted to require a second or a new appraisal of the 49 acres of excess land. The conferees remind the Secretary of Defense and the Armed Forces Retirement Home Board that, in accordance with section 1035(d) of the National Defense Authorization Act for Fiscal Year 1997, before any sale or lease of the excess land can be implemented, the Committees on Armed Services of the Senate and the House of Representatives must be notified of the disposal plan and the requisite waiting time has expired.

Treatment of Alaska, Hawaii, and Guam in defense household moving programs (sec. 385)

The House amendment contained a provision (sec. 367) that would exclude Alaska, Hawaii, and Guam from any pilot program involving the movement of service members household goods.

The Senate bill contained no similar provision.

The Senate recedes.

Under this provision, Hawaii and Guam shall be considered international destinations solely for purposes of administration of the household goods moving program. The treatment of Hawaii and Guam as international destinations is not intended to affect the applicability or operation of section 12105 of title 46, United States Code, or section 27 of title 46, United States Code.

LEGISLATIVE PROVISIONS NOT ADOPTED

Identification core logistic capability requirement for maintenance and repair of C–17 aircraft

The House amendment contained a provision (sec. 339) that would require the Secretary of the Air Force to provide a report that would outline the core capability requirements for the C–17.

The Senate bill contained no similar provision.

The House recedes.

Operation meterology and oceangraphy and UNOLS

The Senate bill contained a provision (sec. 305) that would provide $10.0 million for Operational Meterology and Oceangraphy and UNOLS.

The House amendment contained no similar provision, however, section 301(2) would include funding for this program.

The Senate recedes.

Implementation of jointly approved changes in defense retail systems

The Senate bill contained a provision (sec. 343) that would authorize the secretaries of the military departments to implement recommendations of the Joint Services Due Diligence Exchange Integration Study only if the recommendation is approved by all of the secretaries of the military departments.

The House amendment contained no similar provision.

The Senate recedes.

The conferees direct the Secretary of Defense, in conjunction with the secretaries of the military departments, to review the Joint Exchange Due Diligence Study and provide, not later than March 31, 2000, to the Committees on Armed Services of the Senate and House of Representatives an assessment of the recommendations in the study and a plan to implement those recommendations that the Secretary determines will improve operational efficiency and enhance the exchange benefit.

Reimbursement of Navy Exchange Service Command for relocation expenses

The House amendment contained a provision (sec. 311) that would authorize $8.7 million for reimbursement to the Navy Exchange Service Command (NEXCOM) for costs incurred in connection with the relocation of NEXCOM headquarters to Virginia Beach, Virginia, and for the lease of headquarters space.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are concerned that Navy Morale, Welfare and Recreation funds may have suffered reduced dividends from the Navy Exchange Command as a result of the move of the Navy Exchange Command headquarters from Staten Island, New York, to Virginia Beach, Virginia. The conferees note that the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160) authorized the Navy to reimburse the Navy Exchange Command up to $10.0 million for expenses related to the move. The conferees urge the Secretary of the Navy to review the record of the costs of moving the Navy Exchange Command headquarters, the savings attributable to relocating to Virginia, and the dividends the Navy Exchange Command paid the Navy Morale, Welfare and Recreation fund. The conferees expect that the Secretary of the Navy, following this review, to reimburse the Navy Morale, Welfare and Recreation fund by the amount of dividends determined to have been denied to sailors and their families as a result of the move of the Navy Exchange Command headquarters.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Active Forces

End strengths for active forces (sec. 401)

The Senate bill contained a provision (sec. 401) that would authorize active duty end strengths for fiscal year 2000, as shown below:

	Fiscal year—		
	1999 authorization	2000 request	2000 recommendation
Army	480,000	480,000	480,000
Navy	372,696	371,781	371,781
Marine Corps	172,200	172,148	172,240
Air Force	370,882	360,877	360,877

	Fiscal year—		
	1999 authorization	2000 request	2000 recommendation
Army	480,000	480,000	480,000
Navy	372,696	371,781	372,037
Marine Corps	172,200	172,148	172,518
Air Force	370,882	360,877	360,877

The Senate recedes.

The increase in authorized end strength for the Navy is intended to preclude undermanning of the underway replenishment ships. The increase in the authorized end strength of the Marine Corps is intended to support the requirement for additional Marine Security Guard personnel at United States Embassies and Consulates.

Revision in permanent end strength minimum levels (sec. 402)

The Senate bill contained a provision (sec. 402) that would establish the active duty end strength floors for fiscal year 2000, as shown below:

	Fiscal year—	
	1999 floor	2000 floor
Army	480,000	480,000
Navy	372,696	371,781
Marine Corps	172,200	172,148
Air Force	370,802	360,877

The House amendment contained an identical provision.

The conference agreement includes this provision.

Subtitle B—Reserve Forces

End strengths for Selected Reserve (sec. 411)

The Senate bill contained a provision (sec. 411) that would authorize selected reserve end strengths for fiscal year 2000, as shown below:

	Fiscal year—		
	1999 authorization	2000 request	2000 recommendation
The Army National Guard of the United States	357,223	350,000	350,623
The Army Reserve	208,003	205,000	205,000
The Naval Reserve	90,843	90,288	90,288
The Marine Corps Reserve	40,018	39,624	39,624
The Air National Guard of the United States	106,992	106,678	106,744
The Air Force Reserve	74,243	73,708	73,764
The Coast Guard Reserve	8,000	8,000	8,000
The House amendment contained a provision (sec. 411) that would authorize the following end strengths for the selected reserve personnel, including the end strength for reserves on active duty in support of the reserves, as of September 30, 2000:			
The Army National Guard of the United States	357,223	350,000	350,000
The Army Reserve	208,003	205,000	205,000
The Naval Reserve	90,843	90,288	90,288
The Marine Corps Reserve	40,018	39,624	39,624
The Air National Guard of the United States	106,992	106,678	106,678
The Air Force Reserve	74,243	73,708	73,708
The Coast Guard Reserve	8,000	8,000	8,000

The Senate recedes.

End strengths for Reserves on active duty in support of the reserves (sec. 412)

The Senate bill contained a provision (sec. 412) that would authorize full-time support end strengths for fiscal year 2000, as shown below:

	Fiscal year—		
	1999 authorization	2000 request	2000 recommendation
The Army National Guard of the United States	21,986	21,807	22,430
The Army Reserve	12,807	12,804	12,804
The Naval Reserve	15,590	15,010	15,010
The Marine Corps Reserve	2,362	2,272	2,272
The Air National Guard of the United States	10,931	11,091	11,157
The Air Force Reserve	992	1,078	1,134
The House amendment contained a provision (sec. 412) that would authorize the following end strengths for reserves on active duty in support of the reserves as of September 30, 2000:			
The Army National Guard of the United States	21,986	21,807	22,563
The Army Reserve	12,807	12,804	12,804
The Naval Reserve	15,590	15,010	15,010
The Marine Corps Reserve	2,362	2,272	2,272
The Air National Guard of the United States	10,931	11,091	11,025
The Air Force Reserve	992	1,078	1,078

The House recedes.

The increase for the Army National Guard is intended to support an increase in full-time support personnel and required manning for 12 additional Rapid Assessment and Initial Detection (RAID) teams.

The increase for the Air National Guard is intended to support required manning for 12 additional RAID teams.

The increase for the Air Force Reserve is intended to support the transfer if the functional check flight and test support missions within Air Force Material Command from the active Air Force to the Air Force Reserve.

End Strengths for military technicians (dual status) (sec. 413)

The Senate bill contained a provision (sec. 413) that would establish the minimum level of dual status military technician end strengths for fiscal year 2000, as shown below:

	Fiscal year—		
	1999 authorization	2000 request	2000 recommendation
The Army National Guard of the United States	23,125	21,361	22,396
The Army Reserve	5,395	5,179	5,179
The Air National Guard of the United States	22,408	22,247	22,247
The Air Force Reserve	9,761	9,785	9,785

	Fiscal year—	
	2000 request	2000 recommendation
The Army National Guard of the United States	1,800	1,800
The Army Reserve	1,295	1,295
The Air National Guard of the United States	342	342
The Air Force Reserve	342	342

The House amendment contained a provision (sec. 413) that would authorize the following end strength floors for dual status military technicians, as of September 30, 2000:

	Fiscal year—		
	1999 authorization	2000 request	2000 recommendation
The Army National Guard of the United States	23,125	21,361	23,125
The Army Reserve	5,395	5,179	6,474
The Air National Guard of the United States	22,408	22,247	22,247
The Air Force Reserve	9,761	9,785	9,785

The Senate recedes.

The increase in the minimum number of dual status military technicians in the Army National Guard and the Army Reserve is intended to support the determination of the conferees that technician positions be filled with dual status personnel and a belief that the budget request reduced military technician levels below that attributable to force structure reductions

Increase in numbers members in certain grades authorized to be on active duty in support of the Reserves (sec. 414)

The Senate bill contained a provision (sec. 414) that would increase the control grades for active guard reserve personnel.

The House amendment contained a provision (sec. 414) that would authorize increases in the grades of reserve members authorized to serve on active duty or on full-time national guard duty for the administration of the reserves or the National Guard.

The House recedes.

Selected Reserve end strength flexibility (sec. 415)

The Senate bill contained a provision (sec. 411c) that would authorize the Secretary of Defense to increase selected reserve end strength in any fiscal year by not more than two percent.

The House amendment contained a provision (sec. 415) that would permit the Secretary of Defense to vary by not more than two percent the selected reserve end strength authorized in a fiscal year for any of the reserve components.

The Senate recedes.

Subtitle C—Authorization of Appropriations

Authorization of appropriations for military personnel (sec. 421)

The Senate bill contained a provision (sec.421) that would authorize $71,693,093,000 to be appropriated to the Department of Defense for military personnel.

The House amendment contained a provision (sec. 421) that would authorize $72,115,367,000 to be appropriated to the Department of Defense for military personnel.

The House recedes with an amendment that would authorize $71,884,867,000 to be appropriated to the Department of Defense for military personnel.

The conferees added $27.0 million to fund additional full time support personnel necessary to add 17 Rapid Assessment and Initial Detection teams; $156.0 million for the incremental costs of the 4.8 percent pay raise; $225.0 million to increase the basic allowance for housing; $59.0 million to be transferred to the retirement accrual account to offset costs of repealing dual compensation; $15.0 million for additional Army enlistment bonuses; $21.0 million for additional Army selective reenlistment bonuses; $2.0 million for additional Army Reserve enlistment bonuses; and $5.0 million increase to Naval Reserve recruiting. The conferees offset the increases with reductions: $161.0 million in savings from the Redux retirement reform; $270.0 million in end strength under execution; $16.0 million excess in United States Marine Corps military personnel budget request; $20.0 million in Army National Guard work year reduction; $12.0 million in Air Force temporary early retirement re-phasing; and $31.0 million excess in the foreign currency fluctuation account. An additional $1,838,000,000 provided in the emergency Supplemental Appropriations Act for military personnel related to operations in the Balkans was reallocated to readiness and procurement accounts.

LEGISLATIVE PROVISIONS NOT ADOPTED

Reduction of end strengths below levels for two major regional contingencies

The Senate bill contained a provision (sec. 403) that would amend section 691(d) of title 10, United States Code, to permit the Secretary of Defense to reduce end strength floors only after notifying Congress in writing of the scope of the reduction and the justification for such reductions.

The House amendment contained no similar provision.

The Senate recedes.

TITLE V—MILITARY PERSONNEL POLICY

ITEMS OF SPECIAL INTEREST

Medical and physical accession and retention standards

Recognizing that the military services face significant challenges in both the recruitment and retention of sufficient personnel, the conferees support the range of creative and innovative programs that the military services are undertaking to solve recruiting and retention shortfalls. To that end, the conferees urge the Secretary of Defense to undertake a thorough review of the medical and physical standards by which the services adjudge a person's fitness for accession and retention. Persons with conditions heretofore considered disabling today make significant contributions in all walks of life. In urging the Secretary to undertake the review of accession and retention standards, the conferees want to examine the premise that persons with conditions previously considered disqualifying for entry into or retention in the military might now provide a source of qualified personnel to assist the military services in meeting manning requirements. However, the conferees acknowledge that service members must meet or exceed certain physical and medical standards to be able to fight and win the Nation's wars.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Officer Personnel Policy

Temporary authority for recall of retired aviators (sec. 501)

The House amendment contained a provision (sec. 562) that would authorize the secretaries of the military departments, in coordination with the Secretary of Defense, to conduct a pilot program to recall to active duty officers with aviation expertise to serve in aviation staff billets and would authorize a maximum of 500 officers throughout the Department of Defense to be recalled to active duty during the period October 1, 1999 through September 30, 2002. The provision would require the Secretary of Defense to submit a report on the results of the pilot program to the Committees on Armed Services of the Senate and the House of Representatives not later than March 31, 2002. The section would require the Secretary of Defense to include in the report a recommendation concerning extension of the authority.

The Senate bill contained no similar provision.

The Senate recedes.

Increase in maximum number of officers authorized to be on active-duty list in frocked grade of brigadier general and rear admiral (lower half) (sec. 502)

The Senate amendment contained a provision (sec. 503) that would increase the number of officers permitted to be frocked to the grade of brigadier general or rear admiral from 35 to 55.

The House amendment contained no similar provision.

The House recedes.

Reserve officers requesting or otherwise causing nonselection for promotion (sec. 503)

The Senate amendment contained a provision (sec. 504) that would eliminate a loophole in section 617(c), title 10, United States Code, that permitted reserve officers to request nonselection by a promotion board and, as a result of a subsequent nonselection, avoid a service obligation and recoupment of bonus payments while regular officers are prohibited from such actions.

The House amendment contained no similar provision.

The House recedes.

Minimum grade of officers eligible to serve on boards of inquiry (sec. 504)

The Senate bill contained a provision (sec. 505) that would modify the required board membership for Boards of Inquiry from the current requirement of three officers in the grade of colonel, or captain in the case of the Navy, to one officer in the grade of colonel, or captain in the case of the Navy, and two officers in the grade of lieutenant colonel, or commander in the case of the Navy. The recommended provision does not change the requirement that the members of the board must be senior in grade to any officer considered by that board.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Minimum selection of warrant officers for promotion from below the promotion zone (sec. 505)

The Senate bill contained a provision (sec. 506) that would authorize below the zone selection for promotion of warrant officers in all competitive categories even when the promotion zone lacks sufficient numbers to permit recommendation for promotion of an officer from below the promotion zone using the current formula.

The House amendment contained a similar provision.

The House recedes.

Increase in threshold period of active duty for applicability of restriction on holding of civil office by retired regular officers and reserve officers (sec. 506)

The Senate bill contained a provision (sec. 507) that would change the number of days reserve officers or retired regular officers may hold civil office while serving on active duty from 180 days to 270 days to conform to the maximum number of days for which a reservist may be called to active duty under the Presidential Selective Reserve Call-up (PSRC) authority.

The House amendment contained a similar provision (sec. 564).

The House recedes.

Exemption of retiree council members from recalled retiree limits (sec. 507)

The Senate bill contained a provision (sec. 508) that would exempt retired officers recalled to active duty for purposes of attending the annual meeting of a retiree council from counting against the limitation on the number of retired officers who may be recalled to active duty.

The House amendment contained a provision (sec. 561) that would permit the Secretary to recall up to 150 retired officers to active duty, and permit a recalled officer to serve up to 36 months.

The House recedes.

Technical amendments relating to joint duty assignments (sec. 508)

The House amendment contained a provision (sec. 502) that would amend section 619(a), title 10, United States Code, to delete an expired waiver authority, but would retain the requirement that officers who received waivers before January 1, 1997 and January 1, 1999 must complete a full tour of duty in a joint duty assignment as a prerequisite for appointment to lieutenant general or vice admiral.

The Senate bill contained no similar provision.

The Senate recedes.

Three-year extension of requirement for competition for joint 4-star officer positions (sec. 509)

The Senate bill contained a provision (sec. 501) that would extend the exemption of combatant commanders (CINCs), the Deputy Commander-in-Chief of the United States European Command (DCINCEUR), and the Commander-in-Chief, United States Forces, Korea from the ceiling for grades above major general or rear admiral for three years from September 30, 2000 to September 30, 2003.

The House amendment contained a provision (sec. 403) that would make permanent the exemption which expires September 30, 2000. The section would also prohibit the use of the exemption from increasing the total numbers of general officers on active duty, and from increasing the numbers of four-star general officers by mandating that the exemptions be used to fill joint three-star positions that, without the exemption, would otherwise not be filled. Finally, the section would make permanent the requirement that each service secretary nominate a candidate to the Secretary of Defense to fill vacancies in four-star joint officer command positions.

The House recedes with an amendment that would include the clarification of certain limitations of the number of active-duty generals and flag officers.

Subtitle B—Reserve Component Personnel Policy

Continuation of officers on reserve active-status list to complete disciplinary action (sec. 511)

The Senate bill contained a provision (sec. 515) that would permit service secretaries to retain, on the Reserve Active Status List, any reserve officer until the completion of a court-martial action. The provision prevents reserve officers from separating from the service to avoid prosecution. Service secretaries currently have a similar authority for retaining active component officers.

The House amendment contained a similar provision (sec. 511).

The Senate recedes with a clarifying amendment.

Authority to order reserve component members to active duty to complete a medical evaluation (sec. 512)

The Senate bill contained a provision (sec. 715) that would amend section 12301 of title 10, United States Code, to provide the Secretary of Defense with the authority to authorize the service secretary concerned to order a member of a Reserve component to active duty, with his consent, to complete a required health surveillance study or medical evaluation in conjunction with a Department of Defense program of data collection, analysis, and information dissemination. The provision would also authorize the Secretary of Defense to retain a reserve component member on active duty to receive medical treatment for an illness or disease associated with the study or evaluation.

The House amendment contained a provision (sec. 512) that would authorize the secretaries of the military departments, with the concurrence of the Secretary of Defense, to order a reserve member to active duty to receive medical care, to be medically evaluated for disability or other purpose, or to complete a required Department of Defense health care study. The section would require the member to consent to the recall.

The Senate recedes with a clarifying amendment.

Exclusion of reserve officers on educational delay from eligibility for consideration for promotion (sec. 513)

The Senate bill contained a provision (sec. 518) that would prohibit promotion eligibility for reserve officers in an educational delay status.

The House amendment contained a similar provision (sec. 513).

The House recedes.

Extension of period for retention of reserve component majors and lieutenant commanders who twice fail of selection for promotion (sec. 514)

The Senate bill contained a provision (sec. 514) that would extend the period of service of reserve component majors and lieutenant commanders following a second failure to be selected for promotion. The recommended provision would provide a reserve component major or lieutenant commander with twenty years of service, or less than six months to reach twenty years of service, a six month period to transition out of the service.

The House amendment contained a similar provision (sec. 514).

The House recedes.

Computation of years of service exclusion (sec. 515)

The Senate bill contained a provision (sec. 519) that would not include the years spent in a college student commissioning service status in the computation of years of service for a reserve officer. The provision would permit reserve officers to serve several more years before facing mandatory separation based on years of service.

The House amendment contained a similar provision (sec. 515).

The Senate recedes with a clarifying amendment.

Retention of reserve component chaplains until age 67 (sec. 516)

The Senate bill contained a provision (sec. 516) that would permit the Secretary of the Army and the Secretary of the Air Force to retain reserve component chaplains until age 67.

The House amendment contained a similar provision (sec. 516).

The House recedes.

Expansion and codification of authority for space required travel on military aircraft for reserves performing inactive-duty training outside the continental United States (sec. 517)

The Senate bill contained a provision (sec. 644) that would expand and codify section 8023 of the Department of Defense Appropriations Act for Fiscal Year 1998 to authorize space required travel for certain reservists performing inactive-duty training outside the continental United States.

The House amendment contained a similar provision (sec. 517).

The House recedes with a clarifying amendment.

Subtitle C—Military Technicians

Revision to military technician (dual status) law (sec. 521)

The House amendment contained a provision (sec. 521) that would clarify section 10216 of title 10, United States Code, pertaining to military technicians (dual status), and extend the time from six months to up to 12 months that a person may remain employed as a technician in the Army and Air Force Reserve following loss of status as a military technician (dual status).

The Senate bill contained no similar provision.

The Senate recedes.

Civil service retirement of technicians (sec. 522)

The House amendment contained a provision (sec. 522) that would require the retirement of retirement-eligible Army or Air Force Reserve military technicians (dual status) upon loss of dual status. The section would also establish procedures for the continued employment of certain non-retirement eligible technicians in the Army or Air Force Reserve who had been hired on or before February 10, 1996, as well as for the reemployment and separation of non dual-status technicians hired subsequently.

The section would also make a non-dual status technician in the Army or Air Force Reserve ineligible for a voluntary personnel action involving a military technician (dual status) position. The section would define "voluntary personnel action" as one involving the hiring, entry, appointment, reassignment, or transfer into a military technician (dual status) position other than the one occupied by the non-dual status technician; or promotion in grade in a current position, if the non-dual status technician occupies a position which the Secretary of the Army or Air Force, as appropriate, has designated as requiring a military technician (dual status). The section would take effect one year after the date of enactment of this bill.

The section would create new early retirement criteria for any technician hired after February 10, 1996 who becomes a non-dual status technician. The new criteria would make a military technician (dual status) eligible for immediate retirement after completing 25 years of service, or after becoming 50 years of age and completing 20 years of service. Such revised retirement criteria would help to ensure the sustainment of the youthful, vigorous technician force that will be required in the 21st Century.

The section would also permit Army and Air Force Reserve technicians who qualify for the Civil Service Retirement System (CSRS) to be provided a disability retirement—something for which, heretofore, only National Guard technicians under CSRS were qualified.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would eliminate the limit on the number of mandatory retirements that could be considered in a year.

Revision to non-dual status technicians statute (sec. 523)

The House amendment contained a provision (sec. 523) that recognize that the National Guard, as well as the Army and Air Force Reserves, require a limited number of non-dual status technicians to operate effectively and would limit the total number of non-dual status technicians in the National Guard to no more than 1,950 on and after October 1, 2001, and the total in the Army and Air Force Reserves to no more than 175, on or after October 1, 2007. If at any time after the effective dates the numerical limits are exceeded, the section would require that the Secretary of Defense take action to require the appropriate secretaries of the military services to immediately reduce the excess.

The Senate bill contained no similar provision.

The Senate recedes.

Revision to authorities relating to National Guard technicians (sec. 524)

The House amendment contained a provision (sec. 524) that would amend section 709 of title 32, United States Code, to authorize the Secretary of the Army and the Secretary of the Air Force to employ non-dual status technicians in the National Guard.

The Senate bill contained no similar provision.

The Senate recedes.

Effective date (sec. 525)

The House amendment contained a provision (sec. 525) that would delay the non-dual status technician employment authority provided to the Department in sections 523 and 524 in the House amendment until 180 days after the Secretary of Defense submits the plan for eliminating all non-dual status technicians required by the National Defense Authorization Act for Fiscal Year 1998 or provides an alternative plan for non-dual status technicians.

The Senate bill contained no similar provision.

The Senate recedes.

Secretary of Defense review of Army technician costing process (sec. 526)

The House amendment contained a provision (sec. 526) that would require the Secretary of Defense to review, and if necessary direct revisions to, the procedures and processes employed by the Army to develop budget estimates of the required annual authorizations and appropriations for civilian personnel, and especially Army National Guard and Army Reserve military technicians (dual status).

The Senate bill contained no similar provision.

The Senate recedes.

Fiscal year 2000 limitation on number of non-dual status technicians (sec. 527)

The House amendment contained a provision (sec. 527) that would establish numerical limits on the number of non-dual status technicians who may be employed in the Department of Defense as of September 30, 2000.

The Senate bill contained no similar provision.

The Senate recedes.

Subtitle D—Service Academies

Strength limitations at the service academies (sec. 531)

The Senate bill contained a provision (sec. 531) that would provide the secretary of a military department the authority to waive the 4,000 cadet strength limitation by five percent after the secretary notifies the Committees on Armed Services of the Senate and the House of Representatives.

The House amendment contained a provision (sec. 532) that would require the Secretary of the Army to bring the academy into compliance with the law by the day prior to the graduation date of the first, or senior class, in June 2002. The section would also provide authority for the Secretary of the Army in school year 1999, 2000, and 2001 to vary the cadet end strengths from the statutory limit. The section would also repeal section 511, of the National Defense Authorization Act for Fiscal Year 1992 (Public Law 102-190), add the strength limitations of that section to title 10, United States Code, and require that compliance with the cadet and midshipmen strength limitations will be measured annually as of the day before graduation for each of the service academies.

The Senate recedes with an amendment that would require that compliance with the cadet and midshipmen strength limitations will be measured annually as of the day before graduation for each of the service academies, would provide the secretary of a military department authority to waive the cadet and midshipmen strength limitations by one percent, and would provide the Secretary of the Army authority to waive the cadet strength limitation at the United States Military Academy by five percent in the 1999–2000 school year and by two and one-half percent in the 2000–2001 school year.

Superintendents of the service academies (sec. 532)

The Senate bill contained a provision (sec. 502) that would exclude an officer serving in the position of Superintendent of the United States Military Academy, Superintendent of the United States Naval Academy, or Superintendent of the United States Air Force Academy in the grade of lieutenant general, or vice admiral in the case of the Navy, from counting against the limit on three- and four-star general or flag officers. The recommended provision would require that, upon termination of a detail as Superintendent, the officer must retire. The recommended provision would become effective with the appointment of the next Superintendent at each academy.

The House amendment contained a provision (sec. 534) that would exempt officers while serving as the superintendents of the service academies, when serving in the grades of lieutenant general or vice admiral, from counting against the limits imposed by section 525(b) of title 10, United States Code.

The House recedes with an amendment that would exclude an officer serving in the position of Superintendent of the United States Military Academy, Superintendent of the United States Naval Academy, or Superintendent of the United States Air Force Academy in the grade of lieutenant general, or vice admiral in the case of the Navy, from counting against the limit on three- and four-star general or flag officers effective upon enactment of this Act. The amendment would also specify that the requirement for an officer to retire upon termination of a detail as Superintendent would become effective with the appointment of the next Superintendent at each academy.

Dean of academic board, United States Military Academy and dean of the faculty, United States Air Force Academy (sec. 533)

The House amendment contained a provision (sec. 533) that would authorize the Dean of the Academic Board, United States Military Academy, and Dean of the Faculty, United States Air Force Academy to hold the rank of brigadier general. The section would also require that these two general officers be counted against and not increase the statutory limits on the total number of general officers.

The Senate bill contained no similar provision.

The Senate recedes.

Waiver of reimbursement of expenses for instruction at service academies of persons from foreign countries (sec. 534)

The Senate bill contained a provision (sec. 532) that would repeal the current limits on the number of foreign students at service academies for which the Secretary of Defense may waive reimbursement for tuition costs.

The House amendment contained a provision (sec. 531) that would increase the Secretary's authority by allowing the full cost waivers for up to 20 students at a time at each academy, and by permitting the waiver of up to 50 percent of the cost of attendance for all other international students.

The Senate recedes with an amendment that would repeal section 301 of the 1999 Emergency Supplemental Appropriations Act (Public Law 106-31) that provided the Secretary of Defense with temporary authority to waive tuition costs for international students.

Expansion of foreign exchange programs of the service academies (sec. 535)

The Senate bill contained a provision (sec. 533) that would expand the foreign exchange student program in the service academies by increasing the number of cadets or midshipmen who may participate in exchange programs from 10 to 24 and increase the authorized expenditures to support such exchanges from $50,000 to $120,000.

The House amendment contained no similar provision.

The House recedes.

Subtitle E—Education and Training

Establishment of a Department of Defense international student program at the senior military colleges (sec. 541)

The House amendment contained a provision (sec. 541) that would require the Secretary of Defense to establish a program to facilitate the enrollment and instruction of international students at the Senior Military Colleges (SMC). The Secretary of Defense would be authorized to underwrite, in whole or in part, the cost of the international students' attendance at the SMCs.

The Senate bill contained no similar provision.

The Senate recedes.

Authority for Army War College to award degree of master of strategic studies (sec. 542)

The Senate bill contained a provision (sec. 535) that would authorize the Commandant of the United States Army War College to confer the degree of Masters of Strategic Studies upon graduates of the War College who fulfill the requirements of the degree.

The House amendment contained a similar provision (sec. 542).

The House recedes.

Authority for Air University to award graduate-level degrees (sec. 543)

The Senate bill contained a provision (sec. 537) that would authorize the Commander of the Air Force Air University to confer graduate-level degrees upon graduates of the Air University who fulfill the requirements of a degree. The recommended provision would permit award of the degrees of Master of Strategic Studies for the Air War College, Master of Military Operational Art and Science for the Air Command and Staff College, and Master of Airpower Art and Science for the School of Advanced Airpower Studies.

The House amendment contained a similar provision (sec. 543).

The Senate recedes.

Reserve credit for participation in health professions scholarship and financial assistance program (sec. 544)

The Senate bill contained a provision (sec. 517) that would specify that the award of service credit for reservists who participate in a health professions scholarship and financial assistance program applies only to those who complete a satisfactory year of service in the Selected Reserve and would revise the existing statutes to ensure that reserve service credit for reservists who participate in a health professions scholarship and financial assistance program is not awarded for pay and longevity purposes.

The House amendment contained a similar provision (sec. 544).

The House recedes.

Permanent authority for ROTC scholarships for graduate students (sec. 545)

The Senate bill contained a provision (sec. 534) that would make permanent a temporary authority that permits graduate students to be awarded Reserve Officer Training Corps (ROTC) scholarships and would limit the number of graduate student ROTC scholarships awarded to 15 percent of the total number of scholarships.

The House amendment contained a similar provision (sec. 545).

The House recedes.

Increase in monthly subsistence allowance for Senior ROTC cadets selected for advanced training (sec. 546)

The House amendment contained a provision (sec. 546) that would increase the monthly subsistence allowance of senior Reserve Officer Training Corps cadets from $150 per month to $200 per month.

The Senate bill contained no similar provision.

The Senate recedes.

Contingent funding increase for Junior ROTC program (sec. 547)

The House amendment contained a provision (sec. 547) that would require that any funds appropriated annually for the National Guard Youth Challenge Program in excess of $62.5 million would be provided to the Junior Reserve Officer Training Corps (ROTC) program.

The Senate bill contained no similar provision.

The Senate recedes.

Change from annual to biennial reporting under the reserve component Montgomery GI Bill (sec. 548)

The Senate bill contained a provision (sec. 574) that would change the frequency for the Secretary of Defense to report to the Congress concerning the operation of the Selected Reserve educational assistance program under the Montgomery G.I. Bill from annually to every two years, covering the period of time since the last report and would permit the Secretary of Defense to submit a report more frequently if he deems such an activity to be appropriate.

The House amendment contained a provision (sec. 548) that would authorize the Secretary of Defense to submit a report on the reserve component Montgomery GI Bill on a biennial basis in lieu of the current requirement to submit the report on an annual basis.

The Senate recedes with an amendment that would merge the two provisions into a single provision retaining the authorities of both.

Recodification and consolidation of statutes denying Federal grants and contracts by certain departments and agencies to institutions of higher education that prohibit senior ROTC units or military recruiting on campus (sec. 549)

The House amendment contained a provision (sec. 549) that would consolidate and recodify three provisions of law related to colleges and universities that prohibit senior Reserve Officers Training Corps units or military recruiting on campus.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Accrual funding for Coast Guard Montgomery GI Bill liabilities (sec. 550)

The Senate bill contained a provision (sec. 1079) that would permit the Secretary of Transportation to deposit funds in the Department of Defense Education Benefits Fund to finance the Coast Guard College Fund program.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle F—Reserve Component Management

Financial assistance program for pursuit of degrees by officer candidates in Marine Corps Platoon Leaders Class program (sec. 551)

The Senate bill contained a provision (sec. 539) that would authorize the Secretary of the Navy to provide financial assistance to an eligible enlisted member of the Marine Corps Reserve for expenses incurred in pursuit of a baccalaureate degree and a commission in the Marine Corps.

The House amendment contained a similar provision (sec. 518).

The House recedes with an amendment that would authorize the Secretary of the Navy to, under certain conditions, waive the enlisted service obligation.

Options to improve recruiting for the Army Reserve (sec. 552)

The House amendment contained a provision (sec. 519) that would direct the Secretary of the Army to conduct a review of the Army's system of recruiting for the Army Reserve to include examining, as a possible course of corrective action, whether the responsibility for Army Reserve recruiting should be placed under the control of the Army Reserve Command.

The Senate bill contained no similar provision.

The Senate recedes.

Joint duty assignments for reserve component general and flag officers (sec. 553)

The Senate bill contained a provision (sec. 511) that would permit up to 25 reserve component general and flag officers to serve on active duty for periods of 180 days or longer without counting against the active duty general and flag officer limits.

The House amendment contained no similar provision.

The House recedes with an amendment that would create a "Chairman's 10" category for reserve component general and flag officers. The Chairman of the Joint Chiefs of Staff would designate up to 10 one-star and two-star positions to be filled for tours of duty in excess of 180 days only by reserve component general and flag officers. The designated positions would be considered joint duty assignments for the purposes of chapter 38 of title 10, United States Code. Reserve component officers filling these designated positions would not count against the number of general and flag officers on active duty or the limits on the distribution of officers within the general and flag officer grades. The 10 reserve component officers filling the designated positions would be in addition to those reserve component general and flag officers on active duty tours in excess of 180 days who are counted against the number of general and flag officers on active duty and are included in the distribution of officers within the general and flag officer grades.

Grade of chiefs of reserve components and the additional general officers at the National Guard Bureau (sec. 554)

The Senate bill contained a provision (sec. 522) that would establish the grade of the chiefs of the reserve components and the directors of the Army and Air National Guard as three-star positions. The provision would exempt these officers from counting against the limit on the number of general and flag officers on active duty, but would not exempt the positions from the limits on the number of three- and four-star general and flag officers.

The House amendment contained no similar provision.

The House recedes with an amendment that would authorize the chiefs of the reserve components and the directors of the Army and Air National Guard to serve at one grade higher than currently authorized if certain conditions were met. Officers serving as the chief of a reserve components or director of the Army or Air National Guard would be authorized, subject to the advice and consent of the Senate, to serve one grade higher than currently authorized if they were recommended by the secretary of the military department and were adjudged by the Chairman of the Joint Chiefs of Staff, as a result of a criteria and process established by the Chairman, to possess significant joint duty experience. Officers in these positions serving at a higher grade would count against the number of general and flag officers on active duty and against the limit on three- and four-staff general and flag officers. The amendment would, for a three-year transition period, permit the Secretary of Defense to waive the joint duty experience criteria established by the Chairman of the Joint Chiefs of Staff

While the ultimate decision regarding qualifying criteria should be left with the Chairman of the Joint Chiefs, the conferees believe that officers serving at a higher grade should not be limited exclusively to those who have served a joint general and flag officer tour. The conferees believe that reserve officers could gain joint experience in a variety of different ways, for example, as a result of repetitive tours of less than 180 days, as an individual mobilization augmentee, as an advisor to the Chairman of the Joint Chiefs of Staff, or some other experience. The conferees urge the Chairman of the Joint Chiefs of Staff to take account of this consideration when formulating the selection criteria.

Duties of Reserves on active duty in support of the Reserves (sec. 555)

The Senate bill contained a provision (sec. 512) that would expand the functions and duties authorized to be performed by Active Guard and Reserve (AGR) personnel. The recommended provision would also require the Secretary of Defense to review how AGR personnel will be used given the expanded functions and duties, and would require the Secretary of Defense to report to the Committees on Armed Services of the Senate and the House of Representatives on whether AGRs should be accounted for within the active component end strength and funded within the appropriations for active component military personnel.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Repeal of limitation on number of Reserves on full-time active duty in support of preparedness for responses to emergencies involving weapons of mass destruction (sec. 556)

The Senate bill contained a provision (sec. 513) that would repeal the limitation on the number of reserves on full-time active duty who can provide support in response to an emergency involving weapons of mass destruction.

The House amendment contained no similar provision.

The House recedes.

Establishment of Office of the Coast Guard Reserve (sec. 557)

The Senate bill contained a provision (sec. 521) that would establish in the Coast Guard an Office of Reserve Affairs headed by an officer in a grade above captain.

The House amendment contained no similar provision.

The House recedes with an amendment that would permit any Coast Guard officer in the grade of Captain with more than 10 years of service and who is recommended by the Secretary of Transportation to be nominated to be the Director of the Coast Guard Reserve.

Report on use of National Guard facilities and infrastructure for support of provision of services to veterans (sec. 558)

The Senate bill contained a provision (sec. 1033) that would require the Chief of the National Guard Bureau, in consultation with the Secretary of Veterans Affairs, to submit a report to the Secretary of Defense assessing the feasibility and desirability of using the facilities and electronic infrastructure of the National Guard to support providing services to veterans. The Secretary of Defense would be required to submit the report, not later than April 1, 2000, to the Congress along with any comments the Secretary considers important.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle G—Decorations, Awards, and Commendations

Waiver of time limitations for award of certain decorations to certain persons (sec. 561)

The Senate bill contained a provision (sec. 551) that would waive the statutory time limitations for the award of military decorations to certain individuals who have been recommended by the service concerned for these awards.

The House amendment contained a similar provision (sec. 551).

The Senate recedes with an amendment that would merge the two provisions so as to include all award recommendations that have received a favorable recommendation from the service secretary concerned.

Authority for award of Medal of Honor to Alfred Rascon for valor during the Vietnam conflict (sec. 562)

The Senate bill contained a provision (sec. 552) that would waive the statutory time limits and authorize the President to award the Medal of Honor to Alfred Rascon, of Laurel, Maryland for valor during the Vietnam conflict.

The House amendment contained an identical provision (sec. 553).

The conference agreement includes this provision.

Elimination of current backlog of requests for replacement of military decorations (sec. 563)

The Senate bill contained a provision (sec. 553) that would require the Secretary of Defense to make available such funds and resources as are necessary to eliminate the backlog of requests for the issuance of military decorations for former members of the armed forces.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

The conferees are aware that the services have entered into contracts with the National Personnel Records Center, where the military records are archived, to conduct the necessary research and determine the eligibility for the requested awards. The conferees expect the secretaries of the military departments to review the contracts to ensure the specifications are sufficient to eliminate the backlog of requests and to ensure that the work performed under these contracts meets the requirements of the contract.

Retroactive award of Navy Combat Action Ribbon (sec. 564)

The Senate bill contained a provision (sec. 554) that would authorize the Secretary of the Navy to award the Navy Combat Action Ribbon to a member of the Navy or Marine Corps for participation in ground or surface combat during any period after December 6, 1941 and before March 1, 1961, if the Secretary determines that the member has not been previously recognized for such participation.

The House amendment contained no similar provision.

The House recedes.

Sense of Congress concerning Presidential unit citation for crew of the U.S.S. Indianapolis (sec. 565)

The House amendment contained a provision (sec. 552) that would express the sense of Congress that the President should award a Presidential Unit Citation to the crew of the USS Indianapolis.

The Senate bill contained no similar provision.

The Senate recedes.

Subtitle H–Matters Relating to Recruiting

Access to secondary school students for military recruiting purposes (sec. 571)

The House amendment contained a provision (sec. 567) that would request each local educational entity with responsibility for secondary school education to provide military recruiters the same access to students as is provided to other prospective employers.

The Senate bill contained no similar provision.

The Senate recedes.

Increased authority to extend delayed entry period for enlistments of persons with no prior military service (sec. 572)

The Senate bill contained a provision (sec. 572) that would increase the period in which a potential recruit may be extended in the delayed entry program from 180 days to 365 days.

The House amendment contained no similar provision.

The House recedes.

Army College First pilot program (sec. 573)

The Senate bill contained a provision (sec. 573) that would require the Secretary of the Army to establish a pilot program, during the period beginning on October 1, 1999 and ending on September 30, 2004, to assess whether the Army could increase the number and quality of persons recruited for the Army by encouraging recruits to pursue or continue higher education, vocational or technical training before entering active duty. The pilot program authority could consist of two unique alternatives. In one, recruits could be placed in the delayed entry program for a maximum of two years and receive a $150 stipend each month while completing their higher education, vocational or technical training prior to entering active duty. In another, recruits would enlist in the selected reserve, complete initial entry training and be assigned to a Selected Reserve unit while participating in a two year program of higher education, vocational or technical training. Upon completion of their schooling, the member would be discharged from the Selected Reserve and enlist in the active component. The provision would require the Secretary of the Army to assess the effectiveness of the pilot program and report that assessment to the Committees on Armed Services of the Senate and the House of Representatives, by no later than February 1, 2004.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Use of recruiting materials for public relations purposes (sec. 574)

The Senate bill contained a provision (sec. 578) that would authorize the Department of Defense to use advertising materials developed for recruiting and retention of personnel to be used for public relations purposes.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle I—Matters Relating to Missing Persons

Nondisclosure of debriefing information on missing persons previously returned to United States control (sec. 575)

The Senate bill contained a provision (sec. 577) that would prohibit disclosure of the record of any debriefings conducted by an official of the United States authorized to conduct such a debriefing of a missing person returned to the U.S. control.

The House amendment contained no similar provision.

The House recedes with an amendment that would clarify that this provision does not limit release of information in accordance with procedures described in section 1506(d)(2) and (3) of title 10, United States Code.

Recovery and identification of remains of certain World War II servicemen lost in Pacific Theater of Operations (sec. 576)

The Senate bill contained a provision (sec. 1083) that would urge the Secretary of the Army to make every reasonable effort, as a matter of high priority, to search for, recover, and identify the remains of World War II servicemen lost in the Pacific theater and to report to the Congress, not later than September 30, 2000, on the efforts to recover these remains.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to make every reasonable effort to search for, recover, and identify the remains of World War II servicemen lost in the Pacific theater and to report to the Congress, by no later than September 30, 2000, on the efforts to recover these remains. The report would include the report on the backlog of cases by conflict and the joint manning plan required by section 566 of the National Defense Authorization Act for Fiscal Year 1999.

Subtitle J—Other Matters

Authority for special courts-martial to impose sentences to confinement and forfeitures of pay of up to one year (sec. 577)

The Senate bill contained a provision (sec. 561) that would amend section 819 of title 10, United States Code, Article 19 of the Uniform Code of Military Justice, to increase the sentencing jurisdiction of those special courts-martial which are authorized to adjudge a bad-conduct discharge to include confinement for one year and forfeiture of two-thirds pay for one year.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Funeral honors details for funerals of veterans (sec. 578)

The Senate bill contained a provision (sec. 571) that would establish the minimum composition of a funeral honors detail to provide honors at the funeral of a veteran. The provision would require the Secretary of Defense to provide, at a minimum, two uniformed military personnel and the capability to provide a high quality recording of taps. At least one member of the funeral honors detail must represent the service of the deceased veteran. The Secretary of Defense would be able to use either active or reserve component or a mix of active and reserve component personnel to provide the funeral honors. The ceremony would, at a minimum, include folding and presentation of the United States flag and the playing of taps. The provision would authorize reserve component personnel who participate in an honor guard detail to receive retirement point credit, would authorize medical treatment for any illness or injury a reservist might incur during the period in which they are participating in an honor detail and would authorize a $50 stipend for the performance as part of a funeral honors detail. The provision would also make deceased members or former members of the Selected Reserve eligible for funeral honors. The provision would permit the Secretary of Defense to accept the voluntary services of veterans support organizations to assist in performing funeral honors. The provision would encourage the veterans support organizations at the national and local level to cooperate with the Department of Defense to the maximum extent possible to provide those veterans whose families request military honors the recognition they deserve.

The House amendment contained a provision (sec. 565) that would require the secretaries of the military departments to provide, upon request, honor guard details for the funerals of veterans. The section would specify that the honor guard details be comprised of not less than two persons with the capability to play a recording of taps. At least one member of the honor guard detail would be a member of the same service as the deceased veteran. The Secretary of Defense would be required to establish procedures for coordinating and responding to requests for honor guard details, establishing standards and protocol, and providing training and quality control. The Secretary would also be authorized to provide financial support, material, equipment, and training to support nongovernmental organizations, as necessary to support honor guard activities. The provision would also provide incentives to facilitate the participation of reservists by providing retirement credit, reimbursement for transportation costs, and a $50 stipend to reservists who volunteer to provide funeral honors.

The House recedes with a clarifying amendment.

Purpose and funding limitations for National Guard Challenge Program (sec. 579)

The Senate bill contained a provision (sec. 1051) that would repeal the provision of law that limits federal expenditures under the National Guard Challenge Program to $50.0 million in any fiscal year

The House amendment contained a provision (sec. 566) that would clarify minimum curriculum of the National Guard Challenge Program, expand the range of supervised work experience that Challenge students might experience, in addition to the community service work experience currently provided, and increase the limit on the annual amount of federal funds that can be spent on the program from $50.0 million to $62.5 million.

The Senate recedes.

Department of Defense STARBASE Program (sec. 580)

The Senate bill contained a provision (sec. 1057) that would require the Secretary of Defense to conduct a science, mathematics, and technology education improvement program known as the DOD STARBASE Program. The provision would require the Secretary to establish a minimum of 25 academies under the program, with minimum annual funding of $200,000 per academy. The provision would authorize the Secretary to provide administrative and logistical support for activities under the program and to accept financial and other support from other federal agencies, state and local governments, and not-for-profit and other organizations in the private sector.

The House amendment contained no similar provision.

The House recedes with an amendment that would eliminate the mandated funding levels and make other clarifying changes.

STARBASE targets at-risk youth and combats some of the most challenging problems facing America's youth today: negative feelings towards science and math; lack of personal direction; and substance abuse. It was initiated as a pilot program at Selfridge Air National Guard Base in Michigan in 1990. The Department of Defense has funded this program since 1993.

The conferees note that the Department of Defense and the military services have developed and are implementing effective policies to specify and govern the use of personnel, military facilities and other Department of Defense support to the STARBASE program. The conferees believe the provision of such support enhances the effectiveness of STARBASE. As a result of the availability of such resources, STARBASE is able to provide varied and exciting platforms for its curriculum. Students gain new perceptions of math and science, techniques for the development of positive self-esteem and answers to questions on how to avoid substance abuse. Such support also offers positive exposure to the military for STARBASE children, older siblings, parents and teachers. As a result, the conferees believe that such policies for providing personnel, military facilities, and other support to STARBASE should continue to be used. So long as this support continues, the conferees do not believe it is necessary to mandate, in statute, the authority for military departments to provide support to STARBASE.

The STARBASE program has been highly successful because of the insistence on maintaining a fully funded quality program. The conferees encourage the Secretary of Defense to establish criteria for each STARBASE program that will maintain that quality and to support the establishment and operation only of those STARBASE programs that are funded at a level sufficient to ensure program success.

Survey of members leaving military service on attitudes toward military service (sec. 581)

The Senate bill contained a provision (sec. 583) that would require the Secretary of Defense to conduct a one-time survey of military personnel leaving the services between January 1, 2000 and June 30, 2000, to determine military members' attitudes on a variety of subjects that may be affecting retention.

The House amendment contained a similar provision (sec. 568).

The Senate recedes with an amendment that would clarify the minimum requirements specified to be included in the survey.

Service review agencies covered by professional staffing requirement (sec. 582)

The House amendment contained a provision (sec. 563) that would clarify that the requirement for legal and medical professional staff specified in section 1555 of title 10, United States Code, apply to the Navy Council of Personnel Boards and the Board for Correction of Naval Records as if the staff of those organizations were combined.

The Senate bill contained no similar provision.

The Senate recedes.

Participation of members in management of organizations abroad that promote international understanding (sec. 583)

The Senate bill contained a provision (sec. 575) that would amend section 1033(b)(3) of title 10, United States Code, to add to the classes of non-federal entities therein certain overseas entities that promote understanding between U.S. military personnel stationed abroad and the people of the host nation.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Support for expanded child care services and youth program services for dependents (sec. 584)

The Senate bill contained a provision (sec. 580) that would authorize the Secretary of Defense to provide financial assistance to eligible civilian providers of child care services or youth program services for members of the armed forces and other eligible federal employees, and would permit children who are not otherwise eligible for these services to participate on a space available basis.

The House amendment contained no similar provision.

The House recedes with an amendment that would limit financial assistance provided to eligible civilian providers to appropriated funds, would ensure that use of civilian providers does not supplant or replace child care and youth program services of a military installation, and would clarify the requirements for determining the eligibility of civilian providers.

Report and regulations on Department of Defense policies on protecting the confidentiality of communications with professionals providing therapeutic or related services regarding sexual or domestic abuse (sec. 585)

The Senate bill contained a provision (sec. 1026) that would require the Comptroller General to study the policies, procedures, and practices of the military departments for protecting the confidentiality of communications between military dependents, who have engaged in or who are victims of sexual harassment, sexual abuse, or intra-family abuse, and the professionals with whom the dependent seeks professional services concerning these matters. The provision would also require the Secretary of Defense to prescribe regulations, policies, and procedures the Secretary considers necessary to protect these communications, consistent with the findings of the Comptroller General; relevant professional organization standards; federal and state law; the best interest of the victims of sexual harassment, sexual assault, or intra-family abuse; military necessity; and other factors, that the Secretary, in consultation with the Attorney General, consider appropriate. The Comptroller General would be required to submit a report on his findings to the Committees on Armed Services of the Senate and the House of Representatives, as well as the Secretary of Defense. The Secretary of Defense would be required to report, not later than January 21, 2000, to the Committees on Armed Services of the Senate and the House of Representatives with regard to the policies recommended.

The House amendment contained a provision (sec. 570) that would require the Comptroller General to conduct a study of the policies regarding confidentiality between military dependents and their psychotherapists. The Secretary of Defense would be required to prescribe regulations to protect confidentiality 90 days after receiving the Comptroller General's report.

The House recedes with a clarifying amendment.

Members under burdensome personnel tempo (sec. 586)

The Senate bill contained a provision (sec. 692) that would establish procedures to manage the deployment of service members. Specifically, the provision would require that the first general or flag officer in the chain of command approve the deployment of a member who would be deployed more than 180 days of the past 365 days. The provision would also require that deployments of members who would be deployed more than 200 days of the past 365 days be approved by a four-star general or flag officer. The provision would require that service members deployed in excess of 220 days of the past 365 days be paid $100 per day for each day over 220 days. The provision would authorize the Secretary of Defense to suspend applicability of this provision when the Secretary determines that such a waiver is in the national security interests of the United States.

The House amendment contained no similar provision.

The House recedes with an amendment that would change the points at which senior officer approval is required. The amendment would require the first general or flag officer in the chain of command to approve any deployment in excess of 182 days. Approval of a general or flag officer in the grade of general or admiral would be required for any deployment that would be in excess of 220 days. Service members deployed in excess of 250 days would be paid $100 per day for each day over 250 days. The amendment would define the term deployment until 90 days after the Secretary of Defense develops a common method to measure operations tempo and personnel tempo as required by another provision in this conference report and reports the definition to the Committees on Armed Services of the Senate and the House of Representatives. At that time, the definition of perstempo will obtain. The amendment would authorize the service chief to suspend applicability of the provision when the service chief determines that it is in the national security interests of the United States. The senior officer approval requirements would be effective October 1, 2000. The amendment would make the payment of the $100 per diem effective October 1, 2001.

The conferees are determined to ensure that the services have the means to track the perstempo of individual service members and consider the effects of perstempo when assigning service members to deployments and other temporary duties away from the service member's home station. The conferees understand that each service is unique and manages deployment of units differently. While the point at which general and flag officer approval is required and at which the additional per diem would be paid is universal, the conferees will entertain a recommendation by the Secretary of Defense to adjust these points to accommodate deployment cycles or other operational considerations.

The conferees consider it vital that the services expeditiously develop the new record keeping systems that will allow detailed analysis of operations and personnel tempo on an individual basis. The conferees consider this objective a high priority matter that will receive continuing close oversight.

Subtitle K—Domestic Violence

Responses to domestic violence in the armed forces (sec. 591–594)

The Senate bill contained a provision (sec. 581) that would require the Secretary of Defense to establish a military-civilian task force on domestic violence. The task force would serve for three years. Within six months of appointment, the task force would recommend actions to the Department of Defense: a standard format for agreements with civilian law enforcement authorities relating to acts of domestic violence involving members of the armed forces; a requirement that commanding officers provide to persons protected by a "no contact order" a written copy of that order within 24 hours; standard guidance to commanders on factors to consider when determining appropriate action on substantiated allegations of domestic violence; and a standard training program for all commanding officers on the handling of domestic violence cases. The task force would submit additional periodic reports to the Secretary of Defense containing analyses and recommendations for responding, or improving responses, to cases of domestic violence. The provision would also require the Secretary to establish a central database and report annually to Congress on each reported case of domestic violence, the number and action taken on substantiated allegations, and the number and description of allegations where the evidence is insufficient to support disciplinary action.

The House amendment contained no similar provision.

The House recedes with an amendment that would clarify the membership on the task force, would establish an incentive program for improving responses to domestic violence involving members of the armed forces and military family members, modify the termination date to be three years after enactment of this Act and make other clarifying changes separating the provision into four separate provisions.

LEGISLATIVE PROVISIONS NOT ADOPTED

Expansion of list of diseases presumed to be service-connected for radiation-exposed veterans

The Senate bill contained a provision (sec. 1062) that would expand the list of diseases presumed to be service-connected for radiation-exposed veterans by adding lung cancer, colon cancer and tumors of the brain and central nervous system.

The House bill contained no similar provision.

The Senate recedes.

Improvement in system for assigning personnel to warfighting units

The House amendment contained a provision (sec. 569) that would require the secretaries of the military departments to review the military personnel assignment system under their jurisdiction and identify those policies which prevent warfighting units from being fully manned.

The Senate bill contained no similar provision.

The House recedes.

Minimum educational requirements for faculty of the Community College of the Air Force

The Senate bill contained a provision (sec. 536) that would permit the Commander of the Air Force Air Education and Training Command to establish minimum requirements relating to education for Community College of the Air Force professors and instructors.

The House amendment contained no similar provision.

The Senate recedes.

The conferees did not include this provision in the conference report solely because it was determined to be unnecessary. The conferees intend that the Air Force take those personnel actions, within current law and policy, necessary to ensure that the Community College of the Air Force remains an accredited degree granting institution. The conferees note that the Office of Personnel Management, in a letter dated July 13, 1998, has stated that the Air Force has the authority under title 10, United States Code, to impose minimum educational requirements in order to acquire and retain accreditation of the Community College of the Air Force. The Office of Personnel Management letter indicates that the authority to implement a minimum education requirement policy for instructors in the Community College of the Air Force can be implemented immediately and, further, that the Office of Personnel Management will include this authority in the next revision to the Qualifications Standards Operating Manual. The conferees expect the Air Force to establish the appropriate minimum education requirements for instructors in the Community College of the Air Force.

Posthumous advancement of Rear Admiral (Retired) Husband E. Kimmel and Major General (Retired) Walter C. Short on retired lists

The Senate bill contained a provision (sec. 582) that would request the President to advance the late Rear Admiral (retired) Husband E. Kimmel to the grade of admiral on the retired list of the Navy and to advance the late Major General (retired) Walter C. Short to the grade of lieutenant general on the retired list of the Army. Any advancement shall not increase or otherwise modify the compensation or benefits to any person, now or in the future, based on the military service of the officer advanced. The provision would express the Sense of the Congress that Rear Admiral Kimmel and Major General Short performed their duties in Hawaii competently and professionally and, therefore, the losses incurred by the United States in the attack on Pearl Harbor, Hickham Army Air Field and Schofield Barracks, Hawaii on December 7, 1941 were not a result of dereliction of duty.

The House amendment contained no similar provision.

The Senate recedes.

Reduced minimum blood and breath alcohol levels for offense of drunken operation of or control of a vehicle, aircraft, or vessel

The Senate bill contained a provision (sec. 562) that would amend section 911(2) of title 10, United States Code, article 111(2) of the Uniform Code of Military Justice, to reduce, from 0.10 grams to 0.08 grams, the blood and breath alcohol levels for the offense of drunken operation of a vehicle, aircraft, or vessel.

The House amendment contained no similar provision.

The Senate recedes.

The conferees note that a recent General Accounting Office study (GAO/ RCED-99-179) could not conclude that merely lowering the statutory blood alcohol level resulted in lowering the number and severity of alcohol-related traffic accidents. However, the report did find strong indications that a comprehensive approach, including license revocation and lowered blood alcohol statutes, public education campaigns, and increased enforcement would have that effect. The conferees direct the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and the House of Representatives before April 1, 2000, on the Department's efforts to reduce alcohol-related disciplinary infractions, traffic accidents, and other such incidents. The report should include the Secretary's recommendations for any appropriate legislative changes.

Use of humanitarian and civic assistance funding for pay and allowances of special operations command reserves furnishing demining training and related assistance as humanitarian assistance

The Senate bill contained a provision (sec. 312) that would authorize pay and allowances from within funds for the overseas humanitarian, disaster, and civic assistance account, for reserve members of the Special Operations Command who perform humanitarian demining activities.

The House amendment contained no similar provision.

The Senate recedes.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Pay and Allowances

Fiscal year 2000 increase in military basic pay and reform of basic pay rates (sec. 601)

The Senate bill contained a provision (sec. 601) that would waive section 1009 of title 37, United States Code, and increase the rates of basic pay for members of the uniformed services by 4.8 percent. This increase would be effective January 1, 2000. In addition, the recommended provision would, effective July 1, 2000, restructure the pay tables for the uniformed services.

The House amendment contained a provision (sec. 601) that would provide a 4.8 percent military pay raise effective January 1, 2000 and would restructure the pay tables to reduce pay compression between grades, eliminate inconsistencies in the pay table, and increase incentives for promotion, effective July 1, 2000. This provision would also adjust the cap on military pay levels to level III of the Executive Schedule to bring the standards for maximum pay in line with the standards established for federal civilian employees.

The Senate recedes with a technical and clarifying amendment.

Pay increases for fiscal years 2001 through 2006 (sec. 602)

The Senate bill contained a provision (sec. 602) that would amend section 1009 of title 37, United States Code, to provide that the military pay raises for each of fiscal years 2001 through 2006 be equal to the increase in the Employment Cost Index plus one-half percent.

The House amendment contained a provision (sec. 602) that would require that the rate of military pay increases for fiscal years after fiscal year 2000 be calculated using the full Employment Cost Index increase.

The House recedes.

Additional amount available for fiscal year 2000 increase in basic allowance for housing inside the United States (sec. 603)

The House amendment contained a provision (sec. 603) that would increase the funding available for basic allowance for housing by $442.5 million.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would increase the funding available for basic allowance for housing by $225.0 million.

Subtitle B—Bonuses and Special and Incentive Pays

Extension of certain bonuses and special pay authorities for reserve forces (sec. 611)

The Senate bill contained a provision (sec. 612) that would extend the authority for the special pay for health care professionals who serve in the Selected Reserve in critically short wartime specialties, the Selected Reserve reenlistment bonus, the Selected Reserve enlistment bonus, special pay for enlisted members of the Selected Reserve assigned to certain high priority units, the Selected Reserve affiliation bonus, the ready reserve enlistment and reenlistment bonus, and the prior service enlistment bonus until December 31, 2000. The provision would also extend the authority for repayment of educational loans for certain health care professionals who serve in the Selected Reserve until January 1, 2001.

The House amendment contained a similar provision (sec. 611).

The Senate recedes.

Extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists (sec. 612)

The Senate bill contained a provision (sec. 613) that would extend, until December 31, 2000, the authority to pay certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists.

The House amendment contained a similar provision (sec. 612).

The Senate recedes.

Extension of authorities relating to payment of other bonuses and special pays (sec. 613)

The Senate bill contained a provision (sec. 611) that would extend, until December 31, 2000, the authority to pay the aviation officer retention bonus, the reenlistment bonus for active members, the enlistment bonuses for critical skills, the special pay for nuclear qualified officers who extend the period of active service, the nuclear career accession bonus.

The House amendment contained a similar provision (sec. 613).

The Senate recedes.

Amount of aviation career incentive pay for air battle managers (sec. 614)

The Senate bill contained a provision (sec. 614) that would authorize air battle managers to be paid either aviation career incentive pay or hazardous duty pay under section 301(a)(11) of title 37, United States Code, whichever is greater.

The House amendment contained a similar provision (sec. 614).

The Senate recedes with a clarifying amendment.

Expansion of authority to provide special pay to aviation career officers extending period of active duty (sec. 615)

The Senate bill contained a provision (sec. 615) that would eliminate the need for secretaries of the military departments to define critical aviation specialties annually and permit them to offer bonuses of up to $25,000 for each year that aviation officers in the grade of O-5 and below agree to remain on active duty in aviation service, up to 25 years of aviation service.

The House amendment contained a provision (sec. 615) that would expand the authority to pay Aviation Continuation Pay to aviation officers in grades below O-7 through their twenty-fifth year of service. The provision would also extend the $25,000 maximum annual amount of the bonus to all contracts, regardless of length.

The Senate recedes with a clarifying amendment.

Additional special pay for board certified veterinarians in the Armed Forces and Public Health Service (sec. 616)

The Senate bill contained a provision (sec. 619) that would authorize a special pay ranging from $2,000 per year to $5,000 per year, depending on years of service, for board certified veterinarians in the armed forces and the Public Health Service.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Diving duty special pay (sec. 617)

The Senate bill contained a provision (sec. 620) that would increase the maximum monthly amount of the diving duty special pay from $200 to $240 for officers and from $300 to $340 for enlisted personnel.

The House amendment contained a provision (sec. 616) that would increase the maximum amount of monthly pay for diving duty from $200 to $240 for officers, and from $300 to $340 for enlisted members. The section would also repeal the restriction limiting recipients of diving duty pay to one additional hazardous duty pay under section 301 of title 37, United States Code.

The Senate recedes with a clarifying amendment.

Reenlistment bonus (sec. 618)

The Senate bill contained a provision (sec. 621) that would increase the maximum amount of the active duty reenlistment bonus from $45,000 to $60,000.

The House amendment contained a provision (sec. 617) that would reduce the number of months of service required before reaching eligibility to receive a reenlistment bonus from 21 to 17 and increase the formula for determining the amount of the bonus from 10 to 15 times the rate of monthly basic pay and the maximum bonus authorized from $45,000 to $60,000.

The Senate recedes with a clarifying amendment.

Enlistment bonus (sec. 619)

The Senate bill contained a provision (sec. 622) that would increase the maximum amount of the active duty enlistment bonus for designated critical skills from $12,000 to $20,000, and would permit the entire enlistment bonus to be paid in a single lump-sum upon completion of training and award of the service skill designation.

The House amendment contained a similar provision (sec. 618).

The Senate recedes with a clarifying amendment.

Selected Reserve enlistment bonus (sec. 620)

The Senate bill contained a provision (sec. 623) that would authorize the secretaries of the military departments to offer an enlistment bonus to persons who enlist in the Selected Reserve for three-, four- or five-year enlistments and to increase the maximum bonus from $5,000 to $8,000.

The House amendment contained no similar provision.

The House recedes.

Special pay for members of the Coast Guard Reserve assigned to high priority units of the Selected Reserve (sec. 621)

The Senate bill contained a provision (sec. 624) that would authorize the Secretary of Transportation to pay a special pay, not to exceed $10 per drill period, to Coast Guard Selected Reservists serving in certain high priority units designated by the Secretary.

The House amendment contained no similar provision.

The House recedes.

Reduced minimum period of enlistment in Army in critical skill for eligibility for enlistment bonus (sec. 622)

The Senate bill contained a provision (sec. 625) that would authorize the Army to incentivize the two-year enlistment option for certain critical skills.

The House amendment contained no similar provision.

The House recedes.

Eligibility for reserve component prior service enlistment bonus upon attaining a critical skill (sec. 623)

The Senate bill contained a provision (sec. 626) that would authorize the secretaries of the military departments to offer an enlistment bonus to persons with prior service who enlist in the Selected Reserve when they attain certain critical skills.

The House amendment contained a similar provision (sec. 619).

The House recedes with a clarifying amendment.

Increase in special pay and bonuses for nuclear-qualified officers (sec. 624)

The Senate bill contained a provision (sec. 627) that would increase, from $15,000 to $25,000, the special pay for nuclear-qualified officers who extend the period of active service; increase the nuclear career accession bonus from $10,000 to $20,000; and would increase the nuclear career annual incentive bonuses from $12,000 to $22,000 for nuclear qualified officers and from $5,500 to $10,000 for nuclear qualified officers who received their nuclear training as an enlisted person.

The House amendment contained a provision (sec. 620) that would increase the maximum amount of annual special pay for nuclear-qualified officers extending period of active service from $15,000 to $25,000; the maximum amount of the nuclear career accession bonus from $10,000 to $20,000; the maximum amount of the nuclear career annual incentive bonus for officers who received naval nuclear power plant training as officers from $12,000 to $22,000; and the maximum amount of the nuclear career annual incentive bonus for officers who received naval nuclear power plant training as enlisted members from $5,500 to $10,000.

The Senate recedes with a clarifying amendment.

Increase in maximum monthly rate authorized for foreign language proficiency pay (sec. 625)

The Senate bill contained a provision (sec. 628) that would increase the maximum monthly amount of the foreign language proficiency pay from $100 to $300.

The House amendment contained a similar provision (sec. 621).

The House recedes.

Authorization of retention bonus for special warfare officers extending period of active duty (sec. 626)

The Senate bill contained a provision (sec. 617) that would authorize the annual payment of a maximum retention bonus of $15,000 to special warfare qualified officers in the grades of O–3 or O–4 (not selected for promotion) for each year the officer agrees to serve on active duty from the sixth through the fourteenth year of service.

The House amendment contained a similar provision (sec. 622).

The Senate recedes with a clarifying amendment.

Authorization of surface warfare officer continuation pay (sec. 627)

The Senate bill contained a provision (sec. 618) that would authorize a retention bonus of $15,000 per year for surface warfare officers in the grade of O–3 who extend their period of active duty for at least one year.

The House amendment contained a provision (sec. 623) that would authorize the payment of a maximum retention bonus of $50,000 in prorated annual payments to qualified surface warfare officers who agree to serve on active duty to complete tours of duty to which the officers may be ordered as department heads afloat.

The Senate recedes with a clarifying amendment.

Authorization of career enlisted flyer incentive pay (sec. 628)

The Senate bill contained a provision (sec. 616) that would establish a career enlisted flyer incentive pay for enlisted crewmen.

The House amendment contained a similar provision (sec. 624).

The Senate recedes with a clarifying amendment.

Authorization of judge advocate continuation pay (sec. 629)

The House amendment contained a provision (sec. 625) that would authorize the service secretaries to pay officers serving as judge advocates a career continuation pay of up to $60,000 over the course of a career and would require the Secretary of Defense, in coordination with the secretaries concerned, to study the need for additional incentives to improve the recruitment and retention of judge advocates. At a minimum, the Secretary of Defense would be required to include in the study an assessment of constructive service credit for basic pay, educational loan repayment, and federal student loan relief initiatives. The Secretary shall submit a report with the findings and recommendations resulting from this study to the Committees on Armed Services of the Senate and the House of Representatives.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Subtitle C—Travel and Transportation Allowances

Provision of lodging in kind for Reservists performing training duty and not otherwise entitled to travel and transportation allowances (sec. 631)

The House amendment contained a provision (sec. 631) that would authorize the use of operations and maintenance funds to provide lodging in-kind to reservists performing active duty or inactive duty for training when transient government housing is not available.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require that the adequacy and availability of transient government housing is determined by the installation commander.

Payment of temporary lodging expenses for members making their first permanent change of station (sec. 632)

The Senate bill contained a provision (sec. 641) that would authorize temporary lodging expenses for enlisted personnel moving their families to their first permanent duty station.

The House amendment contained a similar provision (sec. 632).

The House recedes with a clarifying amendment.

Destination airport for emergency leave travel to continental United States (sec. 633)

The Senate bill contained a provision (sec. 642) that would authorize the service secretaries concerned to pay for commercial transportation to the airport closest to the emergency leave destination of members assigned to overseas locations, when the cost is less than that of government provided transportation to the closest international airport in the continental United States.

The House amendment contained a similar provision (sec. 633).

The Senate recedes.

Subtitle D–Retired Pay Reform

Redux retired pay system applicable only to members electing new 15-year career status bonus (sec. 641–644)

The Senate bill contained a provision (sec. 651) that would afford service members who entered the uniformed services on or after August 1, 1986, the option to elect to retire under the pre-1986 military retirement plan or to accept a one-time $30,000 lump sum bonus and to remain under the Redux retirement plan. The provision would permit service members to select between the two retirement programs within 180 days of completing 15 years of service.

The House amendment contained a series of provisions (secs. 641–644) that would authorize members covered by Redux the option to elect to retire under the pre-1986 military retirement plan with the same cost-of-living adjustment mechanism used under the Federal Employees Retirement System, or to accept a one-time $30,000 lump sum bonus and remain under the Redux retirement plan. Service members who elect to accept the lump sum bonus would be obligated to serve the remaining five years to become retirement eligible.

The House recedes with a clarifying amendment.

Subtitle E—Other Matters Relating to Military Retirees and Survivors

Repeal of reduction in retired pay for military retirees employed in civilian positions (sec. 651)

The Senate bill contained a provision (sec. 654) that would repeal section 5532 of title 5, United States Code, eliminating the reduction in retired pay for retired uniformed service personnel who are civilian employees of the Federal Government.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Presentation of United States flag to retiring members of the uniformed services not previously covered (sec. 652)

The Senate bill contained a provision (sec. 695) that would authorize the presentation of a United States flag upon retirement to uniformed members of the Public Health Service and the National Oceanic and Atmospheric Administration.

The House amendment contained a provision (sec. 653) that would authorize the presentation of a United States flag upon retirement to uniformed members of the reserve components, the Public Health Service, and the National Oceanic and Atmospheric Administration.

The Senate recedes.

Disability retirement or separation for certain members with pre-existing conditions (sec. 653)

The House amendment contained a provision (sec. 655) that would require that for disability retirement purposes, if the disability was determined to have been incurred before the member became eligible for basic pay, the disability shall be deemed to have been incurred while the member was eligible for basic pay if the member has at least eight years of service. The provision would permit the secretaries of the military departments to treat members of the Selected Reserve who no longer meet the medical qualifications for membership in the Selected Reserve as having met the service requirements if the member has completed at least 15, but less than 20 years, of service unless the disability is the result of the member's intentional misconduct, willful neglect, or willful failure to comply with standards and qualifications for retention incurred during a period of unauthorized absence.

The Senate bill contained no similar provision.

The Senate recedes.

Credit toward paid-up SBP coverage for months covered by make-up premium paid by persons electing SBP coverage during special open enrollment period (sec. 654)

The Senate bill contained a provision (sec. 655) that would permit members who elected coverage in the Survivor Benefit Plan (SBP) during the special open enrollment period to receive credit for the months covered by the premium payments toward a paid-up SBP after 30 years of payments and attaining age 70.

The House amendment contained no similar provision.

The House recedes.

Paid-up coverage under Retired Serviceman's Family Protection Plan (sec. 655)

The Senate bill contained a provision (sec. 656) that would amend section 641 of the National Defense Authorization Act for Fiscal Year 1999 by including participants in the Retired Serviceman's Family Protection Plan when considering participants in the Survivor Benefit Plan, as paid-up after the later of the month in which they have paid premiums for 30 years or they reach age 70.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Extension of authority for payment of annuities to certain military surviving spouses (sec. 656)

The Senate bill contained a provision (sec. 657) that would make permanent the authority to pay an annuity to certain military surviving spouses, known as the "Forgotten Widows".

The House amendment contained a provision (sec. 652) that would authorize surviving spouses of reserve retirees who died prior to October 1, 1978 to receive the annuity authorized for surviving spouses by section 644 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85).

The House recedes with an amendment that would merge the two provisions and make conforming changes.

Effectuation of intended SBP annuity for former spouse when not elected by reason of untimely death of retiree (sec. 657)

The Senate bill contained a provision (sec. 658) that would authorize Survivor Benefit Plan (SBP) benefits for former spouses who, incident to a proceeding of divorce, dissolution or annulment, entered into a written agreement for the retired member to make an election to provide SBP benefits to the former spouse, but died before the effective date of the legislative authority to make such an election.

The House amendment contained no similar provision.

The House recedes.

Special compensation for severely disabled uniformed services retirees (sec. 658)

The Senate bill contained a provision (sec. 659) that would authorize the service secretaries to pay a monthly allowance to military retirees with service connected disabilities rated at 70 percent or greater. The section would authorize the payment of $300 a month to retirees with disabilities rated as 100 percent, $200 a month to retirees with disabilities rated as 90 percent, and $100 a month to retirees with disabilities rated as 80 percent or 70 percent.

The House amendment contained a similar provision (sec. 674).

The House recedes with a clarifying amendment.

Subtitle F—Eligibility to Participate in the Thrift Savings Plan

Participation in thrift savings plan (sec. 661, sec. 663)

The Senate bill contained a provision (sec. 652) that would, effective July 1, 2000, authorize members of the uniformed services to participate in the Thrift Savings Plan now available for federal civil service employees. Service members would be eligible to deposit up to five percent of their basic pay, before tax, each month. The government is not required to match the service member's contributions. In addition, service members would be permitted to directly deposit special pays for enlistment, reenlistment, and the lump-sum for electing to remain in the "Redux" retirement program, pre-tax, up to the extent allowable under the Internal Revenue Code of 1986, into their Thrift Savings account. The Secretary of Defense may delay the effective date for members of the Ready Reserve for 180 days if the Secretary, in consultation with the Director of the Federal Thrift Retirement Investment Board, finds that immediate implementation would place an excessive administrative burden on the Thrift Board's ability to accommodate participants.

The House amendment contained several provisions (secs. 661–664) that would authorize members of the uniformed services performing active service to participate in the Thrift Savings Plan now available for federal civil service employees. Service members would be eligible to deposit up to five percent of their basic pay, before tax, each month. The government is not required to match the service member's contributions.

The amendment would also amend title 37, United States Code, to permit a member of the uniformed services who is performing active service to contribute up to five percent of the member's basic pay, or any special or incentive pay under chapter 5 of title 37, United States Code, subject to the limits in the Internal Revenue Service Code, to the Thrift Savings Fund.

The amendment would require the Executive Director of the Thrift Investment Board to issue regulations to implement the thrift savings authorities for members of the uniformed services performing active service not later than 180 days after enactment.

The amendment would also make the effective date of the authorities for members of the uniformed services performing active service contingent on the President, in the fiscal year 2001 budget, proposing legislation offsetting the lost revenues, and subsequent enactment of those offsets.

The House recedes with an amendment that would make the effective date of the authorities for members of the uniformed services, both active and reserve, contingent on the President proposing offsets for the lost revenues, in the fiscal year 2001 budget request, and subsequent congressional approval of those offsets and would make other technical changes.

The conferees note that, under certain circumstances, members of the uniformed services receive pay and allowances that are not subject to federal tax. Since these earnings are tax-free, any future payments from a service member's thrift savings account, based on contributions from tax-free earnings, should be tax-free as well. The conferees direct the thrift board to implement procedures to ensure that contributions from tax-free earnings remains nontaxable upon distribution to the member.

Special retention initiative (sec. 662)

The Senate bill contained a provision (sec. 653) that would authorize the service secretaries to make contributions to the Thrift Savings Plan of a service member serving in a speciality designated as critical to meet service requirements. The recommended provision would be entirely discretionary and would permit the service secretary to offer to make monthly contributions, up to the maximum amount contributed from basic pay by the service member, for a period of six years in return for a six year service commitment on the part of the service member.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle G—Other Matters

Payment for unused leave in conjunction with a reenlistment (sec. 671)

The Senate bill contained a provision (sec. 604) that would permit service members to sell back unused leave when they reenlist more than three months prior to the expiration of the current term of service while retaining the current career limit of selling back 60 days of leave.

The House amendment contained a similar provision (sec. 671).

The House recedes.

Clarification of per diem eligibility for military technicians (dual status) serving on active duty without pay outside the United States (sec. 672)

The Senate bill contained a provision (sec. 643) that would authorize military technicians on leave from technician employment and deployed on active duty outside the United States without an adequate opportunity to apply for a commutation of subsistence and quarters, to receive a per diem allowance. The recommended provision would be retroactive to February 10, 1996, to cover those military technicians who deployed in support of contingency operations related to Bosnia.

The House amendment contained a provision (sec. 672) that would clarify that military technicians serving on active duty without pay while in civilian leave status, as provided by section 1039 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106), may be paid a per diem allowance in lieu of commutation for subsistence and quarters.

The Senate recedes.

Annual report on effects of initiatives on recruitment and retention (sec. 673)

The Senate bill contained a provision (sec. 691) that would require the Secretary of Defense to submit to Congress an annual report on the Secretary's assessment of the effects of improved pay and other benefits, addressed elsewhere in this conference report, in relation to recruiting and retention. The first report would be submitted not later than December 1, 2000.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Overseas special supplemental food program (sec. 674)

The Senate bill contained a provision (sec. 698) that would mandate that the Secretary of Defense implement the special supplemental nutrition program overseas and allocate Department of Defense funds to carry out the program.

The House amendment contained a provision (sec. 673) that would mandate that the Secretary of Defense implement the program and allocate Department of Defense funds to carry out the program, and would require the Secretary of Agriculture to provide technical assistance to the Secretary of Defense.

The Senate recedes with a clarifying amendment.

Tuition assistance for members deployed in a contingency operation (sec. 675)

The Senate bill contained a provision (sec. 693) that would authorize members serving in a contingency operation and participating in an education program to receive full payment of tuition expenses under the tuition assistance program.

The House amendment contained a similar provision (sec. 675).

The Senate recedes.

Administration of Selected Reserve education loan repayment program for Coast Guard Reserve (sec. 676)

The Senate bill contained a provision (sec. 694) that would authorize the Secretary of Transportation to repay educational loans for members of the Coast Guard Reserve in certain critical specialities.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Sense of Congress regarding treatment under Internal Revenue Code of members receiving hostile fire or imminent danger special pay during contingency operations (sec. 677)

The Senate bill contained a provision (sec. 629) that would express a sense of the Senate that members of the armed forces who receive special pay for duty subject to hostile fire or imminent danger should receive the same tax treatment as members serving in combat zones.

The House amendment contained no similar provision.

The House recedes with an amendment that would change the provision from a sense of the Senate to a sense of Congress.

LEGISLATIVE PROVISIONS NOT ADOPTED

Accelerated payments of certain educational assistance for members of Selected Reserve

The Senate bill contained a provision (sec. 681) that would permit a secretary of a military department to pay accelerated lump sum benefits to a member of the Selected Reserve who is participating in the Reserve Component Montgomery G.I. Bill for an entire term, semester or quarter at a college or for the entire course of courses not leading to a college degree.

The House amendment contained no similar provision.

The Senate recedes.

Accelerated payments of educational assistance

The Senate bill contained a provision (sec. 673) that would permit payment of accelerated lump sum benefits for an entire term, semester or quarter at colleges and for the entire course of courses not leading to a college degree.

The House amendment contained no similar provision.

The Senate recedes.

Accrual funding for retirement system for Commissioned Corps of National Oceanic and Atmospheric Administration

The House amendment contained a provision (sec. 654) that would convert the present pay-as-you-go retirement system for the National Oceanic and Atmospheric Administration officer corps to an accrual accounting methodology.

The Senate bill contained no similar provision.

The House recedes.

Availability of educational assistance benefits for preparatory courses for college and graduate school entrance exams

The Senate bill contained a provision (sec. 675) that would expand the Montgomery G.I. Bill educational benefit to permit payment of educational assistance benefits for the costs of preparatory courses for college and graduate school entrance exams.

The House amendment contained no similar provision.

The Senate recedes.

Computation of survivor benefits

The Senate bill contained a provision (sec. 660) that would reduce the amount of the offset from a survivor benefit annuity when the surviving spouse becomes eligible for social security benefits based on the contributions of the deceased service member.

The House amendment contained no similar provision.

The Senate recedes.

Continuance of pay and allowances while in duty status "whereabouts unknown"

The Senate bill contained a provision (sec. 605) that would continue payment of pay and allowances to a member of the uniformed services on active duty or performing inactive-duty training who is in a duty status "whereabouts unknown."

The House amendment contained no similar provision.

The Senate recedes.

Effective date of disability retirement for members dying in civilian medical facilities

The House amendment contained a provision (sec. 651) that would authorize the service secretaries to specify a later time of death for disability retirement purposes for members of the armed services who die in civilian medical facilities. The section would require that the time of death determined by the service secretary be consistent with the time of death that would be determined if the member had died in a military facility. The section would require that the time of death determined by the service secretary not be later than 48 hours after the time of death determined by the civilian medical facility.

The Senate bill contained no similar provision.

The House recedes.

Equitable treatment of class of 1987 of the Uniformed Services University of the Health Sciences

The Senate bill contained a provision (sec. 606) that would correct the crediting of years of service for the Class of 1987 of the Uniformed Services University of the Health Sciences.

The House amendment contained no similar provision.

The Senate recedes.

Increase in rates of educational assistance for full-time students

The Senate bill contained a provision (sec. 671) that would increase the rates of educational assistance from $528 per month to $600 per month for those who served at least three years and from $429 per month to $488 per month for those who served for two years.

The House amendment contained no similar provision.

The Senate recedes.

Modification of time for use by certain members of Selected Reserve of entitlement to certain educational assistance

The Senate bill contained a provision (sec. 682) that would extend the period of time during which members of the Selected Reserve who serve more than 10 years may use their educational benefits to permit the benefits to be used for five years following separation from the Selected Reserve.

The House amendment contained no similar provision.

The Senate recedes.

Participation of additional members of the armed forces in Montgomery GI Bill Program

The Senate bill contained a provision (sec. 696) that would permit service members enrolled in the Veterans Educational Assistance Program to convert to the Montgomery G.I. Bill and would provide for an open season enrollment for service members eligible for the Montgomery G.I. Bill but who had previously declined to enroll.

The House amendment contained no similar provision.

The Senate recedes.

Reimbursement of travel expenses incurred by members of the armed forces in connection with leave canceled for involvement in Kosovo-related activities

The Senate bill contained a provision (sec. 645) that would permit the secretary of a military department to reimburse a member of the armed forces for travel expenses incurred as a result of being recalled from leave to meet a requirement related to Operation Allied Force.

The House amendment contained no similar provision.

The Senate recedes.

The conferees determined that the secretaries of the military departments currently have the authority under the Joint Travel Regulations to reimburse a member of the armed forces for travel expenses incurred as a result of being recalled from leave to meet a mission requirement. The conferees expect that the secretaries of the military departments will reimburse those service members who were recalled to meet a requirement related to Operation Allied Force. Additionally, the conferees expect the secretaries of the military departments to ensure, through the command information program, that commanders and service members are aware of the authorities in the Joint Travel Regulation with regard to claims for reimbursement for travel expenses incurred as a result of being recalled from leave to meet an operational requirement.

Report on effect of educational benefits improvements on recruitment and retention of members of the armed forces

The Senate bill contained a provision (sec. 685) that would require the Secretary of Defense to submit to the Congress a report assessing the effects of the changes to the Montgomery G.I. Bill educational benefits made by this Act.

The House amendment contained no similar provision.

The Senate recedes.

Revision of educational assistance interval payment requirements

The Senate bill contained a provision (sec. 697) that would permit payment of educational benefits to eligible veterans during the periods between school terms where the educational institution certifies the enrollment of the eligible veteran if the period between such terms does not exceed eight weeks.

The House amendment contained no similar provision.

The Senate recedes.

Special subsistence allowance for food stamp eligible members

The Senate bill contained a provision (sec. 603) that would authorize a special subsistence allowance of $180 per month payable to enlisted personnel in grades E–5 and below who can demonstrate eligibility for food stamps.

The House amendment contained no similar provision.

The Senate recedes.

Termination of reductions of basic pay

The Senate bill contained a provision (sec. 672) that would eliminate the $1,200 contribution required of members who elect to participate in the Montgomery G.I. Bill program and to absolve any balance of the $1,200 owed by active duty members.

The House amendment contained no similar provision.

The Senate recedes.

Transfer of entitlement to educational assistance by certain members of the armed forces

The Senate bill contained a provision (sec. 674) that would provide the secretary of a military department the authority to permit service members to transfer their Montgomery G.I. Bill eligibility benefits to immediate family members.

The House amendment contained no similar provision.

The Senate recedes.

TITLE VII—HEALTH CARE PROVISIONS

ITEMS OF SPECIAL INTEREST

Processing of TRICARE contract adjustments

The conferees are concerned about reports that the Department of Defense has not acted on a large number of requests for contract adjustment submitted by TRICARE managed care support contractors. The adjustment requests include contract modifications, bid price adjustments, and requests for equitable adjustment.

The conferees recognize that modifications to original TRICARE managed care support contracts are often required to ensure that beneficiaries receive the best care possible and that the program is effective and efficient. Contractors anticipate some changes and make allowances in the original bids. However, the Department has issued and continues to issue more contract modifications than most contractors anticipate. In addition, assumptions on levels of resource sharing made during the contract proposal process have, in many cases, not been met. Contractors should not be held accountable for unanticipated modifications or unrealized government estimates that are beyond the contractor's control. Failure to act in a timely manner on requests for contract adjustment is a bad business practice and places both the contractors and the government in a fiscally precarious position.

The conferees direct the Secretary of Defense to report to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 2000, on the status of pending requests for contract adjustments and the Department's plan for eliminating any backlog. At a minimum, this report shall include, for each unresolved request for adjustment, a breakout of the amount of the contractor's request, the government estimate of the amount that should be allowed, the date of the request, and the projected date the request will be completed.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Health Care Services

Pharmacy benefits program (sec. 701)

The House amendment contained a provision (sec. 721) that would require the Secretary of Defense to establish an effective, efficient, and integrated pharmacy benefit. The Secretary of Defense would submit a design for the pharmacy benefit to the Committees on Armed Services of the Senate and the House of Representatives not later than April 15, 2000. The re-engineered pharmacy benefit would include, as a minimum, a uniform formulary and shall assure the availability of pharmaceutical agents to beneficiaries, including drugs not included in the uniform formulary, if clinically appropriate. The Secretary of Defense would form a pharmaceutical and therapeutics committee, with members appointed from the military services and contractors for TRICARE managed support, TRICARE retail pharmacy program, and the national mail order pharmacy, to develop the uniform formulary. The Secretary of Defense would also establish a Uniform Formulary Beneficiary Advisory Panel, with membership to be determined by the Secretary of Defense, to review and comment on the development of the uniform formulary. The Pharmacy Data Transaction Service would be implemented not later than April 1, 2000.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Provision of chiropractic health care (sec. 702)

The Senate bill contained a provision (sec. 712) that would extend, by one year, the period in which the Secretary of Defense must carry out a chiropractic health care demonstration program. The one-year extension would permit the demonstration program to continue while the evaluation of the demonstration program is conducted.

The House amendment contained a provision (sec. 702) that would direct the Department of Defense to terminate the demonstration phase of the program, complete data collection and analysis, submit the report to the Congress as required by the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85), and would change the reporting date from May 1, 2000 to January 31, 2000. Additionally, this provision would direct the Department of Defense to maintain, as a minimum, the current level and scope of chiropractic care services at the present locations until at least September 30, 2000.

The Senate recedes.

Provision of domiciliary and custodial care for certain CHAMPUS beneficiaries (sec. 703)

The Senate bill contained a provision (sec. 716) that would ensure continued coverage for certain beneficiaries who have been receiving custodial care normally disallowed under current law and regulations that exclude CHAMPUS/TRICARE coverage for custodial care.

The House amendment contained a provision (sec. 703) that would provide for the equitable treatment and protection of approximately 25 beneficiaries who have been receiving custodial care services through demonstration programs, which are due to expire, and who will not be eligible for that care under the Department of Defense case management program.

The Senate recedes with an amendment that would authorize the Secretary of Defense to continue to provide payment under the CHAMPUS for domiciliary or custodial care services to an eligible beneficiary that would otherwise be excluded from such coverage and would prohibit the Secretary from placing a time limit on the period during which the custodial care exclusions of the Department of Defense may be waived as part of the case management program. The amendment would require the Secretary of Defense to conduct a survey of federally funded and state funded programs for the medical care and management of persons whose care is considered custodial in nature and to report the results and any recommendations to the Committees on Armed Services of the Senate and the House of Representatives not later than March 31, 2000.

Enhancement of dental benefits for retirees (sec. 704)

The Senate bill contained a provision (sec. 717) that would change the benefit available under the retiree dental program to make the benefit comparable to the benefit offered under the family member dental plan.

The House bill contained no similar provision.

The House recedes.

Medical and dental care for certain members incurring injuries on inactive-duty training (sec. 705)

The Senate bill contained a provision (sec. 718) that would authorize a secretary of a military department to order a member of a reserve component to active duty for more than 30 days while the member is being treated for, or recovering from, an injury, illness, or disease incurred in the line of duty. The provision would authorize medical and dental care for the family members of a reservist ordered to active duty under this authority.

The House amendment contained no similar provision.

The House recedes.

Health care at former uniformed services treatment facilities for active duty members stationed at certain remote locations (sec. 706)

The Senate bill contained a provision (sec. 711) that would authorize active duty personnel who live within the service areas of TRICARE Designated Providers (formerly Uniformed Services Treatment Facilities) to receive health care from a TRICARE Designated Provider if the active duty member is more than 50 miles from the nearest medical treatment facility.

The House amendment contained a provision (sec. 701) that would expand the provisions of the Department of Defense TRICARE Remote program by allowing active duty service members assigned to duties in areas remote from military treatment facilities to receive care from designated providers.

The House recedes.

Open enrollment demonstration program (sec. 707)

The Senate bill contained a provision (sec. 705) that would direct the Secretary of Defense to conduct a demonstration program under which covered beneficiaries would be permitted to enroll at any time in a managed care plan offered by a Uniform Services Family Health Plan facility. The demonstration program would begin October 1, 1999, and end September 30, 2001, with a report evaluating the demonstration program submitted to the Committees on Armed Services of the Senate and the House of Representatives not later than March 15, 2001. The number and location of the demonstration sites would be determined by the Secretary of Defense.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note that, in an attempt to reduce allegations of political influence in site selection for previous demonstration programs, the Department of Defense has developed a random selection process for determining which sites, among those eligible for a demonstration, would be selected. Given the intense interest in this demonstration, should the Secretary of Defense choose to conduct the demonstration in fewer than the seven Uniform Services Family Health Plan facilities, the random selection process may be the preferred method of selecting the demonstration sites.

Subtitle B—TRICARE Program

Expansion and revision of authority for dental programs for dependents and reserves (sec. 711)

The Senate bill contained a provision (sec. 702) that would expand eligibility for voluntary enrollment dental plans to include members of the Ready Reserve described in section 10144(b) of title 10, United States Code, subject to involuntary order to active duty, and dependents of members of the Ready Reserve not on active duty for more than 30 days and would require the member to pay a share of the premium charged for the plan. Plans for other members of the Individual Ready Reserve and for eligible dependents of members of the Ready Reserve, not on active duty for more than 30 days, would require the member to pay the entire premium charged for the plan.

The House amendment contained no similar provision.

The House recedes.

Improvement of access to health care under the TRICARE program (sec. 712)

The House amendment contained a provision (sec. 716) that would prohibit the Secretary of Defense from requiring, except under certain conditions, a beneficiary to obtain a nonavailability statement or preauthorization, except for mental health services, in order to receive health care from a civilian provider or in specialized treatment facilities outside a 200 mile radius of a military medical treatment facility.

The House amendment contained a provision (section 718) that would require the Secretary of Defense to, in all new managed care support contracts, eliminate requirements, in certain cases under TRICARE Prime, that network primary care managers preauthorize preventative health care services within the managed care support contract network.

The Senate bill contained a similar provision (section 701).

The Senate recedes with an amendment that would require the Secretary of Defense, to the maximum extent practicable, to minimize the authorization and certification requirements imposed on TRICARE beneficiaries and to require a single nonavailability of health care statement to cover all health care services related to outpatient prenatal, outpatient or inpatient delivery and outpatient postpartum care subsequent to the visit that confirms the pregnancy.

Improvements to claims processing under the TRICARE program (sec. 713)

The House amendment contained a provision (sec. 711) that would direct the Secretary of Defense to implement the changes to the TRICARE claims processing system recommended by the General Accounting Office to bring TRICARE claims processing more in line with commercial best business practices and the procedures used by Medicare, and would require additional contract start-up time for new TRICARE managed care support contracts to ensure a smoother transition to the new contract.

The House amendment contained a provision (sec. 713) that would require the Secretary of Defense to structure future TRICARE managed care support contracts to provide financial incentives to health care providers who file claims for payment electronically.

The Senate bill contained a similar provision (sec. 701).

The Senate recedes with an amendment that would define a clean claim and require the Secretary of Defense to implement a system for processing TRICARE claims under which 95 percent of all clean claims be processed within 30 days of receipt and 100 percent of all clean claims be processed within 100 days of receipt. The amendment would extend the transition time for new TRICARE managed care support contracts from six months to nine months and, in future TRICARE managed care support contracts, provide financial incentives to health care providers who file claims for payment electronically.

Authority to waive certain TRICARE deductibles (sec. 714)

The House amendment contained a provision (sec. 712) that would authorize the Secretary of Defense to waive the TRICARE deductible requirement for the families of guardsmen and reservists recalled to active duty for less than one year.

The Senate bill contained no similar provision.

The Senate recedes.

TRICARE beneficiary counseling and assistance coordinators (sec. 715)

The Senate bill contained a provision (sec. 704) that would require each TRICARE lead agent to establish a beneficiary advocate for TRICARE beneficiaries, and would require the commander of each military treatment facility to designate a person, as a primary or collateral duty, to serve as beneficiary advocate for beneficiaries served at that facility.

The House amendment contained no similar provision.

The House recedes with an amendment that would change the designation of beneficiary advocate to beneficiary counseling and assistance coordinator.

The conferees expect the lead agents and the military treatment facility commanders to market aggressively the existence of the beneficiary counseling and assistance coordinators and the services that office will provide. The conferees further expect that each military treatment facility, TRICARE Prime location, and TRICARE Service Center will have signs identifying the lead agent beneficiary counseling and assistance coordinator, the local beneficiary counseling and assistance coordinator, and the toll free telephone numbers prominently displayed.

Improvement of TRICARE management; improvements to third-party payer collection program (sec. 716)

The House amendment contained a provision (sec. 722) that would make two changes to the third party collection program under section 1095 of title 10, United States Code, which allows military treatment facilities to collect from health insurance carriers and other third party payers. The provision would allow Department of Defense facilities to bill third party payers on reasonable charges based on current payment rates under the CHAMPUS and would expand the definition of "third party payer" to match the definition of "other insurance" in the CHAMPUS double coverage program.

The House amendment contained a provision (section 714) that would require the Secretary of Defense to study how the maximum allowable rates charged for the 100 most commonly performed medical procedures under CHAMPUS compare with the usual and customary commercial insurance rates for such procedures in each TRICARE Prime catchment area and to submit a proposal to increase the maximum allowable charges should the study indicate that the CHAMPUS rates were too low.

The Senate bill contained a similar provision (section 701).

The Senate recedes with an amendment that would permit the Secretary of Defense to reimburse TRICARE health care providers at rates higher than the maximum rates if the Secretary determines that application of the higher rates is necessary in order to ensure the availability of an adequate number of health care providers in TRICARE, to clarify that military medical treatment facilities may collect from a third-party payer reasonable charges for health care services incurred on behalf of a covered beneficiary, and to submit a report to the Committees on Armed Services of the Senate and the House of Representatives that would assess the effects of the implementation of these requirements not later than six months after the date of enactment of this Act.

Comparative report on health care coverage under the TRICARE program (sec. 717)

The Senate bill contained a provision (sec. 701) that would require a number of improvements to TRICARE benefits and management. The recommended provision would require the Secretary of Defense, to the maximum extent practicable, to ensure that health care coverage under TRICARE is substantially similar to the health care coverage available under similar health plans offered under the Federal Employees Health Benefits Program. The recommended provision would also require TRICARE benefits to be portable throughout the various regions, require that the authorization and certification requirements as a condition of access to TRICARE be minimized, and that TRICARE claims processing follow the best business practices of the health care provider industry. In addition, the recommended provision would permit the Secretary of Defense to reimburse health care providers at rates higher than the current Medicare limits when the Secretary determines that higher reimbursement rates are necessary to ensure adequate network coverage. The new authority would permit military treatment facilities to collect reasonable charges, from a third-party insurer, that are incurred on behalf of a covered beneficiary.

The House amendment contained a number of provisions (sections 711–718) that would require similar improvements to the TRICARE system.

The House recedes with an amendment that would require the Secretary of Defense to compare health care available through the TRICARE program with coverage available under similar health care plans offered under the Federal Employees Health Benefits program and submit a report to the Committees on Armed Services of the Senate and the House of Representatives not later March 31, 2000.

The remaining elements of the Senate provision are addressed in other legislative provisions in this conference report.

Subtitle C—Other Matters

Forensic pathology investigations by Armed Forces Medical Examiner (sec. 721)

The Senate amendment contained a provision (sec. 576) that would permit the Armed Forces Medical Examiner or the installation commander concerned to direct that a forensic pathology investigation, including an autopsy, be conducted to determine the cause or manner of death of a deceased person under certain conditions and would permit a forensic pathology investigation be conducted in cases where it appears that: (1) the decedent was killed or that the cause of death was unnatural; (2) the cause of death is unknown; (3) there is reasonable suspicion that the death was by unlawful means; (4) it appears that the death may have resulted from an infectious disease or from the effects of a hazardous material that may have an adverse effect on the military installation or the community; (5) or the identity of the decedent is unknown. These conditions would only apply to decedents found dead or had died at an installation that is under the exclusive jurisdiction of the United States; the decedent was a member of the armed forces on active duty or inactive duty for training, or a former member recently retired as a result of an injury or illness incurred while on active duty or inactive duty for training; and the decedent was a civilian dependent of a member of the armed forces and was found dead or died outside the United States. In addition, the provision would repeal applicable provisions in title 10, United States Code, and require Army and Air Force installation commanders to direct a summary court-martial to investigate the circumstances of the death. The committee understands that installation commanders have independent authority to investigate the circumstances of deaths that occur on an installation that is under the exclusive jurisdiction of the United States.

The House amendment contained a similar provision (sec. 723).

The House recedes with a clarifying amendment.

Best value contracting (sec. 722)

The Senate bill contained a provision (sec. 714) that would require the Secretary of Defense to ensure that health care contracts in excess of $5.0 million provide the best value to the United States. The recommended provision would require that greater weight be afforded to technical and performance-related factors than cost and price-related factors.

The House amendment contained no similar provision.

The House recedes.

Health care quality information and technology enhancement (sec. 723)

The Senate bill contained a provision (sec. 719) that would direct the Secretary of Defense to establish a Department of Defense Center for Medical Infomatics to carry out a program to support the Assistant Secretary of Defense for Health Affairs in assessing health care information, developing a digital patient record, developing a capability for evaluating the quality of care provided by the military medical system and to conduct research on matters of ensuring quality health care delivery. The Secretary of Defense would be required to establish a Medical Infomatics Council to coordinate the development, deployment and maintenance of health care infomatics systems. The provision would require an annual report on the quality of health care provided under the military health care system. The provision would authorize an increase of $2.0 million to the Defense Health Program to fund the required infomatics system.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to establish a Department of Defense program for medical infomatics and data to accelerate efforts to automate, capture and exchange controlled clinical data and present providers with clinical guidance using a personal identification carrier, clinical lexicon or digital patient record. The Secretary of Defense would be required to establish a Medical Infomatics Advisory Committee to advise the Secretary of Defense with regard to the development, deployment and maintenance of health care infomatics systems for the Department of Defense in coordination with other federal departments and the private sector. The provision would require an annual report on the quality of health care provided under the military health care system.

Joint telemedicine and telepharmacy demonstration projects by the Department of Defense and Department of Veterans Affairs (sec. 724)

The Senate bill contained a provision (sec. 720) that would direct the Secretary of Defense, in conjunction with the Secretary of Veterans Affairs, to conduct joint demonstration projects for purposes of evaluating the feasibility and practicability of providing health care and pharmacy services by telecommunications.

The House amendment contained no similar provision.

The House recedes with an amendment that would permit the Secretary of Defense, in conjunction with the Secretary of Veterans Affairs, to conduct joint demonstration projects for purposes of evaluating the feasibility and practicability of providing health care and pharmacy services by telecommunications.

Program-year stability in health care benefits (sec. 725)

The Senate bill contained a provision (sec. 713) that would reduce the frequency of modifications to military health care system benefits and administrative practices by requiring that changes become effective on the first day of each fiscal year unless the Secretary of Defense determines that a different effective date would improve care to eligible beneficiaries.

The House amendment contained a provision (sec. 711) that would direct the Secretary of Defense to implement changes to the TRICARE claims processing system recommended by the General Accounting Office. The changes directed by this section would also bring TRICARE claims processing more in line with commercial best business practices and the procedures used by Medicare. Additionally, when contracts are re-awarded to other than the existing managed care support contractor, this provision would require additional contract start-up time to ensure a smoother phase in of the new contract.

The House recedes with an amendment that would promote increased stability in TRICARE managed support contracts by requiring that changes to the contracts be made no more frequently than once per quarter unless the Secretary of Defense determines that a different effective date would improve care to eligible beneficiaries.

The conferees urge the Secretary of Defense to consider implementing a policy that would limit changes to the TRICARE benefit to become effective on the first day of each fiscal year. The conferees believe that changing the benefit annually would permit the lead agents and managed support contractors to inform beneficiaries of benefit changes in advance of the effective date and would permit the health benefits advisors and health care providers to be informed and prepare for such changes before the changes became effective and note that administrative and other operational modifications would still be made quarterly.

Study on joint operations for the Defense Health Program (sec. 726)

The House amendment contained a provision (sec. 725) that would require the Secretary of Defense to conduct a study of areas where the Defense Health Program could improve joint operations.

The Senate bill contained no similar provision.

The Senate recedes.

Trauma training center (sec. 727)

The House amendment contained a provision (sec. 724) that would recommend an increase of $4.0 million in the Defense Health Program to support the Army Medical Department in establishing a Trauma Training Center up to Level 1.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would eliminate the recommendation for a specific increase in funding.

Sense of Congress regarding automatic enrollment of Medicare-eligible beneficiaries in the TRICARE Senior Prime demonstration program (sec. 728)

The Senate bill contained a provision (sec. 703) that would express the sense of Congress that a uniformed services beneficiary who is enrolled in a managed health care program of the Department of Defense where the TRICARE Senior Prime demonstration is conducted and who attains eligibility for Medicare should be authorized automatic enrollment in the TRICARE Senior Prime demonstration program.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Reimbursement of certain costs incurred by covered beneficiaries when referred for care outside local catchment area

The House amendment contained a provision (sec. 717) that would require, in future TRICARE managed care support contracts, that TRICARE beneficiaries receive reimbursement for personal automobile mileage or air travel incurred with regard to a referral by a network provider or military treatment facility to a provider more than 100 miles outside a catchment area.

The Senate bill contained no similar provision.

The House recedes.

Removal of restriction on use of funds for abortions in cases of rape or incest

The House amendment contained a provision (sec. 704) that would include among the abortions funded by the Department of Defense those in which the pregnancy is the result of an act of forcible rape or incest which has been reported to a law enforcement agency.

The Senate bill contained no similar provision.

The House recedes.

Requirements for provision of care in geographically separated units

The House amendment contained a provision (sec. 715) that would direct the Secretary of Defense to include, in future TRICARE managed care support contracts, the requirement that the TRICARE Prime remote network provide health care concurrently to service members and their dependents in geographically separated units outside the catchment area of a military treatment facility.

The Senate bill contained no similar provision.

The House recedes.

The conferees note that the Secretary of Defense has committed to implementing TRICARE Prime Remote to provide health care for service members and dependents assigned to geographically separated units. The conferees are concerned that the Secretary of Defense has not implemented a TRICARE Remote program for active duty military personnel and their families. The National Defense Authorization Act for Fiscal Year 1998 directed that active duty personnel assigned to geographically separated units be provided health care locally. Subsequently, the Assistant Secretary of Defense for Health Affairs began to develop a TRICARE Remote Program that would also provide health care to the families of active duty personnel in remote locations. The conferees expect the Secretary of Defense to implement a TRICARE Remote program for active duty personnel and their families, not later than January 21, 2000. The conferees direct the Secretary of Defense to report to the Committees on Armed Services of the Senate and the House of Representatives when TRICARE Remote has been implemented.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

ITEMS OF SPECIAL INTEREST

Modernization of contract administrative services information systems

The conferees believe that an essential element of a successful acquisition system is the ability to pay contractors amounts due in a timely fashion. Modern information systems are critical in helping the Department of Defense match requests for payments to work performed and provide payment for valid invoices. The conferees have been informed that the completion of the modernization of the Contract Administrative Services (MOCAS) system has been delayed, with completion now estimated for fiscal year 2004. This delay will mean that payment problems caused by the current systems—including overpayments, mismatched disbursements, and unreasonable delays in payments to vendors—are likely to continue for several more years. The conferees encourage the Department to take appropriate action to ensure completion of the required modernization as soon as possible.

Technical staff and service contracting

The conferees have been informed that the Department of Defense (DOD) continues to employ contract provisions requiring that technical staff members performing on service contracts have a minimum of three years experience. This practice appears to be inconsistent with the concept of performance-based contracting, which emphasizes holding contractors responsible for results, rather than micromanaging how the work will be performed. It may also be inconsistent with industry practice in the rapidly changing information technology field, where bachelor level graduates with no work experience often have problem-solving skills and knowledge of the latest technologies that individuals with more experience may lack. The conferees believe that DOD should review the utility and application of these contract provisions and make appropriate changes. Where appropriate alternatives, such as performance-based contracting, are available to protect the interests of the Department and the taxpayer, the conferees urge the Department to consider discontinuing the use of such clauses.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

Authority to carry out certain prototype projects (sec. 801)

The Senate bill contained a provision (sec. 804) that would require the Department of Defense to ensure that the General Accounting Office has audit access to other transaction prototype authority agreements that provide for payments in excess of $5.0 million, unless a public interest waiver is obtained.

The House amendment contained no similar provision.

The House recedes with an amendment that would exempt from General Accounting Office audit access a party or entity, or a subordinate element of a party or entity, that has not entered into any other agreement that provides for audit access in the year prior to the agreement.

Streamlined applicability of cost accounting standards (sec. 802)

The Senate bill contained a provision (sec. 806) that would modify and streamline the applicability of the Federal cost accounting standards (CAS).

The House amendment contained no similar provision.

The House recedes with an amendment that would raise the threshold for coverage under the CAS standards from $25.0 million to $50.0 million; exempt contractors from coverage if they do not have a contract in excess of $7.5 million; and exclude coverage based on firm, fixed price contracts awarded on the basis of adequate price competition without the submission of certified cost or pricing data.

The provision also would authorize federal agencies, as part of their traditional role in administering contracts, to waive the applicability of the CAS standards to contracts of less than $15.0 million with companies that primarily sell commercial items. Agencies also would be authorized to waive the CAS standards for contracts of $15.0 million or more in "exceptional circumstances." The "exceptional circumstances" waiver may be used only when a waiver is necessary to meet the needs of an agency, i.e. when the agency determines that it would not be able to obtain needed products or services from the vendor in the absence of a waiver. The provision also would exempt from the CAS standards for a one year period contracts under the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code.

Subsection (f) of this provision would require the Administrator for Federal Procurement Policy to report to Congress on the three categories of CAS coverage known as "full," "modified," and "Federal Acquisition Regulation" (FAR) coverage and to include recommendations on whether "modified" and "FAR" coverage should be consolidated, combined, or revised. The conferees direct the Administrator to consult with the Under Secretary of Defense for Acquisition and Technology, the Director of the Defense Contract Audit Agency, the Department of Defense Inspector General, and other appropriate federal officials in preparing this report.

Sale, exchange, and waiver authority for coal and coke (sec. 803)

The House amendment contained a provision (sec. 801) that would authorize the Secretary of Defense to sell, exchange, or waive provisions of law in the purchase of coal and coke when it would be in the public interest to do so.

The Senate bill contained no similar provision.

The Senate recedes.

Guidance on use of task order and delivery order contracts (sec. 804)

The Senate bill contained a provision (sec. 807) that would require the Federal Acquisition Regulation to provide guidance on the appropriate use of task and delivery order contracts, as authorized by the Federal Acquisition Streamlining Act of 1994.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Comptroller General of the United States to report on the conformance of the regulations issued under this provision with existing law.

Clarification of definition of commercial items with respect to associated services (sec. 805)

The Senate bill contained a provision (sec. 808) that would clarify that services ancillary to a commercial item, such as installation, maintenance, repair, training, and other support services, would be considered a commercial service, regardless of whether the service is provided by the same vendor or at the same time as the item, if the service is provided contemporaneously to the general public under similar terms and conditions.

The House amendment contained no similar provision.

The House recedes.

Use of special simplified procedures for purchases of items in excess of the simplified acquisition threshold (sec. 806)

The Senate bill contained a provision (sec. 809) that would extend by three years the expiring pilot authority to allow the application of simplified acquisition procedures to commercial items below a $5.0 million threshold.

The House amendment contained a similar provision (sec. 802).

The House recedes.

Repeal of termination of provision of credit towards subcontracting goals for purchases benefiting severely handicapped persons (sec. 807)

The House amendment contained a provision (sec. 804) that would make permanent existing authority to credit purchases from qualified nonprofit agencies for the blind or the severely handicapped toward meeting subcontracting goals for defense contractors.

The Senate bill contained no similar provision.

The Senate recedes.

Contract goal for small disadvantaged businesses and certain institutions of higher education (sec. 808)

The Senate bill contained a provision (sec. 811) that would extend section 2323, title 10, United States Code, for three years.

The House amendment contained no similar provision.

The House recedes.

Required reports for certain multiyear contracts (sec. 809)

The House amendment contained two multiyear authority provisions (secs. 111 and 121) that would require a report on certain multiyear contracts.

The Senate bill contained no similar provision.

The conferees agree to establish a separate provision that would establish a required report for certain multiyear contracts. The provision would prohibit the services from entering into multiyear contracts until the Secretary of Defense provides a report to the congressional defense committees outlining information on the total obligation authority associated with existing and requested multiyear contracts contained in the Future Years Defense Program.

Subtitle B—Other Matters

Mentor-Protege Program improvements (sec. 811)

The Senate bill contained a provision (sec. 802) that would extend for five years the pilot mentor-protege program established by section 831 of the National Defense Authorization Act for Fiscal Year 1991 and codify a number of the program improvements instituted by the Department of Defense.

The House amendment contained no similar provision.

The House recedes with an amendment that would extend the program by three years and require the Secretary of Defense to report to Congress on the advisability and feasibility of establishing a plan for transitioning the mentor-protege program to one that operates without a dedicated appropriation. The amendment would also require the Comptroller General of the United States to conduct a review on the efficacy of the mentor-protege program and provide a report on the results of that review to the Committees on Armed Services of the Senate and House of Representatives by January 1, 2002.

Program to increase business innovation in defense acquisition programs (sec. 812)

The House amendment contained a provision (sec. 808) that would require the Secretary of Defense to establish a program to increase the opportunities for small business companies with innovative technology to participate in the acquisition programs of the Department of Defense.

The Senate bill contained a provision (sec. 803) that would require the Department of Defense to report to Congress by March 2000 on the progress made in implementing the plan established by section 818 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999.

The Senate recedes with an amendment that would combine the two provisions and require the Secretary of Defense to publish by March 1, 2000, in the Federal Register a plan to provide for increased innovative technology innovation from commercial private sector companies, including small business concerns, for the acquisition programs of the Department of Defense and to implement such plan by March 1, 2001.

Incentives to produce innovative new technologies (sec. 813)

The Senate bill contained a provision (sec. 234) that would require the Department to revise its contractor profit guidelines to provide new incentives for the private sector to participate in the development of revolutionary new defense technologies.

The House amendment contained no similar provision.

The House recedes with an amendment that would direct the Secretary of Defense to examine the profit guidelines to consider appropriate changes that would encourage innovation and technical risk and to make any changes deemed appropriate following the review. The conferees further require the Secretary to report to the congressional defense committees on the results of the review no later than 180 days after the enactment of the Act.

Pilot program for commercial services (sec. 814)

The Senate bill contained a provision (sec. 805) that would authorize the Secretary of Defense to carry out a pilot program to treat procurements of certain classes of services as procurements of commercial items.

The House amendment contained no similar provision.

The House recedes with an amendment that would modify the classes of services treated as commercial items and the applicability of simplified acquisition procedures.

Expansion of applicability of requirement to make certain procurements from small arms production industrial base (sec. 815)

The House amendment contained a provision (sec. 803) that would amend section 2473(d) of title 10, United States Code, by adding the M-2 and M-60 machine guns to the list of weapon systems included in the small arms industrial base.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require that if the Secretary of the Army determines, on the basis of the study conducted pursuant to section 809(e) of the Strom Thurmond National Defense Act for Fiscal Year 1999, that it is necessary to protect the small arms production industrial base, the Secretary shall extend the requirements of section 2373, title 10, United States Code, to the M-2 and M-60 machine guns. The amendment would also clarify covered property and services under section 2473(b) to apply to critical repair parts consisting of barrels, bolts and receivers. The conferees direct the Secretary to implement section 2473 in a manner that enhances the quality and reliability of small arms used by the Department of Defense and minimizes the adverse effects on small business and competition.

Compliance with existing law regarding purchases of equipment and products (sec. 816)

The House amendment contained a provision (sec. 809) to limit funds to be expended by an entity of the Department of Defense (DOD) unless the entity agrees to comply with the Buy America Act, express the sense of Congress stating that DOD should only purchase American-made equipment and products, and require the Secretary of Defense to determine whether a person should be debarred from federal contracting if that person has been convicted of fraudulent use of "Made in America" labels.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would strike the limitation on funding and express the sense of Congress that DOD should fully comply with the Buy America Act and section 2533 of title 10, United States Code, regarding determinations of public interest under the Buy American Act.

Extension of test program for negotiation of comprehensive small business subcontracting plans (sec. 817)

The Senate bill contained a provision (sec. 801) that would extend for five additional years the test program for negotiation of comprehensive small business subcontracting plans established by section 834 of the National Defense Authorization Act for Fiscal Years 1990 and 1991.

The House amendment contained a similar provision (sec. 805).

The House recedes.

Extension of interim reporting rule for certain procurements less than $100,000 (sec. 818)

The Senate bill contained a provision (sec. 810) that would extend, until October 1, 2004, the current reporting requirement under Section 31(f) of the Office of Federal Procurement Act that requires detailed reporting of contract activity between $25,000 and $100,000 in the Federal Procurement Data System.

The House amendment contained no similar provision.

The House recedes.

Inspector General review of compliance with Buy American Act in purchases of strength training equipment (sec. 819)

The House amendment contained a provision (sec. 1045) that would require the Department of Defense Inspector General to review whether purchases of free weights are being made in compliance with the Buy American Act.

The Senate bill contained no similar provision.

The Senate recedes with an amendment clarifying the scope and duration of the study.

Report on options for accelerated acquisition of precision munitions (sec. 820)

The House amendment contained a provision (sec. 807) that would require the Secretary of Defense to report to the congressional defense committees on the requirements of the Department of Defense for quantities of precision munitions for two major theater wars and develop options and plans to accelerate the acquisition of such munitions.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would clarify the requirements of the report and require the Secretary of Defense to prepare an assessment of the risk associated with those precision guided munitions where the inventory is not expected to meet the two major theater war requirement by October 1, 2005.

Technical amendment to prohibition on release of contractor proposals under the Freedom of Information Act (sec. 821)

The Senate bill contained a provision (sec. 1080) that would apply the requirements of section 2305(g) of title 10, United States Code, to the Departments of Defense, Army, Air Force, and Navy, the Coast Guard, and the National Aeronautics and Space Administration.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Facilitation of national missile defense system

The House amendment contained a provision (sec. 806) that would: (1) allow the Secretary of Defense to make a determination to proceed with production of a national missile defense (NMD) system prior to completion of initial operational test and evaluation (IOT&E); (2) require that the Secretary ensure that an adequate operational test and evaluation for an NMD system be completed as soon as practicable following such a determination; and (3) require the Secretary to notify the Armed Services Committee of the House of Representatives and the Armed Services Committee of the Senate when such a determination is made.

The Senate bill contained no similar amendment.

The House recedes.

The conferees are aware that the NMD program may not be able to proceed into initial operational test and evaluation with production representative interceptor missiles unless the program is restructured or is granted a waiver from current law. Conferees note that section 2399(a) of title 10, United States Code, requires that initial operational testing and evaluation of a major defense acquisition program be completed prior to entry into production. However, the NMD program is currently scheduled to begin IOT&E with missiles from the first production lot.

The conferees direct that, not later than March 1, 2000, the Director of the Ballistic Missile Defense Organization shall submit a report to the congressional defense committees that: (1) identifies and describes any impediments posed by current acquisition laws and regulations to meeting the current NMD system baseline schedule; and (2) provides recommendations for necessary statutory or regulatory relief.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Department of Defense Strategic Planning

Permanent requirement for Quadrennial Defense Review (sec. 901)

The Senate bill contained a provision (sec. 906) that would make permanent the requirement contained in the National Defense Authorization Act for Fiscal Year 1997, for the Secretary of Defense to conduct a Quadrennial Defense Review (QDR) at the beginning of each new administration with a view toward determining and expressing the defense strategy of the United States and establishing a revised defense plan for the ensuing 10 to 20 years. The Secretary would provide the Committees on Armed Services of the Senate and House of Representatives with a report on the results of the QDR that would include, among other things, a comprehensive discussion of the defense strategy of the United States and various force structures suited to implement that strategy, the threats to U.S. national interests examined for the purposes of the review, the assumptions used in the review, the effect on the force structure of preparations for and participation in peace operations, the effect on the force structure of anticipated technological advancements, the manpower and sustainment policies required under the defense strategy, the anticipated roles and missions of the reserve components, the appropriate ratio of combat forces to support forces, the required air and sea-lift capabilities, the forward presence and prepositioning requirements under the strategy, the extent to which resources must be shifted from one theater to another under the defense strategy, and recommended changes to the Unified Command Plan. The report would be submitted not later than September 30 of the year in which the review is conducted.

The provision would also require the establishment of a National Defense Panel (NDP) that would conduct an assessment of the defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies established under the previous quadrennial defense review. The assessment would be made with a view toward recommending the most critical changes that should be made to the defense strategy of the United States for the ensuing 10 and 20 years, and any changes considered appropriate by the Panel regarding major weapon systems programmed for the force. The panel would be established in the year immediately preceding a year in which a President is inaugurated and would consist of nine individuals from the private sector who are recognized experts in matters relating to national security.

The House amendment contained no similar provision.

The House recedes with an amendment that would require a QDR, but would not authorize a NDP. The amendment would also require an assessment of the risk, defining the nature and magnitude of the political, strategic, and military risks associated with executing the missions called for under the national military strategy. The amendment would also require a discussion of the force structure necessary to perform the national military strategy, and if that force structure could not perform the missions required by the national military strategy at a low-to-moderate risk, the additional resources that would be required to achieve a low-to-moderate risk.

The House amendment would also include a requirement to identify additional assumptions used during the performance of the QDR, including the benefits to, and burdens on, the United States forces resulting from coalition warfare; the intensity, duration, and military and political end-states of conflicts and smaller scale contingencies.

The conferees are mindful that the many previous attempts to define a national defense strategy and identify sufficient military forces to protect the United States and its national security interests during the post-Cold War era have suffered from a variety of shortcomings. The conferees intend that the Quadrennial Defense Review described in this provision should include an effort to determine a defense strategy designed to protect the full range of U.S. national security interests and to identify forces sufficient to do so at as low a risk as possible. A successful review, the conferees believe, should be driven first by the demands of strategy, not by any presupposition about the size of the defense budget.

Minimum interval for updating and revising Department of Defense strategic plan (sec. 902)

The Senate bill contained a provision (sec. 905) that would amend the Government Performance and Results Act to increase the maximum length of time between updates and revisions of the strategic plan of the Department of Defense to four years. This provision would conform the strategic plan requirement for the Department of Defense to the schedule of the Quadrennial Defense Review (QDR), which serves as the strategic plan for the Department of Defense.

The House amendment contained no similar provision.

The House recedes.

The conferees accept the use of the QDR and the resulting report as the Government Performance and Results Act strategic plan for the Department of Defense. However, the conferees direct that a report resulting from the QDR contain a separate section dedicated to the Government Performance and Results Act strategic plan, and that it contain all of the strategic plan elements required by section 306(a) of title 5, United States Code.

SUBTITLE B—DEPARTMENT OF DEFENSE ORGANIZATION

Responsibility for logistics and sustainment functions of the Department of Defense (sec. 911)

The House amendment contained a provision (sec. 902) that would establish and clarify responsibility for logistics and sustainment functions within the Office of the Secretary of Defense. First, the provision would rename the current position of Under Secretary of Defense for Acquisition and Technology to Under Secretary of Defense for Acquisition, Technology and Logistics, reflecting the increased importance of the logistics function. The provision would also create the new position of Deputy Under Secretary of Defense for Logistics and Materiel Readiness to provide this function the organizational stature and visibility that it deserves. The new position would be subject to confirmation by the United States Senate, a requirement intended to enhance the quality of the individuals nominated for this job and increase congressional oversight of this critical area.

The Senate bill contained no similar provision.

The Senate recedes.

Enhancement of technology security program of Department of Defense (sec. 912)

The House amendment contained a provision (sec. 910) that would establish the Technology Security Directorate (TSD) of the Defense Threat Reduction Agency (DTRA) as a separate Defense Department agency named the Defense Technology Security Agency, and would require the director of the agency to advise the Secretary of Defense on policy issues related to the transfer of strategically sensitive technology.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would retain the TSD within DTRA and require: (1) that the director of the TSD have the authority to advise the Secretary of Defense on policy issues related to the transfer of strategically sensitive technology; (2) the Secretary of Defense to ensure that the director of the TSD has appropriate resources and receives the necessary support to carry out the mission of the TSD; (3) that staff and resources of the TSD may not be used for purposes not related to the TSD missions of technology security and export control without the prior approval of the Under Secretary of Defense for Policy; and (4) the Secretary of Defense to provide to the congressional defense committees not later than March 1, 2000, a report on personnel and resource issues affecting the TSD.

Efficient utilization of defense laboratories (sec. 913)

The Senate bill contained a provision (sec. 239) that would require the Secretary Department of Defense to carry out an independent, cross-service analysis of the resources and capabilities of the defense laboratories, and to identify opportunities to consolidate responsibilities by area or function or by designating lead agencies or executive agents. This section would also require the Department to develop a single performance review process, applicable to all of the military services, for rating the quality and relevance of the work performed by the defense laboratories.

The House amendment contained no similar provision.

The House recedes.

Center for the Study of Chinese Military Affairs (sec. 914)

The House amendment contained a provision (sec. 905) that would establish a Center for the Study of Chinese Military Affairs at the National Defense University.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would establish a center within the Institute for National Strategic Studies of the National Defense University for the study of Chinese military affairs.

The conferees acknowledge that the strategic relationship between the United States and the People's Republic of China will be very important for future peace and security, not only in the Asia-Pacific region but around the world.

As the United States and the People's Republic of China work to forge a new strategic relationship, the conferees believe that the Department of Defense would benefit from a center focusing on research and assessment of political, strategic, and military affairs in the People's Republic of China. The center would be a valuable asset to the Department as it monitors the national security aspects of the developing relationship between the United States and the People's Republic of China.

The conferees agree that this center should conduct research relating to the potential of the People's Republic of China to act as a global great power, including research relating to economic trends, strengths and weaknesses in the science and technological sector, and relevant demographic and human resource factors. It should also conduct research on China's armed forces, including their character, role in Chinese society and economy, technological sophistication, and organizational and doctrinal concepts. Such research would include concepts concerning national interests, objectives and strategic culture; grand strategy, military strategy, military operations and tactics, and doctrinal concepts thereunder; the impact of doctrine on China's force structure; and the interaction of doctrine and force structure to create an integrated system of military capabilities through procurement, officer education, training, practice and other similar factors.

The conferees believe that the core faculty of this center should be comprised of scholars capable of providing diverse perspectives on Chinese political, strategic, and military thought and demonstrate competencies and capabilities relating to the above research areas. A substantial number of center scholars should be competent in the Chinese language. Additionally, linguistics and translation support should be available to this center.

The conferees agree that this center should conduct an active conference program and the core faculty should ideally visit China and the region at least once per year.

Asia-Pacific Center for Security Studies (sec. 915)

The House amendment contained a provision (sec. 1040) that would authorize the Secretary of Defense to waive reimbursement of the costs of conferences, seminars, courses of instruction, or similar educational activities of the Asia-Pacific Center for military officers and civilian officials of foreign nations of the Asia-Pacific region if the Secretary determines that attendance by these persons is in the national security interests of the United States. The amendment would permit the Secretary of Defense to accept, on behalf of the United States, foreign gifts or donations in order to defray the costs of, or enhance the operation of, the Asia-Pacific Center.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would only permit the Secretary of Defense to accept, on behalf of the United States, foreign gifts or donations in order to defray the costs of, or enhance the operation of, the Asia-Pacific Center.

Subtitle C—Personnel Management

Revisions to limitations on number of personnel assigned to major Department of Defense headquarters activities (sec. 921)

The Senate bill contained a provision (sec. 901) that would amend section 130a of title 10, United States Code, as amended by section 911 of the National Defense Authorization Act for Fiscal Year 1998, to require a 35 percent reduction of management headquarters and headquarters support activities (MHA) personnel, using as a baseline the number of MHA personnel in the Department of Defense as of October 1, 1989, in lieu of the current required 25 percent reduction based on an October 1, 1997, baseline.

The House amendment contained a provision (sec. 903) that would require the Secretary of Defense to implement a revised directive, to be applied uniformly throughout the Department of Defense, that accounts for management headquarters personnel by function rather than organization.

The House recedes with an amendment that would codify the current, revised definition of management headquarters and would require a 15 percent reduction, five percent per year for three years, from the personnel levels resulting from implementation of the new, revised definition.

Defense acquisition workforce reductions (sec. 922)

The House amendment contained a provision (sec. 904) that would reduce the defense acquisition workforce, as defined in section 931(d) of the National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261), by a total of 25,000 in fiscal year 2000.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to implement reductions in the acquisition and support workforce not less than the number by which that workforce is programmed to be reduced in the fiscal year 2000 President's budget, unless the Secretary determines and certifies to Congress that changed circumstances would require a lesser reduction. This waiver must be in the national security interest of the United States and may not reduce the required reduction by more than ten percent.

The conferees understand that the President's Budget for fiscal year 2000 reflects a planned reduction of approximately 15,800 full-time equivalents in the defense acquisition workforce based upon the definition contained in 931(d) of the National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261). The conferees note, however, that significant acquisition workforce reductions have already been made. According to the Department, the acquisition workforce will have been reduced by 55 percent from 1989 to 2001. The conferees believe that any future acquisition workforce reductions are dependent on the ability of the Department of Defense to ensure that the taxpayer is adequately protected from fraud, waste, and mismanagement, and that the Department is able to continue to maintain a quality workforce.

Monitoring and reporting requirements regarding operations tempo and personnel tempo (sec. 923)

The House amendment contained a provision (sec. 906) that would require the Secretary of Defense to monitor personnel tempo and operations tempo of the armed services. The provision would also direct the Secretary to work toward a common definition to measure personnel tempo and operations tempo, to the maximum extent practicable, in order to have a more accurate measurement system. The House amendment also contained a provision (sec. 1035) that would direct the Secretary of Defense to report on various aspects of operations tempo and personnel tempo in his annual report to Congress.

The Senate bill contained no similar provisions.

The Senate recedes with an amendment that would merge the two provisions and make clarifying changes.

Administration of Defense Reform Initiative enterprise program for military manpower and personnel information (sec. 924)

The Senate bill contained a provision (sec. 584) that would require the Secretary of Defense to designate the Secretary of the Navy as the executive agent for carrying out the defense reform initiative enterprise pilot program for military manpower and personnel information as established in section 8147 of the Department of Defense Appropriations Act for Fiscal Year 1999.

The House amendment contained no similar provision.

The House recedes with an amendment that would authorize the Secretary of Defense to designate the Secretary of the Navy as the executive agent for carrying out the defense reform initiative enterprise pilot program for military manpower and personnel information as established in section 8147 of the Department of Defense Appropriations Act for Fiscal Year 1999.

The conferees note that the defense reform initiative enterprise pilot program for military manpower and personnel information was established in the Department of Defense Appropriations Act for Fiscal Year 1999 and enjoys the continued support of the Secretary of Defense. This pilot program represents a shift from the previous disparate personnel systems to a common, integrated system to manage manpower and personnel information. In addition, this program should reduce the infrastructure needed to support military human resource management programs. As such, the conferees support continued emphasis on this important project.

Payment of tuition for education and training of members in the defense acquisition workforce (sec. 925)

The Senate bill contained a provision (sec. 538) that would permit payment of tuition for education and training of military personnel in the acquisition workforce on the same basis as civilian personnel in the acquisition workforce.

The House amendment contained no similar provision.

The House recedes with an amendment that would make the payment of tuition effective upon enactment and clarify that the provision would not be retroactive.

Subtitle D—Other Matters

Additional matters for annual report on joint warfighting experimentation (sec. 931)

The Senate bill contained a provision (sec. 902) that would amend section 485(b) title 10, United States Code, by adding matters to be included in the annual report on joint war fighting experimentation.

The House amendment (sec. 909) contained a similar provision.

The House recedes with an amendment that would also require recommendations for mission needs statements, operational requirements, and relative priorities for acquisition programs to meet joint requirements to be included in the annual report.

Oversight of Department of Defense activities to combat terrorism (sec. 932)

The Senate bill contained a provision (sec. 1007) that would set forth separately the amounts authorized to be appropriated in titles I, II and III for the programs of the Department of Defense to combat terrorism and would transfer those funds to a Central Transfer Account (CTA). The funds transferred to the CTA would be funds identified by the Department as funds to combat terrorism, including funds for combating weapons of mass destruction and additional funds for Rapid Assessment and Initial Detection (RAID) teams. The provision would also direct the Secretary of Defense, beginning with the fiscal year 2001 budget submission, to set forth separately all funds for combating terrorism within its overall budget request to Congress.

The House amendment contained no similar provision.

The House recedes with an amendment that would: (1) require the Secretary of Defense to submit to the congressional defense committees a report on all programs and activities of the Department of Defense combating terrorism program, including the definitions used by the Department for all terms relating to combating terrorism; (2) require the Secretary to submit to Congress a consolidated budget justification display that includes all programs and activities of the Department of Defense combating terrorism program; and, (3) require the Secretary to submit a semiannual obligation report to the congressional defense committees on the Department's combating terrorism program.

The conferees believe that this provision will give the Department's combating terrorism mission the focus and visibility it requires. The conferees further believe that the information required by this provision will greatly assist the Congress in its effort to conduct thorough oversight of the Department's combating terrorism program.

Responsibilities and accountability for certain financial management functions (sec. 933)

The Senate bill contained a provision (sec. 1009) that would place responsibility for the Department of Defense to receive an unqualified opinion on financial statements with the Under Secretary of Defense (Comptroller) and add this requirement to section 135 of title 10, United States Code. The provision also requires the Under Secretary of Defense (Comptroller) to prescribe regulations governing the use of credit cards and setting forth controls on the alteration of remittance addresses.

The House amendment contained no similar provision.

The House recedes with an amendment that would not require the permanent change to title 10, United States Code.

Management of Civil Air Patrol (sec. 934)

The Senate bill contained a provision (sec. 904) that would require an audit and investigation of the management practices of the Civil Air Patrol. The audit and investigation would be conducted by the Comptroller General of the United States and the Department of Defense Inspector General.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Employment and compensation of civilian faculty members of Department of Defense African Center for Strategic Studies

The House bill contained a provision (sec. 908) that would authorize the Department of Defense to hire civilian faculty members for the United States European Command African Center for Strategic Studies.

The Senate bill contained no similar provision.

The House recedes.

The conferees do not intend to impede the development of the African Center for Strategic Studies (ACSS) by denying this authority at this time. However, the conferees believe that further planning and development of the ACSS is needed before such authority is authorized and note that currently, the ACSS is a virtual center without a permanent facility and only a limited number of seminars planned through fiscal year 2004.

Limitation on amount available for contracted advisory and assistance services

The House amendment contained a provision (sec. 901) that would reduce Advisory and Assistance Services (A&AS) funding by $100.0 million in fiscal year 2000 and withhold an additional 10 percent of A&AS funding until the Department submits the first annual report under section 2212(c) of title 10, United States Code.

The Senate bill contained no similar provision.

The House recedes.

TITLE X—GENERAL PROVISIONS

ITEMS OF SPECIAL INTEREST

Airfield safety database

The conferees note that the commission that investigated aircraft safety issues in the wake of the CT–43 crash in Bosnia that killed Commerce Secretary Ron Brown found that no airfield obstruction database exists and that, as a result, the National Imagery and Mapping Agency (NIMA) has taken the lead to use imagery to accurately create such a database. In addition, the conferees note that industry is developing navigation equipment that can use this data. To date, NIMA, in coordination with the Federal Aviation Administration (FAA), has identified a requirement to include over 1,000 airfields worldwide in this database. Given the critical aviation safety issues associated with this effort, the conferees recognize a compelling need to expeditiously complete it.

Therefore, the conferees direct the director of NIMA to develop a comprehensive program that would create three dimensional terrain and obstruction data for each airfield identified in the requirement on an accelerated basis. The director shall coordinate his efforts with the FAA to ensure that the data conforms to applicable flight standards and certification requirements. The director shall also provide a plan for such a program to the Senate Committee on Armed Services, House Committee on Armed Services, House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence that identifies requirements and issues associated with the program by January 31, 2000.

Education Partnership Agreements

The conferees note that questions have arisen over the implementation of the authority provided to the Secretary of Defense in sections 2194, title 10, United States Code, to enter into education partnership agreements with educational institutions. The conferees encourage the Secretary to review and report to the congressional defense committees by December 31, 1999 on any recommendations to simplify the review and transfer process for surplus scientific equipment and computers.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Financial Matters

Transfer authority (sec. 1001)

The Senate bill contained a provision (sec.1001) that would permit the transfer of amounts of authorizations made available in Division A of this Act.

The House amendment contained an identical provision.

The conference agreement includes this provision.

Incorporation of classified annex (sec. 1002)

The House amendment contained a provision (sec. 1002) that would incorporate the classified annex prepared by the Committee on Armed Services into this Act.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment that would provide that the classified annex prepared by the committee of conference be incorporated into this Act.

Authorization of emergency supplemental appropriations for fiscal year 1999 (sec. 1003)

The Senate bill contained a provision (sec. 1010) that would authorize funding provided for military and relief operations in and around Kosovo for fiscal year 1999 and other purposes in the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31).

The House amendment contained a provision (sec. 1003) that would authorize only military personnel appropriations for fiscal year 2000 provided in the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31).

The House recedes with an amendment that would authorize appropriations made available upon enactment of the 1999 Emergency Supplemental Appropriations Act (Public Law 106–31). The amendment would also extend authorization to contingent defense appropriations contained in the Act only if the President submits an amended budget request that designates the requirement for these appropriations as an emergency and is consistent with the intended uses specified in the Act.

Supplemental appropriations request for operations in Yugoslavia (sec. 1004)

The House amendment contained a provision (sec. 1006) that would require the President to transmit to the Congress a supplemental appropriations request for the Department of Defense for the costs of any combat or peacekeeping operations in the Federal Republic of Yugoslavia that the President determines are in the national security interest of the United States.

The Senate bill contained no similar provision.

The Senate recedes.

United States contribution to NATO common-funded budgets in fiscal year 2000 (sec. 1005)

The Senate bill contained several provisions (sec. 211, 311, and 1008) that would specifically authorize the U.S. contribution to

NATO common-funded budgets for fiscal year 2000, including the use of unexpended balances from previous years. Such an authorization is required by section 3(2)(C)(ii) of the resolution of ratification for the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary and the Czech Republic for each fiscal year that the U.S. payments to the common-funded budgets of NATO exceed the amount paid by the United States in fiscal year 1998.

The House amendment contained no similar provisions.

The House recedes with an amendment that would combine the three provisions contained in the Senate bill into one provision to authorize the U.S. contribution to the common-funded budgets of NATO for fiscal year 2000.

Limitation on funds for Bosnia peacekeeping operations for fiscal year 2000 (sec. 1006)

The House amendment contained a provision (sec. 1205) that would establish a limitation of $1,824.4 million on the amount authorized to be appropriated for the incremental costs of the armed forces for Bosnia peacekeeping operations. The provision authorized the president to waive the limitation after submitting to the Congress a written certification that the waiver is necessary in the national security interests of the United States; a written certification that exercising the waiver will not adversely affect the readiness of U.S. military forces; a report setting forth the reasons for the waiver and a discussion of the impact of the involvement of U.S. military forces in Bosnia peacekeeping operations on U.S. military readiness; and a supplemental appropriations request for the Department of Defense for the additional fiscal year 2000 costs associated with U.S. military forces participating in, or supporting, Bosnia peacekeeping operations.

The Senate bill contained no similar provision.

The Senate recedes.

Second biennial financial management improvement plan (sec. 1007)

The Senate bill contained a provision (sec. 1002) that would require the second biennial financial management improvement plan, to include additional items in an effort to improve the overall financial management within the Department of Defense.

The House amendment contained no similar provision.

The House recedes with an amendment that would place responsibility for a uniform internal control policy with the Under Secretary of Defense (Comptroller) and require business sensitive information to be provided to Congress in a separate annex to protect the sensitive nature of the information.

Waiver authority for requirement that electronic transfer of funds be used for Department of Defense payments (sec. 1008)

The Senate bill contained a provision (sec. 1004) that would provide the authority to the Secretary of Defense to require that military members and civilian employees of the Department of Defense receive payments by electronic fund transfer.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Single payment date for invoice for various subsistence items (sec. 1009)

The Senate bill contained a provision (sec. 1003) that would align Defense Logistics Agency (DLA) commercial practices and regulations of the Prime Vendor Program with commercial practices of private industry.

The House amendment contained no similar provision.

The House recedes.

Payment of foreign licensing fees out of proceeds of sale of maps, charts, and navigational books (sec. 1010)

The Senate bill contained a provision (sec. 1005) that would permit the National Imagery and Mapping Agency (NIMA) to pay licensing fees to foreign countries and international organizations from increased proceeds of its public sales.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Subtitle B—Naval Vessels and Shipyards

Revision to congressional notice-and-wait period required before transfer of a vessel stricken from the naval vessel register (sec. 1011)

The Senate bill contained a provision (sec. 1012) that would amend the requirement in section 7306(d) of title 10, United States Code, for the period of delay after notification to Congress of intent to transfer a naval vessel stricken from the naval vessel register. The Senate would require notification to Congress followed by 60 legislative days on which at least one house of Congress is in session before transfer of a naval vessel.

The House amendment contained a similar provision (sec. 1011) that would require notification followed by 30 days during which both houses of Congress are in session before transfer of a naval vessel.

The Senate recedes.

Authority to consent to retransfer of former naval vessel (sec. 1012)

The House amendment contained a provision (sec. 1012) that would permit the President to consent to the retransfer of a former U.S. naval vessel from the government of Greece to the USS LST Memorial, Inc., a not-for-profit organization, for use as a memorial.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment regarding U.S. Government liability for claims resulting from potential hazardous materials aboard the ship.

Report on naval vessel force structure requirements (sec. 1013)

The House amendment contained a provision (sec. 1013) that would require the Secretary of Defense to submit a report on naval vessel force structure requirements not later than February 1, 2000 to the Committees on Armed Services of the Senate and of the House of Representatives.

The Senate report (S. Rept. 106–50) accompanying the bill contained a similar reporting requirement.

The Senate recedes with a clarifying amendment.

Auxiliary vessels acquisition program for the Department of Defense (sec. 1014)

The House amendment contained a provision (sec. 1014) that would codify in title 10, United States Code, authorization for the Secretary of the Navy to contract for the long-term lease or charter of newly constructed surface vessels. Such leases or charters would apply to the Navy's combat logistics force and strategic sealift programs, as well as other auxiliary support vessels of the Department of Defense.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

National Defense Features program (sec. 1015)

The budget request included no funds for the national defense features (NDF) program.

The Senate bill contained a provision (sec. 313) that would modify section 2218 of title 10, United States Code, to allow advance payments for the costs associated with installing NDF in commercial ships. In addition, the provision would authorize an increase of $40.0 million in the National Defense Sealift Fund (NDSF) for the NDF program.

The House amendment contained a similar provision (sec. 1015). However, the House provision would not authorize an increase to the NDSF for the NDF program.

The conferees agree to modify section 2218 of title 10, United States Code, to allow advance payments for the costs associated with installing NDF in commercial ships.

Sales of naval shipyard articles and services to nuclear ship contractors (sec. 1016)

The Senate bill contained a provision (sec. 1011) that would waive the restrictions contained in sections 2208(j)(2), 2553(a)(1) and 2553(c)(1) of title 10, United States Code, in certain circumstances. The provision would permit a naval shipyard to sell articles or services to a private shipyard fulfilling a Department of Defense contract for a nuclear ship when requested by the private shipyard.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Transfer of naval vessel to foreign country (sec. 1017)

The Senate bill contained a provision (sec. 1013) that would authorize the Secretary of the Navy to transfer one Cyclone class patrol craft to the government of Thailand. This provision supports the veterans who served in Landing Craft Support (LCS) ships in their request, which is supported by the Chief of Naval Operations, to return LCS–102 to the United States once the government of Thailand no longer has a requirement for the vessel.

The House amendment contained no similar provision.

The House recedes.

The conferees agree to support veterans who served in LCS ships in their efforts to return LCS–102 to the United States as a memorial.

Authority to transfer naval vessels to certain foreign countries (sec. 1018)

The conferees agree to authorize the Secretary of the Navy to transfer on a sale basis: four Newport class tank landing ships, one Knox class frigate, and two Oliver Hazard Perry class guided missile frigates; and, by grant basis: two Knox class frigates, one Oliver Hazard Perry class guided missile frigate, one Oak Ridge class medium auxiliary repair dry dock, and one medium auxiliary floating dry dock to various countries. Any expense incurred by the United States in connection with these transfers would be charged to the recipient. The provision would also:

(1) direct that, to the maximum extent possible, the Secretary of the Navy shall require, as a condition of transfer, that repair and refurbishment associated with the transfer be accomplished in a shipyard located in the United States; and

(2) stipulate that the authority to transfer these vessels will expire at the end of a two-year period that begins on the date of enactment of the National Defense Authorization Act for Fiscal Year 2000.

Subtitle C—Support for Civilian Law Enforcement and Counter Drug Activities

The budget request for drug interdiction and other counter-drug activities of the Department of Defense (DOD) totals $954.6 million. This includes the $788.1 million central transfer account and $166.5 million in the operating budgets of the military services for authorized counter-drug operations.

The conferees recommend the following budget for the Department's counter-narcotics activities:

Drug Interdiction & Counter-drug Activities, Operations and Maintenance

(In thousands of dollars)

(May not add due to rounding)

Fiscal Year 2000 Drug and Counter-drug Request	$954,600
Goal 1 (Dependent Demand Reduction)	16,811
Goal 2 (Support to DLEAs)	95,015
Goal 3 (DOD Personnel Demand Reduction)	72,206
Goal 4 (Drug Interdiction—TZ/SWB)	440,755
Goal 5 (Supply Reduction)	329,845
Increases:	
Caper Focus	6,000
Technologies Assessment	4,000
Southwest Border Fence	6,000
State Plans	20,000
JMIP	8,000
P–3 FLIRS	2,700
Observation Aircraft/Aerial Recon	8,000
Mothership Ops	3,500
Regional Counter-drug Training Academy	1,000
Decreases:	
Ground Based Radars ..	1,000
Total	1,012,800
Transfers (To MILCON):	
Forward Operating Locations	42,800

Forward operating locations

The conferees support the proposed creation of forward operating locations (FOLs) to replace the capability lost with the closure of Howard Air Force Base in Panama. The conferees understand the importance of these sites to the continuing ability of the armed forces and law enforcement agencies to effectively wage the war against drugs in the source and transit zones. Therefore, the conferees recommend a transfer of $42.8 million to the defense-wide military construction account to make necessary modifications to existing facilities that will house these FOLs.

Technologies assessment

The conferees understand that currently deployed technologies such as the Relocatable Over-The-Horizon Radar (ROTHR) system in use for counter-drug detection and monitoring are not capable against all methods of transportation. The conferees are concerned that a significant portion of all cocaine smuggled through the transit zone moves by maritime means into Central America and then over the southwest border. Therefore, in recognition of this serious operational shortfall, the conferees recommend $4.0 million to assess alternative technologies to detect air, land, and maritime drug trafficking platforms.

LEGISLATIVE PROVISIONS ADOPTED

Modification of limitation on funding assistance for procurement of equipment for the National Guard for drug interdiction and counter-drug activities (sec. 1021)

The Senate bill contained a provision (sec. 349) that would amend section 112(a)(3) of title 32 United States Code, to allow the National Guard greater flexibility in the procurement of equipment.

The House amendment contained no similar provision.

The House recedes.

Temporary extension to certain naval aircraft of Coast Guard authority for drug interdiction activities (sec. 1022)

The Senate bill contained a provision (sec. 1060) that would extend to U.S. Navy aircraft on which members of the Coast Guard are aboard, the Coast Guard authority to fire warning and disabling shots at maritime vessels suspected of transporting illegal narcotics and refusing to stop when confronted. This authority is already provided to naval ships on which members of the Coast Guard are assigned.

The House amendment contained no similar provision.

The House recedes with an amendment that would limit this authority through September 30, 2001, and would require the Secretary of Defense, before proceeding with the implementation of this authority, to provide the Congress a report regarding the Department's plans for the safe and effective execution of this authority.

Military assistance to civil authorities to respond to act or threat of terrorism (sec. 1023)

The Senate bill contained a provision (sec. 1067) that would grant the Secretary of Defense the authority, during fiscal year 2000, upon the request of the Attorney General, to provide assistance to civil authorities in responding to an act or threat of terrorism within the United States if certain requirements are met.

The House amendment contained no similar provision.

The House recedes with an amendment that would extend the authority provided to the Secretary through fiscal year 2004.

Condition on development of forward operating locations for U.S. Southern Command counter-drug detection and monitoring flights (sec. 1024)

The House amendment contained a provision (sec. 1022) that would prohibit the expenditure of any funds for improving the physical infrastructure at any proposed forward operating location from which counter-drug flights would be conducted until a long term agreement for use of the facilities has been signed.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would prohibit the expenditure of any funding above $1.5 million until such time as a long-term agreement for use of the facilities is signed.

Annual report on United States military activities in Colombia (sec. 1025)

The House amendment contained a provision (sec. 1023) that would require a report detailing the number of U.S. military personnel deployed or otherwise assigned to duty in Colombia.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Report on use of radar systems for counter-drug detection and monitoring (sec. 1026)

The Senate bill contained a provision (sec. 314) that would authorize funding for certain counter-narcotics activities including Operation Caper Focus.

The House amendment contained a provision (sec. 1021) that would authorize funding for Operation Caper Focus and the Wide Aperture Radar Facility.

The Senate recedes with an amendment that would require a comparison of the effectiveness of the Wide Aperture Radar Facility, the Tethered Aerostat Radar System, Ground Mobile Radar, and the Relocatable Over-The-Horizon Radar in maritime, air, and land counter-drug detection and monitoring.

Plan regarding assignment of military personnel to assist Immigration and Naturalization Service and Customs Service (sec. 1027)

The House amendment contained a provision (sec. 1024) that would authorize the deployment of military personnel to border locations to assist members of the Immigration and Naturalization Service and the U.S. Customs Service.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would instead require the development of a plan on how to most effectively use military personnel in such a role, and require a report on the number of military personnel already performing such assistance.

Subtitle D—Miscellaneous Report Requirements and Repeals

Preservation and repeal of certain defense reporting requirements (secs. 1031 and 1032)

The Senate bill contained a provision (sec. 1021) that would preserve certain reports presently required to be made to the Congress by the President, the Secretary of Defense, and other officials. Section 3003 of Public Law 104–66, enacted December 21, 1995, repealed the requirements for a large number of periodic reports to the Congress, unless legislative action was taken prior to December 21, 1999, to preserve these requirements.

The House amendment contained a similar provision (sec. 1036).

The Senate recedes with an amendment that would divide the provision into two sections. The first section would address the reports to be retained by both the House and Senate provisions, and the second section would provide for the repeal of certain reporting requirements not retained.

Reports on risks under National Military Strategy and combatant command requirements (sec. 1033)

The Senate bill contained a provision (sec. 1022) that would require the Chairman of the Joint Chiefs to submit a report to the congressional defense committees that would contain a consolidation of the integrated priority lists of the requirements of the combatant commands. The report should also contain the Chairman's views on the consolidated lists including a discussion of what actions are being taken to meet these requirements, and which requirements should have the greatest priority.

The House amendment contained a provision (sec. 1034) that would require the Chairman of the Joint Chiefs to provide the Congress with an annual assessment of the risk associated with performing the National Military Strategy.

The Senate recedes with an amendment that would require the Chairman to include a risk assessment in an annual report to Congress that would contain a consolidation of the integrated priority lists of the requirements of the combatant commands.

Report on lift and prepositioned support requirements to support National Military Strategy (sec. 1034)

The House amendment contained a provision (sec. 1043) that would require the Secretary of Defense to submit a report to Congress describing the airlift requirements necessary to execute the full range of missions called for under the National Military Strategy prescribed by the Chairman of the Joint Chiefs of Staff under the postures of force engagement anticipated through 2015.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment that would require results of an ongoing mobility requirements study (MRS-05) to be used in the development of the report. In addition, the conferees understand the Joint Chiefs of Staff are considering whether to establish requirements for float-on/float-off (FLO/FLO) vessels for joint service rapid deployment. The Secretary of Defense is directed to include the following in a report to the Congress on the mobility requirements review: (1) the cargo, and the relative priority of cargo, that would require FLO/FLO vessel capability; (2) the requirements for FLO/FLO vessels to carry such cargo, including any requirement for FLO/FLO vessels with dockwalls; and (3) an estimate of the funding required to meet any such requirements. The conferees agree to change the report horizon to 2005, and require a follow-on report focusing on intra-theater lift.

Report on assessments of readiness to execute the National Military Strategy (sec. 1035)

The Senate bill contained a provision (sec. 1023) that would require the Secretary of Defense to submit to the Committees on Armed Services of the Senate and House of Representatives a report on the capability of the United States to execute the National Military Strategy.

The House amendment contained a provision (sec. 1041) that would require a report on the effect of continued Balkan operations on the ability of the United States to successfully meet other regional contingencies.

The Senate recedes with an amendment that would require certain information to be included in the report.

Report on Rapid Assessment and Initial Detection teams (sec. 1036)

The Senate bill contained a provision (sec. 1028) that would require the Secretary of Defense to submit to the Congress a report, not later than 90 days after the date of the enactment of this Act, detailing the specific procedures which have been established among the states by which a Rapid Assessment and Initial Detection (RAID) team would be dispatched to an incident outside of its home base state.

The House amendment contained no similar provision.

The House recedes with an amendment that would expand the topics to be covered by the report to include capabilities, training exercises, command and control relationships with other Federal, State and local organizations responsible for responding to an incident involving a weapon of mass destruction and measures that will be taken to maintain the proficiency of the RAID teams.

Report on unit readiness of units considered to be assets of Consequence Management Program Integration Office (sec. 1037)

The Senate bill contained a provision (sec. 1029) that would require the Secretary of Defense to include within the next Quarterly Readiness Report an annex on the readiness, training status and future funding requirements of all active and reserve component units that are considered assets of the Consequence Management Program Integration Office.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Analysis of relationship between threats and budget submission for fiscal year 2001 (sec. 1038)

The Senate bill contained a provision (sec. 1030) that would require the Secretary of Defense, in coordination with the Director of Central Intelligence and the Chairman of the Joint Chiefs of Staff, to submit a report to the congressional defense committees on the relationship between the defense budget for fiscal year 2001 and the current and emerging threats to the national security interests of the United States, as identified in the President's annual national security strategy report. The Secretary's report would be submitted on the date the President submits the budget for fiscal year 2001 to Congress.

The House amendment contained no similar provision.

The House recedes.

Report on NATO defense capabilities initiative (sec. 1039)

The Senate bill contained a provision (sec. 1031) that would require the Secretary of Defense, not later than January 31 of each year beginning in 2000, to submit a report to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and International Relations of the House of Representatives on the implementation of the Defense Capabilities Initiative by the nations of the North Atlantic Treaty Organization (NATO).

The House amendment contained no similar provision.

The House recedes.

Report on motor vehicle violations by operators of official Army vehicles (sec. 1040)

The Senate bill contained a provision (sec. 1032) that would require the Secretary of the Army to review the incidence of violations of state and local motor vehicle laws by Army personnel using Army motor vehicles and to report the results of the review to the Congress, not later than March 31, 2000.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle E—Information Security

Identification in budget materials of amounts for declassification activities and limitation on expenditures for such activities (sec. 1041)

The House amendment contained a provision (sec. 1031) that would require the Secretary of Defense to establish a new budgetary line item for the declassification activities of the Department of Defense and limit expenditures for such activities to $20,000,000 in fiscal year 2000.

The Senate bill contained no similar provision.

The Senate recedes with an amendment.

The provision would clarify the activities to be covered by the new budgetary line item. The conferees anticipate that the identification of declassification funding as a budgetary line item in accordance with the requirements of this subsection will better enable Congress in future years to establish appropriate levels for such expenditures.

The Department has provided the conferees with the following estimates for planned declassification expenditures of major components of the Department under the provisions in 3.4 of Executive Order 12958 for fiscal year 2000: National Security Agency, $10.0 million; Defense Intelligence Agency, $1.0 million; Army, $16.0 million; Navy, $16.0 million; and Air Force, $8.0 million.

The provision would prohibit expenditures for the specified activities in excess of these planned levels. It is not intended as a limitation on indirect declassification expenditures in accounts other than those identified by the Department and listed above. The conferees direct the Department to report to Congress not later than 120 days after the date of enactment of this Act on any such expenditures that the Department expects to incur in fiscal year 2000.

The provision would prohibit the automatic declassification of records that have not yet been reviewed for declassification unless the Secretary certifies to Congress that such declassification would not harm the national security. The conferees are aware that the needless classification of records that are no longer sensitive can impose costs, and undermine the credibility of the classification system. The conferees do not believe that it would be in the national security interest of the United States to declassify records that would otherwise remain classified, simply because the review of those records has not yet been completed.

The provision would require the Secretary to report to Congress on whether the Department will be able to meet any date established for automatic declassification of records. If the Secretary reports that the Department will be unable to meet any such date, the conferees expect that the Administration would propose, and Congress would enact, a further extension.

The conferees are concerned with reports over the last three years of inadequate or incorrect declassification decisions of the Department and other agencies that may have resulted in the release of information that could harm the national security. The conferees expect the Department to conduct the declassification process in a careful manner which provides adequate time to review records and make decisions consistent with the national security interests of the United States.

Notice to congressional committees of certain security and counterintelligence failures within defense programs (sec. 1042)

The House amendment contained a provision (sec. 1032) that would require notification of the congressional defense committees of any information that indicates that classified information relating to defense programs of the United States may have been compromised to a foreign power.

The Senate bill contained no similar provision.

The Senate recedes with an amendment clarifying that the notification requirement applies to security failures or the compromise of classified information that the Secretary of Defense considers likely to cause significant harm or damage to the national security interests of the United States. The amendment would also provide for the Committees on Armed Services of the Senate and House of Representatives to take appropriate steps to protect sensitive information received as a result of such notifications.

Information Assurance Initiative (sec. 1043)

The Senate bill contained a provision (sec. 1047) that would require the Department to establish: (1) an information assurance roadmap to guide the development of appropriate organizational structures and technologies; and (2) an information assurance testbed to provide an integrated organizational structure within DOD to plan and facilitate the conduct of simulations, wargames, exercises, and experiments, and to serve as a means by which the Department can conduct integrated or joint exercises and experiments with civil and commercial organizations. The provision would also authorize an increase of $120.0 million for various information assurance programs and activities.

The House amendment contained no similar provision.

The House recedes with an amendment that would establish an information assurance program and an information assurance testbed. The conferees address information assurance funding elsewhere in this conference report.

Nondisclosure of information on personnel of overseas, sensitive, or routinely deployable units (sec. 1044)

The Senate bill contained a provision (sec. 1052) that would authorize the Secretary of Defense and, with respect to the Coast Guard when it is not operating under the Navy, the Secretary of Transportation to withhold from disclosure to the public the name, rank, duty address, official title, and pay information of personnel assigned to units that are sensitive, routinely deployable, or overseas.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Nondisclosure of certain operational files of the National Imagery and Mapping Agency (sec. 1045)

The Senate bill contained a provision (sec. 1053) that would authorize the Secretary of Defense to withhold from public disclosure certain operational files of the former National Photographic Interpretation Center of the Central Intelligence Agency, which were transferred in 1996 to the National Imagery and Mapping Agency (NIMA). Such files would be protected from search, review, publication, or public disclosure to the same extent as originally provided for under section 701 of the National Security Act of 1947 (50 U.S.C. 431).

The House amendment contained no similar provision.

The House recedes.

Subtitle F—Memorial Objects and Commemorations

Moratorium on the return of veterans memorial objects to foreign nations without specific authorization in law (sec. 1051)

The Senate bill contained a provision (sec. 1066) that would prohibit the return of veterans memorial objects to foreign nations unless specifically authorized by law.

The House amendment contained no similar provision.

The House recedes with an amendment that would place a moratorium on returning veterans memorial objects to foreign nations without specific authorization in law until September 30, 2001.

Program to commemorate 50th anniversary of the Korean War (sec. 1052)

The Senate bill contained a provision (sec. 1058) that would authorize the expenditure of up to $7.0 million for the United States of America Korean War Commemoration during fiscal years 2000 through 2004. This limitation would be in addition to the expenditures of any local commander to commemorate the Korean War from funds available to that command.

The House amendment contained no similar provision.

The House recedes with an amendment that would delete the reference to expenditures by a unit of the armed forces or similar organization to commemorate the Korean War. The conferees note that inclusion of such reference is unnecessary.

Commemoration of the victory of freedom in the Cold War (sec. 1053)

The Senate bill contained a provision (sec. 1086) that would establish a commission and a medal to honor those who served in the U.S. Armed Forces during the Cold War. The provision would also establish November 9, 1999 as "Victory in the Cold War Day" and authorize $15.0 million for the participation of the armed forces in a celebration on that date.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the commission to identify a date suitable for celebration of the U.S. victory in the Cold War and make recommendations to the Department of Defense on how to celebrate that victory. The provision would further authorize up to $5.0 million for military participation in such a celebration.

Subtitle G—Other Matters

Defense Science Board task force on use of television and radio as a propaganda instrument in time of military conflict (sec. 1061)

The Senate bill contained a provision (sec. 1048) that would require the Secretary of Defense to establish a task force of the Defense Science Board to examine the use of radio and television broadcasting as a propaganda instrument and the adequacy of the capabilities of the U.S. armed forces to deal with situations such as the conflict in the Federal Republic of Yugoslavia. The task force would submit its report containing its assessments to the Secretary of Defense, not later than February 1, 2000. The Secretary would submit the report, together with his comments and recommendations, to the congressional defense committees, not later than March 1, 2000.

The House amendment contained no similar provision.

The House recedes.

Assessment of electromagnetic spectrum reallocation (sec. 1062)

The Senate bill contained a provision (sec. 1049) that would require that any system licensed to operate on portions of the frequency spectrum currently used by the Department of Defense (DOD) be designed in such a way as to ensure that it neither interferes with, nor receives interference from, the military systems of the DOD that are operating in those bands. The provision would further require that any costs associated with the redesign of military systems for the purpose of moving them from a frequency for use by another system, public or private, be paid by the entity whose system or systems are displacing the military system.

The House amendment contained no similar provision.

The House recedes with an amendment that would authorize the surrender of frequencies where DOD currently has the primary assignment, only if the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, and the Secretary of Commerce, jointly certify to Congress that the surrender of such portions of the spectrum will not degrade essential military capability. Alternative frequencies, with the necessary comparable technical characteristics, would have to be identified and made available to the DOD, if necessary, to restore the essential military capability that will be lost as a result of the surrender of the original spectrum. Essential military capability is that capability provided by the use or planned use of that portion of the spectrum, as of the date of the proposed allocation. In addition, the provision would require that 8 MHz that were identified for auction in the Balanced Budget Act of 1997, be reassigned to the Federal Government for primary use by the DOD. The conferees urge the Secretary of Defense to share such frequencies with state and local government public safety radio services, to the extent that such sharing will not result in harmful interference between the DOD systems and the public safety systems proposed for operation on those frequencies. This provision would not otherwise change the requirement for the Federal Communications Commission to auction the remaining frequencies that were identified for reallocation pursuant to the Omnibus Budget Reconciliation Act of 1993 or the Balanced Budget Act of 1997.

The provision would further provide for an interagency review, and assessment and report to Congress and the President on the progress made in implementation of national spectrum planning, the reallocation of Federal Government spectrum to non-Federal use, and the implications of such reallocations to the affected federal agencies, which would include the effects of the reallocation on critical military and intelligence capabilities, civil space programs, and other Federal Government systems used to protect public safety.

Extension and reauthorization of Defense Production Act of 1950 (sec. 1063)

The Senate bill contained a provision (sec. 1059) that would reauthorize the Defense Production Act of 1950 for a period of one year.

The House amendment contained no similar provision.

The House recedes.

Performance of threat and risk assessments (sec. 1064)

The House amendment contained a provision (sec. 1046) that would amend the Defense Against Weapons of Mass Destruction Act of 1998 to require that any assistance provided to Federal, State, and local agencies under section 1402 of that Act include the performance by the Department of Justice of assessments of the threat and risk of terrorist use of weapons of mass destruction against cities and localities. The amendment would also require the Attorney General to conduct a pilot test of any proposed method or model by which such assessments are to be performed.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would delete the pilot test requirement.

Chemical agents used for defensive training (sec. 1065)

The Senate bill contained a provision (sec. 1084) that would provide authority for the Secretary of Defense to transfer to the Attorney General quantities of lethal chemical agents to support training of emergency first-response personnel and require a report to Congress annually on such transfers.

The House amendment contained a provision (sec. 1039) that would provide authority for the Secretary of Defense to transfer to the Attorney General quantities of lethal chemical agents to support training at the

Chemical Defense Training Facility at the Center for Domestic Preparedness in Fort McClellan, Alabama and to report, in consultation with the Attorney General and the Administrator of the Environmental Protection Agency, to Congress annually on such transfers.

The House recedes.

Technical and clerical amendments (sec. 1066)

The Senate bill contained a provision (sec. 520) that would make a technical correction to section 1370(d)(1) of title 10, United States Code.

The House amendment contained a provision (sec. 1037) that would make various technical and clerical amendments to existing law.

The Senate recedes with a technical amendment.

Amendments to reflect name change of Committee on National Security of the House of Representatives to Committee on Armed Services (sec. 1067)

The conference agreement includes a provision that would amend certain provisions of existing law to reflect the change in the name of the Defense Authorization Committee of the House of Representatives from "Committee on National Security" to "Committee on Armed Services."

LEGISLATIVE PROVISIONS NOT ADOPTED

Authority for payment of settlement claims

The Senate bill contained a provision (sec. 350) that would authorize the Secretary of Defense to make payments for the settlement of claims arising from the deaths caused by the accident involving a United States Marine Corps EA-6B aircraft on February 3, 1998 near Cavalese, Italy.

The House amendment contained no similar provision.

The Senate recedes.

Consolidation of various Department of the Navy trust and gift funds

The House bill contained a provision (sec. 1005) that would amend certain sections of title 10, United States Code, to allow consolidation of five Department of the Navy gift and trust funds into two funds, in order to manage the funds more efficiently and reduce administrative costs.

The Senate amendment contained no similar provision.

The House recedes.

Military Voting Rights Act of 1999

The Senate bill contained three provisions (sec. 1301–1303) that would establish a short title of "Military Voting Rights Act of 1999," amend the Soldiers' and Sailors' Civil Relief Act of 1940 to preclude a military member from losing a claim to state residency for the purpose of voting in federal and state elections because of absence due to military orders, and amend the Uniformed and Overseas Citizens Absentee Voting Act to require each state to permit absent military voters to use absentee registration procedures and to vote by absentee ballot in elections for state and local offices, in addition to federal offices, as provided in current law.

The House amendment contained no similar provision.

The Senate recedes.

Nondisclosure of information of the National Imagery and Mapping Agency having commercial significance

The Senate bill contained a provision (sec. 1054) that would authorize the Secretary of Defense to withhold from public disclosure information in the possession of the National Imagery and Mapping Agency, if the Secretary determines, in writing, that public disclosure of the information would compete with, or otherwise adversely affect, commercial operations in any existing or emerging industry, or the operation of any existing or emerging commercial market, and that withholding the information from disclosure is consistent with the national security interests of the United States.

The House amendment contained no similar provision.

The Senate recedes.

Offshore entities interfering with Department of Defense use of the frequency spectrum

The Senate bill contained a provision (sec. 1050) that would prohibit the issuance of any license or permit, or the award of any federal contract to any company that illegally broadcasts, or whose subsidiaries illegally broadcast, signals into the United States on frequencies used by the Department of Defense.

The House amendment contained no similar provision.

The Senate recedes.

Repeal of requirement for two-year budget cycle for the Department of Defense

The House amendment contained a provision (sec.1004) that would repeal the requirement for the Department of Defense to submit a detailed two-year budget in the first session of each Congress.

The Senate bill contained no similar provision.

The House recedes.

Sense of the Senate on negotiations with indicted war criminals

The Senate bill contained a provision (sec. 1078) that would express the sense of the Senate that the United States should not negotiate with Slobodan Milosevic or any other indicted war criminal with respect to reaching an end to the conflict in the Federal Republic of Yugoslavia.

The House amendment contained no similar provision.

The Senate recedes. The conferees note that an agreement to end the fighting in the Federal Republic of Yugoslavia was reached on June 9, 1999, therefore this legislation is no longer necessary. However, the conferees agree with the policy expressed in the provision contained in the Senate bill and expect that the United States will not negotiate with Slobodan Milosevic or any other indicted war criminal regarding any future agreements that might be necessary with the Federal Republic of Yugoslavia.

Sense of the Senate regarding settlement of claims of American servicemen's family regarding deaths resulting from the accident off the coast of Namibia on September 13, 1997

The Senate bill contained a provision (sec. 351) that would express the sense of the Senate that the government of Germany should promptly settle with the families of members of the United States Air Force killed in a collision between a United States Air Force C-141 and a German Luftwaffe Tupelov TU-154M off the coast of Namibia on September 13, 1997 and that the United States should not make any payments to citizens of Germany as settlement of claims arising from the accident involving a United States Marine Corps EA-6B aircraft on February 3, 1998 near Cavalese, Italy until a comparable settlement is reached with respect to the Namibia collision.

The House amendment contained no similar provision.

The Senate recedes.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

LEGISLATIVE PROVISIONS ADOPTED

Accelerated implementation of voluntary early retirement authority (sec. 1101)

The Senate bill contained a provision (sec. 1101) that would amend section 1109(d) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 by changing the effective date from October 1, 2000 to October 1, 1999, for modifications to voluntary early retirement authority for civilian employees of the Department of Defense.

The House amendment contained no similar provision.

The House recedes.

Increase of pay cap for nonappropriated fund senior executive employees (sec. 1102)

The House amendment contained a provision (sec. 1101) that would authorize the Secretary of Defense and the secretaries of the military departments to establish the pay of Senior Executive Service (SES) nonappropriated fund employees at the same level as that of appropriated fund SES employees.

The Senate bill contained no similar provision.

The Senate recedes.

Restoration of leave of emergency essential employees serving in a combat zone (sec. 1103)

The Senate bill contained a provision (sec. 1103) that would define a Department of Defense emergency essential employee and provide for automatic restoration of any excess annual leave that the employee would lose because of service in a combat zone.

The House amendment contained a provision (sec. 1102) that would restore excess annual leave lost by certain Department of Defense employees deployed in support of the armed forces during hostilities and would provide an exception to those limits in recognition of the increased support provided our deployed forces by Department of Defense civilian employees.

The House recedes.

Extension of certain temporary authorities to provide benefits for employees in connection with defense work-force reductions and restructuring (sec. 1104)

The Senate bill contained a provision (sec. 1107) that would extend the expiration date of three temporary civilian personnel management authorities. The expiration date for the authority to pay severance pay in a lump-sum would be extended from October 1, 1999 to October 1, 2003. The expiration date for authority to offer civilian employees a voluntary separation incentive would be extended from September 30, 2001 to September 30, 2003. The expiration date for authority to offer continued coverage under the Federal Employees Health Benefit program would be extended from October 1, 1999 to October 1, 2003 or February 1, 2004, if specific notice of such separation is given to the individual before October 1, 2003.

The House amendment contained a provision (sec. 1105) that would extend the expiration date for authority to offer continued coverage under the Federal Employees Health Benefit program from October 1, 1999 to October 1, 2003 or February 1, 2004, if specific notice of such separation is given to the individual before October 1, 2003.

The House recedes.

Leave without loss of benefits for military reserve technicians on active duty in support of combat operations (sec. 1105)

The Senate bill contained a provision (sec. 1104) that would amend section 6323(d)(1) of title 5, United States Code, so that leave protections would apply when dual-status military technicians participate on active duty in combat, as well as noncombat, operations outside the United States, its territories, and possessions.

The House amendment contained no similar provision.

The House recedes.

Expansion of Guard-and-Reserve purposes for which leave under section 6323 of title 5, United States Code, may be used (sec. 1106)

The House amendment contained a provision (sec. 1103) that would expand the permitted uses of military leave by members of the reserve components who are also federal civilian employees and would allow them the flexibility to use this leave within the current 15 day annual ceiling to enhance the military readiness of their reserve units.

The Senate bill contained no similar provision.

The Senate recedes.

Work schedules and premium pay of service academy faculty (sec. 1107)

The Senate bill contained a provision (sec. 1105) that would amend sections 4338, 6952, and 9338 of title 10, United States Code, concerning the employment and compensation of the civilian faculties at the U.S. Military Academy, the Naval Academy, and the Air Force Academy to exclude the civilian faculty from the provisions in subchapter V, chapter 55 of title 5, United States Code, concerning premium pay, and the provisions in chapter 61 of title 5, United States Code, concerning hours of work. The provision would provide service secretaries with the flexibility necessary to establish reasonable work requirements for the civilian faculty, similar to the requirements for faculty members at other colleges and universities. It would not eliminate requirements to comply with other law, such as the Fair Labor Standards Act.

The House amendment contained no similar provision.

The House recedes.

Salary schedules and related benefits for faculty and staff of the Uniformed Services University of the Health Sciences (sec. 1108)

The Senate bill contained a provision (sec. 1106) that would clarify the authority of the Secretary of Defense to prescribe pay schedules for civilians employed as faculty and staff of the Uniformed Services University of the Health Sciences.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Exemption of defense laboratory personnel from workforce management restrictions (sec. 1109)

The Senate bill contained a provision (sec. 237) that would exempt the defense laboratories from management by end strength and arbitrary supervisory ratios or caps on high-grade employees, and would provide laboratories with direct hiring authority.

The House amendment contained no similar provision.

The House recedes with an amendment that would delete the prohibition on management by end strength. The conference amendment would exempt the defense laboratories from any supervisory rations or caps on high-grade employees, and would provide the laboratories with direct hiring authority to enable them to compete in hiring processes to obtain the finest scientific talent available.

LEGISLATIVE PROVISIONS NOT ADOPTED

Deference to EEOC procedures for investigation of complaints of sexual harassment made by employees

The Senate bill contained a provision (sec. 1102) that would amend section 1561 of title 10, United States Code, by limiting its applicability to complaints of sexual harassment made to a commanding officer by a member of the Army, Navy, Air Force, or Marine Corps under his command.

The House amendment contained no similar provision.

The Senate recedes.

Temporary authority to provide early retirement and separation incentives for certain civilian employees

The House amendment contained a provision (sec. 1104) that would require the Secretary of Defense to designate a military base at which early retirement and separation incentives would be offered, during the period October 1, 1999 through October 1, 2000, to certain civilian employees to encourage voluntary separations.

The Senate bill contained no similar provision.

The House recedes.

Title XII—Matters Relating to Other Nations

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Matters Relating to the People's Republic of China

Limitation on military-to-military exchanges and contacts with Chinese People's Liberation Army (sec. 1201)

The Senate bill contained a provision (sec. 1034) requiring the Secretary of Defense to submit a detailed report by March 31, 2000 on military-to-military contacts with the People's Republic of China since January 1, 1993.

The House amendment contained a provision (sec. 1203) that would prohibit the Secretary of Defense from authorizing any military-to-military exchange or contact by the U.S. armed forces with the Peoples' Liberation Army that would involve a series of operations and activities; require the Secretary of Defense to certify to the Committees on Armed Services of the Senate and the House of Representatives by December 31 of each year as to whether or not there were any violations of the prohibition and to report by June 1 of each year providing an assessment of the current state of such military-to-military contacts.

The Senate recedes with an amendment that would establish "national security risk" as the criterion to be applied by the Secretary of Defense in assessing the appropriateness of military-to-military contacts with the People's Liberation Army and merge the one-time Senate reporting requirement with the House provision.

Annual report on military power of the People's Republic of China (sec. 1202)

The House amendment contained a provision (sec. 1209) that would require the Secretary of Defense to prepare an annual report, in both classified and unclassified form, on the current and future military strategy and capabilities of the People's Republic of China.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would add the security situation in the Taiwan Strait as an additional matter to be included in the annual report.

Subtitle B—Matters Relating to the Balkans

Department of Defense report on the conduct of Operation Allied Force and associated relief operations (sec. 1211)

On March 24, 1999, the North Atlantic Treaty Organization (NATO) initiated the first large-scale, offensive military operation in its 50-year history with air strikes against targets in the Federal Republic of Yugoslavia (FRY). This NATO air campaign, Operation Allied Force, ended on June 10, 1999, following the signing of the Military Technical Agreement by representatives of the FRY and confirmation by NATO that the withdrawal of Serb forces from Kosovo had begun.

The lessons learned during this 78-day military operation could have far-reaching implications for U.S. military strategy, doctrine, and force planning for years to come. The conferees believe that the Congress must have detailed information and analysis concerning Operation Allied Force in order to apply the lessons learned from that military campaign to future defense funding and policy decisions. Therefore, the conferees have included a provision that would require the Secretary of Defense to submit a comprehensive report to the congressional defense committees by January 31, 2000, on the conduct of NATO's military operations against the FRY and associated relief operations in the Balkan theater of operations. A preliminary report on the conduct of those operations would be submitted by October 15, 1999.

Sense of Congress regarding the need for vigorous prosecution of war crimes, genocide, and crimes against humanity in the former Republic of Yugoslavia (sec. 1212)

The Senate bill contained a provision (sec. 1061) that would express the sense of Congress that the United States and other nations should provide sufficient resources for an expeditious and thorough investigation of allegations of war crimes committed in Kosovo and elsewhere in the former Republic of Yugoslavia; that the United States, through its intelligence services, should provide all possible cooperation in gathering evidence to secure the indictment of those responsible for the commission of war crimes, crimes against humanity, and genocide in the former Yugoslavia; that where the evidence warrants, indictments for war crimes should be issued against suspects regardless of their position within the Serbian leadership; that the United States and all nations have an obligation to honor arrest warrants issued by the International Criminal Tribunal for the former Yugoslavia, and should use all appropriate means to apprehend war criminals already under indictment; and that NATO should not accept any diplomatic resolution of the conflict in Kosovo that would bar the indictment, apprehension or prosecution of war criminals for crimes committed during operations in Kosovo.

The House amendment contained a provision (sec. 1207) that would outline the goals of the United States for the conflict with the Federal Republic of Yugoslavia, including two goals related to war crimes. Concerning war crimes, the provision would declare that President Milosevic be held accountable for his actions as President that have resulted in the deaths of tens of thousands of people and responsibility for murder, rape, terrorism, destruction, and ethnic cleansing; and that individuals in the Federal Republic of Yugoslavia who are guilty of war crimes in Kosovo should be brought to justice through the International Criminal Tribunal for the former Yugoslavia.

The House recedes with clarifying amendments, and with additions to the findings that incorporate the two goals related to war crimes contained in section 1207 of the House amendment.

Subtitle C—Matters Relating to NATO and Other Allies

Legal effect of the new Strategic Concept of NATO (sec. 1221)

The Senate bill contained a provision (sec. 1063) that would require the President to determine and certify to the Senate whether or not the new Strategic Concept of the North Atlantic Treaty Organization (NATO) imposes any new commitments or obligations on the United States. In addition, the provision would express the sense of the Senate that, if the President certifies that the new Strategic Concept imposes any new commitments or obligations on the United States, the President should submit the new Strategic Concept to the Senate as a treaty for the Senate's advice and consent. Finally, the provision requires the President to submit a report to the Senate containing an analysis of the potential threats facing NATO in the first decade of the next millennium, particularly those threats which would be beyond the borders of NATO member nations.

The House amendment contained no similar provision.

The House recedes with an amendment requiring the certification and report to be provided to the Congress, and changing the sense of the Senate to the sense of the Congress.

Report on allied capabilities to contribute to major theater wars (sec. 1222)

The House amendment contained a provision (sec. 1204) that would require the Secretary of Defense to prepare a report, in both classified and unclassified form, on the current military capabilities of our allies to contribute to the successful conduct of major theater wars as anticipated in the Quadrennial Defense Review of 1997. The report would include an assessment of the risks to the successful execution of the national military strategy related to the capabilities of allied armed forces.

The Senate bill contained no similar provision.

The Senate recedes.

Attendance at professional military education schools by military personnel of the new member nations of NATO (sec. 1223)

The Senate bill contained a provision (sec. 1081) that would require the secretaries of the military departments to give due consideration to according a high priority to the attendance of military personnel of Poland, Hungary, and the Czech Republic at professional military education schools and training programs in the United States.

The House amendment contained no similar provision.

The House recedes.

Subtitle D—Other Matters

Multinational economic embargoes against governments in armed conflict with the United States (sec. 1231)

The Senate bill contained a provision (sec. 1064) that would make it the policy of the United States that upon the use of the Armed Forces of the United States to engage in hostilities against any foreign country, the President shall seek the establishment of a multinational economic embargo against such country and seek the seizure of its foreign financial assets.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Limitation on deployment of Armed Forces in Haiti during fiscal year 2000 and congressional notice of deployments to Haiti (sec. 1232)

The House amendment contained a provision (sec. 1206) that would prohibit the expenditure of funds for the deployment of U.S. Armed Forces in Haiti except for: (a) deployment pursuant to Operation Uphold Democracy until December 31, 1999; (2) periodic, noncontinuous theater engagement activities on or after January 1, 2000; and (3) deployment for a limited, customary presence necessary for the security of U.S. diplomatic facilities in Haiti and to carry out defense liaison activities. The provision would require the President to report to Congress within 48 hours after a deployment for periodic, noncontinuous theater engagement activities on or after January 1, 2000. Finally, the provision would contain a rule of construction stating that nothing in the provision shall be construed to restrict the President's authority in emergency circumstances to protect the lives of U.S. citizens or facilities or property in Haiti.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would limit the prohibition on the expenditure of funds to the continuous deployment of U.S. Armed Forces in Haiti pursuant to Operation Uphold Democracy subsequent to May 31, 2000, and would require the President to report to Congress within 96 hours after a deployment to Haiti subsequent to May 31, 2000.

Report on the security situation on the Korean peninsula (sec. 1233)

The House amendment contained a provision (sec. 1208) that would require the Secretary of Defense to submit to the appropriate congressional committees a report on the security situation on the Korean peninsula.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would change the date that the report is due from February 1, 2000 to April 1, 2000.

Sense of Congress regarding the continuation of sanctions against Libya (sec. 1234)

The Senate bill contained a provision (sec. 1068) that would make it the Sense of the Congress that the President should use all diplomatic means necessary, including the use of the United States veto at the United Nations Security Council, to prevent the Security Council from lifting sanctions against Libya until Libya fulfills all of the conditions set forth in United Nations Security Council Resolutions 731, 748, and 883.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Sense of Congress and report on disengaging from noncritical overseas missions involving United States combat forces (sec. 1235)

The Senate bill contained a provision (sec. 1077) that would require the President to submit a report to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives prioritizing the ongoing global missions to which the United States is contributing troops. The report would include a feasibility analysis of how the United States can shift resources from low priority missions in support of higher priority missions; consolidate or reduce U.S. troops commitments worldwide; and end low priority missions.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Annual reports on security in the Taiwan Strait

The Senate bill contained a provision (sec. 1075) that would require the Secretary of Defense to submit to the appropriate congressional committees an annual report, in both classified and unclassified form, detailing the security situation in the Taiwan Strait.

The House amendment contained no similar provision.

The Senate recedes.

The conferees agree to include this reporting requirement within the reporting requirement contained in section 1202 of this Act.

Goals for the conflict with the Federal Republic of Yugoslavia

The House amendment contained a provision (sec. 1207) that would declare the goals of the United States for the conflict with the Federal Republic of Yugoslavia to be: a cessation of all military action by the Federal Republic of Yugoslavia (FRY) against the people of Kosovo; the withdrawal of all FRY forces from Kosovo; an agreement by the FRY government to the stationing of an international military presence in Kosovo, to the safe return to Kosovo of all refugees, to the unhindered access by humanitarian aid organizations to the refugees, and to work for a political framework agreement for Kosovo that is in conformity with international law; that President Milosevic will be held accountable for his actions; and that individuals in the FRY who are guilty of war crimes in Kosovo will be brought to justice through the International Criminal Tribunal for the former Yugoslavia.

The Senate bill contained no similar provision.

The House recedes. The conferees note that many of the goals contained in the provision in the House amendment have been achieved by a combination of the Serb Parliament's adoption on June 3, 1999, of the principles adopted by the Group of Eight (G–8) Foreign Ministers on May 6, 1999, the signing of the Military Technical Agreement on June 9, 1999, and subsequent actions in Kosovo. The remaining goals regarding President Milosevic and war criminals have been incorporated into another provision. Therefore, the conferees believe that this provision is no longer necessary.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

LEGISLATIVE PROVISIONS ADOPTED

Cooperative Threat Reduction (CTR) program (secs. 1301–1312)

The budget request included $475.5 million for the Cooperative Threat Reduction (CTR) program.

The Senate bill would authorize the budget request, and contained provisions (secs. 1044, 1045, and 1085) that would: require the President to recertify the eligibility of recipient countries for CTR assistance; adjust the deadline for submission of the annual report on accounting for CTR assistance; and require the inclusion in that report of information relating to Russia's arsenal of tactical nuclear weapons.

The House amendment would authorize $444.1 million for the CTR program for fiscal year 2000, a $31.4 million decrease to the budget request and contained provisions (secs. 1301–1309) that would: allocate fiscal year 2000 funding for various CTR programs and activities; limit the availability of CTR funds; prohibit the use of funds for specific activities; prohibit the use of funds for a chemical weapons destruction facility in Russia and reallocate a portion of these funds to security enhancements at Russia's chemical weapons storage sites; increase funding for strategic offensive elimination projects in Russia and Ukraine and for security enhancements at Russia's nuclear weapons storage sites; limit CTR funding for a fissile material storage facility and for biological weapons proliferation prevention activities in Russia until various reports, notifications, and certifications are received by Congress; and require a report on the Expanded Threat Reduction Initiative.

The conferees agree to a series of provisions that would authorize the budget request of $475.5 million for the CTR program to include $177.3 million for strategic offensive arms elimination in Russia, $41.8 million for strategic nuclear arms elimination in Ukraine, $9.3 million for activities to support warhead dismantlement processing in Russia, $20.0 million for security enhancements at chemical weapons storage sites in Russia, $15.2 million for weapons transportation security in Russia, $64.5 million for planning, design, and construction of a storage facility for Russian fissile material, $99.0 million for weapons storage security in Russia, $32.2 million for development of a cooperative program with the Government of Russia to eliminate the production of weapons-grade plutonium at Russian reactors, $12.0 million for biological weapons proliferation prevention activities in Russia, $1.8 million for activities designated as other assessments and administrative support, and $2.3 million for military to military contacts. The conferees also agree to limit the availability of CTR funds, establish sublimits for CTR activities, and provide the Secretary of Defense limited authority to exceed these sublimits for fiscal year 2000, pending appropriate Congressional notification.

In addition, the conferees agree to make permanent the long-standing prohibition on the use of CTR funds for: peacekeeping activities with Russia; the provision of housing; environmental restoration assistance; job retraining; and defense conversion activities. The conferees also agree to a prohibition on the use of fiscal year 2000 CTR funds for the elimination of conventional weapons and delivery vehicles primarily intended to deliver these weapons. The conferees believe that the CTR program should remain focused on eliminating the threat posed by weapons of mass destruction and their delivery vehicles in the former Soviet Union. This provision would not restrict or otherwise prohibit the destruction of delivery vehicles that are primarily intended for delivery of weapons of mass destruction.

The conferees are troubled by the fact that the United States is increasingly absorbing a greater share of the costs of the CTR program as a result of Russia's economic difficulties and are concerned that the Department of Defense is agreeing to offset Russia's financial obligations. The conferees believe that the Department should notify the Congress whenever the United States is confronted with a request or decision to absorb an additional share of CTR funding that Russia has indicated it cannot provide.

The conferees agree to include a provision that would prohibit fiscal year 2000 funds, as well as funding for future years, from being used for the planning, design, or construction of a chemical weapons destruction facility in Shchuch'ye, Russia. The conferees agree to take this action this year in light of significant cost, schedule, and other concerns highlighted in a recent General Accounting Office (GAO) report. The GAO report concluded that this project will cost more, take longer, and achieve less national security benefit for the United States than originally anticipated. The conferees are also troubled by Russia's apparent inability to fund adequately the necessary infrastructure costs that are associated with this chemical weapons destruction effort. The conferees recognize the proliferation and other risks associated with Russia's massive stockpile of chemical munitions. The conferees believe, however, that the more immediate goals of U.S. nonproliferation policy will be better served in the near term by redirecting CTR resources away from the costly, long-term Shchuch'ye project and toward helping to ensure that Russian chemical weapons are effectively safeguarded against the risk of theft or diversion. For this reason, the conferees have provided funds to initiate enhanced security measures at Russia's chemical weapons storage sites.

The conferees also agree to prohibit the obligation or expenditure of fiscal year 1999 CTR funds remaining available for obligation until the President re-certifies the eligibility of the recipient countries for CTR assistance.

In light of concerns over nuclear transparency arrangements, the conferees also agree to condition future funding for the second wing of a fissile material storage facility in Russia on several certifications and the negotiation of a signed transparency agreement with Russia that ensures that material stored at the facility has been removed from dismantled nuclear weapons.

Finally, the conferees agree to limit the use of fiscal year 2000 CTR funds pending the submission to Congress by the Secretary of Defense of a report on executive agency responsibilities for executing CTR programs and an updated multiyear CTR program plan. The conferees also require the submission to Congress of various other reports dealing with: individual CTR projects and how those projects are prioritized within the Department of Defense; international financial contributions to the CTR program; related tactical nuclear weapons issues; and the Expanded Threat Reduction Initiative.

TITLE XIV—PROLIFERATION AND EXPORT CONTROLS

LEGISLATIVE PROVISIONS ADOPTED

Adherence of People's Republic of China to Missile Technology Control Regime (sec. 1401)

The Senate bill contained a provision (sec. 1073) that expressed the sense of Congress that the President should take all actions appropriate to obtain a bilateral agreement with the People's Republic of China (PRC) to adhere to the Missile Technology Control Regime (MTCR) and annex and that the PRC should not be permitted to join the MTCR without having demonstrated a sustained and verified commitment to the non-proliferation of missiles and missile technology.

The House amendment contained a provision (sec. 1401) that would require a report on compliance by the PRC and other countries with the MTCR.

The House recedes with an amendment that would merge the Senate and House provisions.

Annual report on transfers of militarily sensitive technology to countries and entities of concern (sec. 1402)

The House bill contained several provisions (sec. 1402, 1410, 1412, 1414) that would establish reporting requirements relative to the transfer of militarily sensitive technology to the Peoples' Republic of China and other countries of concern.

The Senate bill contained a related reporting requirement (sec. 1072(c)).

The Senate recedes with an amendment that would consolidate the reporting requirements into a single section. The consolidated section would require an annual report on transfers of the most significant categories of U.S. technology and technical information with potential military applications to countries and entities of concern. Countries and entities of concern are defined to include China, Russia, terrorist states, entities directed and controlled by any of these countries, and entities engaged in international terrorism.

Subsection (c) of the provision would require an assessment by designated agency Inspectors General of the adequacy of current export controls and counterintelligence measures to protect against the acquisition by countries and entities of concern of U.S. technology and technical information with potential military applications. The conferees note that the Inspectors General recently completed a comprehensive report on the adequacy of export controls. The conferees expect that, rather than repeating this work, the Inspectors General will focus on the adequacy of counterintelligence measures in this context.

Resources for export license functions (sec. 1403)

The House amendment contained a provision (sec. 1403) that would require a report on implementation of the transfer of satellite export control authority to the State Department and a provision (sec. 1413) that would require that adequate resources be allocated to the Office of Defense Trade Controls at the State Department and the Defense Threat Reduction Agency at the Department of Defense for their respective export licensing functions.

The Senate bill contained no similar provisions.

The Senate recedes with an amendment that would merge the two provisions and modify the reporting requirement.

Security in connection with satellite export licensing (sec. 1404)

The House bill contained a provision (sec. 1404) that would require the Secretary of State to take a number of steps to provide enhanced security in connection with the launch of satellites outside the jurisdiction of the United States. The provision would also establish several requirements regarding Department of Defense launch monitors.

The Senate bill contained no similar provision on security in connection with satellite launches.

The Senate recedes with an amendment that would clarify that the provision does not expand the requirement for a technology transfer control plan in section 1514(a)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, to launches in any country not already subject to such section. The amendment also provides that individuals providing security for overseas launches need not be employed by the Department of Defense, but must report directly to a launch monitor employed by the Department with regard to all issues relevant to the technology transfer control plan.

The requirements for launch monitors in the House and Senate bills were combined and addressed elsewhere in the Act.

Reporting of technology transmitted to People's Republic of China and of foreign launch security violations. (sec. 1405)

The House amendment contained a provision (sec. 1405) that would require space launch monitors of the Department of Defense to maintain records of all information authorized to be transmitted to the People's Republic of China in connection with space launches that they are responsible for monitoring.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Report on national security implications of exporting high-performance computers to the People's Republic of China (sec. 1406)

The House amendment contained a provision (sec. 1406) that would require an annual report on the national security implications of exporting high-performance computers to the People's Republic of China. The provision would also require empirical testing of the extent to which national security-related operations can be performed using clustered, massively-parallel processing or other combinations of computers.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would: (1) require empirical testing only to the extent that such testing has not already been done; and (2) sunset the reporting requirement after five years.

End-use verification for use by People's Republic of China of high-performance computers (sec. 1407)

The House amendment contained a provision (sec. 1407) that would direct the President to seek to enter into an agreement with the People's Republic of China to provide for an open and transparent system, including at a minimum on-site inspection without notice by U.S. nationals designated by the U.S. government, for effective end-use verification of high-performance computers exported or to be exported to China.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would delete the requirement for on-site inspection without notice by U.S. nationals designated by the U.S. government. Such inspection methods should be a goal of the negotiations, but the conferees recognize that this goal may not be possible to achieve.

Enhanced multilateral export controls (sec. 1408)

The House amendment contained a provision (sec. 1411) that would require the President to work to establish binding new international controls on technology transfers that threaten international peace and U.S. national security and would create an Office of Technology Security within the Department of Defense.

The Senate had no similar provision.

The Senate recedes with an amendment that would clarify the negotiating objective and delete the requirement to create an Office of Technology Security within the Department of Defense.

Enhancement of activities of Defense Threat Reduction Agency (sec. 1409)

The Senate bill contained a provision (sec. 1070) that would require the Secretary of Defense to prescribe regulations to: (1) enhance the authority of, and establish appropriate qualifications for, the Defense Threat Reduction Agency (DTRA) personnel who monitor satellite launch campaigns overseas; (2) allocate funds to DTRA to prevent shortfalls in the number of launch monitors; (3) establish a reimbursement mechanism for payment of costs related to monitoring of launch campaigns; (4) improve guidelines on the scope of permissible discussions with foreign persons regarding technology; (5) provide annual briefings to U.S. commercial satellite industry personnel on export license standards; and (6) establish a records management and preservation system for reports prepared in connection with the monitoring of launch campaigns.

The House amendment contained a provision (sec. 1404) that would require the Secretary to: (1) ensure that launch monitors have sufficient training; (2) ensure that an adequate number of monitors are assigned to each space launch; (3) take steps to provide for the continuity of service by monitors for the entire launch campaign; and (4) take measures to make service as a monitor an attractive career opportunity. The House provision would also require the Secretary of State to ensure that an appropriate technology transfer control plan and security arrangements are in place as a condition of the export license for the launch of a U.S. satellite outside the United States.

The House recedes with an amendment that would merge the Senate provision with the House provision addressing requirements for launch monitors. The House provision on launch security is addressed elsewhere in this Act.

Timely notification of licensing decisions by the Department of State (sec. 1410)

The Senate bill contained a provision (sec. 1071) that would require the Secretary of State to provide timely notice to the manufacturer of a commercial satellite of U.S. origin of the decision on an application for a license involving the overseas launch of such satellite.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Enhanced intelligence consultation on satellite license applications (sec. 1411)

The Senate bill contained a provision (sec. 1072) that would allow for enhanced participation by the intelligence community in the review of applications for a license involving the overseas launch of a commercial satellite of U.S. origin.

The House amendment contained no similar provision.

The House recedes with an amendment that would clarify the role of the intelligence advisory group. The conferees direct that the appropriate committees for the receipt of the reports requested in the provision are the Senate Armed Services Committee, the House Armed Services Committee, the Senate Select Committee on Intelligence, the House Permanent Select Committee on Intelligence, the Senate Foreign Relations Committee, and the House International Relations Committee.

Investigations of violations of export controls by United States satellite manufacturers (sec. 1412)

The Senate bill contained a provision (sec. 1069) that would require the President to notify Congress whenever an investigation is undertaken of an alleged violation of U.S. export control laws in connection with a commercial satellite of U.S. origin. The provision would also require notice of an export waiver granted on behalf of such a person, and would express the sense of Congress that an application for the export of a commercial satellite should include a notice of any such investigation. The provision contained an exception for cases in which the President determines that notification of Congress would jeopardize an on-going criminal investigation.

The House amendment contained no similar provision.

The House recedes with an amendment that would make a number of modifications.

First, the conference amendment would limit the notification requirement to investigations that are undertaken by the Department of Justice. The conferees recognize that there are numerous entities both within the Department of Justice and outside the Department of Justice that may perform preliminary inquiries into alleged violations of the type covered by this section. The conferees understand that any covered violations that may be identified as a result of such preliminary inquiries are referred to the Department of Justice, and that the notification requirements of this provision would be triggered at that time.

Second, the conference amendment would clarify that notification should be made to the appropriate committees of Congress, and that these committees have an obligation to ensure that appropriate procedures are in place to protect from unauthorized disclosure classified information, information relating to intelligence sources and methods, and sensitive law enforcement information that is furnished to the committees. The conferees recognize that in the absence of such procedures, any notification of the committees could jeopardize the national security or the investigation and prosecution of criminal activities.

Third, the conference amendment would require the President to notify Congress of either: (1) an alleged violation of the export control laws in connection with a commercial satellite; or (2) an alleged violation of the export control laws in connection with an item controlled under the munitions list maintained by the Department of State, if that violation is likely to cause significant harm or damage to the national security interests of the United States.

Fourth, the conference amendment would require the Secretary of State and the Attorney General of the United States to develop appropriate mechanisms to identify, for the purposes of processing export licenses for commercial satellites, persons who are the subject of investigations of the type covered by the section. The conferees understand that the mechanisms developed to implement this provision would have safeguards built in to protect against the disclosure of information that could jeopardize an ongoing criminal prosecution.

Like the Senate provision, the conference amendment contains an exception for cases in which the President determines that notification of Congress would jeopardize an ongoing criminal investigation. For example, the conferees recognize that there may be cases in which it would be impossible to notify Congress of an ongoing investigation without violating rules of Grand Jury secrecy. The President would be required to provide written notification of any such determination (including a justification for the determination) to the congressional leadership.

LEGISLATIVE PROVISIONS NOT ADOPTED

Procedures for review of export of controlled technologies and items

The House amendment contained a provision (sec. 1408) that would require the President to submit to Congress recommendations for the establishment of a mechanism to identify those controlled technologies and items the export of which is of greatest national security concern relative to other controlled technologies and items.

The Senate bill contained no similar provision.

The House recedes.

Notice of foreign acquisition of U.S. firms in national security industries

The House amendment contained a provision (sec. 1409) that would amend the Exon-Florio provision of the Defense Production Act of 1950 to require mandatory notifications of any merger, acquisition, or takeover of a U.S. business by a foreign government or a foreign government-controlled entity.

The Senate bill contained no similar provision.

The House recedes.

TITLE XV—ARMS CONTROL AND COUNTERPROLIFERATION MATTERS

ITEMS OF SPECIAL INTEREST

International border security

Among the efforts of the Department of Defense (DOD) to counter the threat of terrorist activities involving Weapons of Mass Destruction (WMD) or WMD materials, as well as the threat of proliferation of such weapons and materials, the conferees recognize the contribution being made by the International Border Security Training Program authorized in Sec. 1424 of the National Defense Authorization Act for Fiscal Year 1997. At relatively low cost, DOD has worked with the Customs Service to train border security officials from throughout Central Europe and the Newly Independent States (NIS) of the former Soviet Union to enhance their capabilities to prevent the flow of WMD or associated materials across their borders. The value of this program has been demonstrated by seizures of sensitive materials in Eastern Europe, including nuclear reactor components destined for Iran and a small quantity of Uranium-235. The border security officials responsible for both of these seizures attribute their success to the training they received in this program. The conferees commend those responsible for the success of this program.

LEGISLATIVE PROVISIONS ADOPTED

Revision to limitation on retirement or dismantlement of strategic nuclear delivery systems (sec. 1501)

The Senate bill contained a provision (sec. 1041) that would: (1) extend by one year section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) relating to the retirement or dismantlement of specified strategic nuclear delivery systems until the START II Treaty enters into force; and (2) provide for the reduction of a number of Trident submarines.

The House amendment contained a similar provision (sec. 1033) that would amend section 1302 of the National Defense Authorization Act for Fiscal Year 1998 to prohibit the retirement or dismantlement of specified strategic nuclear delivery systems unless the President makes certain certifications.

The Senate recedes with an amendment that would: (1) amend section 1302 of the National Defense Authorization Act for Fiscal Year 1998 to prohibit the retirement or dismantlement of specified strategic nuclear delivery systems unless the President makes certain certifications; and (2) allow for the retirement of a number of Trident submarines if such certification is provided.

Sense of Congress on strategic arms reductions (sec. 1502)

The Senate bill contained a provision (sec. 1042) that would limit the use of funds during fiscal year 2000 to reduce specified strategic nuclear forces below the maximum number of those forces permitted the United States under the START II Treaty unless the President submits to Congress a report containing an assessment indicating that such reductions would not impede the capability of the United States to respond militarily to any militarily significant increase in the challenge to United States security or strategic stability posed by nuclear weapon modernization programs of the People's Republic of China or any other nation.

The House amendment contained no similar provision.

The House recedes with an amendment that would express the sense of Congress that, in negotiating a START III Treaty with the Russian Federation, or any other arms control treaty with the Russian Federation that would require reductions in U.S. strategic nuclear forces, that: (1) the strategic nuclear forces and nuclear modernization programs of the People's Republic of China and other nations be taken into full consideration; and (2) the reductions in U.S. strategic nuclear forces should not be to such an extent as to impede the capability of the United States to respond militarily to any militarily significant increase in the threat to the United States posed by the People's Republic of China and any other nation.

Report on strategic stability under START III (sec. 1503)

The House amendment contained a provision (sec. 1201) that would require the Secretary of Defense to prepare a report on strategic stability under START III.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Counterproliferation Program Review Committee (sec. 1504)

The Senate bill contained a provision (sec. 1043) that would extend the Counterproliferation Program Review Committee (CPRC) to September 30, 2004, advance the date on which the CPRC annual report is submitted to Congress from May 1 to February 1, and designate the Assistant Secretary of Defense, Strategy and Threat Reduction, to be the CPRC Executive Secretary.

The House amendment contained no similar provision.

The House recedes with an amendment that would designate the Assistant Secretary of Defense, Strategy and Threat Reduction, to be the CPRC Executive Secretary during the time period in which the position of the Assistant to the Secretary of Defense, Nuclear, Chemical and Biological Defense, is vacant.

Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities (sec. 1505)

The Senate bill contained a provision (sec. 1046) that would extend, for one year, at current funding levels, the authority of the Department of Defense (DOD) to provide support to the United Nations Special Commission on Iraq (UNSCOM) under the Weapons of Mass Destruction Act of 1992.

The House amendment contained a similar provision (sec. 1202).

The House recedes with an amendment that would change the underlying Weapons of Mass Destruction Act of 1992 to make clear that the authority of DOD to support UNSCOM will also apply to any successor organization. The conferees believe that it is essential that weapons inspectors of the United Nations be allowed to resume activities in Iraq to ensure full Iraqi compliance with its international obligations to destroy its weapons of mass destruction and associated delivery systems.

The conferees support continued DOD assistance to this important effort.

TITLE XVI—NATIONAL SECURITY SPACE MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A-Space Technology Guide; Reports

Space technology guide (sec. 1601)

The Senate bill contained a provision (sec. 1025) that would require the Secretary of Defense to develop a detailed guide for investment in space science and technology, demonstrations of space technology, and planning and development for space technology systems.

The House amendment contained no similar provision.

The House recedes with an amendment to include a micro-satellite technology plan in the space technology guide.

Report on vulnerabilities of United States space assets (sec. 1602)

The House amendment contained a provision (sec. 907) that would require the Secretary of Defense to prepare a report on U.S. military space policy and current and projected U.S. efforts to fully exploit space in preparation for possible conflicts in 2010 and beyond.

The Senate bill contained similar provisions (sec. 911-919) that would establish the Commission to Assess United States National Security Space Management and Organization.

The Senate recedes with an amendment that would require the Secretary of Defense to prepare a report on the current and potential vulnerabilities of U.S. national security and commercial space assets. The conferees note that other elements of the House provision are included within the scope of the Commission to Assess United States National Security Space Management and Organization, as addressed elsewhere in this Act.

Report on space launch failures (sec. 1603)

The House amendment contained a provision (sec. 1042) that would require the Secretary of Defense to submit a report on recent space launch failures.

The Senate bill contained no similar provision.

The Senate recedes.

Report on Air Force space launch facilities (sec. 1604)

The House amendment contained a provision (sec. 313) that would authorize an increase of $7.3 million for operations at Air Force space launch facilities, and that would require the Secretary of Defense to conduct a study of space launch ranges and requirements.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to use the Defense Science Board in preparing a report on Air Force space launch ranges and requirements.

Subtitle B—Commercial Space Launch Services

Sense of Congress regarding United States-Russian cooperation in commercial space launch services (sec. 1611)

The Senate bill contained a provision (sec. 1082) that would express the sense of Congress regarding United States-Russian cooperation in commercial space launch services and the relationship of such cooperation to Russia's commitment to preventing the proliferation of ballistic missile technology.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Although the conferees believe that any possible future consideration to modifying the quantitative limitations on commercial space launch services provided by Russian space launch providers should be conditioned on a continued serious commitment by the Government of the Russian Federation to preventing illegal transfers of ballistic missile technology, the conferees take no position at this time on the question of whether such modifications should be approved.

Sense of Congress regarding United States commercial space launch capacity (sec. 1612)

The Senate bill contained a provision (sec. 1074) that would: (1) encourage the expansion of a commercial space launch capacity in the United States, including taking actions to eliminate legal or regulatory barriers to long-term competitiveness in the U.S. commercial space launch industry; and (2) that would call for reexamination of the current U.S. policy of permitting the export of commercial satellites of U.S. origin to the People's Republic of China.

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Subtitle C—Commission To Assess United States National Security Space Management and Organization

Commission to assess United States national security space management and organization (sec. 1621–1630)

The Senate bill contained a provision (sec. 911–919) that would establish a Commission to Assess United States National Security Space Management and Organization. The commission would conduct a six month review of the following:

(1) the relationship between the intelligence and non-intelligence aspects of national security space (so-called "white space" and "black space"), and the potential benefits of a partial or complete merger of the two aspects;

(2) the benefits of establishing any of the following new organizations: (a) an independent military department and service dedicated to the national security space mission; (b) a corps within the United States Air Force dedicated to the national security space mission; (c) an Assistant Secretary of Defense for space within the Office of the Secretary of Defense; and (d) any other change to the existing organizational structure for managing national security space management and organization; and

(3) the benefits of establishing a new major force program, or other budget mechanism, for managing national security space funding within the Department of Defense.

The House amendment contained a similar provision (sec. 907) that would require the Secretary of Defense to submit a report on a number of national security space matters.

The House recedes with an amendment that would: (1) alter the composition of the commission; (2) require the commission to consider a number of matters specified in section 907 of the House amendment, in addition to those specified in the original Senate bill; (3) require the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives an assessment of the commission's report; and (4) make other technical and clarifying changes.

TITLE XVII—TROOPS-TO-TEACHER PROGRAM

LEGISLATIVE PROVISIONS ADOPTED

Troops-to-Teachers program (sec. 1701–1709)

The Senate bill contained a provision (sec. 579) that would amend section 1151 of title 10, United States Code, to improve the current Troops-to-Teachers program and to provide for the transfer of this program to the Department of Education. The recommended provision would change the eligible population from military personnel separated from the services to those who will retire on or after October 1, 1999. Participating members would be required to obtain certification or licensure as an elementary or secondary school teacher, or vocational or technical teacher, and to accept an offer of full-time employment as an elementary or secondary school teacher, or vocational or technical teacher. The provision would authorize either a $5,000 stipend to be paid to each participant or a $10,000 bonus to be paid to those who agree to accept full-time employment as an elementary or secondary school teacher, or vocational or technical teacher for not less than four years in a high need school. The provision would require the Secretary of Defense and the Secretary of Transportation to transfer responsibility for the Troops-to-Teachers program to the Secretary of Education, not later than October 1, 2001.

The House amendment contained no similar provision.

The House recedes with an amendment that would clarify the requirements in the Senate provision and require the Secretary of Defense and the Secretary of Transportation to transfer responsibility for the Troops-to-Teachers program to the Secretary of Education, not later than October 1, 2000.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Overview

The budget request for fiscal year 2000 included $5,438,443,000 for military construction and family housing.

The Senate bill would authorize $8,801,158,000 for military construction and family housing.

The House amendment would provide $8,590,243,000 for this purpose.

The conferees recommend authorization of appropriations of $8,497,243,000 for military construction and family housing, including general reductions and revised economic assumptions.

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
MILITARY CONSTRUCTION					
Military Construction, Army	656,003	1,214,405	1,034,722	530,216	1,186,219
Military Construction, Navy	319,786	933,022	883,293	563,560	883,346
Military Construction, Air Force	179,479	713,165	775,488	600,725	780,204
Military Construction, Defense-wide	193,005	756,708	786,590	393,179	586,184
Military Construction, Defense-wide (Fwd Op Location Transfer)		36,100	42,835	42,800	42,800
Military Construction, Army National Guard	16,045	123,878	189,639	189,403	205,448
Military Construction, Air National Guard	21,319	151,170	232,340	232,599	253,918
Military Construction, Army Reserve	23,120	92,515	104,817	84,029	107,149
Military Construction, Naval Reserve	4,933	21,574	28,475	20,456	25,389
Military Construction, Air Force Reserve	12,155	48,564	34,864	40,629	52,784
Base Realignment and Closure II, III, IV	705,911	705,911	892,911	(16,200)	689,711
NATO Infrastructure	191,000	191,000	166,340	(110,000)	81,000
Total Military Construction	2,322,756	4,988,012	5,172,314	2,571,396	4,894,152
FAMILY HOUSING					
Family Housing Construction, Army	14,003	80,200	61,531	66,697	80,700
Family Housing Support, Army	1,098,080	1,089,812	1,098,080	(11,768)	1,086,312
Family Housing Construction, Navy and Marine Corps	64,605	256,015	298,354	268,666	333,271
Family Housing Support, Navy and Marine Corps	895,070	895,070	895,070	(3,600)	891,470
Family Housing Construction, Air Force	101,791	338,996	333,671	247,665	349,456
Family Housing Support, Air Force	821,892	821,892	821,892	(3,500)	818,392
Family Housing Construction, Defense-wide	50	50	50	0	50
Family Housing Support, Defense-wide	41,440	41,440	41,440	0	41,440
Homeowners Assistance Fund	0	0	0	0	0
DoD Family Housing Improvement Fund	78,756	78,756	78,756	(76,756)	2,000
Total Family Housing	3,115,687	3,602,231	3,628,844	487,404	3,603,091

Fiscal Year 2000 Authorization of Appropriations for Military Construction

(Dollars in Thousands)

State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
1 Alabama	Army	Anniston AD	Ammunition Demilitarization Facility, Phase 7	7,000	-	-	(7,000)	-
2 Alabama	Army	Redstone Arsenal	Test Measurement Lab/Support Facility	-	9,800	-	9,800	9,800
3 Alabama	Air Force	Maxwell AFB	Officer Training School Cadet Dormitory	-	10,600	10,600	10,600	10,600
4 Alabama	Chemical Demilitarization	Anniston AD	Ammunition Demilitarization Facility, Phase 7	-	7,000	7,000	7,000	7,000
5 Alabama	Army National Guard	Redstone Arsenal	Unit Training Equipment Site	-	-	8,916	-	-
6 Alabama	Air National Guard	Birmingham ANGB	Base Engineer Maintenance Complex	-	4,200	-	4,200	4,200
7 Alabama	Air National Guard	Dannelly Field	Medical Training and Dining Facility	-	-	6,000	6,000	6,000
8 Alaska	Army	Fort Richardson	Whole Barracks Complex Renewal	2,200	14,600	14,600	12,400	14,600
9 Alaska	Army	Fort Wainwright	Ammunition Surveillance Facility	-	-	2,300	2,300	2,300
10 Alaska	Army	Fort Wainwright	Emission Reduction Facility	2,300	15,500	15,500	13,200	15,500
11 Alaska	Army	Fort Wainwright	MOUT Collective Training Facility	-	17,000	17,000	17,000	17,000
12 Alaska	Air Force	Eielson AFB	Repair KC-135 Parking Ramp	941	4,000	4,000	3,059	4,000
13 Alaska	Air Force	Eielson AFB	Repair Runway	3,334	14,000	14,000	10,666	14,000
14 Alaska	Air Force	Eielson AFB	Weapons Release Systems Facility	1,451	6,100	6,100	4,649	6,100
15 Alaska	Air Force	Elmendorf AFB	Alter Roadway, Davis Highway	-	-	9,500	9,500	9,500
16 Alaska	Air Force	Elmendorf AFB	Construct C-130 Parking Ramp	3,995	17,000	17,000	13,005	17,000
17 Alaska	Air Force	Elmendorf AFB	Dormitory	3,727	15,800	15,800	12,073	15,800
18 Alaska	Defense Logistics Agency	DFSC Elmendorf AFB	Hydrant Fuel System	4,700	23,500	23,500	18,800	23,500
19 Alaska	Defense Logistics Agency	Eielson AFB	Hydrant Fuel System	9,000	26,000	26,000	17,000	26,000
20 Alaska	Tri-Care Management Agency	Fort Wainwright	Hospital Replacement, Phase 1	18,000	18,000	18,000	-	18,000
21 Alaska	Army National Guard	Anchorage	CSMS/MATES	2,940	13,850	13,850	10,910	13,850
22 Alaska	Air National Guard	Kulis ANGB	Composite Support Complex	2.170	10,000	10,000	7,830	10,000
23 Arizona	Navy	Camp Navajo NAVDET	Magazines Modernization	1,910	7,560	7,560	5,650	7,560
24 Arizona	Navy	Yuma MCAS	Land Acquisition	3,650	21,600	14,400	10,750	14,400
25 Arizona	Navy	Yuma MCAS	Child Development Center Addition	640	2,620	2,620	1,980	2,620
26 Arizona	Air Force	Davis-Monthan AFB	Aircraft Processing Ramp	1,847	7,800	7,800	5,953	7,800
27 Arizona	Tri-Care Management Agency	Davis-Monthan AFB	Add/Alt Ambulatory Health Care Center	2,400	10,000	10,000	7,600	10,000
28 Arkansas	Army	Pine Bluff Arsenal	Ammunition Demilitarization Facility, Phase 4	61,800	-	-	(61,800)	-
29 Arkansas	Army	Pine Bluff Arsenal	Chemical Defense Qualification Facility, Phase 1	-	-	18,000	15,408	15,408
30 Arkansas	Air Force	Little Rock AFB	C-130 Squad Operation/Aircraft Maint. Unt. Facility	-	7,800	-	7,800	7,800
31 Arkansas	Chemical Demilitarization	Pine Bluff Arsenal	Ammunition Demilitarization Facility, Phase 4	-	61,800	61,800	61,800	61,800
32 Arkansas	Air National Guard	Little Rock AFB	Vehicle/Base Engineer Maintenance Complex	1,881	8,699	8,699	6,818	8,699
33 Arkansas	Air Force Reserve	Little Rock AFB	Alter Aerial Port Training Facility	209	800	800	591	800
34 California	Army	Fort Irwin	Land Acquisition, Phase 1	-	19,000	-	19,000	19,000
35 California	Army	Fort Irwin	Rotational Unit Facility Maintenance Area	3,300	13,400	13,400	10,100	13,400
36 California	Army	Presidio of Monterey	General Instruction Facility	-	7,100	-	7,100	7,100
37 California	Navy	Barstow MCLB	Test Track/Test Pond Facility	1,150	4,670	4,670	3,520	4,670

Fiscal Year 2000 Authorization of Appropriations for Military Construction

(Dollars in Thousands)

	State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
38	California	Navy	Camp Pendleton MCB	Armory	660	2,620	2,620	1,960	2,620
39	California	Navy	Camp Pendleton MCB	Bachelor Enlisted Quarters	2,390	9,740	9,740	7,350	9,740
40	California	Navy	Camp Pendleton MCB	Integrated Communication Hub	960	3,810	3,810	2,850	3,810
41	California	Navy	Camp Pendleton MCB	MEF Ops/CMD Center	-	6,800	-	6,800	6,800
42	California	Navy	Camp Pendleton MCB	Staff Non-Commissioned Officer Academy	1,640	6,480	6,480	4,840	6,480
43	California	Navy	Camp Pendleton MCB	Tactical Vehicle Maintenance Facility	2,210	9,010	9,010	6,800	9,010
44	California	Navy	China Lake NAWC	Control Tower	-	4,000	-	4,000	4,000
45	California	Navy	Corona NAWC	Measurement Science Laboratory	-	7,070	-	7,070	7,070
46	California	Navy	Lemoore NAS	Aircraft Ordinance Loading Facility	3,010	11,900	11,900	8,890	11,900
47	California	Navy	Lemoore NAS	Aviation Armament Facility	1,460	5,800	5,800	4,340	5,800
48	California	Navy	Lemoore NAS	Engine Maintenance Shop Addition	600	2,360	2,360	1,760	2,360
49	California	Navy	Lemoore NAS	Strike Fighter Weapons Training Facility	1,000	3,960	3,960	2,960	3,960
50	California	Navy	Naval Postgraduate School	Gymnasium	-	5,100	-	5,100	5,100
51	California	Navy	North Island NAS	Berthing Wharf, Phase 1	40,760	40,760	54,420	-	40,760
52	California	Navy	Point Mugu NAWC	Surface Transportation Facilities, Phase 1	-	6,190	-	-	-
53	California	Navy	San Diego MCRD	Physical Fitness Center Addition	810	3,200	3,200	2,390	3,200
54	California	Navy	San Diego NAVHOSP	Bachelor Enlisted Quarters Modernization	5,470	21,590	21,590	16,120	21,590
55	California	Navy	Twentynine Palms MCAGCC	Bachelor Enlisted Quarters	4,840	19,130	19,130	14,290	19,130
56	California	Navy	Twentynine Palms MCAGCC	Cast Trainer Addition	420	1,670	1,670	1,250	1,670
57	California	Navy	Twentynine Palms MCAGCC	Tactical Vehicle Maintenance Facility	3,420	13,960	13,960	10,540	13,960
58	California	Navy	Twentynine Palms NAVHOSP	Bachelor Enlisted Quarters	1,930	7,640	7,640	5,710	7,640
59	California	Air Force	Beale AFB	Flightline Fire Station	2,086	8,900	8,900	6,814	8,900
60	California	Air Force	Edwards AFB	Construct Spurs South Base	-	5,500	-	5,500	5,500
61	California	Air Force	Travis AFB	Add to Physical Fitness Center	1,754	7,500	7,500	5,746	7,500
62	California	Air Force	Travis AFB	Support Facility	-	3,700	-	3,700	3,700
63	California	Defense Manpower Data Ctr	Presidio, Monterey	DoD Center Renovation	6,712	28,000	28,000	21,288	28,000
64	California	Special Operations Command	Coronado NAB	Naval Special Warfare C2 Addition	2,272	6,000	6,000	3,728	6,000
65	California	Tri-Care Management Agency	Los Angeles AFB	Medical/Dental Clinic Replacement	2,400	13,600	13,600	11,200	13,600
66	California	Tri-Care Management Agency	Travis AFB	WRM Warehouse/Engineering Support Facility	2,000	7,500	7,500	5,500	7,500
67	California	Air National Guard	Fresno ANGS	Operations, Training/Dining Facility	-	-	9,100	9,100	9,100
68	California	Air National Guard	Moffett Field	Replace Aircraft Maintenance Hangar	3,033	14,000	14,000	10,967	14,000
69	California	Naval Reserve	Camp Pendleton MCRC	Reserve Training Complex	1,649	9,940	9,940	8,291	9,940
70	Colorado	Army	Fort Carson	Mobilization Material Warehouse	-	4,400	-	4,400	4,400
71	Colorado	Army	Peterson AFB	US Army Space Command Headquarters	3,700	25,000	25,000	21,300	25,000
72	Colorado	Army	Pueblo AD	Ammunition Demilitarization Facility, Phase 1	11,800	-	-	(11,800)	-
73	Colorado	Air Force	Peterson AFB	Fire/Crash Rescue Station	-	7,000	-	7,000	7,000
74	Colorado	Air Force	Peterson AFB	US Space Command/NORAD Headquarters	7,887	33,000	33,000	25,113	33,000

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(Dollars in Thousands)

	State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
75	Colorado	Air Force	Schriever AFB	Child Development Center	-	6,700	-	6,700	6,700
76	Colorado	Air Force	Schriever AFB	Physical Fitness Center	929	3,900	3,900	2,971	3,900
77	Colorado	Air Force	Schriever AFB	Sanitary Sewer Line	1,296	5,500	5,500	4,204	5,500
78	Colorado	Air Force	US Air Force Academy	Upgrade Academic Facility	4,056	17,500	17,500	13,444	17,500
79	Colorado	Chemical Demilitarization	Pueblo AD	Ammunition Demilitarization Facility, Phase 1	-	11,800	11,800	11,800	11,800
80	Connecticut	Air National Guard	Orange ANGS	Air Control Squadron Complex	-	-	11,000	-	-
81	Connecticut	Army Reserve	West Hartford	Add/Alt Reserve Center	-	-	17,525	17,525	17,525
82	Delaware	Air Force	Dover AFB	Visitors Quarters	-	-	12,000	12,000	12,000
83	Delaware	Army National Guard	Smyrna	Readiness Center	-	-	4,381	-	-
84	District of Columbia	Army	Fort McNair	Chapel	380	1,250	1,250	870	1,250
85	District of Columbia	Army	Walter Reed AMC	Physical Fitness Training Center	1,020	6,800	6,800	5,780	6,800
86	Florida	Navy	Mayport NS	Harbor Ops/Small Craft Berth	-	9,560	-	9,560	9,560
87	Florida	Navy	Whiting Field NAS	JPATS T-6A Trainer Facility	1,200	4,750	4,750	3,550	4,750
88	Florida	Navy	Whiting Field NAS	Power Check Pad/Apron Modifications	-	600	-	600	600
89	Florida	Air Force	Eglin AFB	Dining Facility	-	4,700	-	4,700	4,700
90	Florida	Air Force	Eglin AFB	Dormitory	1,635	7,000	7,000	5,365	7,000
91	Florida	Air Force	Eglin AFB	Squadron Operations Facility	1,566	6,600	6,600	5,034	6,600
92	Florida	Air Force	Eglin Aux Field 9	Dormitory	2,161	9,100	9,100	6,939	9,100
93	Florida	Air Force	Eglin Aux Field 9	Runway Repair/Taxiway	2,269	9,700	9,700	7,431	9,700
94	Florida	Air Force	MacDill AFB	Add/Alt Physical Fitness Center	1,302	5,500	5,500	4,198	5,500
95	Florida	Air Force	Patrick AFB	Air Freight/Passenger Terminal Facility	1,967	8,300	8,300	6,333	8,300
96	Florida	Air Force	Patrick AFB	Base Supply/Traffic Management Complex	2,238	9,500	9,500	7,262	9,500
97	Florida	Air Force	Tyndall AFB	Upgrade Airfield	-	10,800	-	10,800	10,800
98	Florida	Tri-Care Management Agency	Jacksonville NAS	Add/Alt Branch Medical/Dental Clinic	780	3,780	3,780	3,000	3,780
99	Florida	Tri-Care Management Agency	Patrick AFB	Medical Logistics Facility Replacement	200	1,750	1,750	1,550	1,750
100	Florida	Tri-Care Management Agency	Pensacola NAS	Aircrew Water Survival Training Facility	1,300	4,300	4,300	3,000	4,300
101	Florida	Army National Guard	Pensacola	Readiness Center	-	4,628	4,628	4,628	4,628
102	Florida	Army Reserve	Joint Reserve Complex	Land Acquisition - Joint Reserve Complex	690	690	690	-	690
103	Florida	Air Force Reserve	Homestead AFB	Fire Fighter Training Facility	524	2,000	2,000	1,476	2,000
104	Florida	Air Force Reserve	Homestead ARB	Fire Station	-	4,950	-	4,950	4,950
105	Georgia	Army	Fort Benning	Ammunition Holding Area	420	1,400	1,400	980	1,400
106	Georgia	Army	Fort Benning	Whole Barracks Complex Renewal, Phase 1	7,100	47,000	47,000	39,900	47,000
107	Georgia	Army	Fort Stewart	Contingency Logistics Facility	-	18,500	19,000	18,500	18,500
108	Georgia	Army	Fort Stewart/Hunter AAF	Whole Barracks Complex Renewal w/Dining, Phase 1	7,000	46,000	7,000	39,000	46,000
109	Georgia	Army	Hunter Army Air Field	Multi-Purpose Training Range	1,100	7,200	7,200	6,100	7,200
110	Georgia	Navy	Albany MCLB	Engineering Equipment Shop	1,540	6,260	6,260	4,720	6,260
111	Georgia	Air Force	Fort Benning	Air Support Operations Squadron Facility	911	3,900	3,900	2,989	3,900

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(Dollars in Thousands)

	State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
112	Georgia	Air Force	Moody AFB	Squadron Operation Facility	763	3,200	3,200	2,437	3,200
113	Georgia	Air Force	Moody AFB	Taxiway	-	2,750	-	2,750	2,750
114	Georgia	Air Force	Robins AFB	KC-135 Flight Simulator Facility	789	3,350	3,350	2,561	3,350
115	Georgia	Special Operations Command	Fort Benning	Regimental Command & Control Facility	2,272	10,200	10,200	7,928	10,200
116	Georgia	Tri-Care Management Agency	Moody AFB	WRM Warehouse/BEE Facility	200	1,250	1,250	1,050	1,250
117	Georgia	Air National Guard	Savannah IAP	Composite Support Complex	2,116	9,800	9,800	7,684	9,800
118	Georgia	Air National Guard	Savannah IAP	Regional Fire Training Facility	368	1,700	1,700	1,332	1,700
119	Georgia	Army Reserve	Fort Gillem	USAR Cntr/Org Mnt Shop/Dir Spt/Warehouse	3,610	22,121	22,121	18,511	22,121
120	Georgia	Naval Reserve	Atlanta NAS	Bachelor Enlisted Quarters-A	-	-	5,430	-	-
121	Georgia	Air Force Reserve	Dobbins AFB	Add/Alt Facilities for C-130H Aircrew Training	558	2,130	2,130	1,572	2,130
122	Georgia	Air Force Reserve	Robins AFB	Add/Alt AFRC HQ & ATACC	3,666	14,000	14,000	10,334	14,000
123	Hawaii	Army	Schofield Barracks	Whole Barracks Complex Renewal, Phase 1	14,200	49,000	14,200	34,800	49,000
124	Hawaii	Navy	Camp Smith	CINCPAC Headquarters, Phase 1	15,870	-	15,870	-	15,870
125	Hawaii	Navy	Kaneohe Bay MCAS	RATCC Center	1,460	5,790	5,790	4,330	5,790
126	Hawaii	Navy	Pearl Harbor NSY	Abrasive Blast and Paint Facility	2,690	10,610	10,610	7,920	10,610
127	Hawaii	Navy	Pearl Harbor NSB	Berthing Wharf	7,470	29,460	29,460	21,990	29,460
128	Hawaii	Navy	Pearl Harbor NAVSTA	Bachelor Enlisted Quarters Modernization	4,720	18,600	18,600	13,880	18,600
129	Hawaii	Air Force	Hickam AFB	Fire Training Facility	785	3,300	3,300	2,515	3,300
130	Hawaii	Army National Guard	Bellows AFS	Regional Training Institute, Phase 2	-	12,105	12,105	12,105	12,105
131	Idaho	Navy	Bayview NSWC	Underwater Equipment Laboratory	2,540	10,040	10,040	7,500	10,040
132	Idaho	Air Force	Mountain Home AFB	Enhanced Training Range, Idaho, Phase 2	3,487	14,600	14,600	11,113	14,600
133	Idaho	Air Force	Mountain Home AFB	Defense Access Road	564	2,400	2,400	1,836	2,400
134	Idaho	Air National Guard	Boise Air Terminal	A-10 Expand Arm and Disarm Apron	350	1,600	1,600	1,250	1,600
135	Idaho	Air National Guard	Boise Air Terminal	Fuel Cell and Corrosion Control Hanger	-	-	2,300	2,300	2,300
136	Illinois	Navy	Great Lakes NTC	All Weather Running Track	354	1,380	1,380	1,026	1,380
137	Illinois	Navy	Great Lakes NTC	Bachelor Enlisted Quarters - "A School"	7,700	31,410	31,410	23,710	31,410
138	Illinois	Navy	Great Lakes NTC	Drill Hall Replacement	2,830	11,190	11,190	8,360	11,190
139	Illinois	Navy	Great Lakes NTC	Recruit In-Process Barracks	3,370	13,310	13,310	9,940	13,310
140	Illinois	Army National Guard	ARNG Marseilles Training Area	Battalion Training Complex	2,325	10,952	10,952	8,627	10,952
141	Indiana	Army	Newport AD	Ammunition Demilitarization Facility, Phase 2	61,200	-	-	(61,200)	-
142	Indiana	Navy	Crane NSWC	Strategic Weapons Systems Engineering Facility	-	7,270	-	7,270	7,270
143	Indiana	Chemical Demilitarization	Newport AD	Ammunition Demilitarization Facility, Phase 2	-	61,200	61,200	61,200	61,200
144	Indiana	Army National Guard	Camp Atterbury	Water System Improvements	-	7,598	-	7,598	7,598
145	Indiana	Air National Guard	Fort Wayne IAP	Medical Training Facility/Dining Hall	-	-	7,200	7,200	7,200
146	Indiana	Air Force Reserve	Grissom ARB	Services Complex, Phase 1	-	10,800	-	10,800	10,800
147	Iowa	Air National Guard	Sioux City IAP	Vehicle Maintenance Facility	-	3,600	3,600	3,600	3,600
148	Kansas	Army	Fort Leavenworth	US Disciplinary Barracks, Phase 3	18,800	18,800	18,800	-	18,800

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							Change	Agreement
149 Kansas	Army	Fort Leavenworth	Water Treatment Plant	1,200	8,100	8,100	6,900	8,100
150 Kansas	Army	Fort Leavenworth	Whole Barracks Complex Renewal	3,900	26,000	26,000	22,100	26,000
151 Kansas	Army	Fort Riley	Modified Record Fire/Combat Pistol Range	-	3,900	-	-	-
152 Kansas	Army	Fort Riley	Whole Barracks Renovation, Phase 1	-	-	27,000	18,000	18,000
153 Kansas	Air Force	McConnell AFB	Improve Family Housing Area Safety	-	-	1,363	-	-
154 Kansas	Air Force	McConnell AFB	KC-135 Squadron Operations/AMU	2,280	9,600	9,600	7,320	9,600
155 Kansas	Tri-Care Management Agency	Fort Riley	Consolidated Troop Medical Clinic	1,060	6,000	6,000	4,940	6,000
156 Kansas	Air National Guard	McConnell AFB	B-1 Aircraft Live Munitions Loading Ramp	-	9,300	-	9,300	9,300
157 Kentucky	Army	Blue Grass AD	Ammunition Demilitarization Facility, Phase 1	11,800	-	-	(11,800)	-
158 Kentucky	Army	Blue Grass AD	Ammunition Demilitarization Support	11,000	-	11,000	(11,000)	-
159 Kentucky	Army	Blue Grass AD	Ammunition Surveillance Facility	900	6,000	6,000	5,100	6,000
160 Kentucky	Army	Fort Campbell	MOUT Training Complex, Phase 1	2,150	14,400	14,400	12,250	14,400
161 Kentucky	Army	Fort Campbell	Physical Fitness Training Center	900	6,000	6,000	5,100	6,000
162 Kentucky	Army	Fort Campbell	Sabre Heliport Improvements	2,475	19,500	19,500	17,025	19,500
163 Kentucky	Army	Fort Campbell	Vehicle Maintenance Facility	-	-	17,000	17,000	17,000
164 Kentucky	Army	Fort Campbell	Whole Barracks Complex Renewal, Phase 2	4,800	32,000	4,800	27,200	32,000
165 Kentucky	Army	Fort Knox	Automated Record Fire Range	-	1,300	-	1,300	1,300
166 Kentucky	Army	Fort Knox	Multi-purpose Digital Training Range, Phase 2	2,400	16,000	2,400	13,600	16,000
167 Kentucky	Air Force	Fort Campbell	Air Support Operations Squadron Facility	1,472	6,300	6,300	4,828	6,300
168 Kentucky	Chemical Demilitarization	Blue Grass AD	Ammunition Demilitarization Facility, Phase 1	-	11,800	11,800	11,800	11,800
169 Kentucky	Chemical Demilitarization	Blue Grass AD	Ammunition Demilitarization Support	-	11,000	-	11,000	11,000
170 Louisiana	Army	Fort Polk	Consolidated Range Operations/Warehouse Facility	-	6,700	-	6,700	6,700
171 Louisiana	Air National Guard	New Orleans NAS JRB	Ammunition Storage Igloo	-	-	1,350	1,350	1,350
172 Louisiana	Army Reserve	Fort Polk	Organizational Maintenance Shop	-	-	4,309	-	-
173 Louisiana	Naval Reserve	Lafayette	Marine Corps Reserve Center	-	-	3,330	-	-
174 Maine	Navy	Brunswick NAS	Bachelor Enlisted Quarters Replacement	4,270	16,890	16,890	12,620	16,890
175 Maryland	Army	Aberdeen Proving Ground	Ammunition Demilitarization Facility, Phase 2	66,600	-	-	(66,600)	-
176 Maryland	Army	Fort Meade	Military Entrance Processing Center	1,350	4,450	4,450	3,100	4,450
177 Maryland	Army	Fort Meade	Whole Barracks Complex Renewal	2,700	18,000	18,000	15,300	18,000
178 Maryland	Navy	Indian Head NSWC	Sewage Treatment Plant	2,550	10,070	10,070	7,520	10,070
179 Maryland	Navy	Patuxent River NAWC	Aircraft/Ships Systems Integration Labs	-	3,060	-	3,060	3,060
180 Maryland	Navy	Patuxent River NAWC	Indoor Firing Range	-	1,500	-	1,500	1,500
181 Maryland	Air Force	Andrews AFB	Squadron Operations Facility	-	-	9,900	9,900	9,900
182 Maryland	Chemical Demilitarization	Aberdeen Proving Ground	Ammunition Demilitarization Facility, Phase 2	-	66,600	66,600	66,600	66,600
183 Maryland	National Security Agency	Fort Meade	Perimeter Fence (East)	903	903	903	-	903
184 Maryland	National Security Agency	Fort Meade	Reconfigure Ops Chilled Water	2,043	2,043	2,043	-	2,043
185 Maryland	Tri-Care Management Agency	Andrews AFB	Add/AltMedical Logistics Facility	2,000	3,000	3,000	1,000	3,000

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	State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference	
								Change	Agreement
186	Maryland	Tri-Care Management Agency	Patuxent River NAS	Aircrew Water Survival Training Facility	1,200	4,150	4,150	2,950	4,150
187	Maryland	Army Reserve	Curtis Bay	Add/Alt USARC/Marine AMSA	-	5,000	-	5,000	5,000
188	Massachusetts	Army	Westover ARB	Military Entrance Processing Center	1,200	4,000	4,000	2,800	4,000
189	Massachusetts	Air Force	Hanscom AFB	Acquisition Management Facility Renovation	-	-	16,000	16,000	16,000
190	Massachusetts	Air National Guard	Barnes ANGB	Base Supply Complex	-	5,900	-	5,900	5,900
191	Massachusetts	Air Force Reserve	Westover ARB	Control Tower	-	4,250	-	4,250	4,250
192	Michigan	Air National Guard	Camp Grayling	Air Ground Range Support Facility	-	-	5,800	5,800	5,800
193	Minnesota	Army National Guard	Camp Ripley	Combined Support Maintenance Shop	-	-	10,368	10,368	10,368
194	Mississippi	Navy	Gulfport MCBC	Bachelor Enlisted Quarters Modernization	3,260	12,860	12,860	9,600	12,860
195	Mississippi	Navy	Gulfport MCBC	Bachelor Enlisted Quarters Renovation	1,600	6,310	6,310	4,710	6,310
196	Mississippi	Navy	Meridian NAS	Administrative Building	-	7,280	-	7,280	7,280
197	Mississippi	Air Force	Columbus AFB	Add to T-1A Hanger	-	-	2,600	2,600	2,600
198	Mississippi	Air Force	Columbus AFB	Corrosion Control Facility	-	5,100	-	-	-
199	Mississippi	Air Force	Keesler AFB	C-130J Simulator Facility	-	-	8,900	8,900	8,900
200	Mississippi	Air Force	Keesler AFB	Student Dining Facility	1,686	7,100	7,100	5,414	7,100
201	Mississippi	Air Force	Keesler AFB	Student Dormitory	4,679	19,900	19,900	15,221	19,900
202	Mississippi	Special Operations Command	Mississippi Army Ammo Plant	Land/Water Ranges	-	-	3,300	-	-
203	Mississippi	Special Operations Command	Mississippi Army Ammo Plant	Small Craft Training Complex	9,600	9,600	9,600	-	9,600
204	Mississippi	Army National Guard	Camp Shelby	Multi purpose Range, Heavy, Phase 3	-	14,800	14,900	14,800	14,800
205	Mississippi	Army National Guard	Vicksburg	Readiness Center	-	-	5,914	5,914	5,914
206	Mississippi	Air National Guard	Jackson IAP	C-17 Simulator Building	-	-	3,600	3,600	3,600
207	Missouri	Army	Fort Leonard Wood	Access Road	-	16,500	-	16,500	16,500
208	Missouri	Army	Fort Leonard Wood	Wolverine/Grizzly Simulator Facility	1,600	10,600	10,600	9,000	10,600
209	Missouri	Air Force	Whiteman AFB	B-2 Low Observable Restoration Facility	5,428	23,000	23,000	17,572	23,000
210	Missouri	Air Force	Whiteman AFB	Physical Fitness Center	447	1,900	1,900	1,453	1,900
211	Missouri	Army National Guard	Sedalia	Readiness Center	-	3,774	-	3,774	3,774
212	Missouri	Air National Guard	Rosencrans Mem Apt	Upgrade Aircraft Parking Apron, Phase 3	-	-	9,000	9,000	9,000
213	Montana	Air Force	Malmstrom AFB	Dormitory	-	-	11,600	11,600	11,600
214	Montana	Air National Guard	Great Falls IAP	Base Supply Warehouse	-	1,450	1,400	1,400	1,400
215	Nebraska	Air Force	Offutt AFB	Dormitory	1,941	8,300	8,300	6,359	8,300
216	Nevada	Army	Hawthorne AD	Container Repair Facility	-	-	1,700	1,700	1,700
217	Nevada	Navy	Fallon NAS	Corrosion Control Hangar	-	7,000	-	-	-
218	Nevada	Air Force	Nellis AFB	F-22 Aircraft Maintenance Hangar	1,859	7,800	7,800	5,941	7,800
219	Nevada	Air Force	Nellis AFB	F-22 Composite and Fabrication Shop	1,756	7,500	7,500	5,744	7,500
220	Nevada	Air Force	Nellis AFB	F-22 Parts Warehouse and Operations Addition	773	3,300	3,300	2,527	3,300
221	Nevada	Air Force	Nellis AFB	Land Acquisition (Live Ordnance Loading)	-	-	11,600	11,600	11,600
222	New Hampshire	Navy	Portsmouth NSY	Water Front Crane	-	-	3,850	-	-

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223	New Hampshire	Air National Guard	Pease Int'l Tradeport	Upgrade KC-135 Parking Apron	-	-	9,600	9,600	9,600
224	New Jersey	Army	Fort Monmouth	Barracks Improvement	-	-	11,800	-	-
225	New Jersey	Navy	Lakehurst NAWCAD	Aircraft/Platform Interface Laboratory	3,970	15,710	15,710	11,740	15,710
226	New Jersey	Air Force	McGuire AFB	Visiting Officers Quarters	2.765	11,800	11,800	9,035	11,800
227	New Jersey	Army National Guard	Fort Dix	Training/Training Technology Battle Lab, Phase 2	-	10,015	-	10,015	10,015
228	New Jersey	Army Reserve	Fort Dix	Centralized Tactical Vehicle Wash Facility	1,607	5,624	5,624	4,017	5,624
229	New Mexico	Air Force	Cannon AFB	Control Tower	-	-	4,000	-	-
230	New Mexico	Air Force	Cannon AFB	Repair Runway #2204	-	-	8,100	8,100	8,100
231	New Mexico	Air Force	Kirtland AFB	Repair Aprons, Phase 2	-	14,000	-	14,000	14,000
232	New Mexico	Air National Guard	Kirtland AFB	Composite Support Complex	-	-	9,700	9,700	9,700
233	New York	Army	Fort Drum	Consolidated Soldier/Family Support Ctr, Phase 2	-	23,000	-	23.000	23,000
234	New York	Army	USMA West Point	Cadet Physical Development Center, Phase 2	28.500	28,500	28,500	-	28,500
235	New York	Air Force	Rome Laboratory	Consolidated Intelligence and Reconnaissance Lab	3,002	-	12,800	9,798	12,800
236	New York	Air National Guard	Hancock Field ANGB	Comm-Electronics Training/ASE Complex	-	8,900	-	8,900	8,900
237	New York	Army Reserve	Fort Wadsworth	Add/Alt USAR Cntr/Org Area Mnt Suppt Act	2.066	5,786	5,786	3,720	5,786
238	New York	Air Force Reserve	Niagara Falls	Visiting Officers Quarters	-	-	6,300	6,300	6,300
239	North Carolina	Army	Fort Bragg	Heavy Drop Rigging Facility	4,500	30,000	30,000	25,500	30,000
240	North Carolina	Army	Fort Bragg	MOUT Training Complex, Phase 2	5,600	7,000	7,000	1.400	7,000
241	North Carolina	Army	Fort Bragg	Upgrade Barracks D-Area, Phase 2	-	14,400	14,400	14,400	14,400
242	North Carolina	Army	Fort Bragg	Whole Barracks Complex Renewal, Phase 2	16.508	52,000	16,508	35,492	52,000
243	North Carolina	Army	Sunny Point (MOTSU)	Ammunition Surveillance Facility	550	3,800	3,800	3,250	3,800
244	North Carolina	Navy	Camp LeJeune MCB	Maintenance and Operations Facility	2,120	8,400	8,400	6.280	8,400
245	North Carolina	Navy	Camp LeJeune MCB	Physical Fitness Center	1,070	4,230	4,230	3.160	4,230
246	North Carolina	Navy	Camp LeJeune MCB	Road and Utility Construction	2,140	8,750	8,750	6,610	8,750
247	North Carolina	Navy	New River MCAS	Aircraft Taxiway Addition	130	520	520	390	520
248	North Carolina	Navy	New River MCAS	Family Services Center	330	1,340	1,340	1,010	1,340
249	North Carolina	Navy	New River MCAS	Property Control Facility	910	3,610	3,610	2,700	3,610
250	North Carolina	Air Force	Fort Bragg	Air Support Operations Group Facility	1,076	4.600	4,600	3,524	4,600
251	North Carolina	Air Force	Pope AFB	Dangerous Cargo Pad	1,802	7,700	7,700	5.898	7,700
252	North Carolina	Defense Education Activity	Camp LeJeune MCB	Tarawa Terrace II Elementary School	2,387	10,570	10,570	8,183	10,570
253	North Carolina	Special Operations Command	Fort Bragg	Battalion Operations Complex	2,272	18,600	18,600	16,328	18,600
254	North Carolina	Special Operations Command	Fort Bragg	Deployable Equipment Facility	1,500	1,500	1,500	-	1,500
255	North Carolina	Tri-Care Management Agency	Cherry Point MCAS	Aircrew Water Survival Training Facility	1,000	3,500	3,500	2,500	3,500
256	North Carolina	Army National Guard	Charlotte	Organizational Maintenance Shop	912	4,297	4,297	3,385	4,297
257	North Carolina	Army National Guard	Charlotte	Readiness Center	1,504	7,087	7,087	5.583	7,087
258	North Dakota	Air Force	Grand Forks AFB	Parking Apron Extension	-	-	9,500	9,500	9,500
259	North Dakota	Air Force	Minot AFB	Add to Missile Maintenance Facility	-	3,000	-	-	-

Fiscal Year 2000 Authorization of Appropriations for Military Construction

(Dollars in Thousands)

State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference	
							Change	Agreement
260 Ohio	Air Force	Wright-Patterson AFB	Consolidate Aerospace Structures Research Lab	-	17,500	-	17,500	17,500
261 Ohio	Air Force	Wright-Patterson AFB	Consolidate Avionics Research Laboratory	3,230	13,600	13,600	10,370	13,600
262 Ohio	Air Force	Wright-Patterson AFB	Control Tower	934	4,000	4,000	3,066	4,000
263 Ohio	Air Force	Wright-Patterson AFB	Convert to Physical Fitness Center	-	-	4,600	4,600	4,600
264 Ohio	Tri-Care Management Agency	Wright-Patterson AFB	Occupational Health Clinic/BEE Replacement	2,800	3,900	3,900	1,100	3,900
265 Ohio	Air National Guard	Springfield-Beckley MAP	F-16 Squadron Operations Flt Training Complex	-	-	1,770	6,700	6,700
266 Ohio	Naval Reserve	Columbus	Reserve Center Addition	-	-	3,541	3,541	3,541
267 Oklahoma	Army	Fort Sill	Rail and Containerization Facility	2,000	13,200	13,200	11,200	13,200
268 Oklahoma	Army	Fort Sill	Tactical Equipment Shop, Phase 2	-	9,900	-	9,900	9,900
269 Oklahoma	Army	McAlester AAP	Ammunition Road Infrastructure	1,020	6,800	6,800	5,780	6,800
270 Oklahoma	Army	McAlester AAP	Fire Station	900	3,000	3,000	2,100	3,000
271 Oklahoma	Army	McAlester AAP	Railyard Infrastructure	2,000	6,800	6,800	4,800	6,800
272 Oklahoma	Air Force	Tinker AFB	Air Driven Access Overhaul and Test Facility	4,001	17,000	17,000	12,999	17,000
273 Oklahoma	Air Force	Tinker AFB	Dormitory	1,602	6,800	6,800	5,198	6,800
274 Oklahoma	Air Force	Tinker AFB	Repair and Upgrade Runway	-	-	11,000	11,000	11,000
275 Oklahoma	Air Force	Vance AFB	Upgrade Center Runway	-	12,600	12,600	12,600	12,600
276 Oklahoma	Air National Guard	Tulsa IAP	Composite Support Complex	-	-	10,800	10,800	10,800
277 Oregon	Army	Umatilla DA	Ammunition Demilitarization Facility, Phase 5	35,900	-	-	(35,900)	-
278 Oregon	Chemical Demilitarization	Umatilla DA	Ammunition Demilitarization Facility, Phase 5	-	35,900	35,900	35,900	35,900
279 Oregon	Army National Guard	Salem	Armed Forces Reserve Center	-	-	15,255	15,255	15,255
280 Pennsylvania	Army	Carlisle Barracks	Whole Barracks Complex Renewal	750	5,000	5,000	4,250	5,000
281 Pennsylvania	Army	Letterkenny Army Depot	Ammunition Containerization Complex	570	3,650	3,650	3,080	3,650
282 Pennsylvania	Navy	Mechanicsburg NSPCC	Water Distribution System Improvements	760	2,990	2,990	2,230	2,990
283 Pennsylvania	Navy	Philadelphia NFPC	Foundry Casting Pits Modernization	-	13,320	13,320	13,320	13,320
284 Pennsylvania	Defense Logistics Agency	Def Dist New Cumberland - DDSP	Public Safety Center	867	5,000	5,000	4,133	5,000
285 Pennsylvania	Air National Guard	Johnstown ANGS	Air Traffic Control Training Facility	-	6,200	6,200	6,200	6,200
286 Pennsylvania	Army Reserve	Johnstown	Consolidate AMSA	-	6,300	-	6,300	6,300
287 Pennsylvania	Naval Reserve	Willow Grove NAS	Ground Equipment Shop	-	-	600	600	600
288 Pennsylvania	Naval Reserve	Willow Grove NAS	Hazardous Material Storage Facility	320	1,930	1,930	1,610	1,930
289 Rhode Island	Air National Guard	Quonset State Apt	Maintenance Hanger and Shops	-	-	16,500	16,500	16,500
290 South Carolina	Army	Fort Jackson	Emergency Services Center	1,100	7,400	7,400	6,300	7,400
291 South Carolina	Navy	Beaufort MCAS	Armory Facility	450	1,790	1,790	1,340	1,790
292 South Carolina	Navy	Beaufort MCAS	Corrosion Control Facility	2,200	8,700	8,700	6,500	8,700
293 South Carolina	Navy	Beaufort MCAS	Jet Engine Test Cell	-	7,800	-	7,800	7,800
294 South Carolina	Navy	Charleston	Air Traffic Control Engineering Center	1,930	7,640	7,640	5,710	7,640
295 South Carolina	Air Force	Charleston AFB	C-17 Corrosion Control Facility	4,389	18,200	18,200	13,811	18,200
296 South Carolina	Defense Education Activity	Laurel Bay	Laurel Bay Intermediate School Addition	642	2,874	2,874	2,232	2,874

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(Dollars in Thousands)

	State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
297	South Carolina	Air National Guard	McEntire ANGS	Replace Control Tower	-	8,000	8,000	8,000	8,000
298	South Dakota	Air Force	Ellsworth AFB	Education/Library Center	-	-	10,200	10,200	10,200
299	South Dakota	Army National Guard	Sioux Falls	Consolidated Barracks/Education Facility	-	4,818	-	4,818	4,818
300	Tennessee	Air Force	Arnold AFB	Upgrade Jet Eng.Air Induction System, Phase 3	1,851	7,800	7,800	5,949	7,800
301	Tennessee	Army National Guard	Henderson	Organizational Maintenance Shop	-	-	1,976	-	-
302	Tennessee	Air National Guard	McGhee-Tyson ANGB	KC-135 Hydrant Refueling System	-	9,500	-	9,500	9,500
303	Texas	Army	Fort Bliss	Air Deployment Facility Complex	2,550	17,000	17,000	14,450	17,000
304	Texas	Army	Fort Bliss	Aircraft Loading Apron	3,300	22,000	22,000	18,700	22,000
305	Texas	Army	Fort Bliss	Ammunition Hot Load Facility	1,700	11,400	11,400	9,700	11,400
306	Texas	Army	Fort Bliss	Tactical Equipment Shop	-	1,950	-	1,950	1,950
307	Texas	Army	Fort Hood	Deployment Ready Reactive Field & Trails	2,000	8,000	8,000	6,000	8,000
308	Texas	Army	Fort Hood	Fixed Wing Aircraft Parking Apron	4,600	31,000	31,000	26,400	31,000
309	Texas	Army	Fort Hood	Force XXI, Soldier Development Center, Phase 2	14,000	14,000	14,000	-	14,000
310	Texas	Army	Fort Hood	Railhead Facility, Phase 2	14,800	14,800	14,800	-	14,800
311	Texas	Army	Fort Hood	Soldier Service Center	-	16,500	-	16,500	16,500
312	Texas	Army	Fort Hood	Whole Barracks Complex Renewal	4,350	29,000	29,000	24,650	29,000
313	Texas	Navy	Ingleside NAVSTA	Operational Support Facility	-	11,780	-	11,780	11,780
314	Texas	Air Force	Dyess AFB	Child Development Center	-	5,400	5,400	5,400	5,400
315	Texas	Air Force	Lackland AFB	Dormitory	1,257	5,300	5,300	4,043	5,300
316	Texas	Air Force	Lackland AFB	Security Forces Center	1,893	8,100	8,100	6,207	8,100
317	Texas	Air Force	Laughlin AFB	Add/Alt JPATS Beddown - Various Facilities	766	3,250	3,250	2,484	3,250
318	Texas	Air Force	Randolph AFB	Control Tower (West)	-	3,600	-	3,600	3,600
319	Texas	Tri-Care Management Agency	Fort Sam Houston	Veterinary Instructional Facility	600	5,800	5,800	5,200	5,800
320	Texas	Air National Guard	Kelly AFB	F-16 Squadron Operations Flight Training Complex	-	9,700	9,700	9,700	9,700
321	Texas	Army Reserve	Fort Hood	Area Mnt Spt Act/Eqpmt Conc Site	2,684	9,431	9,431	6,747	9,431
322	Texas	Naval Reserve	Fort Worth JRB	Bachelor Enlisted Quarters	-	6,000	-	6,000	6,000
323	Utah	Air Force	Hill AFB	CAD/PAD Spares Storage Facility	1,081	4,600	4,600	3,519	4,600
324	Utah	Air National Guard	Salt Lake City IAP	Ops/Training/Squad Ops Complex	-	10,400	-	10,400	10,400
325	Utah	Air National Guard	Salt Lake City IAP	Upgrade Aircraft Maintenance Complex	-	-	9,700	-	-
326	Utah	Naval Reserve	Camp Williams MCRC	Reserve Training Center Addition	150	890	890	740	890
327	Vermont	Army National Guard	Northfield	Multipurpose Training Facility	-	-	8,652	8,652	8,652
328	Virginia	Army	Fort Belvoir	Fire Station	500	1,700	1,700	1,200	1,700
329	Virginia	Army	Fort Belvoir	Military Police Station	640	2,150	2,150	1,510	2,150
330	Virginia	Army	Fort Eustis	Education Center	-	4,800	-	4,800	4,800
331	Virginia	Army	Fort Eustis	Whole Barracks Complex Renewal	5,800	39,000	39,000	33,200	39,000
332	Virginia	Army	Fort Myer	Public Safety Center	870	2,900	2,900	2,030	2,900
333	Virginia	Army	Fort Story	Offshore Breakwater System	-	8,000	-	8,000	8,000

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(Dollars in Thousands)

	State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
334	Virginia	Navy	Dam Neck TACTRAGRULANT	Bachelor Enlisted Quarters	2,610	10,310	10,310	7,700	10,310
335	Virginia	Navy	Norfolk NAVSTA	Berthing Pier, Phase 2	12,690	12,690	12,690	-	12,690
336	Virginia	Navy	Norfolk NAVSTA	Pier Electrical Upgrades, Phase 2	4,720	18,660	18,660	13,940	18,660
337	Virginia	Navy	Norfolk NAVSTA	Pier Replacement	8,600	40,000	40,000	31,400	40,000
338	Virginia	Navy	Norfolk NAVSTA	Waterfront Athletic Complex	2,760	10,890	10,890	8,130	10,890
339	Virginia	Navy	NSY Norfolk, Portsmouth	Bachelor Enlisted Quarters Replacement	4,460	17,630	17,630	13,170	17,630
340	Virginia	Navy	Oceana NAS	Aircraft Acoustical Enclosure	2,910	11,490	11,490	8,580	11,490
341	Virginia	Navy	Quantico MCDCC	Bachelor Enlisted Quarters	5,270	20,820	20,820	15,550	20,820
342	Virginia	Navy	Yorktown NWS	Trestle Replacement and Pier Upgrade	6,330	25,040	25,040	18,710	25,040
343	Virginia	Air Force	Langley AFB	Dormitory	1,486	6,300	6,300	4,814	6,300
344	Virginia	Special Operations Command	Dam Neck FCTC	Mission Support Facility	2,273	4,700	4,700	2,427	4,700
345	Virginia	Tri-Care Management Agency	Cheatham Annex	FHSO Container Holding Yard	500	1,650	1,650	1,150	1,650
346	Virginia	Tri-Care Management Agency	Norfolk NAS	Aircrew Water Survival Training Facility	1,150	4,050	4,050	2,900	4,050
347	Virginia	Army National Guard	Fort Pickett	Multipurpose Range	-	-	13,500	13,500	13,500
348	Washington	Army	Fort Lewis	Physical Fitness Training Center	1,850	6,200	6,200	4,350	6,200
349	Washington	Army	Yakima Training Center	Ammunition Supply Point	1,560	5,200	5,200	3,640	5,200
350	Washington	Army	Yakima Training Center	Tank Trail Erosion Mitigation, Phase 5	2,000	2,000	12,000	-	2,000
351	Washington	Navy	Bremerton NSB	D5 Missile Support Facility	1,600	6,300	6,300	4,700	6,300
352	Washington	Navy	Keyport NUWC	Pier Replacement	-	6,700	-	6,700	6,700
353	Washington	Navy	Port Hadlock NWS	Tomahawk Magazine	870	3,440	3,440	2,570	3,440
354	Washington	Navy	Puget Sound NSY	Dredging	3,950	15,610	15,610	11,660	15,610
355	Washington	Air Force	Fairchild AFB	Flight Line Support Facility	-	9,100	9,100	9,100	9,100
356	Washington	Air Force	Fairchild AFB	Runway Centerline Lighting	-	1,950	-	-	-
357	Washington	Air Force	Fairchild AFB	Survival Training Logistics Complex	1,071	4,500	4,500	3,429	4,500
358	Washington	Air Force	McChord AFB	C-17 Squadron Ops Aircraft Maint Unit	1,858	7,900	7,900	6,042	7,900
359	Washington	Defense Logistics Agency	Fairchild AFB	Add to Hydrant Fuel System	1,500	12,400	12,400	10,900	12,400
360	Washington	Tri-Care Management Agency	Fort Lewis	North Dental Clinic Replacement	4,950	5,500	5,500	550	5,500
361	Washington	Tri-Care Management Agency	Whidbey Island NAS	Aircrew Water Survival Training Facility	1,300	4,700	4,700	3,400	4,700
362	Washington	Army National Guard	Yakima Training Center	MATES, Phase 1	3,464	16,316	16,316	12,852	16,316
363	Washington	Air National Guard	Fairchild AFB	Composite Support Complex	-	-	9,800	9,800	9,800
364	Washington	Air Force Reserve	McChord AFB	Add/Alt C-17 Squad Ops/Aircrft. Mnt. Unit Facility	864	3,300	3,300	2,436	3,300
365	West Virginia	Army National Guard	Eleanor	Maintenance Complex	-	-	18,521	18,521	18,521
366	West Virginia	Army National Guard	Eleanor	Readiness Center	-	-	9,583	9,583	9,583
367	Wisconsin	Air National Guard	Volk Field	Replace Troop Training Quarters	1,923	8,900	8,900	6,977	8,900
368	CONUS Classified	Air Force	Classified	Air Control Squadron Operations Complex	1,200	5,100	5,100	3,900	5,100
369	CONUS Classified	Air Force	Classified	Classified Project	9,700	9,700	9,700	-	9,700
370	CONUS Classified	Air Force	Classified	Classified Project	1,093	1,093	1,093	-	1,093

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(Dollars in Thousands)

State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
371 CONUS Classified	Air Force	Classified	Special Tactical Unit Detachment Facility	244	977	977	733	977
372 CONUS Various	Army	CONUS Various	Classified Project	36,400	36,400	36,400	-	36,400
373 Ascension Island	Air Force	Ascension Aux Afld	Global Positioning Sys Satellite Ctrl Station	512	2,150	2,150	1,638	2,150
374 Bahrain	Navy	ASU Bahrain	Bachelor Enlisted Quarters (Security Force)	6,230	24,550	24,550	18,320	24,550
375 Bahrain	Navy	ASU Bahrain	Bachelor Enlisted Quarters - Transient	5,840	23.770	23.770	17,930	23,770
376 Bahrain	Navy	ASU Bahrain	Operations Control Center	8,550	34,770	34,770	26,220	34,770
377 Costa Rica	Defense Wide	Forward Deployment Site-Note1	Facilities upgrade	-	-	6,726	-	-
378 Diego Garcia	Navy	Diego Garcia NAVSUPPFAC	Aircraft Intermediate Maintenance Facility	2,070	8,150	8,150	6,080	8,150
379 Ecuador	Defense Wide	Forward Deployment Site-Note1	Facilities upgrade	-	25,000	31,229	32,000	32,000
380 Germany	Army	Ansbach	Whole Barracks Complex Renewal	3,150	21,000	21,000	(3.150)	-
381 Germany	Army	Bamberg ASG	Whole Barracks Complex Renewal	1,230	8,200	8,200	(1,230)	-
382 Germany	Army	Bamberg ASG	Whole Barracks Complex Renewal	1,400	9,300	9,300	(1,400)	-
383 Germany	Army	Bamberg ASG	Whole Barracks Complex Renewal	860	5,700	5,700	(860)	-
384 Germany	Army	Mannheim	Whole Barracks Complex Renewal	675	4,500	4,500	(675)	-
385 Germany	Tri-Care Management Agency	Ramstein AFB	Dental Clinic Addition/Alteration	2.550	7,100	7.100	(2,550)	-
386 Greece	Navy	Souda Bay NSA	Operational Support Facilities	1,620	6,380	6,380	(1,620)	-
387 Guam	Air Force	Andersen AFB	Landfill Closure	2,097	8,900	8,900	6,803	8,900
388 Guam	Defense Education Activity	Andersen AFB	Anderson Elementary School	10,026	44,170	44,170	34,144	44,170
389 Guam	Defense Logistics Agency	Andersen AFB	Replace Hydrant Fuel System	2,600	24,300	24,300	21,700	24,300
390 Guam	Army National Guard	Barrigada	Readiness Center, Phase I	-	8,238	-	8,238	8,238
391 Guam	Army Reserve	Barrigada	USAR Cntr/Org Mnt Shop/Area Mnt Spt Act	1,116	17,546	17,546	16,430	17,546
392 Italy	Navy	Naples NSA	Operational Support Facility	7,370	26,750	26,750	(7,370)	-
393 Italy	Air Force	Aviano AB	Radar Approach Control Facility	966	3,700	3,700	(966)	-
394 Korea	Army	Camp Casey	Whole Barracks Complex Renewal	4,650	31,000	31,000	26,350	31,000
395 Korea	Army	Camp Howze	Water System Upgrade	920	3,050	3,050	2,130	3,050
396 Korea	Army	Camp Stanley	Electrical System Upgrade	1,100	3,650	3,650	2,550	3,650
397 Korea	Air Force	Osan AB	Add to and Alter Physical Fitness Center	2.229	7,600	7,600	5,371	7,600
398 Korea	Air Force	Osan AB	Dormitory	3.482	12,000	12,000	8,518	12,000
399 Korea	Tri-Care Management Agency	Yongsan	Addition/Alteration Hospital	9,570	38,570	38,570	29,000	38,570
400 Korea	Tri-Care Management Agency	Yongsan	Med Supply/Equip Storage Warehouse Repl	2,300	2,550	2,550	250	2,550
401 Kwajalein	Army	Kwajalein	Power Plant - Roi Namur Island, Phase 2	35,400	35,400	35,400	-	35,400
402 Netherlands Antilles	Defense Wide	Forward Deployment Site-Note1	Facilities upgrade	-	-	4,880	-	-
403 Netherlands Antilles	Drug Interdict & Counter	Curacao	Various Transfer-Drug Interdict & Counter-Drug Act	-	11,100	-	-	-
404 Portugal	Air Force	Lajes Field, Azores	Apron Security Lighting	479	1,800	1,800	(479)	-
405 Puerto Rico	Tri-Care Management Agency	Sabana Seca NAVSECGRUACT	Medical/Dental Clinic Replacement	1,120	4,000	4,000	2,880	4,000
406 Puerto Rico	Air National Guard	Luis Munoz-Marin IAP	C-130 Add to Aircraft Parking Apron	490	2,250	2,250	1,760	2,250
407 Puerto Rico	Air National Guard	Luis Munoz-Marin IAP	C-130 Fuel Cell and Corrosion Control Facility	1,212	5,600	5,600	4,388	5,600

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(Dollars in Thousands)

State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference	
							Change	Agreement
408 Puerto Rico	Air National Guard	Luis Munoz-Marin IAP	C-130 Upgrade Aircraft Maintenance Hangar	825	3,800	3,800	2,975	3,800
409 Puerto Rico	Army Reserve	Fort Buchanan	USAR Cntr	1,431	10,101	10,101	8,670	10,101
410 Spain	Defense Education Activity	Rota NAVSTA	Rota Elementary School	3,854	17,020	17,020	(3,854)	-
411 Spain	Defense Logistics Agency	Moron AB	Replace Hydrant Fuel System	4,100	15,200	15,200	(4,100)	-
412 United Kingdom	Air Force	Feltwell RAF	Wastewater Treatment Plant	786	3,000	3,000	(786)	-
413 United Kingdom	Air Force	Lakenheath RAF	Child Development Center	1,519	5,800	5,800	(1,519)	-
414 United Kingdom	Air Force	Lakenheath RAF	Consolidated Support Complex	3,221	12,400	12,400	(3,221)	-
415 United Kingdom	Air Force	Mildenhall RAF	Cons Corrosion Control & Maintenance Complex	2,693	10,200	10,200	(2,693)	-
416 United Kingdom	Air Force	Mildenhall RAF	Hazardous Material Storage Facility	267	1,000	1,000	(267)	-
417 United Kingdom	Air Force	Mildenhall RAF	KC-135 Flight Simulator Facility	600	2,300	2,300	(600)	-
418 United Kingdom	Air Force	Mildenhall RAF	Operations Facility	1,076	4,100	4,100	(1,076)	-
419 United Kingdom	Air Force	Molesworth RAF	Wastewater Treatment Plant	445	1,700	1,700	(445)	-
420 United Kingdom	Defense Education Activity	Feltwell RAF	Construct Multipurpose Facility	1,023	4,570	4,570	(1,023)	-
421 United Kingdom	Defense Education Activity	Lakenheath RAF	Construct Gymnasium Building	841	3,770	3,770	(841)	-
422 United Kingdom	National Security Agency	Menwith Hill Station RAF	Medical Center Expansion	500	500	500	(500)	-
423 United Kingdom	Tri-Care Management Agency	Lakenheath RAF	Dental Clinic Additional/Alteration	1,000	7,100	7,100	(1,000)	-
424 Worldwide Unspecified	Army	Unspecified Worldwide	Supervision, Inspection and Overhead - MilCon	30,689	-	-	(30,689)	-
425 Worldwide Unspecified	Army	Unspecified Worldwide	Unspecified Minor Construction	9,500	9,500	9,500	-	9,500
426 Worldwide Unspecified	Army	Unspecified Worldwide	Host Nation	21,300	21,300	21,300	-	21,300
427 Worldwide Unspecified	Army	Unspecified Worldwide	Planning And Design	60,705	65,905	62,114	9,409	70,114
428 Worldwide Unspecified	Army	Unspecified Worldwide	Financing Adjustment - MilCon	(30,689)	-	-	30,689	-
429 Worldwide Unspecified	Army	Unspecified Worldwide	General Reduction	-	(7,750)	-	(38,253)	(38,253)
430 Worldwide Unspecified	Army	Unspecified Worldwide	Revised Economic Assumptions (Mid-Session)	-	-	-	(3,700)	(3,700)
431 Worldwide Unspecified	Navy	Unspecified Worldwide	Supervision, Inspection and Overhead - MilCon	6,178	-	-	(6,178)	-
432 Worldwide Unspecified	Navy	Unspecified Worldwide	Unspecified Minor Construction	7,342	7,342	7,342	-	7,342
433 Worldwide Unspecified	Navy	Unspecified Worldwide	Planning & Design	65,630	70,010	66,511	6,281	71,911
434 Worldwide Unspecified	Navy	Unspecified Worldwide	Financing Adjustment - MilCon	(6,178)	-	-	6,178	-
435 Worldwide Unspecified	Navy	Unspecified Worldwide	General Reduction	-	(19,300)	-	(30,227)	(30,227)
436 Worldwide Unspecified	Navy	Unspecified Worldwide	Revised Economic Assumptions (Mid-Session)	-	-	-	(3,000)	(3,000)
437 Worldwide Unspecified	Air Force	Unspecified Worldwide	Supervision, Inspection and Overhead - MilCon	3,376	-	-	(3,376)	-
438 Worldwide Unspecified	Air Force	Unspecified Worldwide	Unspecified Minor Construction	8,741	8,741	8,741	-	8,741
439 Worldwide Unspecified	Air Force	Unspecified Worldwide	Planning And Design	28,004	32,104	38,264	8,100	36,104
440 Worldwide Unspecified	Air Force	Unspecified Worldwide	Financing Adjustment - MilCon	(3,376)	-	-	3,376	-
441 Worldwide Unspecified	Air Force	Unspecified Worldwide	General Reduction	-	(6,600)	-	(23,511)	(23,511)
442 Worldwide Unspecified	Air Force	Unspecified Worldwide	Revised Economic Assumptions (Mid-Session)	-	-	-	(2,300)	(2,300)
443 Worldwide Unspecified	Office Secretary of Defense	Unspecified Worldwide	Planning And Design (Defense Level)	18,000	18,000	3,000	(5,500)	12,500
444 Worldwide Unspecified	Office Secretary of Defense	Unspecified Worldwide	Minor Construction (Defense Level)	2,900	2,900	2,900	-	2,900

Fiscal Year 2000 Authorization of Appropriations for Military Construction

(Dollars in Thousands)

	State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
445	Worldwide Unspecified	Special Operations Command	Unspecified Worldwide	Planning And Design	5,700	5,700	6,040	-	5,700
446	Worldwide Unspecified	Special Operations Command	Unspecified Worldwide	Unspecified Minor Construction	2,300	2,300	2,300	-	2,300
447	Worldwide Unspecified	BMDO	Unspecified Worldwide	Planning And Design (Transfer-RDT&E, DW)	-	15,700	-	15,700	15,700
448	Worldwide Unspecified	BMDO	Unspecified Worldwide	Planning And Design	124	124	15,124	(124)	-
449	Worldwide Unspecified	BMDO	Unspecified Worldwide	Unspecified Minor Construction	1,248	1,248	1,248	-	1,248
450	Worldwide Unspecified	OSD Contingencies	Unspecified Worldwide	Contingency Construction	938	938	938	-	938
451	Worldwide Unspecified	Defense Wide	Unspecified Worldwide	General Reduction	-	(20,000)	-	(29,050)	(29,050)
452	Worldwide Unspecified	Defense Wide	Unspecified Worldwide	Revised Economic Assumptions (Mid-Session)	-	-	-	(2,300)	(2,300)
453	Worldwide Unspecified	Defense Wide	Unspecified Worldwide	General Reduction-Chemical Demilitarization	-	-	-	(93,000)	(93,000)
454	Worldwide Unspecified	NATO Sec Investment Prgm	Unspecified Worldwide	NATO Security Investment Program	191,000	191,000	166,340	(110,000)	81,000
455	Worldwide Unspecified	Army National Guard	Unspecified Worldwide	Planning & Design	4.129	4,629	7,667	4,500	8,629
456	Worldwide Unspecified	Army National Guard	Unspecified Worldwide	Unspecified Minor Construction	771	771	771	-	771
457	Worldwide Unspecified	Army National Guard	Unspecified Worldwide	General Reduction	-	-	-	(4,223)	(4,223)
458	Worldwide Unspecified	Air National Guard	Unspecified Worldwide	Planning And Design	4,951	5,671	11,871	1,720	6,671
459	Worldwide Unspecified	Air National Guard	Unspecified Worldwide	Unspecified Minor Construction	2.000	2,000	2,000	-	2,000
460	Worldwide Unspecified	Air National Guard	Unspecified Worldwide	General Reduction	-	-	-	(5.652)	(5.652)
461	Worldwide Unspecified	Army Reserve	Unspecified Worldwide	Supervision, Inspection and Overhead - MilCon	712	-	-	(712)	-
462	Worldwide Unspecified	Army Reserve	Unspecified Worldwide	Planning And Design	8,500	8,500	10,268	-	8,500
463	Worldwide Unspecified	Army Reserve	Unspecified Worldwide	Unspecified Minor Construction	1.416	1,416	1,416	-	1,416
464	Worldwide Unspecified	Army Reserve	Unspecified Worldwide	Financing Adjustment - MilCon	(712)	-	-	712	-
465	Worldwide Unspecified	Army Reserve	Unspecified Worldwide	General Reduction	-	-	-	(2,891)	(2,891)
466	Worldwide Unspecified	Naval Reserve	Unspecified Worldwide	Supervision, Inspection and Overhead - MilCon	32	-	-	(32)	-
467	Worldwide Unspecified	Naval Reserve	Unspecified Worldwide	Planning & Design	1,778	1.778	1.778	348	2,126
468	Worldwide Unspecified	Naval Reserve	Unspecified Worldwide	Unspecified Minor Construction	1,036	1,036	1,036	-	1,036
469	Worldwide Unspecified	Naval Reserve	Unspecified Worldwide	Financing Adjustment - MilCon	(32)	-	-	32	-
470	Worldwide Unspecified	Naval Reserve	Unspecified Worldwide	General Reduction	-	-	-	(674)	(674)
471	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide	Supervision, Inspection and Overhead - MilCon	407	-	-	(407)	-
472	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide	Planning And Design	1,867	1,867	1,867	-	1,867
473	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide	Unspecified Minor Construction	4,467	4,467	4,467	-	4,467
474	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide	Financing Adjustment - MilCon	(407)	-	-	407	-
475	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide	General Reduction	-	-	-	(2,080)	(2,080)
476	Worldwide Unspecified	DFAS	Unspecified Worldwide	Unspecified Minor Construction	1,500	1,500	1,500	-	1,500
477	Worldwide Unspecified	Base Closure IV	BRAC IV	Base Realignment and Closure	705,911	705,911	892,911	(16,200)	689,711
478	Worldwide Unspecified	Joint Chiefs of Staff	Unspecified Worldwide	Unspecified Minor Construction	6,083	6,083	6,083	-	6,083
479	Worldwide Unspecified	Defense Education Activity	Unspecified Worldwide	Unspecified Minor Construction	1,000	1,000	1,000	-	1,000
480	Worldwide Unspecified	Energy Conservation Imp Prgm	Unspecified Worldwide	Energy Conservation Improvement Program	6,558	6,558	31,900	(5,290)	1,268
481	Worldwide Unspecified	Tri-Care Management Agency	Unspecified Worldwide	Planning And Design	9,500	9,500	9,500	-	9,500

Fiscal Year 2000 Authorization of Appropriations for Military Construction

(Dollars in Thousands)

State	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
482 Worldwide Unspecified	Tri-Care Management Agency	Unspecified Worldwide	Unspecified Minor Construction	3,587	3,587	3,587	-	3,587
483 Worldwide Unspecified	Defense Wide	Unspecified Worldwide-Note 1	Forward Operating Location Planning and Design	-	-	-	10,800	10,800
484 Worldwide Various	Defense Logistics Agency	Various Worldwide	Conforming Storage Facilities	1,300	1,300	8,900	-	1,300
		Note 1-Transfer from Drug Interdiction and Counter-Drug Activities						
			TOTAL	2,322,756	4,988,012	5,172,314	2,571,396	4,894,152

Fiscal Year 2000 Military Construction Authorization of Appropriations

(Dollars in Thousands)

	State Name	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
1	Arizona	Navy	MCAS Yuma	Replace Family Housing, Phase 1 (53 Units)	-	-	17,000	8,500	8,500
2	Arizona	Air Force	Davis-Monthan AFB	Replace Family Housing, Phase 5 (64 Units)	2,707	10,000	10,000	7,293	10,000
3	California	Navy	NAS Lemoore	Replace Family Housing, (116 Units) Note 1	-	-	-	20,188	20,188
4	California	Air Force	Beale AFB	Replace Family Housing, Phase 3 (60 Units)	2,301	8,500	8,500	6,199	8,500
5	California	Air Force	Edwards AFB	Replace Family Housing, (90 Units)	4,472	16,520	16,520	12,048	16,520
6	California	Air Force	Edwards AFB	Replace Area B Housing, Phase 5 (98 Units)	4,404	16,270	16,270	11,866	16,270
7	California	Air Force	Vandenberg AFB	Replace Family Housing, Phase 7 (91 Units)	4,548	16,800	16,800	12,252	16,800
8	District of Columbia	Air Force	Bolling AFB	Replace Family Housing, Phase 5 (72 Units)	2,537	9,375	9,375	6,838	9,375
9	Florida	Air Force	Eglin AFB	Replace Family Housing, Phase 1 (130 Units)	3,812	14,080	14,080	10,268	14,080
10	Florida	Air Force	MacDill AFB	Replace Family Housing, Phase 4 (54 Units)	2,446	9,034	9,034	6,588	9,034
11	Hawaii	Navy	MCB Hawaii	Replace Family Housing, Phase 1 (54 Units)	-	-	22,639	8,000	8,000
12	Hawaii	Navy	MCAS Kaneohe Bay	Replace Family Housing, (100 Units)	5,320	26,615	26,615	21,295	26,615
13	Hawaii	Navy	NB Pearl Harbor	Replace Family Housing, (96 Units)	3,831	19,167	19,167	15,336	19,167
14	Hawaii	Navy	NB Pearl Harbor	Replace Family Housing, (133 Units)	6,031	30,168	30,168	24,137	30,168
15	Kansas	Air Force	McConnell AFB	Improve Family Housing Area Safety	-	1,363	-	1,363	1,363
16	Mississippi	Air Force	Columbus AFB	Replace Family Housing, Phase 2 (100 Units)	3,327	12,290	12,290	8,963	12,290
17	Montana	Air Force	Malmstrom AFB	Replace Family Housing, (34 Units)	2,050	7,570	7,570	5,520	7,570
18	Nebraska	Air Force	Offutt AFB	Replace Family Housing, Phase 5 (72 Units)	3,343	12,352	12,352	9,009	12,352
19	New Mexico	Air Force	Hollomon AFB	Replace Family Housing, (76 Units)	-	9,800	-	9,800	9,800
20	North Carolina	Navy	MCAS Cherry Point	Replace Family Housing, (180 Units) Note 1	-	-	-	22,036	22,036
21	North Carolina	Air Force	Seymour Johnson AFB	ReplaceFamily Housing, Phase 5 (78 Units)	3,300	12,187	12,187	8,887	12,187
22	North Dakota	Air Force	Grand Forks AFB	Replace Family Housing, Phase A (42Units)	2,720	10,050	10,050	7,330	10,050
23	North Dakota	Air Force	Minot AFB	Replace Family Housing, Phase 6 (72 Units)	2,912	10,756	10,756	7,844	10,756
24	Oklahoma	Air Force	Tinker AFB	Replace Family Housing, (41 Units) Note 1	-	-	-	6,000	6,000
25	Texas	Air Force	Lackland AFB	Replace Family Housing, Phase 3 (48 Units)	2,030	7,500	7,500	5,470	7,500
26	Virginia	Army	Fort Lee	Replace Family Housing, Phase 3 (46 Units)	-	16,500	-	8,000	8,000
27	Washington	Army	Fort Lewis	Replace Family Housing, (48 units) Note 1	-	-	-	9,000	9,000
28	Korea	Army	Camp Humphreys	Family Housing New Construction, Phase 1 (46 Units)	4,400	24,000	24,000	19,600	24,000
29	Portugal	Air Force	Lajes Field, Azores	Replace Family Housing, Phase 1 (75 Units)	3,509	12,964	12,964	9,455	12,964
30	Worldwide Unspecified	Army	Unspecified Worldwide	Miscellaneous Account	482	482	482	-	482
31	Worldwide Unspecified	Army	Unspecified Worldwide	Planning and Design	4,300	4,300	4,300	-	4,300
32	Worldwide Unspecified	Army	Unspecified Worldwide	MFH Improvements	5,303	35,400	32,600	30,097	35,400
33	Worldwide Unspecified	Army	Unspecified Worldwide	Financing Adjustment - FH Improvements	(345)	-	-	345	-

Fiscal Year 2000 Military Construction Authorization of Appropriations

(Dollars in Thousands)

					FY 00	House	Senate	Conference	
	State Name	Service	Installation Name	Project Name	Request	Authorized	Authorized	Change	Agreement
34	Worldwide Unspecified	Army	Unspecified Worldwide	Management Account	92,453	84,185	92,453	(8,268)	84,185
35	Worldwide Unspecified	Army	Unspecified Worldwide	Services Account	47,715	47,715	47,715	-	47,715
36	Worldwide Unspecified	Army	Unspecified Worldwide	Furnishings Account	44,970	44,970	44,970	-	44,970
37	Worldwide Unspecified	Army	Unspecified Worldwide	Leasing	222,294	222,294	222,294	-	222,294
38	Worldwide Unspecified	Army	Unspecified Worldwide	Maintenance Of Real Property	469,211	469,211	469,211	-	469,211
39	Worldwide Unspecified	Army	Unspecified Worldwide	Interest Payments	3	3	3	-	3
40	Worldwide Unspecified	Army	Unspecified Worldwide	Utilities Account	220,952	220,952	220,952	-	220,952
41	Worldwide Unspecified	Army	Unspecified Worldwide	Supervision, Inspection and Overhead - FH	631	-	631	(631)	-
42	Worldwide Unspecified	Army	Unspecified Worldwide	Financing Adjustment - FH Construction	(286)	-	-	286	-
43	Worldwide Unspecified	Army	Unspecified Worldwide	Revised Economic Assumption (Mid-Session)	-	-	-	(3,500)	(3,500)
44	Worldwide Unspecified	Navy	Unspecified Worldwide	Utilities Account	170,991	170,991	170,991	-	170,991
45	Worldwide Unspecified	Navy	Unspecified Worldwide	Miscellaneous Account	1,180	1,180	1,180	-	1,180
46	Worldwide Unspecified	Navy	Unspecified Worldwide	Planning and Design	17,715	17,715	17,715	-	17,715
47	Worldwide Unspecified	Navy	Unspecified Worldwide	MFH Improvements	31,708	162,350	165,050	150,174	181,882
48	Worldwide Unspecified	Navy	Unspecified Worldwide	Financing Adjustment - FH Improvements	(1,897)	-	-	1,897	-
49	Worldwide Unspecified	Navy	Unspecified Worldwide	Management Account	82,925	82,925	82,925	-	82,925
50	Worldwide Unspecified	Navy	Unspecified Worldwide	Services Account	63,589	63,589	63,589	-	63,589
51	Worldwide Unspecified	Navy	Unspecified Worldwide	Furnishings Account	32,636	32,636	32,636	-	32,636
52	Worldwide Unspecified	Navy	Unspecified Worldwide	Leasing	145,953	145,953	145,953	-	145,953
53	Worldwide Unspecified	Navy	Unspecified Worldwide	Maintenance Of Real Property	397,723	397,723	397,723	-	397,723
54	Worldwide Unspecified	Navy	Unspecified Worldwide	Mortgage Insurance Premiums	73	73	73	-	73
55	Worldwide Unspecified	Navy	Unspecified Worldwide	Supervision, Inspection and Overhead - FH	2,805	-	-	(2,805)	-
56	Worldwide Unspecified	Navy	Unspecified Worldwide	Financing Adjustment - FH Construction	(908)	-	-	908	-
57	Worldwide Unspecified	Navy	Unspecified Worldwide	Revised Economic Assumption (Mid-Session)	-	-	-	(1,000)	(1,000)
58	Worldwide Unspecified	Navy	Unspecified Worldwide	Revised Economic Assumption (Mid-Session)	-	-	-	(3,600)	(3,600)
59	Worldwide Unspecified	Air Force	Unspecified Worldwide	Miscellaneous Account	2,640	2,640	2,640	-	2,640
60	Worldwide Unspecified	Air Force	Unspecified Worldwide	Planning and Design	17,093	17,093	17,471	-	17,093
61	Worldwide Unspecified	Air Force	Unspecified Worldwide	MFH Improvements	34,280	124,492	129,952	95,672	129,952
62	Worldwide Unspecified	Air Force	Unspecified Worldwide	Financing Adjustment - FH Improvements	(128)	-	-	128	-
63	Worldwide Unspecified	Air Force	Unspecified Worldwide	Management Account	56,413	56,413	56,413	-	56,413
64	Worldwide Unspecified	Air Force	Unspecified Worldwide	Services Account	31,450	31,450	31,450	-	31,450
65	Worldwide Unspecified	Air Force	Unspecified Worldwide	Furnishings Account	36,997	36,997	36,997	-	36,997
66	Worldwide Unspecified	Air Force	Unspecified Worldwide	Leasing	118,509	118,509	118,509	-	118,509

Fiscal Year 2000 Military Construction Authorization of Appropriations

(Dollars in Thousands)

	State Name	Service	Installation Name	Project Name	FY 00 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
67	Worldwide Unspecified	Air Force	Unspecified Worldwide	Maintenance Of Real Property	415,733	415,733	415,733	-	415,733
68	Worldwide Unspecified	Air Force	Unspecified Worldwide	Mortgage Insurance Premiums	33	33	33	-	33
69	Worldwide Unspecified	Air Force	Unspecified Worldwide	Utilities Account	160,117	160,117	160,117	-	160,117
70	Worldwide Unspecified	Air Force	Unspecified Worldwide	Financing Adjustment - FH Construction	(1,033)	-	-	1,033	-
71	Worldwide Unspecified	Air Force	Unspecified Worldwide	Supervision, Inspection and Overhead - FH	1,161	-	-	(1,161)	-
72	Worldwide Unspecified	Air Force	Unspecified Worldwide	Revised Economic Assumption (Mid-Session)	-	-	-	(1,000)	(1,000)
73	Worldwide Unspecified	Air Force	Unspecified Worldwide	Revised Economic Assumption (Mid-Session)	-	-	-	(3,500)	(3,500)
74	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Services Account	75	75	75	-	75
75	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Maintenance Of Real Property	370	370	370	-	370
76	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Furnishings Account	21	21	21	-	21
77	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Utilities Account	414	414	414	-	414
78	Worldwide Unspecified	Defense Logistics Agency	Unspecified Worldwide	Management Account	247	247	247	-	247
79	Worldwide Unspecified	Defense Intelligence Agency	Unspecified Worldwide	Furnishings Account	3,401	3,401	3,401	-	3,401
80	Worldwide Unspecified	Defense Intelligence Agency	Unspecified Worldwide	Leasing	22,265	22,265	22,265	-	22,265
81	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	MFH Improvements	50	50	50	-	50
82	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Management Account	67	67	67	-	67
83	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Services Account	265	265	265	-	265
84	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Furnishings Account	132	132	132	-	132
85	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Miscellaneous Account	50	50	50	-	50
86	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Utilities Account	515	515	515	-	515
87	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Maintenance Of Real Property	244	244	244	-	244
88	Worldwide Unspecified	National Security Agency	Unspecified Worldwide	Leasing	13,374	13,374	13,374	-	13,374
89	Worldwide Unspecified	Defense Wide	Unspecified Worldwide	Family Housing Revitalization	-	-	-	-	-
90	Worldwide Unspecified	Defense-Wide	Unspecified Worldwide	Family Housing Improvement Fund	78,756	78,756	78,756	(76,756)	2,000
			Note 1 Transfer from Family Housing Improvement Fund						
		Total			3,115,687	3,602,231	3,611,844	487,404	3,594,591

FY 2000 BRAC Military Construction Projects

(Dollars in Thousands)

State	Installation or Location	Description	Amount
Army: BRAC IV Construction, Fiscal Year 2000			
Alabama	Fort McClellan	Alabama ARNG Enclave	11,000
	Fort McClellan	Ammunition Tranfser Point	1,600
Colorado	Fitzsimons Army Medical Center	Reserve Center	2,250
Missouri	Fort Leonardwood	Expand Dining Facility	3,250
New Jersey	Camp Pedricktown	Sewage Treatment Plant Bypass	1,100
Pennsylvania	Tobyhanna Army Depot	Guided Missile Maintenance Facility	6,700
		Total Army-BRAC IV Construction	**25,900**
Navy: BRAC IV Construction, Fiscal Year 2000			
California	MCAS, Camp Pendleton	Warehouse and Special Storage Facilities	5,994
Virginia	Norfolk, Naval Station	Building Renovation and Alterations	1,523
	Oceana, Naval Air Station	Hangar Renovation	21,313
		Total Navy-BRAC IV Construction	**28,830**
Air Force: BRAC IV Construction, Fiscal Year 2000			
Texas	Kelly Air Force Base	Alter Base Maintenance Shop	820
	Kelly Air Force Base	Alter Communications Facility	750
	Lackland Air Force Base	Add/Alter Base Engineer Facility	3,100
	Various Locations	Planning and Design	230
		Total Air Force-BRAC IV Construction	**4,900**

FY 2000 BRAC Military Construction Projects

(Dollars in Thousands)

Defense Logistics Agency: BRAC IV Construction, Fiscal Year 2000

Utah	Defense Distribution Region West, Depot Hill AFB	Contract Hardstand	1,100
		Total DLA-BRAC IV Construction	**1,100**

TITLE XXI—ARMY

Overview

The Senate bill would authorize $2,194,333,000 for Army military construction and family housing programs for fiscal year 2000.

The House amendment would authorize $2,384,417,000 for this purpose.

The conferees recommend authorization of appropriations of $2,353,231,000 for Army military construction and family housing for fiscal year 2000.

The conferees agree to general reductions of $45,453,000 in the authorization of appropriations for the Army military construction and military family housing accounts. The reductions are to be offset by savings from favorable bids, reduced overhead costs, and cancellations due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXI of this Act.

ITEMS OF SPECIAL INTEREST

Improvements to military family housing, Army

The conferees recommend that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Army execute the following project: $2,800,000 for whole neighborhood improvements (26 units) at Fort Campbell, Kentucky.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Army construction and land acquisition projects (sec. 2101)

The Senate bill contained a provision (sec. 2101) that would authorize Army construction projects for fiscal year 2000. The authorized amounts are listed on an installation-by-installation basis.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Family housing (sec. 2102)

The Senate bill included a provision (sec. 2102) that would authorize new construction and planning and design of family housing units for the Army for fiscal year 2000. The authorized amounts are listed on an installation-by-installation basis.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2103)

The Senate bill contained a provision (sec. 2103) that would authorize improvements to existing units of family housing for fiscal year 2000.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

Authorization of appropriations, Army (sec. 2104)

The Senate bill contained a provision (sec. 2104) that would authorize specific appropriations for each line item contained in the Army's budget for fiscal year 2000. This section would also provide an overall limit on the amount the Army may spend on military construction projects.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

TITLE XXII—NAVY

Overview

The Senate bill would authorize $2,076,717,000 for Navy military construction and family housing programs for fiscal year 2000.

The House amendment would authorize $2,084,107,000 for this purpose.

The conferees recommend authorization of appropriations of $2,108,087,000 for Navy military construction and family housing for fiscal year 2000.

The conferees agree to general reductions of $37,827,000 in the authorization of appropriations for the Navy military construction and military family housing accounts. The reductions are to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXII of this Act.

ITEMS OF SPECIAL INTEREST

Acquisition of Preposition Equipment Maintenance Facilities, Blount Island, Jacksonville, Florida

The conferees note the recent approval by the Secretary of Defense of a waiver of the current moratorium on land acquisition for the purchase of the afloat prepositioning maintenance facility at Blount Island, Jacksonville, Florida currently operated under lease by the Marine Corps. The conferees acknowledge that these facilities are critical to the prepositioning support of the Marine Corps and further note that ownership of these facilities would save the Department of the Navy between six and seven million dollars annually. In an effort to ensure continued readiness of the Marine Corps, the need for strategic placement of prepositioning facilities, and the desire to obtain the most cost-effective solution to prepositioning operations, the conferees expect the Secretary of the Navy to proceed with those actions necessary to bring this acquisition to completion at the earliest possible time.

Improvements to military family housing, Navy

The conferees recommend the transfer of military family housing projects from the Family Housing Improvement Fund to Family Housing Construction, Navy for the following locations: Naval Training Center Great Lakes, Illinois; Marine Corps Base Camp Lejeune, North Carolina; Naval Inventory Control Point, Philadelphia, Pennsylvania; and Marine Corps Recruit Depot, Parris Island, South Carolina.

The conferees further recommend that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Navy execute the following project: $9,100,000 for whole neighborhood improvement (91 units) at Marine Corps Base, Camp Lejeune, North Carolina.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Navy construction and land acquisition projects (sec. 2201)

The Senate bill contained a provision (sec. 2201) that would authorize Navy construction projects for fiscal year 2000. The authorized amounts are listed on an installation-by-installation basis.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Family housing (sec. 2202)

The Senate bill contained a provision (sec. 2202) that would authorize new construction and planning and design of family housing units for the Navy for fiscal year 2000. The authorized amounts are listed on an installation-by-installation basis.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2203)

The Senate bill contained a provision (sec. 2203) that would authorize improvements to existing units of family housing for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

Authorization of appropriations, Navy (sec. 2204)

The Senate bill contained a provision (sec. 2204) that would authorize specific appropriations for each line item in the Navy's budget for fiscal year 2000. This section would also provide an overall limit on the amount the Navy may spend on military construction projects.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

Modification of authority to carry out fiscal year 1997 project (sec. 2205)

The Senate bill contained a provision (sec. 2205) that would correct the number of units of military family housing units authorized for construction at Naval Air Station Brunswick, Maine in the Military Construction Act for Fiscal Year 1997 (division B of Public Law 104–201).

The House amendment contained no similar provision.

The House recedes with a technical amendment.

Authorization to accept electrical substation improvements, Guam (sec. 2206)

The House amendment contained a provision (sec. 2205) that would authorize the Secretary of the Navy to accept electrical utility system improvements valued at $610,000 from the Guam Power Authority at Agana Substation and Harmon Substation at Public Works Center, Guam.

The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Correction in authorized use of funds, Marine Corps Combat Development Command, Quantico, Virginia

The House amendment contained a provision (sec. 2206) that would correct the authorized use of funds authorized for appropriation for fiscal year 1997 for a military construction project at Marine Corps Command Development Command, Quantico, Virginia. This section would permit the use of previously authorized funds to carry out a military construction project involving infrastructure development at that installation.

The Senate bill contained no similar provision.

The House recedes.

The conferees note that the sanitary landfill at the Marine Corps Combat Development Command, Quantico, Virginia authorized by the Military Construction Authorization Act for Fiscal Year 1997 (Division B of Public Law 104-201) is no longer required. The conferees agree to extend the funds for the sanitary landfill and direct the Secretary of the Navy to submit a report detailing the need for the infrastructure improvements project with the fiscal year 2001 budget request.

Title XXIII—Air Force

Overview

The Senate bill would authorize $1,931,051,000 for Air Force military construction and family housing programs for fiscal year 2000.

The House amendment would authorize $1,874,053,000 for this purpose.

The conferees recommend authorization of appropriations of $1,948,052,000 for Air Force military construction and family housing for fiscal year 2000.

The conferees agree to general reductions of $30,311,000 in the authorization of appropriations for the Air Force military construction and military family housing accounts. The reductions are to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXIII of this Act.

ITEMS OF SPECIAL INTEREST

Economic redevelopment, Homestead Air Force Base, Florida

The conferees are concerned about the status of economic redevelopment at, and in the vicinity of, Homestead Air Force Base, Florida, which was closed as an active installation and realigned to support reserve component requirements through the recommendation of the Base Closure and Realignment Commission of 1993. The conferees are aware a Supplemental Environmental Impact Statement by the Secretary of the Air Force. The conferees note that the supplemental environmental assessments follow a previously completed Environmental Impact Statement, which culminated in a Record of Decision in October 1994. The conferees encourage the Secretary to proceed expeditiously to complete the Supplemental Environmental Impact Statement so that effective economic reuse may begin at that installation. The conferees direct the Secretary of the Air Force to report every 60 days to the congressional defense committees on progress toward the completion of the Supplemental Environmental Impact Statement.

Improvements to military family housing, Air Force

The conferees recommend that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Air Force execute the following project: $5,550,000 for family housing improvements (50 units) at Charleston Air Force Base, South Carolina.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Air Force construction and land acquisition projects (sec. 2301)

The Senate bill contained a provision (sec. 2301) that would authorize Air Force construction projects for fiscal year 2000. The authorized amounts are listed on an installation-by-installation basis.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Family housing (sec. 2302)

The Senate bill contained a provision (sec. 2302) that would authorize new construction and planning and design of family housing units for the Air Force for fiscal year 2000.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2303)

The Senate bill contained a provision (sec. 2303) that would authorize improvements to existing units of family housing for fiscal year 2000.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

Authorization of appropriations, Air Force (sec. 2304)

The Senate bill contained a provision (sec. 2304) that would authorize specific appropriations for each line item in the Air Force's budget for fiscal year 2000. This section would also provide an overall limit on the amount the Air Force may spend on military construction projects.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

LEGISLATIVE PROVISIONS NOT ADOPTED

Consolidation of Air Force Research Laboratory Facilities at Rome Research Site, Rome, New York

The Senate bill contained a provision (sec. 2305) that would authorize the Secretary of the Air Force to accept contributions from the State of New York for the purposes of carrying out military construction projects relating to the consolidation of Air Force Research Laboratory facilities at Rome Research Site, Rome, New York.

The House amendment contained a provision (sec. 2305) that would require the Secretary of the Air Force to submit, not later than January 1, 2000, a plan on efforts to consolidate research and technology development activities conducted at the Air Force Research Laboratory located at the Rome Research Site, Rome, New York.

The House and Senate recede.

Title XXIV—Defense Agencies

Overview

The Senate bill would authorize $870,915,000 for Defense Agencies military construction and family housing programs for fiscal year 2000. The bill would also authorize $892,911,000 for base closure activities.

The House amendment would authorize $834,298,000 for Defense Agencies military construction and family housing programs for fiscal year 2000. The amendment would also authorize $705,911,000 for base closure activities.

The conferees recommend authorization of appropriations of $672,474,000 for Defense Agencies military construction and family housing for fiscal year 2000. The conferees also recommend authorization of appropriations of $689,711,000 for base closure activities.

The conferees agree to a general reduction of $31,350,000 in the authorization of appropriations for the Defense Agencies military construction account. The general reduction is to be offset by savings from favorable bids and reductions in overhead costs. The conferees further agree to a general reduction of $93,000,000 in the authorization of appropriations for the chemical demilitarization program. The reduction to the entire chemical demilitarization program is based on unobligated prior year funds. The conferees do not intend this reduction to interfere with timely compliance with the Chemical Weapons Convention. The general reductions shall not cancel any military construction projects authorized by title XXIV of this Act.

ITEMS OF SPECIAL INTEREST

Armed Forces Institute of Pathology Facility, Walter Reed Army Medical Center, Washington, D.C.

The conferees are concerned that two recent studies have identified extensive life safety, occupational health and operational deficiencies in the facilities supporting the Armed Forces Institute of Pathology (AFIP), principally Building 54 located at the Walter Reed Army Medical Center, Washington, D.C. The identified deficiencies include an inadequate fire alarm system, unreliable emergency power, non-compliant fire separation, insufficient space, failing utilities, and a failure to provide controlled environmental conditions. The conferees are concerned that these conditions are negatively affecting AFIP's mission and may compromise the health and welfare of its employees.

The conferees understand that a military construction project to replace and renovate Building 54 was initially programmed by the Department of the Army at a cost of $185.0 million. The facility was designated for an available site as part of the current Walter Reed master plan. The project was deferred by direction of the Office of the Secretary of Defense.

As an alternative to the military construction project, the American Registry of Pathology has proposed financing, building, and operating a new laboratory for the AFIP. The ARP's proposal would gift the structure to the government following an anticipated 30 year lease. This lease would cost as much as $600.0 million.

The conferees believe that current conditions of AFIP facilities warrant timely corrective action. The conferees direct the Secretary of Defense to evaluate alternatives for improving the AFIP facilities and report all conclusions and recommendations coincident with the submission of the budget request for military construction for fiscal year 2000.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Defense Agencies construction and land acquisition projects (sec. 2401)

The Senate bill contained a provision (sec. 2401) that would authorize defense agencies construction projects for fiscal year 2000. The authorized amounts are listed on an installation-by-installation basis.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2402)

The Senate bill contained a provision (sec. 2402) that would authorize the Secretary of Defense to make improvements to existing units of family housing for fiscal year 2000.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

Military Housing Improvement Program (sec. 2403)

The Senate bill contained a provision (sec. 2403) that would authorize appropriations of $78,756,000 for credit to the Department of Defense Family Housing Improvement Fund.

The House amendment contained a similar provision.

The conferees recommend authorization of appropriations of $2,000,000 for credit to the Department of Defense Family Housing Improvement Fund for fiscal year 2000.

The conferees reallocated $76,756,000 from the Family Housing Improvement Fund to Family Housing Construction, Army, and Family Housing Construction, Navy, due to the deferral or cancellation of privatization efforts at several installations.

Energy conservation projects (sec. 2404)

The Senate bill contained a provision (sec. 2404) that would authorize the Secretary of Defense to carry out energy conservation projects.

The House amendment contained a simillar provision.

The conference agreement includes this provision.

Authorization of appropriations, Defense Agencies (sec. 2405)

The Senate bill contained a provision (sec. 2405) that would authorize specific appropriations for each line item in the Defense Agencies' budget for fiscal year 2000. This section would also provide an overall limit on the amount the Defense Agencies may spend on military construction projects.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

Increase in fiscal year 1997 authorization for military construction projects at Pueblo Chemical Activity, Colorado (sec. 2406)

The Senate bill contained a provision (sec. 2406) that would modify the table in section 2101 of the Military Construction Authorization Act for Fiscal Year 1997 to increase the authorization for the construction of the Pueblo Chemical Activity, Colorado, from $179,000,000 to $203,500,000.

The House amendment contained a similar provision.

The Senate recedes.

Condition on obligation of military construction funds for Drug Interdiction and Counter-Drug Activities (sec. 2407)

The House amendment contained a provision (sec. 2407) that would prohibit the obligation of funds authorized for appropriation for military construction to support the development of forward operating locations for the drug interdiction and counter-drug activities of the Department of Defense until after the end of the 30-day period beginning on the date on which the Secretary of Defense submits to the Congress a report describing in detail the purposes for which such funds will be obligated and expended.

The Senate bill contained no similar provision.

The Senate recedes.

Title XXV—North Atlantic Treaty Organization Security Investment Program

Overview

The Senate bill would authorize $166,430,000 for the U.S. contribution to the NATO Security Investment Program for fiscal year 2000.

The House amendment would authorize $191,000,000 for this purpose.

The conferees agree to authorize $81,000,000 million for the U.S. contribution to the NATO Security Investment Program.

LEGISLATIVE PROVISIONS ADOPTED

Authorized NATO construction and land acquisition projects (sec. 2501)

The Senate bill contained a provision (sec. 2501) that would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization Security Investment program in an amount equal to the sum of the amount specifically authorized in section 2502 of the Senate bill and the amount of recoupment due to the United States for construction previously financed by the United States.

The House amendment contained an identical provision.

The conference agreement includes this provision.

Authorization of appropriations, NATO (sec. 2502)

The Senate bill a provision (sec. 2502) that would authorize appropriations of $166,340,000 as the United States contribution to the North Atlantic Treaty Organization (NATO) Security Investment Program.

The House amendment would authorize $191,000,000 for this purpose.

The conferees agree to authorize $81,000,000 for the United States contribution to the NATO Security Investment Program.

TITLE XXVI-GUARD AND RESERVE FORCES FACILITIES

Overview

The Senate bill would authorize $590,135,000 for military construction and land acquisition for fiscal year 2000 for the Guard and Reserve components.

The House amendment would authorize $437,701,000 for this purpose.

The conferees recommend authorization of appropriations of $644,688,000 for military construction and land acquisition for fiscal year 2000. This authorization would be distributed as follows:

Army National Guard	$205,448,000
Air National Guard	253,918,000
Army Reserve	107,149,000
Air Force Reserve	52,784,000
Naval and Marine Corps Reserve	25,389,000
Total	644,688,000

The conferees agree to the following general reductions: $4,223,000 in the authorization of appropriations for the Army National Guard military construction account; $5,652,000 in the authorization of appropriations for the Air National Guard military construction account; $2,891,000 in the authorization of appropriations for the Army Reserve military construction account; $2,080,000 in the authorization of appropriations for the Air Force Reserve military construction account; and $674,000 in the authorization of appropriations for the Naval Reserve military construction account. The general reductions are to be offset by savings from favorable bids, reductions in overhead costs, and cancellation of projects due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXVI of this Act.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Guard and Reserve construction and land acquisition projects (sec. 2601)

The Senate bill contained a provision (sec. 2601) that would authorize appropriations for military construction for the guard and reserve by service component for fiscal year 2000.

The House amendment contained a similar provision.

The conference agreement includes a similar provision.

The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Modification of authority to carry out fiscal year 1998 project (sec. 2602)

The Senate bill contained a provision (sec. 2865) that would amend section 2603 of the National Defense Authorization Act for Fiscal Year 1998 to authorize the Secretary of the Army to accept payment for the costs associated with the conveyance of Fort Douglas and relocation of Army Reserve units. The funds received under this authority would be credited to the appropriations, fund or account from which the expenses were paid.

The House amendment contained no similar provision.

The House recedes with an amendment that would make the use of the reimbursed funds subject to appropriations. The amendment would also make certain technical corrections.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Expiration of authorizations and amounts required to be specified by law (sec. 2701)

The Senate bill contained a provision (sec. 2701) that would provide that authorizations for military construction projects, repair of real property, land acquisition, family housing projects and facilities, contributions to the North Atlantic Treaty Organization Security Investment Program, and guard and reserve projects will expire on October 1, 2002, or the date of enactment of an Act authorizing funds for military construction for fiscal year 2003, whichever is later. This expiration would not apply to authorizations for which appropriated funds have been obligated before October 1, 2002, or the date of enactment of an Act authorizing funds for these projects, whichever is later.

The House amendment contained an identical provision.

The conference agreement includes this provision.

Extension of authorizations of certain fiscal year 1997 projects (sec. 2702)

The Senate bill contained a provision (sec. 2702) that would provide for selected extension of certain fiscal year 1997 military construction authorizations until October 1, 2000, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 2001, whichever is later.

The House amendment contained a similar provision.

The House recedes with a technical amendment.

Extension of authorizations of certain fiscal year 1996 projects (sec. 2703)

The Senate bill contained a provision (sec. 2703) that would provide for selected extension of certain fiscal year 1996 military construction authorizations until October 1, 2000, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 2001, whichever is later.

The House amendment contained a similar provision.

The House recedes with a technical amendment.

Effective date (sec. 2704)

The Senate bill contained a provision (sec. 2704) that would provide that Titles XXI, XXII, XXIII, XXIV, XV, and XXVI of this bill shall take effect on October 1, 1999, or the date of the enactment of this Act, whichever is later.

The House amendment contained an identical provision.

The conference agreement includes this provision.

TITLE XXVIII—GENERAL PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Military Construction Program and Military Family Housing Changes

Exemption from notice and wait requirements of military construction projects supported by burdensharing funds undertaken for war or national emergency (sec. 2801)

The Senate bill contained a provision (sec. 2801) that would amend section 2350 of title 10, United States Code, to waive the 21-day notice and wait reporting requirement on the use of burdensharing funds for military construction projects in time of war or national emergency. In the event the secretary of a military department directs construction of a project under conditions of war or national emergency using such funds, the secretary would be required to submit a report to the congressional defense committees not later than 30 days after directing such action.

The House amendment contained no similar provision.

The House recedes.

Development of Ford Island, Hawaii (sec. 2802)

The Senate bill contained a provision (sec. 2862) that would authorize a series of special authorities for the development of Ford Island, Hawaii, by the Secretary of the Navy. The authorities would authorize the Secretary to convey or lease excess real or personal property in the State of Hawaii for the purpose of facilitating such development and would authorize the Secretary to accept a lease of any facility constructed under this authority in lieu of cash payment for the sale or lease of real property under this authority. In general, no lease entered into by the Secretary under this section could exceed ten years and, upon the termination of any lease, the Secretary would have the right of first refusal to acquire the property. The provision would require the Secretary to use competitive procedures when exercising any of the authorities provided by this section.

As consideration for the sale or lease of real or personal property, the Secretary may accept cash, real property, personal property, services, or any combination thereof, and in no case shall the amount received be less than the fair market value of the real or personal property conveyed or leased. The provision would establish an account on the books of the Treasury known as the Ford Island Improvement Account to carry out improvements and obtain property support services for property or facilities on Ford Island.

This provision would require the Secretary of the Navy to submit a master plan for the development of Ford Island to the appropriate committees of Congress 30 days prior to exercising any of the authorities provided by this section. The provision would also require the Secretary, 30 days prior to the commencement of any lease, sale, or exchange of real property, to submit to the Congressional defense committees a report detailing the terms and conditions of any transaction. This section would prohibit the Secretary from acquiring, constructing, or improving military family housing or unaccompanied personnel housing under this authority in lieu of the authority provided by subchapter IV, chapter 169 of title 10, United States Code. The povision would authorize the Secretary to transfer funds from the Ford Island Improvement Account to the Department of Defense Family Housing Improvement Fund and the Department of Defense Military Unaccompanied Housing fund for such purposes.

The House amendment contained a similar provision (sec. 2802).

The Senate recedes with an amendment that would limit the property the Secretary may lease to any public or private sector entity to parcels not required for current operations. The amendment would also strike the prohibition that the Secretary may not enter a lease unless specifically authorized by law.

Expansion of entities eligible to participate in alternative authority for acquisition and improvement of military housing (sec. 2803)

The Senate bill contained a provision (sec. 2807) that would amend subchapter IV, chapter 169, of title 10, United States Code, to expand the entities eligible to participate in the alternative authorities for the acquisition and improvement of military housing to include any individual, corporation, firm, partnership, company, State or local government, or housing authority of a State or local government.

The House amendment contained a similar provision (sec. 2806).

The Senate recedes with an amendment that would modify the definition of "eligible entity" by striking the word "individual" and inserting "private person."

Restriction on authority to acquire or construct ancillary supporting facilities for housing units (sec. 2804)

The Senate bill contained a provision (sec. 2804) that would amend section 2881 of title 10, United States Code, to limit the type of ancillary facilities that may be included in the acquisition or construction of military family housing units under the Military Housing Privatization Initiative. The provision would limit ancillary facilities to those that would not be in direct competition, as determined by the Secretary concerned, with the provision of merchandise or services provided by the Army and Air Force Exchange Services, the Navy Exchange Services Command, the Marine Corps Exchange, the Defense Commissary Agency, or any non-appropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

The House amendment contained a similar provision (sec. 2803).

The House recedes with a technical amendment.

Planning and design for military construction projects for reserve components (sec. 2805)

The Senate bill contained a provision (sec. 2805) that would amend section 18233 of title 10, United States Code, to clarify the authority of the Secretary of Defense to utilize funds for the design of military construction projects for the reserve components.

The House amendment contained a similar provision (sec. 2804).

The Senate recedes.

Modification of limitations on reserve component facility projects for certain safety projects (sec. 2806)

The Senate bill contained a provision (sec. 2806) that would amend section 18233a of title 10, United States Code, to authorize the use of unspecified minor construction funds for military construction projects costing less than $3,000,000 and intended to correct deficiencies that are threatening to life, health, or safety. The provision would also authorize the use of funds available from the operations and maintenance appropriations for projects costing less that $1,000,000 to correct deficiencies that are threatening to life, health or safety.

The House amendment contained a similar provision (sec. 2805).

The House recedes.

Sense of Congress on using incremental funding to carry out military construction projects (sec. 2807)

The Senate bill contained a provision (sec. 2802) that would amend section 2802 of title 10, United States Code, to prohibit the Secretary of Defense and the secretaries of the military departments from obligating funds for a military construction project if the funds appropriated for such projects are insufficient to provide for the construction of a usable facility. The provision would also express the sense of Congress that the President should submit annual budget requests with funding sufficient to fully fund each military construction project and that the Congress should authorize and appropriate sufficient funds to fully fund each military construction project.

The House amendment contained no similar provision.

The House recedes with an amendment that would express the sense of Congress that the President should request in the budget for each fiscal year sufficient funds necessary to construct a complete and usable facility or usable improvements to an existing facility. The amendment would make an exception for large projects that may be phase funded consistent with established practices for such projects.

The Department of Defense has traditionally requested full funding for military construction projects, except in limited cases where large projects cost over $50.0 million and construction is expected to exceed two years. The conferees remain concerned that, contrary to these well established budgetary practices and good business practices, the President requested incremental funding, on an outlay-rate basis, for nearly all military construction and family housing projects in the fiscal year 2000 budget. The conferees note that testimony provided to Congress by senior officials of the Department of Defense and military departments indicated for all but the largest military construction projects, incremental funding would likely be detrimental to completion of these projects in a timely fashion. The conferees are deeply concerned that the incremental funding of military construction projects would be less efficient than full funding, may increase the cost of construction, and may increase the administrative burden in awarding and monitoring construction contracts. The conferees find this unacceptable since it detracts from the value of the military construction program. The conferees urge the President to request full funding in future budget requests for military construction projects.

Subtitle B—Real Property and Facilities Administration

Extension of authority for lease of real property for special operations activities (sec. 2811)

The Senate bill contained a provision (sec. 2811) that would amend section 2680 of title 10, United States Code, to extend until September 30, 2005, the authority provided to the Secretary of Defense to lease real property to support special operations activities.

The House amendment contained a similar provision (sec. 2811).

The Senate recedes.

Enhancement of authority relating to utility privatization (sec. 2812)

The Senate bill contained a provision (sec. 2812) that would amend section 2688 of title 10, United States Code, to authorize the secretaries of the military departments to enter into a contract for the receipt of utility services in connection with the conveyance of a utility system for a period not to exceed 50 years. The provision would further amend section 2688 of title 10, United States Code, to permit the secretaries of the military departments, in lieu of carrying out a military construction project to construct, repair, or replace a utility system, to use funds authorized and appropriated for such a project to make a contribution toward the cost of construction, repair, or replacement of the utility system by the entity to which the utility system is being conveyed.

The House amendment contained a similar provision (sec. 2812), which would further amend section 2688 of title 10, United States Code, to clarify that the secretaries of the military department may convey associated real property, in addition to easements and rights-of-way, if such property is required to further the privatization of a utility system.

The Senate recedes with a technical amendment.

Acceptance of funds to cover administrative expenses relating to certain real property transactions (sec. 2813)

The House amendment contained a provision (sec. 2813) that would authorize the secretary of a military department to accept reimbursement from non-federal entities for the cost of administrative expenses relating to the disposal of real property of the United States for which the secretary will be the disposal agent.

The Senate bill contained no similar provision.

The Senate recedes.

Operations of Naval Academy dairy farm (sec. 2814)

The House amendment contained a provision (sec. 1044) that would authorize the Superintendent of the Naval Academy to retain all money received from the lease of the Naval Academy dairy farm and to use the funds to cover expenses related to the dairy farm, including reimbursing nonappropriated fund instrumentalities of the Naval Academy.

The Senate bill contained no similar provision.

The Senate recedes.

Study and report on impacts to military readiness of proposed land management changes on public lands in Utah (sec. 2815)

The House amendment contained a provision (sec. 2814) that would require Secretary of Defense to conduct a study to evaluate the impact upon military training, testing, and operational readiness of any proposed changes in land management of the Utah national defense lands.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Designation of missile intelligence building at Redstone Arsenal, Alabama, as the Richard C. Shelby Center for Missile Intelligence (sec. 2816)

The conferees include a provision that would designate the newly constructed missile intelligence building located at Redstone Arsenal in Huntsville, Alabama, as the "Richard C. Shelby Center for Missile Intelligence."

Subtitle C—Defense Base Closure and Realignment

Economic development conveyance of base closure property (sec. 2821)

The Senate bill contained a provision (sec. 2821) that would amend the Defense Base Closure and Realignment Act of 1990 (division D of Public Law 101-510) and the 1988 Base Realignment and Closure Act (division B of Public Law 100-526). The provision would authorize the Secretary of military departments concerned to transfer, without consideration, property on an installation recommended for closure or realignment to the local redevelopment authority (LRA), if the authority's reuse plan provides for the property to be used for job creation and any economic benefits are reinvested in the economic redevelopment of the installation and surrounding community.

The provision would provide the secretaries with the authority to modify existing economic development conveyances (EDCs), provided the modification is necessary to achieve rapid economic revitalization and replacement of lost jobs; does not require the return of payments or in kind consideration; is necessary to generate additional employment opportunities; and is subject to the same requirements as those granted under this new authority. The provision would be applicable to conveyances concluded or after April 21, 1999.

The House amendment contained no similar provision.

The House recedes with an amendment that would limit the authority of the secretary concerned to modify conveyances under this authority so that the consideration generated from the modified agreement, combined with the proceeds from the disposal of other assets at the installation, are sufficient to reimburse the reserve account for depreciated value of the Non-Appropriated Fund investment in morale, welfare, and recreation and commissary assets with the conveyed parcel of real property. The amendment would also reduce the period in which reinvestment must be made in improvements from ten to seven years. The amendment would also make certain technical and conforming changes.

The conferees reiterate the conveyance of surplus property under this provision is to support permanent job creation. The secretaries of the military departments are strongly encouraged to continue existing policy that while a property transfer for housing in and of itself would not qualify as an economic development conveyance, its inclusion with other properties that are used for permanent job creation (for example, revenue generation to offset a community's redevelopment cost burden) is acceptable. The secretaries of the military departments are further strongly encouraged to prevent "windfall profits" from property conveyances under this provision, by assuring that proceeds from use of the property are used only for purposes legitimately related to permanent job creation on or related to the closing or realigning installation. Otherwise, the secretaries of the military departments should consider sharing in proceeds that are greater than those required to redevelop the base. Finally, it is the intention of the conferees that this expanded authority will not adversely affect current law that already authorizes no-cost property conveyances to rural communities. The secretaries of the military departments are strongly encouraged to ensure that conveyances under this authority do not additionally burden rural recipients of property.

The conferees urge the Secretary of Defense to establish a policy that the service secretaries use all cash proceeds from any disposal of base closure assets at a particular installation to first fund the reserve account established by section 204 of the Defense Authorization and Base Closure and Realignment Act (Public Law 100-526). The amount of funding should equal the depreciated value of the investment made with commissary store funds or non-appropriated funds in facilities on that installation. The service secretaries should fund the reserve account even if the relevant facilities were disposed of in a way that did not generate cash proceeds.

The conferees emphasize that conveyances under this authority do not supplant the transfer authorities delegated to the Department of Defense by the General Services Administration for public benefit purposes, including ports and aviation facilities. The conferees direct the secretary of the appropriate military department to notify the congressional defense committees in each instance in which an economic development conveyance is granted and include a report on the terms and conditions of the conveyance.

Continuation of authority to use Department of Defense Base Closure Account 1990 for activities required to close or realign military installations (sec. 2822)

The Senate bill contained a provision (sec. 322) that would amend section 2703 of title 10, United States Code, to establish an environmental restoration account for Formerly Used Defense Sites and for bases closed or realigned under the Defense Base Closure and Realignment Act of 1990 (division B of Public Law 101-510), as amended, and title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), as amended.

The House amendment contained a provision (sec. 2821) that would amend section 2906 of the Defense Base Closure and Realignment Act of 1990, as amended, to extend the Treasury account known as the "Department of Defense Base Closure Account 1990." The account would be the sole source of funds to carry out environmental restoration activities after the termination of the Secretary of Defense authority to close and realign military installations.

The Senate recedes.

Subtitle D—Land Conveyances

Part I—Army Conveyances

Transfer of jurisdiction, Fort Sam Houston, Texas (sec. 2831)

The House amendment contained a provision (sec. 2831) that would authorize the transfer of, and exchange of jurisdiction on, a parcel of unimproved real property consisting of approximately 152 acres at Fort Sam Houston, Texas, between the Secretary of the Army and the Secretary of Veterans Affairs. The parcel is to be incorporated into the Fort Sam Houston National Cemetery.

The Senate bill contained no similar provision.

The Senate recedes.

Land exchange, Rock Island Arsenal, Illinois (sec. 2832)

The House amendment contained a provision (sec. 2839) that would authorize the Secretary of the Army to convey a parcel of real property with improvements, consisting of approximately one-third of an acre at the Rock Island Arsenal, Illinois, to the City of Moline, Illinois. The property is to be used for the purpose of construction by the City of an entrance and exit ramp for the bridge crossing the southeast end of the island containing the Arsenal. As consideration for the conveyance, the City would convey to the United States a parcel of real property consisting of approximately two-tenths of an acre located in the vicinity of the real property to be conveyed by the Secretary. The cost of any surveys necessary for the conveyance would be borne by the City.

The Senate bill contained no similar provision.

The Senate recedes.

Land conveyance, Army Reserve Center, Bangor, Maine (sec. 2833)

The Senate bill contained a provision (sec. 2831) that would authorize the Secretary of the Army to convey, without consideration, to the City of Bangor, Maine, a parcel of excess real property including improvements thereon, consisting of approximately five acres and containing the Harold S. Slager Army Reserve Center. The purpose of the conveyance would be for educational purposes. The provision would include a reversionary clause in the event that the Secretary determines that the conveyed property has not been used for educational purposes.

The House amendment contained no similar provision.

The House recedes with an amendment that would strike the determination that the property is excess and would make technical corrections.

Land conveyance, Army Reserve Center, Kankakee, Illinois (sec. 2834)

The House amendment contained a provision (sec. 2832) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements to the City of Kankakee, Illinois. The property is to be used for the economic development and other public purposes. The cost of any surveys necessary for the conveyance would be borne by the City.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United Stated for a five year period, beginning on the date the Secretary makes the conveyance.

Land conveyance, Army Reserve Center, Cannon Falls, Minnesota (sec. 2835)

The House amendment contained a provision (sec. 2837) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements to the Cannon Falls Area Schools, Minnesota, Independent School District Number 252. The property is to be used for educational purposes. The cost of any surveys necessary for the conveyance would be borne by the District.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United Stated for a five year period, beginning on the date the Secretary makes the conveyance.

Land conveyance, Army Maintenance Support Activity (Marine) Number 84, Marcus Hook, Pennsylvania (sec. 2836)

The House amendment contained a provision (sec. 2834) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements, consisting of approximately five acres, to the Borough of Marcus Hook, Pennsylvania. The property is to be used for recreational or economic development purposes. The cost of any surveys necessary for the conveyance would be borne by the Borough. The section would also provide for the reversionary interest of the United States in the conveyed real property and any improvements thereon in the event the Secretary determines that the conveyed property is not used in accordance with the condition of conveyance.

The Senate bill contained no similar provision.

The Senate recedes.

Land conveyances, Army docks and related property, Alaska (sec. 2837)

The House amendment contained a provision (sec. 2835) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements, consisting of less than one-tenth of an acre, to the City and Borough of Juneau, Alaska. The property is to be used for the furtherance of navigation-related commerce. The cost of any surveys necessary for the conveyance would be borne by the City. The provision would also authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements, consisting of approximately 6.13 acres in Whittier, Alaska, to the Alaska Railroad Corporation. The property is to be used for economic development purposes. The cost of any surveys necessary for the conveyance would be borne by the corporation.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would specify that the purposes of the conveyance are for navigation-related commerce and economic development. The amendment would also require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes each conveyance.

Land conveyance, Fort Huachuca, Arizona (sec. 2838)

The House amendment contained a provision (sec. 2836) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements, consisting of approximately 130 acres at Fort Huachuca, Arizona, to the Veterans Services Commission of the State of Arizona. The property is to be used for the establishment of a State-run veterans' cemetery. The cost of any surveys necessary for the conveyance would be borne by the Commission.

The Senate bill contained no similar provision.

The Senate recedes with a technical amendment.

Land conveyance, Nike Battery 80 family housing site, East Hanover Township, New Jersey (sec. 2839)

The House amendment contained a provision (sec. 2838) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements, consisting of approximately 13.88 acres near East Hanover, New Jersey, to the Township Council of East Hanover. The property is to be used for the development of affordable housing and for recreational purposes. The cost of any surveys necessary for the conveyance would be borne by the Township.

The Senate bill contained no similar provision.

The Senate recedes.

Land conveyances, Twin Cities Army Ammunition Plant, Minnesota (sec. 2840)

The Senate bill contained a provision (sec. 2832) that would authorize the Secretary of the Army to convey a parcel of real property with improvements, consisting of approximately four acres, at the Twin Cities Army Ammunition Plant, Minnesota, to the City of Arden Hills, Minnesota. The property is to be used for the purpose of permitting the City to construct a city hall complex. The cost of any surveys necessary for the conveyance would be borne by the City. The section would also authorize the Secretary of the Army to convey a parcel of real property with improvements, consisting of approximately 35 acres, at the Twin Cities Army Ammunition Plant, Minnesota, to Ramsey County, Minnesota. The property is to be used for the purpose of permitting the County to construct a maintenance facility. The cost of any surveys necessary for the conveyance would be borne by the County. As consideration for the conveyances, both the City and the County would make the facilities to be constructed available for use by the Minnesota National Guard at no cost.

The House amendment contained a similar provision.

The Senate recedes.

Repair and conveyance of Red Butte Dam and Reservoir, Salt Lake City, Utah (sec. 2841)

The Senate bill contained a provision (sec. 2833) that would authorize the Secretary of the Army to convey, without consideration, the Red Butte Dam and Reservoir, Salt Lake City, Utah to the Central Utah Water Conservancy District, Utah. The Secretary would be authorized to provide funds to the District for the purpose of repairing the dam to meet the standards required by the laws of the State of Utah.

The House amendment contained no similar provision.

The House recedes with an amendment that would limit the funds the Secretary of the Army may make available to the District for improvements to the Red Butte Dam and Reservoir to an amount not to exceed $6.0 million.

Modification of land conveyance, Joliet Army Ammunition Plant, Illinois (sec. 2842)

The House amendment contained a provision (sec. 2840) that would amend section 2922 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106) to place additional conditions on the conveyance of certain real property at Joliet Army Ammunition Plant to Will County, Illinois, for a landfill. The section would require that the landfill may only contain waste generated in Will County or waste generated in municipalities located at least in part in Will County. The section would also require that the landfill be closed and capped after 23 years of operation.

The Senate bill contained no similar provision.

The Senate recedes.

Part II—Navy Conveyances

Land conveyance, Naval Weapons Industrial Reserve Plant No. 387, Dallas, Texas (sec. 2851)

The Senate bill contained a provision (sec. 2843) that would authorize the Secretary of the Navy to convey, without consideration, to the City of Dallas, Texas a parcel of real property, with improvements, consisting of approximately 314 acres at the Naval Weapons Industrial Reserve Plant No. 387, Dallas, Texas. The provision would authorize the reconveyance of the property to a private entity only at fair market value. The provision would authorize the Secretary to convey to the City those improvements, equipment, fixtures, and other personnel property that the Secretary determines to be no longer required by the Navy for other purposes. The provision would further authorize an interim lease of the facility and require the Secretary to continue to maintain the property under the existing lease until it is conveyed. The provision would include a reversionary interest of the United States in the property clause if the Secretary determines that the conveyed property is not used for economic development purposes.

The House amendment contained a similar provision (sec. 2851).

The Senate recedes with an amendment that would modify the interim lease authority of the Secretary. The amendment would require the Secretary to assume maintenance responsibility over the property upon termination of the current lease, or the date the property is vacated by the current tenant whichever is later. The amendment would also require the current tenant to maintain the property as provided in the existing lease or any successor lease.

Land conveyance, Marine Corps Air Station, Cherry Point, North Carolina (sec. 2852)

The House amendment contained a provision (sec. 2853) that would authorize the Secretary of the Navy to convey, without consideration, a parcel of unimproved real property, consisting of approximately 20 acres at Marine Corps Air Station, Cherry Point, North Carolina, to the State of North Carolina. The property is to be used for educational purposes. The conveyance would be subject to the condition that the State grant easements and rights-of-way necessary to ensure that the use of the parcel is compatible with the operations of Marine Corps Air Station, Cherry Point. The cost of any surveys necessary for the conveyance would be borne by the State.

The Senate bill contained no similar provision.

The Senate recedes.

Land conveyance, Newport, Rhode Island (sec. 2853)

The Senate bill contained a provision (sec. 2842) that would authorize the Secretary of the Navy to convey, without consideration, a parcel of real property to the City of Newport, Rhode Island, consisting of approximately 15 acres at the Naval Station, Newport, known as the Ranger Road site. The conveyance would be subject to the condition that the city would use the property as a satellite campus of the Community College of Rhode Island, a center for child day care and early childhood education, or a center for offices of the Government of the State of Rhode Island. The property would revert to the United States, if the Secretary determines within five years that the property is not used for any of the purposes for which conveyance is authorized.

The House amendment contained no similar provision.

The House recedes with an amendment that would authorize the Secretary of the Navy to convey approximately 15 acres and improvements known as the Connell Manor housing area to the City of Newport, Rhode Island. As consideration for the conveyance, the City would pay to the Secretary sufficient funds to cover the cost to carry out any environmental assessments required by federal law, and to sever and realign utility systems as may be necessary to complete the conveyance.

Land conveyance, Naval Training Center, Orlando, Florida (sec. 2854)

The Senate bill contained a provision (sec. 2844) that would direct the Secretary of the Navy to convey a parcel of real property with improvements at the Naval Training Center, Orlando, Florida, to the City of Orlando, Florida, in accordance with the terms of a memorandum of agreement concerning an economic development conveyance of the property signed by the parties in December 1997.

The House amendment contained no similar provision.

The House recedes.

One-year delay in demolition of radio transmitting facility towers at Naval Station, Annapolis, Maryland, to facilitate transfer of towers (sec. 2855)

The Senate bill contained a provision (sec. 2864) that would direct the Secretary of the Navy to delay for one year the demolition of radio transmission towers at Naval Station, Annapolis, Maryland, and would authorize the conveyance of the towers to the State of Maryland or Anne Arundel County, Maryland, if either agrees to accept the towers.

The House amendment contained no similar provision.

The House recedes with an amendment that would require either the State of Maryland or Anne Arundel County to agree to accept the towers in "as is" condition.

Clarification of land exchange, Naval Reserve Readiness Center, Portland, Maine (sec. 2856)

The Senate bill contained a provision (sec. 2841) that would amend section 2852 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261) to make certain technical corrections.

The House amendment contained no similar provision.

The House recedes.

Revision to lease authority, Naval Air Station, Meridian Mississippi (sec. 2857)

The conferees include a provision that would modify section 2837 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201), as amended by section 2853 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85), to authorize the State of Mississippi to increase the size of the reserve center from 22,000 square feet to 27,000 square feet. The provision would also increase the ceiling of total rental authorized to be paid by the Secretary of the Navy from 20 percent to 25 percent of the total construction cost of the facility.

Land conveyance, Norfolk, Virginia (sec. 2858)

The conferees include a provision that would authorize the Secretary of the Navy to convey to the Commonwealth of Virginia a parcel of real property in the Norfolk, Virginia, area that the Secretary and the Commonwealth jointly determine to be required for three projects related to highway construction. The Secretary would also be authorized to grant to the Commonwealth such easements, rights-of-way, or other interests in land as the Secretary and the Commonwealth jointly determine to be required for the projects. As consideration for the grants of easements and right-of-way, the Secretary and the Commonwealth shall enter into a memorandum of agreement that may require the Commonwealth to include in the Virginia Transportation Plan an interchange on Interstate 564 to provide access to the new Air Terminal at Naval Station Norfolk and replace or to relocate facilities lost to the Department of the Navy as a result of the highway construction. The provision would include a sense of Congress that the Commonwealth should work with the Secretary of the Navy toward the construction of the interchange.

Part III—Air Force Conveyances

Land conveyance, Newington Defense Fuel Supply Point, New Hampshire (sec. 2861)

The Senate bill contained a provision (sec. 2852) that would authorize the Secretary of the Air Force to convey, without consideration, to the Pease Development Authority, New Hampshire a parcel of excess real property, including improvements thereon, consisting of approximately 10 acres at the Newington Defense Fuel Supply Point at Newington, New Hampshire. The provision would authorize the Secretary to convey, concurrent with the real property, approximately 1.25 miles of pipeline, and an easement relating to the pipeline, consisting of approximately five acres. The provision would authorize the Administrator of General Services to convey the property if the property is under the control of the Administrator at the time of enactment. The provision would require the Administrator to comply with section 2696 (b) of title 10, United States Code, in the disposal of the property.

The House amendment contained a provision (sec. 2861) that would authorize the Secretary of the Air Force to convey, without consideration, a parcel of real property with improvements, consisting of approximately 14.87 acres at the former Pease Air Force Base, New Hampshire and containing a deactivated fuel supply line, to the Pease Development Authority. The property is to be used for the support of the New Hampshire Air National Guard. The cost of any surveys necessary for the conveyance would be borne by the Authority.

The House recedes with an amendment that would require the redevelopment authority to make the fuel supply facility available for use by the New Hampshire Air National Guard as a condition of the conveyance. The amendment would also delete the alternative conveyance authority of the Administrator of General Services.

Land conveyance, Tyndall Air Force Base, Florida (sec. 2862)

The House amendment contained a provision (sec. 2862) that would authorize the Secretary of the Air Force to convey a parcel of real property with improvements, consisting of approximately 33.07 acres, to the City of Panama City, Florida. The property is to be used for economic development or other purposes. As consideration for the conveyance, the City would pay to the United States an amount equal to the fair market value of the property, as determined by the Secretary. The Secretary would use the funds paid by the City for the improvement or maintenance of military family housing units at Tyndall Air Force Base, Florida. The cost of any surveys necessary for the conveyance would be borne by the City.

The Senate bill contained no similar provision.

The Senate recedes.

Land conveyance, Port of Anchorage, Alaska (sec. 2863)

The House amendment contained a provision (sec. 2863) that would authorize the Secretary of the Air Force and the Secretary of the Interior to convey, without consideration, two parcels of real property with improvements, consisting of approximately 14.22 acres in Anchorage, Alaska, to the Port of Anchorage. The property is to be used for economic development purposes. The cost of any surveys necessary for the conveyance would be borne by the Port.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the secretaries concerned make the conveyance.

Land conveyance, Forestport Test Annex, New York (sec. 2864)

The House amendment contained a provision (sec. 2864) that would authorize the Secretary of the Air Force to convey, without consideration, a parcel of real property with improvements of approximately 164 acres in Herkimer County, New York, and approximately 18 acres in Oneida County, New York, to the Town of Ohio, New York. The property is to be used for economic development purposes and for other public purposes. The cost of any surveys necessary for the conveyance would be borne by the Town.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes the conveyance.

Land conveyance, McClellan Nuclear Radiation Center, California (sec. 2865)

The Senate bill contained a provision (sec. 2851) that would authorize the Secretary of the Air Force to convey, without consideration, to the Regents of the University of California a parcel of excess real property known as the McClellan Nuclear Radiation Center (MNRC). The provision would authorize the Secretary to pay to the Regents $17,593,000 as consideration for holding the Air Force harmless for the cost of closing the facility and any liability accruing from the continued operation of the MNRC by the University.

The House amendment contained a similar provision (sec. 2865).

The Senate recedes with an amendment that would authorize the Secretary of the Air Force to lease the McClellan Nuclear Radiation Center to the University of California until all actions necessary to prepare the property for transfer by deed have been completed. The amendment would also make certain technical corrections.

Subtitle E—Other Matters

Acceptance of guarantees in connection with gifts to military service academies (sec. 2871)

The Senate bill contained a provision (sec. 903) that would authorize the Secretary of the Army to receive a guarantee in connection with a major gift to purchase, construct, or otherwise procure real or personal property for the benefit of the U.S. Military Academy.

The House amendment contained no similar provision.

The House recedes with an amendment that would extend similar authority to the secretary of each military department. The amendment would also require the secretary of a military department to submit a report on any proposed qualifying gift to the Congress not later than 30 days prior to acceptance of the gift.

Acquisition of State-held inholdings, East Range of Fort Huachuca, Arizona (sec. 2872)

The Senate bill contained a provision (sec. 2861) that would authorize the Secretary of Interior to acquire by eminent domain, with the consent of the State of Arizona, all right, title and interest in approximately 1,500 acres of unimproved Arizona State Trust lands, located in the Fort Huachuca East Range, Cochise County, Arizona. As consideration, the Secretary may convey to the State of Arizona federal land of equal value, as determined by the Uniform Appraisal Standard for Federal Land Acquisition, under the jurisdiction of the Bureau of Land Management in Arizona. The provision would authorize the lands acquired by the Secretary to be withdrawn and reserved for use by the Secretary of the Army for military training and testing in the same manner as other federal lands in the Fort Huachuca East Range.

The House recedes.

Enhancement of Pentagon renovation activities (sec. 2873)

The Senate bill contained a provision (sec. 2863) that would authorize the Secretary of Defense to incorporate into the Pentagon Renovation Program the construction of security enhancements. The Secretary of Defense would be required to submit a report to the Congress, not later than January 15, 2000, detailing the cost of planning, design, construction, and installation of equipment, together with the revised estimate of the total cost of the Pentagon Renovation project.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle F—Expansion of Arlington National Cemetary

Expansion of Arlington National Cemetery (secs. 2881–2882)

The House amendment contained a provision (sec. 2871) that would authorize the transfer of real property and exchange of jurisdiction between the Secretary of Defense and the Secretary of the Army to provide for the expansion of Arlington National Cemetery, Virginia. The property to be transferred to the administrative jurisdiction of the Secretary of the Army consists of three parcels, totaling approximately 36.5 acres, located at the Navy Annex of the Pentagon. The provision would also require the Secretary of the Army to modify the boundary of Arlington National Cemetery to include two parcels of real property, totaling approximately eight acres, situated in Fort Myer, Virginia, contiguous to the Cemetery.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary of Defense to provide for the administrative transfer of the Navy Annex property, Arlington, Virginia, to the Secretary of the Army for incorporation into Arlington National Cemetery. The amendment would require the Secretary of Defense to determine the specific acreage and legal description of the Navy Annex property. In addition to using the property for grave sites and memorials, the amendment would authorize the reservation of limited acreage for a National Military Museum, if recommended by the National Military Museum Commission, or for other appropriate memorials.

The amendment would further require the Secretary of Defense, prior to carrying out the transfer, to submit a master plan not later than 180 days after the receipt of the report of the Commission on the National Military Museum. In developing the master plan, the Secretary shall take into account the recommendations of the report of the Secretary of the Army concerning the expansion of Arlington Cemetery, as directed by the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, and the report of the Commission on the National Military Museum. The Secretary shall coordinate the development of the master plan with the National Capital Planning Commission, the Commonwealth of Virginia and the County of Arlington. The coordination with the Commonwealth and the County would specifically be on matters pertaining to real property under the jurisdiction of those officials located in, or adjacent to, the Navy Annex property including assessments of the effects of the proposed uses of the Navy Annex on the transportation and utilities infrastructure. The amendment would authorize the Secretary to implement the master plan after submitting the plan to the Congress. The amendment would further direct the Secretary to provide updates on the progress toward completing the use of the Navy Annex in the annual report previously required by law on the renovation of the Pentagon.

The conferees expect the Secretary of Defense to work closely with the National Capital Planning Commission, the Commonwealth of Virginia, and the County of Arlington in development of the master plan.

LEGISLATIVE PROVISIONS NOT ADOPTED

Contributions for North Atlantic Treaty Organization Security Investment

The House amendment contained a provision (sec. 2801) that would amend section 2806 of title 10, United States Code, to clarify that contributions by the Secretary of Defense to the North Atlantic Treaty Organization Security Investment Program may be made for construction projects in support of the actual implementation of an approved military operations plan.

The Senate bill contained no similar provision.

The House recedes.

Defense Chemical Demilitarization Construction Account

The Senate bill contained a provision (sec. 2803) that would establish a Chemical Demilitarization Account to support the construction of chemical demilitarization facilities, as defined by section 1412 of the Department of Defense Authorization Act of 1986 (Public Law 99–145).

The House amendment contained no similar provision.

The Senate recedes.

The conferees note that the budget request included the request for authorization of appropriations for military construction projects to support chemical demilitarization activities within Military Construction, Army. The conferees acknowledge the role of the Department of the Army as executive agent for the Department of Defense for this purpose. The conferees, however, reiterate that the appropriate account for these requirements is Military Construction, Defense-Wide, so that the proper focus and oversight for a critical defense-wide mission is maintained. The conferees direct the Secretary of Defense to submit requests for future military construction requirements accordingly.

Future use of Navy Annex property, Arlington, Virginia

The Senate bill contained a provision (sec. 1211) that would would preclude any land transfers or alternative future uses for the Navy Annex property for 24 months after receipt of the study on the expansion of Arlington Cemetery required by the Joint Exploratory Statement of the statement of managers accompanying the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261) and the related Senate report (S.Rept. 105-189).

The House amendment contained no similar provision.

The Senate recedes.

Land conveyance, Fort Des Moines, Iowa

The House amendment contained a provision (sec. 2833) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements to the Fort Des Moines Black Officers Memorial, Inc., a nonprofit corporation organized in the State of Iowa. The property is to be used for the purpose of a memorial and for educational purposes. The cost of any surveys necessary for the conveyance would be borne by the Corporation.

The Senate bill contained no similar provision.

The House recedes.

Land conveyance, Naval and Marine Corps Reserve Center, Orange County, Texas

The House amendment contained a provision (sec. 2852) that would authorize the Secretary of the Navy to convey, without consideration, a parcel of real property with improvements, consisting of approximately 2.4 acres in Orange County, Texas, to the Orange County Navigation and Port District. The property is to be used for economic development, educational purposes, and the furtherance of navigation-related commerce. The provision would also provide for the reversionary interest of the United States in the conveyed real property and any improvements thereon in the event the Secretary determines that the conveyed property is not used in accordance with the condition of conveyance.

The Senate bill contained no similar provision.

The House recedes.

TITLE XXIX—COMMISSION ON NATIONAL MILITARY MUSEUM

LEGISLATIVE PROVISIONS ADOPTED

Commission on the National Military Museum (secs. 2901-2909)

The Senate bill contained provisions (sec. 1201-1211) that would establish a Commission on the National Military Museum to conduct a study and make a recommendation, not later than 12 months after its first meeting, to the Congress on the need for a National Military Museum. In carrying out the study, the Commission would:

(1) determine whether existing military museums, sites, or memorials adequately provide, in a cost-effective manner, for the display of and interaction with artifacts and representation of the armed forces and of the wars in which the United States has fought; honor the service of the armed forces to the United States; educate current and future generations regarding the armed forces and the sacrifices of the armed forces and the Nation in furtherance of the defense of freedom; and foster public pride in the achievements and activities of the armed forces;

(2) determine whether adequate inventories of artifacts and representation of the armed forces and the wars in which the United States has been engaged would be available from current inventories, or in private or public collections that could be lent to the museums; and

(3) develop preliminary concepts for a basic design, location within the National Capital Area, and an estimate of design, construction, and operating costs of a National Military Museum.

If the Commission determines that the Congress should authorize the museum, it should further determine a recommended construction time line, potential effects on the environment, ancillary facilities and roadways, fund raising levels, the governing structure and preferred location.

The provision would authorize the Secretary of Defense to provide up to $2.0 million to support the work of the Commission. The provision would also preclude any land transfers or alternative future uses for the Navy Annex property for 24 months after receipt of the study on the expansion of Arlington Cemetery required by the Joint Exploratory Statement of the statement of managers accompanying the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261).

The House amendment contained no similar provision.

The House recedes with an amendment that would authorize, in addition to the President, the Majority Leader and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives, in consultation with the Chairmen and Ranking Members of the Committees on Armed Services of the Senate and the House of Representatives, to appoint members of the Commission. The amendment would further specify ex officio members of the Commission would have no vote on the Commission, and such members would include the Secretary of Transportation. The amendment would also specify that the Commission would be authorized to consider the Navy Annex property, Arlington, Virginia, as a possible site for the National Military Museum, provided the land requirement is between six and ten acres, as part of the requirement to recommend no fewer than three sites within the National Capital Region as a location for the National Military museum. The amendment would also strike the two-year moratorium on the conveyance or alternative uses of the Navy Annex.

TITLE XXX—MILITARY LAND WITHDRAWALS

The Senate bill contained several provisions (secs. 2901-2903) that would express a sense of the Senate regarding the renewal of the Military Lands Withdrawal Act of 1986 (Public Law 99-606) to govern the withdrawal of approximately 7.2 million acres of public domain land as ranges for military training and testing: Naval Air Station Fallon Ranges, Nevada; Nellis Air Force Range, Nevada; Fort Greely Maneuver Area and Air Drop Zone, Alaska; Fort Wainwright Maneuver Area, Alaska; McGregor Range, New Mexico; and Barry M. Goldwater Range, Arizona. Unless renewed, the current authorization for withdrawal would expire in November 2001.

The House amendment contained no similar provision.

The House recedes with an amendment that would renew the withdrawal of public lands for military purposes at the ranges and installations governed by the Military Lands Withdrawal Act of 1986. As proposed by the administration, the title provides for a 25-year duration of withdrawal under terms and conditions generally contained in Public Law 99-606, with the exception of the withdrawals at the Naval Air Station Fallon Ranges, Nevada, and the Nellis Air Force Range, Nevada, which would have a 20-year duration. The conferees intend that any application for extension of withdrawal under this title be subject to the Engle Act (43 U.S.C. 157) and Sikes Act (16 U.S.C. 670 et seq.), as provided for under sections 3016 and 3031, and comply with other applicable laws, to include the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

Under this title, the status of certain lands would be subject to the following changes: (1) the Cabeza Prieta National Wildlife Refuge would be excluded from the Goldwater Range withdrawal, but military aviation training over the Refuge would continue, and would not be subject to compatibility determinations, consistent with the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105-57) and the Arizona Desert Wilderness Act of 1990 (Public Law 101-628); (2) access to the Cabeza Prieta Wilderness would be allowed for upgrade, replacement, or installation of ground instrumentation; (3) the Secretary of the Air Force would assume primary jurisdiction for target areas located on the Desert National Wildlife Refuge at Nellis Range, Nevada, and the Secretary of the Interior would retain secondary jurisdiction over the lands for wildlife conservation purposes; and (4) multiple withdrawals would be consolidated and the Range Safety and Training area would be withdrawn at the Naval Air Station Fallon, Nevada.

Short title (sec. 3001)

The provision would codify the short title of the Military Lands Withdrawal Act of 1999.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Withdrawals Generally

Withdrawals (sec. 3011)

The provision would provide for the withdrawal of the following ranges: Naval Air Station Fallon Ranges, Nevada; Nellis Air Force Range, Nevada; Fort Greely Maneuver Area and Air Drop Zone, Alaska; Fort Wainwright Maneuver Area, Alaska; and McGregor Range, New Mexico. These ranges would continue to be subject to the management scheme that is currently in place at these ranges, subject to applicable land management and environmental laws.

Maps and legal descriptions (sec. 3012)

This provision would direct the Secretary of the Interior to publish in the Federal Register and file the legal descriptions of the lands withdrawn under section 3011 of this subtitle.

Termination of withdrawals in Military Lands Withdrawal Act of 1986 (sec. 3013)

This provision would provide that the withdrawal under the Military Lands Withdrawal Act of 1986 (Public Law 99-606) would terminate after November 6, 2001, except as otherwise provided in this title.

Management of lands (sec. 3014)

This provision would provide for the management of lands withdrawn under section 3011 of this subtitle. Under this management scheme, the Secretary of the Interior would manage the following lands in coordination with the secretary of the appropriate military department: Naval Air Station Fallon Ranges, Nevada; Nellis Air Force Range, Nevada; the Desert National Wildlife Refuge, Nevada; Fort Greely Maneuver Area and Air Drop Zone, Alaska; Fort Wainwright Maneuver Area, Alaska; and McGregor Range, New Mexico. Land management plans would be prepared consistent with applicable laws. All nonmilitary use of these withdrawn lands would be subject to such conditions and restrictions as may be necessary to permit military use of such lands.

Duration of withdrawal and reservation (sec. 3015)

This provision would establish a 25-year duration of withdrawal, beginning after the termination of Public Law 99-606 on November 6, 2001, except for the land withdrawals provided for under subsections (a) and (b) of section 3011, which would have a 20-year duration of withdrawal. As for the lands withdrawn for military purposes under section 3011 of this subtitle, but not withdrawn for military purposes by section (1) of the Military Lands Withdrawal Act 1986 (Public Law 99-606), the withdrawal of such lands shall become effective on the date of the enactment of this Act.

Extension of initial withdrawal and reservation (sec. 3016)

The provision would require the secretary of the appropriate military department, not later than three years prior to termination of the withdrawal under this subtitle, to notify Congress and the Secretary of the Interior of the continuing military need for the withdrawn lands. The provision would provide for the procedures associated with extension or relinquishment of withdrawn lands.

Ongoing decontamination (sec. 3017)

This provision would require the secretaries of the military departments to maintain decontamination program, consistent with applicable federal and state laws, of the Naval Air Station Fallon Ranges, Nevada; Nellis Air Force Range, Nevada; Fort Greely Maneuver Area and Air Drop Zone, Alaska; Fort Wainwright Maneuver Area, Alaska; and McGregor Range, New Mexico. The decontamination requirement would apply to these withdrawn lands throughout the duration of the withdrawal and the secretaries of the military departments would be required to annually report on the status of such activities. Prior to transmitting a notice of intent to relinquish lands, the secretary of the military department concerned would be required to prepare a written determination of the extent of contamination.

Delegation (sec. 3018)

This provision would allow for delegation of the functions of the Secretary of Defense, the secretaries of the military departments, and certain functions of the Secretary of the Interior, as described under this subtitle.

Water rights (sec. 3019)

This provision would specify that this subtitle shall not be construed to establish a reservation of water rights or authorize the appropriation of water for the United States with respect to any of the lands withdrawn under section 3011 of this subtitle. Nor would this subtitle affect water rights acquired by the United States before the date of the enactment of this Act.

Hunting, fishing, and trapping (sec. 3020)

This provision would direct that hunting, fishing, and trapping on withdrawn lands subject to this subtitle be conducted in accordance with section 2671 of title 10, United States Code, except that such activities within the Desert National Wildlife Refuge would be subject to the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), and other laws applicable to the National Wildlife Refuge System.

Mining and mineral leasing (sec. 3021)

This provision would require the Secretary of Interior, with the concurrence of the secretary of the military department concerned, to determine which lands withdrawn by section 3011 of this subtitle would be suitable for opening to the operation of the Mining Law of 1872, and other laws applicable to mining activities on public lands.

Use of mineral materials (sec. 3022)

This provision would authorize the secretary of the military department concerned to use certain sand, gravel, or similar mineral material resources from lands withdrawn by this subtitle.

Immunity of United States (sec. 3023)

This provision would hold the United States harmless and not subject to liability for any injuries or damages to persons or property suffered in the course of any mining, mineral, or geothermal leasing activity conducted on the lands covered by section 3011 of this subtitle.

Subtitle B—Withdrawals in Arizona

Barry M. Goldwater Range, Arizona (sec. 3031)

The provision would withdraw the Barry M. Goldwater Range and provide for the transfer of land management authority from the Director, Bureau of Land Management (BLM) to the Secretary of the Navy or the Secretary of the Air Force, as appropriate. The management of the Goldwater Range would be split between two military departments: the Navy would manage the West Range; and the Air Force would manage the East Range. The statutory changes to the management structure reflect the unique land management challenges and needs associated with the Goldwater Range. The duration of withdrawal would be 25 years after the date of the enactment of this Act.

The baseline for the exercise of land management authority by the Secretary of the Navy or the Secretary of the Air Force would be an integrated natural resource management plan prepared jointly by the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of Interior. Any disagreements regarding the contents or implementation of the plan would be subject to resolution by the Secretary of the Navy for the West Range and the Secretary of the Air Force for the East Range, after consultation with the Secretary of Interior. As part of this new management scheme, the Secretary of the Navy, the Secretary of the Air Force, and the Secretary of Interior would be required to jointly prepare a report every five years that describes the changes in the condition of the lands, the current military uses, and the changes in military use. The five-year reports could be combined with the annual reports currently required by the Sikes Act (Public Law 105-85). Disagreements concerning the contents of a report would be resolved by the Secretary of the Navy and the Secretary of the Air Force. The five-year report would then be subject to public review and comment prior to finalization. The land management authority of the Secretary of the Navy or the Secretary of the Air Force, as the case may be, could revert back to the Secretary of Interior, if the Secretary of Interior determines that there is continuing significant and verifiable degradation of natural and cultural resources, no sooner than 90 days after the Secretary of Interior submits notice and a report to Congress.

The conferees intend that the five-year report on the Goldwater Range will not resemble or duplicate any report required under the National Environmental Policy Act (42 U.S.C. 7609 *et seq.*), or any other land management or environmental statute, with the exception of the Sikes Act. The new reporting requirement established for the Goldwater Range should be considered a public comment document that resembles the existing Sikes Act reporting requirement. The purpose of the report is to determine the status of land management at the Goldwater Range, and to make that information available to the public for review and comment.

Military use of Cabeza Prieta National Wildlife Refuge and Cabeza Prieta Wilderness (sec. 3032)

Under this provision, the Cabeza Prieta National Wildlife Refuge and the Cabeza Prieta Wilderness would be managed by the Secretary of Interior, in coordination with the Secretary of the Navy and the Secretary of the Air Force. The provision would require the Secretary of Interior to manage the refuge and the wilderness consistent with the purposes for which the refuge and wilderness were established and to support current and future military aviation training needs, as provided by memorandum. The withdrawal of the Cabeza Prieta National Wildlife Refuge, as provided for under the Military Lands Withdrawal Act of 1986 (Public Law 99-606), would terminate on the date of the enactment of this Act.

Maps and legal descriptions (sec. 3033)

This provision would direct the Secretary of Interior to publish in the Federal Register and file the legal descriptions of the lands withdrawn under section 3031 of this subtitle.

Water rights (sec. 3034)

This provision would specify that this subtitle shall not be construed to establish a reservation of water rights or authorize the appropriation of water for the United States with respect to any of the lands withdrawn under this subtitle. Nor would this title affect water rights acquired by the United States before the date of the enactment of this Act.

Hunting, fishing, and trapping (sec. 3035)

This provision would direct that hunting, fishing, and trapping on withdrawn lands subject to this subtitle be conducted in accordance with section 2671 of title 10, United States Code, except that such activities within the Cabeza Prieta National Wildlife Refuge would be subject to the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), and other laws applicable to the National Wildlife Refuge System.

Use of mineral materials (sec. 3036)

This provision would authorize the secretary of the military department concerned to use certain sand, gravel, or similar mineral material resources from lands withdrawn by this subtitle.

Immunity of United States (sec. 3037)

This provision would hold the United States harmless and not subject to liability for any injuries or damages to persons or property suffered in the course of any mining, mineral, or geothermal leasing activity conducted on the lands covered by section 3031 of this subtitle.

Subtitle C—Authorization of Appropriations

Authorization of appropriations (sec. 3041)

This provision would authorize to be appropriated such sums as may be necessary to carry out the purposes of this title.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Overview

Title XXXI authorizes appropriations for the atomic energy defense activities of the Department of Energy for fiscal year 2000, including: the purchase, construction, and acquisition of plant and capital equipment; research and development; nuclear weapons; naval nuclear propulsion; environmental restoration and waste management; operating expenses; and other expenses necessary to carry out the purposes of the Department of Energy Organization Act (Public Law 95-91). The title would authorize appropriations in five categories: weapons activities; defense environmental restoration and waste management; other defense activities; defense environmental management privatization; and defense nuclear waste disposal.

The budget request for the atomic energy defense activities totaled $12.4 billion, a 2.8 percent increase over the adjusted fiscal year 1999 level. Of the total amount requested, $4.5 billion was for weapons activities, $4.5 billion was for defense environmental restoration and waste management activities, $1.0 billion was for defense facility closure projects, $228.0 million was for defense environmental management privatization, $1.8 billion was for other defense activities, $112.0 million was for defense nuclear waste disposal, and $150.0 million was for the formerly utilized sites remedial action program.

The conferees recommend $12.1 billion for atomic energy defense activities, a decrease of $250.0 million to the budget request. The conferees recommend the following: $4.5 billion for weapons activities, a decrease of $41.0 million; $5.5 billion for defense environmental restoration and waste management (including defense facility closure projects), a decrease of $73.0 million; $228.0 million for defense environmental management privatization, the amount of the budget request; $1.8 billion for other defense activities, an increase of $13.9 million; and $112.0 million for defense nuclear waste disposal, the amount of the request. The conferees recommend no funding for the formerly utilized sites remedial action program, representing a decrease of $150.0 million.

The following table summarizes the budget request and the committee recommendations:

Summary of
National Defense Authorization for FY 2000

(In Thousands of $'s)

TITLE XXXI-XXXII ATOMIC ENERGY DEFENSE ACTIVITIES (053)	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Weapons Activities	4,531,000	4,536,800	4,530,000	(41,005)	4,489,995
Defense Environmental Restoration and Waste Management	4,514,376	5,650,468	5,532,868	981,492	5,495,868
Defense Nuclear Waste Disposal	73,000	73,000	73,000	0	73,000
Other Defense Actitivities	1,792,000	1,779,059	1,821,000	13,959	1,805,959
Defense Facilities Closure Projects	1,054,492	0	0	(1,054,492)	0
Defense Environmental Management Privatization	228,000	228,000	216,000	0	228,000
Formerly Utilized Site Remediation	150,000	0	0	(150,000)	0
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500	0	17,500
Total Atomic Energy Defense Activities (053)	12,360,368	12,284,827	12,190,368	(250,046)	12,110,322

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
ATOMIC ENERGY DEFENSE ACTIVITIES					
WEAPONS ACTIVITIES					
Stockpile Stewardship					
Core Stockpile Stewardship					
Operation and maintenance	1,635,355	1,640,355	1,615,355	(25,000)	1,610,355
Construction:					
00-D-103, Terascale simulation facility, LLNL, Livermore, CA	8,000	8,000	8,000	0	8,000
00-D-105, Strategic computing complex, LANL, Los Alamos, NM	26,000	26,000	26,000	0	26,000
00-D-107 Joint computational engineering laboratory, SNL, Albuquerque, NM	1,800	1,800	1,800	0	1,800
99-D-102 Rehabilitation of maintenance facility, LLNL, Livermore, CA	3,900	3,900	3,900	0	3,900
99-D-103 Isotope sciences facilities, LLNL, Livermore, CA	2,000	2,000	2,000	0	2,000
99-D-104 Protection of real property (roof reconstruction-Phase II), LLNL, Livermore, CA.	2,400	2,400	2,400	0	2,400

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
99-D-105 Central health physics calibration facility, LANL, Los Alamos, NM	1,000	1,000	1,000	0	1,000
99-D-106 Model validation & system certification test center, SNL Albuquerque, NM	6,500	6,500	6,500	0	6,500
99-D-108 Renovate existing roadways, Nevada Test Site, NV	7,005	7,005	7,005	0	7,005
97-D-102 Dual-axis radiographic hydrotest facility, LANL, Los Alamos, NM	61,000	61,000	61,000	0	61,000
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	2,640	2,640	2,640	0	2,640
96-D-104 Processing and environmental technology laboratory, SNL, Albuquerque, NM	10,900	10,900	10,900	0	10,900
General Reduction		(10,000)			
Total, Construction	133,145	123,145	133,145	0	133,145
Total, Core Stockpile Stewardship	1,768,500	1,763,500	1,748,500	(25,000)	1,743,500
Inertial Fusion					
Operation and maintenance	217,600	227,600	217,600	10,000	227,600

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Construction:					
96-D-111 National ignition facility (NIF), LLNL, Livermore, CA	248,100	248,100	248,100	0	248,100
Total, Inertial Fusion	465,700	475,700	465,700	10,000	475,700
Technology Partnerships/Education					
Technology partnership	22,200	14,500	15,200	(7,700)	14,500
Education	29,800	5,000	19,300	(11,200)	18,600
Total, Technology Partnerships/Education	52,000	19,500	34,500	(18,900)	33,100
Total, Stockpile Stewardship	2,286,200	2,258,700	2,248,700	(33,900)	2,252,300
Stockpile Management					
Operation and maintenance	1,839,621	1,897,621	1,880,621	25,000	1,864,621
Construction:					
99-D-122 Rapid reactivation, various locations	11,700	11,700	11,700	0	11,700
99-D-127 Stockpile management restruoturing initiative, Kansas City plant, Kansas City, MO	17,000	17,000	17,000	0	17,000
99-D-128 Stockpile management restructuring initiative Pantex plant, Amarillo, TX	3,429	3,429	3,429	0	3,429
99-D-132 Stockpile Management Restructuring Iinitiative					

Titles XXXI-XXXII
Atomic Energy Defense Activities

		House	Senate	Conference	
ACCOUNT TITLE	Request	Authorized	Authorized	Change	Agreement
nuclear material S&S upgrade project, LANL, Los Alamos, NM	11,300	11,300	11,300	0	11,300
98-D-123 Stockpile management restructuring initiative, Tritium facility modernization and consolidation, Savannah River plant, Aiken, SC	21,800	21,800	21,800	0	21,800
98-D-124 Stockpile management restructuring initiative, Y-12 consolidation, Oak Ridge, TN	3,150	3,150	3,150	0	3,150
98-D-125 Tritium extraction facility, Savannah River plant, Aiken, SC	33,000	33,000	33,000	0	33,000
98-D-126 Accelerator production of tritium (APT), various locations	31,000	31,000	31,000	0	31,000
97-D-123 Structural upgrades, Kansas City plant, Kansas City, KS	4,800	4,800	4,800	0	4,800
95-D-102 Chemistry and metallurgy research (CMR) upgrades project, LANL, Los Alamos, NM	18,000	18,000	18,000	0	18,000
88-D-123 Security enhancements, Pantex plant, Amarillo, TX	3,500	3,500	3,500	0	3,500
General Reduction		(10,000)			

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Total, Construction	158,679	148,679	158,679	0	158,679
Total, Stockpile Management	1,998,300	2,046,300	2,039,300	25,000	2,023,300
Program Direction	246,500	236,500	242,000	(5,000)	241,500
Subtotal, Weapons Activities	4,531,000	4,541,500	4,530,000	(13,900)	4,517,100
General Reduction		(4,700)			
Contractor Travel Savings				(6,100)	(6,100)
Directed Savings				(7,005)	(7,005)
Use of prior year balances	0	0	0	(14,000)	(14,000)
TOTAL, WEAPONS ACTIVITIES	4,531,000	4,536,800	4,530,000	(41,005)	4,489,995
DEFENSE ENVIRONMENTAL RESTORATION & WASTE MANAGEMENT					
Site/Project Completion					
Operation and maintenance	892,629	918,129	892,629	0	892,629
Construction:					
99-D-402 Tank farm support services, F&H areas, Savannah River Site, Aiken, SC	3,100	3,100	3,100	0	3,100
99-D-404 Health physics instrumentation laboratory, INEEL, ID	7,200	7,200	7,200	0	7,200
98-D-401 H-tank farm storm water systems upgrade, Savannah River Site, Aiken, SC	2,977	2,977	2,977	0	2,977

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	16,860	16,860	16,860	0	16,860
98-D-700 INEEL road rehabilitation, INEEL, ID	2,590	2,590	2,590	0	2,590
97-D-450 Actinide packaging and storage facility, Savannah River Site, Aiken, SC	4,000	4,000	4,000	0	4,000
97-D-470 Regulatory monitoring and bioassay lab, Savannah River Site, Aiken, SC	12,220	12,220	12,220	0	12,220
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	24,441	24,441	24,441	0	24,441
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, INEEL, ID	11,971	11,971	11,971	0	11,971
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	931	931	931	0	931
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	2,000	2,000	2,000	0	2,000
Total, Construction	88,290	88,290	88,290	0	88,290

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Total, Site/Project Completion	980,919	1,006,419	980,919	0	980,919
Post 2006 Completion					
Operation and maintenance	2,658,997	2,711,297	2,627,997	(25,300)	2,633,697
Uranium enrichment D&D fund contribution	240,000	240,000	220,000	0	240,000
Construction:					
00-D-401 SNF treatment and storage facility Title I & II, Savannah River Site, Aiken, SC	7,000	7,000	7,000	0	7,000
99-D-403 Privatization phase I infrastrucure support, Richland, WA	13,988	13,988	13,988	0	13,988
97-D-402 Tank farm restoration and safe operations, Richland, WA	20,516	20,516	20,516	0	20,516
94-D-407 Initial tank retrieval systems, Richland, WA	4,060	4,060	4,060	0	4,060
93-D-187 High-level waste removal from filled waste tanks, Savannah River Site, Aiken, SC	8,987	8,987	8,987	0	8,987
General Reduction, Construction				(8,300)	(8,300)
Total, Construction	54,551	54,551	54,551	(8,300)	46,251
Total, Post 2006 Completion	2,953,548	3,005,848	2,902,548	(33,600)	2,919,948

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Science and technology	230,500	240,500	235,500	0	230,500
Program direction	349,409	327,109	344,409	(10,000)	339,409
DEFENSE FACILITIES CLOSURE PROJECTS					
Site closure	0	1,092,492	1,069,492	1,069,492	1,069,492
General Reduction to Post 2006 Completion & Site/Project Completion (O&M)		(20,000)			
General Reduction		(1,900)			
Subtotal, Def. environmental restoration & waste management	4,514,376	5,650,468	5,532,868	1,025,892	5,540,268
Use of Prior Year Balances	0	0	0	(44,400)	(44,400)
Construction Project Overrun	0	0	0	0	0
Dupont Pension Refund (EH)	0	0	0	0	0
TOTAL, DEFENSE ENVIRONMENTAL RESTORATION & WASTE MGMT.	4,514,376	5,650,468	5,532,868	981,492	5,495,868
DEFENSE FACILITIES CLOSURE PROJECTS					
Site closure	1,054,492	0	0	(1,054,492)	0
DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION					
Tank waste remediation system Privatization Phase I, Richland	106,000	106,000	106,000		106,000
Advanced mixed waste treatment project, Idaho	110,000	110,000	110,000		110,000
Spent nuclear fuel dry storage, Idaho	5,000	5,000	5,000		5,000
Transuranic waste treatment, Oak Ridge	12,000	12,000	12,000		12,000
Envirnomental management/waste management disposal, Oak Ridge	20,000	20,000	20,000		20,000
Total, Privatization initiatives, various locations	253,000	253,000	241,000	0	253,000
Use of prior year balances	(25,000)	(25,000)	(25,000)	0	(25,000)
TOTAL, DEFENSE ENVIRONMENT MANAGEMENT PRIVATIZATION	228,000	228,000	216,000	0	228,000

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
OTHER DEFENSE ACTIVITIES					
Nonproliferation and National Security					
Nonproliferation and verification R&D					
Operation and maintenance	215,000	215,000	215,000	0	215,000
Construction:					
00-D-192 Nonproliferation and international security center (NISC), LANL	6,000	6,000	6,000	0	6,000
Arms control	296,000	233,000	276,000	(20,000)	276,000
Intelligence	0	0	0		0
Total,	517,000	454,000	497,000	(20,000)	497,000
Nuclear safeguards and security	59,100	59,100	59,100	0	59,100
Security investigations	30,000	10,000	47,000	14,100	44,100
Offset to user organizations	(20,000)	0	(20,000)	0	(20,000)
Emergency management	21,000	21,000	21,000	0	21,000
HEU transparency implementation	15,750	15,750	15,750	0	15,750
International nuclear safety	34,000	15,300	34,000	(9,300)	24,700
Program direction	90,450	83,050	90,450	0	90,450
Total,	230,300	204,200	247,300	4,800	235,100
Total, Nonproliferation and National Security	747,300		744,300		732,100
Intelligence	36,059	36,059	36,059	0	36,059
Counterintelligence	31,200	39,800	66,200	8,000	39,200

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Worker and Community Transition					
Worker and community transition	26,500	26,500	26,500	0	26,500
Program direction	3,500	3,500	3,500	0	3,500
General Reduction		(10,000)			
Total, Worker and Community Transition	30,000	20,000	30,000	0	30,000
Fissile Materials Control and Disposition					
Operation and maintenance	129,766	168,766	129,766	0	129,766
Construction					
00-D-142, Immobilization and associated processing facility, various locations	21,765	21,765	21,765	0	21,765
99-D-141 Pit disassembly and conversion facility, various locations	28,751	28,751	28,751	0	28,751
99-D-143 Mixed oxide fuel fabrication facility, various locations	12,375	12,375	12,375	0	12,375
Total, Construction	62,891	62,891	62,891	0	62,891
Program direction	7,343	7,343	7,343	0	7,343
Total, Fissile materials control and disposition	200,000	239,000	200,000	0	200,000
Environment, Safety & Health					
Office of environment, safety and health (defense)	67,231	79,231	54,231	6,000	73,231

Titles XXXI-XXXII
Atomic Energy Defense Activities

		House	Senate	Conference	
ACCOUNT TITLE	Request	Authorized	Authorized	Change	Agreement
Program direction	24,769	24,769	24,769	0	24,769
Total, Environment, Safety and Health	92,000	104,000	79,000	6,000	98,000
National Security Programs Administrative Support					
Office of hearings and appeals	3,000	3,000	3,000	0	3,000
Naval Reactors					
Naval reactors development					
Operation and maintenance	620,400	636,400	630,400	12,600	633,000
Construction:					
GPN-101 General plant projects, various locations	9,000	9,000	9,000	0	9,000
98-D-200 Site laboratory/facility upgrade, various locations	3,000	3,000	3,000	0	3,000
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	12,000	12,000	12,000	0	12,000
Total, Construction	24,000	24,000	24,000	0	24,000
Total, Naval Reactors Development	644,400	660,400	654,400	12,600	657,000
Program Direction	20,600	20,600	20,600	0	20,600
Total, Naval Reactors	665,000	681,000	675,000	12,600	677,600
Subtotal, Other Defense Activities	1,804,559	1,781,059	1,833,559	11,400	1,815,959

Titles XXXI-XXXII
Atomic Energy Defense Activities

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Adjustments:					
Use of prior year balances	0	0	0	(8,000)	(8,000)
General reduction		(2,000)		(2,000)	(2,000)
Contribution from labs	(12,559)	0	(12,559)	12,559	0
Total, Adjustments	(12,559)	(2,000)	(12,559)	2,559	(10,000)
TOTAL, OTHER DEFENSE ACTIVITIES	1,792,000	1,779,059	1,821,000	13,959	1,805,959
DEFENSE NUCLEAR WASTE DISPOSAL					
Defense nuclear waste disposal	112,000	73,000	112,000	0	112,000
Transfer to nuclear waste disposal	(39,000)	0	(39,000)	0	(39,000)
Total, Defense nuclear waste	73,000	73,000	73,000	0	73,000
FORMERLY UTILIZED SITES REMEDIAL ACTIONS PROGRAM	150,000	0	0	(150,000)	0
TOTAL, DEFENSE NUCLEAR ACTIVITIES	12,342,868	12,267,327	12,172,868	(250,046)	12,092,822
DEFENSE NUCLEAR SAFETY BOARD	17,500	17,500	17,500		17,500
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	12,360,368	12,284,827	12,190,368	(250,046)	12,110,322

ITEMS OF SPECIAL INTEREST

Long-term stewardship plan

The conferees direct the Secretary of Energy to provide to the Armed Services Committees of the Senate and House of Representatives, not later than October 1, 2000, a report on existing and anticipated long-term environmental stewardship responsibilities for those Department of Energy (DOE) sites or portions of sites for which environmental restoration, waste disposal, and facility stabilization is expected to be completed by the end of calender year 2006. The report shall include a description of what sites, whole and geographically distinct locations, as well as specific disposal cells, contained contamination areas, and entombed contaminated facilities that cannot or are not anticipated to be cleaned up to standards allowing for unrestricted use. The report shall also identify the long-term stewardship responsibilities (for example, longer than 30 years) that would be required at each site, including soil and groundwater monitoring, record keeping, and containment structure maintenance. In those cases where the Department has a reasonably reliable estimate of annual or long-term costs for stewardship activities, such costs shall be provided. The Secretary shall attempt to provide sufficient information to ensure confidence in the Department's commitment to carrying out these long-term stewardship responsibilities and to undertake the necessary management responsibilities, including cost, scope, and schedule.

The conferees recognize that in many cases residual contamination will be left after cleanup or will be contained through disposal, and that such residual contamination and wastes will require long-term stewardship to ensure that human health and the environment are protected.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—National Security Programs Authorizations

Weapons activities (sec. 3101)

The budget request included $4.5 billion for atomic energy defense weapons activities of the Department of Energy (DOE).

The Senate bill contained a provision (sec. 3101) that would authorize $4.5 billion for weapons activities, a decrease of $1.0 million.

The House amendment included a similar provision (sec. 3101) that would authorize $4.5 billion for weapons activities, an increase of $8.5 million.

The Senate recedes in part and the House recedes in part.

The conferees agree to authorize $4.5 billion, a decrease of $41.0 million from the requested amount. The amount authorized is for the following activities: $2.3 billion for stockpile stewardship, a decrease of $33.9 million; $2.0 billion for stockpile management, an increase of $25.0 million; and $241.5 million for program direction, a decrease of $5.0 million. The conferees agree to decreases of $27.1 million as follows: $6.1 million for contractor travel savings; $14.0 million from uncosted prior year funds; and $7.0 million from stockpile stewardship and stockpile management construction projects.

Accelerated Strategic Computing Initiative and Stockpile Computing program

Of the amounts authorized to be appropriated for stockpile stewardship, the conferees recommend $517.5 million for the Accelerated Strategic Computing Initiative (ASCI) and Stockpile Computing programs, a decrease of $25.0 million.

The conferees are disappointed that the Department of Energy failed to follow congressional guidance included in the statement of managers accompanying the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) to slow the rate of acquisition in the ASCI and Stockpile Computing programs. The conferees continue to support the ASCI and Stockpile Computing programs, but believe that the Department has not fully justified the rate of growth in this program in light of other programmatic requirements of the Office of Defense Programs. The conferees note that even at this reduced level of funding, the ASCI and Stockpile Computing programs will experience significant growth in funding levels over fiscal year 1998 and 1999 funding levels.

The conferees support the Secretary of Energy's continued utilization of the capabilities and facilities of the Pittsburgh supercomputing Center to better meet the Department's supercomputing needs in lieu of planned acquisitions proposed within the ASCI program.

Inertial Confinement Fusion

Of the amounts authorized to be appropriated for stockpile stewardship, the conferees recommend $227.6 million for the inertial confinement fusion (ICF) program, an increase of $10.0 million. Of the amounts authorized for ICF, $30.5 million shall be available for the University of Rochester's Laboratory for Laser Energetics.

Technology partnerships and education

Of the amounts authorized to be appropriated for stockpile stewardship, the conferees recommend $14.5 million for the technology partnerships subaccount, a decrease of $7.7 million, and $18.6 million for the education subaccount, a decrease of $11.2 million. Of the amounts available in the technology partnerships and education, the conferees recommend $5.0 million for the American Textiles Partnership project. The conferees understand that DOE funding for this partnership will end in fiscal year 2000. The conferees recommend no funds to relocate, or prepare for relocation, the U.S. Atomic Museum in Albuquerque, New Mexico. The conferees believe that the local community derives the principal economic benefit from the commercial activities at the museum and should, therefore, bear the major share of any new construction costs. The conferees recommend the requested amount of $6.0 million be made available for the Northern New Mexico Educational Enrichment Foundation. The conferees recommend the requested amount of $8.0 million be made available for education support to the Los Alamos school district, the requested amount.

The conferees believe that the Amarillo Plutonium Research Center is more appropriately funded by the Office of Fissile Materials Control and Disposition and, accordingly, recommends no stockpile stewardship funds for this activity.

Stockpile management programs

The conferees recommend an increase of $25.0 million for weapons production plants, to be allocated as follows: $15.0 million for the Kansas City Plant to support advanced manufacturing efforts such as the Advanced Manufacturing, Design and Production Technologies program, infrastructure improvements, and skills retention; and $10.0 million for the Pantex Plant to support scheduled workload requirements associated with weapons dismantlement activities, infrastructure improvements, and skills retention.

The conferees believe that the following activities are more appropriately funded through the Office of Fissile Materials Control and Disposition and that they be transferred from the Office of Defense Programs to the Office of Fissile Materials Disposition: storage of special nuclear materials that have been designated surplus to U.S. military needs; the Parallax mixed oxide fuel project at Los Alamos National Laboratory; and plutonium pit disassembly and conversion activities. The conferees believe that these activities are more consistent with the missions and functions of the Office of Fissile Materials Control and Disposition and direct the Director of that office to assume responsibility for these programs not later than fiscal year 2001. The conferees expect that future years funding requirements for these activities will be reflected in the budget request for the Office of Fissile Materials Control and Disposition.

Tritium production

The conferees recommend $170.0 million for the tritium production program. This amount includes full funding for the Secretary's preferred tritium production option, the procurement of irradiation services from an existing Tennessee Valley Authority light water reactor under the Economy Act of 1932 (42 U.S.C. 1535). The conferees are, however, concerned that the budget request may be insufficient to complete design of critical elements of the Department's selected backup technology, the accelerator production of tritium (APT). The conferees note that a separate provision in this Act requires the Secretary to provide sufficient funds to complete engineering development and demonstration, preliminary design, and detailed design of key elements of the APT system and to complete engineering development and preliminary design of the APT technology as a backup source of tritium consistent with the Secretary's December 22, 1998, decision. The conferees encourage the Secretary to utilize those stockpile management funds necessary to complete design of these critical elements of the APT system.

Program direction

The conferees recommend a $5.0 million decrease to the budget request for program direction.

The conferees strongly encourage the Secretary to utilize the authority to make voluntary separation incentive payments authorized elsewhere by this Act. The conferees are disappointed that the Department has failed to implement fully the realignment recommendations described in the 1997 report of the Institute for Defense Analysis on the management structure for weapons activities of the Department. The statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) directed the Department to begin implementation of these recommendations as soon as practicable. The conferees believe that the proposed decrease to the program direction account can be achieved through savings and efficiency gains resulting from reorganization and program realignment efforts. The conferees believe that the performance of the Office of Defense Programs will be improved by eliminating duplicative efforts and by streamlining management control of DOE weapons activities.

Defense Programs Campaigns

The conferees fully support the "Defense Programs Campaigns" concept proposed by the Assistant Secretary of Energy for Defense Programs. This concept will greatly assist Congress in assessing the degree of integration among varied experiments, simulation, research, and weapons assessments activities carried out at the DOE weapons laboratories and production plants. The conferees direct that future budget weapons activities submittal reflect the campaign concept.

Defense environmental restoration and waste management (sec. 3102)

The budget request included $4.5 billion for defense environmental management activities and $1.0 billion for defense facility closure projects of the Department of Energy (DOE).

The Senate bill contained a provision (sec. 3102) that would authorize $5.5 billion for defense environmental management activities, including closure projects, a reduction of $36.0 million.

The House amendment included a similar provision (sec. 3102) that would authorize $5.7 billion for environmental management activities, including closure projects, an increase of $81.0 million.

The Senate recedes in part and the House recedes in part. The conferees recommend an authorization of $5.5 billion for defense environmental management activities, including closure projects, a reduction of $73.0 million. The amount authorized is for the following activities: $1.1 billion for closure projects, an increase of $15.0 million; $980.9 million for site and project completion, the amount of the request; $2.9 billion for post 2006 completion, a decrease of $33.6 million; the requested amount of $230.5 million for technology development; and $339.4 million for program direction, a decrease of $10.0 million. The conferees agreed to decreases of $44.4 million as follows: $2.4 million to account for reduced travel expenditures and $42.0 to account for increased contractor efficiencies to be gained through contract management reforms.

Defense facility closure projects

Of the amounts authorized for defense facility closure projects, the conferees recommend an increase of $15.0 million for the Rocky Flats Environmental Technology Site to ensure that the closure deadline of 2000 is met.

Post 2006 completion

Of the amounts authorized for post 2006 completion, the conferees recommend an increase of $15.0 million to address planning, demonstration and other requirements associated with modification of the Savannah River in-tank precipitation process; an increase of $10.0 million to address Hanford cleanup commitments, including the 324-B Cell project, the Columbia River Corridor Initiative, reactor decontamination and decommissioning, and Plutonium Finishing Plant stabilization activities; an increase of $5.0 million for operations and maintenance activities at the Hanford Tank Waste Remediation System project; an increase of $5.0 million for the National Spent Fuel Program; a reduction of $20.0 million for environment, safety and health studies related to off-site releases of contamination; a reduction of $40.3 million to the Pit 9 project to account for uncosted, available funds; and a total reduction of $8.3 million to construction projects 88–R–830 and 94–E–602. The conferees recommend full funding for the F-canyon and H-canyon materials processing facilities.

Technology development

Of the amounts authorized for the Office of Science and Technology, the conferees recommend an increase of $5.0 million for applied research and development activities to be offset by a reduction to data base development and information management activities, the risk policy program, and the environmental management science program.

The conferees support the integration of industrial programs and university based programs into the Environmental Management technology focus areas. The conferees encourage the Office of Science and Technology to continue its inclusion of industry, universities, and non-profit organizations in technology development and deployment activities.

Program direction

The conferees recommend a reduction of $10.0 million to program direction.

Columbia River Corridor Initiative

The conferees support the Columbia River Corridor Initiative to accelerate cleanup along the Hanford Reach of the Columbia River. The conferees direct the Assistant Secretary of Energy for Environmental Management to establish a schedule by which the 100 square miles of the Hanford site that adjoin the Columbia River could be cleaned up on an accelerated schedule and proposed for delisting from the National Priorities List of the Environmental Protection Agency.

Other defense activities (sec. 3103)

The budget request included $1.8 billion for other defense activities of the Department of Energy (DOE).

The Senate bill contained a provision (sec. 3103) that would authorize $1.8 billion for other defense activities, an increase of $29.0 million to the budget request.

The House amendment contained a provision (sec. 3103) that would authorize $1.8 billion other defense activities, a decrease of $12.9 million to the budget request.

The Senate recedes in part and the House recedes in part.

The conferees agree to authorize $1.8 billion, an increase of $13.9 million. The conferees agreed to a decrease of $10.0 million as follows: $2.0 million to account for reduced travel expenditures and $8.0 from uncosted prior year funds. The conferees did not include the Department's proposed offset of $12.6 million to fund counterintelligence programs.

Nonproliferation and national security

The conferees recommend $732.1 million for nonproliferation and national security.

Arms control

The conferees recommend $276.0 million for arms control, a reduction of $20.0 million. The conferees direct that this reduction be taken in the Initiatives for Proliferation Prevention program and the Nuclear Cities Initiative. The conferees recommend $145.0 million for the international materials protection, control, and accounting program, the requested amount.

Security clearances

The conferees recommend $44.1 million for security clearances, an increase of $14.1 million. The additional funds would be used to decrease the backlog of background investigations and to elevate certain DOE and contractor employees' clearances, as would be required by a separate provision in this Act.

International nuclear safety

The conferees recommend $24.7 million for international nuclear safety, a reduction of $9.3 million.

Fissile materials control and disposition

The conferees recommend $200.0 million for fissile materials control and disposition, the requested amount.

The conferees believe that many activities currently carried out by the Office of Defense Programs would be more appropriately carried out by the Office of Fissile Materials Control and Disposition. The conferees direct that the Office of Fissile Materials Control and Disposition assume responsibility for the following activities currently funded within the weapons activities account: storage of special nuclear materials that have been designated surplus to U.S. military needs; the Parallax mixed oxide fuel project at Los Alamos National Laboratory; the Amarillo Plutonium Research Center; and surplus plutonium pit disassembly and conversion activities. The conferees believe that this action will more accurately reflect the missions and functions of the Office of Fissile Materials Control and Disposition. The conferees expect that future year funding requirements for these activities will be reflected in the materials disposition program budget account.

The conferees believe that the Amarillo Plutonium Research Center is more appropriately funded by the Office of Fissile Materials Control and Disposition and, accordingly, recommend $5.0 million for this activity.

The conferees are pleased to note the continuing progress of the gas reactor development program and hope that this might provide additional plutonium burning capacity in Russia.

Worker and community transition

The conferees recommend the requested amount of $30.0 million for worker and community transition.

Environment, safety and health-defense

The conferees recommend $98.0 million for environment, safety and health-defense, an increase of $6.0 million.

Counterintelligence

The conferees recommend $39.2 million for the Office of Counterintelligence, an increase of $8.0 million. The conferees recommend that the additional funds be utilized to implement an enhanced computer security program at DOE facilities, including cyber security measures such as intrusion detection, early warning, reporting, and analysis capabilities. The conferees direct that priority being given to implementing such added computer security at the three weapons laboratories.

Intelligence

The conferees recommend the requested amount of $36.0 million for the Office of Intelligence.

Naval Reactors

The conferees recommend $677.6 million for naval reactors, an increase of $12.6 million. The conferees expect these funds to be utilized to expedite decommissioning and decontamination activities at surplus training facilities.

Defense nuclear waste disposal (sec. 3104)

The Senate bill contained a provision (sec. 3105) that would authorize $112.0 million for the Department of Energy (DOE) fiscal year 2000 defense contribution to the Defense Nuclear Waste Fund. The authorized amount would be offset by $39.0 million to account for transfer of funds to the Nuclear Waste Disposal Fund.

The House amendment contained a similar provision (sec. 3104) that would authorize $73.0 million for the DOE fiscal year 2000 defense contribution to the Defense Nuclear Waste Fund.

The House recedes.

Defense environmental management privatization (sec. 3105)

The Senate bill contained a provision (sec. 3105) that would authorize $241.0 million for defense environmental management privatization projects an increase of $13.0 million, to be allocated as follows: $106.0 million for the Tank Waste Remediation System project, phase I (Richland); $110.0 million for the Advanced Mixed Waste Treatment project (Idaho); $5.0 million for spent nuclear fuel dry storage (Idaho); and $20.0 million for environmental management/waste management disposal (Oak Ridge). The provision declined to recommend privatization funds for the Oak Ridge Transuranic Waste Treatment project, which was moved to the Site and Project Completion account. The provision further authorized the use of $25.0 million in fiscal year 1998 unobligated, uncosted balances within the Defense Environmental Management Privatization account to reflect the cancellation of the spent nuclear fuel transfer and storage project (Savannah River).

The House amendment included a similar provision (sec. 3105) that would authorize $253.0 million for defense environmental management privatization projects an increase of $25.0 million, including $12.0 million for transuranic waste treatment (Oak Ridge) and the use of $25.0 million in fiscal year 1998 unobligated, uncosted balances to reflect the cancellation of the spent nuclear fuel transfer and storage project (Savannah River).

The Senate recedes.

The conferees declined to accept the request for a multiyear funding authorization for defense environmental management privatization activities. The conferees fully support the Tank Waste Remediation System privatization project at the Hanford site. The conferees believe that the technological approach proposed to address the wastes stored in the Hanford tanks is viable and realistic.

Subtitle B—Recurring General Provisions

Reprogramming (sec. 3121)

The Senate bill contained a provision (sec. 3121) that would prohibit the reprogramming of funds in excess of 110 percent of the amount authorized for the program, or in excess of $1.0 million above the amount authorized for the program, until the Secretary of Energy submits a report to the congressional defense committees and a period of 30 days has elapsed after the date on which the report is received.

The House amendment contained a similar provision (sec. 3121) that would prohibit the reprogramming of funds until 60 days after the date the Secretary of Energy notifies the congressional defense committees.

The Senate recedes with an amendment that would prohibit the reprogramming of funds until 45 days after the date the Secretary of Energy notifies the congressional defense committees.

Limits on general plant projects (sec. 3122)

The Senate bill contained a provision (sec. 3122) that would authorize the Secretary of Energy to carry out any construction project authorized under general plant projects if the total estimated cost does not exceed $5.0 million. The provision would require the Secretary to submit a report to the congressional defense committees detailing the reasons for the cost variation if the cost of the project is revised to exceed $5.0 million.

The House amendment contained an identical provision (sec. 3122).

The conference agreement includes this provision.

Limits on construction projects (sec. 3123)

The Senate bill contained a provision (sec. 3123) that would permit any construction project to be initiated and continued only if the estimated cost for the project does not exceed 125 percent of the higher of the amount authorized for the project or the most recent total estimated cost presented to the Congress as justification for such project. The provision would prohibit the Secretary of Energy from exceeding such limits until 30 legislative days after the Secretary submits to the congressional defense committees a detailed report setting forth the reasons for the increase. This provision would also specify that the 125 percent limitation would not apply to projects estimated to cost under $5.0 million.

The House amendment contained an identical provision (sec. 3123).

The conference agreement includes this provision.

Fund transfer authority (sec. 3124)

The Senate bill contained a provision (sec. 3124) that would permit funds authorized by this Act to be transferred to other agencies of the government for performance of work for which the funds were authorized and appropriated. The provision would permit the merger of such transferred funds with the authorizations of the agency to which they are transferred. The provision would also limit, to not more than five percent of the account, the amount of funds authorized by this Act that may be transferred between authorization accounts within the Department of Energy.

The House amendment contained an identical provision (sec. 3124).

The conference agreement includes this provision.

Authority for conceptual and construction design (sec. 3125)

The Senate bill contained a provision (sec. 3125) that would limit the authority of the Secretary of Energy to request construction funding until the Secretary has completed a conceptual design. This limitation would apply to construction projects with a total estimated cost greater than $5.0 million. If the estimated cost to prepare the construction design exceeds $600,000, the provision would require the Secretary to obtain a specific authorization to obligate such funds. If the estimated cost to prepare the conceptual design exceeds $3.0 million, the provision would require the Secretary to request funds for the conceptual design before requesting funds for construction. The provision would further require the Secretary to submit to Congress a report on each conceptual design completed under this provision. The provision would also provide an exception to these requirements in the case of an emergency.

The House amendment contained an identical provision (sec. 3125).

The conference agreement includes this provision.

Authority for emergency planning, design, and construction activities (sec. 3126)

The Senate bill contained a provision (sec. 3126) that would permit the Secretary of Energy to perform planning and design with any funds available to the Department of Energy pursuant to this title, including those funds authorized for advance planning and construction design, whenever the Secretary determines that the design must proceed expeditiously to protect the public health and safety, to meet the needs of national defense, or to protect property.

The House amendment contained an identical provision (sec. 3126).

The conference agreement includes this provision.

Funds available for all national security programs of the Department of Energy (sec. 3127)

The Senate bill contained a provision (sec. 3127) that would authorize, subject to section 3121 of this Act, amounts to be appropriated for management and support activities and for general plant projects to be made available for use in connection with all national security programs of the Department of Energy.

The House amendment contained an identical provision (sec. 3127).

The conference agreement includes this provision.

Availability of funds (sec. 3128)

The Senate bill contained a provision (sec. 3128) that would authorize amounts to be appropriated for operating expenses or for plant and capital equipment for the Department of Energy to remain available until expended. Program direction funds would remain available until the end of fiscal year 2002.

The House amendment contained an identical provision (sec. 3128).

The conference agreement includes this provision.

Transfers of defense environmental management funds (sec. 3129)

The Senate bill contained a provision (sec. 3129) that would provide the manager of each field office of the Department of Energy with limited authority to transfer up to $5.0 million in fiscal year 2000 defense environmental management funds from one program or project under the jurisdiction of the office to another such program or project, including site project and completion and post 2006 completion funds, once in a fiscal year.

The House amendment contained an identical provision (sec. 3129).

The conference agreement includes this provision.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Prohibition on use of funds for certain activities under Formerly Utilized Site Remedial Action Program (sec. 3131)

The Senate bill contained a provision (sec. 3131) that would prohibit the use of funds, authorized to be appropriated by this Act to conduct treatment, storage, or disposal actions at Formerly Utilized Site Remedial Action Program sites in fiscal year 2000 and beyond.

The House amendment contained no similar provision.

The House recedes.

Continuation of processing, treatment, and disposition of legacy nuclear materials (sec. 3132)

The Senate bill contained a provision (sec. 3132) that would require the Secretary of Energy to maintain a high state of readiness at the F-canyon and H-canyon facilities at the Savannah River site.

The House amendment contained no similar provision.

The House recedes.

The conferees note that maintaining F-canyon and H-canyon facilities has been recommended by the Defense Nuclear Facilities Safety Board and continues to be consistent with Department of Energy program requirements.

Nuclear weapons stockpile life extension program (sec. 3133)

The Senate bill contained a provision (sec. 3133) that would establish the Stockpile Life

Extension Program (SLEP) within the Department of Energy (DOE) Office of Defense Programs. The provision would require the Secretary of Energy to submit a long-range SLEP plan, including, but not limited to: (1) detailed proposals for the remanufacture of each weapon design designated to be included in the enduring stockpile; (2) detailed proposals to expedite the collection of those data necessary to support SLEP, such as materials and component aging, new manufacturing techniques, and materials replacement issues; (3) the role and mission of each DOE nuclear weapons laboratory and production plant, including anticipated workload, modernization, and skills retention requirements; and (4) funding requirements for each program element, identified by weapon type and facility. The provision would require the SLEP plan to be provided to the congressional defense committees not later than January 1, 2000. The provision would also require the Secretary to update the plan each year and submit it to the congressional defense committees at the same time the President submits the annual budget to Congress. The provision would further require the Secretary to request adequate funds to carry out the activities identified in the SLEP plan and in the annual SLEP plan updates.

The House amendment contained no similar provision.

The House recedes with an amendment that would also require the long-term plan to include an identification of funds that are needed to carry out the program in the current fiscal year and the subsequent five fiscal years. The House amendment would also require an independent assessment by the Comptroller General of the United States to determine whether the plan is executable in the current and future fiscal years.

Procedures for meeting tritium production requirements (sec. 3134)

The Senate bill contained a provision (sec. 3134) that would require the Secretary of Energy to produce new tritium to meet the requirements of the Nuclear Weapons Stockpile Memorandum at the Tennessee Valley Authority (TVA) Watts Bar or Sequoyah nuclear power plants, consistent with the Secretary's December 22, 1998, decision designating the Department of Energy's preferred tritium production technology. The provision would require the Secretary to design and construct a new tritium extraction facility in the H-Area of the Department of Energy Savannah River Site in order to support fully the Secretary's decision. The provision would further require the Secretary to complete engineering development and preliminary design of the Accelerator Production of Tritium (APT) technology as a backup source of tritium to the Department of Energy's preferred technology, consistent with the Secretary's December 22, 1998, decision, and to make available those funds necessary to complete engineering development and demonstration, preliminary design, and detailed design of key elements of the APT system, consistent with the Secretary's decision of December 22, 1998.

The House amendment contained a similar provision (sec. 3161) that would require the Secretary of Energy to prepare a plan to expedite design, completion, and construction of the APT. The provision would require the Secretary to designate APT as the primary technology for tritium production and implement the APT plan, if amended licenses for the operation of commercial light water reactors for tritium production have not been completed by December 31, 2002.

The House recedes.

Independent cost estimate of accelerator production of tritium (sec. 3135)

The Senate bill contained a provision (sec. 3135) that would require the Secretary of Energy to conduct an independent cost estimate of the Accelerator Production of Tritium (APT) program at the highest possible level given the state of maturity of the program, but not less than a Type III "sampling technique" method as it is currently defined by the Department of Energy. The Secretary would be required to submit to the congressional defense committees a report on the results of the cost estimate not later than April 1, 2000.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary to conduct an independent cost estimate at a level of detail not less than a Type III "parametric estimate" method, with some sampling where practicable.

The conferees note that the APT program has undergone numerous independent cost estimates and reviews in support of the Secretary's tritium selection decision. The conferees further note that the Secretary's December 22, 1998, tritium decision document states, "[N]umerous reviews have provided confidence that there are no technical roadblocks, and that the costs of the project are well understood." The conferees understand that the next independent cost estimate (ICE) review of the preliminary design of the APT is scheduled for 2002. The conferees expect the Department to continue engineering development and preliminary design of key components of the APT technology, as required by the Secretary's December 1998 tritium decision, and to maintain the current schedule for an ICE review in 2002.

Nonproliferation initiatives and activities (sec. 3136)

The Senate bill contained a provision (sec. 3136) that would: (1) limit the percentage of appropriated funds that may be spent by the Department of Energy (DOE) laboratories to 40 percent; (2) express a sense of Congress that the President enter into negotiations with the Russian government for the purposes of entering into an agreement between the U.S. and Russia to provide for a permanent exemption from taxation for the Initiatives for Proliferation Prevention Program (IPP); and (3) enhance the management, accountability, and oversight of the IPP and Nuclear Cities Initiative.

The House amendment contained similar provisions (sec. 3131–3132) that would limit the percentage of funds appropriated for the IPP program that are spent at the DOE laboratories to 25 percent and would prohibit funds appropriated for the IPP program from being used to pay Russian government taxes and customs duties.

Both the Senate and the House recede.

The conferees agree to combine all three provisions. The provision would prohibit the payment of Russian taxes but in the event that the payment of Russian taxes is unavoidable, the Secretary of Energy shall: (1) after such payment, submit a report to the congressional defense committees explaining the particular circumstances that would make such payment under the IPP program unavoidable; and (2) ensure that sufficient additional funds are provided to the IPP program to offset the amount of such payment.

The conferees intend that in implementing the requirements of subsection (6), subparagraph (B) of this provision, if funds are reprogrammed to the IPP program to offset the funds used to pay taxes, the Secretary shall use established reprogramming procedures. The conferees note that if the Department of Energy learns that recipients of IPP funds have paid income or other taxes, the conferees expect that the Secretary of Energy will notify the congressional defense committees in accordance with subsection (6), subparagraph (A).

The conferees, troubled by the disproportionally large share of the IPP funds that have remained in the DOE national laboratories, have agreed to a funding restriction that limits the amount of IPP funds spent in the DOE national laboratories to 35 percent of the overall program funding. The DOE had previously committed to achieving a 40 percent limitation. The conferees recognize that meeting the 35 percent in fiscal year 2000 will be a challenge. While clearly the goal of the IPP program is to ensure that the maximum amount of IPP funds reach the program participants, DOE must also ensure that there is adequate program oversight.

Support of theater ballistic missile defense activities of the Department of Defense (sec. 3137)

The House amendment contained a provision (sec. 3134) that would authorize $30.0 million for the following: stockpile stewardship for theater ballistic missile defense technology development, concept demonstration, and integrated testing to improve reliability and reduce risk in hit-to-kill interceptors for theater ballistic missile defenses; science and engineering teams to address technical problems identified by the director of the Ballistic Missile Defense Organization (BMDO) which are critical to the acquisition of a theater ballistic missile defense capability; and other research, development, and demonstration activities that support the mission of BMDO. The provision would also require that any such activities conform to the memorandum of understanding (MOU) between the Secretaries of Energy and Defense required by section 3131 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) and be funded either through direct contributions or through a waiver of a federal administrative charge, overhead costs, or other indirect costs of the Department of Energy (DOE) or its contractors.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize $25.0 million for stockpile stewardship for theater ballistic missile defense technology development. The amendment would authorize such funds to be made available through direct contributions or through a waiver of a federal administrative charge, overhead costs, or other indirect costs of the DOE. The amendment would further require that any such activities conform to the MOU between the Secretary of Energy and the Secretary of Defense.

Subtitle D—Matters Relating to Safeguards, Security, and Counterintelligence

Short title (sec. 3141)

The Senate bill contained a provision (sec. 3151) that would cite the title of subtitle D as "Safeguards, Security, and Counterintelligence at Department of Energy Facilities."

The House amendment contained a provision (sec. 3181) that would cite the title of subtitle F as "The National Security Information Protection Improvement Act."

The House recedes.

Commission on Safeguards, Security, and Counterintelligence at Department of Energy Facilities (sec. 3142)

The Senate bill included a provision (sec. 3152) that would repeal sections 3161 and 3162(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85), to eliminate the requirement for the Department of Energy Security Management Board. The provision would create a permanent, independent safeguards security, and counterintelligence oversight commission to assess the adequacy of safeguards, security, and counterintelligence at Department of Energy (DOE) facilities. The provision would require the commission to assess specifically assess the adequacy of: (1) safeguards, security, and counterintelligence programs, plans, and budgets of each DOE headquarters program element and each DOE field office; (2) capabilities and skills within Headquarters and field organizations; and (3) all relevant DOE guidance, including DOE Orders, Presidential Decision Directives, and the Design Threat Basis document. The provision would require the commission to make recommendations regarding any changes in security or counterintelligence policies and procedures necessary to balance risk and capability in order to deter or react to credible threats.

The provision would require the commission to be composed of nine members serving four-year, staggered terms. The provision would further require that appointments be made not later than 60 days after enactment of the provision, as follows: two by the Chairman of the Committee on Armed Services of the Senate, in consultation with the ranking member of that Committee; one by the ranking member of the Committee on Armed Services of the Senate, in consultation with the Chairman of that Committee; two by the Chairman of the Committee on Armed Services of the House of Representatives, in consultation with the ranking member of that Committee; one by the ranking member of the Committee on Armed Services of the House of Representatives, in consultation with the Chairman of that Committee; one by the Secretary of Defense; one by the Director of Central Intelligence; and one by the Director of the Federal Bureau of Investigation. The provision would require that the chairman of the commission be designated from among the members of the commission by the Chairman of the Committee on Armed Services of the Senate, in consultation with the Chairman of the Committee on Armed Services of the House of Representatives. The provision would require that the commission submit to the congressional defense committees, not later than February 15 of each year, an annual activities, findings, and recommendations report. The provision would require that the report include any recommendations for legislation and administrative action.

The House amendment contained no similar provision.

The House recedes.

The conferees recommend that of the funds authorized to be appropriated in fiscal year 2000 by sections 3101 and 3103, not more than $1.0 million be available to the commission.

Background investigations of certain personnel at Department of Energy facilities (sec. 3143)

The Senate bill contained a provision (sec. 3153) that would require the conduct of a full background investigation, meeting the requirements of section 145 of the Atomic Energy Act of 1954 be any Department of Energy (DOE) employee or any DOE contractor employee whose duties or assignments are required to be carried out in physical proximity to locations where restricted data or formerly restricted data may be located or who has regular access to locations where Restricted Data is located. The provision would require the Secretary to meet requirements of this provision one year from the date of enactment of this provision.

The House amendment contained no similar provision.

The House recedes with an amendment that would limit such requirements to employees who work at a nuclear weapons laboratory or a nuclear weapons production facility.

The conferees understand that this requirement will result in increased costs to the Department of Energy. In order to address this need, the conferees recommended an increase to the budget request for security investigations, as discussed elsewhere in this Act.

Conduct of security clearances (sec. 3144)

The Senate bill contained a provision (sec. 3163) that would require that any background investigation on an individual seeking a security clearance for access to restricted data be conducted by the Federal Bureau of Investigation (FBI). The provision would require the Director of the FBI to comply with this requirement within one year. The provision would further require the Director to submit to the congressional defense committees, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives a report on the implementation of this provision, not later than six months after the date of enactment of this Act.

The House amendment contained no similar provision.

The House recedes with an amendment that would limit the requirement to those Department of Energy (DOE) employees and DOE contractor employees who work in a program designated by the Secretary of Energy as special access or personnel assurance and accountability programs. The provision would require the Director, within 18 months of the date of enactment of this Act, to comply with this requirement. The provision would also modify the report requirement by requiring an assessment of the capability of the FBI to carry out this provision, an estimate of the additional resources that would be required, and the extent that contractor personnel would be utilized.

Protection of classified information during laboratory-to-laboratory exchanges (sec. 3145)

The Senate bill contained a provision (sec. 3164) that would require the Secretary of Energy to ensure that all Department of Energy (DOE) employees and DOE contractor employees who participate in laboratory-to-laboratory cooperative activities are fully trained in matters related to the protection of classified information and potential espionage and counterintelligence threats. The provision would further authorize the Secretary to create a pool of counterintelligence experts to be available to accompany DOE-sponsored delegations overseas with the purpose of identifying and mitigating potential espionage threats.

The House amendment contained no similar provision.

The House recedes.

Restrictions on access to national laboratories by foreign visitors from sensitive countries (sec. 3146)

The Senate bill contained a provision (sec. 3156) that would prohibit the obligation or expenditure of any funds authorized to be appropriated or otherwise made available to the Department of Energy (DOE) by section 3101 or 3103 of the Senate bill for conducting a cooperative program (including studies and planning) with the People's Republic of China, Nations of the Former Soviet Union, or any nation designated as a sensitive nation by the Secretary of State beginning on the date that is 45 days after the date of enactment of this provision and continuing until 30 days after the date on which the Secretary of Energy, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation individually submit a certification that such programs: (1) are compliant with DOE orders, regulations, and policies relating to counterintelligence, safeguards and security, and personnel assurance program matters; (2) are compliant with Presidential Decision Directives and other regulations relating to counterintelligence and safeguards and security matters; (3) include adequate protections against inadvertent release of restricted data, national security information, or any other information that might harm the interests of the United States; and (4) do not represent an undue risk to the national security interests of the United States. The provision would require the certification be provided to the congressional defense committees, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives. The prohibition would not apply to ongoing activities carried out under title III of this Act relating to cooperative threat reduction with states of the former Soviet Union or to programs carried out pursuant to a provision noted elsewhere in this Act for the materials protection control and accounting program of the DOE, but would apply to the Nuclear Cities Initiative and Initiatives for Proliferation Prevention.

The House amendment contained a similar provision (sec. 3190) that would require the Secretary of Energy to complete a background review on any individual who is a citizen or agent of a nation designated by the Secretary as sensitive before such an individual would be permitted access to a DOE national laboratory. The provision would prohibit any individual who is a citizen or agent of a nation designated as sensitive by the Secretary from entering a DOE national laboratory, beginning 30 days after the date of enactment of this section and continuing until 45 days after the date that the DOE Director of Counterintelligence, with the concurrence of the Director of the Federal Bureau of Investigation, certifies that all appropriate measures are in place to prevent espionage or intelligence gathering activities by a sensitive nation. The provision would authorize the Secretary to waive the prohibition on any individual if he determines it is in the national security interests of the United States. The prohibition would not apply to any individual who is an employee or assignee as of the date of enactment of this provision, who has undergone a background review as required by this provision, or who is the representative of a nation that has entered into an agreement with the United States and the admittance of that nation is deemed by the Secretary to be in the interests of the United States.

The Senate recedes with an amendment that would require the Secretary to complete a background review on any individual who is a citizen or agent of a nation designated by the Secretary as sensitive before such an individual would be permitted access to a facility of a DOE national laboratory other than areas where access is provided to the general public. The amendment would prohibit any individual who is a citizen or agent of a nation designated as sensitive by the Secretary from entering a DOE national laboratory other than areas accessible to the general public, beginning 30 days after the date of enactment of this section and continuing until 45 days after the date that the DOE Director of Counterintelligence, the Director of the Federal Bureau of Investigation, and the Director of Central Intelligence individually submits a certification that the foreign visitors program at the national laboratories: (1) includes all appropriate measures to prevent espionage or intelligence gathering activities by a sensitive nation; (2) are compliant with DOE orders, regulations, and policies relating to counterintelligence, safeguards and security, and personnel assurance program matters; (3) are compliant with Presidential Decision Directives and other regulations relating to counterintelligence and safeguards and security matters; (4) include adequate protections against inadvertent release of restricted data, national security information, or any other information that might harm the interests of the United States; and (5) do not represent an undue risk to the national security interests of the United States. The provision would authorize the Secretary to waive the prohibition on any individual or delegation if he determines it is in the national security interests of the United States to grant the waiver. The prohibition would not apply to any individual who is an employee or assignee of the Department of Energy or a DOE contractor as of the date of enactment of this provision and who has undergone a background review as required by this provision. In addition, the provision would exempt from the moratorium activities relating to the Cooperative Threat Reduction Program or Materials Protection Control and Accounting Program.

Department of Energy regulations relating to the safeguarding and security of restricted data (sec. 3147)

The Senate bill contained a provision (sec. 3155) that would amend the Atomic Energy Act of 1954 (42 U.S.C. 2282a) by inserting a new section that would authorize the assessment of civil penalties of not more than $100,000 per incidence for any person who violates an applicable Department of Energy (DOE) rule, regulation, or order related to safeguarding or securing restricted data. The provision would further authorize the Secretary of Energy to assess monetary penalties against Department of Energy contractors for any violation of a law, regulation, or Department of Energy Order relating to the protection of restricted data or formerly restricted data.

The House amendment contained a similar provision (sec. 3167) that would authorize identical penalties, but would eliminate an exemption in current law which would otherwise have prohibited assessing such penalties against certain non-profit contractors conducting work on behalf of the Department of Energy.

The Senate recedes with an amendment that would limit the amount of any penalties that could be levied against the non-profit contractors to not more than the total fee earned by such contractors in a given fiscal year. The amendment would not allow the assessment of any penalties against such non-profit contractors until they entered into a new contractual agreement with the Department of Energy. The conferees are concerned that lax management by both the Department of Energy and its management and operating contractors has led to increased risks to U.S. national security. The conferees do not view this action as a precedent for any future actions or discussion that may occur in the coming deliberations on extension of the Price Anderson Act. The conferees believe that protection of classified information and materials is wholly within the control of such contractors and that all DOE contractors, including nonprofit entities, should be accountable in this area.

Increased penalties for misuse of Restricted Data (sec. 3148)

The Senate bill contained a provision (Sec. 3157) that would modify the Atomic Energy Act of 1954 (42 U.S.C. 2274) by doubling the penalties for release or misuse of Restricted Data.

The House amendment contained a similar provision (sec. 3189) that would increase by twenty times the penalties for release of Restricted Data.

The Senate recedes with an amendment that would increase by five times the penalties for release of Restricted Data.

Supplement to plan for declassification of restricted data and formerly restricted data (sec. 3149)

The Senate bill contained a provision (sec. 1076) that would modify section 3161 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) by requiring the Special Historical Records Review Plan, prepared jointly by the Secretary of Energy and the Archivist of the United States, to include those records that have been or are currently in the process of being declassified pursuant to Executive Order 12958.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

Notice to congressional committees of certain security and counterintelligence failures within nuclear energy defense programs (sec. 3150)

The Senate bill contained a provision (sec. 3162) that would require the Secretary of Energy, after consultation with the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, to notify the congressional defense committees of each serious security or counterintelligence failure at a Department of Energy facility that the Secretary considers likely to cause significant harm of damage to the national security interests of the United States. The provision would require the Secretary to submit such notice not later than 30 days after learning of the failure. The provision would require the Senate and the House of Representatives to establish procedures to protect any classified or law enforcement information included in such notice.

The House amendment contained a similar provision (sec. 3166) that would require the Secretary of Energy to notify the Armed Services Committees of the Senate and the House of Representatives whenever the Secretary has any knowledge that classified information relating to military applications of nuclear energy has been disclosed in an unauthorized manner to a foreign power or an agent of a foreign power.

The House recedes with an amendment that would require the Secretary, after consultation with the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, to notify the Armed Services Committees of the Senate and the House of Representatives of each security or counterintelligence failure or compromise of classified information at a DOE facility or a facility operated by a DOE contractor that the Secretary considers likely to cause significant harm or damage to the national security interests of the United States. The provision would require the Secretary to submit such notice not later than 30 days after learning of the failure. The provision would require the Senate and the House of Representatives to establish procedures to protect any classified or law enforcement information included in such notice.

The conferees note that the Armed Services Committees of the Senate and the House of Representatives are the committees of Congress with primary oversight of atomic energy defense activities of the Department of Energy. As such, the conferees believe it is necessary that the two committees be kept fully informed of any counterintelligence or security failure or a serious compromise of classified information to a foreign power, either through espionage or through willful or accidental release by a U.S. citizen. This information is essential in order that the committees can effectively carry out appropriate oversight activities and determine if such a disclosure of classified information caused significant damage to U.S. national security interests. The conferees note that nothing in this provision shall be construed to modify or supersede any other requirement to report on intelligence-related issues to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House or Representatives.

Annual report by the President on espionage by the Peoples Republic of China (sec. 3151)

The House amendment contained a provision (sec. 3182) that would require the President to submit a semi-annual report to Congress regarding the steps taken by the Departments of Energy and Defense, Federal Bureau of Investigation, Central Intelligence Agency, and other relevant agencies to respond to espionage activities of the People's Republic of China. The first report would be required to be submitted not later than January 1, 2000.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the President to submit an annual report to Congress not later than March 1 of each fiscal year.

Report on counterintelligence and security practices at national laboratories (sec. 3152)

The House amendment contained a provision (sec. 3169) that would require the Secretary of Energy to submit a report to Congress not later than March 1 of each year regarding the status of counterintelligence activities at Department of Energy (DOE) national laboratories, regardless of whether or not such laboratories carry out classified activities. The provision would require the report to include for each laboratory a description of: (1) the number of full time counterintelligence and security professionals employed; (2) the counterintelligence and security training courses conducted and any requirement that employees successfully complete such courses; (3) each contract awarded that provides an incentive for the effective performance of counterintelligence or security activities; (4) the services provided by employee assistance programs; (5) any requirement that an employee report foreign travel, regardless of whether such travel was for personal or professional purposes; and (6) any visit by the Secretary of Energy or the

Deputy Secretary of Energy a purpose of which was to emphasize to employees the need for effective counterintelligence and security practices.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Energy to submit a report to Congress not later than March 1 of each year regarding the status of counterintelligence activities at DOE national laboratories, regardless of whether or not such laboratories carry out classified activities. The provision would rquire the report to include for each laboratory a description of: (1) the number of full time Federal and contractor counterintelligence and security professionals employed; (2) the counterintelligence and security training courses conducted and any requirement that employees successfully complete such courses; (3) each contract awarded that provides an incentive for the effective performance of counterintelligence or security activities; (4) any requirement that an employee obtain approval and report foreign travel to a sensitive country, regardless of whether such travel was for personal or professional purposes; and (5) the number of trips by employees to sensitive countries.

Report on security vulnerabilities of national laboratory computers (sec. 3153)

The House amendment contained a provision (sec. 3193) that would require the National Counterintelligence Policy Board, after consultation with the Director of Counterintelligence of the Department of Energy (DOE), to submit annually not later than March 1 of each year to the Committees on Armed Services of the Senate and the House of Representatives a report on the security vulnerabilities of the computers at the DOE national laboratories.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the National Counterintelligence Policy Board to submit a report not later than March 1, 2000, but would not require consultation with the Director of Counterintelligence of DOE.

Department of Energy counterintelligence polygraph program (sec. 3154)

The Senate bill contained a provision (sec. 3154) that would require the Secretary of Energy to prepare a plan describing how Department of Energy (DOE) employees and DOE contractor employees who have regular access to Restricted Data or Sensitive Compartmented Information might be polygraphed on periodic basis as part of a personnel assurance program. The plan would be submitted to the defense committees of Congress not later than 120 days after enactment of this provision. The plan would include recommendations for any legislation necessary to implement the plan. The provision would further prohibit obligation of more than 50 percent of the funds authorized to be appropriated or other wise made available to the Department of Energy in fiscal year 2000 for travel expenses until the plan is received by the defense committees of Congress.

The House amendment contained a similar provision (sec. 3168) that would require the Secretary of Energy to conduct, on a regular basis, counterintelligence polygraph examinations of DOE employees and contractor and consultant employees who have access to a program that the Director of Central Intelligence and the DOE Assistant Secretary for Defense Programs determine require special access restrictions. No covered employees would be granted access to such programs until they first undergo a counterintelligence polygraph examination. The provision would further require the Secretary to conduct polygraph re-examinations no less frequently than every five years or whenever the DOE Director of Counterintelligence determines is necessary.

The Senate recedes with an amendment that would require the Secretary of Energy to ensure that any new DOE, DOE contractor, or DOE consultant employee successfully complete a counterintelligence polygraph examination prior to being hired, if the Secretary determines that such an employee will have access to a program that the Secretary determines requires special access restrictions. Further, the amendment would require that a DOE, DOE contractor, or DOE consultant employee successfully complete a counterintelligence polygraph examination on a regular basis, but in no instance less than once every five years, if the employee has access to a program that the Secretary determines requires special access restrictions. No covered employees would be granted access to such programs until successfully completing a counterintelligence polygraph examination. The provision would further require the Secretary to conduct polygraph re-examinations no less frequently than every five years or whenever the Secretary determines is necessary.

The conferees direct that the Secretary not use failure of such polygraph examinations as the sole basis for the removal of any covered employee. The conferees further direct that such polygraph examinations not include questions regarding lifestyles.

Definition of national laboratory and nuclear weapons production facility (sec. 3155)

The House amendment contained a provision (sec. 3195) that would define national laboratory as the Lawrence Livermore National Laboratory, the Los Alamos National Laboratory, and the Sandia National Laboratories for the purposes of subtitle F of the House amendment.

The Senate bill contained no similar provision

The Senate recedes.

Definition of Restricted Data (sec. 3156)

The Senate bill contained a provision (sec. 3165) that would defined Restricted Data for the purposes of subtitle D of the Senate bill.

The House amendment contained no similar provision.

The House recedes.

Subtitle E—Matters Relating to Personnel

Extension of authority of Department of Energy to pay voluntary separation incentive payments (sec. 3161)

The Senate bill contained a provision (sec. 3173) that would extend for a period of two years the authority of the Secretary of Energy to pay voluntary separation incentive payments to certain Federal employees.

The House amendment contained a provision (sec. 3162) that would extend the authority of the Secretary of Energy to pay voluntary separation incentive payments for one year and increase the amount of the contribution to the federal retirement system for employees of the Department from fifteen percent of the employee's salary to twenty-six percent. The provision would further require the Secretary to submit a report on the Department's use of this authority.

The House recedes with an amendment that would extend the authority of the Secretary of Energy to pay voluntary separation incentive payments for one year. The provision would further require the Secretary to submit a report on the Department's use of this authority.

The conferees believe that this authority is an essential tool available to the Office of Defense Programs to shape its future skills and capabilities as it reorganizes and downsizes its federal workforce. The conferees note that several recent reports, including "The Organization and Management of the Nuclear Weapons Program," issued by the Institute for Defense Analyses in February 1997, and the report of the Commission on Sustaining U.S. Nuclear Weapons Expertise, issued March 15, 1999, have concluded that the Department's Weapons Activities program is over-staffed in its management and oversight functions. In spite of these conclusions, defense programs personnel levels have remained steady since fiscal year 1998 and are projected to remain steady through fiscal year 2000. The conferees further note that this authority has been extended several additional years and believe that any further extension would be difficult to justify in the future. The conferees believe further reductions in federal staffing are justified and encourage the Department to make effective use of this authority.

Fellowship program for development of skills critical to the Department of Energy nuclear weapons complex (sec. 3162)

The House amendment contained a provision (sec. 3163) that would amend section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) which authorizes the establishment of a fellowship program for graduate and postdoctoral students who are U.S. citizens specializing in physical sciences relevant to the nuclear weapons complex. The provision would require recipients to work for at least one year as a Department of Energy employee. The provision would also require the Secretary of Energy to submit to the congressional defense committees by January 1, 2000 a plan establishing criteria for the awarding of fellowships and a description of service obligations to be incurred by fellowship recipients. The provision would also authorize $5.0 million for the fellowship program.

The Senate bill contained no similar provision.

The Senate recedes.

Maintenance of nuclear weapons expertise in the Department of Defense and Department of Energy (sec. 3163)

The Senate bill contained a provision (sec. 3171) that would enact measures to assist with nuclear weapons expertise within the Departments of Defense and Energy and their contractor workforces. The provision would: (1) revitalize the role of the joint Department of Energy-Department of Defense Nuclear Weapons Council to oversee the nuclear missions of the Departments of Energy and Defense; (2) require the Secretary of Defense, in consultation with the Secretary of Energy, to submit an annual report on the activities of the weapons council; (3) require the Secretary of Defense to prepare a Nuclear Mission Management Plan; (4) require the Secretaries of Energy and Defense to prepare a Nuclear Expertise Retention Plan; (5) require that any reports on critical difficulties at nuclear weapons plants or laboratories of the Department of Energy be included in the supporting documents accompanying the annual nuclear stockpile certification sent to the President; and (6) amend section 179 of title 10, United States Code, to provide a mechanism to appoint an acting staff director for the Nuclear Weapons Council in the event the position is vacant for more than nine months.

The House amendment contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note with continuing concern that the important position of Assistant to the Secretary of Defense for Nuclear, Chemical, and Biological Defense remains vacant. The conferees note this statutorily created position plays a vital role in maintaining viability and safety of the nuclear deterrent of the United States. The conferees encourage the President to fill this position as rapidly as possible.

Whistleblower protection program (sec. 3164)

The Senate bill included a provision (sec. 3160) that would require the Secretary of Energy to establish a whistleblower protection program to ensure that no Department of Energy (DOE) employee or DOE contractor employee may be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information relating to the protection of classified information which the employee reasonably believes to provide direct and specific evidence of a violation of any federal law, gross mismanagement, a gross waste of funds, abuse of authority, of a false statement to Congress on a material fact. The provision would protect such disclosures of information only if they are made to a federal entity designated by the Secretary of Energy to receive such information, the Federal Bureau of Investigation, the Inspector General of the Department of Energy, or a member of a committee of Congress having primary responsibility for oversight of the department, agency, element of the federal government to which the information relates, an employee of a committee of Congress having primary responsibility for oversight of the department, agency, element of the federal government to which the information relates and who holds an appropriate security clearance for access to the information.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary of Energy, acting through the Inspector General, to provide assistance and guidance to each protected individual who seeks to make a protected disclosure under this section to include: (1) identifying the persons or entities to which a disclosure may be made; (2) advising individuals on the steps to be taken to protect the security of the information to be disclosed; (3) taking appropriate actions to protect the identity of that individual throughout that disclosure; and (4) taking appropriate actions to coordinate that disclosure with any other federal agency or agencies that originated the information. The provision would require the Secretary to notify individuals of their rights under this section.

The provision would further require the DOE Office of Hearings and Appeals to review any complaint submitted by a DOE employee or DOE contractor employee who alleges that the employee has been discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information relating to the protection of classified information which the employee reasonably believes to provide direct and specific evidence of a violation of any federal law, gross mismanagement, a gross waste of funds, abuse of authority, of a false statement to Congress on a material fact. The provision would further require that the information must have been disclosed pursuant to procedures established by the DOE Inspector General to protect the security of the information to be disclosed. The Office of Hearings and Appeals would be required to investigate all such complaints that are determined to be not frivolous. The provision would require the the Office of Hearings and Appeals would be required to provide an annual report on all such investigations and a summary of the results of such investigations to the congressional defense committees. In addition, the provision would require the Secretary to take remedial action when appropriate. The provision would further require the Secretary to submit a report to the congressional defense committees describing how the program would be implemented.

Subtitle F—Other Matters

Requirement for plan to improve reprogramming processes (sec. 3171)

The conferees included a provision that would require the Secretary of Energy to submit to the congressional defense committees, not later than November 15, 1999, a report on improving the reprogramming processes relating to the defense activities of the Department of Energy.

Integrated fissile materials management plan (sec. 3172)

The Senate bill contained a provision (sec. 3174) that would require the Secretary of Energy to develop a long-term integrated fissile materials management plan describing: (1) how the overlapping responsibilities of the Offices of Environmental Management, Nuclear Energy, Fissile Materials Disposition, and Defense Programs could achieve budgetary efficiencies through the consolidation or integration of fissile materials treatment, storage or disposition activities; and (2) any investments necessary at Department of Energy (DOE) sites that are anticipated to have an enduring plutonium management mission. The provision would require the plan to be submitted to the congressional defense committees not later than February 1, 2000.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Secretary to submit the plan not later than March 31, 2000.

The conferees believe that the DOE Offices of Environmental Management, Nuclear Energy, Fissile Materials Disposition, and Defense Programs have several overlapping and redundant activities in the area of plutonium and uranium management and that the Department can achieve programmatic and budgetary efficiencies by consolidating some activities of these offices.

Identification in budget materials of amounts for declassification activities and limitation on expenditures for such activities. (sec. 3173)

The House amendment contained a provision (sec. 3164) that would require that any future budget request submitted to the Congress by the Department of Energy (DOE) continue to identify, as a budgetary line item, funds that would be used to declassify records pursuant to Executive Order 12958 or to comply with any subsequent statutory declassification requirements. The provision would further limit the expenditure of funds by the Secretary of Energy for the declassification of records during fiscal year 2000 to no more than $8.5 million.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require that any future budget request submitted to the Congress by the Department identify, as a budgetary line item, funds that would be used to declassify records pursuant to Executive Order 12958 or to comply with any subsequent statutory declassification requirements. The provision would prohibit the automatic declassification of any DOE document that has not been reviewed for declassification unless the Secretary certifies to Congress that such declassification will not harm the national security of the United States. The provision would further require the Secretary to submit a report to the Committees on Armed Services of the Senate and House of Representatives on the efforts of DOE to declassify documents under its control.

The conferees note that the report required by this provision need not include information relating to any classification review or assessment conducted by DOE for any other federal agency.

Sense of Congress regarding technology transfer coordination for Department of Energy national laboratories (sec. 3174)

The House amendment contained a provision (sec. 3170) that would require the Secretary of Energy to ensure for the Sandia National Laboratories, Los Alamos National Laboratory, and Lawrence Livermore National Laboratory that: (1) technology transfer policies in patenting, licensing, and commercialization are consistent with other Department of Energy sites; (2) the contractor operating the laboratory make available to aggrieved private-sector entities expedited alternative dispute resolution procedures, including binding and non-binding procedures, to resolve commercialization, license, or patent disputes where the contractor is alleged to be at fault; (3) the alternative dispute resolution procedure to be utilized in any disputes be chosen jointly by the Secretary, the site contractor, and the aggrieved party; (4) the contractor submit an annual report to the Secretary regarding technology transfer successes, current technology transfer disputes involving the laboratory, and progress toward resolving such disputes; and (5) training of laboratory personnel responsible for patenting, licensing, and commercialization activities is adequate to ensure such employees are knowledgeable of appropriate legal, procedural, and ethical standards.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would express a sense of Congress that technology transfer policies in patenting, licensing, and commercialization at DOE national laboratories should be consistent and that training of laboratory personnel responsible for patenting, licensing, and commercialization activities be adequate to ensure such employees are knowledgeable of appropriate legal, procedural, and ethical standards.

Pilot program for project management oversight regarding Department of Energy construction projects (sec. 3175)

The Senate bill contained a provision (sec. 3176) that would direct the Secretary of Energy to initiate a project management oversight (PMO) pilot effort in at least one defense program and one environmental management construction project with a total estimated cost of at least $25.0 million. The PMO pilot projects would assess the effectiveness of using PMO service providers to help control cost and schedule overruns at large Department of Energy (DOE) construction projects. Such services would include monitoring the project's progress in order to determine if the project is on time, within budget, in conformance with the approved plans and specifications, and being implemented efficiently and effectively. The provision would require the Secretary to submit a report to the congressional defense committees on the effectiveness of the pilots not later than September 1, 2000. The provision would also require the Secretary to procure such services on a competitive basis from among those commercial firms that have expertise in managing large construction projects but do not currently manage or operate a facility where a pilot would be conducted.

The House amendment contained no similar provision.

The House recedes.

The conferees remain concerned that DOE has failed to take appropriate action to control the costs of large construction projects at DOE facilities. The conferees note a finding by the General Accounting Office that, as of April 15, 1999, all fiscal year 1999 new construction starts in the Office of Defense Programs were behind schedule by at least five months. The conferees further note that most large commercial construction projects enlist PMO-type services oversee day-to-day construction matters on behalf of the project owners. The conferees believe that the DOE, as an "owner" of many large and complex construction projects, would greatly benefit from PMO services.

Pilot program of Department of Energy to authorize use of prior year unobligated balances for accelerated site cleanup at Rocky Flats Environmental Technology Site, Colorado (sec. 3176)

The Senate bill contained a provision (sec. 3175) that would authorize the Secretary of Energy to utilize funds payable as award fees to contractors at a Department of Energy (DOE) closure site for the purpose of conducting additional cleanup activities at that site. The Senate provision would specify that funds be so used if the Secretary determines that such funds are not anticipated to be paid as award fees in the fiscal year that such funds are authorized to be appropriated and if the use of such funds for additional cleanup will not result in a deferral of payment of award fees at the site of more than 12 months. The provision would require the Secretary to report to the congressional defense committees not later than 30 days after exercising the authority granted by this provision.

The House amendment contained no similar provision.

The House recedes with an amendment that would create a three-year pilot program at the Rocky Flats Environmental Technology Site under which the Secretary would be authorized to use up to $15.0 million of prior year unobligated balances in the defense environmental management account for accelerated cleanup at the Rocky Flats site. The provision would require the Secretary to notify the congressional defense committees not less than 30 days prior to exercising the authority granted by this provision and submit a report to the congressional defense committees, not later than July 31, 2002, on whether the authority granted by this provision should be extended.

The conferees direct that the Secretary, in notifying the congressional defense committees of an intent to utilize this authority, provide information at a level of detail that is comparable to any reprogramming request submitted pursuant to section 3121 of this Act.

Proposed schedule for shipments of waste from the Rocky Flats Environmental Technology Site, Colorado, to the Waste Isolation Pilot Plant, New Mexico (sec. 3177)

The Senate bill contained a provision (sec. 3178) that would require the Secretary of Energy to submit to the Committees on Armed Services of the Senate and House of Representatives, not later than 60 days after enactment of this Act, a proposed schedule for the commencement of shipments of waste from the Rocky Flats Environmental Technology Site to the Waste Isolation Pilot Plant.

The House amendment contained no similar provision.

The House recedes with an amendment that would include in the schedule a timetable for obtaining shipping containers and would also require the Secretary to submit the proposed schedule to the Committee on Commerce of the House of Representatives.

Comptroller General report on closure of Rocky Flats Environmental Technology Site, Colorado (sec. 3178)

The Senate bill contained a provision (sec. 3179) that would require the Comptroller General of the United States to submit a report to the Armed Services Committees of the Senate and House of Representatives, not later than December 31, 2000, assessing the progress made in closing the Rocky Flats Environmental Technology Site. The provision would require the report would include the following elements: how future use decisions affect ongoing cleanup; whether the Secretary of Energy could provide additional flexibility to the site operating contractor; whether the Secretary could take actions at other Department of Energy sites that would accelerate closure of Rocky Flats; any additional developments that have occurred since the April 1999 Comptroller General report on Rocky Flats closure; the likelihood that the site will meet its 2006 closure goal; and those actions that the Secretary could take to ensure that the 2006 closure goal is met.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Comptroller General to assess how any failures to decide future uses of the site might affect current cleanup activities as well as any impact the proposed schedule to move mixed and un-mixed radioactive wastes to off-site locations will have on ongoing cleanup activities. The House amendment would further require the Comptroller General report to include recommendations for methods to accelerate closure of the site.

Extension of review of Waste Isolation Pilot Plant, New Mexico (sec. 3179)

The Senate bill contained a provision (sec. 3177) that would extend the authorization for the Waste Isolation Pilot Plant (WIPP) Environmental Evaluation Group for five additional one-year periods.

The House amendment contained no similar provision.

The House recedes.

The conferees note that the Environmental Evaluation Group provides independent reviews and evaluations of the WIPP design, construction, and operation as they relate to the protection of public health, safety, and the environment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Civil monetary penalties for violations of Department of Energy regulations relating to the safeguarding and securing of restricted data

The House amendment contained a provision (sec. 3188) that would amend the Atomic Energy Act of 1954 (42 U.S.C. 2282a) by inserting a new section that would authorize the assessment of civil penalties of not more than $500,000 per incidence for any person who commits a gross violation of an applicable Department of Energy rule, regulation, or order related to safeguarding or securing Restricted Data. The provision would further authorize the Secretary of Energy to assess monetary penalties against Department of Energy contractors, for any violation of a law, regulation, or Department of Energy Order relating to the protection of Restricted Data or Formerly Restricted Data.

The Senate bill contained no similar provision.

The House recedes.

The conferees note that the substance of this provision is addressed elsewhere in this Act.

Commission on Nuclear Weapons Management

The House amendment contained provisions (secs. 3151–3159) that would establish a Commission on Nuclear Weapons Management to examine the organizational and management structures within the Departments of Energy and Defense. The Commission would examine nuclear weapons: policy and standards; generation requirements; stockpile inspection and certification; research, development, and design; manufacturing, assembly, disassembly, refurbishment, surveillance, and storage; operations and maintenance; construction projects; and sustainment and development of high-quality personnel. The provision would address the procedures by which the members of the commission would be selected, the general rules governing the operation of the commission, the duties of the commission, the commission's reporting requirements, and the commission's powers.

The Senate bill contained no similar provision.

The House recedes.

Department of Energy counterintelligence cyber security program

The House amendment contained a provision (sec. 3106) that would authorize an increase of $8.6 million in Department of Energy (DOE) cyber security programs and would offset this amount through reductions to the Environmental Management, Defense Programs, and Other Defense accounts.

The Senate bill contained no similar provision.

The House recedes.

The conferees note that additional funds for DOE cyber security programs have been included in section 3103 of this Act.

Department of Energy polygraph examinations

The House amendment contained a provision (sec. 3187) that would require the Secretary of Energy to conduct, on a regular basis, counterintelligence polygraph examinations of certain Department of Energy (DOE) employees and contractor and consultant employees who have access to a program that the Director of Central Intelligence and the DOE Assistant Secretary for Defense Programs determine special access restrictions. The provision would further require the Secretary to prescribe those regulations necessary to carry out this section.

The Senate bill contained no similar provision.

The House recedes.

The conferees note that the substance of this provision is addressed elsewhere in this Act.

Investigation and remediation of alleged reprisals for disclosure of certain information to Congress

The Senate bill included a provision (sec. 3161) that would require the Inspector General of the Department of Energy (DOE) to review all complaints by DOE employees or DOE contractor employees that such employees have been discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information relating to the protection of classified information that the employee reasonably believes would provide direct and specific evidence of a violation of any federal law, gross mismanagement, a gross waste of funds, abuse of authority, or a false statement to Congress on a material fact. The provision would require that the information be disclosed pursuant to section 3160 of the Senate bill. The provision would require the Inspector General to investigate all such complaints determined to be not frivolous. The provision would also require the Inspector General to provide a quarterly report all such investigations and a summary of the results of such investigations to the congressional defense committees. In addition, the provision would require the Secretary to take remedial action when appropriate.

The House amendment contained no similar provision.

The Senate recedes.

The conferees note that the substance of this provision would be addressed elsewhere in this conference report.

Modification of laboratory-directed research and development to provide funds for theater ballistic missile defense

The House amendment contained a provision (sec. 3133) that would amend section 3132 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510) by reducing the maximum laboratory directed research and development (LDRD) surcharge from six percent to three percent. The provision would also establish a three percent surcharge to fund theater ballistic missile defense (BMD) development projects at the national weapons laboratories. The provision would require that such projects be established and executed consistent with the memorandum of understanding between the Secretaries of Energy and Defense required by section 3131 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85).

The Senate bill contained no similar amendment.

The House recedes.

The conferees note that LDRD is a discretionary fund used by the directors of the Department of Energy national security laboratories to undertake innovative research and development initiatives proposed by laboratory personnel. However, the conferees believe that the laboratory directors should make every effort to prioritize and coordinate LDRD efforts. The conferees urge the laboratory directors to fully utilize resources of the laboratories to focus LDRD initiatives on significant national security challenges that confront the nation, such as theater ballistic missile defense. The conferees direct that these activities be consistent with the memorandum of understanding noted above.

Report on whether the Department of Energy should continue to maintain nuclear weapons responsibility

The House amendment contained a provision (sec. 3183) that would require the President to submit to Congress, not later than January 1, 2000, a report regarding alternative organizational arrangements for managing nuclear weapons development, testing, and maintenance within the Department of Energy, including reestablishment of the Atomic Energy Commission as an independent agency.

The Senate bill contained no similar provision.

The House recedes.

Title XXXII—National Nuclear Security Administration

The House amendment contained a provision (sec. 3165) that would require the Secretary of Energy to assign to the Assistant Secretary of Energy for Defense Programs direct authority over, and responsibility for, the nuclear weapons production facilities and national laboratories with respect to strategic management, policy development and guidance, budget guidance and formulation, resource requirements determinations and allocations, administration of contracts, environmental safety and health operations, integrated safety and management, safeguard and security operations, and relations with government agencies. The provision would also establish that certain nuclear weapons production facilities, national laboratories, and operations offices report directly to the Assistant Secretary for Defense Programs. The provision would further allow the Assistant Secretary to delegate to such operations offices a number of support functions, including operational activities, program execution, personnel, contracting and procurement, facility operations oversight, and integration of production and research activities.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would substantially reorganize the national security programs of the Department of Energy (DOE).

The conferees note that the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China (known as the Cox Committee) concluded that Chinese espionage efforts had successfully gathered sensitive information related to U.S. nuclear weapons designs. The conferees further note that the President's Foreign Intelligence Advisory Board (PFIAB), chaired by former Senator Warren Rudman, after reviewing the security failures at DOE concluded that the root causes of the counterintelligence failures pertained to poor organization and a failure of accountability. The PFIAB noted that many previous efforts to improve organization and accountability at DOE had failed, and concluded that ". . . the Department of Energy is a dysfunctional bureaucracy that has proven incapable of reforming itself."

To correct these systemic problems, the conferees agree to establish the National Nuclear Security Administration (NNSA), a semi-autonomous agency within the Department that would be responsible for nuclear weapons development, naval nuclear propulsion, defense nuclear nonproliferation, and fissile material disposition; establish security, counterintelligence, and intelligence offices; and prescribe personnel, budgeting, and other management practices for the NNSA.

Short Title (sec. 3201)

The conferees agree to include a provision that would provide that this title may be cited as the "National Nuclear Security Administration Act."

Under Secretary for Nuclear Security of Department of Energy (sec. 3202)

The conferees agree to include a provision that would amend the Department of Energy Organization Act (42 U.S.C. 7132) to establish in the Department of Energy an Under Secretary for Nuclear Security appointed by the President with the advice and consent of the Senate. The Under Secretary would serve as the Administrator for Nuclear Security under the National Nuclear Security Administration Act. As Administrator, the Under Secretary would be subject to the authority, direction, and control of the Secretary of Energy. Such authority, direction, and control could only be delegated to the Deputy Secretary of Energy.

Establishment of policy for National Nuclear Security Administration (sec. 3203)

The conferees agree to include a provision that would provide that the Secretary of Energy, acting through the Under Secretary of Nuclear Security, shall be responsible for establishing policy for the National Nuclear Security Administration. The Secretary could direct officials of the Department of Energy who are not within the National Nuclear Security Administration to review programs and activities of the Administration and to make recommendations to the Secretary regarding administration of those programs.

Organization of Department of Energy counterintelligence and intelligence programs and activities (sec. 3204)

The conferees agree to include a provision that would amend the Department of Energy Organization Act (42 U.S.C. 7101) to specify that the Secretary of Energy shall be responsible for developing, and promulgating the security, counterintelligence, and intelligence policies of the Department of Energy. This provision would also establish the Department of Energy offices of Counterintelligence and Intelligence.

The Director of the Department of Energy Office of Counterintelligence would be a member of the Senior Executive Service and would be responsible for establishing policy for counterintelligence programs and activities at Department of Energy facilities in order to reduce the threat of disclosure of classified and other sensitive information at the Department facilities. The provision would also require the Director of the Office of Counterintelligence to report on the status and the effectiveness of the counterintelligence programs at facilities of the Department of Energy during the preceding year.

The Director of the Office of Intelligence of the Department of Energy would be a member of the Senior Executive Service and would be responsible for the programs and activities of the Department relating to the analysis of intelligence with respect to nuclear weapons and materials and energy security.

Subtitle A—Establishment and Organization

Establishment and mission (sec. 3211)

The conferees agree to include a provision that would establish within the Department of Energy a separately organized agency that would be known as the National Nuclear Security Administration. The mission of the Administration would be to enhance the national security through the military application of nuclear energy and to reduce global danger from weapons of mass destruction, and to promote international nuclear safety. This provision would require that the Administrator ensure that all operations and activities of the Administration are consistent with the principles of environmental protection and the safety and health of the public and the Administration's workforce.

Administrator for Nuclear Security (sec. 3212)

The conferees agree to include a provision that would establish the Under Secretary for

Nuclear Security as the Administrator for the National Nuclear Security Administration. The Administrator would have authority over, and be responsible for, all programs and activities of the Administration, except for the functions of the Office of Naval Reactors as specified in Executive Order 12344. In addition, the provision would give the Administrator responsibility for liaison between the Administration and other elements of the Department of Energy and other federal agencies. The Administrator may establish Administration-specific policies, unless disapproved by the Secretary.

Status of Administration and contractor personnel within Department of Energy (sec. 3213)

The conferees agree to include a provision that would make each officer or employee of the Administration, in carrying out the functions of the Administration, subject to the authority, direction, and control of the Administrator, the Secretary of Energy acting through the Administrator, or the Administrator's designee within the Administration. Officers or employees of the Administration would not be responsible to, or subject to the authority, direction, or control of any other officer, agent, or employee of the Department of Energy. The provision would also stipulate that each officer or employee of a contractor of the Administration would not be responsible to, or subject to the authority, direction, or control of any other officer, agent, or employee of the Department of Energy who is not an employee of the Administration, with the exception of the Secretary or Deputy Secretary of Energy.

Deputy Administrator for Defense Programs (sec. 3214)

The conferees agree to include a provision that would establish the position of Deputy Administrator for Defense Programs, subject to appointment by the President with the advice and consent of the Senate. The provision would make the Deputy Administrator responsible for maintaining and enhancing the safety, reliability, and performance of the U.S. nuclear weapons stockpile. The head of each national security laboratory and nuclear weapons production facility would report to the Deputy Administrator for Defense Programs, consistent with applicable contractual obligations.

Deputy Administrator for Defense Nuclear Nonproliferation (sec. 3215)

The conferees agree to include a provision that would establish the position of Deputy Administrator for Defense Nuclear Nonproliferation subject to appointment by the President with the advice and consent of the Senate. The provision would make the Deputy Administrator responsible for preventing the spread of materials, technology, and expertise relating to weapons of mass destruction; and for eliminating inventories of surplus fissile material.

Deputy Administrator for Naval Reactors (sec. 3216)

The conferees agree to include a provision that would establish the position of Deputy Administrator for Naval Reactors. The director of the Naval Nuclear Propulsion Program, provided for under the Naval Nuclear Propulsion Executive Order, shall serve as the Deputy Administrator for Naval Reactors. The provision would assign the Deputy Administrator the responsibilities, authorities, and accountability for all functions of the Office of Naval Reactors.

General Counsel (sec. 3217)

The conferees agree to include a provision that would establish a General Counsel for the Administration.

Staff of Administration (sec. 3218)

The conferees agree to include a provision that would require the Administrator to maintain within the Administration sufficient staff to assist the Administrator in carrying out the duties of that position. The Administrator would assign to the staff responsibility for the functions of personnel, legislative affairs, public affairs, and liaison with other elements of the Department of Energy, other federal agencies, and the public.

Subtitle B—Matters Relating to Security

Protection of national security information (sec. 3231)

The conferees agree to include a provision that would require the Administrator, subject to the approval of the Secretary of Energy, to establish policies and procedures to ensure maximum protection to classified information in the possession of the Administration. The Administrator would establish procedures requiring personnel of the Administration to report to the Administrator on significant violations of law or executive order relating to the management of classified information.

Office of Defense Nuclear Counterintelligence and Office of Defense Nuclear Security (sec. 3232)

The Senate bill contained a provision (sec. 3158) that would require the Secretary of Energy to maintain an Office of Counterintelligence and an Office of Intelligence. The Office of Counterintelligence would be headed by a senior executive of the Federal Bureau of Investigation with experience in matters relating to counterintelligence. The Director of the Office of Counterintelligence would report directly to the Secretary of Energy and ensure that the Secretary, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation are informed regularly on the status and effectiveness of counterintelligence efforts at DOE sites. The Director would be required to submit an annual assessment to the Secretary, Director of Central Intelligence, Director of the Federal Bureau of Investigation, and the defense committees of Congress on the effectiveness of counterintelligence efforts at DOE facilities. Such an assessment would be provided in both classified and unclassified form not later than March 1 of each year. The Director would be required to develop and implement specific security and counterintelligence programs to reduce the threat of loss of classified and sensitive information at DOE sites. The Director of Intelligence would also report directly to the Secretary and would be responsible for intelligence and energy security analysis.

The House amendment contained a similar provision (sec. 3184) that would require the Secretary of Energy to establish an Office of Foreign Intelligence and an Office of Counterintelligence.

The conferees agree to include a provision that would establish an Office of Defense Nuclear Counterintelligence and an Office of Defense Nuclear Security. The offices would be headed by a Chief of Defense Nuclear Counterintelligence and a Chief of Defense Nuclear Security.

The Chief of Defense Nuclear Counterintelligence would report to the Administrator and would implement counterintelligence policies directed by the Secretary and the Administrator. This Chief would develop programs for the Administration to prevent the disclosure of classified or sensitive information, and would develop and administer personnel assurance programs within the Administration.

The Chief of Defense Nuclear Security would report to the Administrator and would implement security policies directed by the Secretary and the Administrator. This Chief would be responsible for the development and implementation of security programs for the Administration including the protection, control, and accounting of nuclear materials and the physical security and cybersecurity for all facilities of the Administration.

Counterintelligence programs (sec. 3233)

The Senate bill contained a provision (sec. 3159) that would require the Secretary of Energy to assign at each DOE facility an individual to assess security and counterintelligence matters at that site. Such individuals would report directly to the DOE Director of Counterintelligence.

The House amendment contained a similar provision (sec. 3186) that would require the Secretary of Energy to assign at each DOE facility an individual to assess security and counterintelligence matters at that site. Such individuals would report directly to the DOE Director of Counterintelligence.

The House amendment contained another similar provision (sec. 3185) that would require the Secretary to establish and maintain at each DOE national laboratory, a counterintelligence program for the defense-related activities at the laboratory. The provision would require that the head of counterintelligence at each laboratory have extensive experience in counterintelligence activities within the Federal Government and is hired by and directly responsible to Director of the laboratory and is hired with the concurrence of the DOE Director of Counterintelligence.

The conferees agree to inclue a provision that would require the Administrator to establish and maintain a counterintelligence program at each laboratory or production facility. The Administrator would be required to assign an employee of the Office of Defense Nuclear Counterintelligence to each facility at which Restricted Data is located, other than a laboratory or a production facilities. This employee would assess counterintelligence and security matters at the facility.

Procedures relating to access by individuals to classified areas and information of Administration (sec. 3234)

The House amendment contained a provision (sec. 3191) that would prohibit unescorted access by a foreign national to any classified area, or access to any classified information, at any DOE facility engaged in defense activities unless the individual has a security clearance granted by the United States or has a security clearance granted by a foreign government which the Secretary of State determines is comparable to a clearance granted by the United States. The provision would prohibit the Secretary from terminating the employment of any foreign national who is also an employee of the Department, as of the date of enactment of this Act until a security clearance investigation is completed. Such employees could, however, be terminated if the Director of Counterintelligence determines it is in the national security interest of the United States.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Administrator to establish procedures to ensure that individuals are not permitted unescorted access to any classified area, or access to classified information, of the Administration until security clearances are verified.

Government access to information on Administration computers (sec. 3235)

The House amendment contained a provision (sec. 3194) that would require the Secretary of Energy to establish procedures to govern access to classified information on DOE defense-related computer systems.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would require the Administrator to establish procedures to govern access to all information on Administration computers. These procedures would provide that any individual who has access to information on an Administration computer be required, as a condition of such access, to provide to the Administrator written consent permitting access by an authorized investigative agency to any Administration computer. In addition, the provision would stipulate that, notwithstanding any other provision of law, no user of an Administration computer shall have any expectation of privacy in the use of that computer.

Congressional oversight of special access programs (sec. 3236)

The conferees agree to include a provision that would require the Administrator to submit an annual report to the congressional defense committees on the special access programs of the Administration. Each annual report shall contain budgetary information for special access programs and a brief discussion of each program. This provision would also require an annual report on the new special access programs with a justification for designating the program as special access, and an identification of existing programs or technologies that are similar to the subject of the new special access program. A new special access program would not be allowed to begin until 30 days after the defense committees have been notified that a new special access program is about to be initiated. The provision would also require a report to the congressional defense committees 14 days before any special access program is declassified.

Subtitle C—Matters Relating to Personnel

Authority to establish certain scientific, engineering, and technical positions (sec. 3241)

The conferees agree to include a provision that would provide the Administrator of the National Nuclear Security Administration authority to establish up to 300 scientific, engineering, and technical positions, hire qualified personnel to fill those positions, and set appropriate compensation levels.

Voluntary early retirement authority (sec. 3242)

The conferees agree to include a provision that would provide the Secretary of Energy temporary authority to offer voluntary early retirement to not more than 600 Department of Energy employees affected by the establishment of the National Nuclear Security Administration.

Severance pay (sec. 3243)

The conferees agree to include a provision that would provide the Secretary of Energy authority to pay severance pay in one lump sum to those Department of Energy employees entitled to severance pay as a result of the establishment of the National Nuclear Security Administration.

Continued coverage of health care benefits (sec. 3244)

The conferees agree to include a provision that would provide the Secretary of Energy authority to continue to pay the government's share of health insurance premiums to those Department of Energy employees who are involuntarily separated as a result of the establishment of the National Nuclear Security Administration.

Subtitle D—Budget and Financial Management

Separate treatment in budget (sec. 3251)

The conferees agree to include a provision that would require the President to submit the budget for the NNSA separately within the amounts requested for the Department of Energy. The section would also require that the budget justification materials submitted to Congress in support of the budget be specified in individual program elements.

Planning, programming, and budgeting process (sec. 3252)

The conferees agree to include a provision that would require the Administrator to establish a sound planning, programming, and budgeting process for the activities of the Administration using funds that are available for obligation for a limited number of years.

Future-years nuclear security program (sec. 3253)

The Senate bill contained a provision (sec. 3172) that would amend section 3155(a) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) to require that the Secretary of Energy, beginning in fiscal year 2001, include in the President's annual budget request to Congress, a five-year program and budget plan for the activities anticipated to be carried out by the national security programs of the Department of Energy. The program and budget plan would be submitted at the same level of detail as the President's annual budget request to Congress and would include a description of anticipated workload requirements for each site. The provision would further require the Secretary of Energy, beginning in fiscal year 2001, to identify how each element of the President's budget request for weapons activities would help ensure that the weapons stockpile is safe and reliable as determined in accordance with the performance criteria established pursuant to section 3158 of the Strom Thumond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) during each year of the five year period.

The House amendment contained no similar provision.

The House recedes with an amendment that would require the Administrator to submit a future-year nuclear security program that would contain the estimated expenditures necessary to support the programs, projects, and activities of the Administration for a five-year period and the anticipated workload requirements for each Administration site during the period of the plan. It would also require that the Administrator submit materials detailing how the funds identified for each program element in the weapons activities budget will help ensure the reliability and safety of the nuclear weapons stockpile.

The conferees note that the Secretary of Energy was required by law (section 3135 of H.R. 3230, the National Defense Authorization Act for Fiscal Year 1997, Public Law 104–201) to provide a five-year budget plan, but that the Secretary has not complied with this provision. The conferees believe that such a plan will provide an important planning tool for the Administration and a baseline on which the congressional defense committees can better evaluate succeeding budget submissions.

Subtitle E—Miscellaneous Provisions

Environmental protection, safety, and health requirements (sec. 3261)

The conferees agree to include a provision that would require the Administrator to ensure that Administration operations comply with applicable environmental, safety, and health statutes and to develop procedures for meeting such requirements. The provision would also provide that the Secretary of Energy continues to have overall authority and oversight responsibility to ensure that such compliance occurs.

Compliance with federal acquisition regulation (sec. 3262)

The conferees agree to include a provision that would require the Administrator to establish procedures that would ensure that Administration activities are operated in full compliance with the Federal Acquisition Regulation.

Sharing of technology with Department of Defense (sec. 3263)

The conferees agree to include a provision that would require the Administrator, in cooperation with the Secretary of Defense, to establish procedures that would allow for the sharing of technology and expertise between the Administration and the Department of Defense.

Use of capabilities of national security laboratories by entities outside administration (sec. 3264)

The conferees agree to include a provision that would require the Administrator to establish procedures that would, consistent with the national security mission of the Administration, make the capabilities of the national security laboratories available to elements of the Department of Energy that are not part of the Administration, other Federal agencies and other entities.

Subtitle F—Definitions

Definitions (sec. 3281)

The conferees agree to include a provision that would define terms used throughout this title.

Subtitle G—Amendatory Provisions, Transition Provisions, and Effective Dates

Functions transferred (sec. 3291)

The conferees agree to include a provision that would transfer the national security functions of the Department of Energy to the Administration upon enactment of this title, but would permit the Secretary of Energy to transfer environmental and waste management activities to other elements of the Department, in consultation with the Administrator and Congress.

Transfer of funds and employees (sec. 3292)

The conferees agree to include a provision that would require the Secretary of Energy to transfer to the Administration the balance of funding associated with the functions transferred to the Administration, as well as the employees necessary to carry out those functions.

Pay levels (sec. 3293)

The conferees agree to include a provision that would establish the compensation for the Under Secretary for Nuclear Security at executive level III and would establish the compensation for Deputy Administrators of the Administration at executive level IV.

Conforming amendments (sec. 3294)

The conferees agree to include a provision (sec. 3294) that would make conforming changes to the Atomic Energy Act of 1954, the Department of Energy Organization Act, the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-60), and the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201).

Transition provisions (sec. 3295)

The conferees agree to include a provision that would set dates by which the Administration would have to come into compliance with the provisions of Title 32 of this Act. The Administrator would be required: to comply with the financial and fiscal management principles specified in section 3252 by October 1, 2000, and to report to the Armed Services Committees of the House and the Senate by January 1, 2000 on a plan to achieve that compliance; to submit the first future year nuclear security program required in section 3253 with the fiscal year 2001 budget; and to comply with the Federal Acquisition Regulation specified in section 3263 by October 1, 2000 and report to the Armed Services Committees of the House and the Senate by January 1, 2000 on a plan to achieve that compliance.

Applicability of pre-existing laws and regulations (sec. 3296)

The conferees agree to include a provision that would establish that all provisions of law and regulations in effect immediately before the effective date of title 32 of this act remain in force unless otherwise specified.

Report containing implementation plan of Secretary of Energy (sec. 3297)

The conferees agree to include a provision that would require the Secretary to submit to the Committees on Armed Services of the Senate and House of Representative a report containing the Secretary's plan for the implementation of the provisions of this title.

Classification in United States Code (sec. 3298)

The conferees agree to include a provision that would establish a new chapter of title 50 for the provisions of title 32 of this act.

Effective dates (sec. 3299)

The conferees agree to include a provision that would establish March 1, 2000 as the effective date of the provisions of title 32, except for sections 3202, 3204, 3251, 3295, and 3297, which would become effective upon the date of enactment of this Act.

The conferees direct that the implementation of this title begin immediately upon enactment so as to ensure that the period between enactment of this Act and the effective date of this title shall serve as a transition period to achieve full compliance of the requirements of this title no later than March 1, 2000.

TITLE XXXIII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

LEGISLATIVE PROVISIONS ADOPTED

Defense Nuclear Facilities Safety Board (sec. 3301)

The Senate bill contained a provision (sec. 3201) that would authorize $17.5 million for the Defense Nuclear Facilities Safety Board (DNFSB) for fiscal year 2000.

The House bill contained an identical provision (sec. 3201). The conference agreement includes this provision.

TITLE XXXIV—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS ADOPTED

Authorized uses of stockpile funds (sec. 3401)

The Senate bill contained a provision (sec. 3301) that would authorize $78.7 million for operations of the National Defense Stockpile.

The House amendment contained an identical provision.

The conference agreement includes this provision.

Disposal of certain materials in National Defense Stockpile (sec. 3402)

The House bill contained a provision (sec. 3303) that would repeal sections 3303 and 3304 of the National Defense Authorization Act for Fiscal Year 1996 restricting the sale of certain materials.

The Senate contained no similar provision.

The Senate recedes with an amendment that would repeal section 3303 of the National Defense Authorization Act for Fiscal Year 1996. The provision would also authorize disposal of additional unneeded materials in the National Defense Stockpile.

Limitations on previous authority for disposal of stockpile materials (sec. 3403)

The Senate bill included a provision (sec. 3302) that would clarify authorities in previous years legislation regarding the quantity of materials in the stockpile that could be disposed of to attain certain levels of revenues.

The House amendment contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Definitions

The House amendment contained a provision (sec. 3301) that would define the terms "National Defense Stockpile" and "National Defense Stockpile Transaction Fund."

The Senate bill contained no similar provision.

The House recedes.

TITLE XXXV—PANAMA CANAL COMMISSION

LEGISLATIVE PROVISIONS ADOPTED

Short title (sec. 3501)

The Senate bill contained a provision (sec. 3401) that would establish Title XXXV of the National Defense Authorization Bill for Fiscal Year 2000 as the "Panama Canal Commission Authorization Act for Fiscal Year 2000".

The House amendment contained an identical provision (sec. 3501).

The conference agreement includes this provision.

Authorization of expenditures (sec. 3502)

The Senate bill contained a provision (sec. 3402) that would grant the Panama Canal Commission authority to make expenditures from the Panama Canal Commission Revolving Fund within existing statutory limits. The provision would establish $25,000 as the ceiling on the amount the commission could expend from the Revolving Fund for official reception and representation expenses.

The House amendment contained a similar provision (sec. 3502) that would establish $100,000 as the ceiling on the amount the commission could expend from the Revolving Fund for official reception and representation expenses.

The House recedes with an amendment that would establish $75,000 as the ceiling on the amount the commission could expend from the Revolving Fund for official reception and representation expenses.

Purchase of vehicles (sec. 3503)

The Senate bill contained a provision (sec. 3403) that would authorize the Panama Canal Commission to purchase replacement vehicles for official use.

The House amendment contained a similar provision (sec. 3503) that would authorize the commission to purchase vehicles built in the United States.

The House recedes with a clarifying amendment.

The conferees note that the commission has previously purchased only vehicles built in the United States and encourage the continuation of that practice.

Office of Transition Administration (sec. 3504)

The Senate bill contained a provision (sec. 3405) that would authorize the operations of the Office of Transition Administration.

The House amendment contained a similar provision (sec. 3504).

The Senate recedes with an amendment that would direct the Panama Canal Commission to enter into an agreement with the head of a department or agency of the federal government to supervise the close out of the affairs of the Commission.

Expenditures only in accordance with treaties (sec. 3505)

The Senate bill contained a provision (sec. 3404) that would confirm the obligation of the Panama Canal Commission to make expenditures only in accordance with the Panama Canal Treaty of 1977 and related agreements.

The House amendment contained no similar provision.

The House recedes.

TITLE XXXVI—MARITIME ADMINISTRATION

LEGISLATIVE PROVISIONS ADOPTED

Short title (sec. 3601)

The House amendment contained a provision (sec. 3401) that would authorize the title of Title XXXIV to be cited as the "Maritime Administration Authorization Act for Fiscal Year 2000".

The Senate bill contained no similar provision.

The Senate recedes.

Authorization of appropriations for fiscal year 2000 (sec. 3602)

The House amendment contained a provision (sec. 3402) that would authorize $79.8 million for operations and training activities and $34.9 million for expenses under a loan guarantee program for the Maritime Administration for fiscal year 2000.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would authorize $79.8 million for operations and training activities and $14.9 million for expenses under a loan guarantee program for the Maritime Administration for fiscal year 2000.

Extension of war risk insurance authority (sec. 3603)

The House amendment contained a provision (sec. 3404) that would extend through June 30, 2005, the current authority provided to the Secretary of Transportation, under Title XII of the Merchant Marine Act of 1936, to provide certain vessel war risk insurance policies.

The Senate bill contained no similar provision.

The Senate recedes.

Ownership of the Jeremiah O'Brien (sec. 3604)

The House amendment contained a provision (sec. 3405) that would clarify that the liberty ship Jeremiah O'Brien is owned by the National Liberty Ship Memorial, Inc.

The Senate bill contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Amendments to title XI of the Merchant Marine Act, 1936

The House amendment contained a provision (sec. 3403) which would authorize the Secretary of Transportation to place all title XI bond proceeds in escrow during vessel construction.

The Senate bill contained no similar provision.

The House recedes.

From the Committee on Armed Services, for consideration of the Senate bill and the House amendment, and modifications committed to conference:

Floyd Spence,
Bob Stump,
Duncan Hunter,
Herbert H. Bateman,
James V. Hansen,
Curt Weldon,
Joel Hefley,
Jim Saxton,
Steve Buyer,
Tillie K. Fowler,
John M. McHugh,
James Talent,
Terry Everett,
Roscoe G. Bartlett,
Howard "Buck" McKeon,
J.C. Watts, Jr.,
Mac Thornberry,
John Hostettler,
Saxby Chambliss,
Van Hilleary,
Ike Skelton
(except sec. 32),
Norman Sisisky,
John M. Spratt, Jr.,
(except for 27 and 32),
Solomon P. Ortiz,
Owen Pickett,
Lane Evans,
Gene Taylor,
Neil Abercrombie,
Marty Meehan,
Robert A. Underwood,
Silvestre Reyes,
Jim Turner,
Loretta Sanchez,
Ellen O. Tauscher
(except sec. 32),
Robert E. Andrews,
John B. Larson,

From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X:

Porter J. Goss,
Jerry Lewis,

From the Committee on Banking and Financial Services, for consideration of section 1059 of the Senate bill and section 1409 of the House bill, and modifications committed to conference:

Bill McCollum,
Spencer Bachus,
John J. LaFalce,

From the Committee on Education and the Workforce, for consideration of sections 579 and 698 of the Senate bill, and sections 341, 343, 549, 567, and 673 of the House amendment, and modifications committed to conference:

Bill Goodling,
Nathan Deal,
Patsy T. Mink,

From the Committee on Government Reform, for consideration of sections 538, 652, 654, 805–810, 1004, 1052–54, 1080, 1101–07, 2831, 2862, 3160, 3161, 3163, and 3173 of the Senate bill, and sections 522, 524, 525, 661–64, 672, 802, 1101–05, 2802, and 3162 of the House amendment, and modifications committed to conference:

Dan Burton,
Joe Scarborough,

Provided that Mr. Horn is appointed in lieu of Mr. Scarborough for consideration of sections 538, 805–810, 1052–54, 1080, 2831, 2862, 3160, and 3161 of the Senate bill and sections 802 and 2802 of the House amendment, and modifications committed to conference:

Stephen Horn,

From the Committee on House Administration, for consideration of section 1303 of the Senate bill and modifications committed to conference:

Wm. Thomas,
John Boehner,
Steny H. Hoyer,

From the Committee on International Relations, for consideration of sections 1013, 1043, 1044, 1046, 1066, 1071, 1072, and 1083 of the Senate bill, and sections 1202, 1206, 1301–07, 1404, 1407, 1408, 1411, and 1413 of the House amendment, and modifications committed to conference:

Benjamin A. Gilman,
Doug Bereuter,

From the Committee on the Judiciary, for consideration of sections 3156 and 3163 of the Senate bill, and sections 3166 and 3194 of the House amendment, and modifications committed to conference:

Henry Hyde,
Bill McCollum,

From the Committee on Resources, for consideration of sections 601, 602, 695, 2833, and 2861 of the Senate bill, and sections 365, 601, 602, 653, 654, and 2863 of the House amendment, and modifications committed to conference:

Don Young,
Billy Tauzin,

From the Committee on Transportation and Infrastructure, for consideration of sections 601, 602, 1060, 1079, and 1080 of the Senate bill, and sections 361, 601, 602, and 3404 of the House amendment, and modifications committed to conference:

Bud Shuster,
Wayne T. Gilchrest,
Peter DeFazio,

From the Committee on Veterans' Affairs, for consideration of sections 671–75, 681, 682, 696, 697, 1062, and 1066 of the Senate bill, and modifications committed to conference:

Michael Bilirakis,
Jack Quinn,
Managers on the Part of the House.

John Warner,
Strom Thurmond,
John McCain,
Bob Smith,
James M. Inhofe,
Rick Santorum,
Olympia Snowe,
Pat Roberts,
Wayne Allard,
Tim Hutchinson,
Jeff Sessions,
Robert C. Byrd,
Chuck Robb,
Mary L. Landrieu,
Max Cleland,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Member (at the request of Mr. Fletcher) to revise and extend his remarks and include extraneous material:)

Mr. Crane, for 5 minutes, today.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 695. An act to require the Secretary of Veterans Affairs to establish a national cemetery for veterans in various locations in the United States, and for other purposes; to the Committee on Veterans' Affairs.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2465. An act making appropriations for military construction, family housing and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes.

ADJOURNMENT

Mr. SPENCE. Mr. Speaker, pursuant to Senate Concurrent Resolution 51, 106th Congress, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of Senate Concurrent Resolution 51, 106th Congress, the House stands adjourned until 10 a.m. on Wednesday, September 8, 1999.

Thereupon (at 12 o'clock and 13 minutes a.m.), pursuant to the provisions of Senate Concurrent Resolution 51, the House adjourned until Wednesday, September 8, 1999, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the third quarter of 1998 and second quarter of 1999 by Committees of the U.S. House of Representatives, as well as a consolidated report of foreign currencies and U.S. dollars utilized for speaker-authorized official travel during first quarter of 1999, pursuant to Public Law 95-384, and for miscellaneous groups in connection with official foreign travel during the calendar year 1998 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 30, AND SEPTEMBER 30, 1998

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. John Conyers, Jr.	6/30	7/2	Haiti		432.00		(3)				432.00
Hon. William D. Delahunt	6/30	7/2	Haiti		432.00		(3)				432.00
Hon. Maxine Waters	6/30	7/2	Haiti		432.00		(3)				432.00
Hon. Ed Bryant	8/8	8/10	Morocco		657.48		(3)				657.48
	8/10	8/13	Switzerland		966.00						966.00
	8/13	8/16	Italy		866.64						866.64
	8/16	8/17	Germany		229.00						229.00
	8/17	8/19	Portugal		556.00						556.00
Stephanie Peters	8/15	8/21	Guinea		850.00						850.00
	8/21	8/23	Liberia		150.00						150.00
	8/23	8/27	Ivory Coast		956.00						956.00
	8/28	8/29	Italy		308.00						308.00
Commercial airfare							5,659.83				5,659.83
Committee totals					6,835.12		5,659.83				12,494.95

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

HENRY J. HYDE, Chairman, July 16, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Nick Smith	4/3	4/5	Korea		576.00		(3)				576.00
	4/5	4/8	Australia		354.00		(3)				354.00
	4/8	4/11	New Zealand		259.00		(3)				259.00
Committee total					1,189.00						1,189.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

LARRY COMBEST, Chairman, July 29, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
James W. Dyer	4/5	4/8	Jordan		987.00						987.00
	4/8	4/11	Israel		699.00						699.00
Commercial airfare							5,568.22				5,568.22
John G. Shank	4/5	4/8	Jordan		987.00						987.00
	4/8	4/11	Israel		699.00						699.00
Commercial airfare							5,568.22				5,568.22
Doug Gregory	4/6	4/8	South Korea		576.00		(3)				576.00
	4/8	4/9	Japan		282.00		(3)				282.00
	4/9	4/9	Okinawa				(3)				
	4/9	4/11	Hawaii		417.00		(3)				417.00
Greg Walters	4/6	4/8	South Korea		576.00		(3)				576.00
	4/8	4/9	Japan		282.00		(3)				282.00
	4/9	4/9	Okinawa				(3)				
	4/9	4/11	Hawaii		417.00		(3)				417.00
Hon C.W. Bill Young	4/6	4/8	South Korea		576.00		(3)				576.00
	4/8	4/9	Japan		282.00		(3)				282.00
	4/9	4/9	Okinawa				(3)				
	4/9	4/11	Hawaii		417.00		(3)				417.00
Hon. George R. Nethercutt, Jr.	4/6	4/8	South Korea		576.00		(3)				576.00
	4/8	4/9	Japan		282.00		(3)				282.00
	4/9	4/9	Okinawa				(3)				
	4/9	4/11	Hawaii		417.00		(3)				417.00
Hon. Allen Boyd	4/6	4/8	South Korea		576.00		(3)				576.00
	4/8	4/9	Japan		282.00		(3)				282.00
	4/9	4/9	Okinawa				(3)				
	4/9	4/11	Hawaii		417.00		(3)				417.00
Hon. Ralph Regula	4/6	4/8	South Korea		576.00		(3)				576.00
	4/8	4/9	Japan		282.00		(3)				282.00
	4/9	4/9	Okinawa				(3)				
	4/9	4/11	Hawaii		417.00		(3)				417.00
Jennifer Miller	4/8	4/10	Bahamas		668.00		(4)				668.00
Cordia A. Strom	4/8	4/10	Bahamas		668.00		(4)				668.00
Sally Chadbourne	4/8	4/10	Bahamas		668.00		(4)				668.00
Hon. Frank Wolf	4/4	4/4	Belgium				(5)				
	4/4	4/7	Albania		477.85		(5)				477.85
	4/7	4/8	Belgium				(5)				
R. Scott Lilly	4/16	4/19	England		1,260.00						1,260.00
Commercial airfare							4,669.00				4,669.00
John T. Blazey II	3/28	4/1	Brazil		1,000.00						1,000.00
Commercial airfare							3,826.00				3,826.00
Hon. Maurice D. Hinchey	4/30	5/2	Austria		358.00		(3)				358.00
										100.00	100.00
Hon. Jim Kolbe	5/28	5/30	Bolivia		312.00		(3)				312.00
	5/30	5/31	Peru		153.00		(3)				153.00
	5/31	6/2	Colombia		514.00		(3)				514.00
Hon. Dan Miller	5/28	5/30	Bolivia		312.00		(3)				312.00
	5/30	5/31	Peru		153.00		(3)				153.00
	5/31	6/2	Colombia		514.00		(3)				514.00
Hon. Jim Moran	5/28	5/30	Bolivia		312.00		(3)				312.00
	5/30	5/31	Peru		153.00		(3)				153.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	5/31	6/2	Colombia		514.00		(3)				514.00
Charles Parkinson	5/28	5/30	Bolivia		312.00		(3)				312.00
	5/30	5/31	Peru		153.00		(3)				153.00
	5/31	6/2	Colombia		514.00		(3)				514.00
Hon. Norman D. Dicks	5/28	6/1	France		1,240.00						1,240.00
	6/1	6/1	Germany								
	6/1	6/2	Belgium		269.00						269.00
Commercial airfare							779.01				779.01
Frank M. Cushing	6/1	6/7	France		1,272.00						1,272.00
Commercial airfare							6,703.93				6,703.93
Timothy L. Peterson	6/1	6/7	France		1,272.00						1,272.00
Commercial airfare							6,006.72				6,006.72
Hon. Jerry Lewis	6/12	6/15	France		1,419.30		(3)				1,419.30
Hon. Martin Olav Sabo	6/12	6/15	France		1,419.30		(3)				1,419.30
Hon. Alan Mollohan	6/12	6/15	France		1,419.30		(3)				1,419.30
Hon. Dave Hobson	6/12	6/15	France		1,419.30		(3)				1,419.30
Hon. Todd Tiahrt	6/12	6/15	France		1,419.30		(3)				1,419.30
Frank M. Cushing	6/12	6/15	France		1,419.30		(3)				1,419.30
Elizabeth Dawson	6/12	6/15	France		1,419.30		(3)				1,419.30
Douglas Gregory	6/12	6/15	France		1,419.30		(3)				1,419.30
John Mikel	6/12	6/15	France		1,419.30		(3)				1,419.30
John Blazey	6/12	6/15	France		1,419.30		(3)				1,419.30
Jennifer Mummert	6/12	6/15	France		1,419.30		(3)				1,419.30
Hon. Roybal-Allard	5/28	5/30	Venezuela		410.00		(3)				410.00
	5/30	5/31	Honduras		152.00		(3)				152.00
	5/31	6/2	El Salvador		960.00		(3)				960.00
Gregory R. Dahlberg	6/11	6/15	France		1,240.00						1,240.00
Commercial airfare							3,441.00				3,441.00
James W. Dyer	6/11	6/15	France		1,300.00						1,300.00
Commercial airfare							2,383.20				2,383.20
Total					43,765.15		38,945.30			100.00	82,810.45
Committee on Appropriations, Surveys, and Investigations staff:											
D.B. Grimes	4/16	4/24	Korea		1,863.75		3,374.40		22.32		5,260.47
D.B. Grimes	5/1	5/8	Germany		1,241.50		5,713.19		24.80		6,979.49
D.B. Grimes	6/12	6/18	England		1,142.00		6,384.04		24.80		7,550.84
T.E. Hobbs	5/1	5/8	Germany		1,241.50		5,713.19		101.89		7,056.58
N.L. Holmes	4/16	4/24	Korea		1,863.75		3,374.40		23.12		5,261.27
N.L. Holmes	5/1	5/8	Germany		1,241.50		5,713.19		68.04		7,022.73
N.L. Holmes	6/12	6/18	England		1,142.00		6,384.04		130.57		7,656.61
L.M. Welsh	5/1	5/8	Germany		1,241.50		5,713.19		125.68		7,080.37
L.M. Welsh	6/12	6/18	England		1,142.00		6,384.04		111.81		7,637.85
Total					12,119.50		48,753.68		633.03		61,506.21
Committee total					55,884.65		87,698.98		733.03		144,316.66

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation. [4] Agency aircraft (DEA). [5] Privately-paid transportation.

BILL YOUNG, Chairman, July 30, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING AND FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Bernard Sanders	3/27	3/28	Italy		328.00		(3)	*			328.00
	3/28	3/30	Israel		658.00		(3)	*			658.00
	3/30	4/1	Egypt		452.00		(3)	*			452.00
	4/1	4/3	Jordan		588.00		(3)	*			588.00
	4/3	4/5	Tunisia		358.00		(3)	*			358.00
	4/5	4/8	Morocco		661.00		(3)	*			661.00
James W. McCormick	4/28	5/3	Philippines		1,240.00		3,850.40				5,090.40
Committee total					4,285.00		3,850.40				8,135.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

JIM LEACH, Chairman, July 30, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN R. KASICH, Chairman, July 27, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND THE WORKFORCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL GOODLING, Chairman, July 28, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Christopher Shays	3/27	3/29	United Kingdom		730.00		5,530.30				
	3/29	3/31	France		930.00		304.00				
	3/31	4/2	Switzerland		644.00						
Lawrence Halloran	3/27	3/29	United Kingdom		730.00		5,530.30				
	3/29	3/31	France		930.00		304.00				
	3/31	4/2	Switzerland		644.00						
Hon. Stephen Horn	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Daniel Moll	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Grace Washbourne	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Barbara Comstock	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
James Wilson	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Russell George	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Matthew Ebert	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Bonnie Heald	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
William O'Neill	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Thomas Brierton	4/3	4/5	Korea		576.00						
	4/5	4/8	Australia		354.00						
	4/8	4/11	New Zealand		259.00						
Kevin Long	4/11	4/15	Colombia		972.00		1,662.40				
Hon. Bernard Sanders	4/29	5/1	Austria		458.00						
Hon. Dennis Kucinich	4/29	5/1	Austria		458.00						
Kevin Long	5/26	6/1	Spain		1,772.50		2,862.84				
Committee total					21,658.50		16,193.84				37,852.34

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN BURTON, Chairman, July 29, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 6 AND JULY 10, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Benjamin Gilman	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				798.00
Hon. James Walsh	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Hon. William Goodling	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Hon. Constance Morella	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Hon. John Mica	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Hon. Thomas Ewing	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Hon. Peter King	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Hon. Ciro Rodriguez	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Charles Johnson	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 6 AND JULY 10, 1999—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Nancy Bloomer	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				798.00
John Mackey	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Jim O'Connor	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
John Simmons	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Patrick Togni	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Jason Gross	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
John Feehery	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Shanti Ochs	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Jill Quinn	7/6	7/7	Ireland		494.00		(3)				
	7/7	7/8	Northern Ireland		304.00		(3)				
	7/8	7/10	Ireland		394.00		(3)				1,192.00
Committee total					20,668.00						20,668.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

Benjamin Gilman, Chairman, July 20, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 5, AND APR. 12, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Tony P Hall	4/6	4/12	Cambodia, Thailand		1,432.00		5,827.90				7,259.90
Committee total					1,432.00		5,827.90				7,259.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAVID DREIER, Chairman, July 29, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JULY 30, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Harlan Watson	6/5	6/12	Germany		1,428		5,768				7,196
Committee total					1,428		5,768				7,196

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

F. JAMES SENSENBRENNER, Chairman, July 30, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return.

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES TALENT, Chairman, July 29, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return.

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LAMAR SMITH, Chairman, July 29, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return.

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL ARCHER, Chairman, July 27, 1999.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HOUSE DELEGATION TO ITALY, MACEDONIA, KOSOVO, AND CROATIA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 23 AND JULY 25, 1999

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Tillie K. Fowler	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Hon. John Tanner	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Hon. Gary Condit	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Hon. Martin Meehan	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Hon. Chris John	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Hon. Johnny Isakson	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Hon. Patrick Toomey	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Hon. Joseph Crowley	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Bill Livingood	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
William Klein	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Thomas Donnelly	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Jason Gross	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Christine Healey	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
David Gilliland	7/23	7/24	Italy		236.00						236.00
	7/24	7/25	Macedonia		175.00						175.00
	7/24	7/24	Kosovo, FRY								
	7/25	7/25	Croatia								
Committee total					5,754.00						5,754.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

TILLIE K. FOWLER, July 28, 1999.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3647. A letter from the Administrator, Office of the Secretary, Department of Agriculture, transmitting the Department's final rule—Adjustment of Appendices to the Dairy Tariff-Rate Import Quota Licensing Regulation for the 1999 Tariff-Rate Quota Year—received July 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3648. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Milk in the Iowa Marketing Area; Termination of Proceeding [DA–99–02] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3649. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Melons Grown in South Texas; Change in Container Regulation [Docket No. FV99–979–1 FIR] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3650. A letter from the Acting Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Kiwifruit Grown in California; Changes in Minimum Size, Pack, Container, and Inspection Requirements [Docket No. FV98–920–4 FR] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3651. A letter from the Acting Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Rules of Practice Governing Proceedings Under the Egg Products Inspection Act [Docket No. PY–99–003] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3652. A letter from the Acting Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Almonds Grown in California; Revisions to Requirements Regarding Credit for Promotion and Advertising Activities [Docket No. FV99-981–2 FR] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3653. A letter from the Acting Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Peanut Promotion, Research, and Information Order [FV–98–702–FR] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3654. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Diuron; Pesticide Tolerances for Emergency Exemptions [OPP–300881; FRL 6087–2] (RIN: 2070–AB78) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3655. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Imidacloprid; Pesticide Tolerances [OPP–300894; FRL–6090–2] (RIN: 2070–AB78) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3656. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Propiconazole; Re-estabilshment of Tolerances for Emergency Exemptions [OPP–300902; FRL–6094–2] (RIN: 2070–AB78) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3657. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Paraquat; Extension of Tolerance for Emergency Exemptions [OPP–300874; FRL–6084–3] (RIN: 2070–AB78) received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3658. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Bifenthrin; Pesticide Tolerance [OPP–300888; FRL–6089–9] (RIN: 2070–AB78) received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3659. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fludioxonil; Pesticide Tolerance [OPP–300870; FRL–6085–3] (RIN: 2070–AB78) received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3660. A communication from the President of the United States, transmitting a request for transfers from the Information Technology Systems and Security Transfer Account; (H. Doc. No. 106–112); to the Committee on Appropriations and ordered to be printed.

3661. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Radioactive Waste Management Manual; to the Committee on Commerce.

3662. A letter from the Deputy Assistant Administrator, Office of Division Control, Department of Justice, Drug Enforcement Administration, transmitting the Administration's final rule—Schedules of Controlled Substances: Rescheduling of the Food and Drug Administration Approved Product Containing Sythetic Dronabinol [(=)-Delta9-(trans)—Tetrahydrocannabinol] in Sesame Oil and Encapsulated in Soft Gelatin Capsules From Schedule II to Schedule III [DEA–180F] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3663. A letter from the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, transmitting the Administration's final rule—Schedules of Controlled Substances: Placement of Ketamine into Schedule III [DEA–183F] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3664. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Amendment to the Effluent Limitations Guidelines and Standards for the Bleached Papergrade Kraft and Soda Subcategory of the Pulp, Paper, and Paperboard Point Source Category: Final Rule; OMB Approvals Under the Paperwork Reduction Act: Technical Amendments [FRL–6372–9] (RIN: 2040–AD05) received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3665. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan for New Mexico—Albuquerque/Bernalillo County: Transportation Conformity Rule [NM–37–1–7392a; FRL–6372–7] received July 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3666. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities and Pollutants: Washington [Docket No. WA–1–0001; FRL–6408–6] received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3667. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—OMB Approvals Under the Paperwork Reduction Act; Technical Amendment [FRL–6409–2] received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3668. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—State of Alaska Petition for Exemption from Diesel Fuel Sulfur Requirements [FRL–6367–1] received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3669. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Toxic Substances Control Act Test Guidelines [OPPTS–42193A; FRL–6067–4] (RIN: 2070–AB94) received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3670. A letter from the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final Authorization of State Hazardous Waste Management Program Revision [FRL–6410–1] received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3671. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—New Jersey: Authorization of State Hazardous Waste Program [FRL–6411–2] received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3672. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Idaho: Incorporation by Reference of Approved State Hazardous Waste Management [FRL–6364–2] received June 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3673. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Bay Area Air Quality Management District, Monterey Bay Unified Air Pollution Control District, and Ventura County Air Pollution Control District [CA 210–147a FRL–6362–9] received June 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3674. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Review of the Commission's Rules regarding the main studio and local public inspection files of broadcast television and radio stations [MM Docket No. 97-138, RM-8855, RM-8856, RM-8857, RM-8858, RM-8872] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3675. A letter from the Legal Advisor, Cable Services Bureau, Federal Communications Commission, transmitting the Commission's final rule—Definition of Markets for Purposes of the Cable Television Broadcast Signal Carriage Rules [CS Docket No. 95-178] received July 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3676. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Sibley, Iowa, and Brandon, South Dakota) [MM Docket No. 96-66, RM-8729, RM-8821] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3677. A letter from the Legal Advisor, Cable Services Bureau, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Section 703(e) of the Telecommunications Act of 1996 Amendment of the Commission's Rules and Policies Governing Pole Attachments [CS Docket No. 97-151] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3678. A letter from the Associate Bureau Chief, Wireless Telecommunications Bureau, Federal Communications Commission, transmitting the Commission's final rule—Revision of the Commission's Rules To Ensure Compatibility with Enhanced 911 Emergency Calling Systems [CC Docket No. 94-102; RM-8143] received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3679. A letter from the Legal Counsel, Office of Engineering and Technology, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 2.106 of the Commission's Rules to Allocate Spectrum at 2 GHz for Use by the Mobile-Satellite Service [ET Docket No. 95-18] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3680. A letter from the Legal Counsel, Office of Engineering and Technology, Federal Communications Commission, transmitting the Commission's final rule—Reallocation of Television Channels 60-69, the 746-806 MHz Band [ET Docket No. 97-157] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3681. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Ironton and Salem, Missouri) [MM Docket No. 99-71 RM-9362] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3682. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Kerrville, Leakey and Mason, Texas) [MM Docket No. 97-244, RM-9200, RM-9235, RM-9236] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3683. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Joliet, Montana) [MM Docket No. 99-12 RM-9441] (Eden, Texas) [MM Docket No. 99-16 RM-9403] (Lockwood, Montana) [MM Docket No. 99-19 RM-9397] (Florence, Montana) [MM Docket No. 99-20 RM-9413] (Perry, Florida) [MM Docket Nc. 99-21 RM-9389] (Ashland, Wisconsin) [MM Docket No. 99-22 RM-9426] (Belt, Montana) [MM Docket No. 99-17 RM-9409] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3684. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Reno, Texas) [MM Docket No. 99-62 RM-9410] (Fort Benton, Montana) [MM Docket No. 99-60 RM-9449] (Fairfield, Montana) [MM Docket No. 99-59 RM-9447] received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3685. A letter from the Deputy Chief, Information Technology Division, Federal Communications Commission, transmitting the Commission's final rule—1998 Biennial Regulatory Review—Amendment of Part 0 of the Commission's Rules to Close the Wireless Telecommunications Bureau's Gettysburg Reference Facility [WT Docket No. 98-160] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3686. A letter from the Associate Chief, International Bureau, Telecom Division, Federal Communications Commission, transmitting the Commission's final rule—1998 Biennial Regulatory Review—Review of Accounts Settlement in the Maritime Mobile and Maritime Mobile-Satellite Radio Services and Withdrawl of the Commission as an Accounting Authority in the Maritime Mobile and Maritime Mobile-Satellite Radio Services [IB Docket No. 98-96] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3687. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on the nondisclosure of Safeguards Information for the calendar year quarter beginning April 1 and extending through June 30, 1999, pursuant to 42 U.S.C. 2167(e); to the Committee on Commerce.

3688. A letter from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, Nuclear Regulatory Commission, transmitting the Commission's final rule—"Requirements for Those Who Possess Certain Industrial Devices Containing Byproduct Material to Provide Requested Information" (RIN: 3150-AG06) received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3689. A letter from the Deputy Secretary, Division of Market Regulation, Securities and Exchange Commission, transmitting the Commission's final rule—Broker-Dealer Registration and Reporting (RIN: 3235-AH73) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3690. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's Proposed Letter(s) of Offer and Acceptance (LOA) to Taipei Economic and Cultural Representative Office in the United States for defense articles and services (Transmittal No. 99-31), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3691. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to the Taipei Economic and Cultural Representative Office in the United States for defense articles and services (Transmittal No. 99-30), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3692. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Brazil for defense articles and services (Transmittal No. 99-27), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3693. A letter from the Director, Defense Security Cooperation Agency, transmitting the Department of the Army's proposed lease of defense articles to Singapore (Transmittal No. 12-99), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

3694. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to title VIII of the Foreign Relations Authorization Act for Fiscal Year 1990-91, as amended, pursuant to Public Law 104-107, section 604(b)(1) (110 Stat. 756); to the Committee on International Relations.

3695. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that effective August 1, 1999, the 15% danger pay allowance for Lima, Peru was eliminated, pursuant to 5 U.S.C. 5928; to the Committee on International Relations.

3696. A letter from the Chief Counsel, Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers: Designations of Senior UNITA Officials—received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3697. A letter from the Chief Counsel, Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers: Additional Designations and Removals and Supplementary Information on Specially Designated Narcotics Traffickers: Removal of Appendix B; Redesignation of Appendix C—received June 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3698. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Sudanese Sanctions Regulations: Libyan Sanctions Regulations; Iranian Transactions Regulations; Licensing of Commerical Sales of Agricultural Commodities and Products, Medicine, and Medical Equipment—received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3699. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13-114, "Designation of Capitalsaurus Court and Technical Correction Amendment Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3700. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13-118, "Bail Reform Temporary Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3701. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13-119, "Redevelopment Land Agency Disposition Review Temporary Amendment Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3702. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13-113, "Board of Elections and Ethics Subpoena Authority Amendment Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3703. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13-120, "Tobacco Settlement Model Temporary Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3704. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13-115, "Closing of a Public Alley in Square 113, S.O. 97-85, Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3705. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13-112, "Alcoholic Beverage Control Act Tavern Exception Amendment Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3706. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13-116, "Closing of a Public Alley in Square 507, S.O. 97-183, Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3707. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 13-111, "Service Improvement and Fiscal Year 2000 Budget Support Act of 1999" received August 4, 1999, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

3708. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severly Disabled, transmitting the Committee's final rule—Additions to and Deletions from the Procurement List—received July 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3709. A letter from the Secretary of Education, transmitting notification that effective April 15, 1999, the Chief Financial Officer resigned; to the Committee on Government Reform.

3710. A letter from the Chairman, Federal Election Commission, transmitting the Commission's final rule—Definition of a "Member" of a Membership Organization [Notice 1999-12] received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on House Administration.

3711. A letter from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting the Department's final rule—Fisheries of the Northeastern United States; Northeast Multispecies Fishery; Framework Adjustments 27 and 30 to the Northeast Multispecies Fishery Management Plan (FMP) [Docket No. 990723203-9203-01; I.D. 061599A] (RIN: 0648-AM65) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3712. A letter from the Director, Fish and Wildlife Service, Department of Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Listing of Nine Evolutionarily Significant Units of Chinook Salmon, Chum Salmon, Sockeye Salmon, and Steelhead (RIN: 1018-AF70) received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3713. A letter from the Acting Chair, Federal Subsistence Board, Fish and Wildlife Service, transmitting the Service's final rule—Subsistence Management Regulations for Public Lands in Alaska, Subpart C and Subpart D-1999-2000 Subsistence Taking of Fish and Wildlife Regulations (RIN: 1018-AE69) received July 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3714. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 620 [Docket No. 990304062-9062-01; I.D. 061099B] received July 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3715. A letter from the Assistant Administrator For Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Atlantic Sea Scallop Fishery, Framework Adjustment 11; Northeast Multispecies Fishery, Framework Adjustment 29 [Docket No. 990527146-9146-01; I.D. 052099B] (RIN: 0648-AM24) received July 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3716. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Anaktuvuk Pass, AK [Airspace Docket No. 99-AAL-4] received July 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3717. A letter from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting the Department's final rule—IFR Altitudes; Miscellaneous Amendments [Docket No. 29678; Amdt. No. 417] received July 29, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3718. A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Pension Benefits (RIN: 2900-AJ50) received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3719. A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Direct Service Connection (Post-traumatic Stress Disorder) (RIN: 2900-AI97) received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3720. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—VA Acquisition Regulation: Bonds and Insurance (RIN: 2900-AJ47) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3721. A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Schedule for Rating Disabilities; Fibromyalgia (RIN: 2900-AH05) received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3722. A letter from the Chief, Regulations Branch, Customs Service, transmitting the Service's final rule—Automated Export System (AES) [T.D. 99-57] (RIN: 1515-AC42) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3723. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Computation of the differential earnings rate and the recomputed differential earnings rate [Rev. Rul. 99-35] received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3724. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities—Update [HCFA-1056-N] (RIN: 0938-AJ65) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

3725. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Schedules of Per-Visit and Per-Beneficiary Limitations on Home Health Agency Costs for Cost Reporting Periods Beginning on or After October 1, 1999 and Portions of Cost Reporting Periods Beginning Before October 1, 2000 [HCFA-1060-NC] (RIN: 0938-AJ57) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

3726. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities [HCFA-1913-F] (RIN: 0938-AI47) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

3727. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting the Department's March 1999 "Treasury Bulletin," pursuant to 26 U.S.C. 9602(a); jointly to the Committees on Ways and Means, Transportation and Infrastructure, Commerce, Resources, Education and the Workforce, and Agriculture.

3728. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Texan (Splenetic) Fever in Cattle: Incorporation by Reference [Docket No. 96-067-2] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3729. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Viruses, Serums, Toxins, and Analogous Products and Patent Term Restoration; Nonsubstantive Technical Changes [Docket No. 97-117-1] received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3730. A letter from the Administrator, Food Safety and Inspection Service, Department of Agriculture, transmitting the Department's final rule—Fee Increase for Inspection Services [Docket No. 98-052F] (RIN:

0583-AC54) received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3731. A letter from the Administrator, Food Safety and Inspection Service, Department of Agriculture, transmitting the Department's final rule—Designation of the State of Alaska Under the Federal Meat Inspection Act and the Poultry Products Inspection Act [Docket no. 99-036F] received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3732. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—N-(4-fluorophenyl) -N-(1-methylethyl)-2 [[5-(trifluoromethyl) -1,3,4-thiadiazol -2y] oxy]acetamide; Pesticide Tolerances for Emergency Exemptions [OPP-300897; FRL-6091-9] (RIN: 2070-AB78) received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3733. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Sodium Chlorate; Extension of Exemption from Requirement of a Tolerance for Emergency Exemptions [OPP-300895; FRL-6091-6] (RIN: 2070-AB78) received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3734. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the Administration's final rule—Standards of Conduct; Loan Policies and Operations; General Provisions; Regulatory Burden (RIN: 3052-AB85) received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3735. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to provide educational assistance, technical assistance, and research services to nonagricultural cooperatives of rural residents; to the Committee on Agriculture.

3736. A letter from the Chief, Programs and Legislation Division, Department of the Air Force, transmitting notification that the Commander of Air Mobility Command is initiating a Command-wide cost comparison of the Switchboard Operations, pursuant to 10 U.S.C. 2304 nt.; to the Committee on Armed Services.

3737. A letter from the Acquisition and Technology, Under Secretary of Defense, transmitting the Department's annual report on the Defense Environmental Quality Program for Fiscal Year 1998, pursuant to 10 U.S.C. 2706(b)(1); to the Committee on Armed Services.

3738. A letter from the Acting Branch Chief, Environmental Planning Branch, Department of the Air Force, transmitting the Department's final rule — Environmental Impact Analysis Process (EIAP) (RIN: 0701-AA56) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3739. A letter from the Army Federal Register Liaison Officer, Records Management & Declassification Agency, Department of the Army, transmitting the Department's final rule—Radiation Sources on Army Land—received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3740. A letter from the Army Federal Register Liaison Officer, Records Management and Declassification Agency, Department of the Army, transmitting the Department's final rule—Manufacture, Sale, Wear, Commercial Use and Quality Control of Heraldic Items—received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3741. A letter from the Executive Director, Procurement Management Directorate (DLSC-P), Department of Defense, transmitting the Department's final rule—DLA Acquisition Directive; Types of Contracts—received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

3742. A letter from the Deputy Under Secretary (Readiness), Office of the Under Secretary of Defense, transmitting notification of the efforts to develop an implementation plan for the DoD Strategic Plan for Advanced Distributed Learning; to the Committee on Armed Services.

3743. A letter from the Secretary of Defense, transmitting notification of the approval of the retirement of Lieutenant General David L. Vesely, United States Air Force, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

3744. A letter from the Acquisition and Technology, Under Secretary of Defense, transmitting a report for Department of Defense purchases from foreign entities in Fiscal Year 1998; to the Committee on Armed Services.

3745. A letter from the Acquisition and Technology, Under Secretary of Defense, transmitting a report on the implementation of the "Pilot Program for Revitalizing the Laboratories and Test and Evaluation Centers of the Department of Defense"; to the Committee on Armed Services.

3746. A letter from the Director, FinCEN, Department of the Treasury, transmitting the Department's final rule—Extension of Grant of Conditional Exception—received July 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3747. A letter from the Secretary, Department of Housing and Urban Development, transmitting a draft of proposed legislation to authorize vouchers for extremely low-income elderly families in support of the President's FY 2000 Budget, which opens doors for more Americans and helps lead communities into the new centruy; to the Committee on Banking and Financial Services.

3748. A letter from the Secretary, Department of Housing and Urban Development, transmitting a draft of proposed legislation to make technical and conforming amendments necessitated by passage of the Quality Housing and Work Responsibility Act of 1998 and to make other technical and conforming amendments; to the Committee on Banking and Financial Services.

3749. A letter from the Assistant General Counsel for Regulatory Services, Office of the Inspector General, Department of Education, transmitting the Department's final rule—Privacy Act Regulations (RIN: 1880-AA78) received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

3750. A letter from the Secretary of Health and Human Services, transmitting a report of projects funded under Section 681(b)(A) of the Community Services Block Grant Act of Fiscal Year 1995; to the Committee on Education and the Workforce.

3751. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting notification that no exceptions to the prohibition against favored treatment of a government securities broker or dealer were granted by the Secretary during the period of January 1, 1998, through December 31, 1998, pursuant to 31 U.S.C. 3121 nt.; to the Committee on Commerce.

3752. A letter from the Chief, Field Coordination, Department of Commerce, transmitting the Department's final rule—Identification of Currently Funded Projects Eligible to be Extended for an Additional Year of Funding in Light of MBDA's Intent to Revise Its Client Service-Delivery Programs [Docket No. 990713191-9191-01] (RIN: 0640-ZA05) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3753. A letter from the Assistant General Counsel for Regulatory Law, Office of the Seretary, Department of Energy, transmitting the Department's final rule—Unclassified Foreign Visits and Assignments—received July 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3754. A letter from the Deputy Executive Secretary to the Department, OCOS, Department of Health and Human Services, transmitting the Department's final rule—Medicare, Medicaid, and CLIA Plograms; Extension of Certain Effective Dates for Clinical Laboratory Requirements Under CLIA [HCFA-2024-FC] (RIN: 0938-AI94) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3755. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Revised Format of 40 CFR part 52 for Materials Being Incorporated by Reference for Rhode Island [RI-38-6985a; A-1-FRL-6411-3] received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3756. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans for Designated Facilities; New York [Region 2 Docket No. NY 32-194a, FRL-6414-1] received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3757. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Lead; Requirements for Lead-Based Paint Activities in Target Housing and Child-Occupied Facilities; Certification Requirements and Work Practice Standards for Individuals and Firms; Amendment [OPPTS-62128C; FRL-6097-5] (RIN: 2070-AC64) received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3758. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—NESHAPS: Final Standards for Hazardous Air Pollutants for Hazardous Waste Combustors[FRL-6413-3] (RIN: 2050-AE01) received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3759. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—OMB Approvals Under the Paperwork Reducation Act Relating to the Federal Test Procedures for Emissions From Motor Vehicles; Technical Amendment [FRL-6409-2] received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3760. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Delegation of National Emission Standards for Hazardous Air Pollutants for Source Categories; State of Arizona; Pima County Department of Environmental Quality [FRL-6366-8] received June 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3761. A letter from the Special Assistant to the Bureau Chief, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.606(b), Table of Allotments, Television Broadcast Stations and Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Buffalo, New York) [MM Docket No. 98-175; Rm-9364] received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3762. A letter from the Deputy Chief, Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—1998 Biennial Regulatory Review——Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Services, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms [CC Docket No. 98-171] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3763. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.20(b), Table of Allotments, FM Broadcast Stations (Narrowsburg, New York) [MM Docket No. 99-43 RM-9468] (Allen , Nebraska) [MM Docket No. 99-82 RM-9496] (Overton, Neveda) [MM Docket No. 99-85 RM-9504] (Wells, Neveda) [MM Docket No. 99-88 RM-9515] (Caliente, Nevada) [MM Docket No. 99-89 RM-9516] received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3764. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (De Ridder, Louisiana) [MM Docket No. 98-209 RM-9406] received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3765. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Castle Dale, Utah) [MM Docket No. 99-124 RM-9519] (Huntington, Utah) [MM Docket No. 99-125 RM 9542] (Hurricane, Utah) [MM Docket No. 99-126 RM-9518] (Monticello, Utah) [MM Docket No. 99-129 RM-9541] (Wellington, Utah) [MM Docket No. 99-130 RM-9517](Groveton, Te xas) [MM Docket No. 99-135 RM-9522] (Lovelady, Texas) [MM Docket No. 99-139 RM-9569] (Midland, Maryland) [MM Docket No. 99-132 RM-9525] received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3766. A letter from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, Nuclear Regulatory Commission, transmitting the Commission's final rule—Licensee Qualification For Performing Safety Analyses—received July 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3767. A letter from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, Nuclear Regulatory Commission, transmitting the Commission's final rule—General Statement of Policy and Procedures for NRC Enforcement Actions, NUREG-1600 REV. 1—received August 4, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3768. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance (LOA) to Japan for defense articles and services (Transmittal No. 99-28), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3769. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Spain for defense articles and services (Transmittal No. 99-26), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

3770. A letter from the Director, Defense Security Cooperation Agency, transmitting a report of enhancement or upgrade of sensitivity of technology or capability for the Taipei Economic and Cultural Representative Office [Transmittal No. 99-02], pursuant to 22 U.S.C. 2776(b)(5)(A); to the Committee on International Relations.

3771. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with the Republic of Korea [Transmittal No. DTC 89-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3772. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Denmark [Transmittal No. DTC 72-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3773. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the United Kingdom and Greece [Transmittal No. DTC 50-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3774. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the territory of French Guiana [Transmittal No. DTC 73-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3775. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia [Transmittal No. DTC 79-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3776. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 91-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3777. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Germany [Transmittal No. DTC 88-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3778. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement for the export of defense services under a contract to Finland [Transmittal No. DTC 3-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3779. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with the United Kingdom [Transmittal No. DTC 43-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3780. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with the United Kingdom [Transmittal No. DTC 45-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3781. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing and Technical Assistance Agreement of defense services under a contract to the Netherlands [Transmittal No. DTC-52-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3782. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Greece [Transmittal No. DTC 27-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3783. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement for the export of defense services under a contract to Japan [Transmittal No. DTC 46-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3784. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Germany [Transmittal No. DTC 83-99], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

3785. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Japan [Transmittal No. DTC 84-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3786. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to France [Transmittal No. DTC 86-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3787. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement for the export of defense articles and defense services sold commercially under a contract to Australia, Canada, Denmark, Germany, Greece, The Netherlands, Norway, Spain and Turkey, pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3788. A letter from the Chairman Ranking Member, Commission on Security and Cooperation in Europe, transmitting a report on the work of the bipartisan congressional delegation that participated in the Eighth

Annual Session of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, pursuant to Public Law 102—138, section 169(e) (105 Stat. 679); to the Committee on International Relations.

3789. A letter from the Under Secretary for Export Administration, Department of Commerce, transmitting notification of certain foreign policy-based export controls; to the Committee on International Relations.

3790. A letter from the Assistant Secretary of Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the United Kingdom and the United Arab Emirates [Transmittal No. DTC 90-99], pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

3791. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Italy [Transmittal No. DTC 62-99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

3792. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of unauthorized transfers of U.S.-origin defense articles by Bosnia-Herzegovina, Canada, France, and Germany; to the Committee on International Relations.

3793. A letter from the President, Parliamentary Conference of the Americas, transmitting a report of the second meeting of the Steering Committee of the Parliamentary Conference of the Americas; to the Committee on International Relations.

3794. A letter from the Director, Bureau of the Census, transmitting the Bureau's final rule—Amendment to Foreign Trade Statistics Regulations: Provisions for filing Shipper's Export Data Electronically Using the Automated Export System (AES) [Docket No. 980929251-9148-03] (RIN: 0607-AA19) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3795. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severly Disabled, transmitting the Committee's final rule—Additions to the Procurement List—received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3796. A letter from the Comptroller General, transmitting a report on General Accounting Office employees detailed to congressional committees as of July 19, 1999; to the Committee on Government Reform.

3797. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, Department of Defense, transmitting the Department's final rule—Federal Acquisition Regulation; Reform of Affirmative Action in Federal Procurement [FAC 97-13; FAR Case 97-004] (RIN: 9000-AH59) received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3798. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Department of State Acquisition Regulation (DOSAR) [Public Notice #3025] (RIN: 1400-AA71) received July 30, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3799. A letter from the United States Trade Representative, Executive Office of the President, transmitting a summary of responses with respect to the recommendations contained in the report entitled, "Building American Prosperity in the 21st Century"; to the Committee on Government Reform.

3800. A letter from the Chairman and Chief Executive Officer, Office of the General Counsel, Farm Credit Administration, transmitting the Administration's final rule—Releasing Information (RIN: 3052-AB84) received July 27, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

3801. A letter from the Chairman, Merit Systems Protection Board, transmitting a report entitled, "Federal Supervisors and Poor Performers"; to the Committee on Government Reform.

3802. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to provide a temporary authority for the use of voluntary separation incentives to assist Federal agencies in reducing employment levels; to the Committee on Government Reform.

3803. A letter from the Director, Office of Personnel Management, transmitting the annual report of the Civil Service Retirement and Disability Fund for Fiscal Year 1998, pursuant to 5 U.S.C. 1308(a); to the Committee on Government Reform.

3804. A letter from the the Chief Administrative Officer, transmitting the Statement of Disbursements of the House as Compiled by the Chief Administrative Officer from April 1, 1999 through June 30, 1999, pursuant to 2 U.S.C. 104a; (H. Doc. No. 106—113); to the Committee on House Administration and ordered to be printed.

3805. A letter from the Chairman, Federal Election Commission, transmitting the Commission's final rule—Party Committee Coordinated Expenditures; Costs of Media Travel with Publicly Financed Presidential Candidates—received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on House Administration.

3806. A letter from the Chairman, Federal Election Commission, transmitting the Commission's final rule—Documentation Requirements for Matching Credit Card and Debit Card Contributions in Presidential Campaigns [Notice 1999-15] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on House Administration.

3807. A letter from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting a draft of proposed legislation to increase $380,000,000 the authorized cost ceiling for the Bureau of Reclamation's dam safety program; to the Committee on Resources.

3808. A letter from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting the Department's final rule—Atlantic Highly Migratory Species (HMS) Fisheries; Regulatory Adjustments [Docket No. 981216308-9180-03; I.D. 052699A] (RIN: 0648-AJ67) received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3809. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting the Department's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Central Aleutian District of the Bering Sea and Aleutian Islands [Docket no. 990304063-9063-01; I.D. 072799D] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3810. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting the Department's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch in the Western Aleutian District of the Bering Sea and Aleutian Islands [Docket No. 990304063-9063-01; I.D. 072799E] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3811. A letter from the Fisheries Biologist, Office of Protected Resources, PR3, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Listing Endangered and Threatened Species and Designating Critical Habitat: Petition To List Eighteen Species of Marine Fishes in Puget Sound, Washington [Docket No. 990614161-9161-01; I.D. 061199B] received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3812. A letter from the Deputy Assistant Administrator For Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; License Limitation Program [Docket No. 990407088-9199-02; I.D. 030999A] (RIN: 0648-AK69) received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3813. A letter from the Deputy Assistant Administrator For Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Amendment 1 to the Atlantic Salmon Fishery Management Plan [Docket No. 990119022-9164-02; I.D. 111998C] (RIN: 0648-AM13) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3814. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Whiting Closure for the Catcher/Processor Sector [Docket No. 981231333-9127-03; I.D. 071999C] received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3815. A letter from the Acting Assistant Attorney General, Department of Justice, transmitting the report on the administration of the Foreign Agents Registration Act covering the six months ending December 31, 1998, pursuant to 22 U.S.C. 621; to the Committee on the Judiciary.

3816. A letter from the Secretary, Department of the Treasury, transmitting a report entitled, "A Study of the Interaction of Gambling and Bankruptcy"; to the Committee on the Judiciary.

3817. A letter from the Acting Assistant Attorney General, Department of Justice, transmitting a copy of the Office of the Police Corps and Law Enforcement Education Fiscal Year 1998 Annual Report; to the Committee on the Judiciary.

3818. A letter from the Executive Director of Government Affairs, Non Commissioned Officers Association, transmitting the annual report of the Non Commissioned Officers Association of the United States of America, pursuant to Public Law 100—281, section 13 (100 Stat. 75); to the Committee on the Judiciary.

3819. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to authorize appropriations for the Refugee and Entrant Assistance Program for fiscal years 2000 through 2004; to the Committee on the Judiciary.

3820. A letter from the Interim Staff Director, United States Sentencing Commission, transmitting the 1998 annual report of the activities of the Commission, pursuant to 28 U.S.C. 997; to the Committee on the Judiciary.

3821. A letter from the Assistant Secretary (Civil Works), Department of the Army, transmitting notification of a plan to rescue the Everglades from extinction; to the Committee on Transportation and Infrastructure.

3822. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—class E Airspace; Lake Charles, LA [Airspace Docket No. 99-ASW-04] received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3823. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; National Youth Conference Air Show; Ohio River Mile 602.0—605.0; Louisville, KY [CGD08-99-046] (RIN: 2115-AE46) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3824. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Aurora APR Powerboat Races; Ohio River Mile 496.5—498.5, Aurora, IN [CGD08-99-048] (RIN: 2115-AE46) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3825. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Sacramento River, California Department of Transportation highway bridge at mile 90.1, at Knights Landing, between Sutter and Yolo Counties, CA [CGD11-99-012] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3826. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Anchorage Areas; St. John's River, Jacksonville, Florida [CGD07-99-023] (RIN: 2115-AA98) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3827. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulation; Tennessee River, TN [CGD08-99-047] (RIN: 2115-AE47) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3828. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule— Airworthiness Directives; Bombardier Model Cl-215-1A10 and Cl-215-6B11 Series Airplanes [Docket No. 98-NM-370-AD; Amendment 39-11239; AD 99-16-04] (RIN: 2120-AA64) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3829. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Name Change of Guam Island, Agana NAS, GU Class D Airspace Area [Airspce Docket No. 99-AWP-9] received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3830. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace Model BAC 1-11 200 and 400 Series Airplanes [Docket No. 98-NM-47-AD; Amendment 39-11237; AD 99-16-02] (RIN: 2120-AA64) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3831. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—airworthiness Directives; Learjet Model 23, 24, 25, 28, 29, 31, 55, and 60 Series Airplanes [Docket No. 98-NM-372-AD; Amendment 39-11238; AD 99-16-03] (RIN: 2120-AA64) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3832. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes [Docket No. 97-NM-151-AD; Amendment 39-11240; AD 99-16-05] (RIN: 2120-AA64) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3833. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; The New Piper Aircraft, Inc. Model PA-46-350P Airplanes [Docket No. 99-CE-01-AD; Amendment 39-11241; AD 99-16-06] (RIN: 2120-AA64) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3834. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Rotocraft Load Combination Safety Requirements [Docket No. 29277; Amendment No. 27-36 and 29-43] (RIN: 2120-AG59) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3835. A letter from the Legal Technician, NHTSA, Department of Transportation, transmitting the Department's final rule—Uniform Procedures for State Highway Safety Programs [Docket No. NHTSA-99-6011] (RIN: 2127-AH53) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3836. A letter from the Legal Technician, NHTSA, Department of Transportation, transmitting the Department's final rule—Operation of Motor Vehicles by Intoxicated Persons [Docket No. NHTSA-99-5873] (RIN: 2127-AH39) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3837. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Extension of Filing Date for Discrimination Complaints (RIN: 3067-AC99) received July 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3838. A letter from the Chairman, Bureau of Tariffs, Certification, and Licensing, Federal Maritime Commission, transmitting the Commission's final rule—Termination of Dial-Up Service Contract Filing System [Docket No. 99-12] received July 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3839. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend title 49, United States Code, to enhance the safety of motor carrier operations and the Nation's highway system, including commercial driver licensing, to improve compliance, and for other purposes; to the Committee on Transportation and Infrastructure.

3840. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to amend the Commercial Space Act of 1998 by adding section 108, the "Space Station Commercial Development Demonstration Program"; to the Committee on Science.

3841. A letter from the Assistant Administrator for Satellite and Information Services, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Use of Satellite, Data, and Information Service [Docket No. 980608149-8149-01] (RIN: 0648-ZA44) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

3842. A letter from the Deputy, Office of General Counsel, Small Business Administration, transmitting the Administration's final rule—Administrative Claims Under the Tort Claims Act and Representations and Indemnifications of SBA Employees—received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

3843. A letter from the Secretary, Department of Labor, transmitting the quarterly report on the expenditure and need for worker adjustment assistance training funds under the Trade Act of 1974, pursuant to 19 U.S.C. 2296(a)(2); to the Committee on Ways and Means.

3844. A letter from the Chief, Regulations Branch, Customs Service, transmitting the Service's final rule—Technical Corrections to the Customs Regulations [T.D. 99-64] received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3845. A letter from the Chief, Regulations Branch, Customs Service, transmitting the Service's final rule—Detention of Merchandise [T.D. 99-65] (RIN: 1515-AB75) received August 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3846. A letter from the Chief, Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting the Department's final rule—Weighted Average Interest Rate Update [Notice 99-38] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3847. A letter from the Chief, Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting the Department's final rule—Conforming Adjustments Subsequent to Section 482 Allocations [Revenue Procedure 99-32] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3848. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Exception From Supplemental Annuity Tax on Railroad Employers [TD 8832] (RIN: 1545-AT56) received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

THE PAPER AND INK USED IN THE ORIGINAL PUBLICATION MAY AFFECT THE QUALITY OF THE MICROFORM EDITION.

3849. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examples of Corrections to Employee Plans—received August 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3850. A letter from the Acting Regulations Officer, Social Security Administration, transmitting the Administration's final rule—Federal Old-Age, Survivors and Disability Insurance and Supplemental Security Income for the Aged, Blind, and Disabled; Determining Disability and Blindness; Clarification of "Age" As a Vocational Factor [Regulations Nos. 4 and 16] received August 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3851. A letter from the Secretary of Defense, transmitting the Annual Report for the National Security Education Program, pursuant to 50 U.S.C. 1906; jointly to the Committees on Education and the Workforce and Intelligence (Permanent Select).

3852. A letter from the Deputy, Executive Secretary to the Department, OCOS, Department of Health and Human Services, transmitting the Department's final rule—CLIA Program; Simplifying CLIA Regulations Relating to Accreditation, Exemption of Laboratories Under a State Licensure Program, Proficiency Testing, and Inspection [HCFA-2239-F] (RIN: 0938-AH82) received August 2, 1999, pursuant to 49 U.S.C. 30169(b); jointly to the Committees on Commerce and Ways and Means.

3853. A letter from the Deputy Executive Secretary to the Department, OGC, Health Care Financing Administration, transmitting the Administration's final rule—Medicare and Medicaid Program; Appeal of the Loss of Nurse Aide Training Programs [HCFA-2045-IFC] (RIN: 0938-AJ59) received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Commerce and Ways and Means.

3854. A letter from the Secretary of Health and Human Services, transmitting notification that the Department is allotting emergency funds to nine States; jointly to the Committees on Commerce and Education and the Workforce.

3855. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation entitled, "Federal Railroad Safety Enhancement Act of 1999"; jointly to the Committees on Transportation and Infrastructure and the Judiciary.

3856. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Act of May 13, 1954, P.L. 358 (33 U.S.C. 981, et seq.), as amended, to improve the operation, maintenance, and safety of the St. Lawrence Seaway, within the territorial limits of the United States, by establishing the Saint Lawrence Seaway Development Corporation as a performance based organization in the Department of Transportation; jointly to the Committees on Transportation and Infrastructure and Government Reform.

3857. A letter from the Deputy Executive Secretary to the Department, OGC, Health Care Financing Administration, transmitting the Administration's final rule—Medicare and Medicaid Programs; Civil Money Penalities for Nursing Homes (SNF/NF), Change in Notice Requirements, and Expansion of Discretionary Remedy Delegation [HCFA-2036-FC] received August 2, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

3858. A letter from the Executive Director, Medicare Payment Advisory Commission, transmitting a comment on a report submitted to the Congress by the Department of Health and Human Services that are required by law and relate to Medicare payment policies; jointly to the Committees on Ways and Means and Commerce.

3859. A letter from the Commissioner, Department of the Interior, transmitting a draft of proposed legislation to amend Title XXVIII of the Act of October 30, 1992; jointly to the Committees on Resources, the Judiciary, and Government Reform.

3860. A letter from the Secretary of Energy, Secretary of Defense, transmitting a report on Tritium Production Technology Options; jointly to the Committees on Science, Commerce, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASICH: Committee on the Budget. H.R. 853. A bill to amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, on-budget surplus, and for other purposes; with an amendment (Rept. 106–198, Pt. 2). Ordered to be printed.

Mr. DREIER: Committee on Rules. H.R. 853. A bill to amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes; with an amendment (Rept. 106–198, Pt. 3). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on House Administration. H.R. 1867. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes (Rept. 106–294). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on House Administration. H.R. 2668. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes (Rept. 106–295). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on House Administration. H.R. 1922. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes (Rept. 106–296 Part 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on House Administration. H.R. 417. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes; adversely (Rept. 106–297 Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Conference. Conference report on S. 507. An act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes (Rept. 106–298). Ordered to be printed.

Mr. ISTOOK: Committee on Conference. Conference report on H.R. 2587. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes (Rept. 106–299). Ordered to be printed.

Mr. COMBEST: Committee on Agriculture. H.R. 2559. A bill to amend the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program, and for other purposes; with an amendment (Rept. 106–300). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Conference. Conference report on S. 1059. An act to authorize appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes (Rept. 106–301). Ordered to be printed.

DISCHARGE OF COMMITTEES

Pursuant to clause 5 of rule X, the Committees on Education and the Workforce, Government Reform, the Judiciary, Ways and Means, and Rules discharged. H.R. 417 referred to the Committee of the Whole House on the State of the Union.

Pursuant to clause 5 of rule X, the Committee on Ways and Means discharged. H.R. 1922 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 417. Referral to the Committees on Education and the Workforce, Government Reform, the Judiciary, Ways and Means, and Rules extended for a period ending not later than August 5, 1999.

H.R. 1922. Referral to the Committee on Ways and Means extended for a period ending not later than August 5, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. RANGEL (for himself, Mr. MATSUI, Mr. LEVIN, Mr. MCDERMOTT, Mr. LEWIS of Georgia, Mr. JEFFERSON, Mr. BECERRA, Mrs. THURMAN, Mr. ABERCROMBIE, Mr. ALLEN, Mr. FARR of California, Mr. FROST, Mr. GUTIERREZ, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KANJORSKI, Ms. MCKINNEY, Mr. MARTINEZ, Mr. PASTOR, Ms.

Pelosi, Mr. Traficant, Mr. Udall of New Mexico, Ms. Waters, and Mr. Weiner):

H.R. 2713. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax for certain investments in businesses located in low-income communities; to the Committee on Ways and Means.

By Mr. CRANE (for himself and Ms. Dunn):

H.R. 2714. A bill to amend the Harmonized Tariff Schedule of the United States to change the rate of duty for United States travelers bringing back to the United States goods purchased abroad; to the Committee on Ways and Means.

By Mr. CRANE (for himself and Mr. Rangel):

H.R. 2715. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty-free treatment of personal effects of participants entering the United States to participate in international athletic events, and items used in connection with such events; to the Committee on Ways and Means.

By Mr. SMITH of Michigan (for himself, Mr. Phelps, Mr. Lewis of Kentucky, Mr. Barcia, Mr. Boswell, and Mr. Thune):

H.R. 2716. A bill to provide supplemental market loss payments for farm owners and producers for certain 1999 crops; to the Committee on Agriculture, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DeFAZIO:

H.R. 2717. A bill to improve the solvency of the Social Security Program, and for other purposes; to the Committee on Ways and Means.

By Mr. OXLEY (for himself and Mr. Towns):

H.R. 2718. A bill to amend the Solid Waste Disposal Act to provide for the management of remediation waste at Brownfields and other remediation sites; to the Committee on Commerce.

By Mr. HINOJOSA (for himself, Ms. Roybal-Allard, Mr. Reyes, Mr. Rodriguez, Mr. Gutierrez, Mr. Martinez, Mr. Ortiz, Mr. Serrano, Mr. Pastor, Mr. Becerra, Mr. Menendez, Ms. Velázquez, Mr. Romero-Barcelo, Mr. Underwood, Ms. Sanchez, Mr. Gonzalez, Mrs. Napolitano, Mr. Green of Texas, Mr. Fattah, Ms. Jackson-Lee of Texas, Mr. Lewis of Georgia, Mr. Frost, Ms. Pelosi, Mr. Sandlin, Ms. Kilpatrick, Ms. DeLauro, Mr. Ford, Mr. Edwards, Mr. Evans, Mr. Lampson, Ms. Waters, Mr. Udall of New Mexico, Ms. Eddie Bernice Johnson of Texas, and Mr. Bentsen):

H.R. 2719. A bill to amend the Elementary and Secondary Education Act of 1965 to reauthorize and make improvements to titles I, VII, and X of such Act, and for other purposes; to the Committee on Education and the Workforce.

By Mrs. KELLY (for herself and Mrs. Tauscher):

H.R. 2720. A bill to amend the Federal Water Pollution Control Act to authorize appropriations for State water pollution control revolving funds, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mrs. MINK of Hawaii:

H.R. 2721. A bill to amend the Immigration and Nationality Act to preclude the removal of an alien who unlawfully voted solely due to a misunderstanding of his or her eligibility to vote or citizenship status; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself, Mr. Gutierrez, Mr. Diaz-Balart, Mrs. Meek of Florida, Ms. Ros-Lehtinen, Mr. Delahunt, Mr. Ballenger, Mr. Ortiz, Mr. Gilman, Ms. Velázquez, Mr. Souder, Ms. Roybal-Allard, Mr. Davis of Virginia, Mr. Hinojosa, Mr. Becerra, Mr. Menendez, Mr. Reyes, Mr. Serrano, Mr. Pastor, Mr. Hastings of Florida, Mr. Rangel, Mr. Gonzalez, Mr. Martinez, Mr. Rush, Mr. Jackson of Illinois, Mr. Davis of Illinois, Ms. Waters, and Mr. McGovern):

H.R. 2722. A bill to amend the Nicaraguan Adjustment and Central American Relief Act to provide to certain nationals of El Salvador, Guatemala, Honduras, and Haiti an opportunity to apply for adjustment of status under that Act, and for other purposes; to the Committee on the Judiciary.

By Mr. NORWOOD (for himself, Mr. Dingell, Mr. Ganske, Mr. Cooksey, Mr. Berry, Mrs. Clayton, Mr. Graham, Mr. Pallone, Mrs. Roukema, Mrs. Capps, Mr. Shaw, Mr. John, Mr. Shays, Mr. Turner, Mrs. Cubin, Mr. Baldacci, Mr. Foley, Mr. Gephardt, Mr. Houghton, Mr. Rangel, Mr. Horn, Mr. Clay, Mr. Gibbons, Mr. Brown of Ohio, Mr. Frelinghuysen, Mr. Andrews, Mr. Gilchrest, Mr. Stark, Mr. Leach, Mr. Waxman, Mr. Gilman, Mr. Cardin, Mr. LaTourette, Mr. Ford, Mr. LoBiondo, Mr. Sandlin, Mr. Barr of Georgia, Mrs. Thurman, Mr. Boehlert, Mr. Klink, Mrs. Morella, Mr. Snyder, Ms. Eshoo, Mr. Doyle, Mr. McDermott, Mr. Brady of Pennsylvania, Mr. Pascrell, Mr. Holt, Mr. Frost, Ms. Kilpatrick, Mr. Dicks, Ms. Schakowsky, Mr. Rush, Mrs. McCarthy of New York, Mr. Murtha, Ms. Stabenow, Mr. Phelps, Mr. Hall of Texas, Mr. Weygand, Ms. Berkley, Mr. Wynn, Mr. Tanner, Mr. Boucher, Mr. Barrett of Wisconsin, Mr. Forbes, and Mr. Bonior):

H.R. 2723. A bill to amend title I of the Employee Retirement Income Security Act of 1974, title XXVII of the Public Health Service Act, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHUSTER:

H.R. 2724. A bill to make technical corrections to the Water Resources Development Act of 1999; considered and passed

By Mr. BARRETT of Nebraska (for himself, Mr. Pomeroy, Mr. Petri, Mr. Baldacci, Mr. Thune, and Mr. Minge):

H.R. 2725. A bill to provide for a rural education initiative, and for other purposes; to the Committee on Education and the Workforce.

By Mr. BARTON of Texas (for himself, Mr. DeLay, Mr. Terry, Mr. Barrett of Nebraska, Mr. Bereuter, and Mrs. Christensen):

H.R. 2726. A bill to establish standards for cleanup of dry cleaning solvents under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BASS:

H.R. 2727. A bill to amend the Communications Act of 1934 to improve protections against telephone service "slamming" and provide protections against telephone billing "cramming", to provide the Federal Trade Commission jurisdiction over unfair and deceptive trade practices of telecommunications carriers, and for other purposes; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BEREUTER (for himself and Mr. Blumenauer):

H.R. 2728. A bill to amend the National Flood Insurance Act of 1968 to reduce losses to properties for which repetitive flood insurance claim payments have been made; to the Committee on Banking and Financial Services.

By Mr. BLAGOJEVICH:

H.R. 2729. A bill to amend title 10, United States Code, to restrict the sale or other transfer of small arms armor piercing ammunition and components of such ammunition disposed of by the Army; to the Committee on Armed Services.

By Ms. JACKSON-LEE of Texas (for herself, Mrs. Roukema, Mrs. Emerson, Mr. Green of Texas, Mr. Cummings, Mr. Kennedy of Rhode Island, Mrs. Meek of Florida, Ms. Brown of Florida, Ms. Pelosi, Mr. Hall of Ohio, and Mr. Lantos):

H.R. 2730. A bill to allow postal patrons to contribute to funding for emergency food relief within the United States through the voluntary purchase of certain specially issued United States postage stamps; to the Committee on Government Reform.

By Mr. BLAGOJEVICH:

H.R. 2731. A bill to amend title 39, United States Code, to establish a notification system under which individuals may elect not to receive mailings related to skill contests or sweepstakes, and for other purposes; to the Committee on Government Reform.

By Mr. BLAGOJEVICH (for himself and Mr. Stearns):

H.R. 2732. A bill to require State and local law enforcement authorities and the Bureau of Alcohol, Tobacco, and Firearms to be immediately notified when the national instant criminal background check system determines that a person is ineligible to receive a handgun; to the Committee on the Judiciary.

By Mr. BLILEY (for himself and Mr. Oberstar):

H.R. 2733. A bill to amend title 5, United States Code, to allow Federal agencies to reimburse their employees for certain adoption expenses; to the Committee on Government Reform.

By Mr. BROWN of Ohio (for himself, Mr. Delahunt, Ms. McCarthy of Missouri, Mr. Kucinich, Ms. Kaptur, Mrs. Jones of Ohio, and Mr. Tierney):

H.R. 2734. A bill to allow local government entities to serve as nonprofit aggregators of electricity services on behalf of their citizens; to the Committee on Commerce.

By Mr. CAMP (for himself, Mrs. Thurman, Mr. Nussle, Mr. Matsui, Mr. Lewis of Georgia, and Mr. McInnis):

H.R. 2735. A bill to amend the Internal Revenue Code of 1986 to repeal the occupational taxes relating to distilled spirits, wine, and beer; to the Committee on Ways and Means.

By Mrs. CAPPS (for herself, Mr. Evans, and Mr. Kuykendall):

H.R. 2736. A bill to authorize the Secretary of Veterans Affairs to award grants to provide for a national toll-free hotline to provide information and assistance to veterans; to the Committee on Veterans' Affairs.

By Mr. COSTELLO:

H.R. 2737. A bill to authorize the Secretary of the Interior to convey to the State of Illinois certain Federal land associated with the Lewis and Clark National Historic Trail to be used as an historic and interpretive site along the trail; to the Committee on Resources.

By Mr. COYNE (for himself and Mr. Levin):

H.R. 2738. A bill to amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CUMMINGS (for himself, Ms. Kilpatrick, Ms. Pelosi, Ms. Brown of Florida, Mr. Scott, Mr. Lewis of Georgia, Mr. Hilliard, Mrs. Maloney of New York, Mr. Owens, Mr. Meeks of New York, Mr. Clay, Mr. Payne, Mrs. Jones of Ohio, Ms. DeLauro, Mr. Frost, Mr. Stark, and Mr. Coyne):

H.R. 2739. A bill to provide for the continuation of the demonstration program, known as the Healthy Start Initiative, that is carried out by the Secretary of Health and Human Services as a program of grants to reduce the rate of infant mortality; to the Committee on Commerce.

By Mr. CUNNINGHAM (for himself, Mr. Packard, Mr. Hunter, and Mr. Bilbray):

H.R. 2740. A bill to provide for the appointment of additional Federal district judges in the Southern District of California; to the Committee on the Judiciary.

By Mr. DIAZ-BALART (for himself, Ms. Ros-Lehtinen, Mr. Smith of New Jersey, Mr. Gilman, Mr. Davis of Virginia, Mr. Menendez, Mr. Watts of Oklahoma, Mr. McCollum, and Mr. Bonilla):

H.R. 2741. A bill to adjust the immigration status of certain Colombian and Peruvian nationals who are in the United States; to the Committee on the Judiciary.

By Mr. DICKS:

H.R. 2742. A bill to amend the Violent Crime Control and Law Enforcement Act of 1994 to allow certain grant funds to be used to provide parent education; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. EMERSON (for herself, Mr. Thune, Mr. Moran of Kansas, Mr. Hill of Montana, Mr. Pickering, Mr. Watkins, Mr. Shimkus, Mr. Talent, Mr. Hulshof, Mr. Blunt, Mr. John, Mr. Cramer, Mr. Shows, Mr. Skelton, Mr. Hall of Texas, Ms. Danner, Mr. Tanner, and Mr. Lucas of Oklahoma):

H.R. 2743. A bill to improve the financial situation of America's farmers and ranchers; to the Committee on Agriculture, and in addition to the Committees on the Budget, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. EMERSON:

H.R. 2744. A bill to amend title XVIII of the Social Security Act to modify the interim payment system for home health services, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGEL (for himself, Mr. King, Mr. Lantos, Mr. Moran of Virginia, Mr. McGovern, Mr. Pallone, and Mrs. Kelly):

H.R. 2745. A bill to provide for the establishment of the Kosovar-American Enterprise Fund to promote small business and microcredit lending and housing construction and reconstruction for Kosova; to the Committee on International Relations.

By Mr. ENGEL (for himself, Mr. King, Mr. Lantos, Mr. McGovern, and Mrs. Kelly):

H.R. 2746. A bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Albania; to the Committee on Ways and Means.

By Mr. ENGLISH (for himself, Mr. Foley, and Mr. Weller):

H.R. 2747. A bill to amend the Internal Revenue Code of 1986 relating to the unemployment tax for individuals employed in the entertainment industry; to the Committee on Ways and Means.

By Mr. FLETCHER (for himself, Mr. Boucher, Mr. Hayes, Mr. Goode, Mr. Lucas of Kentucky, Mr. Clement, Mr. McIntyre, Mr. Burr of North Carolina, Mr. Rahall, Mr. Bishop, Mr. Gordon, Mr. Clyburn, Mr. Pickett, Mr. Etheridge, Mr. Rogers, Mr. Hilleary, Mr. Whitfield, Mr. Chambliss, and Mr. Lewis of Kentucky):

H.R. 2748. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income payments made to tobacco quota and allotment holders and tobacco growers pursuant to Phase I or II of the Master Settlement Agreement between a State and tobacco product manufacturers; to the Committee on Ways and Means.

By Mr. FOLEY (for himself, Mr. Matsui, Mr. Hill of Montana, Mr. Royce, Mr. Gonzalez, Mr. Tanner, Mr. Herger, Mr. Portman, Mr. Hulshof, Mr. Houghton, Mr. Boehner, Mrs. Meek of Florida, Mr. Paul, Mr. LaTourette, Mr. Hinchey, Mr. Lewis of California, Mr. Dreier, Mr. Bonilla, and Mr. Chabot):

H.R. 2749. A bill to amend the Internal Revenue Code of 1986 to provide for the creation of disaster protection funds by property and casualty insurance companies for the payment of policyholders' claims arising from future catastrophic events; to the Committee on Ways and Means.

By Mr. FORD (for himself, Mr. Fattah, Mr. Paul, Mr. Sandlin, Mr. Cummings, and Ms. Norton):

H.R. 2750. A bill to amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a full tax deduction for higher education expenses and interest on student loans; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 2751. A bill to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city; to the Committee on Resources.

H.R. 2752. A bill to give Lincoln County, Nevada, the right to purchase at fair market value certain public land located within that county, and for other purposes; to the Committee on Resources.

H.R. 2753. A bill to authorize the Secretary of the Army to carry out a program for the restoration of abandoned mine sites; to the Committee on Resources, and in addition to the Committees on Transportation and Infrastructure, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILLMOR (for himself, Mr. Bilbray, Mr. Doyle, and Mr. Whitfield):

H.R. 2754. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to limit the portion of the Superfund expended for administration, oversight, support, studies, design, investigations, monitoring, assessment, and evaluation, and enforcement activities; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GRAHAM (for himself and Mr. Ackerman):

H.R. 2755. A bill to enable the use of human capital investment contracts for the purposes of financing postsecondary education, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committees on Ways and Means, Commerce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HALL of Texas:

H.R. 2756. A bill to prevent governmental entities from using tax-exempt financing to engage in unfair competition against private enterprise; to the Committee on Ways and Means.

By Mr. HASTINGS of Washington:

H.R. 2757. A bill to amend the Migrant and Seasonal Agricultural Worker Protection Act relating to farm worker housing; to the Committee on Education and the Workforce.

By Mr. HILLEARY (for himself and Mrs. Emerson):

H.R. 2758. A bill to amend title I of the Employee Retirement Income Security Act to establish new procedures and access to courts for grievances arising under group health plans; to the Committee on Education and the Workforce.

By Mr. HINCHEY (for himself and Mr. Sanders):

H.R. 2759. A bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to prevent the wearing away of an employee's accrued benefit under a defined plan by the adoption of a plan amendment reducing future accruals and to require notice with respect to such reduced future accruals and an election opportunity to continue benefit accruals without regard to such plan amendment; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HOUGHTON:

H.R. 2760. A bill to amend the Internal Revenue Code of 1986 to establish for certain employees of international organizations an estate tax credit equivalent to the limited marital deduction; to the Committee on Ways and Means.

By Mr. ISAKSON:

H.R. 2761. A bill to provide grants to enable each public secondary school to hire a director of school safety, discipline, and student assistance to develop or improve a safety plan; to the Committee on Education and the Workforce.

By Mr. JONES of North Carolina:

H.R. 2762. A bill to amend the Communications Act of 1934 to provide for the resolution of certain contested broadcast license proceedings; to the Committee on Commerce.

By Mr. KLINK (for himself, Mr. Dingell, Mr. Stupak, Mr. Waxman, Mr. Green of Texas, Mr. Brady of Pennsylvania, Mr. Kanjorski, and Mr. Doyle):

H.R. 2763. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to the sale of prescription drugs through the Internet; to the Committee on Commerce.

By Mr. LaFALCE (for himself, Mr. Kanjorski, Mr. Vento, Ms. Waters, Mr. Watt of North Carolina, Ms. Hooley of Oregon, Mr. Gutierrez, Ms. Carson, Mr. Sandlin, Mr. Meeks of New York, Mr. Mascara, Mr. Gonzalez, Mr. Brady of Pennsylvania, Mr. Jefferson, Mr. Klink, Mr. Owens, Mr. Andrews, Mr. Frost, Mrs. Mink of Hawaii, Mr. Rush, and Ms. Slaughter):

H.R. 2764. A bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes; to the Committee on Banking and Financial Services.

By Ms. LEE (for herself, Mr. Foley, Ms. Pelosi, Mr. Rangel, Mr. Payne, Mr. Bonior, Ms. Jackson-Lee of Texas, Mr. Wynn, Mr. Capuano, Ms. Carson, Mr. Meeks of New York, Mr. Sanders, Mr. Hinchey, Mrs. Clayton, Ms. Waters, Mr. Jackson of Illinois, Mr. George Miller of California, Mr. Brown of Ohio, Mr. Thompson of Mississippi, Ms. Kilpatrick, Mr. Cummings, Mr. Owens, Ms. Schakowsky, Mr. Davis of Illinois, Mrs. Capps, Ms. McKinney, Mr. Delahunt, Ms. Norton, Mr. Olver, Mr. McGovern, Mrs. Christensen, Mr. Fattah, Mr. Gonzalez, Mr. Stark, Mr. Engel, Mr. Hall of Ohio, Ms. Millender-McDonald, Mr. Lewis of Georgia, Mr. Lantos, Ms. DeLauro, Mr. Frost, Mr. Hastings of Florida, and Mr. Thompson of California):

H.R. 2765. A bill to amend the Foregin Assistance Act of 1961 to establish a program to provide assistance for HIV/AIDS research, prevention, and treatment activities in Africa; to the Committee on International Relations.

By Mr. LIPINSKI (for himself and Mr. Costello):

H.R. 2766. A bill to amend title 49, United States Code, relating to inspection of commerical motor vehicles entering the United States along the United States-Mexico border, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mrs. LOWEY (for herself and Mr. Thompson of Mississippi):

H.R. 2767. A bill to expand the enforcement options under the Federal Meat Inspection Act and the Poultry Products Inspection Act to include the imposition of civil money penalties; to the Committee on Agriculture.

By Mrs. LOWEY (for herself, Mr. Saxton, Mr. Weiner, Ms. Ros-Lehtinen, Mr. Engel, Mr. Nethercutt, Mr. Crowley, Mrs. Kelly, Mr. Sherman, Mr. LoBiondo, Mr. Deutsch, Mr. Tiahrt, Mr. Nadler, Mr. Souder, Mr. McNulty, Mr. English, Mr. Berman, Mr. Holden, Mr. Gutierrez, Mr. Forbes, Ms. Schakowsky, Mr. Waxman, Mr. Wexler, Mr. Owens, Mr. Franks of New Jersey, Mr. Frost, Mr. Bachus, Mr. Maloney of Connecticut, and Mr. Foley):

H.R. 2768. A bill to record place of birth as Jerusalem, Israel, for purposes of United States passports; to the Committee on International Relations.

By Mrs. LOWEY:

H.R. 2769. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to permit individuals to continue health coverage of services while participating in approved clinical studies; to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. LOWEY (for herself and Mr. Oberstar):

H.R. 2770. A bill to provide that service of the members of the group known as the United States Cadet Nurse Corps during World War II constituted active military service for purposes of any law administered by the Department of Veterans Affairs; to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. LOWEY (for herself, Ms. Slaughter, Mr. McGovern, and Mr. Moakley):

H.R. 2771. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LUCAS of Oklahoma:

H.R. 2772. A bill to amend the Agricultural Market Transition Act to provide a variant of loan deficiency payments to producers who are otherwise eligible for such payments, but who elect to use acreage planted to the eligible commodity for the grazing of livestock; to the Committee on Agriculture.

By Mr. MCCOLLUM:

H.R. 2773. A bill to amend the Wild and Scenic Rivers Act to designate the Wekiva River and its tributaries of Rock Springs Run and Black Water Creek in the State of Florida as components of the national wild and scenic rivers system; to the Committee on Resources.

By Mr. MEEHAN:

H.R. 2774. A bill to amend chapter 89 of title 5, United States Code, to provide that any health benefits plan which provides obstetrical benefits shall be required also to provide coverage for the diagnosis and treatment of infertility; to the Committee on Government Reform.

By Mr. MENENDEZ (for himself and Mr. Rothman):

H.R. 2775. A bill to amend title 49, United States Code, to ensure the safe operations of small commerical vans; to the Committee on Transportation and Infrastructure.

By Mr. MENENDEZ (for himself, Mr. Blumenauer, Mr. Capuano, Mr. Farr of California, Mr. Lantos, Ms. Lee, Ms. McKinney, Mrs. Morella, Mr. Neal of Massachusetts, Ms. Pelosi, Mr. Shays, and Mr. Tierney):

H.R. 2776. A bill to improve the safety of animals transported on aircraft, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. METCALF (for himself, Mr. Hinchey, and Mr. Campbell):

H.R. 2777. A bill to fund capital projects of State and local governments, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. MOAKLEY (for himself, Mr. Frank of Massachusetts, and Mr. McGovern):

H.R. 2778. A bill to amend the Wild and Scenic Rivers Act to designate segments of the Taunton River in the Commonwealth of Massachusetts for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Resources.

By Mr. MORAN of Kansas:

H.R. 2779. A bill to amend the Food Security Act of 1985, to give producers greater flexibility in enrolling certain marginal land in the conservation reserve, and for other purposes; to the Committee on Agriculture.

By Mrs. MYRICK:

H.R. 2780. A bill to authorize the Attorney General to provide grants for organizations to find missing adults; to the Committee on the Judiciary.

By Mr. PALLONE (for himself, Mr. Engel, Mr. Lantos, Ms. Slaughter, Mr. Wexler, and Mr. Gejdenson):

H.R. 2781. A bill to amend the International Claims Settlement Act of 1949 to provide for the settlement of claims relating to American victims of National Socialist persecution; to the Committee on International Relations.

By Mr. PALLONE (for himself and Mrs. Roukema):

H.R. 2782. A bill to amend title XVIII of the Social Security Act to assure access of Medicare beneficiaries to prescription drug coverage through the SPICE drug benefit program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PICKERING:

H.R. 2783. A bill to amend the Communications Act of 1934 to establish time limits for

Federal Communications Commission review of mergers, acquisitions, and other license transfers; to the Committee on Commerce.

By Mr. QUINN:

H.R. 2784. A bill to enhance competition among and between rail carriers in order to ensure efficient rail service and reasonable rail rates in any case in which there is an absence of effective competition; to the Committee on Transportation and Infrastructure.

By Mr. REYNOLDS (for himself, Mr. Weiner, Mr. Dreier, Mr. DeLay, Mr. Blunt, Mrs. Lowey, Mr. Quinn, Mr. Shows, Mr. Weller, Mr. Sessions, Mr. Frost, Mr. Pickering, Mr. Weygand, Mr. Shimkus, Mrs. Tauscher, Ms. Pryce of Ohio, Ms. Berkley, Ms. Dunn, Ms. Lofgren, Mr. Lazio, Mr. Waxman, Mr. Wamp, Mr. Deutsch, Mr. Diaz-Balart, Mr. Crowley, Ms. Ros-Lehtinen, Mr. Phelps, Mrs. Myrick, Mr. Holden, Mr. Sweeney, Mr. Green of Texas, Mr. Linder, Mr. Foley, Mr. McNulty, Mr. Maloney of Connecticut, Mr. Gutierrez, Mrs. Maloney of New York, Mr. Forbes, Mr. Watts of Oklahoma, Mr. Terry, Mr. Boehlert, Mrs. Fowler, and Mr. Fossella):

H.R. 2785. A bill to take certain steps toward recognition by the United States of Jerusalem as the capital of Israel; to the Committee on International Relations.

By Mr. SAWYER:

H.R. 2786. A bill to provide for expansion of electricity transmission networks in order to support competitive electricity markets and to bring the benefits of less regulation of such markets to the public, and for other purposes; to the Committee on Commerce.

By Mr. SCOTT (for himself, Mr. Goode, Mr. Pickett, Mr. Sisisky, Mr. Moran of Virginia, Mr. Bliley, Mr. Davis of Virginia, and Mr. Boucher):

H.R. 2787. A bill to count as an expenditure under the program of block grants to States for temporary assistance for needy families any reduction in State tax revenues for the provision of an earned income tax credit to recipients of assistance under the program; to the Committee on Ways and Means.

By Mr. SHIMKUS (for himself, Mr. Ewing, Mrs. McCarthy of New York, Mr. Gutknecht, Mr. LaHood, Mr. Costello, Mr. Evans, Mr. Weller, and Mr. Phelps):

H.R. 2788. A bill to amend title 23, United States Code, relating to the congestion mitigation air quality improvement program; to the Committee on Transportation and Infrastructure.

By Mr. SHOWS:

H.R. 2789. A bill to provide grants to local educational agencies to enable the agencies to recruit and retain qualified school administrators; to the Committee on Education and the Workforce.

By Mr. SMITH of New Jersey (for himself, Mr. Pitts, Mr. Oberstar, Mr. Gilman, Mr. Maloney of Connecticut, Mr. Saxton, Mr. Towns, Mr. LoBiondo, Mr. Gejdenson, Mr. Gilchrest, Mr. Delahunt, Mrs. Morella, Mr. Shays, and Mr. Hinchey):

H.R. 2790. A bill to establish a program to provide for a reduction in the incidence and prevalence of Lyme disease; to the Committee on Commerce, and in addition to the Committees on Armed Services, Resources, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STEARNS (for himself, Mr. Deal of Georgia, and Mr. Ehrlich):

H.R. 2791. A bill to prohibit public broadcasting stations receiving any funding through the Corporation for Public Broadcasting from making available any lists of their financial donors; to the Committee on Commerce.

By Mr. STENHOLM (for himself, Mr. Turner, Mr. Ford, and Mr. Peterson of Minnesota):

H.R. 2792. A bill to require the Secretary of Agriculture to make supplemental income payments to producers of certain crops for crop years in which the national gross revenue of the crop is below a certain percentage of the 5-year average of that crop's national gross revenue; to the Committee on Agriculture.

By Mr. STENHOLM:

H.R. 2793. A bill to designate the Department of Agriculture as the lead Federal agency for national agricultural policy regarding conservation and the environment, including water quality research and modeling, water quality assessments and monitoring, and technical assistance for all agricultural activities conducted on agricultural lands, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STRICKLAND:

H.R. 2794. A bill to authorize the Secretary of Health and Human Services to make payments to hospitals under the Medicare Program for costs associated with training psychologists, physician assistants, and nurse practitioners; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STUMP (for himself, Mr. Hansen, Mr. McKeon, Mr. Walden of Oregon, Mr. Shadegg, Mrs. Cubin, Mr. Callahan, Mr. Hayworth, Mr. Young of Alaska, Mr. Baker, Mr. Hefley, Mr. Doolittle, Mr. Gibbons, Mr. Hill of Montana, Mr. Everett, Mr. Skeen, Mr. Herger, Mr. Burton of Indiana, Mr. Pombo, Mr. Sessions, Mr. Collins, Mr. Tauzin, Mr. Cooksey, Mr. Salmon, Mr. Tancredo, and Mr. Schaffer):

H.R. 2795. A bill to establish the Shivwits Plateau National Conservation Area in the State of Arizona, and for other purposes; to the Committee on Resources.

By Mr. TANNER (for himself, Mr. Stenholm, Mr. John, Mr. Cramer, Mr. Minge, Mr. Boyd, Mr. Hill of Indiana, Mr. Sandlin, Mr. Turner, Ms. Sanchez, Mr. Phelps, Mr. McIntyre, Mr. Thompson of California, and Mr. Moore):

H.R. 2796. A bill to amend chapter 11 of title 31, United States Code, to establish a Debt Reduction Lockbox, and for other purposes; to the Committee on the Budget, and in addition to the Committees on Ways and Means, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TERRY (for himself, Mr. Sensenbrenner, Mr. LaTourette, Mr. Sessions, Mr. Tancredo, Mr. Bilbray, Mr. Saxton, Mr. DeMint, Mr. Underwood, Mr. Barrett of Nebraska, Mr. Burton of Indiana, Mr. Cox, Mr. Goodlatte, Mr. Gary Miller of California, Mr. Schaffer, and Mr. Istook):

H.R. 2797. A bill to repeal section 8003 of Public Law 105–174, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMPSON of California (for himself, Mr. Young of Alaska, Mr. George Miller of California, Ms. Dunn, Mr. Hinchey, Mr. Herger, Mr. DeFazio, Mr. Metcalf, Mr. Dooley of California, Mr. Doolittle, Mr. Udall of Colorado, Mr. Pombo, Mr. Udall of New Mexico, Mr. Wu, Ms. Woolsey, Ms. Hooley of Oregon, Mr. Baird, Mr. Walden of Oregon, Mr. Blumenauer, Mr. Dicks, Ms. Eshoo, Mr. Stark, Ms. Pelosi, and Mrs. Tauscher):

H.R. 2798. A bill to authorize the Secretary of Commerce to provide financial assistance to the States of Alaska, Washington, Oregon, and California for salmon habitat restoration projects in coastal waters and upland drainages; to the Committee on Resources.

By Mr. UDALL of Colorado:

H.R. 2799. A bill to amend the Clear Creek County, Colorado, Public Lands Transfer Act of 1993 to provide additional time for Clear Creek County to dispose of certain lands transferred to the county under the Act; to the Committee on Resources.

By Mrs. WILSON (for herself, Mr. Ramstad, Mr. Skeen, Mr. Minge, Mr. Peterson of Minnesota, Mr. Luther, and Mr. Vento):

H.R. 2800. A bill to amend title XIX of the Social Security Act to correct the DSH Allotments for Minnesota, New Mexico, and Wyoming under the Medicaid Program for fiscal years 2000, 2001, and 2002; to the Committee on Commerce.

By Ms. WOOLSEY:

H.R. 2801. A bill to amend the Elementary and Secondary Education Act of 1965 to strengthen the involvement of parents in the education of their children, and for other purposes; to the Committee on Education and the Workforce.

By Mr. WU (for himself and Mr. Fletcher):

H.R. 2802. A bill to amend the Elementary and Secondary Education Act of 1965 to ensure that senior citizens are given an opportunity to serve as mentors, tutors, and volunteers for certain programs; to the Committee on Education and the Workforce.

By Mr. YOUNG of Alaska:

H.R. 2803. A bill to amend the Alaska Native Claims Settlement Act to allow shareholder common stock to be transferred to adopted Alaska Native children and their descendants, and for other purposes; to the Committee on Resources.

H.R. 2804. A bill to expand Alaska Native contracting of Federal land management functions and activities and promote hiring of Alaska Natives by the Federal Government within the State of Alaska, and for other purposes; to the Committee on Resources.

By Mr. SMITH of New Jersey (for himself, Mr. Stump, and Mr. Evans):

H.J. Res. 65. A joint resolution commending the World War II veterans who fought in the Battle of the Bulge, and for other purposes; to the Committee on Veterans' Affairs, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MARKEY (for himself, Mr. Campbell, Mrs. Tauscher, Mr. George Miller of California, Mr. DeFazio, Mr. Stark, Mr. Gejdenson, and Mr. Larson):

H. Con. Res. 173. Concurrent resolution expressing the sense of the Congress that the Federal Communications Commission should exercise its authority under the Communications Act of 1934 to ensure that unaffiliated service providers have open, nondiscriminatory access to broadband facilities that enable access to the Internet over cable systems; to the Committee on Commerce.

By Mr. BONIOR (for himself and Mr. Davis of Virginia):

H. Con. Res. 174. Concurrent resolution supporting religious tolerance toward Muslims; to the Committee on the Judiciary.

By Ms. JACKSON-LEE of Texas (for herself, Mrs. Emerson, Mrs. Roukema, Mr. Hall of Ohio, Mr. Davis of Illinois, Mr. Watt of North Carolina, Mr. George Miller of California, Ms. Lee, Mr. Lampson, Mr. Hall of Texas, Mr. Sandlin, Mr. Bentsen, Ms. Kaptur, Mr. Turner, Mr. Ackerman, Mr. Moran of Virginia, Mr. Abercrombie, Mr. Engel, Mrs. Morella, Ms. Kilpatrick, Mrs. Meek of Florida, Ms. Slaughter, Mr. Frost, Mr. Green of Texas, Ms. Waters, Ms. Eddie Bernice Johnson of Texas, Mr. Edwards, Mr. Lewis of Georgia, Mr. Rohrabacher, Ms. DeLauro, Mrs. Clayton, Mr. Owens, Mr. Rothman, Ms. Pelosi, Mr. Hilliard, Mr. Clyburn, Mr. Clay, Mr. Hyde, Mr. Wynn, Mr. Serrano, Mrs. Jones of Ohio, Ms. McKinney, Mr. Nadler, Ms. Brown of Florida, Mr. Moakley, Mr. Neal of Massachusetts, Mr. McGovern, Mr. Stark, Mr. Towns, Mr. Jefferson, Mr. Thompson of Mississippi, Mr. Dixon, Mrs. Mink of Hawaii, Mr. Meehan, Mr. Hastings of Florida, Ms. Carson, Ms. Baldwin, Mr. Cardin, Mr. Jackson of Illinois, Mr. Waxman, Ms. Roybal-Allard, Mr. Rangel, Mr. LaFalce, Mr. Bererra, Mr. Scott, Mr. Spratt, Mr. Bonior, Mr. Olver, Mr. Barrett of Wisconsin, Mr. Stenholm, Ms. Stabenow, Mr. Levin, Mr. Pallone, Mr. Frank of Massachusetts, Mr. Rush, Mr. Traficant, Mr. Deutsch, Mr. Callahan, Mrs. Johnson of Connecticut, Ms. Schakowsky, Mrs. Lowey, Mr. Kildee, Mr. Horn, Ms. Woolsey, Mr. Meeks of New York, Mr. King, Ms. Hooley of Oregon, Mr. Hinojosa, Mr. Dingell, Mr. Ose, Mr. Pastor, Ms. DeGette, Ms. Velázquez, Mr. Weiner, Mr. Brown of Ohio, Mr. Hinchey, Mr. Markey, Mr. Sabo, Mr. Kennedy of Rhode Island, and Mr. Cummings):

H. Con. Res. 175. Concurrent resolution expressing the sense of the Congress that a commemorative postage stamp should be issued in honor of the late George Thomas "Mickey" Leland; to the Committee on Government Reform.

By Mr. CRANE:

H. Con. Res. 176. Concurrent resolution expressing the sense of the Congress with respect to the right of all Americans to keep and bear arms in defense of life or liberty and in the pursuit of all other legitimate endeavors; to the Committee on the Judiciary.

By Mr. MARKEY:

H. Con. Res. 177. Concurrent resolution expressing the sense of the Congress that nuclear weapons should be taken off hair-trigger alert; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PORTMAN (for himself and Mr. Markey):

H. Con. Res. 178. Concurrent resolution expressing the sense of Congress regarding the importance of "family friendly" programming on television; to the Committee on Commerce.

By Mr. ROYCE:

H. Con. Res. 179. Concurrent resolution expressing the sense of Congress regarding the United Nations and global taxation; to the Committee on International Relations.

By Mr. FROST:

H. Res. 277. A resolution designating minority membership to certain standing committees of the House; considered and agreed to.

By Mr. BASS (for himself, Ms. Dunn, Mr. Green of Wisconsin, Mr. Wynn, Mrs. Myrick, Mrs. Kelly, Mrs. Roukema, Mr. Thompson of Mississippi, Mr. Hayworth, Mr. Jenkins, Mrs. Johnson of Connecticut, Mr. Weiner, Mr. Boehlert, Mr. Berry, Mr. English, Mr. McNulty, Mr. Smith of New Jersey, Ms. McKinney, Mr. Cox, Mrs. Thurman, Mr. Oberstar, and Mr. Davis of Illinois):

H. Res. 278. A resolution expressing the sense of the House of Representatives regarding the importance of education, early detection and treatment, and other efforts in the fight against breast cancer; to the Committee on Commerce.

By Mr. CHAMBLISS (for himself and Mr. Lewis of Georgia):

H. Res. 279. A resolution congratulating Henry "Hank" Aaron on the 25th anniversary of breaking the Major League Baseball career home run record established by Babe Ruth and recognizing him as one of the greatest baseball players of all time; to the Committee on Government Reform.

By Mr. EHLERS (for himself, Mr. Hoekstra, Mr. Upton, Mr. Gutknecht, Mr. Pitts, Mr. Whitfield, Mr. Packard, Mr. Vitter, Mr. Bartlett of Maryland, Mr. Gilchrest, Mr. Porter, Mr. Largent, Mrs. Wilson, and Mr. Manzullo):

H. Res. 280. A resolution recognizing the importance of strong marriages and the contributions that community marriage policies have made to the strength of marriages throughout the United States; to the Committee on Education and the Workforce.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

215. The SPEAKER presented a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1015 memorializing Comgress to enact legislation relating to a national country-of-origin labeling law; to the Committee on Agriculture.

216. Also,a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1014 memorializing Congress to take certain actions regarding the Export Enhancement Program; to the Committee on Agriculture.

217. Also,a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1019 memorializing Congress to enact legislation to restore the "safety net" for family farmers so that these farmers and the rural communities of which they are a part can remain productive; to the Committee on Agriculture.

218. Also,a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1020 memorializing Congress to enact legislation that requires packers to report all prices given and received for livestock; to the Committee on Agriculture.

219. Also,a memorial of the Senate of the State of Illinois, relative to Senate Joint Resolution No. 21 memorializing the Department of Housing and Urban Development to use its fair housing enforcement authority to create a balance of conventional and FHA lending in all communities, monitor home purchases and lending practices to ensure that FHA lending does not have an adverse impact on any community, improve the targeting and operations of FHA programs, and consider offering an optional, pre-purchase home inspection program as part of the FHA lending process; to the Committee on Banking and Financial Services.

220. Also,a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1016 memorializing Congress and the Administration to take strong action, including the enactment of or increase in tariffs or other necessary action, against European Union goods for their refusal to lift the ban on U.S. beef; to the Committee on Ways and Means.

221. Also,a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1022 memorializing Congress, the Department of Justice, and the Department of Agriculture to take certain actions relating to large corporations; jointly to the Committees on Agriculture and the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Ms. KAPTUR:

H.R. 2805. A bill for the relief of certain corporations from a tax liability incurred by the import in 1994 and 1995 of Halon-1211 for recycling purposes; to the Committee on Ways and Means.

By Mr. SANFORD:

H.R. 2806. A bill for the relief of Charles S. Steinert; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. Mascara.

H.R. 21: Mr. McIntosh and Mr. John.

H.R. 38: Mr. GARRY MILLER of California.

H.R. 41: Mr. BILIRAKIS.

H.R. 44: Mr. SPRATT and Mr. BAIRD.

H.R. 71: Mr. RAHALL, Mr. STUPAK, Mr. SNYDER, Ms. KILPATRICK, and Mr. UNDERWOOD.

H.R. 72: Mr. ORTIZ.

H.R. 82: Mr. MCHUGH and Mr. FROST.

H.R. 90: Mr. MURTHA, Mrs. MEEK of Florida, Mr. RODRIQUEZ, Mr. CONYERS, and Mr. ROMERO-BARCELÓ.

H.R. 141: Mr. BROWN of Ohio.

H.R. 175: Mr. STEARNS and Mr. GILLMOR.

H.R. 188: Mr. GORDON.

H.R. 202: Mr. SMITH of Washington and Mrs. MORELLA.

H.R. 274: Mr. BLUMENAUER, Mr. HILLIARD, Mr. DEFAZIO, and Ms. DELAURO.

H.R. 303: Mr. WEINER and Mr. BAIRD.

H.R. 323: Mr. SUNUNU.

H.R. 347: Mr. SOUDER.

H.R. 362: Mr. KLINK.

H.R. 363: Mr. MCHUGH, Mr. MICA, and Mr. JONES of North Carolina.

H.R. 364: Mr. KLINK.

H.R. 365: Mr. KILINK.

H.R. 366: Mr. KLINK.

H.R. 371: Mr. WOLF and Mr. ISAKSON.

H.R. 372: Mr. DEFAZIO.

H.R. 382: Mr. HASTINGS of Florida and Mrs. MEEK of Florida.

H.R. 383: Mr. BACHUS.

H.R. 393: Ms. BERKLEY.

H.R. 464: Mrs. BIGGERT.

H.R. 484: Mr. HAYWORTH, Mr. WICKER, Mr. HUTCHINSON, Mrs. MYRICK, and Mr. WATTS of Oklahoma.

H.R. 488: Mr. WEINER.

H.R. 531: Mr. MASCARA.

H.R. 534: Mr. WISE, Mr. WOLF, Mr. GIBBONS, and Mr. GONZALEZ.

H.R. 583: Mr. LATOURETTE and Mrs. JONES of Ohio.

H.R. 612: Mr. BAIRD.

H.R. 710: Mr. KILDEE, Mr. BOUCHER, Mr. PHELPS, and Mr. KUYKENDALL.

H.R. 721: Mr. WOLF and Ms. HOOLEY of Oregon.

H.R. 750: Mr. BILBRAY, Ms. SCHAKOWSKY, and Mr. UDALL of New Mexico.

H.R. 756: Mr. GORDON.

H.R. 762: Mr. REYES, Mr. HOLT, Mr. PASCRELL, Mr. WISE, Mr. ALLEN, Mr. BARRETT of Wisconsin, Mr. GILCHREST, Mr. OSE, Ms. STABENOW, Mr. MCDERMOTT, Mr. SHERWOOD, Ms. MCCARTHY of Missouri, Mr. LAFALCE, Mr. MALONEY of Connecticut, Mr. SPRATT, Mr. GILMAN, Mr. NEY, Mr. DOYLE, Mr. SKELTON, Mr. MURTHA, Mr. BILBRAY, Ms. DANNER, Mr. BROWN of Ohio, Mr. EVANS, Mr. SANDERS, Mr. BERMAN, Mr. BOSWELL, Mr. ROEMER, and Mr. ISAKSON.

H.R. 783: Mr. BLUMENAUER and Mr. MCINTYRE.

H.R. 792: Mr. PICKERING, Mr. SHADEGG, and Mr. VITTER.

H.R. 797: Mr. PHELPS, Mr. BALDACCI, Mr. SHAYS, Mrs. EMERSON, Mr. BARRETT of Wisconsin, Ms. LOFGREN, Mr. SMITH of Washington, Mr. MCGOVERN, Mr. SANDERS, Mr. HALL of Texas, Mr. KOLBE, Mr. MARKEY, Mr. BROWN of Ohio, Mr. PASTOR, and Mr. RUSH.

H.R. 798: Mr. SMITH of Washington, Mr. COYNE, and Mr. KLINK.

H.R. 852: Mr. KOLBE, Mr. COOK, and Mr. NETHERCUTT.

H.R. 864: Mr. STEARNS.

H.R. 865: Mr. COOK, Mr. GARY MILLER of California, Mr. WATTS of Oklahoma, Mr. SAXTON, Mr. MCHUGH, and Mr. BONILLA.

H.R. 879: Mr. VENTO, Mrs. THURMAN, and Mr. OWENS.

H.R. 984: Mr. FARR of California and Mrs. ROUKEMA.

H.R. 997: Mr. DEFAZIO.

H.R. 1046: Mr. MALONEY of Connecticut.

H.R. 1068: Ms. ROS-LEHTINEN.

H.R. 1071: Mr. WEINER.

H.R. 1079: Mr. MCHUGH and Mr. MASCARA.

H.R. 1090: Mr. PETERSON of Pennsylvania, Mr. ROMERO-BARCELO, Mr. KILDEE, Mr. GILCHREST, Mr. BAIRD, Mr. LEWIS of Georgia, Mr. KUCINICH, and Mr. HILLIARD.

H.R. 1102: Mr. WATTS of Oklahoma.

H.R. 1103: Mr. MEEHAN, Mr. COSTELLO, Mr. KENNEDY of Rhode Island, Mr. NEAL of Massachusetts, and Mr. MURTHA.

H.R. 1111: Mr. OWENS and Mr. BONIOR.

H.R. 1122: Mr. DOOLEY of California, Mr. WICKER, and Mr. MCKEON.

H.R. 1123: Ms. ESHOO.

H.R. 1144: Mrs. MEEK of Florida.

H.R. 1168: Mr. GUTIERREZ and Mr. DEAL of Georgia.

H.R. 1174: Mr. MCNULTY.

H.R. 1176: Ms. WOOLSEY.

H.R. 1190: Mr. POMEROY.

H.R. 1193: Mr. GONZALEZ.

H.R. 1200: Ms. RIVERS.

H.R. 1237: Mr. WEINER.

H.R. 1239: Mr. PHELPS, Ms. LEE, Mr. BAIRD, Mr. LIPINSKI, Mr. CONYERS, Mr. HILLIARD, Mr. ENGEL, Mr. FORD, Mrs. MCCARTHY of New York, Ms. VELÁZQUEZ, Mr. MOAKLEY, Mr. STRICKLAND, Ms. CARSON, Mr. FATTAH, Mr. GONZALEZ, Mr. CUMMINGS, and Mr. BECERRA.

H.R. 1261: Mr. PHELPS.

H.R. 1271: Mrs. CHRISTENSEN.

H.R. 1272: Mr. PICKETT.

H.R. 1300: Mr. SHUSTER, Mr. OBERSTAR, Mr. BORSKI, Mr. COBLE, Mr. EWING, Mrs. KELLY, Mr. LIPINSKI, Mr. FILNER, Mr. METCALF, Mr. PEASE, Mr. LOBIONDO, Mr. MORAN of Kansas, Mr. SHERWOOD, Mr. BEREUTER, Mr. ISAKSON, Mr. KUYKENDALL, Ms. MILLENDER-MCDONALD, Mr. LAMPSON, Mr. BAIRD, Mr. PASCRELL, Mr. SANDLIN, Mr. TERRY, and Mr. DEMINT.

H.R. 1303: Mr. HAYES.

H.R. 1304: Mr. HILL of Montana and Mr. BISHOP.

H.R. 1310: Mr. GUTIERREZ, Mr. GARY MILLER of California, Mr. MATSUI, Mr. EVANS, Mr. EWING, Ms. ROYBAL-ALLARD, Mr. SERRANO, Mr. BLILEY, Mr. BLAGOJEVICH, and Mr. SHAYS.

H.R. 1311: Ms. PRYCE of Ohio, Mr. PRICE of North Carolina, and Mr. MEEHAN.

H.R. 1323: Mr. BONIOR, Ms. MCKINNEY, Mr. WU, and Mr. OXLEY.

H.R. 1334: Mr. COOKSEY.

H.R. 1336: Mrs. MORELLA.

H.R. 1344: Mr. DOOLEY of California and Mr. BRADY of Texas.

H.R. 1355: Mr. PAYNE and Mr. WEINER.

H.R. 1356: Mr. BLILEY and Mr. BACHUS.

H.R. 1374: Mr. MENENDEZ, Mr. PAYNE, Mr. FRANKS of New Jersey, Mr. FRELINGHUYSEN, Mr. SAXTON, Mr. ANDREWS, Mr. HOLT, Mr. PALLONE, Mr. LOBIONDO, Mrs. ROUKEMA, Mr. ROTHMAN, and Mr. PASCRELL.

H.R. 1388: Mr. GILCHREST and Mr. GREEN of Texas.

H.R. 1413: Mr. DOOLEY of California.

H.R. 1432: Mr. COOK, Mr. ACKERMAN, Mr. STUPAK, Mr. DINGELL, and Mr. OWENS.

H.R. 1433: Mr. BRYANT.

H.R. 1441: Mrs. EMERSON and Mr. VITTER.

H.R. 1484: Mr. KLINK.

H.R. 1488: Mrs. MCCARTHY of New York and Ms. SCHAKOWSKY.

H.R. 1491: Mr. BAIRD.

H.R. 1503: Mr. GOODLING.

H.R. 1505: Mr. MALONEY of Connecticut.

H.R. 1532: Mr. MATSUI and Mr. OLVER.

H.R. 1545: Mr. BONIOR.

H.R. 1579: Mr. EWING, Mr. LEWIS of California, Mr. ORTIZ, Mr. GREEN of Wisconsin, Mr. SHAW, Mrs. CHRISTENSEN, and Mr. MCKEON.

H.R. 1581: Mrs. BIGGERT.

H.R. 1592: Mr. WELLER, Mr. PASTOR, Mr. KANJORSKI, and Mr. BAIRD.

H.R. 1601: Mr. OSE.

H.R. 1620: Mr. GOODLING.

H.R. 1621: Mr. HILLIARD, Mr. ISAKSON, and Mr. TIERNEY.

H.R. 1634: Mr. BOEHNER.

H.R. 1636: Mr. FRANK of Massachusetts, Mr. FARR of California, Mr. KENNEDY of Rhode Island, Mrs. CHRISTENSEN, Mr. WAXMAN, Mr. FOLEY, Mr. GEJDENSON, Mr. CROWLEY, Ms. SLAUGHTER, Mr. WU, and Mr. HINCHEY.

H.R. 1640: Mr. KUCINICH, Mr. TRAFICANT, Mr. PAYNE, Mrs. CHRISTENSEN, Mr. SAWYER, and Mr. RUSH.

H.R. 1660: Mr. PHELPS, Mr. SCOTT, Ms. DANNER, Ms. ESHOO, Mr. ORTIZ, Mrs. MINK of Hawaii, Mr. DICKS, Mrs. TAUSCHER, Mr. MURTHA, Mr. LIPINSKI, Mr. SMITH of Washington, Mr. SNYDER, Mr. HILLIARD, Mr. DOOLEY of California, and Mr. TANNER.

H.R. 1682: Mr. PAUL.

H.R. 1686: Mr. DICKS, Mr. LAHOOD, Mr. TALENT, Mr. HILL of Montana, Mr. RODRIGUEZ, and Mr. PETERSON of Pennsylvania.

H.R. 1693: Mr. BONIOR.

H.R. 1705: Mr. MARKEY.

H.R. 1728: Mr. PASTOR.

H.R. 1750: Ms. WOOLSEY and Mr. POMEROY.

H.R. 1760: Mr. GILCHREST, Mrs. MINK of Hawaii, Mr. KUYKENDALL, Ms. ROS-LEHTINEN, and Mr. SNYDER.

H.R. 1776: Mrs. BONO, Mr. MICA, Mr. BOSWELL, Mr. TERRY, Mr. SKEEN, Mr. BILBRAY, Mr. PORTMAN, Mr. FRANKS of New Jersey, Mr. THORNBERRY, Ms. BERKLEY, Mr. STEARNS, Mr. DAVIS of Florida, Mrs. MCCARTHY of New York, Mr. KANJORSKI, Mr. GORDON, Ms. SCHAKOWSKY, and Mr. HOEFFEL.

H.R. 1785: Mr. DEFAZIO, Mr. MEEHAN, Mr. MALONEY of Connecticut, Mrs. MCCARTHY of New York, Mr. MCNULTY, Mr. PALLONE, and Mr. KENNEDY of Rhode Island.

H.R. 1791: Mr. SMITH of Washington.

H.R. 1795: Mr. DEUTSCH, Mr. WEINER, Mr. MATSUI, Mr. GEKAS, Mr. KENNEDY of Rhode Island, Mr. CANADY of Florida, and Mr. SANDLIN.

H.R. 1798: Mr. GONZALEZ.

H.R. 1806: Mr. ACKERMAN, Mr. BARRETT of Wisconsin, Mrs. MEEK of Florida, Mr. MEEHAN, Mr. FILNER, Mr. CAPUANO, Ms. KILPATRICK, Mr. SANDERS, Mr. FROST, Mrs. CHRISTENSEN, Mr. FOLEY, Ms. SLAUGHTER, Mr. CROWLEY, Mr. KING, Mr. NADLER, Mr. OWENS, Mr. LEWIS of Georgia, Mr. BALDACCI, Mr. WEXLER, and Mr. HINCHEY.

H.R. 1812: Mr. SHAYS and Mr. HORN.

H.R. 1824: Mr. GOODLING.

H.R. 1837: Mr. KUCINICH, Mr. TALENT, Mr. MEEHAN, Mr. TANNER, and Mr. BOUCHER.

H.R. 1843: Mr. RUSH, Mrs. EMERSON, Mr. HALL of Ohio, Ms. JACKSON-LEE of Texas, Mr. HINCHEY, Ms. MCKINNEY, Mr. BARRETT of Wisconsin, and Mrs. THURMAN.

H.R. 1850: Mrs. BIGGERT and Mrs. LOWEY.

H.R. 1874: Mr. GOODLING.

H.R. 1885: Mr. BOSWELL and Ms. HOOLEY of Oregon.

H.R. 1895: Mr. DEUTSCH.

H.R. 1896: Mr. SWEENEY.

H.R. 1917: Mr. GEKAS, Mr. REYES, and Ms. SCHAKOWSKY.

H.R. 1931: Mr. BAKER and Mr. HILL of Montana.

H.R. 1933: Mr. HALL of Texas, Mr. DOOLITTLE, and Mr. SHOWS.

H.R. 1941: Ms. MCKINNEY, Mr. HILLIARD, Ms. KAPTUR, Mrs. LOWEY, Mr. KILDEE, Ms. DEGETTE, Mr. WEXLER, and Mr. PALLONE.

H.R. 1965: Mr. KENNEDY of Rhode Island, and Ms. MILLENDER-MCDONALD.

H.R. 1967: Mr. DELAHUNT.

H.R. 1998: Ms. Eshoo.

H.R. 1999: Mr. Phelps and Mr. Boehlert.

H.R. 2000: Mr. Moakley, Mr. Baldacci, Mr. Watts of Oklahoma, Mr. Delahunt, Mr. Cook, Mr. Blumenauer, Mr. Walsh, Mr. Terry, Mr. Goss, and Mr. Moran of Virginia.

H.R. 2004: Mr. Bryant.

H.R. 2021: Mr. Baldacci, Mr. Romero-Barcelo, Ms. Kilpatrick, Mrs. Mink of Hawaii, Mr. Towns, and Ms. Carson.

H.R. 2030: Ms. Eshoo, Mr. McGovern, and Mr. Neal of Massachusetts.

H.R. 2040: Mr. Rahall.

H.R. 2041: Mrs. Fowler.

H.R. 2053: Mr. Blagojevich.

H.R. 2088: Mr. Toomey.

H.R. 2101: Mr. Diaz-Balart and Mr. Fattah.

H.R. 2102: Mr. Gordon and Mr. Ackerman.

H.R. 2120: Mr. McGovern and Mr. Thompson of California.

H.R. 2129: Mr. Bonilla, Mr. Lewis of California, Mr. Gary Miller of California, and Mr. Isakson.

H.R. 2130: Mrs. Wilson, Mrs. Bono, Mrs. Mink of Hawaii, Mr. Oxley, Mr. Gonzalez, and Mr. Camp.

H.R. 2166: Mr. Smith of Washington.

H.R. 2172: Mr. Weiner.

H.R. 2202: Mr. George Miller of California.

H.R. 2221: Mrs. Emerson, Mr. Calvert, and Mr. Sensenbrenner.

H.R. 2241: Mr. Nethercutt, Mr. Smith of New Jersey, Mr. Pickett, Mr. Holt, Mr. Kind, Mr. Tierney, and Mr. Phelps.

H.R. 2248: Mr. Rothman and Mr. Hayes.

H.R. 2260: Mr. Mica and Mr. Brown of Ohio.

H.R. 2265: Mr. Wexler and Ms. Kaptur.

H.R. 2266: Mr. Nadler, Mr. Costello, Mr. Frank of Massachusetts, Mr. LaFalce, Ms. Slaughter, Mr. King, Ms. Waters, Mr. Hinchey, Mr. Weiner, Mr. McNulty, and Mr. Kolbe.

H.R. 2298: Mr. Vento, Mr. Payne, Ms. Lee, Mr. Hilliard, Mr. Filner, and Mr. Serrano.

H.R. 2299: Mr. Vento, Mr. Payne, Ms. Lee, Mr. Hilliard, Mr. Filner, and Mr. Serrano.

H.R. 2300: Mr. Upton.

H.R. 2302: Mr. Ackerman, Mr. Boehlert, Mr. Crowley, Mr. Engel, Mr. Forbes, Mr. Fossella, Mr. Gilman, Mr. Houghton, Mrs. Kelly, Mr. King, Mr. LaFalce, Mr. Lazio, Mrs. Lowey, Mrs. Maloney of New York, Mrs. McCarthy of New York, Mr. McHugh, Mr. McNulty, Mr. Meeks of New York, Mr. Nadler, Mr. Owens, Mr. Quinn, Mr. Rangel, Mr. Reynolds, Mr. Serrano, Ms. Slaughter, Mr. Sweeney, Mr. Towns, Ms. Velázquez, Mr. Walsh, and Mr. Weiner.

H.R. 2303: Mr. Tanner, Mr. Collins, Mr. Chambliss, Mr. Thune, Mr. Hall of Texas, Mr. Combest, Ms. Granger, Mr. Lazio, Mr. Pascrell, and Mr. Smith of New Jersey.

H.R. 2319: Mr. Green of Wisconsin, Mr. Frelinghuysen, Mrs. Bono, Mr. Minge, Mr. Walsh, and Mr. Gilchrest.

H.R. 2339: Mr. Guterrez, Ms. DeGette, and Mr. Pastor.

H.R. 2341: Mr. Capuano, Mr. Stupak, Mrs. Clayton, Mr. Boucher, Mr. Udall of New Mexico, Ms. Woolsey, Mr. Wynn, Mr. Bilbray, Mr. Gutierrez, and Mr. LoBiondo.

H.R. 2357: Ms. Pryce of Ohio and Mr. Blagojevich.

H.R. 2369: Mr. Kildee, Mr. Hilliard, Mr. Shows, Mrs. Mink of Hawaii, Mr. Moran of Virginia, Mr. Bonior, and Mr. Frost.

H.R. 2389: Mr. Canady of Florida, Mrs. Thurman, Mr. Bishop, and Mr. Green of Wisconsin.

H.R. 2396: Mr. Crane.

H.R. 2401: Mrs. Morella, Mr. Bentsen, Mr. Wexler, Mr. Doyle, and Mr. Weiner.

H.R. 2419: Mr. Nethercutt.

H.R. 2420: Mr. Peterson of Pennsylvania, Mr. McCrery, Mr. Vitter, Mr. Lucas of Kentucky, and Mr. Metcalf.

H.R. 2425: Mr. Vento, Mr. Wexler, Mr. Foley, Ms. Slaughter, Mr. Ackerman, Mr. Jackson of Illinois, Mrs. Napolitano, and Mr. Filner.

H.R. 2433: Mr. Phelps, Mr. Barrett of Wisconsin, and Mr. Pastor.

H.R. 2436: Mr. Armey.

H.R. 2442: Mr. Foley and Mrs. Thurman.

H.R. 2446: Mr. Deutsch, Mr. Sabo, Mr. Lipinski, and Mr. Rush.

H.R. 2463: Mrs. Mink of Hawaii and Mr. Pastor.

H.R. 2470: Mr. Hilleary.

H.R. 2495: Mr. Green of Wisconsin.

H.R. 2498: Mr. Faleomavaega.

H.R. 2500: Mr. Sanders.

H.R. 2505: Mr. Vento.

H.R. 2512: Mr. Coyne, Ms. Sanchez, and Mr. LaFalce.

H.R. 2530: Mr. Chambliss.

H.R. 2534: Mr. Pastor, Ms. Schakowsky, Mr. Cummings, and Mr. Barrett of Wisconsin.

H.R. 2537: Mr. Hostettler, Mr. Shows, and Mr. Green of Wisconsin.

H.R. 2543: Mr. Herger, Mr. Gibbons, Mr. Paul, and Mr. Crane.

H.R. 2545: Ms. Woolsey and Mr. Lewis of Georgia.

H.R. 2550: Mr. Wamp, Mr. Hansen, Mr. Blunt, Mr. McKeon, Mr. Barrett of Nebraska, Mr. Herger, Mr. Schaffer, Mr. Hayworth, and Mr. Isakson.

H.R. 2551: Mr. Tanner, Mr. packard, Mr. McGovern, Mr. Gutknecht, Mr. Hefley, Mr. Baker, Mr. Metcalf, Mr. Quinn, Mrs. Northup, Mrs. Emerson, and Mr. Bilbray.

H.R. 2558: Mr. McInnis, Mr. Hyde, and Mr. Baker.

H.R. 2562: Mr. Goodling and Mr. Bass.

H.R. 2569: Mr. Pascrell.

H.R. 2572: Mrs. Myrick, Mrs. Clayton, Mrs. Johnson of Connecticut, Ms. Danner, Mr. Lipinski, Mr. Rogan, and Mr. Canady of Florida.

H.R. 2584: Mr. Maloney of Connecticut.

H.R. 2586: Mr. Lipinski.

H.R. 2593: Mr. Kucinich.

H.R. 2595: Ms. Stabenow, Mr. Ramstad, Mr. Sawyer, and Mr. English.

H.R. 2612: Mr. Strickland and Mr. Lipinski.

H.R. 2618: Mrs. Christensen.

H.R. 2636: Mr. Cox, Mr. Hyde, Mr. LoBiondo, Mr. Lucas of Oklahoma, Mr. Nethercutt, and Mr. Ryan of Wisconsin.

H.R. 2664: Mr. Dicks.

H.R. 2667: Mr. Markey and Mr. Waxman.

H.R. 2673: Mr. Hastings of Florida and Ms. DeLauro.

H.R. 2678: Mrs. Johnson of Connecticut, Mr. Abercrombie, and Mr. Gilchrest.

H.R. 2700: Mr. Sanders and Mr. Nadler.

H.R. 2708: Mrs. Johnson of Connecticut, Mrs. Mink of Hawaii, Mr. Schaffer, and Mr. Etheridge.

H. Con. Res. 30: Mr. Bilirakis.

H. Con. Res. 36: Mr. Maloney of Connecticut.

H. Con. Res. 70: Mr. Baldacci.

H. Con. Res. 79: Mr. Maloney of Connecticut, Mr. Skeen, and Mr. Goodlatte.

H. Con. Res. 80: Ms. Pelosi, Mr. Sununu, Mrs. Mink of Hawaii, and Mr. Bateman.

H. Con. Res. 97: Mr. Wu.

H. Con. Res. 100: Mr. McIntyre, Mr. Bateman, Ms. Roybal-Allard, Ms. Pryce of Ohio, Mr. Lazio, and Mr. Boyd.

H. Con. Res. 111: Mr. Farr of California.

H. Con. Res. 120: Mr. Ackerman, Mr. Bereuter, Mr. Bilirakis, Mr. Blumenauer, Mr. Cooksey, Mr. Delahunt, Mr. Dicks, Mr. Forbes, Mr. Ford, Mr. Frelinghuysen, Mr. Jackson of Illinois, Mr. Manzullo, Mr. Meeks of New York, Mr. Neal of Massachusetts, Mr. Pallone, Mr. Rothman, Mr. Towns, Mr. Udall of Colorado, Mr. Udall of New Mexico, Mr. Walsh, Mr. Wu, Mr. Wynn, and Mr. Quinn.

H. Con. Res. 131: Mr. Lantos, Mr. Deutsch, Mr. Holt, Ms. Kilpatrick, and Mr. Gary Miller of California.

H. Con. Res. 132: Mr. Baird.

H. Con. Res. 133: Mr. Gonzalez.

H. Con. Res. 136: Mr. Hastings of Washington, Mr. Smith of Washington, and Mr. Ortiz.

H. Con. Res. 146: Mr. Weiner.

H. Con. Res. 147: Ms. Kilpatrick and Ms. Norton.

H. Con. Res. 159: Mr. Bateman, Ms. Pelosi, Mr. Lazio, Mr. Stark, Mr. Filner, Mr. Martinez, and Mr. Boyd.

H. Res. 41: Mr. Weldon of Florida.

H. Res. 224: Mr. Whitfield, Mr. Bereuter, Mr. LaHood, Mr. Hulshof, and Mr. Foley.

H. Res. 239: Mr. Combest, Mr. Weldon of Florida, and Mr. Armey.

H. Res. 251: Mr. Kuykendall, Mr. Rothman, Mr. Cook, Mr. Porter, Mr. Sabo, Mr. Berman, and Mr. Andrews.

H. Res. 268: Mr. Shays.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 664: Mr. Maloney of Connecticut.

H.R. 1621: Mr. Riley.

DISCHARGE PETITIONS

Under clause 2 of rule XV, the following discharge petitions were filed:

Petition 5, Wednesday, August 4, 1999, by Mr. RANGEL on House Resolution 240, was signed by the following Members: Charles B. Rangel, Thomas C. Sawyer, Matthew G. Martinez, Lynn C. Woolsey, Karen L. Thurman, Maurice D. Hinchey, John Lewis, Robert E. Andrews, Max Sandlin, Robert A. Weygand, Grace F. Napolitano, Nick Lampson, Jim Davis, Karen McCarthy, Steny H. Hoyer, Rosa L. DeLauro, Darlene Hooley, Ruben Hinojosa, Sam Farr, James H. Maloney, David D. Phelps, Bobby L. Rush, John B. Larson, Nita M. Lowey, Janice D. Schakowsky, Michael P. Forbes, Nancy Pelosi, James P. McGovern, Carolyn C. Kilpatrick, Gene Green, Peter A. DeFazio, Joseph Crowley, Michael E. Capuano, David E. Price, David E. Bonior, Barbara Lee, Marcy Kaptur, David Wu, Gregory W. Meeks, Anthony D. Weiner, Debbie Stabenow, Michael R. McNulty, Ted Strickland, John W. Olver, Brian Baird, Thomas M. Barrett, Martin T. Meehan, Bruce F. Vento, Ciro D. Rodriquez, Solomon P. Ortiz, Silvestre Reyes, Brad Sherman, Lane Evans, Eliot L. Engel. Frank Mascara, Benjamin L. Cardin, Eddie Bernice Johnson, Joseph M. Hoeffel, Lynn N. Rivers, Juanita Millender-McDonald, Barney Frank, John D. Dingell, Richard A. Gephardt, Ellen O. Tauscher, Patsy T. Mink, Shelley Berkley, John F. Tierney, John M. Spratt, Jr., Rush D. Holt, Lois Capps, Julia Carson, James P. Moran, Sheila Jackson-Lee, Sanford D. Bishop, Jr., Carrie P. Meek, Bob Clement, Danny K. Davis, Mike Thompson, Dale E. Kildee, Bob Etheridge, Martin Frost, Major R. Owens, Earl F. Hilliard, Donald M.

Payne, Jerrold Nadler, Zoe Lofgren, Louise McIntosh Slaughter, Gary L. Ackerman, Bernard Sanders, Alcee L. Hastings, John Elias Baldacci, Robert A. Borski, Eva M. Clayton, Frank Pallone, Jr., William D. Delahunt, Calvin M. Dooley, Sander M. Levin, Neil Abercrombie, Robert A. Brady, Michael F. Doyle, Loretta Sanchez, Robert Wexler, Ron Kind, Ron Klink, Bart Stupak, Jose E. Serrano, Nick J. Rahall II, Xavier Becerra, Lloyd Doggett, Anna G. Eshoo, Tammy Baldwin, Fortney Pete Stark, Nydia M. Velázquez, Howard L. Berman, George Miller, Pat Danner, Charles A. Gonzalez, Harold E. Ford, Jr., Robert Menendez, Corrine Brown, Dennis J. Kucinich, Bart Gordon, Sam Gejdenson, Steven R. Rothman, Diana DeGette, Carolyn McCarthy, Earl Blumenauer, Carolyn B. Maloney, Vic Snyder, Tom Udall, Bill Luther, Ronnie Shows, Leonard L. Boswell, Patrick J. Kennedy, Chaka Fattah, Elijah E. Cummings, Norman D. Dicks, Sherrod Brown, Bennie G. Thompson, Luis V. Gutierrez, Jesse L. Jackson, Jr., Bob Filner, John Conyers, Jr., Robert T. Matsui, William J. Coyne, Maxine Waters, Robert E. (Bud) Cramer, Jr., Stephanie Tubbs Jones, James E. Clyburn, Henry A. Waxman, Jim Turner, Jerry F. Costello, Lucille Roybal-Allard, Ralph M. Hall, Chet Edwards, Melvin L. Watt, Thomas H. Allen, Albert Russell Wynn, Ken Bentsen, Bill Pascrell, Jr., Mike McIntyre, Ike Skelton, Cynthia A. McKinney, Ed Pastor, Edward J. Markey, Baron P. Hill, Rod R. Blagojevich, Peter Deutsch, Earl Pomeroy, Mark Udall, William (Bill) Clay, John S. Tanner, Norman Sisisky, William J. Jefferson, Dennis Moore, Tony P. Hall, Adam Smith, Edolphus Towns, Julian C. Dixon, Robert C. Scott, and Gary A. Condit.

DISCHARGE PETITIONS— ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petition:

Petition 3 by Mr. DINGELL on House Resolution 197: Earl Pomeroy.

Petition 4 by Ms. DEGETTE on House Resolution 192: Joseph M. Hoeffel, Anthony D. Weiner, and John W. Olver.

AMENDMENTS

Under clause 8 of rule XVIII, propoosed amendments were submitted as follows:

H.R. 2670

OFFERED BY: MR. DINGELL

AMENDMENT NO. 25: At the end of the bill, insert after the last section (preceding the short title) the following new title:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. (a)(1) None of the funds provided under this Act for grants authorized by section 102(e) of the Crime Identification Technology Act of 1998 in the item relating to "DEPARTMENT OF JUSTICE—Community Oriented Policing Services" may be used to provide funds to a State that has not certified on a quarterly basis to the Attorney General that 95 percent or more of the records of the State evidencing a State judicial or executive determination by reason of which a person is described in paragraph (2) are sent to the Federal Bureau of Investigation to support implementation of the National Instant Criminal Background Check System established under section 103 of the Brady Handgun Violence Protection Act.

(2) A person is described in this paragraph if the person is described in paragraph (1), (2), (3), (4), (8), or (9) of subsection (g) or subsection (n) of section 922 of title 18, United States Code.

(b) The Attorney General may prescribe guidelines and issue regulations necessary to carry out this section.

(c) This section shall take effect on the date that is 180 days after the date of the enactment of this Act.

H.R. 2670

OFFERED BY: MR. HAYWORTH

AMENDMENT NO. 26: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used for any activity in support of adding or maintaining any World Heritage Site in the United States on the List of World Heritage in Danger as maintained under the Convention Concerning the Protection of the World Cultural and Natural Heritage.

H.R. 2670

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 27: Add at the end of the bill, the following new title:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. SHORT TITLE.

This title may be cited as the "Hate Crimes Prevention Act of 1999".

SEC. 802. FINDINGS.

Congress finds that—

(1) the incidence of violence motivated by the actual or perceived race, color, national origin, religion, sexual orientation, gender, or disability of the victim poses a serious national problem;

(2) such violence disrupts the tranquility and safety of communities and is deeply divisive;

(3) existing Federal law is inadequate to address this problem;

(4) such violence affects interstate commerce in many ways, including—

(A) by impeding the movement of members of targeted groups and forcing such members to move across State lines to escape the incidence or risk of such violence; and

(B) by preventing members of targeted groups from purchasing goods and services, obtaining or sustaining employment or participating in other commercial activity;

(5) perpetrators cross State lines to commit such violence;

(6) instrumentalities of interstate commerce are used to facilitate the commission of such violence;

(7) such violence is committed using articles that have traveled in interstate commerce;

(8) violence motivated by bias that is a relic of slavery can constitute badges and incidents of slavery;

(9) although many State and local authorities are now and will continue to be responsible for prosecuting the overwhelming majority of violent crimes in the United States, including violent crimes motivated by bias, Federal jurisdiction over certain violent crimes motivated by bias is necessary to supplement State and local jurisdiction and ensure that justice is achieved in each case;

(10) Federal jurisdiction over certain violent crimes motivated by bias enables Federal, State, and local authorities to work together as partners in the investigation and prosecution of such crimes; and

(11) the problem of hate crime is sufficiently serious, widespread, and interstate in nature as to warrant Federal assistance to States and local jurisdictions.

SEC. 803. DEFINITION OF HATE CRIME.

In this title, the term "hate crime" has the same meaning as in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

SEC. 804. PROHIBITION OF CERTAIN ACTS OF VIOLENCE.

Section 245 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

"(c)(1) Whoever, whether or not acting under color of law, willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived race, color, religion, or national origin of any person—

"(A) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(B) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both if—

"(i) death results from the acts committed in violation of this paragraph; or

"(ii) the acts omitted in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(2)(A) Whoever, whether or not acting under color of law, in any circumstance described in subparagraph (B), willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived religion, gender, sexual orientation, or disability of any person—

"(i) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

"(ii) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both, if—

"(I) death results from the acts committed in violation of this paragraph; or

"(II) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

"(B) For purposes of subparagraph (A), the circumstances described in this subparagraph are that—

"(i) in connection with the offense, the defendant or the victim travels in interstate or foreign commerce, uses a facility or instrumentality of interstate or foreign commerce, or engages in any activity affecting interstate or foreign commerce; or

"(ii) the offense is in or affects interstate or foreign commerce.".

SEC. 805. DUTIES OF FEDERAL SENTENCING COMMISSION.

(a) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall study the issue of adult recruitment of juveniles to commit hate crimes and shall, if appropriate, amend the Federal sentencing guidelines to provide sentencing enhancements (in addition to the sentencing enhancement provided for the use of a minor during the commission of an offense) for adult defendants who recruit juveniles to assist in the commission of hate crimes.

(b) CONSISTENCY WITH OTHER GUIDELINES.—In carrying out this section, the United States Sentencing Commission shall—

(1) ensure that there is reasonable consistency with other Federal sentencing guidelines; and

(2) avoid duplicative punishments for substantially the same offense.

SEC. 806. GRANT PROGRAM.

(a) AUTHORITY TO MAKE GRANTS.—The Office of Justice Programs of the Department of Justice shall make grants, in accordance with such regulations as the Attorney General may prescribe, to State and local programs designed to combat hate crimes committed by juveniles, including programs to train local law enforcement officers in investigating, prosecuting, and preventing hate crimes.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 807. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, for fiscal years 1998, 1999, and 2000 such sums as are necessary to increase the number of personnel to prevent and respond to alleged violations of section 245 of title 18, United States Code (as amended by this Act).

SEC. 808. SEVERABILITY.

If any provision of this title, an amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this title, the amendments made by this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

H.R. 2670

OFFERED BY: MR. TAUZIN

AMENDMENT NO. 28: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used to administer or enforce the Uniform System of Accounts for Telecommunications Companies of the Federal Communications Commission (47 C.F.R. part 32) with respect to any common carrier that—

(1) was determined to be subject to price cap regulation by the Commission's order in CC Docket No. 87-313, In the Matter of Policy and Rules Concerning Rates for Dominant Carriers (9-19-90), at paragraph 262; or

(2) has elected to be subject to price cap regulation pursuant to section 61.41(a)(3) of the Commission's regulations (47 C.F.R. 61.41(a)(3)).

H.R. 2684

OFFERED BY: MR. LATOURETTE

AMENDMENT NO. 1: In the matter relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION; HUMAN SPACE FLIGHT", after the dollar amount, insert "(reduced by $67,986,000)".

In the matter relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION; SCIENCE, AERONAUTICS AND TECHNOLOGY", after the dollar amount, insert "(increased by $67,986,000)".

H.R. 2684

OFFERED BY: MR. LATOURETTE

AMENDMENT NO. 2: In the matter relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION; SCIENCE, AERONAUTICS AND TECHNOLOGY", after the dollar amount, insert "(increased by $67,986,000)".

In the matter relating to "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION; SCIENCE, AERONAUTICS AND TECHNOLOGY", after "September 30, 2001" insert ", of which $322,308,000 shall be for activities at Glenn Research Center (so that the total amount made available under this Act for the Glenn Research Center is $568,288,000, the same amount as was available for fiscal year 1999)".

EXTENSIONS OF REMARKS

ALICE TENNISON

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention the outstanding work of Alice Tennison.

Alice lives in Albuquerque, New Mexico, and is a constituent of mine. Recently, Alice won the Education's Unsung Heroes Award for mentoring students and founding the Student Mentorship in Education Project. The Student Mentorship in Education Project gives high school students hands-on experience in leading elementary school classrooms.

I would also like to thank ReliaStar Financial Corporation and Northern Life Insurance Company for sponsoring the event.

A good education helps students achieve their career and life goals. Alice Tennison has helped provide a quality education in New Mexico. Her work touches the lives of our next generation of teachers.

Alice Tennison continues to contribute to New Mexico education and I hope she will continue to do so well into the future. Mr. Speaker, I ask that we recognize and thank Alice Tennison for her achievement.

INNOVATIVE RESPONSES TO YOUTH VIOLENCE AND SCHOOL DROPOUTS RATES

HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. HAYES. Mr. Speaker, educators in communities across the country are searching for innovative methods to assist families in combating the threats that plague so many of our nation's high schools. Drugs, juvenile violence, high school students dropping out of their education: schools have a responsibility to partner with parents in safeguarding our children from these hazards.

In 1997, the last year for which we have reliable statistics available, there were 706,000 violent crimes involving teenagers. To reduce this number, we have to start early: as former Winston-Salem, North Carolina police chief George Sweat has said, "the fight against crime needs to start in the highchair, not wait for the electric chair."

Nationwide, 5 percent of students drop out of school. Only 40 percent of high school dropouts are employed. Dropping out often leads students to drifting, trouble and sometimes crime and time in jail. As the demands of the workplace grow more dependent upon high levels of literacy and technical skill, high school dropouts will increasingly face problems in getting and keeping jobs.

The American family is the bedrock of hope for instilling values in children that can keep them on the right path. But our schools can help as well. The use of innovative methods to educate and encourage young people to respect themselves, to stay in school and out of trouble is essential. One such method is a public-private partnership to which over 40 percent of American schools belong. These schools work with the Channel One Network, an in-school news analysis program that reaches eight million American students daily. Studies have shown that public service announcements by this programmer for military recruitment and drug prevention have been extraordinarily effective. Students in Channel One Schools have more negative impressions of drug use. They are also more likely to consider enlisting in their nation's armed services.

I believe that schools must increase such effective programs in the areas of juvenile violence and high school dropout prevention. I intend to work hard to ensure that our government expands its support of our schools' efforts in this direction.

TRIBUTE TO OFFICER MICHAEL LEWELLEN

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Ms. SANCHEZ. Mr. Speaker, today I rise to honor Officer Michael Lewellen for his commendable service to the United States Armed Forces. It is with great pride that I present Mr. Lewellen with seven prestigious military awards and decorations including the Bronze Star Medal, the Purple Heart, the Air Medal, the National Defense Service Medal, the Vietnam Service Medal, the Combat Medical Badge, and the Republic of Vietnam Campaign Ribbon with Device.

Our nation is graced with many treasures, though none so precious as the peace we enjoy in our prosperous country. I am honored to commend Mr. Lewellen for his contribution to safeguarding that peace. It is one of our nation's great strengths that men and women have answered their country's call, and continue to heed it today to prevent the devastation we have witnessed too often this century.

Fortunately, our society has been blessed with many leaders who learned the values of leadership—responsibility, accountability and loyalty—while wearing the uniform of their country. For without their dedication to duty, we would not enjoy the many freedoms a fortunate America has to offer.

Again, I offer Mr. Lewellen my sincerest congratulations. I join together with everyone in this room to celebrate Mr. Lewellen's patriotism and to pay tribute to his service to our great nation.

BRINGING SMILES TO FLORIDA

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. DIAZ-BALART. Mr. Speaker, I rise today to offer my warmest congratulations to the dental community in Florida for their great success with Project: Dentists Care (PDC), which facilitates access to dental care for indigent or underserved populations throughout the State. In a typical year, over 700 dentists donate more than 10,000 hours to treat 6,000–7,000 patients, providing close to a million dollars worth of dentistry, all at no charge.

Project: Dentists Care Began in Palm Beach County in 1992, and now enjoys success throughout the State. Money raised from fund raisers such as the annual Dentist's Day in October, including the ball, the silent auction and art sales, helps buy supplies and equipment needed for the programs.

I am pleased to support the efforts of Project: Dentists Care, and I urge my colleagues to join me as I extend my support and best wishes for a successful Dentist Day.

COMMANDER JACKIE W. KYGER

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. ORTIZ. Mr. Speaker, I rise today to commend a gentleman who does an outstanding job commanding a Coast Guard Station in my district, Commander Jackie W. Kyger.

Commander Kyger is an absolutely superb man. He commands the South Padre Island Coast Guard Station in Port Isabel, Texas, in my district and he will be leaving Friday, August 6, for the private sector. If he carries the same gung-ho, can-do attitude that he has employed in his service to our country into the private sector, I have no doubt he will retire a millionaire.

The Port Isabel station has a very tough mission, which centers largely on drug interdiction. They have quite a small station, with a tremendous amount of space to cover. In the last Congress, it came to my attention that the station desperately needed new equipment. They were making do with surplus equipment in their quest to interdict drug smugglers along a large chunk of South Texas coast. We ask our Coast Guard to do so much: search and rescue, boat safety, drug interdiction and fishing regulation enforcement, among others.

It is just not right to give them that enormous responsibility without the equipment to do the job. In the next Coast Guard Authorization bill, I made sure to include committee report language stressing the need for new

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

equipment, and as a result, the Port Isabel Coast Guard station recently got two new utility vehicles that are currently being fitted. This speaks to Commander Kyger's leadership ability, ensuring that his people had the proper equipment to accomplish their mission.

Mr. Speaker, Commander Kyger will be greatly missed by the larger South Texas community, as well as the Coasties he commands. He is a devoted family man who is also committed to helping the community. He was of great help to a community project known as "Save Our Children," a non-profit group that targeted young people in the Valley, encouraging them to stay away from violence and drugs, and reassuring them that they are indeed loved and are a valuable resource to South Texas. He was also instrumental in forming a partnership with the Boys Scouts of America to create a U.S. Coast Guard Explorers Post, an activity that provides a positive focus for young people after school.

I ask my colleagues to join me today in commending Jackie Kyger, an outstanding patriot, officer and family man on his departure from Coast Guard Station South Padre Island this week.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

SPEECH OF

HON. ROBERT WEXLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2606) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes:

Mr. WEXLER. Mr. Chairman, I strongly oppose the Burton Amendment to H.R. 2606, the Foreign Operations Appropriations bill, which would limit U.S. foreign aid to India.

This amendment, which cuts essential aid to India, sends the wrong message to the government in Dehli. U.S./India relations have significantly improved since the end of the cold war. In reaching out to the United States and the international community, India has undertaken dramatic economic policy reforms to become a market-oriented economy. As of today, the United States is India's largest trading partner and largest investor.

The Indian government has also taken constructive steps to improve its human rights record. We must recognize the Indian government's efforts and progress, and assist them in taking further steps to reduce human rights abuses in their country.

Although the Indian government has made progress with respect to economic reforms and human rights, they face a much tougher goal of providing for a population of close to a billion people with a rapid population growth of 1.7 percent per year. Forty percent of India's urban population and half of the rural population live below the poverty level. The Burton amendment would cut crucial U.S. humanitarian aid to India that is desperately needed for disease control, population control, malnutrition, and rural development.

India which is an important strategic ally of the United States borders Iran and Communist China. Like the United States, India has many security concerns, including the direct threat of terrorism. Radical terrorist outfits trained in Afghanistan and Pakistan, including that of Osam Bin Laden, have targeted and executed innocent civilians in Kashmir.

I believe that the United States and India have already begun to see the benefits of improved bilateral relations. Unfortunately, this amendment reverses the gains made between our two democracies and denies humanitarian assistance to the most needy in India. I urge my colleagues to defeat this amendment.

INTRODUCTION OF THE MEDICARE PARAMEDIC INTERCEPT SERVICE EQUITY ACT

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mrs. KELLY. Mr. Speaker, I rise today to introduce the Medicare Paramedic Intercept Service Equity Act, legislation which will provide reimbursement for critically needed ambulance intercepts, no matter where they occur.

In the past, paramedic ambulance companies have billed Medicare for services administered to beneficiaries during an intercept. In May 1995, the Health Care Financing Administration discontinued allowing the paramedic ambulances to bill Medicare, stating that they only grant payment for services provided by the transporting ambulance, which under an intercept would be the non-billing volunteer ambulance. This policy precludes paramedic ambulances from receiving Medicare payment for their services.

According to the providers this policy has proven to be a nightmare. It creates a situation in which the volunteer personnel might choose to not call paramedic personnel, even if it is against their best judgment, because the patient may not be able to afford the cost of the paramedic care. The billing of the patient could also be avoided, if the patient is physically transferred from the volunteer ambulance to the paramedic ambulance, thereby making it the transporting ambulance but, in the process, wasting time that could be critical to the well being and survival of the patient. However, if the volunteer company does choose to call paramedic personnel, then the cost is passed on to the patient.

Although carriers have begun billing patients for their services, they often waive the charges for seniors who cannot afford to pay the bill. As a result of this policy, many paramedic ambulance companies are experiencing serious financial losses and may have to go out of business, which jeopardizes emergency care. Additionally, many seniors have taken to calling paramedic providers to describe their conditions to see if they would require their services, before calling the volunteer ambulance.

In 1997, Congress addressed this issue in the Medicare provision of the Balanced Budget Act. This provision amended the Social Security Act to provide coverage in rural areas for paramedic intercept services under Medicare Part B. This change was intended to allow paramedic ambulance companies to bill Medicare for their services despite the fact that they were not the transporting vehicle. Yet under the Health Care Financing Administration's proposed methodology, many areas which would commonly be thought of as rural are not considered as such under the rule. Thus, these areas have all the problems of being rural, yet have none of the protections that Medicare reimbursements for paramedic intercept services would provide.

As a result, one town with the fortune of being classified as rural has paramedic intercept coverage, while the town directly next door with the same basic rural nature, but a few more residents has no coverage. This leaves seniors stuck in the middle, confused as to what areas are covered, and scared to call for an ambulance for fear they will be charged with a bill they cannot afford. The policy of only reimbursing ambulance intercepts that occur in rural areas geographically discriminates against Medicare beneficiaries by arbitrarily setting standards for reimbursement that will help only those seniors with the luck of living in a federally defined rural town.

Paramedic intercepts should be covered by Medicare no matter where a senior lives. If a senior is in medical need of an intercept, then Medicare should pay for it. The Medicare Paramedic Intercept Service Equity Act takes the debate over coverage out of rural vs. urban and towards one of medical necessity. Specifically, this bill strikes the word "rural" from the ambulance intercept provision of the Balanced Budget Act. In doing this, all intercepts are covered whether they are in a rural area or not.

Please join me in providing seniors with the critical emergency services they need and cosponsor this important bill.

COSTELLO HONORS 300TH ANNIVERSARY OF THE VILLAGE OF CAHOKIA

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. COSTELLO. Mr. Speaker, I rise today in honor of the 300th Anniversary of the Village of Cahokia.

As we begin to near the end of this millennium, I ask my colleagues to join me in celebrating the history of the small towns within all of our districts. Throughout this year, Cahokia, a village in my district, continues to celebrate it's tricentennial anniversary, with reflection on its vital place in American history.

The Village of Cahokia derives its name, which means "Wild Geese", from the Cahokia Indian tribe. Today, it is recognized not only as a wonderful, thriving community of Southern Illinois but also as the site of the Cahokia Mounds, which is both an Illinois State Historic Site and a World Heritage Site. The

Cahokians, members of the Illini Confederation, along with their relatives, the Tamaroas, were the first people known to inhabit this small and beautiful region in the Mississippi Valley. While the Cahokian tribe continues to provide a vital, unique character to the region, in 1699, the diversity of the community was further strengthened with Cahokia's founding by missionary priests from the Seminary of Quebec.

As the 18th century progressed, this community also became the principal commercial center in the mid-west. Specializing in the trade of Indian goods and fur, Cahokia's economic development thrived. This served as the impetus for prompting the expansion of Agriculture as a viable livelihood, which was so necessary to feed the rapidly growing community of settlers.

The Village of Cahokia also took pride in its role in winning a battle of the American Revolution. Captain Joseph Bowman and George Rogers Clark negotiated peace agreements in Cahokia at Fort Bowman with neighboring tribes of the Illini Confederation, and then launched an attack on British occupied Vincennes. Both their soldiers and ammunition were primarily supplied by the residents of Cahokia.

Cahokia has long been recognized as a significant force in Illinois politics. In the 18th and 19th centuries, the Cahokia Courthouse served as an important center of activity in the Northwest. At one point it was both the judicial and administrative center for a massive area which rose up to the borders of Canada.

Today, I am honored to represent Cahokia, which has embraced its heritage of both Native-American history, as well as the influx of French and other ethnicities, spurred by westward expansion. This close community of churches, civic groups, and businesses inspires us to remember the legacy of our forefathers, while also celebrating the future.

Mr. Speaker, I ask my colleagues to join me in recognizing the Village of Cahokia this month in commemoration of its 300th Anniversary!

MUSEUM FOR AFRICAN ART

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. NADLER. Mr. Speaker, I am pleased to recognize one of New York City's premier cultural institutions, the Museum of African Art, and to invite my colleagues to visit the Museum over the August recess. Founded in 1984, the Manhattan-based Museum is the only independent museum in the United States devoted exclusively to historical and contemporary African art.

The Museum for African Art is dedicated to increasing public understanding and appreciation of African art and culture. Through exhibitions and catalogues of the highest aesthetic and scholarly merit, the Museum offers definitive research and scholarship on African cultural groups and their regional influences.

The Museum provides thematic comparison and exploration of artistic ideas reflected in the great variety of cultures in Africa, innovative methods of display and interpretation of African art to involve audiences directly in the exhibition process, and programs that stimulate lifelong learning and appreciation of African art and culture.

In April 1999, the Museum opened a groundbreaking exhibition entitled "A Congo Chronicle: Urban Art and the Legend of Patrice Lumumba." Consisting of 50 paintings by famed African artist Tshibumba Kanda-Matulu and several other urban artists of the time, this exhibition offers a uniquely personal encounter with the African independence movement as it was born and took hold among the population.

African art aficionados are looking forward to the September unveiling of the exhibit, Liberated Voices: Contemporary Art from South Africa. Featuring close to 100 works, including paintings sculptures, installations, photographs, and videos made since Apartheid ended in 1994. This exhibition highlights major trends in contemporary South African artistic practice. The exhibit will focus on the diverse works of young artists in today's South Africa. Through their personal experiences Museum visitors will gain a greater insight into this dynamic country.

Mr. Speaker, the Museum for African Art is a unique resource. I hope all of my colleagues will have the opportunity to visit the Museum to learn more about African art and its influence and significant contributions to our culture and society.

IN CELEBRATION OF THE BIRTH OF MORGAN JULIANN TAYLOR

HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. McINTOSH. Mr. Speaker, last Wednesday, July 28, 1999, Morgan Juliann Taylor was born. She is the daughter of my chief of staff, Jeff Taylor and his wife Julie. God blessed them with a beautiful, healthy child. When we debate issues on the floor of the U.S. House of Representatives which will impact the lives of children, I like to think of children I know, especially my own daughter, Ellie. From this time forward, I will also keep Morgan Juliann in my mind and heart as this great body works to make this country a better place to live for Ellie, Morgan and all of our children and grandchildren.

TRIBUTE TO ISAAC DARKO

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. SERRANO. Mr. Speaker, I rise to once again congratulate and to pay tribute to Mr. Isaac Darko, a constituent of mine and a distinguished student at Columbia University in New York. He will be recognized for his academic and scientific achievements as a participant in the National Institutes of Health (NIH) Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds (UGSP) on August 5, 1999 for the second year in a row.

Isaac graduated from the Health Professions and Human Services High School in 1997 and has just completed his freshman year at Columbia University. This summer he has been working at the NIH Department of Molecular Biology under the supervision of Dr. Alfred Johnson. He has been working on the epidermal growth factor receptor (EGFR), which is expressed in such cancers as breast and prostate cancer and in other cancer cell lines.

Mr. Speaker, the UGSP scholars search is highly competitive and nationwide. Currently, the program has 24 scholars from all over the nation, from institutions such as Columbia University, MIT, Harvard, Georgetown, U.C. Davis, and Stanford. In order to participate in the program, a Scholar must either have a 3.5 Grade Point Average or be in the top 5 percent of his/her class. Candidates must also demonstrate a commitment to pursuing careers in biomedical research and must be from a disadvantaged background. The current group is composed of 32 percent Hispanics, 32 percent African Americans, 21 percent Asians, 10 percent Caucasians, and 5 percent Native American, with a balance between the genders of 52 percent female and 48 percent male.

Mr. Speaker, being selected for this program for two consecutive years indicates that Isaac has demonstrated that he has the ability and the desire to be an asset and a role model in our community. We are proud of his accomplishments and I know he is taking full advantage of the opportunity presented to him. He is a terrific example for future participants in this program and others like it.

Mr. Speaker, I ask my colleagues to join me in congratulating once again Mr. Issac Darko for his outstanding accomplishments and also in commending the National Institutes of Health Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds for offering opportunities to students like Isaac.

FAMILY BUILDING ACT OF 1999

HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. WEINER. Mr. Speaker, today I introduced the Family Building Act of 1999.

This legislation will assure the millions of Americans suffering from the disease of infertility that the treatments they so desperately need will be covered by their health insurance plans.

There is nothing more basic to human beings than the desire to have a family. Yet, more than 6 million American families will suffer from infertility at some point in their reproductive lives. However, fewer than 1 in 4 employer-based insurance plans include coverage for infertility.

Imagine being given the devastating news that you have a fertility problem. Fortunately, your physician confidently informs you that the majority of couples who seek treatment for their infertility are able to have a baby. So you leave the office feeling hopeful if not optimistic. Then news even more devastating than your diagnosis comes your way: your health plan has decided that infertility is a disease they don't think worthy of covering. Their profits mean more than your inability to have a family.

It's unfair, and it happens too often in this country.

As fewer and fewer of our citizens are allowed any meaningful choice in health plans, Americans are being denied access to medical treatments that provide them with their only hope of becoming a parent. This is unfair, and the Family Building Act of 1999 will put a stop to it.

The insurance industry may claim that providing infertility coverage will cost them so much money that they will either go out of business or that employers will not be able to provide any coverage at all. This is not the case.

Studies completed by the American Society for Reproductive Medicine have shown that providing comprehensive infertility coverage will add only three dollars per member per year. Thirteen states have already passed similar legislation and it has not driven the insurance companies out of business, nor has it caused employers to drop their health insurance. In fact, in Massachusetts a study shows that the cost for HMOs actually went down when they started providing coverage.

Insurance coverage for infertility also allows for better medicine. We have all heard about and been concerned with the rising number of triplets, quadruplets and even higher numbers of multiple births from fertility treatments. Proper insurance coverage will allow patients and their physicians to pursue conservative, medically appropriate treatments and lower the risk of multiple births.

Consider: just three dollars a year could allow thousands of Americans to become parents. I think it's worth it, the American people think it's worth it and I hope this House will show it thinks it's worth it by passing the Family Building Act of 1999.

ISSUES FACING YOUNG PEOPLE

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. SANDERS. Mr. Speaker, I would like to have printed in the RECORD statements by high school students from my home State of Vermont, who were speaking at my recent town meeting on issues facing young people today. I am asking that you please insert these statements in the CONGRESSIONAL RECORD as I believe that the views of these young persons will benefit my colleagues.

WORKERS' RIGHTS AND WELFARE REFORM

(On behalf of Daniel Peyser and Jenn Donohue)

Daniel Peyser: I'm going to be covering workers' rights, and specifically minimum wage, and maybe health care, and Jenn is going to be doing welfare reform, which will tie into it.

A key issue regarding the basic rights of workers is a livable wage. There was a minimum wage increase that was from $4.25 to $5.15, but it is still not livable. It is nice to have the wage increase, but it is not significantly helping us out. I make minimum wage, and it's a pain when you are not making enough money that you feel that you would deserve more for the work that you put in. But, over the past two decades, the minimum wage, with that one exception of that increase, has largely, for most people, stagnated or declined, and combined with inflation, the real value of the minimum wage hasn't increased very much since around 1955 to 1970.

It used to be, after World War II, that when productivity went up in companies that the workers got cut into the action and everyone prospered. But between 1983 and 1989, we have seen that, as companies reach record profits, that workers aren't getting cut in any more. And between 1983 and 1989, 99 percent of the new wealth that was accumulated went to the top 20 percent of the income groups.

America is now the most economically stratified country in the industrialized world. So there's a lot of issues that also tie in with livable wage. I mean, you have welfare, which is one issue. And one of the incentives perhaps for a lot of people who are on welfare would be a higher minimum wage. I think the answer to the problem would be to require companies to, first of all, raise the minimum wage to something that is easily livable. Ideally, I would have said $9 an hour or so. Cut back working hours, so require companies, based on how much money they make, to hire a certain number of workers, also based on their expenses, which would help unemployment rates.

Other issues that tie in are, a large part of having an unbalanced budget can be attributed to having stagnated wages. College education prices have gone up 80 percent over the past two decades, I think, as far as the cost of real value. And it is going to be harder and harder for people who are making minimum wage now to send their kids to college or to support their families.

Congressman Sanders: Jenn?

Jenn Donohue: As a senior in high school, the time is coming where I have to go out and find a job and employment. And, as Dan was saying, it bothers me in both respects, that there are people out there who are making minimum wage, trying to feed their kids, trying to buy necessities, basic things that people need, and they are getting welfare; and there are other people out there who don't work, who wait for the check to come every month, and that's what they live on, they have no initiative to get up, get out, and get a job.

Welfare was established for people in need, to help them get back up on their feet until the time came where they were okay, and they were all set, and they didn't need it as much as they did before. But now, I think, there is a problem where people are using it as their basic income. They have no desire to get up and get a job. And it is not the case with all people who are on welfare. Some people need it intensely. They are working two jobs, their spouse is working two jobs. Their kids are going to school, they need food and products all kids need.

I just think that something has to be done to change the way that welfare is going, because it is unfair to deprive people who really need the welfare of the money, when it is going to people who are just using it—I mean, there are women who get pregnant so they will have more money coming in the door. It is sick and it's twisted, and something needs to be done to reform welfare, so that the people who need it are getting it, and the people who need it and aren't doing anything to get it do something about that.

Congressman Sanders: Thanks for tackling a very, very important issue.

ZERO TOLERANCE FOR ALCOHOL

(On behalf of Laura Megivern)

Laura Megivern: My name is Laura Megivern, and I'm from South Burlington High School.

In all 50 states, it is illegal for anyone under 21 to purchase and possess alcoholic beverages. Following this logic, it should therefore be illegal for anyone under the age of 21 to have a blood alcohol concentration of anything over .00. However, this is not the case. In Vermont, anything under a .02 alcohol level is legal for someone under 21 years old, who cannot legally purchase or possess any alcoholic product.

It is required that all states have a zero tolerance law for people under the legal drinking age. A zero tolerance law is defined as any law that states that persons under 21 are not allowed to have a blood alcohol level of anything more than .02, .01 or .00. In 1994, according to the National Highway Safety Administration, motor vehicle traffic crashes cost the United States more than $150 billion in economic costs. Crashes involving 15- to 20-year-olds cost the United States years more than $21 billion in 1994.

Although they may be effective, there is a bit of a discrepancy in the fact that, although youth are not permitted to purchase or possess alcohol, it is all right for them to have some alcohol in their blood. One reason why the legal limit is set above zero is because of problems with the calibration of instruments, and because of the margin of error that may exist in the use of a Breathalyzer.

Other reasons brought up while the law was being created were that some foods may raise the alcohol level in breath, and that wine consumed in church as part of communion may raise the blood alcohol to an illegal level. The amount of wine ingested during communion would most likely be immeasurable, unless the Breathalyzer test was administered just afterwards. Also, an average high school student taking one dose of NyQuil would be under this limit, as the alcohol level would barely be measurable—although, in my opinion, if you feel bad enough to take NyQuil, a cough syrup advertised as helping someone get to sleep, you probably shouldn't be driving anyway. Some yeast products may also raise the alcohol content, but not to a measurable level, according to Dan Steinbar of the Day One Program, an outpatient rehabilitation program. He also says that, a beginning drinker without a high tolerance to alcohol, like a teenager, would be showing signs of impairment, especially of slurred speech and impairment of judgment, at a .02 blood alcohol concentration.

To get to a .02 blood alcohol concentration, you would need to drink a can of beer, 12 ounces, or 6 ounces of wine. In fact, for a 150-pound male, one can of beer, 5 ounces of wine, or 1.5 ounces of hard liquor puts the blood alcohol concentration above the legal limit even for someone over 21. However, if the male waited two hours to drive, he would be below it.

The rationale for zero tolerance is clearly understandable. According to the National Highway Traffic Safety Administration, 21 percent of 15- to 20-year-old drivers involved in fatal crashes had some alcohol in their blood in 1996. In the same year, an estimated 846 lives were saved by the minimum-age drinking laws, and an estimated 16,513 lives have been saved by these laws since 1975.

Although there is a discrepancy in the legal limit and what one would hope would be the legal limit, I see the reasoning behind it, although I hope that, one day, equipment will be in use in Vermont that has no margin of error, so that we can have an actual zero tolerance law, rather than a .02 tolerance law, because zero should mean zero.

MAXINE DEAMOS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. SKELTON. Mr. Speaker, let me take this opportunity to recognize Maxine Deamos upon her retirement from the Lafayette Regional Health Center in Lexington, Missouri.

Ms. Deamos first started working at the former Lexington Memorial Hospital 34 years ago. During her tenure, she worked as a nursing aid in various departments of the hospital, including surgery, obstetrics, and the operating room. At the time of her retirement, Ms. Deamos was employed in the sterile central supply, the part of the hospital that provides sterile processing for surgical instruments and equipment. A standout employee during her 34 years, she was named Lafayette Regional Health Center Employee of the Year in 1967 and given the Smile Award, recognizing her cheery attitude, in 1997.

Maxine Deamos is an outstanding citizen of the Lexington community, and her wonderful personality will be missed by all at Lexington Regional Health Center. During her quieter times, Ms. Deamos plans to travel, work on her crafts, and spend time with her grandchildren. Mr. Speaker, I am sure that our colleagues join me in recognition of this outstanding Missourian.

A TRIBUTE TO LULAC

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Ms. SANCHEZ. Mr. Speaker, I rise today to honor one of the most influential Hispanic civil rights organizations in the United States. The League of United Latin American Citizens is celebrating its 70th anniversary of service to the Latino community.

In 1929 LULAC was formed in Corpus Christi, TX. Formed as a grassroots self-help organization, LULAC has a distinguished record of fighting for Hispanic education, employment and civil rights. Today, LULAC's 250,000 members make it the largest Hispanic organization in the U.S. Its 600 councils nationwide have been significant in empowering Latino communities in Texas, New Mexico, California, Florida, Washington, DC and New York.

Education has always been a chief priority for LULAC, providing more than half a million dollars in scholarships for Latino students. LULAC National Educational Service Centers serve over 18,000 students with counseling and dropout prevention programs. At the same time, its commitment to the assurance of equal access has been fundamental in LULAC's fight for affirmative action and women's rights.

In the Hispanic business community, LULAC has been important in furnishing training and management expertise, while also providing support for economic development. LULAC has also made great strides in combating Hispanic unemployment through the development of programs like SER-Jobs for Progress and Vocational Training Centers.

I am proud to represent the city of Santa Ana, which is the home of the first LULAC council in California. Its work in my community is indispensable. In fact, LULAC was responsible for desegregating Orange County Schools in 1946 with Mendez v. Westminister School District.

I congratulate LULAC for its 70 years of service to Hispanics in the United States. Its outstanding work should be an inspiration to other Latino leaders and elected officials, especially those here in Congress. I applaud LULAC's on its anniversary, and give thanks for all its good work.

THE PUBLIC SCHOOL MODERNIZATION ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. STARK. Mr. Speaker, I rise today in support of H.R. 1660, the Public School Modernization Act. It is time for Congress to take action and make an investment in the future of America, our children. This legislation will provide significant help to local school districts in meeting their needs both to build new classrooms to keep up with skyrocketing school enrollments and to renovate and modernize their existing facilities.

Overall, California alone projects a $20.1 billion five-year cost for school modernization, including $11 billion for modernization and technology upgrades of old facilities. These technology upgrades include very basic amenities such as additional electrical outlets, and telephone jacks for internet connection.

Additionally, California will need $4 billion just to build new facilities to accommodate growing enrollment. California would get just over $3 billion under the Public School Modernization Act. This bill will provide $24 billion in interest-free funds for school modernization projects and deserves our support.

According to the Committee for Education Funding, the Republican education agenda is projected to cut over $3 billion from the Department of Education's budget including a $1 billion cut from Title I funding, a program aimed at supporting children in poverty. Funding will also be slashed dramatically for Federal Pell Grants and the Head Start Program.

It would be prudent to cut funding for wasteful defense programs, and unnecessary manned space exploration. It is time to make a significant improvement in the education of our children. I urge my colleagues to support HR 1606. Our children's future depends on it.

A DARK CHAPTER IN OUR NATION'S HISTORY

HON. ROBERT WEXLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. WEXLER. Mr. Speaker, I am here to support Italian Americans who were singled out during World War II as enemy aliens of the United States. Unfortunately, like many Japanese Americans who were persecuted during World War II, over 600,000 Italian Americans were subjected to harsh treatment by the American government, including being evicted from their homes and subjected to strict curfews. Hundreds of Italian Americans were sent to internment camps.

It is unconscionable that these hard working Americans were denied fundamental human rights and freedoms. Like many other ethnic communities in the United States, Italian Americans fought bravely in World War II and played a major role in defeating the Axis powers. However, many Italian Americans who remained in the United States during World War II faced discrimination including the families of soldiers who were injured or killed in Europe and in the Pacific.

I believe that it is incumbent upon the President and the United States government to acknowledge this dark chapter of our nation's history. Italian Americans who were victims of persecution are entitled to no less, and America needs to acknowledge the truth. I urge my colleagues to support H.R. 2442.

INTRODUCTION OF THE ELECTRONIC BENEFIT TRANSFER INTEROPERABILITY AND PORTABILITY ACT OF 1999

HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. GOODLATTE. Mr. Speaker, today I introduced the Electronic Benefit Transfer Interoperability and Portability Act of 1999. The sole focus of the bill is to allow food stamp beneficiaries the ability to redeem their benefits in any eligible store regardless of location. Beneficiaries had this ability under the old paper food stamp system but lost it as states migrated to an electronic benefits transfer system.

Under the old paper food stamp system, recipients could redeem their food coupons in any authorized food store anywhere in the country. For example, a food stamp recipient living in Bath County, VA could use their food stamps in their favorite grocery store even if it happened to be in West Virginia. Similarly, a recipient living in Tennessee could visit their

Mother in Virginia and purchase food for their children while away from home. Unfortunately, as we move to electronic delivery of benefits, this is currently not the case. My bill provides for the portability of food assistance benefits and allows food stamp recipients the flexibility of shopping at locations that they choose.

Across the country we are finding that people live in one state and shop in another. This cross border shopping is conducted for a variety of reasons. One of them is convenience, another is the cost of goods. The supermarket industry is a very competitive industry. Every week stores advertise specials in newspaper ads across the country. People not only shop at locations convenient to them but also shop around for the best prices. Customers paying with every type of tender except EBT have the flexibility to shop where they choose. Why shouldn't recipients of food assistance benefits be allowed to stretch their dollars in the same way that other consumers do, without regard to state borders?

EBT potability is simply allowing recipients of benefits under the food stamp program to redeem those benefits without regard to state borders at the stores they choose. In addition to portability, my legislation allows for the interoperability of EBT transactions. Interoperability can be simply defined as the ability of various computers involved in authorizing, routing and settling an EBT transaction to talk to each other.

I offered a Sense of the Congress Amendment to the Welfare Reform bill that Congress passed in 1996. My amendment urged states to work together to achieve a seamless system of food stamp benefit redemption. States did a decent job considering the circumstances. They are now asking for an extra nudge to realize the goal of my earlier amendment.

My legislation requires states to conform their EBT standards to a national, uniform operating system that the states themselves choose. The clear choice, the Quest operating system, has already been adopted by 33 states.

Pilot studies have been conducted to determine cost and other efficiencies that might be realized by EBT interoperability. The pilot program determined my bill would only cost the Food Stamp Program $500,000. That's not a lot of money for an $18 billion program. Also, the State of Missouri found around $32 million in abuse of the program that they never would have found if their EBT system couldn't talk with neighboring state systems.

Mr. Speaker, the bill I introduce today is simple. It returns the national redemption convenience to the beneficiaries of the program, gives the states the guidance they are looking for, and provides another tool in the fight against fraud, waste and abuse in the Food Stamp Program. Thank you for this time and I urge support from the membership for the Electronic Benefit Transfer Interoperability and Portability Act of 1999.

AMERICAN INVENTORS PROTECTION AT OF 1999

SPEECH OF

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1999

Mr. FORBES. Mr. Speaker, I rise today in opposition to a bill that jeopardizes America's future prosperity by endangering the protection of our nation's independent inventors. HR 2654 seeks to extensively reform the patent process, which should only occur after deliberative discussion and with the opportunity for amendment. This bill will pass this body without even the courtesy of open debate. Such an important matter demands a thorough dialogue.

Small inventors, like the industrious citizens of Eastern Long Island, provided sparks of inspiration that helped build this nation. The Constitution ensures that inventors have the exclusive right to the product of their efforts. The bill upon which HR 2654 is based would severely erode that protection. Without considered debate and extensive review of HR 2654, we have no idea whether it would be similarly harmful.

Technology has driven America's latest economic boom. It is the foundation of the new economy as we move into the 21st Century. Bill Gates, Steve Jobs, and Raymond Damadian, the inventor of the MRI, were once independent inventors whose ideas have changed the face of society and how we view ourselves. Their creations were protected and have contributed to the prosperity America now enjoys. Tomorrow's inventors deserve the same treatment.

Mr. Damadian, a valued constituent of mine, has written extensively on the issue of patent reform given his unique position as an independent inventor who has seen the impact of his ideas on the lives of his fellow citizens. In correspondence with our colleague, Representative Manzullo, he strenuously objected to passing this bill that could cost independent inventors a right protected by the U.S. Constitution. I would like to place that letter into the CONGRESSIONAL RECORD at this point.

In more depth, he explored the problems with HR 2654's companion bill, S. 507, in a highly erudite letter to the Senate Majority Leader, TRENT LOTT. In that correspondence, he highlights the U.S. patent as "one of America's great blessings" and clearly outlines the serious problems with that bill from removing the U.S. Patent Office from the purview of Congressional oversight to eroding cherished Constitutional guarantees.

Mr. Speaker, as Mr. Damadian has written, Congress should not hastily pass laws that could have far-reaching impacts without and discussion. It is clear that we do not know what the effects of HR 2654 will be. We owe it to our independent inventors, and to our future, to be sure.

FONAR CORPORATION,
Melville, NY, August 3, 1999.

Hon. DONALD MANZULLO,
House of Representatives,
Cannon HOB, Washington, DC.

DEAR CONGRESSMAN MANZULLO: It has come to my attention that an effort is under foot to steal the U.S. Patent System in what I consider an outrageous usurpation of power. the House of Representatives intends to pass a bill, H.R. 2654, that will void the constitutionally granted patent rights of independent inventors everywhere.

Remarkably it is doing so without even a written bill informing the affected parties or even their Representatives what the bill contains. Even more remarkably it is doing it under a suspension of the rules, whose predicate is that there is no opposition to the bill, when independent inventors everywhere are BOILING over the prospect of losing their constitutionally granted rights to a patent.

Please be advised that Roberts Rines speaks only for himself and not for the rest of us great masses of independent inventors, whose rights are being taken away without a hearing, without a vote, without a single sentence of the bill to view and in the darkness of the night, a villainy that will live in infamy!

Sincerely yours,
RAYMOND DAMADIAN,
President and Chairman; Inductee, National Inventors Hall of Fame.

TENTH ANNIVERSARY OF THE B-2 BOMBER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

Mr. SKELTON. Mr. Speaker, let me take this means to recognize the tenth anniversary of the first flight of the B–2 bomber. The anniversary was recently celebrated at a ceremony at Air Force Plant 42 in Palmdale, CA, on July 17, 1999.

The first public display of the B–2 was in late 1988, at Air Force Plant 42 in Palmdale, CA. This was followed by the first flight of the B–2 on July 17, 1989, at Edwards Air Force Base, CA. Northrop Gumman's Military Aircraft Systems Division unveiled its brand new product—a low-observability, Multi-role bomber that can fly 6,000 nautical miles (9,600 kilometers) without refueling. The plane's revolutionary design, while instantly recognizable to the human eye, makes it all but invisible to radar.

The B–2 is an engineering marvel. The plane's low-observability characteristic derives from a combination of reduced infrared acoustic, electromagnetic, visual, and radar signatures. These facts make it difficult for even the most sophisticated defensive systems to detect and engage the B–2. While most of the technical aspects of the plane remain classified, the B–2 owes some of its stealth capabilities to special coatings, the flying wing design, and the composite materials of which it is made. These innovations are complemented by the highest-precision bombing technology in existence. The B–2 is now outfitted with the Joint Direct Attack Munition (JDAM) guidance kit. This system combines the Global Positioning System and Inertial Navigation System for incredibly accurate bombing.

The B–2 is based at Whiteman Air Force Base, near Knof Noster, MO. The first B–2, the Spirit of Missouri, was delivered to Whiteman on December 17, 1993. During the recent air war, B–2 made 30-hour round-trip missions from this base to Kosovo, where they dropped eleven percent of the precision ordnance while flying less than one percent of the sorties. As General Leroy Barnidge said at the tenth anniversary ceremony, "The airplane exceeded everybody's expectations. It's got a war-fighting capability that is second to none."

Mr. Speaker, I know that all of our colleagues in the House will join me in celebrating the tenth anniversary of the most revolutionary design in bombing aircraft since World War II.

IT'S TIME TO CONSIDER A PATIENTS' BILL OF RIGHTS

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. MOORE. Mr. Speaker, the people of Kansas' Third District sent me to Washington, D.C., to represent their concerns and do all I can to address major, pending federal issues. For this reason, I was very disappointed when it became apparent in the last few days that the House would not be considering proposals to enact a Patients' Bill of Rights.

One of my first actions as a freshman Member of Congress was to join as an original cosponsor of H.R. 358, the Patients' Bill of Rights. This important legislation will ensure basic rights for patients and give them the protections they deserve. While the majority was unable to reach the consensus necessary within their caucus to bring a proposal in this area before the House for consideration this week, I am pleased that Commerce Committee Ranking Democrat JOHN DINGELL has continued active discussions with three members of the majority who are physicians—Doctors GANSKE, COBURN and NORWOOD—in an attempt to reach a bipartisan consensus on a proposal to provide meaningful protections for managed care patients and physicians.

I also want to bring to the attention of my colleagues a recent newspaper column by Steve Rose, the chairman of Sun Publications, which publishes the Johnson County Sun and several other newspapers that serve my congressional district. I commend to everyone Mr. Rose's commentary regarding the real-world problems that indicate a need for enactment this year of a Patients' Bill of Rights.

DARLA WANTS HER RIGHTS

My good friend Darla is all for the Patients' Bill of Rights. She's had it up to here and won't take it anymore.

Just last week, Darla called her doctor to ask if he thought it might be a good idea for her to try a new medication on the market called Celebrex, for her arthritis. Darla also has a stomach disorder, ulcerative colitis, so she has to be careful of side effects.

Her doctor thought Celebrex was a good medication to try, at first in a small dose. So, he called the pharmacy in Overland Park and ordered a 30-day supply. When Darla arrived at the counter, however, she met trickled-down red tape, straight from the insurance company.

The pharmacist explained that the health insurance provider had denied the prescription until Darla tried a generic brand first.

"What's the difference between the generic drug and Celebrex?" asked Darla. The pharmacist replied, "They're about the same, except the generic drug can be a little harder on your stomach."

"That won't do," replied Darla, "I have ulcerative colitis, and I can't stand any medications that irritate the stomach."

The pharmacist was sympathetic, but there was nothing to be done. Darla was advised to consult her doctor, who could contact the insurance company.

That's exactly what Darla did. She called her doctor and explained what had happened.

Said the doctor, "I'll contact the insurance company, and get this resolved."

A day later, Darla got a call from her doctor.

"I just spent an hour-and-a-half on the phone with the insurance company," said the doctor. "I could not speak with anyone with any medical background. After being put on hold three times, and being switched from one person to another, all I got was a clerk who wouldn't budge. I lost."

Darla is still fuming.

There are millions of Darlas out there. And when the President calls for a Patients' Bill of Rights, he has a lot of folks clapping.

Ironically, the President's proposal would do nothing for Darla. It only addresses mandatory emergency room care, an appeals process when insurance companies deny critical procedures, and the right of patients to sue insurance companies.

Nonetheless, Darla figures, probably correctly, that if this first Bill of Rights can be passed, it undoubtedly will be amended later to deal with some of her issues.

Insurance companies will scream that governments' intervention will only drive up health care costs. And they're probably right.

But if you asked Darla, she would be glad to pay a little more to let the insurance companies know they cannot just roll over her, or her doctor.

The Bill of Rights cure might be worse than the insurance disease, but Darla is so frustrated, she says she's willing to take that risk.

CHILDREN'S ASTHMA RELIEF ACT OF 1999

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. WAXMAN. Mr. Speaker, I rise today to join my colleague, FRED UPTON, in introducing the Children's Asthma Relief Act of 1999.

Asthma is one of the most significant and prevalent chronic diseases in America. The Centers for Disease Control and Prevention (CDC) reports that 6.4 percent of the population, or 17.3 million Americans, report having asthma. This represents a dramatic 75 percent increase in self-reported cases from 1980 to 1994.

Asthma is disproportionately hurting children. Today, it is the most common childhood chronic disease. Five million American children have asthma. And as Surgeon General David Satcher recently concluded, the United States is "moving in the wrong direction, especially among minority children in the urban communities." The most devastating indicator of our Nation's lack of progress is the news that, from 1980 to 1993, the mortality rate for children and teens with asthma rose a staggering 78 percent.

Just a few days ago, Dr. Philip Landrigan reported in the Journal of Asthma that higher asthma hospitalization rates are associated with children, communities of color and the poor. The potential causes for the disproportionate impact of asthma are wide ranging, from the lack of preventive care, poor housing conditions and increased exposure to indoor allergens, to sedentary lifestyles and the siting of polluting commercial facilities.

Our country can and must do more to prevent and treat asthma. I am pleased to introduce the Children's Asthma Relief Act of 1999, which was originally introduced by DICK DURBIN and MIKE DEWINE in the Senate. This legislation provides $50 million for pediatric asthma prevention and treatment programs, allowing states and local communities to target and improve the health of low-income children suffering from asthma. The Act would also increase the enrollment of these children into Medicaid and state Children's Health Insurance Programs (CHIP), such as California's Healthy Families.

I am also pleased that the Act includes mobile "breathmobiles" among the community-based programs eligible for funding. These school-based mobile clinics were developed by the Southern California chapter of the Asthma and Allergy Foundation of America, in conjunction with Los Angeles County, Los Angeles Unified School District and the University of Southern California.

This legislation has the support of leading child health and asthma organizations, including the American Lung Association, the American Academy of Pediatrics, Association of Maternal and Child Health Programs, the National Association of Children's Hospitals, the American Academy of Chest Physicians and the Children's Health Fund.

As an honorary co-chair of Asthma Awareness Day, I urge my colleagues to join us in cosponsoring the Children's Asthma Relief Act of 1999.

INTRODUCTION OF A BILL TO EXPAND ALASKA NATIVE CONTRACTING OF FEDERAL LAND MANAGEMENT

HON. DON YOUNG

OF AKASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased to introduce a bill to expand Alaska Native contracting of Federal land management functions and activities and, promote hiring of Alaska Natives by the federal government within the State of Alaska.

This bill was developed in response to my request to the Alaska Federal of Natives at their retreat in August of 1998. Pursuant to the Indian Self-Determination and Education Assistance Act, tribes are authorized to enter into contracts with the Department of the Interior to directly administer programs previously administered by that agency. Congress strongly advocated this change to allow tribes to provide direct and improved services to their members.

The bill entitled "Alaska Federal Lands Management Demonstration Project" would direct the Secretary of the Interior to enter into a demonstration project in fiscal years 2000 and 2001 with no less than six eligible Alaska Native tribes or tribal organizations to manage a conservation unit or other public land unit within the closest proximity of that tribal organization.

The bill further directs the Secretary to fully fund these demonstration projects in the same manner he would have funded the programs if they were still being managed by the Department of the Interior.

It has always been my strong belief that Alaska Natives can manage conservation units or national park systems units as well or even better than the federal government. Alaska Natives have demonstrated their reliance of the land, the conservation of its bounty and great respect for the cautious management of its resources to preserve for future generations. I believe that Alaska Natives should be given the opportunity to manage federal conservation units that are in close proximity to their own lands.

The Alaska regional non-profits worked long and hard to carefully draft a bill which would have the support of the Alaska Federation of Natives and all of the Alaska regional non-profits. I believe it is time that we authorize Alaska Native entities to manage federal conservation units in the manner consistent with lands that they have carefully preserved and utilized for thousands of years. This bill does exactly that.

BROOKFIELD ZOO'S SALT CREEK WILDERNESS EXHIBIT

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LIPINSKI. Mr. Speaker, I am pleased to announce that on August 14th Brookfield Zoo will celebrate the grand opening of its newest attraction, the Salt Creek Wilderness exhibit.

Representing a northeastern Illinois wetland, Salt Creek Wilderness includes the existing Indian Lake, the Ellen Thorne Smith nature trail, and a new demonstration wetland exhibit called Dragonfly Marsh. Guests will be able to hike along a wood-chipped trail that circles the 4-acre lake to see trumpeter swans and several other waterfowl species. At the north end of the lake, the trail is paved and leads onto a wheelchair-accessible boardwalk that overlooks Dragonfly Marsh.

Support for the Salt Creek Wilderness project comes from the Chicago Zoological Society, Forest Preserve District of Cook County, Illinois Environmental Protection Agency, U.S. Environmental Protection Agency—Region 5, U.S. Fish and Wildlife Service, The Conservation Fund, Army Corps of Engineers, and the Urban Resources Partnership. With the assistance of these project partners, the new exhibit will help to raise awareness of the importance of protecting not just animals in other parts of the world, but also species and natural habitats in our own communities.

Brookfield Zoo has always been a leader among zoos around the world. The zoo's mission is to focus on enhancing visitor understanding of the critical need for people to live more sustainable and harmoniously with the natural world through naturalistic environmental settings and accompanying interpretive materials. I invite all my colleagues to join me in celebrating the opening of the Salt Creek Wilderness exhibit, which, I am certain, will greatly strengthen the zoo's mission.

A BILL TO REPEAL THE SPECIAL OCCUPATIONAL TAX (SOT) ON THE SALE OF ALCOHOLIC BEVERAGES

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. CAMP. Mr. Speaker, along with several of my colleagues on the Ways and Means Committee, Ms. THURMAN, Mr. NUSSLE, Mr. MATSUI, Mr. MCINNIS, and Mr. JOHN LEWIS, I am introducing a bill today to repeal the Special Occupational Tax (SOT) on the sale of alcoholic beverages.

We are introducing this bill to alleviate a problem that many of our constituents have raised with us. I know that many of our colleagues have also heard from convenience store owners, innkeepers, restaurant owners, vintners, wholesalers and other small business owners complaining about the burden of the Special Occupational Tax on the sale of alcoholic products.

The SOT is an annual tax imposed on all businesses that manufacture, distribute or sell alcohol products. Whether it's a seasonal restaurant, an Elks Lodge, convenience or grocery store, or even a campground or florist that delivers wine with flowers—no one is spared from the tax.

However, it is especially burdensome for small retain stores. Over 90 percent of all SOT revenue comes from retailers. In addition, small producers—especially wineries—have a difficult time meeting the obligations of this tax.

A recent General Accounting Office study, which conceded that the alcohol industry is a heavily taxed and regulated industry already, illustrated the problems caused by this tax, particularly on small business owners. This tax is an unnecessary burden and should be eliminated.

I urge all of my colleagues to join me as cosponsors on this bill to repeal this unfair tax on small businesses.

HONORING MATTHEW EMMONS ON CAPTURING A GOLD MEDAL AT THE PAN AMERICAN GAMES

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. SAXTON. Mr. Speaker, today I rise to congratulate a young man from Pemberton Township, New Jersey, Matthew Emmons. Matthew brought home the gold with a near perfect score in the men's Prone Free Rifle competition at the 1999 Pan American games in Winnipeg, Canada. Matthew has made his country and the Pemberton Township community proud with his resounding victory under difficult conditions and against some of the world's finest athletes.

The sport of small-arms target shooting dates from the invention of the pistol and the rifle in the 16th century. For several centuries, the sport was contested only in sporadic impromptu fashion, because the firearms of that period were too undependable and inaccurate to meet the requirements of large-scale organized competition. Turkey shoots and weekend target-shooting matches were popular among the frontiersmen of colonial America.

During the American Revolution (1775–1783) and the American Civil War (1861–1865) rural sharpshooters played a strategic role as snipers. Popular interest in rifle shooting reached new heights after the Civil War, when the sport became a favorite diversion of city dwellers, groups of whom organized weekend target-shooting excursions into the countryside. New advances in the manufacture of weapons and ammunition, meanwhile, resulted in high standards of accuracy and reliability. By 1870, conditions were ripe for organized regional and national competition. Matthew has added to this great and venerable history with his honorable performance.

Mr. Speaker, Matthew's mental and physical fortitude guided him to victory. His patience, steadiness, clear vision and accuracy will likely lead to success at the University of Alaska, Fairbanks where he has enrolled, and to greater accomplishments in Olympic competition.

A TRIBUTE TO WILL RUBENS

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. KING. Mr. Speaker, I rise today to acknowledge just how fortunate I, my staff and the people of the Third District of New York were to have an intern that could serve as both Commissioner of Food and Beverage and Director of Internal Security for the past two months. To some he was known as Will Rubens but to me he was simply, "The Commish". Forget the fact that my Notre Dame doormat was stolen or the fact that my model E–2C Hawkeye was vandalized under his watch. In his investigation of these crimes, the Commish' was undeterred and never allowed conspiracy theories to be generated by anyone other than himself. There was never a business card fight he didn't prematurely end for the sake of my staff or a private conversation he didn't interrupt. Despite the increase in crime in my office over the last two months I know that the Commish's powers are being wasted here while numerous crimes of ineptitude go unresolved on the football fields of the University of Michigan at Ann Arbor—an ineptitude which will be glaringly disclosed when Notre Dame's Fighting Irish pulverize the Wolverines on September 4th. I am confident that the Commish' will go on to bigger and better things and it has truly been a pleasure and honor to have him work in my office this summer. His intelligence and unique sense of humor will be missed. I thank you Will for all your hard work and effort. All the best.

INTERNET PHARMACY CONSUMER PROTECTION ACT OF 1999

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. WAXMAN. Mr. Speaker, I rise today to join my colleagues, RON KLINK, JOHN DINGELL, and BART STUPAK, in introducing the Internet Pharmacy Consumer Protection Act of 1999.

While the Internet is transforming global finance and culture, it is also raising novel questions about the practices of medicine and pharmacy. There is no question that the World Wide Web and other forms of e-commerce have facilitated consumer access to health information and products. Patients clearly benefit from the rapid dissemination of reliable medical knowledge, and from novel, convenient ways of receiving health care.

But unwary consumers are also increasingly exposed to fraud or quackery from anonymous, unaccountable vendors. Illegal, unsafe or unapproved drugs and dietary supplements are more widely available than ever. Hundreds of offshore and domestic "pill mills" dispense Viagra or Xenical to patients sight unseen—as well as to shorthair cats, the deceased, and patients with life-threatening counterindicated health conditions, as an investigation by WWMT of Kalamazoo, Michigan discovered.

On July 30, the Commerce Subcommittee on Oversight and Investigations held a hearing on online pharmacies. We heard a clear message from the testimony of Federal Trade Commission, the Food and Drug Administration, the Department of Justice, state authorities like the Texas Department of Health, and investigative media—regulators simply cannot enforce existing laws to protect consumers from illegal online pharmacies unless they know who is responsible and where they are.

The Internet Pharmacy Consumer Protection Act of 1999 requires very simple disclosures from online pharmacies. Tell us your name and place of business. Tell us where your pharmacy is licensed. And tell us where your online physician, if any, is licensed. That's all.

With this basic information, regulators are hamstrung. No enforcement is possible or requires unsustainable commitments of limited law enforcement resources. But enactment of and compliance with this legislation would quickly separate legitimate from illegitimate online pharmacies.

Failure to comply with these minimal requirements would also help warn consumers from questionable websites. In fact, Congress and the Administration are already aggressively encouraging responsible online businesses to provide comparable disclosures regarding their privacy policies. The lack of licensure and privacy information at an online pharmacy should provide a clear warning of caveat emptor.

Nor does this legislation pose a technical barrier to e-commerce. It only asks online pharmacies to provide the same licensure information as brick and mortar pharmacies do when they hang framed licenses on the wall. It is a simple matter to add a few new links to online pharmacy sites. In fact, any person with rudimentary knowledge of HTML could write up the necessary information and upload it to a website in a matter of minutes.

The Internet Pharmacy Consumer Protection Act of 1999 is a simple and commonsense way to help federal and state authorities enforce existing consumer and public health protections. Responsible online pharmacies are likely already in compliance with the legislation, or could be in a matter of minutes. But illegal, unprofessional or questionable online pharmacies will be exposed to greater scrutiny and more susceptible to the enforcement of essential legal protections and State licensure requirements.

I urge my colleagues to join us in cosponsoring the Internet Pharmacy Consumer Protection Act of 1999.

INTRODUCTION OF LEGISLATION TO AMEND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation that would address several matters of concern to Alaska Natives through an amendment to the Alaska Native Claims Settlement Act (ANCSA).

As my colleagues know, ANCSA was enacted in 1971, stimulated by the need to address Native land claims as well as the desire to clear the way for the construction of the Trans-Alaska Pipeline and thereby provide our country with access to the petroleum resources of Alaska's North Slope. As the years pass, issues arise which require amending that Act. The Resources Committee as a matter of course routinely considers such amendments and brings them before the House.

Consequently, I am introducing this bill containing several such amendments to ANCSA in order to facilitate having its provisions circulated during the upcoming Congressional recess through the Congress and the Administration as well as the State of Alaska for review and consideration.

This bill has nine provisions. One provision would allow common stock to be willed to adopted-out descendants and another would clarify the liability for contaminated lands. The clarification of contaminated land would declare that no person acquiring interest in land under this Act shall be liable for the costs of removal or remedial action, any damages, or any third party liability arising out or as a result of any contamination on that land at the time the land was acquired under this Act.

SECTION 5. ALASKA NATIVE VETERANS

Section 5 of the bill amends the Act further to allow equal access to Alaska Native Veterans who served in the military or other armed services during the Viet Nam war. Alaska Natives have faithfully answered the call of duty when asked to serve in the armed services. In fact, American Indians and Alaska Natives generally have the highest record of answering the call to duty.

Under the Native Allotment Act, Alaska natives were allowed to apply for lands which they traditionally used as fish camps, berry picking camps or hunting camps. However, many of our Alaska natives answered the call to duty and served in the services during the Viet Nam war and were unable to apply for their native allotment. This provision allows them to apply for their native allotments and would expand the dates to include the full years of the Viet Nam war. The original dates recommended by the Administration only allowed the dates January 1, 1969 to December 31, 1971. Our Alaska Natives veterans should not be penalized for serving during the entire dates of the Viet Nam conflict. This provision corrects that inequity by expanding the dates to reflect all the years of the Viet Nam war—August 5, 1964 to May 7, 1975.

SECTION 8. ELIM NATIVE CORPORATION LAND RESTORATION

In 1917, the Norton Bay Reservation was established on 350,000 acres of land located on the north side of Norton Bay southeast of Nome, Alaska for the benefit of Alaska Natives who now reside in the village of Elim, Alaska. The purpose of the establishment of the reservation included providing a land, economic, subsistence, and resources base for the people of that area.

In 1929, through an Executive Order, 50,000 acres of land were deleted from the reservation with little consultation and certainly without the informed consent of the people who were to be most affected by such a deletion. After passage of ANCSA, only the remaining 300,000 acres of the original Reservation were conveyed to the Elim Native Corporation. This loss of land from the original Reservation has become over the years a festering wound to the people of Elim. It now needs to be healed through the restoration or replacement of the deleted fifty thousand acres of land to the Native Village Corporation authorized by ANCSA to hold such land.

As I am sure my colleagues will agree, the history of our nation reflects many examples of injustices to Native Americans. As hearings will confirm, this is one of those calls out to be sensibly remedied and can be with relative ease as outlined in this section of the bill.

Again, I am introducing this bill today to facilitate having its provisions circulated and reviewed during the August recess by the Department of the Interior, the State of Alaska and Alaska natives.

TRIBUTE TO THE U.S. ASIATIC FLEET AND U.S.S. TRINITY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LIPINSKI. Mr. Speaker, I rise today to salute the bravery and valor exhibited by the veterans of the U.S. Navy Asiatic Fleet.

From 1910 to 1942, the Asiatic Fleet protected American interests and promoted American ideals in the Far East. At the time, the fleet was comprised of 3 cruisers, 13 World War I vintage destroyers, 29 submarines and a small number of gunboats and patrol aircraft. Following the declaration of war against Imperial Japan, the outnumbered and outgunned Asiatic Fleet courageously fought against a vastly superior Japanese armada comprised of 10 carries, 28 cruisers, 113 destroyers, and 63 submarines.

The fleet participated in the first surface U.S. naval engagement of World War II. Fighting with little aircover, the brave men and women of the fleet fought against all odds, but in the end they suffered staggering losses. The fleet lost 22 ships, 1826 killed, and 518 POWs.

The U.S.S. *Trinity* was one of the few surviving ships.

From September 1 to September 4, the surviving U.S.S. *Trinity* crew and their families will hold a reunion in Chicagoland. Although I will not be able to join them, I wish them all the best as they gather together to fellowship, renew their friendships, and cherish the thoughts of their fallen comrades.

Protecting freedom and democracy has a price, and many of the brave Americans in the Asiatic Fleet paid the ultimate price. As Americans, we are truly blessed to have had so many extraordinary men and women serve in our armed forces. Their Sacrifices enables us to live in the world we live in today.

So let us not forget their deeds. Let us not forget their blood, sweat, and tears. Let us remember the sacrifices they made, so that we may live in freedom instead of tyranny.

I submit that the many untold stories of the Asiatic Fleet and the U.S.S. *Trinity* are all profiles of courage.

Mr. Speaker, I salute them all today.

SALUTE TO JUDIE SEDELL, DEPUTY PROBATION OFFICER OF THE YEAR

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. GALLEGLY. Mr. Speaker, Judie Sedell of Simi Valley, California, says she just loves chasing criminals. She's good at it, too, which is one of the reasons this mother of two grown children recently was honored by the Ventura County Probation Agency as its Deputy Probation Officer of the Year.

Now in her 21st year as a probation officer, Judie not only is an exceptional probation officer, she is an exceptional person. Not only does she have the respect of her colleagues in the criminal justice system, she also has gained the admiration of her clients, even when they fail to stay on the right side of the law. In fact, Judie handles some of the highest-risk offenders, including rapists and armed robbers, and makes more arrests than any other officer in her unit.

Her success is due to hard work, a wonderful sense of humor and her ability to treat her clients with a combination of firmness, empathy, respect and dignity. She recently was observed joking with a convicted felon who had violated his probation. She gave him a candy bar, and, a short while later, told him he was under arrest. When she handcuffed him, he reacted calmly because he knew Judie was only doing her job because he had failed to do his.

Judie's supervisor describes her as a consummate team player, a role model for novice officers and a source of amazement for veterans who cannot figure out how she maintains her enthusiasm. A former social worker, Judie says she finds great satisfaction in protecting her community while helping felons to lead productive lives after being imprisoned. "It doesn't happen very often, but when you see someone's life turn around, it's an extremely rewarding experience," Judie recently told her local newspaper.

I am proud to say that Judie Sedell not only is an outstanding constituent, she and her husband Mike, Simi Valley's city manager, are also my friends. I urge my colleagues to join me in wishing her many more years of continued success.

MARV VALENTINE

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. CAMP. Mr. Speaker, I rise today to draw the attention of my colleagues in the U.S. House of Representatives and my constituents in the 4th Congressional District to the distinguished career of a man I am proud to represent in Congress, Mr. Marv Valentine of Clare, Michigan.

Mr. Valentine is retiring after having dedicated 30 years of his life to Camp Rotary in Clare, and serving on the Lake Huron Council, Boy Scouts of America.

Through dedication, perseverance, and selflessness, Mr. Valentine and his wife, Justine, have built Camp Rotary into one of the finest scouting establishments in the Nation.

Scouting troops from the Midwest, and those from as far away as West Virginia, have experienced the wonder of Michigan's natural beauty at Camp Rotary. Located on 1,100 acres off Old Highway 27 in Clare, the camp is nestled in a woods of whispering white pines, next to a sparkling lake where deer and wild turkeys roam.

Besides serving as a home for scouts, Camp Rotary has also hosted football and band camps. Years ago, Mr. Valentine initiated an outdoor educational program for public and private schools.

Over three decades, more than 60,000 young people have learned new skills and made lifelong friends at Camp Rotary under Mr. Valentine's guiding hand and watchful eye.

On behalf of the campers and my constituents, I would like to thank him for his dedication to shaping so many lives and giving these young people priceless memories of their carefree days as a child at camp.

RECOGNIZING THE 25TH ANNIVERSARY OF SUE AND ED SMITH

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. WOOLSEY. Mr. Speaker, in 1972 Sue Weinreb and her three children Kara, Dana and David, and Edmund Smith and his three children, Corrie, Peter and Eddie moved to thirteen acres in Sonoma County, California to begin a life together. She was 29, he was 37. Together they had little money, no electricity, no running water, no house, and six kids between the ages of three and nine. Three boys and three girls. The original Brady Bunch. That summer they began the first of many do-it-yourself projects—building a home which would eventually take eight years to complete. Meanwhile, during that first year together, the 8 of them lived in a 24' trailer, a tent, and a Datsun, and took baths once a week at the neighbor's house down the road. Two years later, on June 29, 1974, they left the kids with a babysitter and snuck off to a rare weekend alone to get married. They planted eight redwood seedlings in the yard, to honor the new family.

In 1976 Sue and Ed started an environmental consulting business which they ran out of the barn. Over the next 12 years they grew the business into a full service analytical testing laboratory which employed 50 people in an 11,000 sq. ft. building in Santa Rosa. Other ventures followed. Meanwhile, they somehow managed to attend every one of their children's swimming meets, awards ceremonies, dance concerts, football games, and school plays. They made Halloween costumes and birthday crowns, helped with science fair projects, and joined in the wooden spoon duels in the kitchen. They volunteered when the community, built a playground, and they were involved in local politics. Because of their busy schedules, they made sure the family ate dinner together every night. And, they made sure to pass on their special interests to their children: sewing, woodworking, fishing, photography, science, art and travel.

Later, after the youngest had left home and they'd sold their business, they traveled to Africa, Australia, and Europe. No lazing around fancy hotels for them. Pictures show them kayaking with orca whales, riding donkeys, carving wooden masks, scuba diving, feeding giraffes and monkeys, and rock climbing.

This summer, Sue and Ed Smith will celebrate their 25th wedding anniversary with friends and family under those same eight redwood trees, which now tower over the house they built. Those 25 years haven't always been easy. There were especially terrible times—a separation, the death of Peter at age 28. But, there were especially joyous times—the births of their grandchildren Nick Smith Shafer and Scott Anderson Shafer (with their oldest son recently announcing that a third is on the way).

Sue and Ed's marriage is a testament to what can be created when a couple has a shared vision and a commitment to do whatever needs to be done to do the job right. They have always provided support for each other, their community, and their kids, to help, to listen, and to do.

Their greatest accomplishments thus far? The creation of a family, not without its strains and difficulties like all families, but a family where the grown children—now a teacher, a legislative assistant for a member of Congress, a stay-at-home mom/sex educator, an accountant with a fledgling business, and a lighting director/screenwriter—genuinely enjoy and care for each other and their parents. And, after 25 years of marriage, Sue and Ed Smith are truly best friends who treasure each other's company. They are a wonderful example of family values and an inspiration to all of us.

PERSONAL EXPLANATION

HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. PHELPS. Mr. Speaker, on rollcall No. 342, I was very surprised to discover that my vote for final passage of H.R. 2605, the Energy and Water Appropriations Act, was not recorded. I was definitely present for all the preceding votes on amendments and for final passage.

Although I do not understand why my vote on final passage was not recorded, I know I was present on July 27 and intended to vote for passage of H.R. 2605, The Energy and Water Appropriations Act, on Tuesday, July 27. Please let it be noted that I support The Energy and Water Appropriations Act, as amended. I would have voted in favor of passage.

A TRIBUTE TO THE HONORABLE LLOYD WELCH POGUE

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. MORELLA. Mr. Speaker, I rise today to wish The Honorable Lloyd Welch Pogue, a member of the Provincial Families of Maryland, who has resided in Maryland more than 60 years, a happy 100th-year birthday anniversary on 21 October 1999. I also wish to make special mention of his appointment by President Franklin D. Roosevelt as a Member and Chairman of the United States Civil Aeronautics Board. The USCAB rendered valuable services in the World War II program throughout the period of this Nation's involvement in that War. His professional career culminated in his being named Partner in a large law firm.

AMERICAN INVENTORS PROTECTION ACT OF 1999

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1999

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in opposition to H.R. 1907, the American Inventors Protection Act of 1999. My position on this legislation is a result of my deep concern for the rights of those whom the bill claims to protect, the small, independent inventors whose ideas have revolutionized our country from its very inception. Along with these concerns, I object to the speed, secrecy, and convoluted method by which this bill has been slipped onto the floor late at night under suspension of the rules. The process by which H.R. 1907 comes to the House floor for a vote is an example in how not to proceed with a piece of legislation that not only attempts to constrain citizens' Constitutional rights, but has vital importance to our nation's economy in this era of furious, global competition in technology.

I find the manner with which this bill was brought to the House floor unacceptable. The fundamental right of a person to his or her intellectual property lies at stake in this situation. This is not a bill which should be passed without meaningful, in-depth investigation and debate. Far from a lengthy, informed process, H.R. 1907 make its way to this chamber following a slippery, silent path which featured name changes, number changes, unpublished documents, and finally, this evening, an unpublished bill, finished only minutes before being called up for approval. This is deplorable. Why must this bill be taken up in such a circuitous way? If it is a wonderful piece of legislation that protects the rights of the small inventor, why is it not open to more than the minimum debate and why can't we hold hearings on this final version, whose ink is not yet dry?

The Judiciary Committee marked up H.R. 1907 without the benefit of hearings; providing no public forum for the stakeholders involved. This stark omission comes despite extensive controversy surrounding this issue in the 105th Congress. There is no published committee report on H.R. 1907 and, until this evening, this House was scheduled to consider a patent bill almost half the length of H.R. 1907. I was expecting to debate H.R. 2654, and was shocked to find that H.R. 1907 was resurrected and had usurped its place. This is an appalling way to manage legislation embodying such an expansive scope and consequences.

H.R. 1907 provides for the publication of patent applications before the patent is granted if the inventor also applies for a patent in a foreign country. This leaves open the possibility that large companies may prey on the unprotected ideas of the small inventor between the time of publication and patent approval. This type of situation needs to be brought to a public forum, discussed among many members, not just the few speaking tonight. I am deeply distressed by this lack of opportunity.

Mr. Speaker, our nation's founders designed our society to be a land of unfettered opportunity where individual rights are zealously protected and elected officials considered future laws of the land in a public forum. Both of these ideals are jeopardized by this legislation. H.R. 1907 places at risk the right to enjoy the benefits generated by a person's ingenuity and innovative ideas. Without this right, we strangle the incentive for people to create and develop vital products and services which could improve our daily lives and bolster our economy. This subject matter deserves lengthy consideration, substantial debate, and open discussion, not a quick, suspension vote after a whirlwind visit to Committee.

IN TRIBUTE TO JERRY L. GLADDEN

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. GALLEGLY. Mr. Speaker, I rise to honor my good friend Jerry L. Gladden, who will retire this month after 30 years, 1 month, 2 weeks and 6 days with the Rancho Simi Recreation and Park District.

For more than 20 years, Jerry has served as general manager for the district and clerk of the board, leading the district capably and efficiently through several financial crises as he continued to see that Simi Valley and Oak Park, California, has superb parks and recreational programs.

Jerry has contributed to the community in many other ways as well. He was president of the Simi Valley Noontime Lions Club from 1976 to 1977. Since 1979, he has been a member of the Simi Valley Rotary Club, for which he has chaired several committees. He is a former member of the Simi Valley Chamber of Commerce and served on the United Way Allocations Committee for seven years.

But Jerry's greatest legacy will be the recreational opportunities he created and maintained.

A general manager's greatest challenge is to keep his agency solvent. When money became tight, Jerry helped form the Rancho Simi Foundation, a non-profit organization with the responsibility of raising funds to help support recreation programs. He pushed for a continuing grant program, which has brought in more than $6.2 million to the Park District during the past 25 years. He is responsible for establishing a lease/operator concession program that generates more than $1 million for the district each year. He also found ways to cut insurance premiums for the district.

In addition, Jerry established a volunteer program with a core of more than 200 volunteers who clear trails, clean parks, perform clerical work and help run youth programs. He also established a fundraising program that has raised more than $40,000 in cash and gifts to help support special events for Simi Valley's youth.

Apparently he had too much time on his hands and accepted the position of chief administrative officer for the Rancho Simi Open Space Conservation Agency, a joint powers authority between the Park District and the City of Simi Valley. The agency manages Corriganville Park, an old-time movie ranch that was the model for present-day Universal Studios.

Not surprisingly, Jerry has won numerous awards for his hard work, dedication and success.

Jerry and his wife, Donna, have three children and four grandchildren. When time permits, he enjoys woodworking and restoring cars. He is also still learning to golf. It is unknown if more time on the greens will actually improve his game.

Mr. Speaker, I know my colleagues will join me in recognizing Jerry L. Gladden for his decades of dedicated service and in wishing him and his family Godspeed in his retirement. His dedication to recreational opportunities will be difficult for the Park District to replace.

JUDICIAL CORRUPTION IN ARGENTINA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TOWNS. Mr. Speaker, I submit the following testimony of Dr. Federico Westerkamp, founder of the Center for Legal and Social Studies.

JULY *22,1999.*

To the members of Congress: Rep. TOM LANTOS, Rep. ERIC FALEOMAVAEGA, Rep. JOHN EDWARD PORTER

First of all, thank you very much for inviting me, as a founding member of the Center for Legal and Social Studies (CELS) of Buenos Aires, to act as a witness in this Members Briefing on Judicial Corruption in Argentina.

In my view, the judiciary of my country is in a delicate state. Charges of corruption have proliferated in the last years. Several judges are under legal processes although they move with the certain slowness. Various judges are currently under close scrutiny. Some of them are being submitted to the so called impeachment under the old system where the House of Representatives makes the accusation and the Senate decides if removal is fitting or not.

With few exceptions, mainly for ethical corruption, the system of impeachment failed and the new 1995 constitution replaced with the Council of the Magistracy, a method which just recently started. Many hopes have been placed on the new system, which in its first cases will show whether or not it will fulfill the hopes of the citizenry.

There are some courts which have being charged of prevarication, abuse of authority, bad fulfillment of the public functions and ideological falsehood. These are the most common charges against the bad judges, and we hope that the Council of Magistracies proceeds with decision and courage so that the new institution does not fail.

In the last decade one case has precisely demonstrated the three categories already mentioned and I do not hesitate signaling that it is the case of the three judges: Mariano Bergers, Roberto Murature and Julio Caesar Corvalan de la Colina, who have all acted as lower court judges in the case of the Buenos Aires Yoga School (BAYS). The case was initiated in December 1993 under the command of the first judge named above, storming the school headquarters and also various private properties of their members, and putting two distinguished ladies in prison without any proof of having committed any crime; on the contrary, all charges against the yoga school were unproved and all the noisy campaign of the court, full of false accusations and with lavishness of false information, created a sense of hysteria in the population of the country, which incredulous, did not know whether to believe or disbelieve the information from the judge, his secretary and various employees and chaperones.

The authorities of the Yoga School were threatened with imprisonment. Former judge Berges pronounced serious anti-Semitic expressions against the president of BAYS Dr. Percowicz, and several of his advisors wrote similar expressions on the walls during the searches.

As time passed and the facts appeared in the real image, many people—myself among them—realized that everything was a bluff, probably due to the ideological background of the court, and as the truth began to be revealed, the public began to disbelieve the charges against the whole Yoga school, including its students. Judge Berges opted for giving up the case, as he knew that the House Impeachment Committee was going to accuse him before the Senate, in order to remove him.

A new lower court judge, Roberto Murature took over; the campaign against the Yoga school was still promoted, but at this time it was obvious that the process was weakening, so the second judge was relieved of the case by a suspicious division in the court, and a the third judge took over.

The process has revealed that the charges against the Yoga school were promoted by three families whose daughters were suffering bad treatment before entering the Yoga school, from their mothers and fathers. (In the first case the woman was charged by her stepfather of showing strange behavior, that he ascribed to the Yoga School and its alleged "brain washing" by members of the school).

The stepfather, with his so called "expert" in cults Mr. Silletta started a virulent campaign against the Yoga School, through the media. Last March, the third judge started the second process against the yoga school (double jeopardy, "non bis in idem"), victimizing three women, Veronica Cane, Valeria Llamas, and Carla Paparella and under petition of their parent declared them mentally "incapable" without taking into consideration their psychiatric reports compulsorily ordered by the first judge Berges. The three women, hopeless, came to my home in order to ask me, as a well known human rights defender, for help.

That is the reason why I am here. I have tried to speak with Judge Corvalan de la Colina, and with the Secretary of the court, but it was useless, the judge never received myself nor the three women. It seems he is accustomed to ignoring the arguments of anyone who knows what is happening in his court.

This is why I have decided to present my testimony as a witness at this briefing, in order to protect the above mentioned women, and to carry over my experiences as a member and founder of human rights NGO's, such as the Assembly of Human Rights, The Center for Legal and Social Studies, and the Movement for Life and Peace.

Thank you very much Honorable Representatives.

A TRIBUTE TO CAPTAIN LOUIS "DEAK" CHILDRESS

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. DOOLEY of California. Mr. Speaker, I rise today to pay tribute to Captain Louis "Deak" Childress, who is leaving his post this month as the Commanding Officer of Naval Air Station Lemoore, in Lemoore, California. For the past three years, Captain Childress has dedicated himself to improving the quality of life of the Lemoore community and expanding the base's military capabilities.

Captain Childress began his Naval career in 1973. He has held numerous assignments, including flying the F–4 Phantom from the decks of the USS *Nimitz* and USS *Forrestal* in Oceana, Virginia, serving as an instructor pilot at NAS Miramar in San Diego, and serving in the Persian Gulf as Senior Naval Representative to COMUSNAVCENT's contingency planning cell in Dharhran, Saudi Arabia.

In March of 1995, he was promoted to his current rank of Captain, and reported as the Commanding Officer of Naval Air Station, Lemoore in July of 1996. While serving as Commanding Officer of the base, Childress has played a vital role in improving the facilities and quality of life at NAS Lemoore. Responding to the concerns of his sailors and pilots regarding living conditions on the base, Captain Childress facilitated visits to the base by members of the defense committees in Congress and high-level Navy officials. He has led efforts to build the base's infrastructure, which resulted in the 1998 announcement that five squadrons of the new F/A–18E/F Super Hornet Fighter aircraft will be based at Lemoore, bringing an additional 6,000 personnel to the base.

Captain Childress' continued efforts to improve conditions at the base is exemplified by the changes that have been made over the last three years under his leadership. Some of these accomplishments include his implementation of the innovative Regionalization Business Analysis, facility renovations in anticipation of the new F/A–18E/F program, and brand new housing facilities.

Mr. Speaker, I ask my colleagues to join me today in congratulating Captain Childress for his devoted service to the Navy and the Lemoore community. He has distinguished himself as an innovative leader and dedicated Navy Captain. We wish him the best as he leaves Lemoore to continue his service to the Navy.

A PROCLAMATION RECOGNIZING THE MARRIAGE OF DAVID GOODWIN AND KERRY JANAS

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. NEY. Mr. Speaker, I commend the following article to my colleagues:

Whereas David Goodwin and Kerry Janas were united in marriage on Saturday, August 7, 1999 in Cleveland, Ohio;

Whereas, David and Kerry declared their love before God, family and friends;

Whereas, David and Kerry may be blessed with all the happiness and love that two can share and may their love grow with each passing year;

Whereas, from this day forward, David and Kerry will always remember the reason they vowed their love and commitment to each other. Mr. Speaker, I ask that my colleagues join me in congratulating David and Kerry Goodwin on their recent nuptials.

WILBUR "PONY" WILSON: AN ATHLETE'S FRIEND

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. ANDREWS. Mr. Speaker, it is with great sadness that the Rutgers University-Camden community is informed about the passing of Wilbur "Pony" Wilson. Pony Wilson served the Rutgers-Camden campus as athletic director for almost 30 years. He passed away this past Saturday evening. Few will deny Pony's true legacy is his commitment to encouraging students to pursue their studies and their dreams. He believed that education, not sports, was the driving force for young men and women who competed in athletics at Rutgers-Camden.

In an interview prior to his retirement, Pony noted "What's most rewarding is that kids now—since the late 60's and early 70's—are graduating. When you talk about the percentage of the kids that played [sports], we had a high rate on the basketball teams who got their degrees."

To many, Pony was not only a colleague or a coach, he was a friend to professors and students alike who passed through the Rutgers-Camden campus. The current Athletic Director, Ed Cialella, who was Pony's first hire in 1969 when he joined the college as an Assistant Instructor of Physical Education, reflects, "We lost a friend of athletics, and an athlete's friend."

During his tenure at Rutgers-Camden, Pony developed the athletic department from a five-sport program—with no on-campus facilities and no women's teams—to one that boasts as many as 14 teams with ample competition for both genders. He was known throughout the NCAA Division III conference for his belief that education, not sports, was the priority of the men and women at Rutgers-Camden.

Pony believed that "student athletes are students first." On behalf of all those lives that Pony Wilson touched, I would like to convey my most sincere condolences to his family. May his unfailing commitment to university athletics and education continue to live on in every one of us.

SAN FRANCISCO BOARD OF SUPERVISORS ASKS BAY AREA RAPID TRANSIT (BART) TO AVOID STEEL PRODUCED BY STRIKE BREAKERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LANTOS. Mr. Speaker, I invite my colleagues to join me in commending the Board of Supervisors of San Francisco for their adoption of a resolution, which was unanimously adopted on Monday, urging that Bay Area Rapid Transit (BART) refrain from purchasing steel rails produced by strikebreakers at Oregon Steel's Rocky Mountain Steel Mill in Pueblo, Colorado. This principled action reflects the Supervisors' deep concern for the safety of Bay Area public transport consumers, as well as their commitment to defending fair labor practices in San Francisco and across our nation.

The Rocky Mountain Steel Mill in Pueblo, Colorado, illegally replaced 1,100 striking steelworkers in 1997. This outrageous and illegal action is only the most recent in a long record of that company's reckless disregard for the welfare of its own employees. This rogue corporation has been charged by the National Labor Relations Board (NLRB) with over 100 violations of federal laws, and has been found guilty by the Occupational Safety and Health Administration (OSHA) of 62 willful and serious health violations, resulting in the second largest OSHA fine in the history of the State of Colorado. Communities have both the right and the obligation to expect higher standards of conduct from the entities that do business with them.

Mr. Speaker, I strongly support the Supervisors' request that BART refuse to purchase rails for the San Francisco Airport expansion project from the Rocky Mountain Steel Mill. This vital transportation project cuts through the heart of my congressional district, and I strongly believe that the safety of my constituents should not be put at risk by the shoddy work of inexperienced strikebreakers and the corporate recklessness of Rocky Mountain's executives.

Since the decision to terminate its workforce eighteen months ago, Rocky Mountain Steel has reportedly encountered serious quality problems with its manufactured products. Under no circumstances should the well-being of BART's hundreds of thousands of regular commuters be jeopardized by this corporation's careless and irresponsible behavior.

Mr. Speaker, I applaud the initiative taken by the San Francisco Board of Supervisors to urge BART to end its purchases of Rocky Mountain Steel. The company's striking steelworkers deserve better, and the safety of Bay Area commuters demands no less.

TRIBUTE TO BARBARA AND JAY VINCENT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, I rise today to salute two very special individuals, Barbara and Jay Vincent of Richmond, California. Barbara and Jay each deserve recognition in their own right for the countless hours they have individually given to their community. From Barbara's leadership with the PTA, League of Women Voters and the Richmond Planning Commission, to Jay's involvement with the YMCA, Richmond Farmers' Market and the East Brother Light Station restoration, the Vincents' commitment has touched every corner of the City.

Yet, perhaps the greatest contribution Barbara and Jay have made to the future of Richmond is their tireless efforts to preserve our region's open space and natural resources. Long appreciating the beauty of the San Francisco Bay and its habitats, the Vincents have worked to ensure that the Richmond shoreline will continue to be accessible and enjoyed by generations to come. It is indeed fitting that the City of Richmond recently honored these efforts by dedicating the Barbara and Jay Vincent Park, a spectacular bayside site with sweeping vistas of San Francisco, the Golden Gate Bridge, Angel Island, and Mt. Tamalpais.

It has been my distinct honor and pleasure to know and work with the Vincents during my tenure in the U.S. Congress. Their personal dedication to community service has always been an exceptional source of inspiration. I know my colleagues join me today in celebrating their many accomplishments, and in expressing our deepest appreciation.

COLUMBINE HIGH SCHOOL

HON. THOMAS G. TANCREDO

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TANCREDO. Mr. Speaker, today, I rise with a heavy heart, but a heart that is buoyed by thoughts of hope and inspiration. In a little over a week, the first day of school begins at Columbine High School in Littleton, Colorado, which is located in my district.

We can all remember the first day of school and the excitement that went along with it. The anticipation for the year ahead and what it would bring. The exhilarating feeling of seeing friends, joining new clubs and sports teams, and being a part of something special. I doubt that many of us would ever trade our experiences in high school for anything.

Tragically, more than 2,000 students will begin school at Columbine without twelve of their classmates, and one teacher. These individuals are not among them not because they have graduated and gone onto college or moved to another town and now attend another school. They are not pursuing passions such as being a Navy pilot, fishing, singing, playing football, traveling to France, acting, playing music, working as a missionary, playing volleyball, praying, or being a father. They are not with them, because they were the victims of a senseless and destructive act that took place April 20, 1999.

Among these students will be twenty-two individuals who were wounded during the events of April 20th and are hoping to return to school this year. These students and teachers face challenges in the coming days and beyond that no one should have to face in the future. Richard Castaldo, Sean Graves, Anne Marie Hochhalter, Lance Kirklin, Kasey Ruegsegger, Patrick Ireland, Mark Taylor, Jennifer Doyle, Makai Hall, Mark Kintgen, Nicole, Nowlen, Danny Steepleton, Brian Anderson, Stephen Austin Eubanks, Nicholas Foss, Joyce Jankowski, Adam Kyler, Stephanie Munson, Patricia Nielsen, Charles Simmons, Evan Todd, and Michael Johnson are strong enough to stand up and begin another chapter in their lives, a chapter that we will help them write by giving them every opportunity to have a year of safe and enjoyable memories. Three of the wounded, Valeen Schnurr, Lisa Kreutz, and Jeanna Park, received their diplomas last Spring, and have now begun the important step of continuing on with life after such a tragic event.

This tragedy has caused us as Americans to reevaluate and reflect on our own moral and social values and to reexamine the role that we play as parents, relatives, and family members in the lives of our nation's children. This tragedy has driven many of us to work to bring not only healing, but also a reformation of our way of life. Everyone who lives in America felt what happened to those students. The phrase, "it can't happen in my backyard" is now gone for the residents of the Sixth District.

I do, however, feel hope and inspiration today. I feel a sense of hope when I see and hear the determination and genuine concern that individuals have when discussing our schools and a desire to make them a safe and prosperous environment. I feel a great sense of inspiration in these students and teachers who are walking back through the same doors they ran out on April 20, 1999. In fact, as of August 2, no students had applied for a transfer from Columbine. We are witnessing real courage.

I ask that my colleagues in the United States Congress, any my fellow citizens, pray for the students of Columbine High School as they start a new year. Pray that the smiles of youth return to these students. Pray that we have the power and the faith to do our part to ensure that this horrible violation of innocence is never repeated again.

And, most of all, pray for the families of: Cassie Bernall, Steven Curnow, Corey DePooter, Kelly Fleming, Matthew Kechter, Daniel Mauser, Daniel Rohrbough, Rachel Scott, Isaiah Shoels, John Tomlin, Lauren Townsend, Kyle Velazques, and Dave Sanders, the twelve students and one teacher who will not be starting school this year.

HONORING ST. BARTHOLOMEW SCHOOL ON ITS 75TH ANNIVERSARY

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. CROWLEY. Mr. Speaker, I would like to honor the St. Bartholomew School in Elmhurst, Queens on the occasion of its 75th Anniversary.

St. Bartholomew has been in the forefront of providing a quality value-based education to the children of the community for three-quarters of a century. The School, the third largest Catholic parochial school in the entire Diocese of Brooklyn and Queens, currently has an enrollment of some 650 students and is accredited by the prestigious Middle States Association.

St. Bart's, as it is affectionately known, first opened its doors in 1923, and has since then been an integral and significant element in the life of the Elmhurst community. Elmhurst was recently identified in the September issue of National Geographic magazine as "Elmhurst 11373, the most ethnically diverse zip code in the United States." Affiliated with St. Bartholomew Roman Catholic Parish, St. Bart's School ably reflects that rich diversity of heritage in a most enthusiastic way, welcoming students of many religions and national origins to participate in its outstanding academic program.

In addition to a full schedule of academic subjects, students in all grades receive instruction in computer skills, physical education, and library science, and participate in a host of interesting and informative clubs and extracurricular activities. But most importantly, the religious and lay faculty cooperate in striving for the utmost creativity in education, emphasizing values and excellence in an atmosphere of healthy academic discipline.

Finally, I would like to commend Sister Augusta Conter, o.p., Principal, and Mr. Thomas Straczynski, Social Studies teacher and Chairman of the 75th Anniversary Committee, as well as all of the committee members whose tireless efforts made the anniversary and its many events a tremendous success.

Mr. Speaker, please join me in paying this 75th Anniversary tribute to a superb institution of learning and to the people who help make it all possible.

IN HONOR OF PRIVATE HARRY H. MARGOLIS

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. NADLER. Mr. Speaker, Pericles said, while speaking at a funeral for fallen soldiers, "If our country should appear great to you, remember that her glories were purchased by brave and valiant men, by men who knew their duty." I rise today to honor one such man, Private Harry H. Margolis. Pvt. Margolis was born on September 8, 1913, and died 30 years later in France during World War II. When he began his active service 10 months earlier, he left behind in New York his wife Isobel, their 17-month-old son Harvey, and his parents.

Many years later, Pvt. Margolis' son began to wonder if his father should have been awarded a medal for his sacrifice that day in 1944. His mother then called my office in response to her son's inquiry. Now, exactly 55 years and 1 day after Pvt. Margolis perished at the Battle of St. Louis, he has been awarded the Purple Heart. He has finally received the recognition he so richly deserves and his family can rest assured that the United States of America is deeply grateful for the life that was given in her name on July 11th, 1944. Such glorious gifts will never be forgotten.

HONORING THE ALBANIAN AMERICAN WOMEN'S ORGANIZATION

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. ENGEL. Mr. Speaker, I rise to honor the Albanian American Women's Organization (AAWO), "Motrat Qiriazi." The AAWO is a nonprofit group committed to the advancement of Albanian Women within their families, communities, and society.

The Albanian American Women's Organization was founded in 1993 by a small group of Albanian immigrants in New York City. "Motrat Qiriazi" is named for sisters Qiriazi, the first Albanian women educators who dedicated their lives to the empowerment of Albanian women. The organization is composed entirely of volunteers and numbered more than 1,200 in 1998.

When the situation deteriorated in Kosova, the AAWO began to focus its attention on helping the people in crisis. In 1999, the AAWO raised $54,000 and developed strong ties with organizations like the International Rescue Committee. The leadership of the AAWO met with First Lady Hillary Clinton at the White House on August 2, 1999. They are currently involved in giving support to recent immigrants and refugees, including providing host families and job placement.

Once again, I offer my most heartfelt commendation to the AAWO for their hard work and commitment to helping people both in the United States and throughout the Balkans.

PERSONAL EXPLANATION

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. McDERMOTT. Mr. Speaker, I was absent and unable to vote due to my recovery from heart surgery, August 2, 1999—August 6, 1999.

On August 2, 1999: I would have voted in favor of the Motion to Instruct Conferees on H.R. 2488 (Rollcall number 356). I would have voted in favor of the motion to suspend the rules and pass H.R. 747 (Rollcall number 357). I would have voted in favor of the motion to suspend the rules and pass H.R. 1219 (Rollcall number 358). I would have voted against the Andrews amendment to H.R. 2606 (Rollcall number 359).

On August 3, 1999: I would have voted against the Paul amendment to H.R. 2606 (Rollcall number 360). I would have voted against the Paul amendment to H.R. 2606 (Rollcall number 361). I would have voted in favor of the H.R. 2606 (Rollcall number 362). I would have voted in favor of the engrossment and third reading of H.R. 2031 (Rollcall number 363). I would have voted in favor of H.R. 2031 (Rollcall number 364). I would have voted against H.J. Res. 58 (Rollcall number 365). I would have voted against H.R. 987 (Rollcall number 366).

On August 4, 1999: I would have voted in favor of approving the journal (Rollcall number

367). I would have voted in favor of the motion to suspend the rules and pass H.R. 1907 (Rollcall number 368). I would have voted against the H. Res. 273 (Rollcall number 369). I would have voted in favor of the Serrano amendment to H.R. 2670 (Rollcall number 370). I would have voted in favor of the motion that the Committee Rise (Rollcall number 371). I would have voted in favor of the Scott amendment to H.R. 2670 (Rollcall number 372). I would have voted in favor of the DeGette amendment to H.R. 2670 (Rollcall number 373). I would have voted in favor of the Coburn amendment to H.R. 2670 (Rollcall number 374). I would have voted in favor of agreeing to the Senate amendments to H.R. 1664 (Rollcall number 375).

On August 5, 1999: I would have voted in favor on approving the journal (Rollcall number 376). I would have voted against H. Res. 274 (Rollcall number 377). I would have voted in favor of the motion to recommit H.R. 2488 (Rollcall number 378). I would have voted against agreeing to the conference report to H.R. 2488 (Rollcall number 379).

INTRODUCTION OF THE NEW MARKETS TAX CREDIT ACT OF 1999

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. RANGEL. Mr. Speaker, today along with approximately 20 other Members, I am introducing legislation entitled the "New Markets Tax Credit Act of 1999." The legislation is designed to spur $6 billion of private sector equity investments in businesses located in low- and moderate-income rural and urban communities.

We should all be pleased with the economic growth that this country is experiencing. However, our current economic boom is not being enjoyed by all areas of the country. Many urban and rural low-income communities continue to have severe economic problems. Businesses in those areas often do not have access to the capital they need to grow and provide job opportunities for the residents of those areas. The residents of those areas lack access to basic businesses, such as grocery stores and other retail facilities, that all the rest of us take for granted.

Unfortunately, business investment capital tends to flow to those areas of our country that already are experiencing rapid economic growth. We need to develop policies to direct some of that business capital to low-income communities. I believe that targeted tax credits can play an important role in this area by enhancing the economic return to the investor. The low-income housing tax credit is a very good example of how targeted tax credits can direct capital to needed investments.

I am very pleased that the President's budget contains several proposals to promote efforts to attract business capital to low-income areas. The bill that we are introducing today is the tax portion of the President's proposal. He also has made other proposals designed to promote growth in emerging markets in this country, just as this Nation, through entities like the Overseas Private Investment Corporation, helps to promote growth in emerging markets overseas.

The President's budget proposals this year are a continuation of the efforts of this administration in community development. I am very pleased that we have been able to enact several important community development tax initiatives with the President's support. The Empowerment Zone and Enterprise Community tax incentives and the brownfields tax incentives are important tools in assisting community development. I believe that the bill we are introducing today is another important tool needed to expand economic opportunity to all areas of this country. I look forward to working with the President and Members of this House and the Senate in enacting this important initiative.

Following is a brief description of the bill:

DESCRIPTION OF THE NEW MARKETS TAX CREDIT PROPOSAL

The bill provides an annual nonrefundable credit to taxpayers who make qualified investments in selected community development entities. The amount of the annual credit is 6 percent of the amount of the investment and it is allowed for the taxable year in which the investment is made and the succeeding four taxable years. The credit is allowed to the taxpayer who made the original investment and to subsequent purchasers.

An investment in a community development entity would be eligible for the credit only if the Secretary of the Treasury certifies that the entity is a qualified community development entity and only if the entity uses the money it receives to make investments in active businesses in low-income communities. Low-income communities are communities with poverty rates of at least 20 percent or with median family income which does not exceed 80 percent of the statewide median family income (or in the case of urban areas, 80 percent of the greater of the metropolitan area median income or statewide median family income).

The Secretary of the Treasury would certify entities as being qualified community development entities if their primary mission is serving or providing investment capital to low-income communities and they maintain accountability to residents of the communities in which they make their investments.

The amount of investments eligible for the credit is limited to $1.2 billion for each of the years 2000 through 2004. The Secretary would allocate that limitation among the qualified community development entities.

ON THE 75TH ANNIVERSARY OF CLARENDON HILLS, ILLINOIS

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. BIGGERT. Mr. Speaker, I rise today to pay tribute to the community of Clarendon Hills, Illinois, as it commemorates its 75th anniversary. Clarendon Hills has accomplished much in the past 75 years, creating a congenial community that exemplifies the finest traditions and values of the American people. I, for one, take great pride in the legacy of Clarendon Hills and wish to share some of its history with you today.

The legacy of Clarendon Hills extends far beyond its 75-year history, and as all those who live in close-knit communities can appreciate, the strongest roots always run deepest. This town of nearly 7,000 originated from the far-sighted endeavors of ambitious men and women as early as the 1850's, seventy years before its incorporation as a village. Clarendon Hills emerged in progressive times, and the echoes of those times resonate today within the community.

Just as every New England town is centered around a church, every midwestern town is born of the railroad. As the railroad moved west of Chicago, men and women established Clarendon Hills as their home. They were people on the move, people looking to move westward, to create, and to progress.

Clarendon Hills was not simply "settled." It was nurtured and molded into the town we know today, one of the towns I am honored to represent in Congress as a Representative from the 13th District of Illinois. The earliest inhabitants did not wish merely to live on the land we now know as Clarendon Hills. They made the land their own not by tilling fields and cutting trees—though farming and lumber were two of Clarendon Hills' industries. Instead, this town's earliest residents fostered the sense of community we enjoy today by sowing fields and planting trees. Henry Middaugh, who arrived in 1854, did both. As streets were designed to wind with the controus of the land, Middaugh planted 11 miles of trees, which now support children's swings, shade our streets, and grace our homes.

Middaugh was also unintentionally responsible for the origin of Clarendon Hills Daisy Days. He ordered fine grass seed for his field and got daisies instead. Middaugh no doubt initially was disappointed, but, true to the spirit of those pioneers, he turned adversity into a blessing.

Clarendon Hills is a community that turns peat bogs into parklands—such as Prospect Park. It is a community that retains its small, locally owned businesses—with mom and pop stores as well as chain stores. It is a community that celebrates its distinctiveness together year-round—be it during the festive Christmas Walk in December or the carefree Daisy Days in July.

Those who call Clarendon Hills "home" are at once blessed with the atmosphere and fellowship of a small town and the vitality, creativity, and enthusiasm of a major city. It is the home of young and older families who live together, work together, and volunteer together. The best example of its public spirit comes at the Christmastime Lumanaria, where over 20,000 candles are lit, producing such brilliance that they are clearly seen from airplanes flying overheaded. People drive from distant communities to see this show of lights. The celebration, however, is more than just a display of civic pride. The town raises over $200,000 for the Chicago Infant Welfare Society through the sale of the candles.

And through it all, the Burlington Northern Railroad rushes by daily; and Henry Middaugh's mansion still overlooks the meandering shaded streets. Its been said that Middaugh would stand on his cupola and look out over the town. Were he to do so today, there is no doubt in my mind that he would be proud of what he would see.

As we observe the 75th anniversary of Clarendon Hills, let us remember where it began. Let us remember the many challenges and successes that formed its history. And finally, let us remember the progress of Clarendon Hills—its collective history and its shared future. This town's roots run deep, and I have no doubt that, like Middaugh's legendary daisies, Clarendon Hills will continue to grow and flourish for many years to come.

PERSONAL EXPLANATION

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. BALDWIN. Mr. Speaker, during the week of July 12th through July 16th, 1999, I was absent form the House due to an illness in my family that required me to be back in Wisconsin. Although I received the appropriated leave of absence from the House, I want my colleagues and the constituents of the 2nd District of Wisconsin to know how I intended to vote on the rollcall votes that I missed.

Roll Call Vote 277: I would have voted Aye.

Roll Call Vote 278: I would have voted Aye.

Roll Call Vote 279: I would have voted Aye.

Roll Call Vote 280: I did vote, and voted Aye.

Roll Call Vote 281: I would have voted Aye.

Roll Call Vote 282: I would have voted Aye.

Roll Call Vote 283: I would have voted No.

Roll Call Vote 284: I would have voted Aye.

Roll Call Vote 285: I would have voted Aye.

Roll Call Vote 286: I would have voted Aye.

Roll Call Vote 287: I would have voted No.

Roll Call Vote 288: I would have voted Aye.

Roll Call Vote 289: I would have voted No.

Roll Call Vote 290: I would have voted Aye.

Roll Call Vote 291: I would have voted Aye.

Roll Call Vote 292: I would have voted No.

Roll Call Vote 293: I would have voted Aye.

Roll Call Vote 294: I would have voted Aye.

Roll Call Vote 295: I would have voted Aye.

Roll Call Vote 296: I would have voted No.

Roll Call Vote 297: I would have voted Aye.

Roll Call Vote 298: I would have voted No.

Roll Call Vote 299: I would have voted No.

Roll Call Vote 300: I would have voted No.

Roll Call Vote 301: I would have voted Aye.

Roll Call Vote 302: I would have voted No.

Roll Call Vote 303: I would have voted Aye.

Roll Call Vote 304: I would have voted No.

Roll Call Vote 305: I would have voted No.

Roll Call Vote 306: I would have voted No.

Roll Call Vote 307: I would have voted No.

THE SOUTHERN CALIFORNIA FEDERAL JUDGESHIP ACT OF 1999

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. CUNNINGHAM. Mr. Speaker, I rise today to introduce the Southern California Federal Judgeship Act of 1999. I am proud to be joined in this effort by my colleagues from San Diego, Rep RON PACKARD, Rep. DUNCAN HUNTER, and Rep. BRIAN BILBRAY. This important legislation will authorize four additional Federal district court judges, three permanent and one temporary, to the Southern District of California.

A recent judicial survey ranks the Southern District of California as the busiest court in the nation by Number of criminal felony cases filed and total number of weighted cases per judge. In 1998, the Southern District had a weighted caseload of 1,006 cases per judge. By comparison, the Central District of California had a weighted filing of 424 cases per judge; the Eastern District of California had a weighted filing of 601 cases per judge; and the Northern District of California had a weighted filing of 464 cases per judge.

The Southern District consists of the San Diego and Imperial Counties of California, and shares a 200-mile border with Mexico. According to the U.S. Customs Service, as much as 33 percent of the illegal drugs and 50 percent of the cocaine smuggled into the United States from Mexico enters through this court district. Additionally, the court faces a substantial number of our Nation's immigration cases. Further multiplying the district's caseload is an agreement between the Immigration and Naturalization Service and the State of California that calls for criminal aliens to be transferred to prison facilities in this district upon nearing the end of their State sentences. All these factors combine to create a tremendous need for additional district court judges.

I hope that all my colleagues will join those of us from San Diego and help the people of Southern California by authorizing additional district court judges for the Southern District of California.

"NAFTA"

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TRAFICANT. Mr. Speaker, I would like to have printed in the RECORD this statement by Nicholas Trebat from the Council on Hemispheric Affairs. I am inserting this statement in the CONGRESSIONAL RECORD as I believe that the views of this man will benefit my colleagues.

CORPORATE SOVEREIGNTY

(By Nicholas Trebat)

RESEARCH ASSOCIATE, COUNCIL ON HEMISPHERIC AFFAIRS

Its critics argue that the recent dispute between the Methanex corporation and the U.S. government is a good illustration of how NAFTA principally serves the interests of the business sector even at the cost of the general public. This may be evident in the manner in which the treaty's Canadian, Mexican and American negotiators narrowly determined what constituted a "threat" to national sovereignty when the pact was forged in 1994. Granting corporations the power to challenge national laws and regulations that conflicted with their profit-making strategies was apparently never considered as posing a serious challenge to federal autonomy. Affirming labor rights, conversely, seems to have been perceived as tantamount to abdicating nationhood.

Methanex, based in Vancouver, Canada, is the world's largest producer of methanol, a key ingredient in the fuel additive MTBE. The chemical allows gas to burn more efficiently, but it also raises a potential hazard to the nation's water supplies. On July 27, the Environmental Protection Agency (EPA) formally recommended that MTBE usage be heavily reduced.

Much to Methanex's chagrin, the EPA was simply reiterating findings previously reached by the state of California. Last spring, its regulators stunned the company by threatening to phase out the use of MTBE by 2002. Its scientists concluded that MTBE had contaminated municipal reservoirs throughout the state.

Methanex, however, may be able to overturn the ban on the product, or at least obtain substantial compensation (it is demanding nearly one billion dollars) if California is able to uphold its regulations. Chapter 11 of the NAFTA charter could conceivably be interpreted by friendly parties as giving the company the authority to do so, by stating that any "expropriation" of "investments," foreign or domestic, is unlawful and subject to severe punitive measures. Private corporations in the past have proven how malleable this NAFTA provision can be. The most outrageous incident involved the U.S.-based Ethyl corporation, which intimidated Ottawa into repealing a ban on the gas additive MMT, a substance proscribed in virtually every other country in the world.

Immediately following the Ethyl case, Canada, under the threat of a lawsuit from the American chemical-treatment company S.D. Myers, revoked a ban on the export of PCB-contaminated waste. In Mexico, another U.S. company, Metalclad, sued authorities for introducing a zoning plan that would force the corporation to relocate its waste disposal facility, even though the facility's original location endangered local water resources.

One might assume from these cases that the three NAFTA signatories no longer cherish their sovereignty. But this, as the history of the North American Agreement on Labor (NAALC) reveals, is only half true.

That accord, signed in 1994 as a "labor side" codicil to NAFTA, is awash in its concern for "national sovereignty." The agreement creates institutions that assess violations of labor rights in the NAFTA countries. Out of fear that these monitoring institutions would infringe upon domestic laws, they were given only "review and consultation" status, with no authority to adjudicate or even investigate individual cases.

It comes as no surprise, therefore, that of the 19 claims of labor violations brought forward for review under the NAALC, not one has resulted in a fine against the accused country. Contrast this with the five claims filed by corporations against NAFTA governments since 1996, which have resulted in one major fine and two revocations of federal health laws, with three of these cases still pending.

In assessing the implications of NAFTA's impact on "national sovereignty," one has to recognize the duplicity with which the trade pact's advocates have invoked this phrase. In the trade agreement, devised almost in its entirety by economists and business leaders, it is clear that the term, at least in operational terms, largely has been given short shrift. But in the NAALC charter, a commitment to "Affirming respect for each Party's constitution and law," is found.

This seeming doublespeak actually reveals with singular clarity that NAFTA was created primarily to initiate a gradual transfer of substantive authority from the public to the private sector. Therefore, NAFTA's and its labor side agreement's profound pro-corporate tilt should come as no surprise.

Perhaps it is for this reason that the Methanex case has provoked no thunderous ukases from the White House, nor press releases denouncing the *lese majesté* that private multinationals are raising against traditional federal and state autonomy. Let us hope that this silence does not persist, for not only are one billion dollars worth of taxpayer funds at stake, but, more importantly, the belief that the nation's laws should reflect the needs of its citizenry, and not only the immoderate demands of a few self-serving corporations.

GROUNDBREAKING OF CENTURY PARK IN ROMEOVILLE, ILLINOIS

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. BIGGERT. Mr. Speaker, amid debates about urban sprawl and highway widenings, and conflict over flight patterns and regional metropolitan planning authorities—in short, while struggling against all the demands that growth makes of us—it is altogether too easy to forget the lessons of a public commons.

Fortunately, it is not always so.

Later this month, I will have the pleasure to participate in the groundbreaking of a wonderful new park in one of the fastest growing communities in America.

Romeoville, Illinois, lies in one of the most vital centers of development anywhere. Industry, commerce and families are attracted to Romeoville. It is no wonder. The village is minutes away from major roadways and yet tightly bound in a spirit of cooperation and community.

Century Park will become the village's first new community park in 25 years. It will offer baseball and soccer fields, basketball courts, paths and playgrounds, picnic shelters and gazeboes, and an educational nature center.

Century Park's nature center will include an educational facility that will teach children about the environment. The parks of Romeoville, though teach even more. They show how important community is to the people of this village.

Though not a large city, Romeoville supports 17 parks and a large recreation center.

Two years ago, a unique Park Watch program was established. Now, working together with the park district, dozens of volunteers—including many teenagers—give time and money to help make sure their public commons remain safe and beautiful. They plant flowers, pick up garbage, even help cut the grass.

Families coming together as a community: That is what the people of Romeoville will celebrate—and the lesson they will teach—when they join to dig up the first dirt of their new public land.

I hope you will join me in congratulating the people and community ledaers of Romeoville as they break ground on Century Park.

PERSONAL EXPLANATION

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. McDERMOTT. Mr. Speaker, I was absent and unable to vote due to my recovery from heart surgery, July 26, 1999–July 30, 1999.

On July 26, 1999: I would have voted in favor of the Hoeffel amendment to H.R. 1074 (Rollcall No. 335). I would have voted against H.R. 1074 (Rollcall No. 336).

On July 27, 1999: I would have voted in favor of approving the journal (Rollcall No. 337). I would have voted against H.J. Res. 57 (Rollcall No. 338). I would have voted against H.J. Res. 260 (Rollcall No. 339). I would have voted in favor of the Boehlert amendment to H.R. 2605 (Rollcall No. 340). I would have voted in favor of the Visclosky amendment to H.R. 2605 (Rollcall No. 341). I would have voted in favor of H.R. 2605 (Rollcall No. 342).

On July 29, 1999: I would have voted in favor of H.R. 2465 (Rollcall No. 343). I would have voted against the Tiahrt amendment to H.R. 2587 (Rollcall No. 344). I would have voted in favor of the Norton amendment to H.R. 2587 (Rollcall No. 345). I would have voted against the Largent amendment to H.R. 2587 (Rollcall No. 346). I would have voted in favor of H.R. 2587 (Rollcall No. 347). I would have voted against H. Res. 263 (Rollcall No. 348). I would have voted against the Smith amendment to H.R. 2606 (Rollcall No. 349). I would have voted in favor of the Greenwood amendment to H.R. 2606 (Rollcall No. 350). I would have voted against the Campbell amendment to H.R. 2606 (Rollcall No. 351).

On July 30, 1999: I would have voted in favor of the Moakley amendment to H.R. 2606 (Rollcall No. 352). I would have voted against the Pitts amendment to H.R. 2606 (Rollcall No. 353). I would have voted in favor of H.R. 1501 (Rollcall No. 354). I would have voted in favor of S. 900 (Rollcall No. 355).

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO ESTABLISH FOR CERTAIN EMPLOYEES OF INTERNATIONAL ORGANIZATIONS A LIMITED ESTATE TAX CREDIT EQUIVALENT TO THE MARITAL DEDUCTION AND A PRO RATA UNIFIED CREDIT

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. HOUGHTON. Mr. Speaker, I am introducing legislation to address a problem that exists for employees of the World Bank and other international organizations. This same legislation was introduced in the last three Congresses. I understand that the estate tax rules, as amended by the Technical and Miscellaneous Revenue Act of 1988 (TAMRA), are producing a serious and probably unintentional tax burden on certain employees of the World Bank and other international organizations.

The employees affected are those who are neither U.S. citizens nor permanent resident aliens, but who come to the United States temporarily for purposes of their employment at an international organization. In addition, nonresidents who are not U.S. citizens may also be affected. These individuals are normally exempt from U.S. individual income taxes.

The problem involves the restrictions on the use of a marital deduction in the estates of these individuals. These restrictions may result in an unwarranted U.S. estate tax burden because the individuals happen to die while in the United States, when their purpose for being here is employment with an international organization. This bill addresses these problems by providing for a limited marital transfer credit.

The bill would apply to a holder of a G–4 (international organization employee) visa on the date of death. Normally, a resident employee and the spouse would each be entitled to a unified estate and gift tax credit, which under current law is equivalent to an exemption of $650,000 or a total of $1,300,000. However, if the employee dies the spouse would normally return to the country of citizenship. In that case, the surviving spouse would not utilize his or her unified credit. The bill would provide for a limited marital transfer credit, which again would be the equivalent of $650,000. Thus, in a deceased employee's estate, there would be available the unified estate and gift tax credit for bequests to any beneficiaries selected by the decreased, as well as a maximum marital transfer credit equivalent to $650,000, the latter limited for use to marital transfers. A similar provision would apply to nonresident individuals who are not U.S. citizens; however, the unified credit equivalent of $60,000 would be submitted for the $650,000.

I believe this change would appropriately address the problem that currently exists. Support of my colleagues in enacting this important piece of legislation is welcomed.

TRIBUTE TO BRIGADIER GENERAL ROBERT ALLAN GLACEL

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. SKELTON. Mr. Speaker, I rise today to congratulate and pay tribute to Brigadier General Robert Allan Glacel, who will retire from the United States Army on September 30, 1999 after 30 years of exemplary service.

Brigadier General Glacel is the son of an Army Lieutenant Colonel who served in World War II and had a 22-year career in the U.S. Army. Brigadier General Glacel graduated from West Point in 1969 and was commissioned in the Field Artillery. After completing the Officer Basic Course and the Airborne and Ranger Courses, Brigadier General Glacel served as a forward observer and assistant executive officer with the 3rd Infantry Battalion, 319th Field Artillery, 173rd Airborne Brigade in the Republic of Vietnam. He than moved to the 3rd Infantry Division in Germany, serving as the Commander of B Battery, 1st Battalion, 10th Field Artillery; target acquisition platoon leader for the 3rd Infantry Division Artillery; and S–2 (Intelligence) of the 3rd Infantry Division Artillery.

Brigadier General Glacel served for three years in Alaska as Operations Officer and Executive Officer, 1st Battalion, 37th Field Artillery, 172nd Light Infantry Brigade (Separate). Additionally, he served as an assistant Professor of Engineering at the United States Military Academy and in the office of the Deputy Chief of Staff for Personnel, Headquarters, Department of the Army.

In 1987, Brigadier General Glacel took command of the 1st Battalion, 4th Field Artillery, 2nd Infantry Division in the Republic of Korea, commanding the northern most Field Artillery site in South Korea and defending the Demilitarized Zone between North and South Korea. Brigadier General Glacel served as Political Military Planner in J–5 (Plans), the Joint Staff, Washington, D.C., where he was instrumental in the negotiations in Vienna, Austria, for the Conference for Security and Cooperation in Europe between the NATO, Warsaw Pact, and nonaligned countries.

In 1992, Brigadier General Glacel became the Division Artillery Commander for the 7th Infantry Division (Light) at Fort Ord, California. After inactivating that unit due to Congressionally mandated downsizing of the Army, Brigadier General Glacel served as Executive Officer to the Under Secretary of the Army in Washington, D.C.

In 1995, Brigadier General Glacel assumed the position of Chief of the Requirements and Programs Branch, Office of the Assistant Chief of Staff for Policy in SHAPE, Belgium. In this capacity, Brigadier General Glacel was responsible for the background studies leading to the enlargement of NATO to nineteen countries with the admission of Poland, Hungary, and the Czech Republic.

Brigadier General Glacel has spent the last two years as Commanding General of the U.S. Army's Test and Experimentation Command, Fort Hood, Texas. He is responsible for all operational testing of Army equipment with particular emphasis on the Force XXI digitized Army, the backbone of our future force.

Brigadier General Glacel is a graduate of the United States Army Command and General Staff College and the Industrial College of the Armed Forces. He holds masters degrees in both civil and mechanical engineering from the Massachusetts Institute of Technology as well as a masters degree in business administration from Boston University. His awards include the Legion of Merit, the Bronze Star Medal, the Defense Meritorious Service Medal, and the Meritorious Service Medal.

Mr. Speaker, Brigadier General Bob Glacel is the kind of officer that all soldiers strive to be. He has spent thirty years serving our country, mentoring young officers and soldiers, maintaining standards of excellence, and serving his country in an exemplary fashion. The U.S. Army is a better institution for his service. I know the Members of the House will join me in offering gratitude to Brigadier General Glacel and his family—his wife, Barbara, and his daughters, Jennifer, Sarah, and Ashley—for their service to our nation, and we wish them all the best in the years ahead.

IN CELEBRATION OF THE LIFE OF RICHARD J. CRONIN, SR.

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. WEYGAND. Mr. Speaker, I rise today to honor the memory of Richard J. Cronin, Sr., a distinguished Rhode Islander and close family friend to whom I owe a great deal. Richard was a model of the East Providence community and will be remembered by all as a dedicated, compassionate and selfless citizen.

During the course of our lives, we meet a handful of people who, we later realize, played integral roles in the development of our character. Richard Cronin was such a person in my life. My earliest memories of him date back to my childhood, when I would visit my grandparents in East Providence. Richard's family lived next door to them, and before long the Cronin family became as familiar to me as my own. While Richard and his wife Mildred chatted amiably with my grandparents, I would join the Cronin boys, Danny and Richard, in exploration of the neighborhood surrounding us.

I continued my contact with Richard throughout my professional career, and had the honor of serving with him on the East Providence Planning Board, of which he was a charter member and chairman. He retired from the board on May 20, 1980, with a distinguished record of service behind him. I succeeded him as chair of the Planning Board and drew on his example of honest and fair leadership to help me face this new challenge. Richard introduced me to the realm of public service, and I hope to maintain the high standards he expected of me and of those around him.

Richard wore many hats in the community and will be remembered for his numerous contributions. The owner of two businesses, Richard was a visible figure in the transportation and construction fields. He belonged to approximately a dozen trade organizations, and served as president of the Rhode Island Truck Owners Association and the New England Tank Truck Carriers. His community service was illustrated by his activity at St. Brendan Church and his status as board member of the East Providence Boys Club.

I attended Richard's memorial service last week and realized that all those present had been blessed by knowing this great man. He instilled in all of us a passion of life and a desire to improve ourselves and our surroundings. I will always consider him one of my mentors, the person who taught me the great joys and responsibilities of public service. I offer my most heartfelt sympathy to the family and friends that survived him and promise to honor his memory not only in words but also by striving to reach the high standards by which he lived his fruitful life.

DR. EDGAR WAYBURN, TRAILBLAZER

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. PELOSI. Mr. Speaker, on Wednesday, August 11, President Clinton will present Dr. Edgar Wayburn, longtime environmental activist in the San Francisco Bay Area, with the Presidential Medal of Freedom. The White House ceremony marks yet another milestone along the trail of a lifelong pursuit of environmental wisdom. In spotlighting Edgar Wayburn's achievements, the President is also underscoring the critical importance of environmental conservation in an era of scarce water, warming climates, sprawling populations, overcrowded parks, disintegrating habitats, and declining species.

Indeed, Dr. Wayburn, the honorary president-for-life of the Sierra Club, has devoted most of his 92 years to the goals of preserving the world's wild areas and enhancing the natural environment for the benefit of future generations. In following this trail, he has always marched in the company of this own extraordinary wit and humor—and in the company of his extraordinarily supportive wife, Peggy, a force of nature in her own right.

Even in the context of his long commitment to the environment, however, Alaska came to occupy a special place in Dr. Wayburn's world view. More than 30 years ago, he and Peggy visited the northernmost state for the first time. Alaska has literally never been the same since that visit. Dr. Wayburn and Peggy were so captivated by the glories of the Alaskan landscape that he has devoted a generous share of his life to preserving its majestic vistas, lofty mountains, and free-flowing rivers.

The national campaign that flowed from that first visit, and the hundreds of visits that followed, culminated successfully in the enactment of the Alaska Lands Act, which President Carter signed into law in 1980. It remains the largest public lands legislation in the history of the U.S. Congress. Everyone associated with that epochal event will readily grant Dr. Wayburn the lion's share of the credit for playing such a critical and essential role in protecting the vast and varied landscapes of Alaska. Today, some 104 million acres remain wild largely because of the epiphany that occurred during Dr. Wayburn's first trip to "the last frontier."

Not content with his heavy lifting on behalf of the Alaskan wilderness, Dr. Wayburn was simultaneously engaged in the struggle to create and expand Redwood National Park in Northern California. He worked closely with our former colleague, the late Philip Burton, who led the long struggle that eventually brought forth the eternal preservation of a pristine example of ancient forest.

Few of us living in Northern California at the time will soon forget the fractious debate that ricocheted through the streets of our communities and the halls of Congress. The noise grew most thunderous when the advocates of local jobs and forest preservation stood toe-to-toe in verbal slugfests. At all times during this difficult journey, Dr. Wayburn was steadfast in his recognition of the lasting importance of the inspiring redwoods. Today, these giants have a permanent home in a coastal habitat of 75,000 fog-shrouded acres. Redwood National Park is also listed as a UNESCO World Heritage Site and Biosphere Preserve and is visited by thousands of people every year from the United States and abroad.

In San Francisco, Dr. Wayburn demonstrated a similarly high standard of leadership in orchestrating the creation of Golden Gate National Recreation Area (GGNRA). As a result of Dr. Wayburn's visionary insights, an almost continuous greenbelt now stretches down the Pacific Coast from Pt. Reyes Seashore to Sweeney Ridge. In the 1960s the very notion of an urban national park was an alien concept to Congress and the National Park Service (NPS); but thanks to the tireless labors of Phil Burton and Dr. Wayburn along with the support of the local community and local environmentalists, GGNRA finally emerged in 1972 as a protected niche for a new kind of NPS administrative unit.

Today, GGNRA, with more than 22 million visitors annually, is the most visited site in the NPS system. Within its boundaries are redwood forests, beaches, dramatic headlands, marshes, abundant wildlife, historic forts, islands in the Bay, and a world-famous prison—and all of this incredible diversity lies within easy reach of one of the largest metropolitan populations in the United States. It exists today as a living testament to those who never give up on their dreams—and to the tenacity of Dr. Edgar Wayburn in particular.

Most recently, in February, Dr. Wayburn joined us in supporting the introduction of legislation to permanently fund the Land and Water Conservation Fund and to expand efforts to conserve open space, provide urban recreation and park opportunities, and protect marine wildlife. The bill, the Permanent Protection of America's Resources 2000 Act, would be the single largest annual commitment of funds to environmental protection in our history. It is a bi-partisan, albeit challenging, effort and Dr. Wayburn's support for the legislation is invaluable.

And now, at last, shortly before his 93rd birthday, Dr. Wayburn will be standing in the White House to receive one of the highest honors that our country can bestow. It is a tribute that is long overdue but richly deserved.

Dr. Wayburn, we thank you and salute you on this momentous occasion.

H.R. 2708 “CYBERTIPLINE REPORTING ACT”

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. BIGGERT. Mr. Speaker, there is growing evidence that individuals are using the Internet to trade and collect child pornography.

In my district alone, police in Naperville, Illinois have made over forty Internet-related sex arrests in the past eighteen months.

Although current law requires Internet companies like America Online to directly report to law enforcement incidences involving child pornography, the law is unclear as to which law enforcement agencies should receive these reports.

This amounts to a scattershot approach to attacking the problem.

What is needed is a central clearinghouse to ensure that all reports are acted upon swiftly.

Fortunately, such a clearinghouse already exists—it's called the CyberTipline. Created by Congress, the CyberTipline gives citizens a single location to which they may report child pornography cases.

Launched in 1998, the Tipline has received over 10,000 tips from the general public, leading to dozens of arrests.

I believe the Internet community should fully utilize this important public service. To that end, I have introduced H.R. 2708, which allows America Online and others to use the CyberTipline when reporting incidents of child pornography.

This bill has the support of law enforcement agencies, as well as the leading Internet trade association.

Mr. Speaker, the best way to protect the positive, unfettered use of the Internet is to ensure that it doesn't become a sanctuary for those who prey on children.

Requiring the use of the CyberTipline is a step in that direction.

I urge my colleagues to join me in the fight against child sexual exploitation on the Internet and support H.R. 2708.

THE TAUNTON RIVER

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. MOAKLEY. Mr. Speaker, today I am introducing legislation that would call for a 3-year study to determine if the Taunton River in Massachusetts could be added to the National Wild and Scenic Rivers System.

The Taunton River is of great historic, scenic, and ecological importance, not only to the Commonwealth of Massachusetts, but also to the Nation. From a historical perspective, the Taunton River, which was formerly called the Great River, was the first river the Pilgrims encountered as they moved inland in the early 1600's. The river, which was already many thousands of years old, was also used as a travelway for Native Americans, who made canoes by carving out large pine logs. Within a few short years of the colonization, the river became an indispensable tool and lifeline for the Pilgrims. The river also served as a meeting spot for the initial contacts between Native Americans and the early European settlers. These meetings were documented through an inscription on Dighton Rock by Miguel Cortereal in 1511.

Mr. Speaker, besides the historical value, the Taunton River is also a tremendous ecological resource. The quality of the water is improving tremendously. Seven freshwater mussel species were found in the river, which is a record for Massachusetts. Striped bass and other types of fish have returned to the river. And what I find most incredible of all are the numerous spottings of the American Bald Eagle. Clearly the return of the American Bald Eagle is a sure sign of the remarkable example of the improved fisheries and pristine stretches of the river system.

Not only is the quality of the river improving, but the surrounding area is, as well. Years ago, the river was the site for many manufacturing factories that provided jobs for the residents of southeastern Massachusetts. Like many industrialized cities in Massachusetts, Taunton suffered an economic downturn in the sixties and seventies. But as a result of a concerted effort by the local community, the once blighted area was revitalized. Old buildings and warehouses were torn down, new charming street lights were installed, the facades on old buildings were refurbished, and a new riverfront park was developed. The revitalization of the area is a true economic success story, and the Taunton River is the centerpiece of this revitalization effort.

The local community deserves recognition for their outstanding dedication and commitment to protecting and preserving the valuable ecological resources of the Taunton River. It is with great pleasure that I call for a study to assess the feasibility of making the Taunton River a National Wild and Scenic River.

PERSONAL EXPLANATION

HON. VIRGIL H. GOODE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. GOODE. Mr. Speaker, on Wednesday, August 4, 1999, I mistakenly voted “aye” on House Amendment 394 (Roll No. 372) offered by Mr. SCOTT to the fiscal year 2000 Commerce, Justice, State Appropriations bill. I intended to vote “nay” on that amendment.

INTRODUCTION OF H.R. 2721 TO ENHANCE IMMIGRATION LAW FAIRNESS

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. MINK of Hawaii. Mr. Speaker, today I introduced H.R. 2721, a bill to reduce the harsh consequences to legal aliens who have innocently voted and are now subject to being deported as a result.

Due to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), record numbers of aliens across America are being deported: Illegal entrants, visa overstays, and aliens who commit crimes, such as drug offenders and aggravated felons.

Swept into this dragnet are law-abiding, legal residents who made the mistake of believing they could vote, when they were not yet eligible.

IIRIRA makes legal aliens inadmissible and deportable if they violated any law, regulation or ordinance—at the federal, state, or local level-on voter eligibility.

Worse yet, this three-year-old law applies retroactively. Aliens who voted decades ago—even once—are being deported today. In my district is an elderly woman who has proudly voted for 20 years because she had no idea she was not allowed to. While processing her naturalization, INS asked her if she had voted as part of its routine screening. She proudly said "yes," and she is being deported this week.

Even some immigrants who INS has tested and fingerprinted and are deemed to be qualified to become U.S. citizens are being kicked out, simply because they voted before taking the oath. Imagine their shock at being told that they are being deported along with traitors, drug dealers and violent offenders.

I do not condone violating voter eligibility rules. Violators should not escape sanctions entirely. But deportation for voting in good faith (although erroneously) is an overly harsh punishment that does not fit the offense.

My bill amends the IIRIRA of 1996 to reduce the harsh consequences to these legal aliens. It does not change any voter eligibility law. It does not reduce the sanctions that already apply to aliens who vote without permission. All my bill does is ensure that an alien who voted in good faith, without criminal intent, will not be forced to pay the ultimate price of deportation or inadmissibility.

I urge my colleagues to join me in supporting this legislation to restore a sense of compassionate justice to our immigration laws.

IN HONOR OF STONEWALK AND CIVILIANS KILLED IN WAR

HON. JOHN W. OLVER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. OLVER. Mr. Speaker, I rise today to honor those civilians who have lost their lives because of war. When conflict erupts, too often civilians pay a bitter price. I rise in remembrance, so that the many women, men and children who have been forced to yield their lives are not forgotten.

But I am not the only one who has chosen to remember civilians killed in acts of war. I am joined today by a dedicated network of Peace Abbey volunteers, who have just concluded an historic journey from Sherborn, Massachusetts to Arlington National Cemetery in Washington, DC. This journey is called "Stonewalk," and judging from its name, it's clear that the volunteers did not arrive in Washington empty-handed. In fact, they managed to pull a 2000 pound memorial stone the entire way.

The success of this feat is a tribute to past and present victims of war. Stonewalk involved volunteers from nearly all of the Atlantic states. The journey lasted 33 days and covered roughly 480 miles. The one-tone stone is appropriately named the Memorial Stone for Unknown Civilians Killed in War. It will be presented as a gift to Arlington National Cemetery today, the fifty-fourth anniversary of the bombing of Hiroshima on August 6, 1945. Prior to Stonewalk, an identical memorial stone was unveiled by famed boxer Muhammad Ali and visited by over 5,000 people.

While the story behind this stone is courageous, the truth behind it is sad and bewildering. At this very moment, bloody conflicts around the world are costing hundreds, perhaps thousands, of civilian lives per day. The toll on victimized families in Kosova, Colombia, or Sierra Leone is no less painful than that placed on the many families here in the United States who have lost relatives to war. As a world and a nation, we have much work to do to resolve our conflicts peacefully, and to avoid the senseless death of civilians.

Mr. Speaker, I commend Peace Abbey for memorializing the civilians—the women, men and children—who have died throughout the history of war.

COMMEMORATING THE UNVEILING OF THE MILLENNIUM WALL

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. BIGGERT. Mr. Speaker, I rise today to tell you about a celebration.

This is no ordinary get-together, though. It is Celebration 2000 and it will take place at the turn of the Millennium in what I must immodestly report is one of the most vibrant communities in America—Naperville, Illinois.

Celebration 2000 will be three days of fun for the people of Naperville. This event will honor the past, while it imagines the future. The activities include fireworks, parades, banquets, dancing, theater, music, spiritual gatherings, sports and games, writing and visual arts contests, and a torchwalk to recognize each of the past ten centuries. But what will heighten the joy of the event is the community spirit that is making it happen.

Naperville is the fastest growing city in America's heartland. Too often, such rapid change stretches and tears the fabric of a community. But not Naperville. This city has developed one of the liveliest downtowns you will find. It has nurtured a riverwalk that has been called the most beautiful mile-long stretch in Illinois. It has one of the best school systems anywhere. A national research group recently named Naperville as the best city in America in which to raise a child. It is truly a big city with a small town atmosphere.

As you can imagine, Celebration 2000 is a gala for, by and of the people of Naperville. Next month, the names of those who made the celebration a reality will be inscribed on a beautiful millennium labyrinth and wall. These will include Mayor George Pradel and Councilwoman Mary Ellingson, the remarkable cochairs of the Celebration 2000 committee.

Along with the Naperville Millennium Tower and Carillon, which I told this House about recently, these festivities will ring in the new year with the sounds of community, abundance and joy.

It is no wonder that the White House Millennium Council has designated Naperville as one of fewer than 20 cities in the entire nation as a model for others to follow.

For three days, the people of Naperville will rejoice in their blessings and generosity. I know you will join me in standing to wish them all the best of happiness.

WORKPLACE PRESERVATION ACT

SPEECH OF

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 987) to require the Secretary of Labor to wait for completion of a National Academy of Sciences study before promulgating a study or guideline on ergonomics:

Mr. BRADY of Pennsylvania. Mr. Chairman, I rise in opposition to this measure and to all attempts to prevent America's workers from safer working conditions.

I am amazed by what I have heard in this debate today. First, I heard that this is not a partisan debate. It most certainly is—just check the vote totals once we're done.

Then, I heard that we can trust business to take care of its workers. If it did, we would not need collective bargaining—grievance procedures—or even the many studies the other side of the aisle keeps asking for. It is the unions in the workplace that take care of employees, not management.

Mr. Speaker, I know what I'm talking about. I came from the ranks of labor. Who was it that protected me when I was working on a scaffold? Who looked out for me to make sure I made an honest days pay for an honest day's work? It was the union, that's who!

Now, I also heard that Congress wants what is best for America's workers. If that's true, Congress should listen to the unions that were duly elected to represent those workers. They are totally opposed to this bill.

I urge my colleagues to listen to the workers voices and vote against this bill.

IN HONOR OF SHERIFF RICHARD ROTH

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. DEUTSCH. Mr. Speaker, I rise to honor the tremendous work of Sheriff Richard Roth. On July 26, Richard announced that he will retire after 35 remarkable years with the Monroe County Sheriff's Office. Sheriff Roth will be sorely missed by the South Florida law enforcement community, as Richard's resume is nothing sort of astonishing.

Originally beginning his career in 1965 as a radio dispatcher, Richard Roth has held countless positions in the Monroe County Sheriff's Office. Road patrol officer, detective, detective lieutenant, major—these are some of the many titles which Richard has held throughout his years of service. However, it wasn't until 1990 that he was named Sheriff to carry out the term of former Sheriff J. Allison DeFoor II. Since his appointment to the post in 1990, Richard has been re-elected twice.

Throughout his tenure as Sheriff, Richard Roth has accomplished much, including the reduction of the crime rate in the Florida Keys.

Sheriff Roth was also instrumental in implementing the "Smart Cop" program, a program in which deputies are assigned a particular area so that they can become acquainted with specific neighborhood problems and concerns. This is all part of Richard's tremendous desire to have the Sheriff's office closely tied to the community, so that the south Florida law enforcement community can best accommodate the citizens of Monroe County.

Though he will not be seeking re-election, Sheriff Roth's term is by no means over. One year before the qualifying race to fill his position begins, Richard aims to have the Sheriff's Office accredited. To accomplish this, the Monroe County Sheriff's Office will have to meet all of the standards set by the Commission on Accreditation for Law Enforcement Agencies and the Commission for Florida Law Enforcement Accreditation.

Mr. Speaker, the future looks especially bright for Richard Roth because he will have his family near him full time. He and his wife Sandra have already celebrated their 41st Anniversary, and they will be busy traveling through Europe after Richard's retirement. I wish to thank him for his tremendous work on behalf of the entire south Florida community, and I would like to extend my best wishes for the future as well.

TRIBUTE TO MR. JULIUS JOHNS OF JOHNSON, KANSAS

HON. JERRY MORAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. MORAN of Kansas. Mr. Speaker, I rise today to pay tribute to a man who positively affected the lives of many people. Last month Mr. Julius Johns of Johnson, KS, passed away. Julius fulfilled many important roles in his life—each of them with honesty, compassion, and common sense determination.

Julius proudly served his country. During World War II he was stationed in Australia as a member of the Army Air Corps 19th Bombardment group. Upon returning to the United States Julius was stationed at Pyote, TX, proceeded to earn an honorable discharge in October 1945.

Julius was an effective leader for Kansas Agriculture. For years he owned and successfully operated a family farm in Stanton County. In addition to his own operation, Julius found time to help his fellow agricultural producers. Julius first served on the Stanton County Agricultural Soil Conservation Service Committee. Later he was appointed chairman of the Kansas ASCS Committee, serving in that role for nine years. In that role, Julius was an advocate for the farmers of Kansas—always searching for ways to help producers achieve higher productivity and greater success.

Julius was a successful aviator and business owner. He was a licensed multi-engine airplane pilot and for several years managed Johns Piper Sales of Hutchinson and Johnson, KS. He was also a member of the Kansas Flying Farmers and International Flying Farmers.

Most important to Julius was his family. Over the course of 57 years he and his wife Millie raised two sons and devoted endless love and attention to two grandsons and four granddaughters.

Julius fulfilled many important roles in his life—each of them with honesty, compassion, and common sense determination. Today I join his many friends and admirers in extending my deepest sympathies to Millie and her family during their time of loss.

THE NUTRACEUTICAL RESEARCH AND EDUCATION ACT

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. PALLONE. Mr. Speaker, on August 4, the Food and Drug Administration held a public meeting regarding claims for dietary supplements under the Dietary Supplement Health and Education Act of 1994. The debate on that legislation was among one of the most memorable and widely supported legislative efforts of the 103rd Congress. It is my hope that the agency will thoroughly review the historical record of this debate and agree that regulatory policy should be implemented to allow truthful, non-misleading dissemination of health information.

The dietary supplement/functional food debate has always been one of access to products, and access to information. The debate on dietary supplements and functional foods continues with great vigor. The fundamental issues remain; the public wants safe and beneficial products and there is still, apparently, an ineffective regulatory structure. More work needs to be done in Congress regarding this aspect of health care.

In that spirit, I am announcing that upon return from the August recess, I will be introducing legislation entitled the Nutraceutical Research and Education Act.

The most important feature of this legislation will be its promotion of clinical research. The research will allow the public to get the right information on how to use dietary supplements and functional foods.

The goal of promoting clinical research is a non-partisan issue, and I look forward to working with my colleagues in the House to move this debate forward.

A LIFE WELL-LIVED IS A LIFE TO BE EMULATED

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. BARCIA. Mr. Speaker, some may say that the secret of a good life is fame or fortune. But I believe that the secret of a good life lies in the essence of people like Mr. Duane M. Butzin, of Auburn, Michigan. For it is the spirit of Mr. Duane M. Butzin that will continue to be reflected in our communities and our neighborhoods, despite their departing this life for the greater one beyond, that will serve as an inspiration to all of us.

I join with Duane Butzin's family and friends in celebrating the life of this fine and upstanding citizen, who quite suddenly left this life as a young man of 63 years of age. In his short years, Mr. Butzin was an inspiration to all those who knew him and all who witnessed the manner in which the filled his life with good deeds, good-natured laughter, and the most genuine willingness to help anyone in need, whether it be family, friend, or simple acquaintance. Indeed, Mr. Speaker, it is this type of individual, such as Mr. Butzin, who makes the State of Michigan such a pillar in the United States, and most assuredly, it is this type of individual who will remain the cornerstone of the future of our great country.

Mr. Butzin's faith in those around him is evidenced in his wonderful family and friends. He was the devoted husband to his beloved wife, Eleanor, as well as a loving father to his two daughters Terry and Debra. His grandchildren, Ashley, Adam, Mandi and Mariah were a great joy and source of pride. His brother, Gary, will most certainly miss his companionship, for Mr. Butzin found great solace from the outdoors, where he was an avid hunter and fisherman. His joy and delight with life are also evidenced with his appreciation of WWC wrestling. I join with his wife, children, grandchildren and brother in adding my voice to those who say Mr. Butzin's loss is a loss to all of us in the community.

Mr. Butzin's faith was well lived in his daily life and interactions with others. He was a member of St. Anthony's Catholic Church of Fisherville and was a strong voice within the Church, both through his participation in services and by his being a role model for parishioners.

Mr. Speaker, at a time when the world needs more kind-hearted, generous people like Mr. Butzin, it is our deepest sorrow to lose him at such a young age. However, his legacy is his wonderful, devoted family and his joy and celebration of life, which will continue to inspire all who knew him. Please join me in remembering and honoring Mr. Duane M. Butzin, and all that his life represents: integrity, honesty, devotion to his Church, and a deep and abiding love for his wife, Eleanor, and his family. He continues to serve as a role model to us all.

IN HONOR OF BILL DODDS-SCOTT

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize one of my personal heroes, Bill Dodds-Scott. In doing so, I would like to honor this individual who, has given so much of himself to the people of Glenwood Springs, Colorado. When I was a young boy I was part of the Boy Scouts. At that time, Bill was the Scoutmaster.

In fact, Mr. Speaker, Bill has been the Scoutmaster in Glenwood Springs since 1955. Over that time he has had 47 young men earn the extremely prestigious rank of Eagle Scout. This is an amazing feat considering that on average, one out of every 100 boys that are part of the Boy Scouts becomes an Eagle Scout. Mr. Speaker, by no means is Bill slowing down. He believes that there are 3 or 4 more young men that may achieve the rank of Eagle Scout by the end of the year.

In addition to the honors that Mr. Dodds-Scott has received within the Boy Scouts of America, he has also earned the Adult Volunteer Humanitarian Service Award for Glenwood Springs.

Mr. Speaker, Bill is obviously respected and admired in Glenwood Springs. He has enhanced the lives of countless young men through his work as a Scoutmaster. He has been a leader, a teacher and a father figure to Troop 225. Many of the boys who have been guided by his wisdom have had their lives changed forever. While never achieving the rank of Eagle Scout myself, I can say that he has been a very big influence on my life and we are very grateful to have him as a member of the Garfield County community. Due to Mr. Dodds-Scott's dedicated service, Colorado is a better place.

THE BROWNFIELDS REMEDIATION WASTE ACT OF 1999

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TOWNS. Mr. Speaker, for several years, administration officials had said they needed and wanted targeted legislation to give them necessary flexibility to achieve clean up goals of the Resources Conservation and Recovery Act (RCRA).

EPA has tried many times to address those needs as well through regulation. While those efforts have attempted to speed clean up and make requirements more rational, each attempt has met with legal challenges and protracted negotiations and lawsuits, severely limiting the Agency's ability to effectively address this concern. Moreover, with each attempt at moving in the direction of common-sense, the Agency is forced to pay fealty to broken statutory provisions that have inhibited Brownfields cleanups for 15 years.

Importantly, a 1997 General Accounting Office study confirmed this assessment: "EPA has concluded . . . the agency could not easily achieve comprehensive reform through the regulatory process. It believes that such reform can best be achieved by revising the underlying law to exempt governing remediation waste." GAO examined EPA's concerns and those of many other stakeholders and agreed with EPA's assessment.

The portion of the RCRA law that we are concerned with is that which directs cleanup of properties contaminated with hazardous waste. That portion affects far more than the more than 5000 "RCRA permitted sites" plus most of the Superfund sites. Indeed, the current RCRA cleanup program also affects many state cleanups, including those at "brownfields sites," brownfields are abandoned, idled or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination. EPA estimates there may be as many as 450,000 of these sites. As brownfields redevelopment activities have increased, it has increasingly come to our attention that the hazardous waste management and permitting requirements under RCRA either preclude the development of some sites altogether or significantly increase the time and cost of redevelopment. In fact, EPA has stated that, ". . . RCRA requirements, written with end of pipe wastes in mind, may be unnecessarily burdensome when applied to brownfields cleanups."

Let's review some of the legislative record on this issue. First, the cleanup contractors who clearly want to see more remediation activity have stated "the environmental cleanup industry faces significant impediments to implementing innovative, cost-effective solutions due to the strict permitting, treatment and disposal requirements imposed by RCRA on remediation wastes."

The State agencies which run voluntary cleanup and brownfields programs have stated: "As State Waste Managers who administer the RCRA programs, we have long recognized the need for significant reforms to the procedures by which sites are cleaned up under RCRA. Contaminated media is currently regulated by RCRA to the same degree as the "as/generated/process wastes". This is inappropriate and often leads to many environmentally undesirable impacts such as a preference for leaving wastes in place rather than treating or removing the wastes and/or unnecessary delays due to permitting requirements."

EPA has written in 1997: "While the agency has not endorsed any specific regulatory proposal, we continued to believe reform to application of RCRA requirements to remediation waste, especially RCRA land disposal restrictions, minimum technology, and permitting requirements, if accomplished appropriately could significantly accelerate cleanup actions at Superfund, Brownfield, and RCRA Corrective Action sites without sacrificing protection of human health and the environment.

Just late last year, EPA had attempted one more time to provide some of the needed regulatory flexibility with the issuance of the Hazardous Waste Identification Rule (HWIR). We applaud the agency for those efforts. Unfortunately, that rule was litigated and is under settlement discussion. Remediation waste and newly generated wastes are completely different issues and should be treated differently.

Even if EPA's efforts at a settlement are successful and maintain the flexibility needed to encourage cleanup, it will take the agency over two years to implement the changes and even then the new rule would be subject to lawsuit—again introducing uncertainty. Furthermore, the HWIR did not address all of the issues that EPA itself admitted need to be addressed to remove barriers to cleanup.

I rise today to say that we have heard the concerns of those who want to cleanup those waste sites, but have been deterred by the barriers in the law. I am pleased to announce that Congressman Towns and I have introduced the Brownfields Remediation Waste Act of 1999. This reflects a bipartisan desire to help fix some of the problems posed by RCRA to increase the number of Brownfields cleanups.

Fundamentally, this bill allows EPA to treat remediation waste differently from generated process waste. This bill also clarifies and provides the authority for the so-called "corrective action management units," The EPA rules now in place are recognized as satisfying the requirements of this clarified authority, and any future regulatory changes will benefit from a EPA study of real world problems encountered while implementing these rules.

The bill also corrects some limitations by providing that staging piles and temporary units may be used at off-site locations, owned or operated by the persons engaged in remediation at the first location. This will be helpful in consolidating and managing wastes away from the urban sites where they are currently found.

A large part of the success of remediation waste management reform, including the EPA rules and this legislation, depends on the States assuming this authority and having the flexibility to tailor these authorities in connection with their own remediation programs; whether operated under RCRA or otherwise. This bill harnesses the innovation of these programs while requiring submission and approval of provisions implementing remediation waste requirements by EPA. EPA's current authorization, as it relates to remedy selection decisions in state programs themselves, would remain the same.

We look forward to bipartisan suggestions to improve this legislation and to doing our part to help those pursuing Brownfields and other remediation efforts.

INTRODUCTION OF LEGISLATION TO REAUTHORIZE THE CLEAN WATER STATE REVOLVING FUND

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. KELLY. Mr. Speaker, I rise today for the purpose of introducing legislation to reauthorize one of our most important environmental infrastructure programs. The Clean Water State Revolving Fund (SRF) was created by Congress in 1987 to enhance the federal government's effort to achieve the Clean Water Act's objective of restoring and maintaining the integrity of our nation's waters. The program was enacted out of the need for a funding mechanism which allowed the federal government to be responsive to the nation's considerable wastewater infrastructure needs, and also afforded states a necessary degree of flexibility in addressing their own particular needs. Since implementing the SRF, Congress has appropriated nearly $16 billion to states, who in turn have been able to provide nearly $24 billion in loans for wastewater infrastructure maintenance and construction. The impact of this investment on the livability of our communities is immeasurable. In his testimony before the House Subcommittee on Water Resources and Environment, New York Governor George Pataki reflected on the benefits brought to his state by the SRF program, calling it "the most successful federally sponsored infrastructure financing program ever."

Mr. Speaker, the time is now that we act to ensure a stable federal funding source that attempts to reflect state and local needs. The authorization for this program expired in 1994, leaving it susceptible to the whims of the budget and appropriations process. As evidence of this, one need only look at the President's proposal for the SRF in the FY 2000 budget. If enacted, his proposal of $800 million would amount to a $550 million cut compared to the enacted FY 99 level of $1.35 billion. A significant cut such as this would be particularly problematic at a time when the need for this investment is enormous. The Environmental Protection Agency estimates that in the next 20 years the country faces wastewater infrastructure needs of more than $139.5 billion, a figure acknowledged by most to be a conservative estimate. These documented needs exist in rural and urban areas in every state. The expense to our environment and the taxpayers will only increase the longer we procrastinate in addressing these needs.

We need to demonstrate a strong commitment to safe and livable communities. I feel this legislation marks an important stride in this effort. I would like to thank my good friend and colleague, Representative ELLEN TAUSCHER of California, for her assistance on this legislation, and I certainly hope that our colleagues will join us in the effort to reauthorize the Clean Water State Revolving Fund.

THE BROWNFIELDS REMEDIATION WASTE ACT OF 1999

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. OXLEY. Mr. Speaker, today, along with Mr. TOWNS, the distinguished ranking member of the Subcommittee on Finance and Hazardous Materials, I am introducing H.R. XX the Brownfields Remediation Waste Act of 1999. This Act reflects a bipartisan effort that will do a number of things to improve the Nations' cleanup program and, most important, remove barriers and disincentives that have been problems for Brownfields and voluntary cleanup programs in all States.

These problems were not fully understood or thought through when Congress passed the 1984 Amendments to the Resource Conservation and Recovery Act (RCRA). We should not let broken legislation stand in the way of remediation activities. Overall, the bill will remove barriers and disincentives and tap the expertise of EPA and state programs to tailor effective solutions without the straightjacket that has inhibited actions for 15 years. We have worked on this bill with the input of State agencies and the cleanup contractors, both of whom want to see more remediation activity.

The brownfields problems has many sources and many proposals to help bring new life to these areas. Brownfields, loosely defined as abandoned or underutilized former industrial properties where actual or potential environmental contamination hinders redevelopment or prevents it altogether. The U.S. Environmental Protection Agency ("EPA") estimates that there may be as many as 450,000 such sites nationwide.

This epidemic poses continuing risks to human health and the environment, erodes States and local tax bases, hinders job growth, and allows existing infrastructure to go to waste. Moreover, the reluctance to redevelop brownfields has led developers to undeveloped "greenfields," which do not pose any risk of liability. Development in these areas contributes to suburban sprawl, and eliminates future recreation and agricultural uses.

In the view of many, Federal law itself can be a culprit. The fundamental flaw in RCRA that hinders cleanup is that the law was primarily designed to regulate process wastes, not cleanup wastes. As a result, the law requires stringent treatment standards, usually based on combustion, for most wastestreams; establishes lengthy permit requirements; and otherwise presumes that process wastes are continuously generated and disposed of at an ongoing manufacturing facility. RCRA's requirements are awkward, expensive, and hinder and prevent cleanup.

EPA has stated: ". . . EPA has long believed that changes in the application of certain RCRA requirements to remediation waste are appropriate. While the Agency has not endorsed any specific legislative proposal, we continue to believe reform to application of RCRA requirements to remediation waste, especially RCRA land disposal restrictions, minimum technology, and permitting requirement if accomplished appropriately, could significantly accelerate cleanup actions at Superfund, Brownfield, and RCRA Corrective Action sites without sacrificing protection of human health and the environment."—Letter from Michael Shapiro, Director, Office of Solid Waste, U.S. EPA to Doug MacMillan, Executive Director, Environmental Technology Council dated January 27, 1997.

"Perhaps the largest expense of RCRA is the enormous cleanup costs associated with the corrective action program. Although the RCRA corrective action cleanups could have been limited to address failures of the RCRA prevention program for as-generated wastes, Congress drafted the statute more broadly to capture old, historic wastes as well. RCRA corrective action and closures, state cleanups, CERCLA actions and voluntary cleanups often involve one-time management of large quantities of wastes. Under RCRA, management of these wastes may trigger obligations to comply with RCRA procedural and substantive requirements. For example, RCRA permits may be required for voluntary cleanups or state cleanups. Obviously this could seriously delay cleanups and dramatically increase their costs.

In addition, RCRA substantive standards are designed primarily for wastes generated from ongoing industrial processes and may not fit well in remedial situations. For example, requirements for pretreatment of cleanup wastes may foreclose other cost-effective yet protective cleanup options. . . ."—Don Clay, Assistant Administrator U.S. EPA before the House Committee on Transportation, March 10, 1992.

State cleanup agencies have also noted these problems: "At some voluntary sites, onsite management of contaminated soils triggers the application of RCRA management requirements. While volunteers should use best management practices and comply with RCRA for offsite management of soil, meeting RCRA requirements onsite only serves to increase costs without providing any commensurate benefits to the cleanup."—Don Schregardus, Director Ohio, EPA, February 14, 1997.

". . . The objectives for site cleanups versus ongoing hazardous waste management differ markedly. The RCRA Subtitle C hazardous waste regulatory framework is designed to ensure the long-term safe management and disposal of as-generated hazardous wastes (sometimes termed "Process wastes"). RCRA Subtitle C is a prevention-oriented program containing many detailed procedural (permitting) and substantive requirements (land disposal restrictions and minimum technology requirements). Conversely, the objective of site cleanups is to achieve an effective, environmentally protective solution to existing contaminated sites. For this reason, application of RCRA Subtitle C requirements to wastes that have already been released to the environment (i.e. contaminated media) can, in many cases, increase costs and delay site remediation efforts without significant environmental benefit."—Catherine Sharp, Environmental Programs Administrator, Waste Management Division, Oklahoma department of Environmental Quality, on behalf of the Association of State and Territorial Waste Management Officials before the House Committee on Commerce Transportation and Hazardous Materials on, July 20, 1995.

Indeed, State cleanup agencies have asked to make this legislation a priority and the legislation builds and principles adopted by the National Governors Association.

Cleanup contractors have also asked us to pursue this legislation: "The Hazardous Waste Action Coalition (HWAC) the association of leading engineering, science and construction firms practicing in multimedia environmental management and remediation, strongly encourages [Congress] to make RCRA legislative reform a top priority . . . to [produce] a sound bipartisan approach to removing impediments under RCRA. . . . For example, RCRA's land disposal restriction requirements can completely eliminate many technically practicable remedies from even being considered. HWAC strongly believes that only legislative reform of RCRA [will] remove this and other disincentives to cleanup of RCRA contaminated waste sites."—Letter from the Hazardous Waste Action Coalition dated January 6, 1998.

Clearly the Brownfields Remediation Waste Act of 1999 addresses a real set of problems. The bill is tailored to do a number of things to address these problems. First, the bill provides EPA new authority to tailor regulations for the management of remediation wastes from brownfields, voluntary, State and other site cleanups without applying the often rigid and inappropriate regulations designed for newly generated process waste—thus, allowing EPA to remove barriers to fast and efficient cleanups. Second, the Act shields EPA's recent common-sense regulations concerning remediation wastes from unnecessary and disruptive litigation. Third, the bill will provide needed flexibility for offsite remediation waste management units. Finally, the Act allows State programs, subject to EPA review and approval, to run protective remediation waste programs tailored to their brownfields, voluntary response or other programs.

Mr. TOWNS and I are interested in all bipartisan suggestions for improvement and seek your support.

THE AMERICA'S PRIVATE INVESTMENT COMPANIES ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LAFALCE. Mr. Speaker, today, on behalf of myself and a number of House Members, I plan to introduce the America's Private Investment Companies Act. This legislation, also known as APIC, is part of the Administration's broader New Markets Initiative, which includes separate legislation to provide tax credits for investments in APIC's and other community development entities, and to expand small business lending in low- and moderate-income communities.

After seven years of strong economic growth and job creation, the unfortunate truth is that many urban areas, mid-sized cities, and rural areas are not fully participating in our economic prosperity. Despite strong income and wage growth for many Americans, millions of Americans still don't have access to jobs which pay decent wages. APIC is designed to harness the private sector to revitalize distressed low-income communities, and to create jobs and economic opportunities for those individuals who are being left behind.

Under the bill, the Secretary of HUD is authorized to licensing a number of newly created America's Private Investment Companies [called APIC's] each year, and to guarantee debt for these APIC's. In turn, these newly created APIC's will be required to invest substantially all of the funds raised through such debt in businesses operating in low-income communities.

In order to be eligible for APIC certification and for federal loan guarantees, an applicant must be a for-profit community development entity, which must have a primary mission of serving or providing investment capital for low-income communities or low-income persons, and which must maintain accountability to residents of low-income communities. The applicant must have a minimum of $25 million in equity capital available to it. Finally, the applicant must have a statement of public purpose, with goals that at least include making qualified investments in low-income communities, creating jobs that pay decent wages to residents in low-income communities, and involving community-based organizations and residents.

Under the legislation, HUD is authorized to guarantee $1 billion in debt each year for the next five years for an estimated ten to fifteen new APIC's each year. For every $2 of debt that the government guarantees for an individual APIC, that APIC must have at least $1 in equity capital, which is at risk of loss ahead of the federal guarantee. As a result, at $7.5 billion in additional low-income community investments will be generated over the next five years. Yet, the cost of the combined credit subsidy and administrative cost is only $37 million a year.

Substantially all of the funds from guaranteed debt, plus required equity, must be used to make investments in "qualified low-income investments"—that is, in equity investments in or loans to "qualified active businesses" located in "low-income communities"

A "qualified active business" is a business or trade, of which at least 50% of gross income must come from activities in "low-income communities," of which a substantial portion of any tangible property must be in low-income communities, and of which a substantial portion of employee services must be performed in low-income communities"

Low-income communities are census tracts with either poverty rates of at least 20%, or with median family income that does not exceed 80% of the greater of the metropolitan area median family or the statewide median family income.

At a time when Congress seems eager to enact tax breaks and loan guarantees for a broad range of industries, it is not too to ask for limited resources targeted to corporations which invest in distressed communities and low-income individuals. I urge the House to hold hearings on this legislation, and to move towards its enactment.

FOREIGN TRUCK SAFETY ACT

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LIPINSKI. Mr. Speaker, I rise tonight in opposition to NAFTA's provisions to expand Mexican trucking privileges into the United States, and to introduce the Foreign Truck Safety Act, legislation that will mandate inspection of all foreign trucks at our southern border.

When we debated NAFTA in 1993, supporters claimed that NAFTA would not harm workers here or in Mexico, and would not harm the environment. Unfortunately, they were wrong. This treaty has sent thousand of good American jobs south of the border. It has also subjected that border to increased pollution of the air, water and land.

These are the most prominent promises broken by NAFTA. But we are about to add to the list. This Administration, under terms of NAFTA, is considering opening up all of America to Mexican trucks as of January 1, 2000.

What will the entrance of Mexican trucks mean for America? It will generate more pollution and increase the loss of good paying jobs. Most seriously, it will threaten the lives of qualified American drivers who will be forced to share the road with unqualified foreign drivers, who, as evidence proves, are driving unsafe, pollution-belching trucks.

U.S. inspectors, some operating just during the weekday hours of 9:00 am to 5:00 pm, have found that almost 50% of inspected Mexican trucks have been ordered to undergo immediate service for safety problems. This is based on the results of the few inspections of foreign trucks already allowed to enter a commercial zone in the U.S. In reality, hordes of uninspected foreign trucks cross various border points after 5 pm, before 9 am, and on the weekends. Accordingly, the Department of Transportation's Inspector General has already concluded that the DOT does not have a consistent enforcement program to provide reasonable assurance of the safety of trucks entering the United States. How could this Administration suggest expanding border-trucking privileges when we cannot regulate the current privileges we offer?

Unsafe trucks are not only appearing in the four border-states. But as the map here shows, reports of dangerous trucks have come from at least 24 additional states. From Washington to Illinois to New York, the entire country is at risk. That is why I am introducing the Foreign Truck Safety Act, because it will require mandatory safety inspections on all trucks crossing into the U.S. from Mexico. As of January 2, 2000, the Foreign Truck Safety Act will authorize the border states to impose and collect fees on trucks to cover the cost of these inspections. By requiring all trucks to pass inspections before entering the United States, we can help to limit the risks these unsafe trucks pose to our citizens. This country entered into NAFTA in order to better the lives of our citizens. Without this legislation, we will simply put our citizens in more jeopardy.

I think people are more important than profit, and I am concerned about the thousands of unsafe Mexican trucks rumbling down our highways and byways. Average Americans are already fearful about driving next to large, safe U.S. trucks that pass inspections; imagine their fear when unsafe Mexican trucks hit our streets, roads, and superhighways.

Mr. Speaker, it is time to stand up for Americans. Therefore, I urge all of my colleagues to work with me to pass the Foreign Truck Safety Act so that Americans will never be afraid to drive down Main Street, U.S.A.

NATIONAL WEATHER SERVICE WINS SMITHSONIAN AWARD

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. COSTELLO. Mr. Speaker, I would like to bring to the attention of my colleagues the accomplishment of the National Weather Service, part of the National Oceanic and Atmospheric Administration (NOAA), in receiving a Computerworld Smithsonian Award for outstanding work in new information technology systems. The Weather Service's Advanced Weather Interactive Processing System (AWIPS) recently received the award, which honors the use of information technology to create positive social and economic change. AWIPS was the only federal award winner: Most of the other nine categories were won by some of our nation's premier corporations.

The new AWIPS system, which is now in National Weather Service field offices throughout the country, has already paid big dividends, most recently in saving lives during the devastating tornado outbreak of May 3–4 of this year, which swept through portions of 5 states.

AWIPS technology gives Weather Service forecasters access to satellite imagery, Doppler radar data, automated weather observations and computer-generated numerical forecasts, all in one computer workstation. On May 3–4, more than 70 tornadoes were pounding the U.S. between Texas and South Dakota, with particularly severe damage in Oklahoma. The AWIPS system in the Weather Service Office in Oklahoma City enabled forecasters to simultaneously track and issue warnings for dozens of tornadoes that were tracking through the area. A highly informed public, and good cooperation with the media and with state and local officials in the area, reduced greatly the numbers of deaths that might have occurred in this still-tragic event.

The AWIPS system will continue to yield new and improved warning and forecast services to enhance safety and improve people's lives. The modern National Weather Service is a good investment of tax dollars and will be an engine of economic gain in many weather-sensitive business sectors. For an investment that costs each American about $4 per year, today's Weather Service issues more than 734,000 weather forecasts and 850,000 river and flood forecasts, in addition to roughly 45,000 potentially life-saving severe weather warnings annually. Statistics show overall improvements in forecast accuracy and in timeliness of severe weather and flood warnings. Skilled NOAA professionals, working with AWIPS and other technologies such as Doppler radar, surface observation systems and weather satellites, make this possible.

Mr. Speaker, as Ranking Member of the Science Subcommittee on Energy and Environment, which oversees NOAA programs, I am pleased to share with my colleagues the news of this award celebrating one of the many accomplishments of the National Weather Service.

CELEBRATING A CAREER OF ACCOMPLISHMENT

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. BARCIA. Mr. Speaker, when a fine and upstanding man such as Mr. William R. Wittbrodt of Mildland, MI decides to retire after a long and distinguished career, then we must send our congratulations to his family and our commiserations to his employer. So I join with all of his colleagues in saying that "Bill" Wittbrodt's dedication to the work of the United States Steelworkers of America will become that of legend, as has his dedication to his wonderful family. We can only surmise that the value of his efforts will continue to appreciate during his retirement.

Mr. Wittbrodt began his contributions to society with service in our Armed Forces, with his enlistment in the Air Force in 1947, where he served four years, including his service in Korea. Mr. Wittbrodt returned to his native Midland afterwards, and upon joining Dow Chemical, became a member of Local 12075, District 50, United Mine Workers. Thus, his long devotion and service on behalf of Local 12075 was begun.

Without Mr. Wittbrodt's meticulous stewardship and great dedication to Local 12075, the local union would not have been so successful and so committed to the rights of fellow members. Mr. Wittbrodt's leadership was evidenced early; in 1954 he became the Elected Shop Steward, 5 years later he was elected full-time Chief Steward, and in 1965 he was elected to the Local Union 12075 Bargaining Committee. In 1969 he achieved a well-deserved pinnacle of his commitment: the Presidency of Local 12075.

Mr. Wittbrodt's success as President was so evident that he was elected to four consecutive terms, and, while President, shepherded Local 12075's merging with the United Steelworkers of America in August 1972. In unparalleled support, Mr. Wittbrodt became Staff Representative to the United Steelworkers of America, and finally, this caring and devoted man became Sub-District Director, District 29 of the United Steelworkers of America in 1983.

Mr. Speaker, I have spoken at length of Mr. Wittbrodt's great contributions to the people of Michigan. But of equal importance is his great devotion to his wife of thirty-five years, Leona, and his grandchildren Merrit, Chad, Denise, Adam, Tyler and Jason, as well as his beloved great-grandchildren Jay Richard, Haley Marie and Lauren. It can be no understatement that Mr. Wittbrodt will be sorely missed by the people of Michigan he served in his distinguished career, and I join with them in expressing my deep and abiding appreciation to Mr. Wittbrodt in this first year of his retirement.

As Bill Wittbrodt enters retirement, I urge you, Mr. Speaker, and all of our colleagues to join me in congratulating him for his distinguished career, and in wishing him and his wonderful family many happy years to come.

WEST COAST LABOR AGREEMENT

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. DICKS. Mr. Speaker, I want to bring to the attention of my colleagues a highly significant but largely unnoticed development—the recently agreed-upon labor pact affecting West Coast dock workers and clerks. At 5 p.m. on July 1st, with a news blackout in effect, the West Coast longshore contract expired. From early May until mid-July, officials of the Pacific Maritime Association representing roughly 100 companies on the West Coast, and representatives of the International Longshore and Warehouse Union (ILWU) met to try to hammer out a new agreement. After several days of complex, difficult negotiations—frequently lasting through the night—the two sides reached agreement several days ago. Last week, more than 99 percent of the delegates to the ILWU caucus recommended approval of the new three-year pact. It is expected that before the end of August this agreement will be fully ratified and that West Coast ports will enjoy 3 years of stability.

Besides raising wage and pension benefits the new agreement, among other things, calls for companies and union members to form a committee to discuss the introduction of new technology on the waterfront, or improve the use of current technology, to enhance productivity. This would seem to be crucial for all concerned. Canadian and Mexican ports and companies are rapidly moving forward trying to outcompete the United States for an increasing share of trade with Asia. It is in the interest of neither management nor labor to let this happen.

In a recent article in the Los Angeles Times, Professor Stephen Cohen, Co-Director of the Berkeley Roundtable on International Economy, and John Wilson, the former Chief Economist at the Bank of America and now a Senior Fellow at the Roundtable, noted that in the pat twenty years waterborne trade through West Coast ports has grown from $61 billion to an estimated $285 billion for this year. This is double the rate of increase in total US trade growth and this West Coast waterborne trade is clearly critical to America's continuing economic prosperity. Further, that trade, according to Cohen and Wilson, now constitutes more than 60 percent of the gross state product of my state of Washington and more than 35 percent of California's GSP.

If PMA and the ILWU had not reached agreement and there had been a West Coast dock strike or lockout, the dislocations would have been felt even more strongly in Asia than here. As Cohen and Wilson have noted: Asian exports arriving by ship at West Coast ports are expected to exceed $200 billion this year. This is the principal source of the vital foreign exchange net earnings needed to sustain the currency values, to service large foreign debts and to import the components and machinery required for growth and development of the stricken Asian economies. A significant disruption of West Coast ports would hamper recovery. It might also affect financial markets.

Mr. President, my constituents in Washington State and all Americans have a stake in this pact and in assuring that US-Asian trade continues to grow in coming years. None of us should lose sight of this reality. I am submitting for the RECORD a copy of the Cohen-Wilson article and a related article by Dan Weikel of The Los Angeles Times.

[Los Angeles Times, Wed., July 14, 1999]

METRO—PORT STRIKE WOULD HURT U.S., ASIA

(By Stephen S. Cohen and John O. Wilson)

Despite six weeks of negotiations, the International Longshore and Warehouse Union and the Pacific Maritime Assoc., which represents almost 100 West Coast shipping lines, have failed to reach an agreement for a new contract for the West Coast. Since the prior contract expired on July 1, many union work actions have affected port operations up and down the coast. A full-fledged strike would put the U.S. and many other economies at great risk.

In the last few weeks, crane drivers walked off the job for two days in Oakland, effectively shutting down one of the nation's busiest ports. Work slowdown also have impacted the flow of goods through the behemoth ports of Los Angeles and Long Beach. Ports in the Pacific Northwest are experiencing slowdowns as well.

A West Coast port shutdown could trigger a reaction in international financial markets, with the biggest risk being a worsening of the Asian financial and economic crisis. There would also be a major national economic impact, a 20-day strike at ports in

California, Oregon and Washington, for example, could cost this country close to $40 billion and 200,000 jobs. The impact of such a shutdown would increase daily across the country and even could trigger a sudden spike in American consumer prices.

What makes a West Coast dock shutdown a potential detonator of a national and international financial and economic crisis? The size and magnitude of the trade flowing through the ports, the dependency of this North American gateway on Asian economies and the relative inflexibility to divert cargo to other ports.

Since 1980, waterborne trade through West Coast ports has increased from $61 billion to an estimated $285 billion this year. That is double the rate of increase in total U.S. trade growth.

This growth in trade activity is directly related to the increasing import-export activity with Asia. West Coast ports are now dominated by trade with Asia, which accounts for about three-quarters of all port activity (sea and air) in California and about 60% in Washington state. International trade accounts for about 19% of the U.S. gross domestic product and more than one-third of California's gross state product.

But the real dependency is one the other side of the Pacific. Asian exports arriving by ship at West Coast ports are expected to exceed $200 billion this year. This is the principal source of the vital foreign exchange net earnings needed to sustain the currency values, to service large foreign debts and to import the components and machinery required for growth and development of the stricken Asian economies. A significant disruption of West Coast ports would hamper recovery. It might also affect financial markets.

The ability to shift significant volumes of Asian trade to East Coast or Gulf of Mexico ports in the event of a West Count shutdown is now extremely limited because container facilities—ships, ports and infrastructure—are too specialized. The West Coast ports have made about 70% of all port investment in the 48 contiguous states for the past five years. As a result, high volume shipping is a powerful, integrated and, alas, inflexible system. Almost all the containers destined for the Central and Mountain states now pass through West Coast ports. So do nearly half of containers destined for the North Atlantic states.

But because of the specialization, the U.S. does not have the luxury of simply diverting Asian cargo to East Coast ports. Shipping is no longer a collection of roving ships docking here and there.

For all these reasons, the risk of a port strike is simply too great for the U.S. and world economies. The current act of management-union negotiations warrants a watchful eye from the White House and Treasury as well as the Department of Labor. If need be, both sides should be locked up at Camp David to finish the talks. But, in no case, should the ports be allowed to shut down.

Beach. "There have been long truck lines, and we've been getting calls from worried manufactures. We should be able to clear, things up pretty quickly."

Both sides declined to discuss what agreements, if any, were reached on several important contract issues; increasing the productivity of longshore workers, the number and type of jobs under union control, and the use of new labor-saving technology on the docks.

Negotiators said the terms of the contract will not be released until after the agreement is ratified in the weeks ahead by union members and the executive board of the maritime association.

"We are pleased to have reached an agreement that provides ILWU members with a package that rewards them for the hard work they put forward every day," said James Spinosa, the union's vice president and chief negotiator.

West Coast longshore workers now earn about $80,000 to $100,000 a year, depending on their skills and rank. Wages can go higher for heavy equipment operators, dock bosses and marine clerks who truck cargo.

Association officials headed into the negotiations saying the talks were critical for improving the reliability and productivity of the waterfront labor force.

They also said they hoped to engage in substantive discussions about the use of technology on the docks and ways to avoid repeating the score of costly work stoppages that followed the 1998 labor contract.

Among the issues critical to the union were increases in pension and medical benefits as well as the union's jurisdiction—the number of port-related jobs that fall under its control.

Labor officials said that if modernization continues, steps must be taken to preserve union positions and expand the organization's jurisdiction beyond port boundaries.

Both sides came to the bargaining table in May after several years of court fights and political rancor.

Within the union itself long-shore locals in Southern California had repeatedly tried to remove President Brian McWilliams and neutralize his power.

The locals issued a vote of no confidence in the president and demanded that he take a leave of absence for the reminder of his term Williams, however, has remained in office.

The union's internal conflicts coincided with series of sharp attacks by the Pacific Maritime Assn., which targeted the productivity and reliability of longshore workers.

Miniace a labor relations specialist who worked for Ford Motor Co. and Ryder, led the assault in public and in court, repeatedly suing the union over work stoppages and slowdown to no avail.

Miniace contends that productivity, measured by tons of cargo handled per hour paid has either stagnated or declined in each of the last four years. His greatest fear, he said, was that customers would send their goods through other ports in the United States or Mexico if things didn't improve on the West Coast.

Union officials criticized Miniace's aggressive approach, saying he was a newcomer who did not understand the shipping industry.

[Los Angeles Times, Fri. July 16, 1999]

Longshore Workers, Shippers Reach Pact

(By Dan Weikel)

Longshore workers and shipping companies agreed to a new labor contract late Thursday, clearing the way for the resumption of normal cargo operations at West Coast ports that have been plagued by work stoppages and slowdowns for the last 10 days.

After almost two months of bargaining in San Francisco, the powerful International Longshore and Warehouse Union and the Pacific Maritime Assn. concluded a new three-year contract that will affect more than 10,000 dock workers in California, Oregon and Washington.

With tensions running high, there had been considerable fear that the West Coast was headed toward its first dock strike since 1971. West Coast ports, which handle cargo worth an estimated $280 billion every year, are critical to the nation's economy.

Details of the agreement were unavailable Thursday, but negotiators said it offered increases in pay, health insurance and pension benefits for future as well as current longshore retirees, some of whom now have pensions as low as $240 a month.

"I think this is a very good agreement for the ILWU and the Pacific Maritime Assn.," said Joseph N. Miniace, president of the West Coast's largest shipping association. "We had almost two weeks of work slowdowns, and we've been working until 3 a.m. the last few nights to get a contract. I am relieved; our team is relieved, and their team is relieved."

The Pacific Maritime Assn., which is the union's counterpart, negotiates and administers labor contracts for about 100 shipping lines, stevedore companies and terminal operators.

Association officials said Thursday evening that normal cargo operations will resume at all West Coast harbors, which have been hampered by work slowdowns since early July.

During their peak, longshore workers shut the Port of Oakland for two days and reduced the flow of cargo by at least half at many terminals along the coast.

The pace of work raised fears that the delays eventually would cost business and industry millions of dollars in lost revenue, not to mention losses in fees to port authorities.

Harbor officials in Long Beach and Los Angeles, the nation's largest combined port, said Thursday that any backlog of cargo should be cleared from the docks in the days ahead.

INTRODUCTION OF THE AIDS MARSHALL PLAN FUND FOR AFRICA

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. LEE. Mr. Speaker, today I rise to introduce legislation designed to focus both attention and resources on the global emergency of HIV/AIDS, which is wreaking havoc in developing countries, most tragically in Sub-Saharan Africa.

Throughout much of the First Session of the 106th Congress, much information has been disseminated and discussed about the HIV/AIDS crisis in Africa. While AIDS has afflicted Africa since the late 1980's, the latest increases in the HIV/AIDS infected population are staggering. The disease is quite literally obliterating entire communities and devastating the continent.

The United Nations Children's Fund (UNICEF) 1999 Annual Report notes that of the 14 million people world wide who have died from AIDS, 11 million are from the nations in Sub-Saharan Africa.

UNAIDS, the United Nations coordinating entity which tracks and combats HIV/AIDS, estimates that 22.5 million Sub-Saharan African adults and children are currently living with AIDS.

Additionally, the HIV/AIDS virus is devastating southern Africa. In Zimbabwe, 1 out of every 5 adults is infected with HIV/AIDS, and an estimated 1,400 people die every week from AIDS. In South Africa, an estimated 3.6 million people are infected with the HIV/AIDS.

A 1999 Census Bureau report states that the average life expectancy in Botswana, malawi, Swaziland, Zambia and Zimbabwe fell from approximately 65 years of age to 40 years of age. This represents the lowest life expectancy rates in the world and is largely due to the mortality rates from HIV/AIDS.

In April, I had the opportunity to participate in a Presidential Delegation to Southern Africa to examine the growing crisis of African children orphaned by AIDS. These children now total 7.8 million and are estimated to reach 40 million by 2010. The 1999 annual report by the United Nations Children's Fund tells us, and I couldn't agree more, that "the number of orphans, particularly in Africa, constitutes nothing less than an emergency, requiring an emergency response" and that "finding the resources needed to help stabilize the crisis and protect children is a priority that requires urgent action from the international community."

Not only do we have a moral imperative to address this epidemic, but it is in our own best interest to do so. HIV/AIDS in Africa is more than a humanitarian crisis, it is an economic crisis, crippling Africa's workforce in many areas and creating even greater economic instability where poverty is ever-present. For example, companies such as Barclays Bank and British Petroleum are now hiring two employees for each skilled job, assuming that one will die from AIDS. The Southern African AIDS Information Dissemination Service estimates that over the next 20 years, AIDS will reduce by one-fourth the value of the economies of sub-Saharan African countries. We cannot create successful and sustainable economic partnerships with African nations unless we address, in a substantial manner, the HIV/AIDS epidemic.

Additionally, HIV/AIDS poses serious national security concerns among the continent and globally. Perhaps the most stunning example is the 80 percent HIV infection rate of the military forces of Zimbabwe. Fledgling democratic nations, such as Nigeria, have yet to begin testing and educating their populations. Nigeria also has soldiers returning from peacekeeping operations in Liberia and Sierra Leone. If these soldiers are not tested and advised about the serious nature of their infections and educated about the risk they pose to others, we will be facing a whole new level of devastation from the epidemic.

Mr. Speaker, I am convinced that the United States must take the lead in developing an immediate and sustained response to this crisis in Africa and globally. It is in our own national interest to aggressively attack the HIV/AIDS crisis in Africa, just we have with other diseases such as small pox and polio. Communicable diseases know no boundaries. As the world gets smaller, we have an obligation to eradicate HIV/AIDS from the face of the earth to protect the world family from its devastating effects. To date our response as a nation to this global epidemic has been sorely inadequate. For this reason, today I am introducing the AIDS Marshall Plan Fund for Africa Act (AMFPA). The AIDS Marshall Plan will assist African governments and non-governmental organizations to combat and control AIDS by providing grant funding for HIV/AIDS research, education, prevention and treatment.

Specifically, this legislation creates the AMPFA Corporation that shall be a new United States government agency. The Corporation shall work in conjunction with the heads of appropriate federal agencies currently engaged in combating the spread of HIV/AIDS in Africa. The AMFPA Corporation shall be governed by a Board of Directors with the advice and guidance from an International Advisory Board made up of distinguished leaders with impeccable integrity and commitment to the health and well being of people throughout the world. The Corporation shall also consult with representatives from community-based African health, education and related organizations regarding the efficacy of providing grant funding in African countries.

The Corporation shall also create a public-private partnership by soliciting funds from private companies and donor nations—especially the G8 countries—to contribute significant resources to its grant making activities.

Mr. Speaker, I realize that accountability is a key issue in today's foreign assistance environment. Therefore, the Corporation shall create self-sufficiency requirements for grant recipients to ensure their programs become increasingly independent of AMFPA funding. Additionally, the Corporation shall create criteria for African governments to establish matching funds based upon ability to pay and to demonstrate a national commitment to combating HIV/AIDS by establishing, for example, a national HIV/AIDS council or agency.

Additionally, Mr. Speaker, the administrative costs, or overhead associated with the AMPFA Corporation, are mandated to be no more than 8 percent of the Corporation's overall budget. The AMPFA Act authorizes the appropriation of $200 million for each of the fiscal years 2001 through 2005. Also, for each of the fiscal years 2002 through 2005, the Act authorizes an appropriation to fund an additional amount equal to 25 percent of the total funds contributed to the Corporation.

Mr. Speaker, in a June 1999 lecture entitled "The Global Challenges of AIDS", United States Secretary General Kofi Annan stated that "no company and no government can take on the challenge of AIDS alone. What is needed is a new approach to public health—combining all available resources, public an private, local and global". It is my intent that the AIDS Marshall Plan for Africa serve as a replicable model for addressing this crisis globally. Already, this proposed legislation has received the support of over 40 Members of Congress and has caught the interest of the African diplomatic corps, African and African-American organizations, AIDS activists, and global health organizations that are interested in providing assistance to pass the legislation.

In closing, Mr. Speaker, I am committed to seeing this legislation through to final passage and encourage my colleagues to review the legislation and to contact me or my staff with questions. This bill will support Africa in a substantive and meaningful manner.

ABUSES BY STATE TAXING AUTHORITIES

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. WELLER. Mr. Speaker, I submit for the RECORD the following letter:

HON. DAVID WALKER,
Comptroller General of the United States,
Washington, DC.

DEAR MR. WALKER: I am writing to request an investigation by the United States General Accounting Office ("GAO") of alleged abuses by State taxing authorities against former residents.

As a Member of the Oversight Subcommittee of the House Ways and Means Committee, I spent significant time last year addressing the issue of taxpayer abuses by the Internal Revenue Service. As a result of our work, and Congressional and GAO investigations, many serious tax violations and wrongdoings were uncovered within the IRS. Last year, Congress held a series of hearings on the issue and addressed these serious problems by passing significant reforms and taxpayer protections as part of the "Internal Revenue Service Restructuring and Reform Act of 1998."

I am, therefore, disturbed to learn that while we addressed taxpayer abuses at the federal level, there may be just as many oppressive actions occurring throughout the country at the State level. A recent Forbes Magazine article entitled "Tax torture, local style" (July 6, 1998), highlights the fact that "[T]here are at least half as many revenue agents working for the states as the federal government" and "[C]ollectively, they are just as oppressive as the feds." See, Attached Article. In another recent article, the Los Angeles Times reported that the state taxing authority, the California Franchise Tax Board, "is second in size and scope only to the Internal Revenue Service—and by all accounts the state agency is the more efficient, more aggressive and more relentless of the two" and "there is little to stop the agency from becoming more aggressive." See, attached article, "State Agency Rivals IRS in Toughness," Los Angeles Times (August 2, 1999, page 1).

The Forbes article lists a number of state tax department problems including: (1) privacy violations by California, Connecticut, and Kentucky; (2) criminal or dubious activities by Connecticut, Indiana, Kentucky, New Mexico, North Carolina, Oklahoma, and Wisconsin; and (3) mass erroneous tax-due bills by Arizona, California, Indiana, Michigan, and Ohio. In addition, my office has recently received materials from taxpayers alleging abuse by State taxing agencies (e.g., materials from Mr. Gil Hyatt alleging a number of abuses by the California Franchise Tax Board ("FTB") against former residents of the State of California). See, Attachment.

I believe this issue is important and deserves study and a full investigation by the GAO. Should taxpayer abuses exist at the State level against former residents, I would consider recommending any and all appropriate legislation to address these deplorable activities and encourage State's Attorney Generals to begin separate investigations into such actions. We should do whatever we can to protect the rights of our citizens against overzealous Federal or State tax agencies.

I look forward to working with you and your staff on this important investigation.

Sincerely,

JERRY WELLER,
Member of Congress.

STATE TAXING AGENCIES ARE ABUSING FORMER TAXPAYERS IN VIOLATION OF THE CONSTITUTION

THE WIDESPREAD ABUSE

When Congress passed the Internal Revenue Service Restructuring and Reform Act of 1998, an era of tyranny at the IRS came to an end. Congressional hearings revealed story after story of taxpayer abuse by the IRS. The stories of abuse so inflamed the public and Congress that sweeping reform soon followed. But taxpayers abuse is still as prevalent as ever—only the perpetrators of this abuse are the state taxing agencies. In its rush to reform the IRS, Congress overlooked a whole other level of taxpayer abuse at the state level. This type of abuse by state taxing agencies has received attention from the press. In the article "Tax torture, local style," William Barrett discusses the "extortion," "sweepingly false declarations of taxes," "false notices," "[p]rivacy violations," and "criminal or dubious activities" by state taxing agencies. (William Barrett, *Forbes*, July 6, 1998). Many states have resorted to the same type of abusive tactics for which their federal counterpart—the IRS—was reprimanded by Congress.

In many cases, a state taxing agency has even exceeded the IRS in its recklessness and abusiveness. In a front-page LA Times article entitled "State Agency Rivals IRS in Toughness", Liz Pulliam compares the FTB unfavorably with the IRS—"the Franchise Tax Board is second in size and scope only to the Internal Revenue Service—and by all accounts the state agency is the more efficient, more aggressive and more relentless of the two". (Liz Pulliam, "State Agency Rivals IRS in Toughness", L.A. Times, August 2, 1999, at A1). She also quotes Mr. Dean Andal, a former FTB Board member, who criticizes the FTB as "brutal" and "hard and sometimes arbitrary" and states that "there is little to stop the agency from becoming more aggressive" (Pulliam, *supra*).

States are particularly abusive towards former residents who have moved to another state. Moving to another state is a common occurrence in the U.S., where citizens have the constitutional right to travel to and establish residency in any state in the United States. In 1996, Congress passed legislation which prevents states from taxing the pensions of retirees living in other states. This congressional legislation illustrates the need for federal intervention in order to prevent states from overreaching in their pursuit of tax revenue. Unfortunately, this action by Congress only focused on one small avenue in which states illegally pursue nonresidents for additional taxes. Another tactic is to assess a tax on citizens leaving the state by contesting when the former resident moved out of the state. Years after a citizen has relocated to another state, the state taxing agency will open a "residency audit" to extort a former resident.

THE ABUSE EXEMPLIFIED: THE CALIFORNIA FRANCHISE TAX BOARD

The abusive taxing tactics used by states is best illustrated by the California Franchise Tax Board (FTB), as indicated in the LA Times article *supra:*

"[The FTB] is tainted by arrogance and a stubborn unwillingness to compromise."

"For two years in a row, corporate tax executives have ranked California's [FTB] among the toughest, least fair and least predictable state tax agencies in the country."

STATE IS RANKED MOST AGGRESSIVE

Many corporate taxpayers agree. In both 1997 and 1998, company tax executives ranked California at the top of a 'worst offenders' list compiled by CFO magazine to rate the tax agencies of the 50 states . . . The state [California] was described as among the least predictable in administering tax policy and among the most likely to take a black-and-white stance on unclear areas of tax law. (Pulliam, *supra*).

The FTB particularly targets for abuse Nevada residents who formerly resided in California. The FTB agents are well trained in targeting such nonresidents. For example, the FTB targets wealthy and famous people living in gated affluent communities of Las Vegas. Agents develop a list of potential victims compiled from property rolls, tax records, and newspaper accounts. This list is supplemented by trips into the wealthy neighborhoods of Las Vegas in order to survey former California residents. Wealthy and famous individuals are the preferred targets because they are particularly vulnerable to threats of violating their privacy and causing them bad publicity. The FTB then audits the victim's financial and personal affairs. This includes agents making periodic trips across state lines in order to secretly survey victims. The agents trespass onto the victim's property, record the victim's movements, and even probe the victim's garbage and mail all while making sure to avoid contact with the victim. All of this is done stealthily, without the knowledge of the Nevada authorities. If the agents are caught in the act, they falsely claim immunity for their auditing tactics under color of authority and they claim a false constitutional right to collect taxes in Nevada—all while violating the constitutional rights of their victims and the sovereignty of Nevada. This is not a legitimate investigation, but a covert operation to uncover private information for what is best characterized as extortion of the victim.

The FTB hires inexperienced and unsuccessful recruits as auditors. Many of these auditors are untrained and unsupervised. They are given training manuals that they do not study. The training materials are illustrated with such sadistic cartoons as a skull-and-crossbones on the cover of the penalties section (which is to illustrate how to pirate an additional 75% override on the tax assessment). They have little or no legal background or training and do not know nor do they care about the victim's Constitutional rights. They except legal cliches and case law from other audits and insert them throughout their workpapers indiscriminently. They mimic comments that they read that supports the FTB's position and they ignore information about supports the victim's position. Some auditores are so inept that they actually use pseudonyms from "boilerplate" and training manuals audits (e.g., Marie Assistant) in their own audits because they do not understand such an obvious step as the need to replace the pseudonyms in the "boilerplate" audits with the actual names of the individuals in the particular case under audit. These are the kind of people that California has charged with the awesome power of auditing taxpayers—"the power to tax is the power to destroy."

The FTB gathers large quantities of private information about the victim during the audit. The FTB goes to the victim's adversaries, who are not privy to the victim's private information, and offer them a way to help dispose of their adversary, the FIB's victim, by concocting damaging victims evidence against the FTB's victim. A bitter ex-spouse or ex-girlfriend, an estranged relative, or a vengeful former employee are preferred. The FTB avoids contacting the victim's friends, and close relatives who are privy to the victim's private information because such witnesses would undermine the FTB's attack on the victim. The FTB has actually sent out intimidating and harassing letters to the victim's friends, colleagues, and business associates and has even gone so far as to audit these people apparently to intimidate and harrass them, to isolate the victim, and to deprive the victim of the support that he or she needs at such a crucial time. The FTB's apparent intent is to have the victim embattled by adversaries and separated from supporters. "They tend to look at every audit as a battle. In the gray areas, they push the evelope rather than work out a reasonable compromise." (Pulliam, *supra*).

The FTB auditors boldly admit to emphasizing bad evidence for the taxpayer and ignoring good evidence for the taxpayer. In one of the FTB's largest residency audits, the auditor trumped-up a large assessment with penalties based on false affidavits from the victim's adversaries while completely ignoring all of the victim's close relatives, friends, and associates. Also in this same audit, the auditor relied on about the fifty false California connections while ignoring a thousand solid Nevada connections and preempted submission of thousands-more solid Nevada connections by the victim. Even more significant, the thousands of Nevada connections involved thousands-of-times more value (purchase offers on custom homes,

The California Legislature was so suspicious of and concerned about the FTB that it passed the Taxpayer's Bill of Rights statute, which among other things, forbids the FTB from evaluating employees based upon revenue collected or assessed or upon revenue collected or assessed or upon production quotas. The law also states that the head of the FTB must certify in writing annually to the California State Legislature that the FTB has not evaluated employees based upon revenue collected or assessed or quotas. But this certification is misleading since, by an indications, promotions and rewards still go to those FTB employees who bring in the most revenue. And quotas by different names abound in the FTB. Once FTB employee rapidly progressed from a low-ranking auditor to a high-prestigage position for making one of the FTB's largest residency assessments ever. FTB auditors must generate over $1,000 of revenue for every hour charged to an audit. A quota system is indicated in the LA Times article *supra*: "The agency [FTB] added 362 auditors between 1992 and 1996, promising the legislative that the new positions would boost collections."

Furthermore, there is little supervising of FTB auditors. Instead, this type of auditing and tax collection appears to be encouraged by management. The FTB claims to have layers of review in order to ensure accuracy and fairness; however, these layers actually proliferate the fraud of the FTB auditors. The auditor's supervisors do not get involved in the audits, instead relying completely on an auditor's self-serving narrative report in reviewing an audit without any regard for the victim's evidence or arguments. Unbelievably, FTB auditors and management get credit for assessments and get promotions and rewards immediately after the audit even though the assessments may never be collected at all and any collection may be decades away. This encourages excessive tax assessments for immediate promotions and rewards, but the feedback that it was a bad audit may be more than a decade away.

The legal department gets involved in reviewing penalties, but indications are that the lawyers encourage unwarranted penalties to force a settlement rather than provide an independent review. This is confirmed by the fact that the FTB audit and protest proceedings are expressly exempted from the California administrative proceedings act to permit the FTB to proceed in violation of the victim's Constitutional right to due process. The FTB implies that the "protest‘ proceeding is an independent review of an objective protest officer, when it fact it is a contination of the investigation to gather more information, to attempt to force the victim into an extortionate settlement, and to prepare the FTB's case for any appeal by the victim to the next stage of the administrative proceeding. The victim tells his case to a wolf-in-sheep's-clothing, misleading the victim into presenting his or her case to an independent reviewer when in fact the protest officer is an important part of the FTB's abuse. The FTB's denial of due process to a victim under the sham that the audit and the protest are merely investigations is untenable and will be easily declared unconstitutional when challenged. The FTB has deprived victims of their Constitutional rights for too long.

THE FTB'S PLOT—FALSIFY THE OFFICIAL RECORDS

By contesting the residency of former California residents who have moved from the state, the FTB assesses additional taxes on money earned *after* the former resident moved from California. This type of treatment of nonresidents is a blatant violation of the victim's Constitutional right to move between states. Despite overwhelming evidence to the contrary from the victim, the FTB will often allege a residence date that allows it to encompass as much additional tax revenue as possible. In order to support its outlandish residency date, the FTB will disregard the victim's substantial Nevada connections, will overly emphasize and rely upon minimal (and often erroneous) California connections, will distort Nevada connections into California connections, and will devise nonexistent California connections.

The FTB maintains, for example, that a six-month lease on an apartment in Nevada and opening escrow on a custom home purchased in Nevada are not Nevada residency connections. The FTB has gone so far as to actually maintain that, for purposes of residency, a former California resident can only claim to have resided in a Nevada apartment if: 1) the apartment complex has security gates, 2) the apartment is left "trashed" after moving out, 3) the apartment managers can provide information on the movements of the tenant (even after several years have passed since the tenant lived there), and 4) poor people do not reside in the apartment complex.

Furthermore, the FTB maintains that a former California resident is only permitted to sell a California house to a stranger and that a former California resident is only permitted to reside in a Nevada house if he can prove the Nevada house was not purchased for investment or appreciation and only if the Nevada house has security gates. The FTB asserts that California voter registration and obtaining a California driver's license are significant California residency connections, but disregards the same actions when taken in Nevada as mere formalities that are easy to do and not relevant to the issue of Nevada residency despite the FTB's own regulations and decades of case law to the contrary. All of these holdings can be found in the FTB's own audit files.

Unbelievably, the FTB relies on the following considerations as supporting California residency:

An overnight stay in a California motel is a California residency connection while a six-month lease on an apartment in Nevada is not a Nevada residency connection.

A bank account in a Nevada bank is a California residency connection because the Nevada bank also has a California branch.

A mail-order purchase made from Nevada to a California mail order provider for delivery of merchandise to a Nevada home is a California residency connection even though the mail order purchase was made from Nevada by a Nevadan and was delivered to a Nevada address.

This type of California mail-order purchase is a sham purchase because, the FTB argues, the Nevadan could have bought the product in Nevada and saved the cost of freight.

The FTB uses circular reasoning by concocting a late Nevada residency date and then alleging that purchases made in Nevada *after* the concocted Nevada residency date are California residency connections for the period *before* this concocted Nevada residency date in order to attempt to support this date.

Actual Nevada receipts are not Nevada connections while false California receipts that the FTB concocts are California connections.

A credit-card purchase made in Nevada for use in a Nevada house is a California residency connection if the credit-card charge, unknown to the Nevadan, is cleared through a California credit-card office.

A California driver's license, surrendered to the Nevada DMV upon obtaining a Nevada driver's license, is a California residency connection because the surrendered California driver's license had not yet expired while the Nevada driver's license is not a Nevada residency connection because it is easy to get.

Gifts sent by a Nevadan to an adult child or a grandchild living in California constitutes a California residency connection.

Checks drawn on a Nevada bank are California residency connection even though the checks were written in Nevada by a Nevada resident to Nevada workers for work done on a Nevada house and where the checks were even cashed in Nevada; and a regulated investment company open-ended fund (a mutual-fund money-market account) was deemed by the FTB auditor to be a California bank account constituting a California residency connection and a basis for a fraud determination even though the FTB Legal branch gave a legal opinion stating that the regulated investment company is not a bank and normally not a California residency connection.

This is only a partial list of the kind of absurd considerations that the FTB will use to rationalize its residency determinations. Such far-fetched and concocted California connections are what the FTB relies upon to support its residency determinations—the FTB must make the most of what it has available and what it can concoct in order to extort California income taxes from nonresidents.

CELEBRATING THE SERVICE OF MS. EMILY AMOR

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. HALL of Ohio. Mr. Speaker, I rise today to recognize a wonderful woman and exemplary citizen of the District of Columbia. Ms. Emily A. Amor is now 96 years old and has just been named the "Volunteer of the Century" by the Central Union Mission. She has been an active volunteer for almost 20 years.

Her dedication to God, to her country and to those in need has been proven through a lifetime of service. She has served by praying, working and volunteering. Her commitment has led her to join me every Wednesday morning at 7 am to pray for the city of Washington, DC, its leaders and its residents. She has served meals to the homeless on every major holiday for years. And before retiring at age 70, she worked with the Department of Housing and Urban Development.

She is truly an amazing example of a selfless servant. She has a heart-felt compassion for others, especially those who are poor and hurting. Her life has truly exemplified Jesus Christ's example of loving one's neighbor, no matter who they might be. I only hope that I can have half as much life in me as she does when I reach age 96.

I ask my colleagues to join me in commending Emily for all of her great work. I am glad to be able to call her a friend and am humbled by her servant's heart. I wish her the best for many years to come.

THE NUCLEAR WEAPONS DE-ALERTING RESOLUTION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. MARKEY. Mr. Speaker, 54 years ago tomorrow a single bomb in a single city changed our world. The atomic bomb dropped on Hiroshima leveled the city, engulfed the rubble in a fireball, and killed 100,000 people. Three days later another 70,000 people died at Nagasaki, and people are still dying today from leukemia and other remnants of those explosions.

The victims of Hiroshima cast shadows from the explosion's blinding light that were permanently etched not only in the remaining buildings but also in our souls. Since August 6th, 1945 we have lived in fear that such nuclear destruction would happen again, perhaps in the United States. Today, the accidental launch of a single missile with multiple warheads could kill 600,000 people in Boston, or 3,000,000 people in New York, or 700,000 people in San Francisco or right here in Washington, DC. If that missile sparked a nuclear exchange, the result would be worldwide devastation.

For 40 years of Cold War we played a game of nuclear chicken with the Soviet Union, racing to make ever more nuclear bombs, praying that the other side would turn aside. During the Cuban missile crisis and many other times we came perilously close to going over the cliff. Then in 1991 the Cold War and the Soviet Union ended. Yet today we not only keep hundreds of nuclear missiles with nowhere to point them, we keep many of them ready to fire at a moment's notice.

This threat from this "launch-on-warning" policy is real. On January 25, 1995, when Russia radar detected a launch off the coast of Norway, Boris Yeltsin was notified and the "nuclear briefcase" activated. It took eight minutes—just a few minutes before the deadline to respond to the apparent attack—before the Russian military determined there was no threat from what turned out to be a U.S. scientific rocket. The U.S. is not immune: on November 9, 1979 displays at four U.S. command centers all showed an incoming full-scale Soviet missile attack. After Air Force planes were launched it was discovered that the signals were from a simulation tape.

And the danger of an accidental nuclear war is growing. The Russian command and control system is decaying. Power has repeatedly been shut off in Russian nuclear weapons facilities because they couldn't afford to pay their electricity bills. Communications at their nuclear weapons centers have been disrupted because thieves stole the cables for their copper. And at New Year's the "Y2K" bug in computers that are not programmed to recognize the year 2000 could cause monitoring screens to go blank or even cause false signals.

There is no reason to run the terrible risk of an accidental nuclear war. It is hard today to imagine a "bolt out of the blue" sudden nuclear attack. And even if the U.S. was devastated by an attack, the thousands of nuclear warheads we have on submarines would survive unscathed. Keeping weapons on high alert is an intemperate response to an implausible event.

Mr. Speaker, it is time to take a large step away from the brink of nuclear war, to take our nuclear weapons off of hair-trigger alert. Today I an introducing a resolution that expresses the sense of Congress that we should do four things:

We should immediately remove some nuclear weapons from high alert.

We should study methods to further slow the firing of all nuclear weapons.

We should use these unilateral measures to jump-start an eventual agreement with Russia and other nuclear powers to take all weapons off of alert.

And we should quickly establish a joint U.S.-Russian early warning center before the Year 2000 turnover.

These are not new or radical ideas. President George Bush in 1991 ordered an immediate standdown of nuclear bombers and took many missiles off of alert. President Gorbachev reciprocated a week later by deactivating bombers, submarines, and land-based missiles. Leading security experts including former Senator Sam Nunn, former Strategic Air Command chief Gen. Lee Butler, and a National Academy of Sciences panel have endorsed further measures to take weapons off of high alert. Two-third of Americans in a 1998 poll support taking all nuclear forces off alert, and this week I received a petition signed by 270 of my constituents from Lexington, MA calling on the President to de-alert nuclear missiles.

I urge my colleagues to join together to cosponsor this resolution. The best way we can commemorate the anniversary of the nuclear explosion at Hiroshima is to make sure we will never blunder into an accidental nuclear holocaust.

INTRODUCTION OF LEGISLATION

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. PICKERING. Mr. Speaker, I rise today to address one of the many reforms I believe are necessary to improve the administrative processes of the Federal Communications Commission (FCC). The issue that I believe needs to be addressed immediately relates to the proliferation of merger activity in the telecommunications industry.

Since passage of the Telecommunications Act of 1996, the industry has seen massive upheaval as companies try to position themselves for the new Information Age economy. Many of these companies are attempting to combine their strengths to better position themselves to compete in a deregulated marketplace. One of the problems these companies have faced recently is the regulatory uncertainty of the FCC's merger review process.

As we all know, the telecommunications industry is one of the key driving forces of our economy. As such, we in the Congress need to ensure that unnecessary government intervention doesn't cause needless delay in bringing new and innovative products to the market. Even more so, we must ensure that the business community is not competitively disadvantaged by an endless regulatory review process.

Whenever a company is required to seek approval of the government, there is some uncertainty, particularly as it relates to the length of merger review. My bill is narrowly crafted to remedy this situation. My bill would require the FCC to approve or deny a merger application within 60 days of being on public notice, the FCC can extend this by 30 days with a majority vote by the Commissioners. When reviewing mergers or acquisitions by small- or mid-sized companies the time frame is limited to 45 days with no extensions. It's that simple—no delays, no foot-dragging.

When Congress passed the Telecommunications Act of 1996, the Congress imposed a variety of time constraints on the FCC. I believe that many of us who were involved in that process did not think that we would subject the business community to these lengthy and uncertain delays at the FCC. One of the biggest problems that some of my constituents have raised with me is not knowing if a merger will take 3 months, 9 months or even 16 months. There is simply no logic or rationale to the FCC's lengthy process.

The uncertainty of the regulatory process can have devastating effects on both large and small companies. This potential for lengthy reviews can force companies to miss product roll-outs, miss a window of opportunity to raise venture capital, and at times has been manipulated by competitors to forestall a decision by the agency. We simply cannot allow these scenarios to continue.

This legislation will do what all legislation should do—it requires the processes of government to work for the community they are meant to serve. Giving a definite time period for reviewing a merger will allow companies to better plan their entries into new markets. It will give Wall Street more certainty in making investment decisions. And finally, it will remove the oftentimes subjective nature of the review process and require the agency to reach a decision in a fair and efficient manner.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TIME LIMITS ESTABLISHED.

Title IV of the Communications Act of 1934 is amended by adding after section 416 (47 U.S.C. 416) the following new section:

"SEC. 417. TIME LIMITS FOR COMMISSION ACTIONS.

"(a) PUBLIC INTEREST DETERMINATIONS.—

"(1) DEADLINE FOR ACTION.—The Commission shall make a determination with respect to the public interest, convenience, and necessity in connection with any application for the transfer or assignment of any license under title III, or with respect to an application for the acquisition or operation of lines under title II, not later than 60 days after the date of submittal of such application to the Commission, except as provided in paragraphs (2) and (3).

"(2) EXTENSION.—The deadline for such determination may be extended for a single additional 30 days by order of the Commission approved by a majority of its members.

"(3) SHORTER DEADLINE FOR CERTAIN ACQUISITIONS INVOLVING SMALL LOCAL EXCHANGE CARRIERS.—In connection with the acquisition, directly or indirectly, by one local exchange carrier or its affiliate of the securities or assets of another local exchange carrier or its affiliates where the acquiring carrier or its affiliate does not, or by reason of the acquisition will not, have direct or indirect ownership or control of more than 2 percent of the subscriber lines installed in the aggregate in the United States—

"(A) the deadline under paragraph (1) shall be 45 days after the date of submittal of the application; and

"(B) the deadline shall not be subject to extension under paragraph (2).

"(b) Approval Absent Action.—If the Commission does not approve or deny an application described in subsection (a) by the end of the period specified in such subsection (including any extension thereof permitted under subsection (a)(2)), the application shall be deemed approved on the day after the end of such period. Any such application deemed approved under this subsection shall be deemed approved without conditions."

SEC. 2. EFFECTIVE DATE.

(a) IN GENERAL.—The amendment made by section 1 shall apply with respect to any application described in section 417(a)(1) of the Communications Act of 1934 (as added by this Act) that is submitted to the Federal Communications Commission on or after the date of enactment of this Act.

(b) PENDING APPLICATIONS.—With respect to any application pending before the Federal Communications Commission for more than 60 days as of the date of enactment of this Act, the Commission shall approve or deny such application with or without conditions within 30 days after such date of enactment. If the Commission fails to approve or deny such applications within such 30-day period, such pending applications shall be deemed approved without condition. Section 417(a)(2) of the Communications Act of 1934 (as added by this Act) shall not apply to such pending applications.

BUSINESS, MILITARY AND COMMUNITY LEADERS MAKE GOOD SENSE ON DEFENSE SPENDING

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. FRANK of Massachusetts. Mr. Speaker, one of the most important issues we face today is how to adequately meet important social needs at a time when a majority in Congress unfortunately insists on large yearly increases in military spending while also operating under the budget caps of the 1997 budget act. Our national policy continues to mistakenly spend huge amounts of money defending ourselves and the rest of the world from a military threat that has greatly receded, at the expense or a number of other important social and economic goals of our society.

I commend Business Leaders for Sensible Priorities for its thoughtful leadership on educating the public about the important of redirecting American resources away from the military in order to appropriately respond to the legitimate needs of Americans. I ask that three sets of recent statements by national security experts Admiral Stansfield Turner (US Navy ret.) and Vice Admiral Jack Shanahan (USN-ret.); social advocacy leaders Marian Wright Edelman, President of the Children's Defense Fund, and Bob Chase, President of the National Education Association; and business leaders Bruce Klatsky, chairman & CEO of Philips—Van Heusen, and Mohammad Akhter, executive director of the American Public Health Association, which appeared in the New York Times under the auspices of Business Leaders for Sensible Priorities, be inserted into the RECORD. These commentaries do a good job outlining how our national security would in no way be endangered by a lower defense budget and the socially constructive ways in which the savings generated by such a reduction could be directed.

[From the New York Times, August 1, 1999]

If My Business Used Pentagon Accounting Practices, I'd Be Sent to Jail

(By Bruce Klatsky)

A 1995 General Accounting Office analysis revealed that the Pentagon's financial books can't account for $43 billion in payments made to defense contractors. The New York Times reported two weeks ago that the Pentagon "defied the law and the Constitution by spending hundreds of millions on military projects that lawmakers never approved." The Los Angeles Times reported last month that $5.5 million was diverted from the Pentagon's operating budget to refurnish the residences of Navy brass.

If my publicly-traded, SEC-regulated company handled our finances this way I'd be facing jail time.

It's not just that taxpayer funds are being wasted, but my business experience in allocating scarce resources tells me that a dollar can only be invested once. Those billions squandered by Pentagon bureaucrats are unavailable for programs that really build national security, and not just appropriate military needs but our education and health care too. The savings from reducing military waste are there. To get a copy of our alternative defense budget, showing how America can trim 15% of the Pentagon budget or $40 billion every year, call us at the number below or download it from our web site.

[From the New York Times, August 1, 1999]

If We Invested More in Health Care, We'd Save Lives

(By Mohammad Akhter)

Thankfully, the Cold War is over. Challenges to America's national security now come mainly from within: violence, drug abuse and people without access to health care all pose serious threats to our nation's health. Today's U.S. economy is the strongest in recent memory, but we are neglecting critical health problems that will increase the burden of disease on the next generation.

America needs to change its priorities. Wise investments in public health programs provide handsome returns in good health and prosperity. Here's where some of the unaccounted for Pentagon money should have gone for real investment:

As a step towards covering all Americans, we should provide health insurance for the 11 million American children who don't have it costing $11 billion annually.

It would cost $644 million to fully immunize the children who will be born next year.

All women could be assured of screening for breast and cervical cancer for just over $1 billion.

We could rebuild the nation's system of disease detection, protecting Americans from diseases such as flu and foodborne illness as well as possible bioterrorist attacks for $1.3 billion.

Those sound public health investments would pay real dividends in communities across America. The future depends on the choices we make today. Shifting our priorities from Pentagon waste to unmet health needs will save lives, and assure good health for this and the next generation.

[From the New York Times, July 30, 1999]

Why Should We Pay for Nuclear Weapons We Do Not Need?

(By Admiral Stansfield Turner, U.S. Navy, ret.)

Last week, the House of Representatives voted to cancel the $64 billion F-22 fighter aircraft program because America doesn't need such an expensive weapon. The same criteria that led the House to scuttle that Cold War holdover should lead to canceling other unnecessary weapons programs.

There's more in the Pentagon's budget to cut, and invest in Sensible Priorities. Case in point: We spend over $30 billion each year maintaining a nuclear arsenal at a level of close to 12,000 nuclear warheads. A very much smaller, 1,000-warhead force would still provide the destructive force of 40,000 Hiroshima explosions. That would surely be enough to protect America from any security threat. Such a reduction would save as much as $17 billion annually.

The United States must maintain the world's strongest armed forces, but that does not mean we should spend money on weapons we couldn't possibly use. Besides large savings on nuclear weapons, there are other ways to cut waste or trim excesses in the Pentagon's budget without jeopardizing our national security. Business Leaders for Sensible Priorities has developed suggestions for reducing the defense budget by 15%, or $40 billion yearly. To get a copy, call the number below or download it from our website.

Our children and grandchildren deserve to inherit a strong America, but one that is strong in education, health care, equality of opportunity and quality of life, as well as military power.

[From the New York Times, July 30, 1999]

Why Can't We Afford To Modernize Our Schools?

(By Bob Chase)

Nothing is more important for our nation's future than a high quality education for America's children. Educators know that students learn best in safe and modern schools, equipped with the latest technology.

However, according to the U.S. General Accounting Office, America's public schools need $112 billion for repair and modernization. This is no surprise. The average school building in America is 50 years old.

Unfortunately, some in Congress are choosing to ignore this dire need. That puts our nation and our children at risk. Record student enrollment and the demands of a 21st Century workforce make investing in education a national imperative.

Other nations fund the education of their children at significantly higher levels than we do. Let's make our children's education our number one priority. Kids deserve a bigger slice of the budget "pie," and they should get it. One future depends on it.

[From the New York Times, July 28, 1999]

I Know Something About National Security

(By Vice Admiral Jack Shanahan, U.S. Navy Ret.)

Not every new weapon increases our nation's military strength. Some even weaken us. The F-22 fighter jet is just such a weapon.

So congratulations to the House of Representatives for voting last week to halt the F-22 program. The House got it right, America doesn't need this plane to maintain unquestioned air superiority.

There's a lot more waste in the Pentagon budget besides the $64 billion F-22. The same prudence the House showed scrapping that wasteful program should also be applied to other unnecessary weapons programs. An analysis by Lawrence Korb, former assistant secretary of defense under President Reagan, shows how to trim the Pentagon budget 15%—about $40 billion annually—while maintaining the world's strongest armed forces. To get a copy of Dr. Korb's report, call the number or go to the website listed below.

Having served 35 years in uniform through three wars, I know what makes America strong. It's not just weapons. National security is also about investing in education and healthcare that make our people strong.

[From the New York Times, July 28, 1999]

We Know About Helping Children Grow Up Healthy

(By Marian Wright Edelman)

Our nation's strength is in our people, and our "national security" should be measured by how we invest in children.

Is it fair that the richest nation in the world has over 14 million children living in poverty and more than 11 million without health insurance? Is it fair that one million children eligible for Head Start cannot get in, or that only about one child in ten receives child care assistance?

By curbing military spending, we can free up money for vital, unmet needs like providing health insurance for all uninsured children. For the cost of each F-22 jet fighter, we could provide child care spaces for 50,000 more children.

Health care and early education are crucial for children. Countless studies show that healthy children are more likely to stay in school, stay out of trouble, and get on the path to productive lives. Head Start and child care programs prepare children for school and help their parents work. At the same time Congress debates spending more money for new weapons, it will have a chance to vote on whether to invest more dollars in child care. I hope they make the right choice.

LA LECHE LEAGUE INTERNATIONAL

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today to recognize La Leche League International (LLLI), the World Alliance for Breastfeeding, National Breastfeeding Month, August 1999, and World Breastfeeding Week, August 1–7, 1999. The theme for World Breastfeeding Week this year is Breastfeeding: Education for Life, sponsored by LLLI and WABA. World Breastfeeding Week is part of WABA's ongoing campaign to increase public awareness of the importance of breastfeeding. LLLI is a founding member of WABA's global alliance of health care providers, non-governmental organizations, and mother support groups.

This week, all over the world, people will be participating in the World Walk for Breastfeeding, organized by La Leche League International, an international nonprofit organization that provides breastfeeding information and encouragement through mother-to-mother support groups and interactions with parents, physicians, researchers, and health care providers. LLLI reaches over 200,000 women monthly in 66 countries.

This year's World Walk for Breastfeeding will be the ninth annual walk, and my community of the Greater Kansas City area will be participating through twelve local La Leche groups. The Walk is a fundraiser for LLLI, and a portion of the money raised will stay with the local groups to fund their outreach and support activities.

Breastfeeding has been identified by the U.S. Surgeon General as a high priority objective for the year 2000, with the goal of increasing to at least 75 percent the proportion of mothers who breastfeed their infants in the early postpartum period and to at least 50 percent those who breastfeeding until the infant is six months of age. All available knowledge indicates that human milk optimally enhances the growth, development, and well being of the infant by providing the best possible nutrition, protection against specific infection and allergies, and the promotion of maternal and infant bonding. Further, breastfeeding is economical and promotes healthier mothers, and it benefits society through lower health care costs for infants, a healthier workforce, stronger family bonds, and less waste.

August 1 makes the ninth anniversary of the signing of the Innocenti Declaration on the Protections, Promotion, and Support of Breastfeeding which was adopted in 1990 by 32 governments and 10 United Nations Agencies. This Declaration states: AS a global goal for optimal maternal and child health and nutrition, all women should be enabled to practice exclusive breastfeeding and all infants should be fed exclusively on breast milk from birth to four to six months of age. Thereafter, children should continue to breastfeed while receiving appropriate and adequate complementary foods for up to two years of age or beyond. This child feeding ideal is to be achieved by creating an appropriate environment of awareness and support so that women can benefit in this manner.

Mr. Speaker, please join me in celebrating National Breastfeeding Month and World Breastfeeding Week, and let us lend our support to this global effort to nurture our infants and provide them with the best possible nutrition in the first months of their lives.

TRIBUTE TO INDIA'S INDEPENDENCE

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. PALLONE. Mr. Speaker, I rise tonight to join with the people of India and the Indian-American community to commemorate India's Independence Day. The 52nd anniversary of India's Independence will actually occur on August 15th, while Congress is in recess, so I wanted to take this opportunity tonight, before we adjourn, to mark this important occasion before my colleagues in this House and the American people.

On August 15, 1947, the people of India finally gained their independence from Britain, following a long and determined struggle that continues to inspire the world. In his stirring "midnight hour" speech, India's first Prime Minister, Jawaharlal Nehru, set the tone for the newly established Republic, a Republic devoted to the principles of democracy and secularism. In more than half a century since then, India has stuck to the path of free and fair elections, a multi-party political system and the orderly transfer of power from one government to its successor.

India continues to grapple with the challenges of delivering broad-based economic development to a large and growing population. Indeed, today's New York Times reports that India's population is expected to reach one billion in about 10 days. India has sought to provide full rights and representation to its many ethnic, religious and linguistic communities. And India seeks to be a force for stability and cooperation in the strategically vital South Asia region. In all of these respects, India stands out as a model for other Asian nations, and developing countries everywhere, to follow.

This year, we have seen that India faces serious challenges from outside forces intent on destabilizing the democracy that India's founders dreamed of and that successive generations of Indians have worked to build. Armed militants, operating with the support of Pakistan, crossed over onto India's side of the Line of Control in Kashmir. India's armed forces responded to this incursion in a firm but restrained manner. At the same time, India has sought to resolve its differences with Pakistan in a peaceful way, through bipartisan negotiations.

Mr. Speaker, next month, India will once again demonstrate its commitment to democracy for all the world to see, as it conducts Parliamentary elections. As in past years, hundreds of millions of men and women from all across India—Hindus, Muslims, Buddhists, Jains, Christians—will cast ballots, choosing from candidates representing a diverse array of political parties. I am confident that the elections will be free and fair, as they have been in past years. Whichever party will form the new government, I am confident that they will continue to build on the dream of India's first Prime Minister Nehru to move forward on the path of representative democracy and economic development.

There is a rich tradition of shared values between the United States and India. We both proclaimed our independence from British colonialism. India derived key aspects of its Constitution, particularly the statement of Fundamental Rights, from our own Bill of Rights. It is well known that Dr. Martin Luther King derived many of his ideas of non-violent resistance to injustice from the teachings of Mahatma Gandhi. That commitment to the use of peaceful means to overthrow tyranny has been emulated by such diverse world leaders as Nelson Mandela and Lech Walesa.

Today, the National Capital Planning Commission here in Washington approved a small park with a memorial to Mahatma Gandhi across from the Indian Embassy on Massachusetts Avenue in Washington, D.C., known as Embassy Row. Last year, this House approved legislation co-sponsored by myself and the Gentleman from Florida, Mr. McCollum, authorizing the Government of India to establish the memorial. The proposed Gandhi Memorial will be a most worthy addition to the landscape of our nation's capital, and it won't cost the American taxpayers anything to construct it.

Another extremely important link between our two countries, a human link, is the more than one million Americans of Indian descent. I have the honor of representing a Congressional district in Central New Jersey with one of the largest Indian-American communities in the country. Increasingly, my colleagues in this House, Democrats and Republicans from all regions of the country, have indicated to me that their Indian-American constituents are playing increasingly prominent roles in all walks of life.

Another way in which India and America continue to grow closer is through increased economic ties. The historic market reforms begun in India at the beginning of this decade continue to move forward, offering unparalleled opportunities for trade, investment and joint partnerships—all of which include a human dimension of friendship and cooperation, in addition to the economic benefits for both societies.

Mr. Speaker, for more than a year, United States-India ties have been strained over the issue of nuclear testing, and the subsequent imposition of unilateral American sanctions against India. There is a growing bipartisan effort in Congress, and within the Administration, to lift these sanctions, which have not advanced United States interests and have only served to set back the growing United States-India relationship.

Just this week, we witnessed a debate in this chamber as an amendment to the Foreign Operations Appropriations bill was proposed to cut aid to India, in a purely punitive gesture. The amendment was subsequently withdrawn, after one Member of Congress after another rose to oppose the amendment and to argue for a strengthened United States-India relationship.

Mr. Speaker, there are indications that President Clinton will visit India and other countries in the South Asia region early next year. It's been 20 years since a United States President last visited India, so I think such a visit is long overdue.

Just a few weeks ago, we Americans celebrated the Fourth of July. For a billion people in India, one-sixth of the human race, the 15th of August holds the same significance. I am proud to extend my congratulations to the people of India, citizens of the world's largest democracy, as they celebrate the 52nd anniversary of their independence.

RETIREMENT OF CAPTAIN DAVID W. WALTON

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TANNER. Mr. Speaker, I rise to recognize the outstanding career of Captain David W. Walton and express my appreciation for his twenty-six years in the service of this great nation.

Captain Walton, who last served as Director of Supply Corps Personnel, was awarded a number of decorations and commendations over his career, including the Legion of Merit (3), the Meritorious Service Medal (3), the Navy Commendation Medal (2) and the Navy Achievement Medal (2).

Again, Mr. Speaker, I am proud to extend my best wishes to Captain Walton. Captain Walton, may you always know the success you have enjoyed during your years in the United States Navy. On behalf of a grateful nation, thank you for your faithful service.

H.J. RES. 57—DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. UDALL of Colorado. Mr. Speaker, I have thought long and hard about what position to take on the Joint Resolution disapproving Normal Trade Relations with China. While it may be in both our national and global interests to continue to engage China economically, I feel strongly that the United States cannot sit by and ignore the flagrant abuses of human rights that China continues to perpetrate. In good conscience, I cannot support NTR for China.

This is a difficult issue for me personally. As someone who has had the opportunity to travel extensively throughout Asia, I feel a deep connection with that part of the world. I have spent time in Tibet, getting to know the people and sharing in their customs and traditions. The Tibetans are a peaceful and spiritual people, undeserving of the abuses they have suffered under the Chinese government.

When I climbed Mt. Everest in 1994, our group struggled with which route to take so as not to land on Tibetan territory and thereby give support to the Chinese government. Although we did eventually set foot in Tibet, every individual in our group made a commitment to do what we could in our own lives to show support for the people of Tibet and to protest China's human rights record and occupation of Tibet. It is with this commitment in mind that I support this resolution.

The Chinese Government maintains one of the most atrocious human rights records in the world. China continues to wage an all-out war on the people, environment, religion and culture of Tibet. In the 46 years of Chinese occupation, over one million Tibetans have been killed and thousands more unjustly tortured, shot and imprisoned. China has plagued Tibet with extensive deforestation and open dumping of nuclear waste. But the abuses are not only reserved for Tibet. Ten years after the Tiananmen Square Massacre, the Chinese Government has still not made good on its commitment to increase social freedom. Just last week, the Chinese Government banned the religious group, Falun Gong, and imprisoned 5,000 people for peacefully exercising their basic human rights.

As the leader of the free world, the United States is in a unique position to push for freedom and democracy for the people in the region. We must use this opportunity to make a statement to China that we will not tolerate its blatant disregard for human rights.

VFW KANSAS CITY

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to join my constituents in the Fifth District of Missouri and citizens around the country to honor the Veterans of Foreign Wars (VFW). Kansas City, home of the Veterans of Foreign Wars' National Headquarters, is proud to be the host site for the 100th Convention of this American Institution. I would like to recognize the VFW, an organization dedicated to 100 years of this nation's men and women who have sustained our country's freedom through personal sacrifice.

In 1899 veterans from the Spanish American War united and became the voice of the veteran. Veterans who fought side by side on the battlefield became the advocates for a strong national defense and supporters for veterans and their rights. The last century has witnessed the continual evolution of this organization as it paralleled the growth of our country.

Every decade had presented a different social and economic America. Every conflict has been fought with a new generation of military fortified with the latest technology and skills. The challenge for this organization has been to understand and provide for the emotional and social needs of every generation of veterans. They have met these challenges by serving as lobbyists, advisors, educators, and organizers of beneficial programs for the enlisted and retired. They are active contributors to their community, champions of today's youth, and always vigilant in recognizing and remembering those who made the ultimate sacrifice for freedom.

Mr. Speaker, please join me in saluting the VFW's and all veterans' contributions during both war and peace.

THE FORD CENTER AND BETHEL A.M.E. CHURCH: MAKING A DIFFERENCE IN THE ASBURY PARK COMMUNITY

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. PALLONE. Mr. Speaker, on Saturday, July 10, 1999, the Bethel African Methodist Episcopal Church of Asbury Park, NJ, dedicated the Bethel Ford Center and Community Development Corporation. The successful completion of the major improvements at the center is a testimony to the long-standing commitment of both the Bethel AME Church, and of the two great community leaders for whom it is named, Mr. and Mrs. William Benjamin Ford.

The Ford Center is a community outreach program serving Asbury Park and surrounding communities. Its mission includes decreasing hunger, providing clothing and offering education and training to improve marketable skills. Dedicated volunteers and professional staff help to provide a food pantry, a clothes closet, computer training, academic remediation, and advise on employability and life skills.

Mr. William Benjamin Ford and Mrs. Willie Mae Taylor Ford, native of Florida, moved to the Jersey Shore in the early 1930s. The Fords were pillars in Bethel AME Church and throughout the community for more than 25 years. Mr. Ford served as Pastor Steward, Class Leader and member of the Lay Organization for many years. He was an employee of the Asbury Park Press for 50 years. Mrs. Ford served Bethel as a Stewardess, Trustee, Missionary, Class Leader, member of the Gospel Chorus and Senior Choir. She operated the Modernistic Beauty Shop in Asbury Park for over 25 years.

The Fords' dedication to serving Bethel lasted throughout their lives, and it still lives through their son, Mr. Greeley Ford. In 1998, Mr. Greeley Ford, who attended Bethel Church as a child and young adult, deeded the property on Atkins Avenue that had been the Modernistic Beauty Shop.

Incorporated in 1879, Bethel Church was one of the first churches in Asbury Park. According to the tradition related by the Church's founders, the organization took place in 1869 under the direction of the Rev. John Cornish. The group had been holding services in a tent at what is now known as the 900 block of Lake Avenue when Mr. James A. Bradley, founder of Asbury Park, proposed a permanent church home and deeded the land, at the southwest corner of Second Avenue and Main Street, in 1893. The congregation worshipped at this site until 1949. The property was sold to a car dealership, who soon demolished the landmark building. The new church home located at the corner of Langford Street and Cookman Avenue, was the former Sons of Israel Synagogue, also a landmark since 1883. Services were held here for the first time on March 6, 1949. The church was renovated in 1954 and again in 1990, while improvements have been made and new amenities have consistently been added throughout the years. In March 1997, the present minister, the Rev. John C. Justice, was appointed to Bethel. Pastor Justice's leadership has seen a continued increase in the number of members of the Congregation and the Fellowship at Bethel.

Mr. Speaker, I am proud to join with the members of Bethel AME Church and the entire Asbury Park community in welcoming the Ford Center and saluting all those who helped make it a reality.

HONORING THE SAN ANTONIO COMMUNITY HOSPITAL OF UPLAND, CALIFORNIA ON ITS 75TH ANNIVERSARY

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. GARY MILLER of California. Mr. Speaker, I rise today to pay tribute to San Antonio Community Hospital of Upland, California which will be celebrating on August 14, 1999 its 75th year of providing comprehensive, quality health care. From its humble beginnings as a small community hospital in 1907, San Antonio has grown into a predominant health care leader in the western Inland Empire in Southern California.

Today, nearly 2,000 professional, technical and service personnel at their 332-bed facility provide a wide array of medical services, while utilizing the very latest technologies. The 500 plus-member medical staff includes many of the region's leading physicians and specialists who make San Antonio an exceptional hospital. In addition, San Antonio nurses have earned a reputation as compassionate, responsive professionals who continue to meet strict educational and professional standards.

Over the years, San Antonio's logo of a growing plant has become a familiar mark in the community conveying everything the hospital represents. In the hospital's own words, the stalk and leaves express "a feeling of a living, growing organization, consistent with the life mending role the hospital plays. The sturdy central stem, symbolize the elements of the hospital's structure—Trustees, Medical Staff, and Employees. The complete symbol recalls the cooperative efforts needed to accomplish the hospital's primary goal of securing the patient's well being."

At a time when the nation's top concern is achieving quality health care, San Antonio Community Hospital is a shining beacon of excellence in patient care, services, and facilities that respond to consumer and physician needs.

I know my colleagues join me in honoring San Antonio Community Hospital on their 75th Anniversary and wish them many more years of continued success.

FAREWELL TO CONGRESSMAN GEORGE BROWN

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. MORELLA. Mr. Speaker, those of us who served with George Brown are saddened at his passing for we have lost a colleague and friend, a true gentleman who was always honest and thoughtful.

George Brown was a benevolent, yet intense and resolute, advocate for science; a true supporter and friend to the entire scientific community, and a determined fighter for the public good.

He always felt passionately that science could be the basis for progress. George was convinced that the scientific advancements nurtured by Congress would lead to a better world for everyone. And that was his goal for all those many years.

He was consistently dedicated to openness and educating others about science. He was always eager to learn, and to share, the latest perspectives of science and technology.

His commitment to science always rose above partisanship. I know that George shared my satisfaction that the Science Committee has long been considered one of the most bipartisan in Congress. This is a testament to the respect that everyone had for George Brown, and his determined belief that advancing our Nation's scientific research and development is a goal that is not bound by partisan politics.

And as we look up to see his portrait in the committee room, I am pleased that his vision and his legacy will live on among the committee.

I am grateful that I had time to serve with George. We worked together on a number of initiatives over the years, especially technology transfer and competitiveness issues. Once, we were preparing a special video to celebrate a landmark anniversary of an important science organization. George and I went down to the House Recording Studio to tape the video. Everything was all set up and ready to go so that we could go through its rapidly. Our remarks were even ready in the teleprompter. I worked quickly, and finished my segment in one take. However, George just couldn't seem to get it right. Take after take after take, he kept messing up. What should have taken 10 minutes dragged on and on. Finally, after about an hour, we were interrupted by a vote. After the vote, George came back and was finally able to wrap-up the video, but this story underscored that George Brown had difficulty being scripted—in his life, in his political career, and in the way he operated on the Science Committee. George, with his foul cigar and rumpled suit, enjoyed ad libbing, sometimes being irreverent. He had an endearing personality that often came out—even in the most tense of moments.

I will miss George Brown. Science and our nation have lost a fair and just man, a true leader. But we will always remember him as we move forward towards the 21st century and a universe of new scientific advancement. I offer my condolences to his wife Marta Macias Brown and his family.

INTRODUCTION OF BILL TO AMEND CLEAR CREEK COUNTY, COLORADO PUBLIC LAND TRANSFER ACT

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. UDALL of Colorado. Mr. Speaker, at the request of the Commissioners of Clear Creek County, I am today introducing a bill to amend the Clear Creek County, Colorado, Land Transfer Act of 1993.

The bill would amend section 5 of that Act so as to allow Clear Creek County additional time to determine the future disposition of about 6,000 acres of land that was transferred to the county under that section of the 1993 Act.

Under the 1993 Act, the county had 10 years within which to resolve questions related to rights-of-way, mining claims, and trespass situations on the lands covered by that section of the Act and then to decide which parcels to transfer and which to retain. Among other things, the county is working with the Colorado Division of Wildlife on a proposal that would result in some 2,000 acres being transferred to the Division of Wildlife for management as Bighorn Sheep habitat.

The County Commissioners have informed me that this process has taken longer than they anticipated, and that a 10-year extension of time would be helpful to a successful conclusion to this process. The bill I am introducing today responds to that request.

SHIVWITS NATIONAL CONSERVATION AREA

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. STUMP. Mr. Speaker, the Shivwits Plateau is located on the southern end of the Arizona Strip, which borders Arizona, Utah and Nevada. This area's remote and primitive landscape contains a spectacular array of scientific, historic, and cultural resources. This relatively unspoiled area remains a rugged frontier. It is a place where one can view the compatibilities of relics of ancient cultures alongside modern ranching operations.

Mr. Speaker, in November, 1988, Secretary of the Interior Bruce Babbitt first announced his desire to use the Antiquities Act to create a national monument on the Shivwits Plateau in northern Arizona. Since that time, the Secretary's actions clearly indicate that the Department of the Interior has some general environmental concerns over the Shivwits Plateau that they do not believe can be redressed by current law. It is my hope that as we proceed through the hearing process, the Secretary's concerns will be more specifically identified so that they can be addressed legislatively.

Mr. Speaker, today, I am introducing the Shivwits Plateau National Conservation Area Establishment Act. My hope in introducing this legislation is to continue a public, legislative dialogue on protecting Shivwits Plateau. While Secretary Babbitt has made some general public comments on the protections he would like to see on the Shivwits Plateau, we have worked for months to translate these comments and concepts into legislative language.

The legislation protects the remoteness, native biodiversity and ecological richness of the Shivwits Plateau, while at the same time increasing public awareness, outdoor recreation use and enjoyment. Equally as important, the bill preserves the ranching lifestyle and maintains the existing, historic and traditional uses of the Shivwits Plateau, goals that the Secretary has expressed in public forums this year.

Mr. Speaker, I would like to take this opportunity to discuss several sections of the bill and my intentions for including these sections in the Shivwaits National Conservation Area Establishment Act.

The boundaries of the NCA encompass approximately 570,000 acres, containing 384,000 acres of public lands managed by the Bureau of Land Management, 164,000 acres of public land within the boundaries of the Lake Mead National Recreation, but which are geographically separated from the rest of Lake Mead, 14,000 acres of Arizona State Trust Land, managed by the Arizona State Land Department, and 8,000 acres of privately held land.

Mr. Speaker, I believe that the resources of this area within the Shivwits Plateau can best be managed solely by the Bureau of Land Management as a separate, distinct management unit. For this reason, the bill removes lands in the NCA that are currently within the boundaries of the Lake Mead National Recreation Area from the jurisdiction of the National Park Service to control by the Bureau of Land Management. Grazing on this land is currently managed by the Bureau of Land Management, but the land is under the general management of the National Park Service.

The legislation requires that the Bureau of Land Management protect and administer the NCA, and develop a new management plan for the NCA. Through a series of public meetings and closely working with the stakebolders of the region, the Bureau has been managing the region under a combination of resource management and interdisciplinary plans whose results have been lauded by all users, as well as the Secretary of the Interior. The current plans provide a significant amount of flexibility for the management of the Shivwits Plateau, and have continually been developed and refined over the past several years. Their goals and objectives reflect the varied interests of the Arizona Strip, including those of conservationists, the Federal government, local governments, recreationists, permittees and land owners, and would, I believe, accommodate the interests of the Secretary to protect the area for the future. For that reason, the bill directs the Bureau to use existing plans, specifically the goals and objectives, as a foundation for developing a management plan for the new NCA.

The legislation also establishes the Shivwits Plateau National Conservation Area Advisory Committee. The committee is designed to be diverse, yet well balanced, with the purpose of advising the Secretary on the preparation and implementation of the management plan.

Mr. Speaker, the Secretary, during his numerous visits to Arizona, has expressed his desire to permit the continuation of valid existing uses. Therefore, the bill permits the continuation of existing authorized uses, within the framework and restrictions of the current management plans. Hunting, fishing and trapping will continue to be regulated by the State of Arizona, State and private landowners will continue to have reasonable access to their land and existing roads and trails on public and private lands will continue to be maintained. In addition, grazing will be allowed to continue, within the goals and objectives of the management plan, and permittees will be able to maintain and improve necessary structures and water tanks within their allotments. Finally, local governments and private parties will continue to have helicopter and aircraft excess to the Arizona Strip.

Mr. Speaker, this bill establishes that land within the boundaries of the NCA can only be acquired from willing sellers. The Secretary is also required to make a diligent effort to acquire private lands, subsurface rights and mining claims within the NCA. The legislation further guarantees that land values will not be affected by the NCA designation and fair market value will be paid for land acquisitions.

The Shivwits National Conservation Area Establishment Act establishes the framework for withdrawing lands within the NCA from mineral entry and exploration. The bill requires the Secretary to assess the oil, gas and other mineral potential in the NCA no later than two years after the enactment of this legislation. The mineral assessment will be exchanged with the State and subject to a peer review by the Arizona State Department of Mines and Minerals. Additionally, the Secretary cannot make, modify or extend any mineral withdrawal authorized by the Federal Lands Management Policy Act within the boundaries of the NCA after January 1, 1999. If the Secretary withdraws the land, all lands and minerals within the NCA will be available for mineral leasing, under the Mineral Leasing Act. Language in the legislation specifies that the establishment of the NCA will not affect the value of subsurface mineral rights.

Mr. Speaker, the bill also requires the Secretary to develop and implement forest restoration projects and provide alternative grazing allotments to permittees affected by restoration projects. The legislation places a three years time limit on the amount of time a restoration project may impact grazing allotment. Current methods used to control plant growth will continue to be permitted in the Shivwits NCA.

Mr. Speaker, as you know, water rights are a source of contention in the West, and I have ensured in my bill that existing water rights within the NCA are not affected by this designation and that no new water rights will be created.

The bill also places requirements on the Secretary to improve and maintain specified roads, within the NCA, as all-weather roads. The Secretary is also required to conduct a survey of the conservation area, noting all sites of archaeological, historical or scientific interest.

Mr. Speaker, the bill also initiates a framework necessary for local communities to develop the infrastructure to support this conservation area. This bill authorizes the Secretary to implement the recommendations contained in the April 1999 report of the Sonoran Institute. This report detailed three major goals that must be accomplished to ensure the long-term health of the local communities and the surrounding public lands. These three goals include building local and agency capacity for partnerships, building local entrepreneurial capacity and restoring landscape health through local efforts. Finally, this bill conveys to Colorado City, Arizona, Fredonia, Arizona, Mohave County Arizona and the Kaibab Band of Paiute Indians certain federal lands needed to handle the increased visitor ship of the Shivwits Plateau.

Mr. Speaker, I sincerely hope, in introducing this legislation, that we send a strong message to the Secretary of the Interior and the President, indicating Congress' desire to work on a legislative proposal to address the needs of the Shivwits Plateau.

TRIBUTE TO AMALIA DISTENFELD

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. McCARTHY of New York. Mr. Speaker, I rise today to pay tribute to the inspiring matriarch of an American family. Amalia Distenfeld, Born in Lvov, Poland, in August 1919, came to this country in 1947, to start a new life. She and her husband, the late Dr. Menachem Distenfeld, were among a handful of survivors of two very extensive and well-known families that perished in the Holocaust.

Amalia is living testimony to her own courage and the possibilities of the American dream. Hard work, coupled with purpose, optimism and an unfailing dedication to family allowed her to see children, grandchildren, and great-grandchildren thrive in this country of freedom. She has dedicated her life to promoting educational and moral values that have helped guide and sustain her family.

The same tenacity that allowed Amalia and Menachem to survive the nightmare of the Holocaust enabled this young couple to surmount the struggle of a new beginning in New York, devoid of resources, in a strange environment with three children. Amalia took in boarders, cooked and cleaned for them, while her husband learned the language of their new country, then studied and reestablished himself as a physician. Her strength, her faith in God and her refusal to be crushed by the past, allowed for a quick integration into American life. Amalia worked with Menachem in their Queens, New York, office to establish a medical practice whose hallmark was selfless public service to the community at large, including a great many fellow survivors. Unfortunately, just as life's promises were being realized, she was left a young widow. Without her beloved Menachem, Amalia natural exuberance and steadfast commitment to family has sustained her over the last 33 years. She took on new challenges and new careers of public service, first in the American Heart Association and then the American Lung Association, where she worked well into her late seventies.

Perhaps Amalia's greatest joy is derived from the achievements of her children and grandchildren in areas of education, technology, law, medicine, and business. She cherishes her time with them as they do with her. Mr. Speaker, Amalia is a living lesson of courage, hope and optimism to all who know her. Her children's fidelity to Amalia's religious legacy and their appreciation for America's blessings were learned at her knee.

I ask my colleagues in the United States Congress to join me in wishing Amalia Distenfeld good health and happiness on the occasion of her 80th birthday, with many wonderful and blessed years to come.

GENE WISNER

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. GARY MILLER of California. Mr. Speaker, I rise today to honor Gene Wisner, who will be retiring from the Yorba Linda City Council in California. Mr. Wisner served on the City Council from January 3, 1983 to November 1992 and was elected again in November of 1994. He has twice served his community honorably as Mayor, as well as represented his city: as Vice Chairman and Chairman of the Eastern/Foothill Transportation Corridor Agency; a member of the Budget & Finance Committee on the Transportation Corridor Agency; a members of the City Audit Committee; the League of California Cities; National League of Cities; Orange County Fire Authority; and the Orange County Sanitation District. He also served as city representative to the Yorba Linda Water District and the Yorba Linda Chamber of Commerce.

While serving as a member of the City Council, Gene Wisner worked toward many beneficial projects for Yorba Linda including the development of the Richard Nixon Library and Birthplace, an expansive city park system, city recreational facilities, the Community Center/Senior Citizen Facility, and the Casa Loma Field House. Mr. Wisner is to be congratulated for his service to the community, not only as a Council Member, but as an active supporter of community groups such as the Boy Scouts of America, the Y.M.C.A. and local youth sports programs.

It is with extreme pleasure that I wish the best for Mr. Wisner in his retirement from the Yorba Linda City Council.

CONGRATULATIONS VERA TRINCHERO TORRES

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. THOMPSON of California. Mr. Speaker, I rise today to express my sincere congratulations to a dear friend, Ms. Vera Trinchero Torres, who has been named the 1999 Citizen of the Year by the St. Helena Chamber of Commerce.

A co-owner of the famous Sutter Home Winery and mother of two, Vera dedicates most of her free time to charitable work for the community of the Napa Valley.

Although a New Yorker by birth, Vera moved to the Napa Valley at age ten and has been a resident of the area ever since. As a child, she and her older brother, Bob, helped out in the winery after school and on weekends. Vera worked on the bottling line and swept up, all the while looking after her little brother, Roger.

After graduating from St. Helena High School, Vera began a 24-year career as a legal secretary. In fact, I'm proud to say she was the mainstay in the law office of my uncle, former Judge Lowell Palmer. In 1979, as Sutter Home began its transformation from a small mom-and-pop operation to a large, modern winery, Vera took on the responsibility of running the office full-time.

Today, Vera oversees company profit sharing and pension plans for Sutter Home's 450 employees and serves as the family-run corporation's secretary. She also manages the company's extensive charitable activities, which amount to several hundred thousand dollars each year. In addition, Vera is an active supporter of numerous local youth groups, including the St. Helena Boys and Girls Club.

In 1996, in recognition of her philanthropic efforts and service to the community, Vera was named, by me, Woman of the Year for the 2nd District of the California State Senate.

The St. Helena Citizen of the Year Award is one more honor of many to come for this wonderful neighbor, great friend, and tremendous asset to our community.

Once again, I offer my congratulations to Vera and to her family.

CENTRAL NEW JERSEY RECOGNIZES THELMA AND HARRY ZALEWITZ

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. HOLT. Mr. Speaker, I rise today in recognition of Thelma and Harry Zalewitz, who will be honored this weekend by the State of Israel Bonds with the Independent Issue Award for their contributions to the Jewish community in America over the last 50 years. Together they have served on a wide variety of committees, held countless leadership positions, and tirelessly advocated the importance of public service and "giving back" to the community.

Both Thelma and Harry Zalewitz were born in the United States to parents who had emigrated from Eastern Europe. Their families had settled in America with the hope of escaping persecution and reaching toward freedom and the ability to create a better life. They met in Paterson, NJ, and were married in 1946 after Harry returned from World War II. Ten years later, the couple moved with their three children to Verona, NJ, where they joined and immediately became involved in the Jewish Community Center of Verona.

Within a short time, both Harry and Thelma were serving on the Synagogue's Board and holding elected positions. Harry was chosen as Synagogue President and Thelma as Executive Secretary to the Board of Directors. Harry also held the position of co-chairman of the Verona-Cedar Grove campaign of the Jewish Federation. Over the years, the couple has actively participated in the development and growth of the Jewish Community Center of Concordia. Harry served as Vice President for the center, and lent his expertise as a member of the Board of the Jewish Federation of Greater Middlesex County. Their gratitude for the quality of life they have been privileged to experience has directed them to give both time and resources to insure that same quality of life for all Jewish people.

Today, Harry and Thelma continue to lead their local Jewish community. Thelma currently serves the important role of writing the Yartzeits for the Jewish Congregation of Concordia, transposing the Hebrew dates to the Gregorian calendar dates. They also support the State of Israel through investment in the Israel Bonds campaign.

Thelma and Harry have willingly given themselves to the community. I urge my fellow representatives to join me in recognizing this exceptional couple.

RURAL EDUCATION INITIATIVE

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. POMEROY. Mr. Speaker, I am very pleased to join my distinguished colleague Congressman BARRETT of Nebraska, along with Representatives PETRI, BALDACCI, and THUNE, in introducing the Rural Education Initiative. This legislation will provide smaller rural school districts across the country with the flexibility and funding they need to provide a quality education for our children.

A strong investment in the public education system is critical to our nation's future. In recent years, Congress has recognized that reality by increasing federal support for education. These funds are currently disproportionately channeled to larger school districts. Many small and rural school districts have simply fallen through the cracks. Small school districts, including many in North Dakota, have had to forgo federal dollars because they lack the personnel and the resources to apply for competitive grants. Also, due to low enrollment and a lack of special categories of students in these schools, single formula grants fail to provide sufficient revenue to fund any one significant project. As currently structured, these federal grant programs fail to meet the needs of rural school districts.

To address the unique circumstances of smaller rural schools, the Rural Education Initiative would allow school districts with fewer than 600 students to combine funds from four distinct federal programs and provide additional funds based on enrollment. In North Dakota, Belfield Public School District, for example, which has an enrollment of 310 students, would receive a minimum grant of $50,000 under this legislation. By combining and increasing federal funds to rural districts like Belfield, this legislation would give school administrators the resources and flexibility they need to support local educational priorities.

Mr. Chairman, as Congress moves forward with the reauthorization of the Elementary and Secondary Education Act (ESEA), we can not overlook our small and rural school districts. Thirty-five percent of all school districts in the United States and 86 percent of school districts in North Dakota have fewer than 600 students, and are currently struggling to make ends meet. The Rural Education Initiative would take a strong step forward by leveling the playing field for rural school districts, and I urge my colleagues to support it.

CLEVELAND CLINIC CHILDREN'S HOSPITAL FOR REHABILITATION

HON. STEPHANIE TUBBS JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. JONES of Ohio. Mr. Speaker, it is with great pride that I announce the renaming of Health Hill Hospital for Children to the Cleveland Clinic Children's Hospital for Rehabilitation.

Since 1998, Health Hill Hospital for Children has been part of the Cleveland Clinic Health System. Devoted entirely to pediatric development, Health Hill has one of the largest teams of pediatric therapists in the nation. in addition to being one of the world's preeminent medical research and educational facilities, the Cleveland Clinic Health System is northeast Ohio's foremost provider of comprehensive medical and rehabilitative services to children requiring long-term treatment. Not only does the hospital's pediatric staff provide excellent care to critically ill and disabled children, but they do so in a comforting and caring environment that eases the children's fears and worries.

The primary goal for Health Hill is to create a more independent lifestyle for these children and their families. For example, by providing unique programs, like the Day Hospital Program, children can receive daily intensive therapy without having to be hospitalized. Day Hospital patients receive therapy, nursing and medical care, yet are able to return home to their families each evening and weekend. Providing patients with the opportunity to maintain their routines and home lives is so important in making a sick child feel as "normal" as possible. The hospital serves children with a variety of illnesses, ranging from spinal cord and head injuries, respiratory problems, feeding disorders, and burns to chronic or congenital medical conditions.

Mr. Speaker, Health Hill Hospital has proven to be more than just a "hospital." Their commitment to providing the highest standards of medical services for special needs children is why they continue to be a shining example of one of the best children's specialty hospitals. Cleveland Clinic Children's Hospital for Rehabilitation is affiliated with the renowned Cleveland Clinic Foundation, ranked among the ten best hospitals in the nation by U.S. News and World Report's annual guide to "America's Best Hospitals." It is exciting to see the resources of this prestigious hospital devoted to the care of children.

Again, I am honored to announce the Cleveland Clinic Children's Hospital for Rehabilitation's new designation, and commend the Foundation's outstanding achievements throughout the past 78 years.

REMEMBERING AND HONORING THE SERVICE OF JAMES FARMER

HON. MAX SANDLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. SANDLIN. Mr. Speaker, I rise today to pay tribute to a recipient of the Presidential Medal of Honor, an honored American, and a true leader. When we think of the civil rights movement, certain names often come to mind. The names Martin Luther King and Rosa Parks are easy to remember, but I think of a man who was born in the town I call home: Marshall, Texas.

This man was a behind-the-scenes organizer. He was the last living member of the "Big Four" who shaped the civil rights movement in the mid 1950s and 1960s. He founded the Congress of Racial Equality in the 1940s. He organized countless demonstrations and sit-ins. He directed the Freedom Rides to desegregate interstate bus stations in the South in 1961. He served with the NAACP, the US Department of Health, Education and Welfare and taught at several colleges. He was awarded over 22 honorary doctorates, and in 1998, he earned the Presidential Medal of Freedom. This man was James Farmer.

Mr. Farmer was the son of a Methodist minister and professor of Theology at Wiley College. At 14, on a full scholarship, he went to Wiley College to study medicine only to find that he could not stand the sight of blood. Perhaps more in line with his calling, Mr. Farmer left medicine behind to study religion at Howard University, where he became acquainted with the civil disobedience methods employed by Ghandi. However, upon graduation, he found that he had no desire to minister in a church that actively practiced segregation. It was this realization that pushed him into civil rights activism.

In 1942, he founded the Congress of Racial Equality in Chicago, and in 1947, he held the first Freedom Ride. He was beaten, arrested, and served time in prison. He was encouraged to let things settle down in the South, to let them cool off. Mr. Farmer, however, refused to back down. In 1963 he was attacked at a demonstration he had organized in Louisiana. State troopers came after him with guns, cattle prods, and tear gas, but he escaped with the help of a funeral director who drove him through the police cordon in a hearse. Although he had planned to attend the March On Washington, he was arrested in Louisiana for disturbing the peace and had to settle for watching Martin Luther King make him famous "I Have a Dream" speech on the television.

After the leadership of the Congress of Racial Equality changed hands, he surprised some civil rights leaders by joining the Nixon administration as an assistant secretary in the Department of Health, Education and Welfare. He knew that if African Americans were ever to have any say in national policy on race, then they had to be active in the government. Mr. Farmer recognized the potential in the position and used it to persuade the administration to approve funds for the Head Start program in Southern States. His response to those who thought he was abandoning the movement was that he saw himself as a bridge. "I lived in two worlds. One was the volatile and explosive one of the new black Jacobins and the other was the sophisticated and genteel world of the white and black liberal establishment. As a bridge, I was called on by each side for help in contacting the other."

Indeed, Mr. Farmer's concept of two worlds was what fueled his passion for equality. He often reminisced of his childhood before and after he became aware of discrimination. Growing up around colleges, he was sheltered from much of the racism that surrounded him. It wasn't until he discovered that he couldn't go wherever he wanted that he even realized he was any different from others.

At three years old, what he wanted was a soda, not social change. Given his young age and his sheltered upbringing, he couldn't understand why he couldn't use the money his father had given him to go and buy one at the drug store on the way home. He cried and pleaded to no avail. Finally his mother told him he couldn't buy a soda because it was a "whites-only" drug store, and he wasn't allowed to enter. Then she cried. And that was the day that young Mr. Farmer became determined to do something about it. He vowed to destroy segregation.

It was this same determination that got him through sitting in the "buzzard's roost," the segregated balcony in the cinema near Wiley College. And it was this same determination that put him on board the Freedom Ride to Jackson, Mississippi. He later called his organization of the Freedom Ride his proudest achievement.

Mr. Farmer had many achievements of which to be proud. I consider it an honor to have been a part of the driving force behind his most recent accomplishment which occurred just last year. On January 15, 1998, President Clinton awarded James Farmer the Presidential Medal of Freedom, the highest civilian honor the United States of America gives. For Mr. Farmer, it was the crowning moment on a rich past of activism and determination. "It's a vindication, an acknowledgment at long last. I'm grateful it came before I died." At 79, Mr. Farmer finally received his soda.

As we celebrate the life of James Farmer, let us remember one of his last lessons to us all. He said that we have beaten segregation, we have beaten Jim Crow. Now we have to beat racism, and it's going to take all of us to do it.

JOHN MICHAEL HURLEY

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. KAPTUR. Mr. Speaker, I rise to pay tribute to a long time friend, John Michael Hurley of my district. John passed from this life on June 10, 1999.

John made his career in public service, first in the Armed Forces where he served in the Army, Navy, Marine Corps Reserves, and Air Force. Upon his retirement from the Air Force he began a career with the City of Toledo's Streets, Bridges & Harbors Division until his 1992 retirement. While employed with the city, he rose to the top leadership post of AFSCME Local 7. He worked for the union as steward, divisional steward, chief steward, and president. He also served AFSCME Ohio Council 8 as regional vice president, and was a board member of Ohio's Public Employees Retirement System. Throughout that service, the quality guarded the hard fought rights of working people throughout our community and state.

In addition to his civil service, John was also an active member of local veterans organizations, belonging to the Veterans of Foreign Wars Northwood Post #2984 and American Legion Conn Weisenberger Post #587. Rounding out his service to community and country, John coached Toledo's North End Lagrange Lions Baseball Team.

A family man, John was the proud father of Angela, Laura, Lillian, Nicole, Patrick, Andrew, David, and Kelly, and doting grandfather to 21 grandchildren. Our condolences to them, his wife Joanne, and his sisters and brothers. May they gain some small comfort in knowing the spirit and fire of John Hurley is carried through in each of them. The people of our community have been touched with his strength and kindness and our nation expresses its gratitude for his service to our country.

WEKIVA WILD AND SCENIC RIVER ACT OF 1999

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. McCOLLUM. Mr. Speaker, today I am introducing legislation, the Wekiva Wild and Scenic River Act of 1999, designating the Wekiva River and its tributaries of Rock Springs Run and Seminole Creek for inclusion in the National Wild and Scenic Rivers System.

In the 104th Congress, legislation was signed into law to authorize a study of the Wekiva River by the Department of Interior to determine whether it is eligible and suitable for inclusion in the National Wild and Scenic Rivers System. The National Parks Service recently completed this study and concluded that the Wekiva River system is an excellent candidate for receiving this designation.

This legislation would allow the Wekiva River and its tributaries to join the Loxahatchee as Florida's second river to receive this designation. The Wekiva Wild and Scenic River Act of 1999 provides Congressional designation of 41.6 miles of eligible and suitable portions of the Wekiva River, Rock Springs Run, Seminole Creek, and Black Water Creek with State management and the establishment of a cooridinated Federal, State, and local management committee (Alternative C of the study). As the report states, the Wekiva River area provides "outstanding remarkable resources" which makes it eligible for this national designation.

For more than 30 years, the National Wild and Scenic Rivers Act has been safeguarding some of our most precious rivers across the country. In October of 1968, the Wild and Scenic Rivers Act pronounced that certain selected rivers of the nation which possess outstandingly remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural or other similar values, shall be preserved in free-flowing condition, and that they shall be protected for the benefit and enjoyment of present and future generations. Designated rivers receive protection to preserve their free-flowing condition, to protect the water quality and to fulfill other vital national conservation purposes.

Furthermore, this legislation recognizes the efforts that have been initiated at the local and state level through the local coordinated management committee. This committee will be responsible for determining and implementing the comprehensive management plan for the Wekiva River under this designation and will be composed of a representative from each of the following agencies: Department of Interior, through the National Park Service; The East Central Florida Regional Planning Council; The Florida Department of Enviromental Protection, Wekiva River GEOPark; The Florida Department of Environmental Protection, Wekiva River Aquatic Preserve; The Florida Department of Environmental Protection, Office of Ecosystem Planning and Coordination; The Florida Department of Agriculture and Community Affairs, Seminole State Forest; The Florida Audubon Society; The Friends of the Wekiva; The Lake County Water Authority; The Lake County Planning Department; The Orange County Parks and Recreational Department; The Seminole County Planning Department; The St. Johns River Management District; and The Florida Fish and Wildlife Conservation Commission.

Floridians are blessed with some of the most rich and engaging natural resources in the world. Every year thousands of people come to Florida to enjoy our rivers and oceans. Located in Central Florida, the Wekiva River Basin is a complex ecological system of rivers, springs, lakes, and streams with many indigenous varieties of vegetation and wildlife which are dependent on this water system. Included in this area are several distinct recreational, natural, historic and cultural resources that make the Wekiva River an excellent addition to the National Wild and Scenic Rivers System, and it is great pride that I introduce this legislation for consideration before this body.

IN MEMORY OF CHARLES BRADLEY EARNEST

HON. JOHN L. MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. MICA. Mr. Speaker, it is my honor to pay tribute to a neighbor, friend and young man who gave his life in service to his country. Brad Earnest, as he was affectionately called, died on August 2, 1999 in Florida.

Brad was critically injured in a helicopter crash as he served in the 10th Special Forces of the United States Army. In the nine years since that accident Brad remained in a coma.

He is survived by his mother, Minna H. Earnest, who deserves the gratitude, great respect and deepest sympathy of every member of Congress and all Americans.

Not only did Minna Earnest lose her son she also sacrificed her husband to our nation when he was killed in Vietnam. What greater heartbreak could one family, one wife and mother endure for the sake of her country?

My last memories of Brad recall him proudly telling me of his Army assignment and his work in service to our country. Most of all we will miss his smile but always remember and celebrate his life.

Brad was a graduate of Winter Park High School in Winter Park, Florida. He attended Auburn University in Alabama where he was a member of Theta Chi Fraternity.

Brad was born in Portsmouth, Virginia on October 16, 1962 and will be laid to rest in Opelika, Alabama.

I know the United States House of Representatives and every Member of Congress extend our deepest sympathy to Brad's mother, Minna H. Earnest, and to his brother, Bryan H. Earnest of Maitland, Florida, and to his paternal grandmother, Margaret Earnest of Opelika, Alabama.

TRIBUTE TO WILLIE MORRIS

HON. CHARLES W "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. PICKERING. Mr. Speaker, I rise to pay tribute to Willie Morris—the great Mississippi writer who dedicated a lifetime to exploring what it means to be a Southerner, and showing what it means to be a friend. And today many friends and admirers are grieving over his death earlier this week.

Everyone who loved Willie and cared for his work understands what a terrible loss this is. In his own unique way, he touched countless souls with his emotional honesty and boyish sense of humor. His perspective was a refreshing retreat from the culture of cynicism that poisons our society, and corrodes our democracy.

William Morris was an American original, and a Mississippi legend. And, the truth is, it's hard to imagine Mississippi without Willie Morris.

Willie grew up in Yazoo City, Mississippi, a small town on the edge of the Delta, and went on to study at the University of Texas, where he was awarded a Rhodes Scholarship.

At 32, he became the youngest editor-in-chief of Harper's magazine in New York City. In the 1980s he came back to his native Mississippi to teach writing at Ole Miss and to write books.

Willie Morris wrote about the little things that make small-town life special—like football games, dogs, and hole-in-the-wall restaurants. He also wrote about the big things—like faith, family and friendship.

But Willie never shied away from putting these heart-warming descriptions in the context of the South's racial history, or revealing the challenges of laying down its burden.

He did this magnificently, I felt, in "The Courting of Marcus Dupree"—a story about how the outstanding high school football star helped breakdown long-held hostilities between whites and blacks in Philadelphia, Mississippi.

In this book and others, Willie acknowledged the progress made toward racial harmony in Mississippi and across America.

As someone who lived through the transition from the Old South to the New South, he had seen dramatic change in his homeland. But one way or another, he always found a way to say: "We must do better."

Another favorite theme of Willie's was dogs. "Every little boy ought to have a dog," he once said. In My Dog Skip and North Toward Home, he told some of the best dog stories I've ever heard, stories that inspire the warmest memories of the dogs of our own childhood. Many are so good they make you wish you had lived them yourself—like the time at age 12 when he taught his English Fox Terrier, Skip, how to drive a car:

"I would get the dog to prop himself against the steering wheel," he writes, "his black head peering out the windshield, while I crouched out of sight under the dashboard. Slowing the care to ten or fifteen, I would guide the steering wheel with my right hand while Skip, with his paws, kept it steady. As we drove by the Blue-Front Café, I could hear one of the (old) men shout: 'Look at that ol' dog drivin' a car!' "

Willie Morris loved life and all things in it. And most of all, he loved making friends and encouraging others.

Several years ago, a young writer friend of mine from Texas met Willie and after their meeting sent Willie an essay he had been working on. Days later my friend received his essay, with excellent edits, and a hand-written note from Willie that said: "You're a damn fine writer. Keep the faith, my friend!"

That letter now hangs framed, on my friend's wall, as a medal of encouragement.

Mark Twain once said: "the great people in life are the ones that tell others that they, too, can be great." Willie Morris was one of those great people. He was the kind of guy that once he made friends with you, he was a friend for life. Our good friend Willie Morris has gone away, but his beautiful words and sweet spirit will live on forever and ever.

Our thoughts and prayers are with his wife, Joanne Prichard, and his son, David Rae, in this difficult time.

H.R. 2116—VETERANS' MILLENNIUM HEALTH CARE ACT

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. FILNER. Mr. Speaker, and colleagues, I rise in support of the Veterans' Millennium Health Care Act. This bill improves the VA health care system in many ways—it will extend long term care and emergency care services—provide sexual trauma counseling—and will give the VA access to a portion, if funds are recovered from tobacco companies, to compromise for its costs of tobacco-related illnesses.

I am especially pleased that this legislation ensures that the Veterans Administration (VA) will work with licensed doctors of chiropractic care to develop a policy to provide veterans with access to chiropractic services. Even though chiropractic is the most widespread of the complementary approaches to medicine in the United States, serving roughly 27 million patients—and even though Congress has recognized chiropractic care in the other areas of the federal health care system (Medicare, Medicaid, and federal workers compensation), VA has chosen not to make chiropractic routinely available to veterans. This bill changes that!

As a Member representing a portion of San Diego County, I am also pleased that H.R. 2116 includes a biomedical research facility for the VA San Diego Healthcare System to accommodate current and pending research programs on diabetes, immunology, hypertension, Parkinson's Disease, AIDS, and memory.

I encourage my colleagues to support and vote in favor of the Veterans' Millennium Health Care Act.

PRAISING STATE REPRESENTATIVE BILL COLLIER'S PUBLIC SERVICE

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TANNER. Mr. Speaker, first and foremost William H. "Bill" Collier is a gentleman who represents the finest traditions of public service and generosity that so many Tennesseans hold dear.

I was privileged to serve in the Tennessee state legislature with Rep. Bill Collier for four years from 1984 to 1988. For six years after I was elected to the U.S. House of Representatives, I represented several communities that also had the good fortune to be represented by Bill Collier during his service in the state legislature.

He retired from the state legislature in 1994 after a distinguished career dedicated to public service on behalf of the people of Humphreys and Benton Counties.

Just last month, a section of Highway 70 in New Johnsonville was named for Bill Collier. That action was not only fitting, but also well deserved for a man who was committed to public service. It doesn't hurt that the bypass at Waverly was built largely because of his perseverance.

And that's not all that can be said about Bill. He is also one of the finest auctioneers Middle Tennessee has known.

Bill Collier, his wife, Patricia, their three children and two grandchildren are a tribute to the values we as Tennesseans consider so important and we wish him the best.

An article published in the News-Democrat in Waverly under the headline "Collier Looks Back at His Career" is printed below in honor of Bill's public service and dedication to his family.

[From the Waverly (TN) New Democrat, July 9, 1999]

COLLIER LOOKS BACK AT HIS CAREER

(By Grey Collier)

Work to become, not to acquire.

This quote by Elbert Hubbard in Monday's Tennessean might be best exemplified by Humphreys County native William H. (Bill) Collier.

Collier, who last weekend was honored by having a section of the newly-widened Highway 70 in New Johnsnville named for him, has long worked for the good of his home county.

Collier promised to try and get the bypass in Waverly when he ran for the state representative in 1984.

"We got the first three phases in Waverly funded," Collier said.

"Then we realized we needed to get it through New Johnsonville."

Upon entering his first term in the state legislature, Collier went to bat for the county immediately.

"I was in a meeting and an aide come to ask if he could do anything for us," Collier said. "I told him I wanted an appointment with Gov. (Lamar) Alexander."

At the time, there was a recession going on and Consolidated Aluminum had closed. "I told him about the shape Humphreys County was in and that we needed a bypass to bring in business," Collier said.

"He told me I was the first freshman (new representative) who spoke with him so candidly and he was going to help me," he said.

Soon after, Alexander made a visit to the county and plans were announced for the bypass.

"Our last conversation before (Alexander) left office was about the bypass," Collier said. "He said, 'Bill, the money is in the budget for the bypass, don't let anything happen to it'."

Collier was successful in getting on the transportation finance ways and means committee which was also a big help in getting the bypass financed and built.

"John Bragg was the committee chairman and told me he had heard all he wanted to about 'that bypass'," Collier said. "I told him he would stop hearing about it when it was built."

The completion of the by-pass is one of Collier's favorite accomplishments, but there are others as well.

He acquired a $250,000 grant for factory building in the Waverly Industrial Park and a $50,000 grant for a feasibility study of the state park in New Johnsonville.

"Those are the three things I am most proud of," Collier said. "But I have to attribute all of my accomplishments to the good help I had from local leaders and other politicians—especially Sen. Ben. Riley Darnell."

Collier did not run for reelection in 1994 due to health reasons. That ended his 10 year tenure in the legislature and a 22 year political career.

A Humphreys County native, Collier was born in the Big Richland community. He was employed with TVA for 10 years as an iron worker and foreman.

In 1957 he attended Reppert Auction School and began working part time as an auctioneer and real estate agent.

"I felt TVA and went full time as an auctioneer and real estate agent in 1960," he said.

His office was located on Main Street. At that time there was only one other real estate office in Waverly. How times change.

Since then he has not only conducted hundreds of auctions, but also took part in training a few.

"Governor Buford Ellington appointed me to the auction commission over west and part of middle Tennessee for five years," Collier said.

He was also an instructor for five years with the Nashville Auction School.

"I have five auctioneers at Collier Realty and have taken an active part in training all of them," he said.

He worked alone for three years before Gene Trotter came in as an auctioneer and Shirley Rochelle as a real estate agent. Nancy Trollinger worked as Collier's secretary for 20 years.

When he entered the legislature he took on Kenneth Dreaden as a partner so that he could devote more time to his political office.

In 1967, Collier married Patricia Fowlkes Collier. They have three children, Greg Gunn of New Johnsonville, Allyson Haggard of Okeechobee, FL, and Daniel Collier of Waverly.

He has two grandchildren, Connor Gunn, 6, and Mollie Collier, 3.

These days you are most likely able to catch him at the office where he still goes daily. Otherwise, he is likely to be sitting on the front porch swing, sharing Diet Coke and peanuts with his granddaughter.

IN RECOGNITION OF DEDICATED SERVICE BY MR. ROBERT TOBIAS

SPEECH OF

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mrs. MORELLA. Mr. Speaker, I congratulate Robert Tobias on his outstanding service as President of the National President of the National Treasury Employees Union and wish him continued success as he engages in other professional challenges. I am proud to count Bob as my constituent and I thank him for the assistance he has given me on behalf of federal employees.

During the past 31 years that he has spent with the NTEU, Bob has been an effective advocate of federal employees, working his way up from staff attorney, to general counsel, to executive vice president, and finally, in 1983, to National President. Over these 31 years, NTEU has grown from 20,000 members in one agency to 155,000 members in 22 agencies.

During his impressive career, Bob received numerous Presidential appointments and awards: President Bush appointed him to the Federal Employees Salary Council; and President Clinton appointed him to both the National Partnership Council and the Commission to Restructure the IRS.

Bob also has been at the forefront of recent government reform efforts through his membership in the National Commission on Restructuring the IRS. The Commission's work was the basis for the most far-reaching changes in the agency in nearly 50 years. Currently, he has been nominated to serve on the IRS Oversight Board and is awaiting Senate confirmation.

Bob's leadership style is firm but fair, and he is on the cutting edge of new developments in labor relations. I have worked personally with Bob on many issues, and often times we met with great success.

For example:

We collaborated on establishing the Fair Share formula, which prevented a large FEHBP monthly premium increase, thereby insulating federal employees and retirees from the full rise in health care premiums.

We worked to strike Medical Savings Accounts as an FEHBP option MSA's would have resulted in "cherry picking," and increased FEHBP premiums by siphoning off relatively healthy enrolles into catastrophic/MSA plans.

Bob's expertise on these issues was invaluable.

A glimpse into some of his other accomplishments further illuminates the reasons why Bob is such a great source of information and expertise. Through collective bargaining, Bob reached important agreements regarding: Quality of work life; developing the first national alternative work schedule; and child care facilities.

Bob was also instrumental in the Hatch Act reform, which allows federal employees to exercise their rights to participate in political activity.

Bob's work does not stop with advocacy on behalf of the NTEU. All federal employees benefit from his efforts, at the bargaining table and in the courtroom. He has used litigation to protect federal employee rights in a number of landmark cases. For example:

Bob worked on a Supreme Court victory just this year that established the right of federal employees and their collective bargaining representatives to initiate midterm bargaining;

Bob successfully sued Presidents Nixon in 1975 and Reagan in 1981 to obtain back pay for federal employees; and

Bob achieved a federal court victory that gave federal employees the right to engage in informational picketing.

I wish Bob the best of luck in his teaching and writing endeavors. His recommendation for the next National President, NTEU Executive Vice President Colleen Kelly, has a tough act to follow. The wonderful staff at NTEU will ease her transition, while Bob's legacy will benefit federal employees for generations. I heartily thank Bob for his devotion and service to civil servants. Shakespeare could have had Bob Tobias in mind when he wrote in Henry VIII: "The force of his own merit makes his way."

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

SPEECH OF

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 4, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2670) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2000, and for other purposes:

Mr. HOLT. Mr. Chairman, five years ago next month, Congress passed and the President signed into law the most comprehensive piece of Federal anti-crime legislation in history. Now, the Majority seems intent on slashing funding for the centerpiece of that bill—the COPS program. In that time, COPS has provided law enforcement agencies in my district and across the nation with critical funding to fight and prevent crime. In my district, communities in Hunterdon, Monmouth, Mercer, Middlesex, and Somerset counties have received more than $14 million to fund the addition of 290 officers to the beat.

The creation of the COPS program was a breakthrough in law enforcement. By funding additional officers, critical technologies, and valuable training, COPS has been a catalyst for the revolutionary shift to community policing.

COPS and community policing have put us on the right track. Crime is at its lowest level in more than a quarter of a century. Violent crime is at a 27 year low. the murder rate is lower than it has been in three decades. And the police chiefs and sheriffs in my district consistently tell me that we could have never achieved this much without the additional officers and technology funded under the COPS program.

In May, COPS provided for the 100,000th officer and some think this means that we can pat ourselves on the back and declare victory. I disagree.

Crime is still too high. While we have made progress, violent crime is still six times higher than it was in 1962. And more than 18,000 people were murdered in the U.S. last year. We can and must do more.

That is why I support continuing the COPS program to add 30,000 to 50,000 more officers to the street. Every major law enforcement group, as well as the U.S. Conference of Mayors and the National League of Cities support this proposal.

Mr. Chairman, we cannot afford to play politics with the safety of our communities. Congress should reauthorize and fully fund the COPS program.

INTRODUCTION OF HEALTHY START LEGISLATION

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. CUMMINGS. Mr. Speaker, I rise today to speak in support of our nation's infants and their mothers.

As a parent, I understand that children flourish in our society when they have a healthy environment to develop and learn. But most importantly, they must have a healthy start at life.

Sadly, however, four babies die each hour and 33,000 babies die each year in the U.S. before they are a year old.

In 1992, 17 out of 1,000 babies born in my home district of Baltimore City did not live to see their first birthdays. In the most deprived neighborhoods of our city, that rate was 20 out of 1,000!

Poor women were effectively shut out of affordable prenatal care and often had children who were severely underweight or born with birth defects that could have easily been prevented through adequate medical treatment.

However, our city's infant mortality rate has dropped 31 percent since the implementation of Healthy Start. In fact, in the two neighborhoods where Baltimore's Healthy Start Centers are located and easily accessible, the rate has been slashed a staggering 61% from earlier rates. The national infant mortality rate is also at a historic low of 7.1 deaths per 1,000 live births in 1997, and the proportion of mothers getting early prenatal care is at a record high of 82 percent.

Healthy Start is a phenomenal program that empowers urban communities to fully address the medical, behavioral, cultural, and social service needs of women and their infants by building strong coalitions and commitment among families, volunteers, the private sector, and health care and social service providers.

I have seen the difference this program has made in saving the lives of our children and their parents, as well as transforming the lives of the men and women who work for the program. The employees and volunteers have developed invaluable skills and a sense of pride in their service to nurture families.

As such, I will reintroduce legislation that I sponsored during the 105th Congress that makes the Healthy Start Initiative, which began in 1991 as a demonstration program, a permanent one.

I believe that as lawmakers, we have a duty to our nation's mothers and their unborn to: encourage women to make healthy choices during pregnancy by seeking prenatal care; reduce infant deaths and promote the birth of healthy babies; and provide healthy environments in which these future generations can flourish.

Healthy Start has been a successful component to accomplishing these goals and should be a permanent instrument in our efforts to cultivate healthy children.

Let's make a permanent difference in the lives of our nation's children. We owe every baby a healthy entrance into this world and each deserves a healthy start!

I urge support of my Healthy Start legislation.

IN RECOGNITION OF LIEUTENANT DOUG VERISSIMO

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. McGOVERN. Mr. Speaker, after World War II, in order to continue public interest in naval aviation, Admiral Chester Nimitz formed the Blue Angels. In June 1946, this elite group performed its first demonstration. The Blue Angels have performed for over 322 million people in the fifty-three years since that first public flight. Their aerobatics, skill and precision have amazed and entertained people of all ages. However, these pilots do much more than just fly these supersonic planes. They represent the Navy, the United States Armed Forces and the entire nation at public functions. They are role models to children and adults, demonstrating the values of successful people—teamwork, education, preparation and respect.

I would especially like to commend Lieutenant Doug Verissimo, a native of Massachusetts. Currently the #5 Lead Solo Pilot in the Blue Angels, Lt. Verissimo earned his commission and wings of gold in July 1989. He joined the Blue Angels in October 1996. Two constituents of mine—Mr. and Mrs. Carney Clary of Holden, Massachusetts—met Lt. Verissimo in 1997. Since that time, the Clarys have followed Lt. Verissimo's career. They relayed to me not only his eagerness to speak to children and adults and his commitment to his unit, but also his talent in talking to young people about the benefits of a good education and striving toward a dream. At this point, I would like to enter into the RECORD the letter from the Clarys documenting the extraordinary actions of Lt. Verissimo.

On August 21 and 22, Massachusetts will once again welcome the Blue Angels as performers. Lt. Verissimo will perform his naval duties and will demonstrate the kind of role model he is as he meets and greets the adoring fans of the Blue Angels. I welcome the Blue Angels to the Commonwealth, and I commend Lt. Verissimo for his hard work and dedication to the Blue Angels, the Navy and to America.

HOLDEN, MA,
January 24, 1999.

Congressman JAMES McGOVERN,
House Office Building,
Washington, DC.

DEAR CONGRESSMAN McGOVERN: Congratulations on your re-election. I am writing you this letter per your request after speaking with you at the Worcester Airport on August 27, 1998.

My name is Carney Clary. I reside in Holden having been born and raised in the Grafton Hill section of Worcester. I am married to the former Sheila Haran (a relative of Dan Foley) and are the parents of three children and grandparents to four. I am a three year veteran of the United States Army serving in Korea from 1955–1958. For the past 35 years I have been employed as a Police Officer in the City of Worcester. I am an avid aviation fan and attend all air shows by our own and foreign military services. I am considered the guru of aircraft and their performances by my colleagues and friends.

I spoke to you about a young Naval Aviator from Falmouth, MA who currently flies with the United States Naval Flight Demonstration Team "Blue Angels", 1st Lt. Douglas Verissimo, who last year was the navigator and this year is flying the #6 opposing solo slot. Please bear with me while I attempt to explain to you why I feel this young aviator deserves the Navy Commendation Ribbon and Medal as well as nomination to the next highest rank.

A Naval Reservist Chief Petty Officer, a friend of the family, who was on active duty serving at the Plantation St. Naval facility in Worcester made arrangements for my wife and I to partake in a social brunch with the Blue Angels Pilots in the Officer's Club on Friday, June 7, 1996. Shortly before this planned event the Commanding Officer grounded the Blue Angels in what was billed as a "Final Farewell to Boston or the S. Weymouth Naval Air Show."

The time is now June 28 and 29th 1997. My family attended the Airshow at Quonset State Airport in N. Kingston, R.I. where after the performance of the Blue Angels, the pilots come to the spectator line and sign autographs. On both these days I spoke with Lt. Verissimo finding him most professional and friendly.

In July, 1997, we vacationed in Brunswick, Me, at the Parkwood Inn. The Blue Angels also were staying in this Inn. My wife and I were sitting in the coffee lounge when Lt. Verissimo entered with his colleagues. Space being at a minimum the Lt. asked if he could sit with us. I told him how we had seen him and spoken to him in R.I. and how he signed an autograph for my grandson. I went on to tell him how disappointed I was about the failure of the Blue Angels to perform in S. Weymouth and with the commander grounding the unit and I thought this was a setback for Naval Aviation.

It was at this point that all the people present got to know Lt. Verissimo. He didn't stutter or stammer but went forward stating how the New Commanding Officer George Dom and the rest of the demo team went forward to bring the public the best ever display of aviation skills as expected by the taxpayer for the expenditure of the tax dollars. The remainder of the weekend we had breakfast in the same place and Lt. Verissimo introduced all of the people present and their assignments with the Blue Angels. Never once did he say I, but we, as a team. Lt. Verissimo told us how his mother was originally from Worcester and the main topic of his conversation was education and the importance of it. The Blue Angels left Brunswick and flew over the USS Constitution in Boston Harbor. Two weeks later Lt. Verissimo sent a beautiful picture of a flight display signed by all the members of the Blue Angels personalized to Mr. and Mrs. Clary with an enclosed note from himself.

On the 1st and 2nd of August, 1998, The Blue Angels were at Hanscom Air Base. When their demonstration was complete Lt. Verissimo again approached the sidelines for the signing of autographs. He did not see us immediately, and let me tell you, we saw a True American Professional in action. He spoke to all, the very young children, kneeling down to be at their level, the teenagers and adults, expressing the importance to the teenagers of continuing education, "what is your best subject? History, now work on making math your next best subject." "Make sure you make education number one." Education and team work. This was his focus. Lt. Verissimo exhibited his skills as a fine Military Aviator whom the United States and the State of Massachusetts should be extremely proud to call one of their own.

If ever there was an individual most deserving of the Navy Commendation Ribbon & Medal and the nomination to the next highest rank for his performance as a professional Naval Aviator, dedication to his country & service and education it is Lt. Douglas Verissimo.

Sincerely yours,

CARNEY T. CLARY.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 12, 1999.

Admiral NORB RYAN,
Department of the Navy, Office of Legislative Affairs (RM 5C760), Washington, DC.

DEAR ADMIRAL RYAN, I am writing to you on behalf of Mr. and Mrs. Carney Clary, who contacted me regarding Lieutenant Doug Verissimo.

Mr. and Mrs. Clary praised Lt. Verissimo for his teamwork as well as his pride in the Navy and Blue Angels. I am proud and impressed by their account of Lt. Verissimo. His actions, reflecting the values and training of the Navy and Blue Angels, should be commended.

A copy of the letter from Mr. and Mrs. Clary is included. Please pass my respect, praise and admiration to Lt. Verissimo, as well as to his Commanding Officer. Do not hesitate to contact me if I can do anything else on behalf of the Clary's or on behalf of Lt. Verissimo.

Sincerely,

JAMES P. MCGOVERN,
Member of Congress.

CERTIFIED NURSE MIDWIFERY SERVICES ACT OF 1999

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TOWNS. Mr. Speaker, I rise today with my colleague, Mr. UPTON of Michigan, to reintroduce the Certified Nurse Midwifery Services Act.

There are approximately two million disabled women in Medicare who are of child bearing years that are not receiving "well women" services, due to the fact that Medicare is a poor payer for these covered services. Last year, the Agency for Health Policy and Research (AHPR) released a study stating that disabled women were not receiving their primary care services. A disproportionate number of disabled women who are covered by Medicare are currently being seen by Certified Nurse-Midwives (CNMs), who are duly equipped to handle the underserved population through the unique personal training of CNMs. Although, CNMs are sought to deliver these services Medicare currently reimburses a CNM in rural areas $14 for a typical well-women visit, which could include: a pap smear, mammogram, and other pre-cancer screenings. The typical well-woman visit in fee for services cost on average $50 per visit. CNMs administer the same tests and incur the same associated costs but receive only 65 percent of the physician fee schedule for these services. At this incredibly low rate of reimbursement, a CNM simply cannot survive.

Our legislation, which has over 30 bipartisan co-sponsors, increases the level of reimbursement to 95 percent of the physician fee schedule, which is the economic reality in the marketplace. Moreover, CNMs serve as faculty members of medical schools. For over 20 years, they have supervised and trained interns and residents. The bill guarantees payment for graduate medical education and includes technical corrections that will clarify the reassignment of billing rights for CNMs who are employed by others. Additionally, the bill ensures facility fee payments for freestanding birth centers where a woman can receive the full range of care from her preferred CNM.

This bill will enhance access to "well woman" care for thousands of women in underserved communities. I urge my colleagues to support this legislation as we move forward with initiatives to address shortfalls in the Medicare system.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Certified Nurse Midwifery Medicare Services Act of 1999".

SEC. 2. MEDICARE PAYMENT FOR CERTIFIED NURSE-MIDWIFE AND MIDWIFE SERVICES.

(a) CERTIFIED MIDWIFE, CERTIFIED MIDWIFE SERVICES DEFINED.—(1) Section 1861(gg) of the Social Security Act (42 U.S.C. 1395x(gg)) is amended by adding at the end the following new paragraphs:

"(3) The term 'certified midwife services' means such services furnished by a certified midwife (as defined in paragraph (4)) and such services and supplies furnished as an incident to the certified midwife's service which the certified midwife is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) as would otherwise be payable under this title if furnished by a physician or as an incident to a physician's service.

"(4) The term 'certified midwife' means an individual who has successfully completed a bachelor's degree from an accredited educational institution and a program of study and clinical experience meeting guidelines prescribed by the Secretary, or has been certified by an organization recognized by the Secretary.".

(2) The heading in section 1861(gg) of such Act (42 U.S.C. 1395x(gg)) is amended to read as follows:

"Certified Nurse-Midwife Services; Certified Midwife Services".

(b) CERTIFIED MIDWIFE SERVICE BENEFIT.—

* * * * *

(B) in paragraph (6), by striking "; or" and inserting "or in the case of services in a hospital or osteopathic hospital by an intern or resident-in-training in the field of obstetrics and gynecology, nothing in this paragraph shall be construed to preclude a certified nurse-midwife or certified midwife (as defined in paragraphs (1) and (3), respectively, of subsection (gg)) from teaching or supervising such intern or resident-in-training, to the extent permitted under State law and as may be authorized by the hospital; or";

(C) in paragraph (7), by striking the period at the end and inserting "; or"; and

(D) by adding at the end the following new paragraph:

"(8) a certified nurse-midwife or a certified midwife where the hospital has a teaching program approved as specified in paragraph (6), if (A) the hospital elects to receive any payment due under this title for reasonable costs of such services, and (B) all certified nurse-midwives or certified midwives in such hospital agree not to bill charges for professional services rendered in such hospital to individuals covered under the insurance program established by this title.".

(4) BENEFIT UNDER PART B.—Section 1832(a)(2)(B)(iii) of such Act (42 U.S.C. 1395k(a)(2)(B)(iii)) is amended—

(A) by inserting "(I)" after "(iii)";

(B) by inserting "certified midwife services," after "certified nurse-midwife services,"; and

(C) by adding at the end the following new subclause:

"(II) in the case of certified nurse-midwife services or certified midwife services furnished in a hospital which has a teaching program described in clause (i)(II), such services may be furnished as provided under section 1842(b)(7)(E) and section 1861(b)(8);".

(5) AMOUNT OF PAYMENT.—Section 1833(a)(1)(k) of such Act (42 U.S.C. 1395l(K)) is amended—

(A) by inserting "and certified midwife services" after "certified nurse-midwife services"; and

(B) by striking "65 percent" each place it appears and inserting "95 percent".

(6) ASSIGNMENT OF PAYMENT.—The first sentence of section 1842(b)(6) of such Act (42 U.S.C. 1395u(b)(6)) is amended—

(A) by striking "and (F)" and inserting "(F)"; and

(B) by inserting before the period the following: ", (G) in the case of certified nurse-midwife services or certified midwife services under section 1961(s)(2)(L), payment may be made in accordance with subparagraph (A), except that payment may also be made to such person or entity (or to the agent of such person or entity) as the certified nurse-midwife or certified midwife may designate under an agreement between the certified nurse-midwife or certified midwife and such person or entity (or the agent of such person or entity);

(7) CLARIFICATION REGARDING PAYMENTS UNDER PART B FOR SUCH SERVICES FURNISHED IN TEACHING HOSPITALS.—(A) Section 1842(b)(7) of such Act (42 U.S.C. 1395u(b)(7)) is amended—

(i) in subparagraphs (A) and (C), by inserting "or, for purposes of subparagraph (E), the conditions described in section 1861(b)(8)," after "section 1861(b)(7),"; and

(ii) by adding at the end the following new subparagraph:

"(E) In the case of certified nurse-midwife services or certified midwife services furnished to a patient in a hospital with a teaching program approved as specified in section 1861(b)(6) but which does not meet the conditions described in section 1861(b)(8), the provisions of subparagraphs (A) through (C) shall apply with respect to a certified nurse-midwife or a certified midwife respectively under this subparagraph as they apply to a physician under subparagraphs (A) through (C).".

(B) Not later than 180 days after the date of the enactment of this Act, the Secretary shall prescribe regulations to carry out the amendments made by subparagraph (A).

SEC. 3. MEDICARE PAYMENT FOR FREESTANDNG BIRTH CENTER SERVICES.

(a) FREESTANDING BIRTH CENTER SERVICES, FREESTANDING BIRTH CENTER DEFINED.—

(1) IN GENERAL.—(A) Section 1861(gg) of the Social Security Act (42 U.S.C. 1395x(gg)), as amended in section 2(a)(1), is amended by adding at the end the following new paragraphs:

"(5) The term 'freestanding birth center services' means items and services furnished by a freestanding birth center (as defined in paragraph (6)) and such items and services furnished as an incident to the freestanding birth center's service as would otherwise be covered if furnished by a physician or as an incident to a physician's service.

"(6) the term 'freestanding birth center' means a facility, institution, or site (other than a rural health clinic, critical access hospital, or a sole community hospital) (A) in which births are planned to occur (outside the mothers's place of residence), (B) in which comprehensive health care services are furnished, and (C) which has been approved by the Secretary or accredited by an organization recognized by the Secretary for purposes of accrediting freestanding birth centers. Such term does not include a facility, institution, or site that is a hospital or an ambulatory surgical center, unless with respect to ambulatory surgical centers, the State law or regulation that regulates such centers also regulates freestanding birth centers in the State.".

(B) The heading in section 1861(gg) of such Act (42 U.S.C. 1359x(gg)), as amended in section 2(b)(2), is further amended by adding at the end the following:

"; Freestanding Birth Center Services".

(2) MEDICAL AND OTHER SERVICES.—Section 1861(s)(2)(L) of such Act (42 U.S.C. 1395x(s)(2)(L)), as amended in section 2(b)(1), is further amended—

(A) by inserting "(i)" after "(L)";

(B) by adding "and" after the semicolon; and

(C) by adding at the end the following new clause:

"(ii) freestanding birth center services;".

(b) PART B BENEFIT.—

(1) IN GENERAL.—Section 1832(a)(2)(B)(iii) of such Act (42 U.S.C. 1395k(a)(2)(B)(iii)), as amended in section 2(b)(4), is further amended by inserting "freestanding birth center services," after "certified midwife services,".

(2) AMOUNT OF PAYMENT.—Section 1833(a)(1) of such Act (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking "and (S)" and inserting in lieu thereof "(S)"; and

(B) by inserting before the semicolon the following new subparagraph: ", and (T) with respect to freestanding birth center services under section 1861(s)(2)(L)(ii), the amount paid shall be made on an assignment-related basis and shall be 80 percent of the lesser of (i) the actual charge for the services or (ii) an amount established by the Secretary for purposes of this subparagraph, such amount being 95 percent of the Secretary's estimate of the average total payment made to hospitals and physicians during 1997 for charges for delivery and pre-delivery visits, such amounts adjusted to allow for regional variations in labor costs; except that (I) such estimate shall not include payments for diagnostic tests, drugs, or the cost associated with the transfer of a patient to the hospital or the physician whether or not separate payments were made under this title for such tests, drugs, or transfers, and (II) such amount shall be updated by applying the single conversion factor for 1998 under section 1848(d)(1)(C)".

SEC. 4. INTERIM, FINAL REGULATIONS.

Except as provided in section 2(b)(7)(B), in order to carry out the amendments made by this Act in a timely manner, the Secretary of Health and Human Services may first promulgate regulations, that take effect on an interim basis, after notice and pending opportunity for public comment, by not later than 6 months after the date of the enactment of this Act.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2606) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2000, and for other purposes:

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to this amendment offered by Representative BURTON. This amendment terminates United States bilateral aid to India for human rights reasons.

The Burton amendment is wrong on several fronts. In the wake of the recent Pakistani incursion across the line of control, the U.S. and India have a new opportunity to build a broad-based relationship. Instead of applauding India for the admirable restraint shown in the recent Kashmir crisis, this amendment would punish India by cutting humanitarian assistance.

India has been working to address its human rights record. As evidenced by the most recent State Department Country Reports on Human Rights, India has received high marks for its significant improvement. The report praised India for its substantial progress and for its Independent National Human Rights Commission. Despite the continued dispute over the future of Kashmir, India continues to allow the International Committee of the Red Cross to visit prisons in Kashmir.

India the world's largest democracy has a strong and vibrant democracy. Despite the relative youth of this democracy it features an independent judiciary, free press and political parties. The Indian press has been at the forefront in investigating human rights violations.

In a few short months, most Indians will exercise one of the greatest hallmarks of democracy, the right to vote. In the world's largest exercise of democracy, more than 250 million people will vote and more than 100 national regional parties will participate in this national election for India.

The best way we can influence our democratic allies is to continue our nation to nation dialogue. Punitive damages will only serve to hinder the progress that has been made in the relations between the United States and India. During the last year this relationship has resulted in an increased dialogue on nuclear nonproliferation, a firmer understanding of Southeast Asia security concerns, and an increase in constructive trade between our two nations. And we must encourage India and Pakistan to seek peace not war.

A "yes" vote on the Burton amendment would send the wrong message at the wrong time. We do not want to be responsible for undercutting peace and stability in the region. I respectfully ask my colleagues to vote "no" on the Burton amendment and let us continue the dialogue with India.

AMERICAN INVENTORS PROTECTION ACT OF 1999

SPEECH OF

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 3, 1999

Mr. COBLE. Mr. Speaker, in light of eleventh-hour negotiations on a final suspension version of H.R. 1907, which the House of Representatives passed on August 4, 1999, changes have been made to the bill which are not reflected in the committee report that was filed. I therefore intend that this document supplement the report for purposes of detailing a more accurate legislative history of H.R. 1907. It should be noted that the later-adopted changes to the suspension version primarily concern title II, title V, and title VI, to which these supplementary comments will be confined. Changes to other sections of the bill are technical.

Title II—First Inventor Defense

Generally. Title II strikes an equitable balance between the interests of U.S. inventors who have invented and commercialized business methods and processes, many of which until recently were thought not to be patentable, and U.S. or foreign inventors who later patent the methods and processes. The title creates a defense for inventors who have reduced an invention to practice in the U.S. at least one year before the patent filing date of another, typically later, inventor and commercially used the invention in the U.S. before the filing date. A party entitled to the defense must not have derived the invention from the patent owner. The bill protects the patent owner by providing that the establishment of the defense by such an inventor or entrepreneur does not invalidate the patent.

The title clarifies the interface between two key branches of intellectual property law—patents and trade secrets. Patent law serves the public interest by encouraging innovation and investment in new technology, and may be thought of as providing a right to exclude other parties from an invention in return for the inventor making a public disclosure of the invention. Trade secret law, however, also serves the public interest by protecting investments in new technology. Trade secrets have taken on a new importance with an increase in the ability to patent all business methods and processes. It would be administratively and economically impossible to expect any inventor to apply for a patent on all methods and processes now deemed patentable. In order to protect inventors and to encourage proper disclosure, this title focuses on methods for doing and conducting business, including methods used in connection with internal commercial operations as well as those used in connection with the sale or transfer of useful end results—whether in the form of physical products, or in the form of services, or in the form of some other useful results; for example, results produced through the manipulation of data or other inputs to produce a useful result.

The earlier-inventor defense is important to many small and large businesses, including financial services, software companies, and manufacturing firms—any business that relies on innovative business processes and methods. The 1998 opinion by the U.S. Court of Appeals for the Federal Circuit in State Street Bank and Trust Co. v. Signature Financial Group,[1] which held that methods of doing business are patentable, has added to the urgency of the issue. As the Court noted, the reference to the business method exception had been improperly applied to a wide variety of processes, blurring the essential question of whether the invention produced a "useful, concrete, and tangible result." in the wake of State Street, thousands of methods and processes used internally are now being patented. In the past, many businesses that developed and used such methods and processes thought secrecy was the only protection available. Under established law, any of these inventions which have been in commercial use—public or secret—for more than one year cannot now be the subject of a valid U.S. patent.

Sec. 201. Short title. Title II may be cited as the "First to Invent Act."

Sec. 202. Defense to patent infringement based on earlier inventor. In establishing the defense, subsection (a) of §202 creates a new §273 of the Patent Act, which in subsection (a) sets forth the following definitions:

(5) *commercially used and commercial use* mean use of any method in the United States so long as the use is in connection with an internal commercial use or an actual sale or transfer of a useful end result;

(2) commercial use as applied to a nonprofit research laboratory and nonprofit entities such as a university, research center, or hospital intended to benefit the public means that such entities may assert the defense only based on continued use by and in the entities themselves, but that the defense is inapplicable to subsequent commercialization or use outside the entities;

(3) method means any method for doing or conducting an entity's business; and

(4) effective filing date means the earlier of the actual filing date of the application for the patent or the filing date of any earlier U.S., foreign, or international application to which the subject matter at issue is entitled under the Patent Act.

To be "commercially used" or in "commercial use" for purposes of subsection (a), the use must be in connection with either an internal commercial use or an actual arm's-length sale or other arm's-length commercial transfer of a useful end result. The method that is the subject matter of the defense may be an internal method for doing business, such as an internal human resources management process, or a method for conducting business such as a preliminary or intermediate manufacturing procedure, which contributes to the effectiveness of the business by producing a useful end result for the internal operation of the business or for external sale. Commercial use does not require the subject matter at issue to be accessible to or otherwise known to the public.

Subject matter that must undergo a premarketing regulatory review period during which safety or efficacy is established before commercial marketing or use is considered to be commercially used and in commercial use during the regulatory review period.

The issue of whether an invention is a method is to be determined based on its underlying nature and not on the technicality of the form of the claims in the patent. For example, a method for doing or conducting business that has been claimed in a patent as a programmed machine, as in the State Street case, is a method for purposes of §273 if the invention could have as easily been claimed as a method. Form should not rule substance.

Subsection (b)(1) of proposed §273 establishes a general defense against infringement under §271 of the Patent Act. Specifically, a person will not be held liable with respect to any subject matter that would otherwise infringe one or more claims to a method in another party's patent if the person:

(1) acting in good faith, actually reduced the subject matter to practice at least one year before the effective filing date of the patent; and

(2) commercially used the subject matter before the effective filing date of the patent.

The first inventor defense is not limited to methods in any particular industry such as the financial services industry, but applies to any industry which relies on trade secrecy for protecting methods for doing or conducting the operations of their business.

Subsection (b)(2) states that the sale or other lawful disposition of a useful end result produced by a patented method, by a person entitled to assert a §273 defense, exhausts the patent owner's rights with respect to that end result to the same extent such rights would have been exhausted had the sale or other disposition been made by the patent owner. For example, if a purchaser would have had the right to resell a product or other end result if bought from the patent owner, the purchaser will have the same right if the product is purchased from a person entitled to a §273 defense.

Subsection (b)(3) creates limitations and qualifications on the use of the defense. First, a person may not assert the defense unless the invention for which the defense is asserted is for a commercial use of a method as defined in §273(a) (1) and (3). Second, a person may not assert the defense if the subject matter was derived from the patent owner or persons in privity with the patent owner. Third, subsection (b)(3) makes clear that the application of the defense does not create a general license under all claims of the patent in question—it extends only to the specific subject matter claimed in the patent with respect to which the person can assert the defense. At the same time, however, the defense does extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements that do not infringe additional, specifically-claimed subject matter.

Subsection (b)(4) requires that the person asserting the defense has the burden of proof in establishing it by clear and convincing evidence. Subsection (b)(5) establishes that the person who abandons the commercial use of subject matter may not rely on activities performed before the date of such abandonment in establishing the defense with respect to actions taken after the date of abandonment. Such a person can rely only on the date when commercial use of the subject matter was resumed.

Subsection (b)(6) notes that the defense may only be asserted by the person who performed the acts necessary to establish the defense, and, except for transfer to the patent owner, the right to assert the defense cannot be licensed, assigned, or transferred to a third party except as an ancillary and subordinate part of a good-faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.

When the defense has been transferred along with the enterprise or line of business to which it relates as permitted by subsection (b)(6), subsection (b)(7) limits the sites for which the defense may be asserted. Specifically, when the enterprise or line of business to which the defense relates has been transferred, the defense may be asserted only for uses at those sites where the subject matter was used before the later of the patent filing date or the date of transfer of the enterprise or line of business.

Subsection (b)(8) states that a person who fails to demonstrate a reasonable basis for asserting the defense may be held liable for attorneys' fees under §285 of the Patent Act.

Subsection (b)(9) specifies that the successful assertion of the defense does not mean that the affected patent is invalid. Paragraph (9) eliminates a point of uncertainty under current law, and strikes a balance between the rights of an inventor who obtains a patent after another inventor has taken the steps to qualify for a prior use defense. The bill provides that the commercial use of a method in operating a business before the patentee's filing date, by an individual or entity that can establish a §273 defense, does not invalidate the patent. For example, under current law, although the matter has seldom been litigated, a party who commercially used an invention in secrecy before the patent filing date and who also invented the subject matter before the patent owner's invention may argue that the patent is invalid under §102(g) of the Patent Act. Arguably, commercial use of an invention in secrecy is not suppression or concealment of the invention within the meaning of §102(g), and therefore the party's earlier invention could invalidate the patent.[2]

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[1] 149 F.3d 1368 (Fed. Cir. 1998) [hereinafter *State Street*]

Sec. 203. Effective date and applicability. The effective date for Title II is the date of enactment, except that the title does not apply to any infringement action pending on the date of enactment or to any subject matter for which an adjudication of infringement, including a consent judgment, has been made before the date of enactment.

TITLE V—PATENT LITIGATION REDUCTION ACT

Generally. Title V is intended to reduce expensive patent litigation in U.S. district courts by giving third-party requesters, in addition to the existing *ex parte* reexamination in Chapter 30 of title 35, the option of *inter partes* reexamination proceedings in the PTO. Congress enacted legislation to authorize *ex parte* reexamination of patents in the PTO in 1980, but such reexamination has been used infrequently since a third party who requests reexamination cannot participate at all after initiating the proceedings. Numerous witnesses have suggested that the volume of lawsuits in district courts will be reduced if third parties can be encouraged to use reexamination by giving them an opportunity to argue their case for patent invalidity in the PTO. Title V provides that opportunity as an option to the existing *parte* reexamination procedures.

Title V leaves existing *ex parte* reexamination procedures in Chapter 30 of title 35 intact, but establishes an *inter partes* reexamination procedure which third-party requesters can use at their option. Title V allows third parties who request *inter partes* reexamination to submit one *written* comment each time the patent owner files a response to the PTO. In addition, such third-party requesters can appeal to the PTO Board of Patent Appeals and Interferences from an examiner's determination that the reexamined patent is valid, but may not appeal to the Court of Appeals for the Federal Circuit. To prevent harassment, anyone who requests *inter partes* reexamination must identify the real party in interest and third-party requesters who participate in an *inter partes* reexamination proceeding are estopped from raising in a subsequent court action or *inter partes* reexamination any issue of patent validity that they raised or could have raised during such *inter partes* reexamination.

Title V contains the important threshold safeguard (also applied in *ex parte* reexamination) that an *inter partes* reexamination cannot be commenced unless the PTO makes a determination that a "substantial new question" of patentability is raised. Also, as under Chapter 30, this determination cannot be appealed, and grounds for *inter partes* reexamination are limited to earlier patents and printed publications—grounds that PTO examiners are well-suited to consider.

Sec. 501. Short title. Title V may be cited as the "Optional *Inter Partes* Reexamination Procedure Act."

Sec. 502. Clarification of Chapter 30. Section 502 distinguishes Chapter 31 from existing Chapter 30 by changing the title of Chapter 30 to "*Ex Parte* Reexamination of Patents."

Sec. 503. Definitions. Section 503 amends §100 of the Patent Act by defining "third-party requester" as a person who is not a patent owner requesting *ex parte* reexamination under §302 or *inter partes* reexamination under §311.

Sec. 504. Optional Inter Partes Reexamination Procedure. Section 504 amends Part 3 of title 35 by inserting a new Chapter 31 setting forth optional *inter partes* reexamination procedures.

New §311 of §504 differs from §302 of existing law in Chapter 30 of the Patent Act by requiring any person filing a written request for *inter partes* reexamination

Similar to §303 of existing law, new §312 of the Patent Act confers upon the Director the authority and responsibility to determine, within three months after the filing of a request for *inter partes* reexamination, whether a substantial new question affecting patentability of any claim of the patent is raised by the request. Also, the decision in this regard is final and not subject to judicial review.

Proposed §§313–14 of §504 are similarly modeled after §§304–305 of Chapter 30. Under proposed §313, if the Director determines that a substantial new question of patentability affecting a claim is raised, the determination shall include an order for *inter partes* reexamination for resolution of the question. The order may be accompanied by the initial PTO action on the merits of the *inter partes* reexamination conducted in accordance with §314. Generally, under proposed §314, *inter partes* reexamination shall be conducted according to the procedures set forth in §§132–133 of the Patent Act. The patent owner will be permitted to propose any amendment to the patent and a new claim or claims, with the same exception contained in §305: No proposed amended or new claim enlarging the scope of the claims will be allowed.

Proposed §314 elaborates on procedure with regard to third-party requesters who, for the first time, are given the option to participate in *inter partes* reexamination proceedings. With the exception of the *inter partes* reexamination request, any document filed by either the patent owner or the third-party requester shall be served on the other party. In addition, the third party-requester in an *inter partes* reexamination shall receive a copy of any communication sent by the PTO to the patent owner. After each response by the patent owner to an action on the merits by the PTO, the third-party requester shall have one opportunity to file written comments addressing issues raised by the PTO or raised in the patent owner's response. Unless ordered by the Director for good cause, the agency must act in an *inter partes* reexamination matter with special dispatch.

Proposed §315 prescribes the procedures for appeal of an adverse PTO decision by the patent owner and the third-party requester in an *inter partes* reexamination. Both the patent owner and the third-party requester are entitled to appeal to the Patent Board of Appeals and Interferences (§134 of the Patent Act), but only the patentee can appeal to the U.S. Court of Appeals for the Federal Circuit (§§141–144); either may also be a party to any appeal by the other to the Board of Patent Appeals and Interferences. The patentee is not entitled to the alternative of an appeal of an *inter partes* reexamination to the U.S. District Court for the District of Columbia. Such appeals are rarely taken from *inter partes* reexamination proceedings under existing law and its removal should speed up the process.

To deter unnecessary litigation, proposed §315 imposes constraints on the third-party requester. In general, a third-party requester who is granted an *inter partes* reexamination by the PTO may not assert at a later time in any civil action in U.S. district court[3] the invalidity of any claim finally determined to be patentable on any ground that the third-party requester raised or could have raised during the *inter partes* reexamination. However, the third-party requester may assert invalidity based on newly discovered prior art unavailable at the time of the reexamination. Prior art was unavailable at the time of the *inter partes* reexamination if it was not known to the individuals who were involved in the reexamination proceeding on behalf of the third-party requester and the PTO.

Section 316 provides for the Director to issue and publish certificates canceling unpatentable claims, confirming patentable claims, and incorporating any amended or new claim determined to be patentable in an *inter partes* procedure.

Title V creates a new §317 which sets forth certain conditions by which *inter partes* reexamination is prohibited to guard against harassment of a patent holder. In general, once an order for *inter partes* reexamination has been issued, neither a third-party requester nor the patent owner may file a subsequent request for *inter partes* reexamination until an *inter partes* reexamination certificate is issued and published, unless authorized by the Director. Further, if a third-party requester asserts patent invalidity in a civil action and a final decision is entered that the party failed to provide the assertion of invalidity, or if a final decision in an *inter partes* reexamination instituted by the requester is favorable to patentability, after any appeals, that third-party requester cannot thereafter request *inter partes* reexamination on the basis of issues which were or which could have been raised. However, the third-party requester may assert invalidity based on newly discovered prior art unavailable at the time of the civil action or *inter parties* reexamination. Prior art was unavailable at the time if it was not known to the individuals who were involved in the civil action or *inter parties* reexamination proceeding on behalf of the third-party requester and the PTO.

Proposed §318 gives a patent owner the right, once an *inter partes* reexamination has been ordered, to obtain a stay of any pending litigation involving an issue of patentability of any claims of the patent that are the subject of the *inter partes* reexamination, unless the court determines that the stay would not serve the interests of justice.

Section 505. Conforming amendments. Section 505 makes the following conforming amendments to the Patent Act:

A patent owner must pay a fee of $1,210 for each petition in connection with an unintentionally abandoned application, delayed payment, or delayed response by the patent owner during any reexamination.

A patent applicant, any of whose claims have been twice rejected; a patent owner in an reexamination proceeding; and a third-party requester in an *inter partes* reexamination proceeding may all appeal final adverse decisions from a primary examiner to the Board of Patent Appeals and Interferences.

Proposed §141 states that a patent owner in a reexamination proceeding may appeal an adverse decision by the Board of Patent Appeals and Interferences only to the U.S. Court of Appeals for the Federal Circuit as earlier noted. A third-party requester in an

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[2] *See Dunlop Holdings* v. *Ram Golf Corp.*, 524 F.2d 33 (7th Cir. 1975), *cert. denied*, 424 US 985 (1976).

[3] *See* 28 U.S.C. §1338.

inter partes reexamination proceeding may not appeal beyond the Board of Patent Appeals and Interferences.

The Director is required pursuant to §143 (proceedings on appeal to the Federal Circuit) to submit to the court the grounds for the PTO decision in any reexamination addressing all the issues involved in the appeal.

Sec. 506. Report to Congress. Five years after the effective date of title V, the Director must submit to Congress a report evaluating whether the *inter partes* reexamination proceedings set forth in the title are inequitable to any of the parties in interest and, if so, the report shall contain recommendations for change to eliminate the inequity.

Sec. 507. Estoppel Effect of Reexamination. Section 507 estops any party who requests *inter partes* reexamination from challenging at a later time, in any civil action, any fact determined during the process of the *inter partes* reexamination, except with respect to a fact determination later proved to be erroneous based on information unavailable at the time of the *inter partes* reexamination. The estoppel arises after a final decision in the *inter partes* reexamination or a final decision in any appeal of such reexamination. If §507 is held to be unenforcable, the enforceability of the rest of title V or the Act is not affected.

Sec. 508. Effective date. Title V shall take effect on the date that is one year after the date of enactment and shall apply to all *inter partes* reexamination requests filed on or after such date.

Title VI—Patent and Trademark Office

Generally. Title VI establishes the PTO as an agency of the United States within the Department of Commerce. The Secretary of Commerce gives policy direction to the agency, but the agency itself is responsible for the management and administration of operations and has independent control of budget allocations and expenditures, personnel decisions and processes, and procurement. The Committee intends that the office will conduct its patent and trademark operations without micromanagement by Department of Commerce officials, with the exception of policy guidance of the Secretary. The agency is headed by an Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, a Deputy, and a Commissioner of Patents and a Commissioner of Trademarks. The agency is exempt from government-wide personnel ceilings. A patent public advisory committee and a trademark public advisory committee are established to advise the Director on agency policies, goals, performance, budget and user fees.

Sec. 601. Short title. Title VI may be cited as the "Patent and Trademark Office Efficiency Act."

SUBTITLE A—UNITED STATES PATENT AND TRADEMARK OFFICE

Sec. 611. Establishment of Patent and Trademark Office. Section 611 establishes the PTO as an agency of the United States within the Department of Commerce and under the policy direction of the Secretary of Commerce. The PTO is explicitly responsible for decisions regarding the management and administration of its operations and has independent control of budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions. Patent operations and trademark operations are to be treated as separate operating units within the Office.

The PTO shall maintain its principal office in the metropolitan Washington, D.C., area, for the service of process and papers and for the purpose of discharging its functions. For purposes of venue in civil actions, the agency is deemed to be a resident of the district in which its principal office if located, except where otherwise provided by law. The PTO is also permitted to establish satellite offices in such other places in the United States as it considers necessary and appropriate to conduct business.

Sec. 612. Powers and duties. Subject to the policy direction of the Secretary of Commerce, in general the PTO will be responsible for granting and issuing patents, the registration of trademarks, and the dissemination of patent and trademark information to the public.

The PTO will also possess specific powers, which include:

(1) a requirement to adopt and use an Office seal for judicial notice purposes and for authenticating patents, trademark certificates and papers issued by the Office;

(2) the authority to establish regulations, not inconsistent with law, that

(A) govern the conduct of PTO proceedings within the Office,

(B) are in accordance with §553 of title 5,

(C) facilitate and expedite the processing of patent applications, particularly those which can be processed electronically,

(D) govern the recognition, conduct, and qualifications of agents, attorneys, or other persons representing applicants or others before the PTO,

(E) recognize the public interest in ensuring that the patent system retain a reduced fee structure for small entities, and

(F) provide for the development of a performance-based process for managing that includes quantitative and qualitative measures, standards for evaluating cost-effectiveness, and consistency with principles of impartiality and competitiveness;

(3) the authority to acquire, construct, purchase, lease, hold, manage, operate, improve, alter and renovate any real, personal, or mixed property as it considers necessary to discharge its functions;

(4) the authority to make purchases of property, contracts for construction, maintenance, or management and operation of facilities, as well as to contract for and purchase printing services without regard to those federal laws which govern such proceedings;

(5) the authority to use services, equipment, personnel, facilities and equipment of other federal entities, with their consent and on a reimbursable basis;

(6) the authority to use, with the consent of the United States and the agency, government, or international organization concerned, the services, records, facilities or personnel of any State or local government agency or foreign patent or trademark office or international organization to perform functions on its behalf;

(7) the authority to retain and use all of its revenues and receipts;

(8) a requirement to advise the President, through the Secretary of Commerce, on national and certain international intellectual property policy issues;

(9) a requirement to advise Federal departments and agencies of intellectual property policy in the United States and intellectual property protection abroad;

(10) a requirement to provide guidance regarding proposals offered by agencies to assist foreign governments and international intergovernmental organizations on matters of intellectual property protection;

(11) the authority to conduct programs, studies of exchanges regarding domestic or international intellectual property law and the effectiveness of intellectual property protection domestically and abroad;

(12) a requirement to advise the Secretary of Commerce on any programs and studies relating to intellectual property policy that the PTO may conduct or is authorized to conduct, cooperatively with foreign intellectual property offices and international intergovernmental organizations; and

(13) the authority to (A) coordinate with the Department of State in conducting programs and studies cooperatively with foreign intellectual property offices and international intergovernmental organizations, and (B) transfer, with the concurrence of the Secretary of State, up to $100,000 in any year to the Department of State to pay an international intergovernmental organization for studies and programs advancing international cooperation concerning patents, trademarks, and other matters.

The specific powers set forth in new subsection (b) are clarified in new subsection (c). The special payments of paragraph (14)(B) are additional to other payments or contributions and are not subject to any limitation imposed by law. Nothing in subsection (b) derogates from the duties of the Secretary of State or the United States Trade Representative as set forth in §141 of the Trade Act of 1974,[4] nor derogates from the duties and functions of the Register of Copyrights. The Director is required to consult with the Administrator of General Services when exercising authority under paragraphs (3) and (4)(A). Finally, nothing in §612 may be construed to nullify, void, cancel, or interrupt any pending request-for-proposal let or contract issued by the General Services Administration for the specific purpose of relocating or leasing space to the PTO.

Sec. 613. Organization and management. Section 613 details the organization and management of the agency. The powers and duties of the PTO shall be vested in the Director, who shall be appointed by the President, by and with the consent of the Senate. The Director performs two main functions. As Under Secretary of Commerce for Intellectual Property, she serves as the policy advisor to the Secretary of Commerce on intellectual property issues. As Director, she is responsible for the management and direction of the PTO. She shall consult with the Public Advisory Committees, infra, on a regular basis regarding operations of the agency and before submitting budgetary proposals and fee or regulation changes. the Director shall take an oath of office. The President may remove the Director from office, but must provide notification to both houses of Congress.

The Secretary of Commerce, upon nomination of the director, shall appoint a Deputy Director to act in the capacity of the Director if the Director is absent or incapacitated. The Secretary of Commerce shall also appoint two Commissioners, one for Patents, the other for Trademarks, without regard to chapters 31, 51, or 53 of the U.S. Code. The Commissioners will have five-year terms and may be reappointed to new terms by the Secretary. Each Commissioner shall possess a demonstrated experience in patent and trademark law, respectively; and they shall be responsible for the management and direction of the patent and trademark operations, respectively. In addition to receiving a basic rate of compensation under the Senior Executive Service[5] and a locality payment,[6] the Commissioners may receive bonuses of up to 50 percent of their annual basic rate of compensation, not to exceed the salary of the Vice President, based on a performance evaluation by the Secretary, acting through the Director. The Secretary may remove Commissioners for misconduct or unsatisfactory performance.

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[4] 19 U.S.C. §2171.

The Director may also appoint other officers, agents, and employees as she sees fit, and define their responsibilities with equal discretion. The PTO is specifically not subject to any administratively or statutorily imposed limits (full-time equivalents, or "FTEs") on positions or personnel.

The PTO is charged with developing and submitting to Congress a proposal for an incentive program to retain senior (of the primary examiner grade or higher) patent and trademark examiners eligible for retirement for the sole purpose of training patent and trademark examiners.

The PTO will be subject to all provisions of title 5 of the U.S. Code governing federal employees. All relevant labor agreements which are in effect the day before enactment of title VI shall be adopted by the agency. All PTO employees as of the day before the effective date of Title VI shall remain officers and employees of the agency without a break in service. Other personnel of the Department of Commerce shall be transferred to the PTO only if necessary to carry out purposes of title VI of the bill and if a major function of their work is reimbursed by the PTO they spend at least half of their work time in support of the PTO, or a transfer to the PTO would be in the interest of the agency, as determined by the Secretary of Commerce in consultation with the Director.

On or after the effective date of the Act, the President shall appoint an individual to serve as Director until a Director qualifies under subsection (a). The persons serving as the Assistant Commissioner for Patents and the Assistant Commissioner for Trademarks on the day before the effective date of the Act may serve as the Commissioner for Patents and the Commissioner for Trademarks, respectively, until a respective Commissioner is appointed under subsection (b)(2).

Sec. 614. Public Advisory Committees. Section 613 provides a new section 5 of the Patent Act which establishes a Patent Public Advisory Committee and a Trademark Public Advisory Committee. Each Committee has nine voting members with three-year terms appointed by and serving at the pleasure of the Secretary of Commerce. Initial appointments will be made within three months of the effective date of the Act; and three of the initial appointees will receive one-year terms, three will receive two-year terms, and three will receive full terms. Vacancies will be filled within three months. The Secretary will also designate chairpersons for three-year terms.

The members of the Committees will be U.S. citizens and will be chosen to represent the interests of users. The Patent Public Advisory Committee shall have members who represent small and large entity applicants in the United States in proportion to the number of applications filed by the small and large entity applicants. In no case shall the small entity applicants be represented by less than 25 percent of the members of the Patent Public Advisory Committee, at least one of whom shall be an independent inventor. The members of both Committees shall include individuals with substantial background and achievement in finance, management, labor relations, science, technology, and office automation. The patent and trademark examiners' unions are entitled to have one representative on their respective Advisory Committee in a non-voting capacity.

The Committees meet at the call of the chair to consider an agenda established by the chair. Each Committee reviews the policies, goals, performance, budget, and user fees that bear on its area of concern and advises the Director on these matters. Within 60 days of the end of a fiscal year, the Committees prepare annual reports, transmit the reports to the Secretary of Commerce, the President, and the Committees on the Judiciary of the Congress, and publish the reports in the Official Gazette of the PTO.

Members of the Committees are compensated at a defined daily rate for meeting and travel days. Members are provided access to PTO records and information other than personnel or other privileged information including that concerning patent applications. Members are special Government employees within the meaning of §202 of title 18. The Federal Advisory Committee Act shall not apply to the Committees. Finally, §614 provides that Committee meetings shall be open to the public unless by a majority vote the Committee meets in executive session to consider personnel or other confidential information.

Sec. 615. Patent and Trademark Office funding. Pursuant to §42(c) of the Patent Act, fee available to the Commissioner under §31 of the Trademark Act of 1946[7] may be used only for the processing of trademark registrations and for other trademark-related activities, and to cover a proportionate share of the administrative costs of the PTO. In an effort to more tightly "fence" trademark funds for trademark purposes, §615 amends this language such that all (trademark) fees available to the Commissioner shall be used for trademark registration and other trademark-related purposes. In other words, the Commissioner may exercise no discretion when spending funds; they must be earmarked for trademark purposes.

Sec. 616. Conforming amendments. Technical conforming amendments to the Patent Act are set forth in §616.

Sec. 617. Trademark Trial and Appeal Board. Section 617 amends §17 of the Trademark Act of 1946 by specifying that the Director shall give notice to all affected parties and shall direct a Trademark Trial and Appeal Board to determine the respective rights of those parties before it in a relevant proceeding. The section also invests the Director with the power of appointing administrative trademark judges to the Board. The Director, the Commissioner for Trademarks, the Commissioner for Patents, and the administrative trademark judges shall serve on the Board.

Sec. 618. Board of Patent Appeals and Interferences. Under existing §7 of the Patent Act, the Commissioner, Deputy Commissioner, Assistant Commissioner, and the examiners-in-chief constitute the Board of Patent Appeals and Interferences. Pursuant to §618 of Title VI, the Board is comprised of the Director, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges. In addition, the existing statute allows each appellant a hearing before three members of the Board who are designated by the Commissioner. Section 618 empowers the Director with this authority.

Sec. 619. Annual report of Director. No later than 180 days after the end of each fiscal year, the Director must provide a report to Congress detailing funds received and expended by the PTO, the purposes for which the funds were spent, the quality and quantity of PTO work, the nature of training provided to examiners, the evaluations of the Commissioners by the Secretary of Commerce, the Commissioners' compensation, and other information relating to the agency.

Sec. 620. Suspension or exclusion from practice. Under existing §32 of the Patent Act, the Commissioner (the Director pursuant to §632 of this Act) has the authority, after notice and a hearing, to suspend or exclude from further practice before the PTO any person who is incompetent, disreputable, indulges in gross misconduct or fraud, or is noncompliant with PTO regulations. Section 620 permits the Director to designate an attorney who is an officer or employee of the PTO to conduct a hearing under §32.

Sec. 621. Pay of Director and Deputy Director. Section 621 replaces the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks with the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office to receive pay at Level III of the Executive Schedule.[8] Section 621 also establishes the pay of the Deputy Director at Level IV of the Executive Schedule.[9]

Sec. 622. Study on fees. Section 622 call on the Under Secretary of Commerce for Intellectual Property to conduct a study of alternative fee structures to encourage maximum participation by inventors in the PTO.

SUBTITLE B—EFFECTIVE DATE; TECHNICAL AMENDMENTS

Sec. 631. Effective Date. The effective date of Title VI is four months after the date of enactment.

Section 632. Technical and conforming amendments. Section 632 sets forth numerous technical and conforming amendments related to Title VI.

SUBTITLE C—MISCELLANEOUS PROVISIONS

Sec. 641. References. Section 641 clarifies that any reference to the transfer of a function from a department or office to the head of such department or office means the head of such department or office to which the function is transferred. In addition, in other federal materials to the Commissioner of Patents and Trademarks refer, upon enactment, to the Director of the United States Patent and Trademark Office. Similarly, references to the Assistant Commissioner for Patents deemed to refer to the Commissioner for Patents and references to the Assistant Commissioner for Trademarks are deemed to refer to the Commissioner for Trademarks.

Sec. 642. Exercise of authorities. Under §642, except as otherwise provided by law, a federal official to whom a function is transferred pursuant to Title VI may exercise all authorities under any other provision of law that were available regarding the performance of that function to the official empowered to perform that function immediately before the date of the transfer of the function.

Sec. 643. Savings provisions. Relevant legal documents that relate to a function which is transferred by Title VI, and which are in effect on the date of such transfer, shall continue in effect according to their terms unless later modified or repealed in an appropriate manner. Applications or proceedings concerning any benefit, service, or license pending on the effective date of Title VI before an office transferred shall not be affected, and shall continue thereafter, but may later be modified or repealed in the appropriate manner.

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[5] 28 U.S.C. §5382.

[6] 5 U.S.C. §5304(h)(2)(C).

[7] 15 U.S.C. §1051, *et. seq.*

[8] 5 U.S.C. §5314.

[9] 5 U.S.C. §5315.

Title VI will not affect suits commenced before the effective date of passage. Suits or actions by or against the Department of Commerce, its employees, or the Secretary shall not abate by reason of enactment of Title VI. Suits against a relevant government officer in her official capacity shall continue post enactment, and if a function has transferred to another officer by virtue of enactment, that other officer shall substitute as the defendant. Finally, administrative and judicial review procedures that apply to a function transferred shall apply to the head of the relevant federal agency and other officers to which the function is transferred.

Sec. 644. Transfer of assets. Section 644 states that all available personnel, property, records, and funds related to a function transferred pursuant to Title VI shall be made available to the relevant official or head of the agency to which the function transfers at such time or times as the Director of the Office of Management and Budget (OMB) directs.

Sec. 645. Delegation and assignment. Section 645 allows an official to whom a function is transferred under Title VI to delegate that function to another officer or employee. The official to whom the function was originally transferred nonetheless remains responsible for the administration of the function.

Sec. 646. Authority of Director of the Office of Management and Budget with respect to functions transferred. Pursuant to §646, if necessary the Director of OMB shall make any determination of the functions transferred pursuant to Title VI.

Sec. 647. Certain vesting of functions considered transfers. Section 647 states that the vesting of a function in a department or office pursuant to reestablishment of an office shall be considered to be the transfer of that function.

Sec. 648. Availability of existing funds. Under §648, existing appropriations and funds available for the performance of functions and other activities terminated pursuant to title VI shall remain available (for the duration of their period of availability) for necessary expenses in connection with the termination and resolution of such functions and activities subject to the submission of a plan to House and Senate appropriators in accordance with Public Law 105–277 (Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, Fiscal Year 1999).

Sec. 649. Definitions. Function includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

Office includes any office, administration, agency, bureau, institute, council, unit, organizational entity,.or component thereof.

FOOD STAMP OUTREACH AND RESEARCH FOR KIDS ACT OF 1999 (FORK) WILL KEEP CHILDREN FROM GOING HUNGRY

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. COYNE. Mr. Speaker, today Representative SANDER LEVIN and I are introducing legislation to make sure that children in America do not go hungry. In 1998, over 14 million children lived in households that couldn't always afford to buy food. That was an increase of almost 4 million children over 1997. At the same time, the number of poor children not getting Food Stamps reached its highest level in a decade. Our bill, the Food Stamp Outreach and Research for Kids Act of 1999 (FORK), would help us give children who are currently going hungry the Food Stamps they need.

Some time ago, our local food banks started telling me that the number of people coming to them for help was increasing. They were concerned that they might run out of food if the demand kept going up. When we asked them who the new people coming to the food bank were, they said they were mostly low-income working families. When the food bank screened people using the eligibility guidelines, it looked like most of the new people who came to the Food Bank should have been receiving Food Stamps but were not.

Because of those reports and others like them, SANDER LEVIN and I asked the General Accounting Office to investigate and determine whether Food Stamp-eligible families wee losing benefits, the cause of any declines, and what impact declines were having on children.

GAO recently finished its investigation, which confirmed many of the anecdotal reports. While a number of people have left the Food Stamp program because of the improved economy, economic growth alone does not explain the drop in Food Stamp participation. GAO found that demand for emergency and supplemental food was increasing and that some state agencies were not following federal laws regarding Food Stamp benefits. Perhaps most disturbing of all, GAO found that almost half of the people who have lost Food Stamps since 1996 are children.

Our bill, the Food Stamp Outreach and Research for Kids Act of 1999 (FORK), is designed to address GAO's findings and recommendations.

FORK would provide grant funding to food banks, schools, health clinics, local governments, and other entities that interact with working families. The grants would allow those organizations to develop and expand innovative approaches to Food Stamp outreach, which would help the Food and Nutrition Service enroll many of the eligible families that currently go hungry.

FORK would also require the Food and Nutrition Service (FNS) to conduct on-site inspections of state Food Stamp programs to identify barriers to enrollment and work with states to develop corrective action plans.

FORK would authorize FNS to conduct research which will help it improve access, formulate nutrition policy, and measure program impacts and integrity.

FORK would require the Departments of Agriculture and Health and Human Services to work with state Temporary Aid to Needy Families (TANF) programs to retrain caseworkers and make sure that prospective and former TANF recipients are informed about their Food Stamp eligibility.

Finally, FORK would authorize FNS to form public-private partnerships to expand its nutrition education program.

I hope our colleagues will join us in supporting this important legislation. I do not believe that anyone in Congress ever intended for children to go hungry because their parents left welfare and went to work. Now that we know it is happening, it is our responsibility to act quickly to make the Food Stamp program work for families in need.

HONORING FORMER SECRETARY LLOYD M. BENTSEN ON THE RECEIPT OF THE PRESIDENTIAL MEDAL OF FREEDOM

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. BENTSEN. Mr. Speaker, on Tuesday, August 11, 1999, President William Jefferson Clinton will present the Medal of Freedom to Lloyd M. Bentsen—the 69th Secretary of the Treasury, member of the Senate and House of Representatives, and candidate for Vice President of the United States.

Lloyd Bentsen was born in Mission, in Texas' Rio Grande Valley in 1921. The first of four children to Edna Ruth Colbath Bentsen and Lloyd M. Bentsen, Sr. Lloyd Bentsen grew up in the South Texas farming community, seven miles from the Mexican border. He received his B.A. and law degree from the University of Texas in 1942. With World War II underway, he enlisted in the U.S. Army Air Corps. After brief service as a private in intelligence work in Brazil, he became a pilot and in early 1944 began flying combat missions in B–24's from southern Italy with the 449th Bomb Group. At age 23 he was promoted to rank of Major and given command of a squadron of 600 men.

In 18 months of combat, Bentsen flew 35 missions against highly defended targets such as the Ploesti oil fields in Romania, which were critical to the German war machine. The 15th Air Force, to which the 449th was attached, is credited with destroying all the gasoline production within its range, or about half German's fuel on the continent. Bentsen's unit also flew against communications centers, aircraft factories, and industrial targets in Germany, Italy, Austria, Czechoslovakia, Hungary, Romania and Bulgaria. Bentsen participated in bombing raids in support of the Anzio campaign, and flew against targets in preparation for the landing in southern France.

He was awarded the Distinguished Flying Cross, one of the Army Air Corps' and now the Air Force's highest commendations for valor. He also was awarded the Air Medal with three oak leaf clusters, the medal and each subsequent cluster representing specific campaigns for which he was decorated. He was promoted to colonel in the Air Force Reserve before completing his military service.

After the war, Bentsen returned to his native Rio Grande Valley where he was elected as Hidalgo County Judge in 1946 and to the U.S. House of Representatives from the 15th Congressional District in 1948. He served three terms in the House during which he cast crucial votes against the poll tax and in support of programs for returning veterans. He declined to seek reelection in 1954 and decided to begin a career in business.

For 16 years, Bentsen was a businessman in Houston. By 1970, he had become President of Lincoln Consolidated, a financial holding institution, including insurance, banking, and real estate. In this capacity, he built the first integrated hotel in Houston.

Secretary Bentsen was elected a United States Senator from Texas in 1970 and served as Chairman of the Senate Finance Committee from 1987 through early 1993. He also served as Chairman of the Joint Committee on Taxation and the Joint Economic Committee and was a member of the Senate Armed Services, Commerce, Science and Transportation, Intelligence, and Environment and Public Works Committees. In 1988, he was the Democratic Party nominee for Vice President of the United States.

During his 23 years in the U.S. Senate, Lloyd Bentsen drafted and passed progressive and far reaching legislation. He left an indelible mark on tax, trade, health care, and transportation legislation. His greatest achievements include the passage of the landmark Employer Retirement Income Security Act (ERISA), the Trade Act of 1988, Equal Opportunity Education legislation, anti-age discrimination legislation for the elderly, Medicare and Medicaid expansion—particularly benefiting indigent children. He was also a leader in establishing a more equitable funding formula for federal highways. As a result, Texas' highways are in much better shape because of his efforts.

Senator Bentsen was nominated by President Clinton to be the 69th Secretary of the Treasury. He served from January 20, 1993 until December 22, 1994.

As Secretary of the Treasury, Lloyd Bentsen was an important architect of the President's economic recovery package that has helped fuel the longest peacetime economic expansion in more than 60 years, while bringing the federal budget into balance. He also led the President's effort to pass the North American Free Trade Agreement.

On December 27, 1994 he ended his 30-plus years of public service and returned to practice law in Houston, where he now resides with his wife of 55 years, the former Beryl Ann Longino of Lufkin, Texas. While public service has been their calling, their true blessing has been their three children, Lloyd III, Lan, and Tina and their respective spouses, Gail, Adele, and Rick Smith and their seven grandchildren, Lloyd IV and Ryan Bentsen; Skyler, Kendall and Kate Bentsen; and Lori and Richard Smith.

Mr. Speaker, Lloyd Bentsen is a committed public servant with a remarkable record of achievement as Treasury Secretary, Senator, Representative, businessman and decorated was veteran. He is also a devoted husband and a caring father, grandfather, and uncle. He has dedicated his life to public service and his family. He is an example and an inspiration to Texans and Americans, of all that is good in public service. He is truly deserving of the Medal of Freedom, which is awarded by the President and recognizes individuals who have made significant meritorious contributions to the security or national interests of the United States; world peace; cultural or other significant public or private endeavors. Without doubt, Lloyd Bentsen meets this criteria and I salute him for his achievements and receipt of this award.

THE 50TH ANNIVERSARY OF THE PEPSI SOUTHERN 500

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. SPRATT. Mr. Speaker, on September 5th of this year, the Darlington Raceway will celebrate the 50th Anniversary of the Southern 500 stock car race, now known as the Pepsi Southern 500.

The Darlington Raceway, I'm proud to say, is located in my district. It was built in 1949, and unlike most stock car tracks of its day, it was paved with asphalt, giving the track its name, "The Lady in Black."

Harold Brasington, a native of Darlington, attended the Indianapolis 500 in 1933, and brought home with him a dream, a vision of some day having a race track in his home town, Darlington, South Carolina. Harold Brasington's dream had to wait out the Depression and World War II, but he nurtured it and in 1949 he made it come true.

The first Southern 500 was held on September 1, 1950, and sanctioned by "Big Bill" France and NASCAR, the National Association of Stock Car Auto Racing. STROM THURMOND was the Governor of South Carolina at the time, and he and his lovely wife, Jean, cut the ribbon and christened the race the "Southern 500," to the delight of 25,000 fans, an unexpected overflow crowd.

The Southern 500 was an instant success. It soon grew into the largest sporting event in South Carolina. This Labor Day Weekend, over 100,000 people are expected for the 50th anniversary. Millions more will enjoy the race by television or radio.

The great success of the Darlington Raceway started with the vision and skills of two great entrepreneurs, Harold Brasington and "Big Bill" France, both now gone. But their leadership has been carried forward by Jim Hunter, who has made Darlington Raceway bigger and better than ever, and who has won recognition as South Carolina's "Economic Ambassador." Because of his skills as a manager and sports promoter, the Pepsi Southern 500 and the TranSouth 400 now generate over $50 million, making the Darlington Raceway a top source of tourism income for South Carolina.

Other race tracks have been built since 1949, some larger, some more glamorous than Darlington. But the Darlington Raceway remains world famous, and an attraction fans everywhere, because it remains the genuine article.

The Darlington Raceway has never forgotten its roots and the people who helped make it what it is. Every year, the Darlington Raceway makes a substantial contribution to Darlington's schools. It recognizes a Darlington County Teacher of the Year, and awards a scholarship to a Darlington County high school senior; and every year, it cosponsors a gala honoring 1500 county educators.

Mr. Speaker, I am proud to represent the Darlington Raceway. As we approach the 50th Anniversary of the Southern 500, I think commendations are in order for Jim Hunter, President of the Darlington Raceway; for Bill France, Jr., CEO of International Speedway Corporation and President of NASCAR; and for everyone involved in bringing us 50 years of the finest, most exciting stock car racing in the world.

SILK ROAD STRATEGY ACT OF 1999

SPEECH OF

HON. JOSEPH R. PITTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 2, 1999

Mr. PITTS. Mr. Speaker, I rise today in strong support of H.R. 1152, the Silk Road Strategy Act. I commend my colleague, Mr. BEREUTER, for championing this important legislation that will greatly benefit countries in Central Asia and the Caucasus.

The Silk Road Strategy Act is a proactive policy of engagement, which authorizes U.S. assistance to support the economic and political independence of Kazakhstan, Krygyzstan, Tajikistan, Uzbekistan, Turkmenistan, Armenia, Georgia, and Azerbaijan. Since the break-up of the Soviet Union, after decades of Communist rule, these countries have faced a tough road toward economic development and prosperity, and the cultivation of a democratic society.

With this in mind, the U.S. must actively engage this region to ensure a peaceful post-Soviet era, and to protect our national security. Since being elected to Congress in 1996, I have worked hard to build bridges between the U.S. and Central Asia and the Caucasus. Through regular meetings with Ambassadors from this region and travel to Central Asia, I am keenly aware of the necessity of this bill.

Mr. Speaker, the Great Silk Road, which in ancient times joined the East with the West, by means of trade, cultural-humanitarian, political and economic ties, has a history stretching back several thousand years. The Great Silk Road played the role of a connecting bridge between countries and civilizations. It served as a channel for trade, which became the catalyst for the development of crafts and the active exchange of philosophies and cultures. The spirit of the Great Silk Road is what this bill before us today is about—a new Silk Road—connecting Central Asia and the Caucasus with the United States, in an effort to encourage economic, cultural, and political exchange between our countries.

I am proud to be a cosponsor of this bill and look forward to continuing working with Central Asia and Caucasus states to build prosperous market-oriented economies in the former Soviet Union. Again, I thank my colleague, Mr. BEREUTER, for sponsoring this bill, and I urge my colleagues to support the Silk Road Strategy Act.

HOMES OVER TAX CUTS

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. SCHAKOWSKY. Mr. Speaker, I am protesting this rule because it's the first step in ripping off the roof over people's heads.

That's what we are doing when we cut the HUD budget. Some people will argue that cutting the budget is good government. They will argue that we are reducing wasteful government spending. But this isn't just some government program. It's a roof over people's heads. When we cut this program, we are taking away some senior's rent money. We are throwing families out of their homes. We are denying people on fixed and low incomes the safety and security of an affordable home.

One of those government programs is the Section 8 program. HUD has contracted with private landlords to provide affordable apartments to people on fixed and low incomes. Over 500,000 of those apartments will come up for renewal in the next five years. If we don't renew those contracts, landlords will leave the program, raise their rents and evict hundreds of thousands of people on fixed and low incomes.

This is a terrible thing and we know it. Last March, we cut $350 million from the Section 8 program to pay for non-emergency spending in Kosovo. But both the Chairman of the Appropriations Committee and the Chairman of the VA–HUD Appropriations subcommittee promised to put it back if they could because they know that it is money well spent. If we have the money, we ought to use it to give people a safe home so they can go to work and their children can go to school and they all can be productive citizens.

Well, we can put the $350 million back if we don't give $800 billion to wealthy special interest in the form of an irresponsible tax cut. And we should put in an extra $1 billion that the President has requested because 500,000 households are depending on us.

This money is well spent. It's money for local governments to attract jobs. It's money for services for seniors and persons with disabilities so that they can live their lives with some comfort. It's money for secure families. People deserve this from us and we ought to give it to them. Oppose this rule, because it's the first step in ripping off the roof over people's heads.

FULLY FUND HOUSING AND COMMUNITY DEVELOPMENT

NATIONAL LOW INCOME
HOUSING COALITION,
Washington, DC, August 3, 1999.

Hon. JANICE SCHAKOWSKY,
House of Representatives,
Cannon Building, Washington, DC.

DEAR REPRESENTATIVE SCHAKOWSKY: This year marks the 50th anniversary of the Housing Act of 1949, in which Congress declared the national goal of a decent home and a suitable living environment for every American family. We believe, as do most Americans, that this nation is capable of achieving this worthy goal.

However, we have a long way to go. Even while most Americans are thriving in our remarkably healthy economy, many families still struggle with excessive housing costs and insufficient income to meet basic needs. Over 9,000,000 very low income households pay more than half of their income for housing. The 1999 report by the Joint Center for Housing Studies at Harvard, The State of the Nation's Housing, clearly documents the paradox of record accomplishments in housing production and home ownership while rents are increasing faster than wages. Nowhere in the country can a household with one full time minimum wage earner afford basic housing costs. Families who apply for housing assistance wait longer than they ever have before, and in many communities, waiting lists are closed indefinitely.

We believe that a time when we are celebrating bountiful budget surpluses is also the time to address our severe national shortage of affordable housing. This can best be done by strengthening the proven federal housing and community development programs that lift up low-income Americans. There is ample evidence that housing assistance helps low income families gain the housing stability that is necessary for family members to succeed at work and in school.

Unfortunately, the action of the House Appropriations Committee last week weakens our housing and community development programs. Rather than building on the success of our economy by extending its rewards to more and more people, the Committee moved us backwards by failing to fully fund the President's FY2000 HUD budget request. The bill cuts CDBG, HOME, HOPWA, Public Housing Operating Fund, and Homeless Assistance, among others, and does not fund a single new housing voucher.

We find it inconceivable that in this period of extraordinary economic prosperity that Congress continues to purport that we are unable to fund modest expansions of programs that improve the housing and economic opportunities of low wage earners and people on fixed incomes. The substantial tax cuts that are under consideration in the House will not improve the housing circumstances of low income people, but more housing assistance will.

We urge you to vote against the HUD–VA–IA Appropriations bill when it comes to the full House. We are capable of doing much better.

Sincerely,

ACORN, AFSCME, AIDS Policy Center for Children, Youth and Families, Alliance for Children and Families, Campaign for America's Future, Center for Community Change, Child Welfare League of America, Children's Defense Fund, Children's Foundation, Coalition on Human Needs, Development Training Institute, Employment Support Center, Feminist Majority, Friends Committee on National Legislation (Quaker), International Brotherhood of Teamsters, Jesuit Conference, Lawyers' Committee for Civil Rights Under Law, Leadership Conference on Civil Rights, Lutheran Services in America, McAuley Institute, Mennonite Central Committee U.S., Washington Office, NAACP, National Alliance to End Homelessness.

National Association of Child Advocates, National Association of Housing Cooperatives, National Association of School Psychologists, National Center on Poverty Law Inc., National Coalition for the Homeless, National Council of Churches, National Council of Jewish Women, National Council of Senior Citizens, National Housing Law Project, National Housing Trust, National League of Cities, National Low Income Housing Coalition, National Ministries, American Baptist Churches, USA, National Neighborhood Coalition, National Network for Youth, National Puerto Rican Coalition, National Rural Housing Coalition, National Urban League, Neighbor to Neighbor, Network, A National Catholic Social Justice Lobby, Preamble Center, Public Housing Authorities Directors Association, Surface Transportation Policy Project, Unitarian Universalist Affordable Housing Corporation, United Church of Christ, Office of Church in Society, U.S. Conference of Mayors, Volunteers of America.

GAMBLING ATM, AND CREDIT/DEBIT CARD REFORM ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LAFALCE. Mr. Speaker, I am today introducing legislation to implement one of the more important recommendations of the National Gambling Impact Study Commission to help lessen the potential financial losses of compulsive gambling for individuals and families. My legislation, the "Gambling ATM and Credit/Debit Card Reform Act", amends federal law to reduce the ready availability of cash and credit for gambling by removing automated transfer machines (ATMs), credit card terminals, debit card point-of-sale machines and other electronic cash dispensing devices from the immediate area of gambling activities.

The National Gambling Impact Study Commission recently completed the nation's first comprehensive analysis of legalized gambling in more than twenty years. The Commission took on one of the most difficult and divisive issues in America today and produced an extremely thoughtful report with more than 70 recommendations for changes in gambling policy. The thoroughness of the Commission's effort, despite significant divisions and difficulties, is commendable and clearly justifies the efforts of those of us who sponsored legislation to create the Commission three years ago.

A major finding of the Commission is that America has been transformed during the past 20 years from a nation in which legalized gambling was localized and limited to one in which it is almost omnipresent and a major economic and entertainment activity. Some form of legalized gambling is now permitted in 47 states and the District of Columbia. Thirty-seven states officially sponsor gambling through state lotteries. Americans now spend an estimated $650 billion a year on legalized gambling—more than they spend on movies, records, theme parks, professional sports and all other forms of entertainment combined.

The Commission also found that while legalized gambling can produce positive economic benefits for the communities in which it is introduced, it also produces significant negative consequences for millions of individuals and families—consequences such as bankruptcy, crime, divorce, abuse and even suicide. A specific concern of the Commission has been the dramatic increase in problem and pathological gambling. Studies suggest that more than 5 million Americans are pathological or problem gamblers, and that another 15 million have been identified as "at-risk" or compulsive gamblers. Growth in problem and compulsive gambling has been particularly noticeable among women and includes growing numbers of teenagers.

The Commission identified the ready availability of cash and credit in and around gambling establishments as a major factor contributing to irresponsible gambling and to problem and pathological gambling behavior. Between forty and sixty percent of all money wagered by individuals in casinos, for example, is not physically brought onto the premises but is obtained by gamblers after their arrival. Much of this money derives from credit markers extended by casinos, but a growing portion involves cash derived from ATMs and debit cards and cash advances on credit cards.

Credit cards, debit cards and ATMs have long been used within gambling resort hotels and near other gambling facilities. But their availability and use on gambling floors for purposes of making bets or purchasing playing chips was generally prohibited. This changed in 1996 when the New Jersey Casino Control Commission approved the use of credit card point-of-sale machines at gambling tables for direct purchases of playing chips and slot tokens. The action was immediately recognized by gambling experts as one of the "most potentially dramatic changes" in gambling in decades that would result in more impulse gambling by consumers and higher revenues for casinos. Since then, ATM machines have been moved from outside casinos and other gambling establishments to locations near gambling floors and debit card machines have also been installed directly at gaming tables.

Allowing gamblers to use ATMs, credit and debit cards directly for gambling removes one of the last remaining checks on compulsive or problem gambling—the need to walk away to find more cash to gamble. This separation helps break the excitement of the moment and permits many gamblers to walk away. Providing electronic transfers of additional cash not only feeds compulsive behavior, but makes it easier for problem gamblers to bet all their available cash, draw down their bank accounts, and then tap into the available credit lines of their credit cards as well. Financial institutions become unwitting accomplices in encouraging gamblers to bet more money than they intended and more than most can afford.

My legislation addresses this problem in a number of ways. First, it amends the Truth in Lending Act (TILA) to prohibit gambling establishments from placing credit card terminals, or accepting credit cards for payment or cash advances, in the immediate area where any form of gambling is conducted. It also amends the Electronic Funds Transfer Act (EFTA) to impose a similar prohibition on the placing of any automated teller machine, point-of-sale terminal or other electronic cash dispensing device in the immediate area where gambling occurs. The bill directs the Federal Reserve Board to publish and enforcement rules for assuring that all electronic transfers of cash and credit are physically segregated to the extent possible from all gambling areas. And it provides for comparable civil liability as provided elsewhere in TILA and EFTA to permit individuals to file private actions against gambling establishments that violate these restrictions.

Mr. Speaker, the National Commission's report confirms that legalized gambling has become a national phenomenon. While it is unreasonable to think we can stop its growth, we can take reasonable measures to help minimize the potential financial strain and anguish for American families. My legislation does not prohibit casinos, racetracks and other gambling facilities from providing or using credit card, ATM and debit card devices. It merely requires that these devices be used for the purposes they were intended and not to encourage irresponsible or problem gambling.

I believe this is reasonable and worthwhile legislation. I urge its adoption by the Congress.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gambling ATM and Credit/Debit Card Reform Act."

SEC. 2. IMPLEMENTATION OF THE NATIONAL GAMBLING COMMISSION'S RECOMMENDATIONS RELATING TO BANKING AND CREDIT.

(a) Initiation of Electronic Fund Transfers in Gambling Establishments.—The Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.) is amended—

(1) by redesignating sections 918, 919, 920, and 921 as sections 919, 920, 921, and 922, respectively; and

(2) by inserting after section 917 the following new section:

"SEC. 918. PLACEMENT OF ELECTRONIC TERMINALS IN GAMBLING ESTABLISHMENTS.

"(a) In General.—No person may place, or cause to be placed, an electronic terminal in the immediate area of a gambling establishment where any form of wager or bet is made or accepted, any game of chance is played, any gambling device is used, or any other form of gambling is carried on.

"(b) Regulations.—

"(1) In general.—The Board will prescribe such regulations as the Board may consider to be appropriate to ensure that the initiation of electronic fund transfers by consumers is kept, to the extent practicable, physically segregated from any activity described in subsection (a).

"(2) Separate setting.—Such regulations shall include a clear delineation of the setting in which, and the circumstances under which, electronic fund transfers should be conducted in a location physically segregated from an area where any activity described in subsection (a) is routinely carried on.

"(c) Liability.—For purposes of section 915, a failure to comply with the requirements of subsection (a) with regard to any electronic terminal shall be considered a failure to comply with a provision of this title with respect to any consumer who initiates an electronic fund transfer at such terminal while such violation continues.

"(d) Definitions.—For purposes of this section, the following definitions shall apply:

"(1) Gambling device.—The term 'gambling device' has the meaning given to such term in section 41311(b) of title 49, United States Code.

"(2) Gambling establishment.—The term 'gambling establishment' has the meaning given to such term in section 1081 of title 18, United States Code.".

(b) Use of Credit Cards to Initiate Extensions of Credit in Gambling Establishments.—

(1) In general.—Chapter 2 of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end the following new section:

"SEC. 140 PROHIBITION ON INITIATION OF EXTENSIONS OF CREDIT IN CERTAIN GAMBLING AREAS WITHIN GAMBLING ESTABLISHMENTS.

"(a) In General.—No person may—

"(1) place, or cause to be placed, an electronic terminal; or

"(2) otherwise accept the use of a credit card by a consumer to initiate a consumer credit transaction to pay for money, property, or services obtained by the consumer,

in the immediate area of a gambling establishment where any form of wager or bet is made or accepted, any game of chance is played, any gambling device is used, or any other form of gambling is carried on.

"(b) Regulations.—

"(1) In general.—The Board shall prescribe such regulations as the Board may consider to be appropriate to ensure that the use of an electronic terminal or the use of a credit card to initiate a consumer credit transaction to pay for money, property, or services obtained by a consumer is kept, to the extent practicable, physically segregated from any activity described in subsection (a).

"(2) Separate setting.—Such regulations shall include a clear delineation of the setting in which, and the circumstances under which, any use of an electronic terminal or credit card referred to in paragraph (1) should be conducted in a location physically segregated from an area where any activity described in subsection (a) is routinely carried on.

"(c) Civil Liability.—

"(1) In general.—Any person who fails to comply with any provision of this title with respect to any electronic terminal or the acceptance of a credit card to initiate a consumer credit transaction at a place in a gambling establishment that constitutes a violation shall be liable to any consumer who uses the electronic terminal or provides a credit card at such place in an amount equal to the sum of the amounts determined under each of the following subparagraphs:

"(A) Actual damages.—The greater of—

"(i) the amount of any actual damage sustained by the consumer as a result of such failure; or

"(ii) any amount paid, directly or with the proceeds of the credit transaction, by the consumer to such person.

"(B) Punitive damages.—

"(i) Individual actions.—In the case of any action by an individual, such additional amount as the court may allow.

"(ii) Class actions.—In the case of a class action, the sum of—

"(I) the aggregate of the amount which the court may allow for each named plaintiff; and

"(II) the aggregate of the amount which the court may allow for each other class member, without regard to any minimum individual recovery.

"(C) Attorneys' fees.—In the case of any successful action to enforce any liability under subparagraph (A) or (B), the costs of the action, together with reasonable attorneys' fees.

"(2) FACTORS TO BE CONSIDERED IN AWARDING PUNITIVE DAMAGES.—In determining the amount of any liability of any person under paragraph (1)(B), the court shall consider, among other relevant factors—

"(A) the frequency and persistence of noncompliance by such person;

"(B) the nature of the noncompliance;

"(C) the extent to which such noncompliance was intentional; and

"(D) in the case of any class action, the number of consumers adversely affected.

"(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) ELECTRONIC TERMINAL.—The term 'electronic terminal'—

"(A) means an electronic device, other than a telephone operated by a consumer, through which a consumer may initiate a consumer credit transaction in payment for any money, property, or services obtained by the consumer; and

"(B) includes point-of-sale terminals, automated teller machines, and cash dispensing machines.

"(2) GAMBLING DEVICE.—The term 'gambling device' has the meaning given to such term in section 41311(b) of title 49, United States Code.

"(3) GAMBLING ESTABLISHMENT.—The term 'gambling establishment' has the meaning given to such term in section 1081 of title 18, United States Code.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 2 of the Truth in Lending Act is amended by inserting after the item relating to section 139 the following new item:

"140. Prohibition on initiation of extensions of credit in certain gambling areas within gambling establishments.".

DEATH OF HON. GEORGE E. BROWN, JR.

HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LUTHER. Mr. Speaker, Congressman George Brown will be sorely missed not only by his constituents in California but also by those of us who had a chance to work with him here in Washington.

George will always be remembered as someone who looked to the future. As a member, and later chairman, of the Science Committee, he showed his devotion to new technology and space exploration. He fought hard for solar energy and fuel alternatives. I had the pleasure of serving on the Committee with him, and I can say I am indebted to him for his responsible, far-sighted leadership.

Equally important, George brought solid values to Washington—devotion, honesty, and hard work. He shunned petty personal attacks and negative political games. His dignity and decency earned him the respect of his colleagues. He leaves a void that will not easily be filled. Thank you George, for setting a high standard for public service in America.

IN MEMORY OF THE HONORABLE GEORGE E. BROWN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. DINGELL. Mr. Speaker, I rise today to pay tribute to a dedicated public servant and friend of many years, George Brown. We met and began working together in this great body when he joined me here in 1963. Almost from the start, George began following his own path in Congress, but in doing so he served his constituents, country, and friends as well as any Member has served those that they represent.

George was truly an advocate for all people. Even when it was unpopular, he pursued his belief that all people were created equal and he championed the civil rights legislation that transformed America. As a patron of the working men and women of this country, he worked to bring workers protection from hazardous working conditions. And he believed that all citizens should be able visit federal parks. Due in part to this vision, the citizens of this great nation have access to more federal parks than ever before.

With George's passing, this institution and the American people have lost part of their history. George was a repository of institutional knowledge and a person that has contributed greatly to our country as a whole. I know I speak for all of the Members of Congress when I say that this body will miss George Brown. I would also like thank his family and the citizens of the 42nd District of California for sharing him with us for so long.

TRIBUTE TO THE LIFE OF JUDGE FRANK M. JOHNSON, JR.

HON. ROBERT B. ADERHOLT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. ADERHOLT. Mr. Speaker, I rise today to pay tribute to Judge Frank M. Johnson, Jr. a native of my hometown of Haleyville, Alabama. On July 23, 1999, Judge Johnson passed away at the age of 80.

After graduating from the University of Alabama in 1943 at the top of his class, Frank Johnson enlisted in the Army as a private. Soon, he received a commission as an infantry lieutenant. During World War II, he served during the Normandy invasion, and won a Bronze Star as a platoon leader in Gen. Patton's Third Army. Twice he was wounded in battle during the war. After he recovered, he was transferred to England and served out the war as a legal officer in the Judge Advocate General's Corps, eventually being promoted to Captain.

Judge Johnson was first promoted to the bench in 1954, then the youngest serving federal judge in the nation. In 1955, he was elevated to U.S. Middle District Judge in Montgomery, Alabama, and in 1979 he was named to the U.S. Court of Appeals.

His career on the bench was marked by many pivotal rulings. In 1956, in his first major ruling, Judge Johnson joined the majority on a three-judge panel in the case concerning the Rosa Parks case. This decision brought the end of segregated bus systems. With this ruling, Judge Johnson staked his place in the civil rights battle, fighting for equality for all Americans during his judicial career.

Judge Johnson participated in rulings that desegregated all types of public places and services, from schools to museums, from airports to restaurants from libraries to parks. Even in the face of harsh criticism and resistance, Judge Johnson stood firm in his belief in equality and justice for all Americans.

Desegregation was not his only accomplishment in the Civil Rights fight. After finding rampant discrimination against blacks registering to vote, Judge Johnson issued a ruling that became the formula Congress used to ensure voting rights nationwide in the Voting Rights Act of 1965. Also, Judge Johnson was part of a panel that ordered the Alabama State Legislature to draw its district lines by population, not by mere geography. This was the first ruling of its time, and helped ensure that citizens were not disenfranchised simply because they lived in a minority-dominated geographic area.

It was his style to stand firm on what he believed was right, often in the face of intense criticism. Judge Johnson, one of America's most distinguished jurists, is an example of dedication for all Americans. All of America—but especially Alabama—feels the loss of Judge Frank Johnson, and we are thankful for his life of public service.

A TRIBUTE TO GEORGE BROWN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. BERMAN. Mr. Speaker, it is with great sadness that I take the floor today to bid farewell to a giant in California governance and politics.

George Brown was the epitome of a great public servant. Elected as a spirited anti-war crusader, he never lost his bearings. Although he mellowed with time, he never strayed far from his Quaker roots and his strong principles.

In a recent campaign, George's opponent ran a series of ads called "Guilty as Charged," that accused him of being out of touch—a common theme of challengers. George was not out of touch, but in a very different context, he was indeed "guilty as charged."

George was guilty as charged for tireless work on behalf of those less privileged, against discrimination based on race, sexual orientation or gender; for better education, for the nation's working men and women, for children, for the environment, and always—against weapons of mass destruction, for arms control and for peace.

He will always be remembered as a man of principle, unafraid to stand alone, impervious to pressure. In 1966, George cast the sole vote in the House of Representatives against the Defense Appropriations Bill—his act of defiance against the Vietnam War.

From his time as Mayor of Monterey Park to the California Assembly, to Congress where he served as Chairman and then Ranking Member of the Science Committee, he always held his office in spite of ferocious opposition—simply because he paid close attention to his constituents and won the undying loyalty of a tight, but determined majority. They loved him and they wanted him to represent them.

Gruff, crusty and colorful, no one could turn a phrase just like George. If he disagreed with a proposal, it "bordered on lunacy." He loved the thought that he had become a virtual legend in his own time.

We hope that his family will be comforted by his legacy and by knowing that he was one of a kind and a shining example of integrity and principle. George Brown is simply irreplaceable in this House of Representatives.

SIR ARTHUR GILBERT

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to honor an exceptional individual who has made an enormous contribution to the arts. In recognition of his valuable advancement of the arts worldwide, he has been knighted by the Queen of England, a great honor for both him and his wife Lady Marjorie Gilbert. This high distinction is rarely awarded to individuals outside Great Britain. It attests to Sir Gilbert's dignity, personal integrity, and contribution to Western culture. Arthur helped develop Los Angeles then went on to build one of the world's greatest collections of gold and silver art, as well as the world's premier collection of micro-mosaics. Receipt of this Knighthood represents a culmination of years of dedication, hard work, and a love for the arts.

This gentleman epitomizes the twin values of hard work and generosity. Early in his life, he began a successful career in the clothing business. He went on to settle in California where he became an illustrious developer, helping to build a bright future for Californians. However, personal success was not enough, he became not only a generous benefactor of many charities, but started a rich collection of decorative art that combines both history and beauty. Indeed, he has long shared his priceless collections with the public and recently donated it to a museum in England so that the entire world can enjoy these exquisite, and often overlooked, forms of art. Arthur Gilbert has truly worked to turn his personal success into a lasting legacy of art for everyone and has thus brought honor on himself and us all.

Mr. Speaker, I ask my colleagues to please join me in honoring this man who embodies the diligence and generosity to which we all aspire and whose dedication to the arts serves as an inspiration and a model to us all.

We must support and honor individuals, like Arthur Gilbert, who cultivate artistic enthusiasm, understanding, and appreciation. Through such enterprising and charitable individuals, we are given a glimpse of how bright our future can be. A world filled with the dedication, hard work, altruism, and dignity that his well earned title of knight represent. thanks to Sir Arthur Gilbert's contribution to the arts, we know that the future will be a beautiful one that many future generations can appreciate.

Mr. Speaker, I look forward to this October when Buckingham Palace will see the investiture of Sir Arthur Gilbert as a Knight Bachelor. I know that he, and Lady Marjorie Gilbert, will be justly proud.

IN HONOR OF THE LATE REPRESENTATIVE GEORGE E. BROWN, JR.

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TRAFICANT. Mr. Speaker, it should be easy to honor someone that you have known for almost 16 years. However, it is difficult to honor every poignant and inspiring memory of him. Sixteen years sounds like a long time of fond memories, but my dear friend and colleague, George Brown, has been making lasting impressions in this country for over 35.

From the depth of issues like fighting discrimination and segregation, to the brink of the AIDS epidemic and continuing world conflicts, George has experienced a changing country and world throughout his time in Congress. However, experiencing change is considerably separate from making change, which George Brown did much of. He has been a part of these changes, and for that reason, we honor him today.

As a college student in the 1930's, Brown began inspiring change when he began to fight for civil rights. At the University of California at Los Angeles, George helped to integrate the campus when he was the first white man to live with an African-American roommate. That strive for change continued as he graduated from UCLA with a degree in Industrial Physics and used it to serve the people of Los Angeles. He was elected to the Monterey Park, CA, city council in 1954 and became mayor of the city in 1955, just one year later. George moved on to the California State Assembly in 1958, where he focused on environmental issues. This drive to fight for the environment stayed with George throughout his entire career, including his 17 terms in Congress.

In 1962, George Brown ran to represent the 29th district in California and won his seat with an 11 percentage point margin. During his years in Congress, Representative Brown voted for the Civil Rights Act of 1964, served on the House Committee on Science as a ranking member, served on the House Committee on Agriculture, worked to integrate technology and education, spoke out on foreign policy issues and fought painstakingly hard to keep the environment safe, clean and healthy.

I would like to praise George Brown for who he was and how he contributed to this society. As a Congressman, as a family man, as an environmentalist and as a citizen, George Brown will be remembered.

THE LATE HON. GEORGE BROWN

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LAFALCE. Mr. Speaker, I appreciate having this opportunity to say a few words in memory of my friend and colleague George Brown and to reflect on his distinguished service to our nation.

Through his military service in WWII and nearly 35 years in the House of Representatives, George Brown established a record of public service matched by few others. Indeed, he has ennobled our profession through his example.

During his career, George showed himself to be a man of strong moral conviction and uncommon vision. In his early days in Washington, George continued his life-long work as a tireless advocate for racial equality and civil rights.

Later, as Chairman and Ranking Member of the Science Committee, he lent his scientific expertise and steadfast support to issues of science, technology, and aeronautics. He will be best remembered, perhaps, for his dedication to strengthening America's commitment to manned and unmanned space exploration. His efforts in this area have left an indelible mark on our space program, and have quite literally broadened our nation's horizons.

George also recognized the need to conserve our natural resources and protect the environment, long before such issues were part of the mainstream agenda. Time has shown just how right he was.

Throughout his many years in the House, George had a wonderful ability to work with people of all political persuasions. He was always willing to find common ground and form alliances with others, making him an extraordinarily effective advocate for the people of his 42nd District.

George Brown will be remembered as a man who challenged us to make our world a better place, while advocating exploration of worlds beyond our own. He was a great member of this institution. I will miss him. I extend my deepest sympathies to his family.

GEORGE BROWN, CONGRESSIONAL ICON

HON. BRUCE F. VENTO

OF MINNESTOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. VENTO. Mr. Speaker, I am pleased to add my words of condolences to the family of George Brown, our late colleague. George was a friend and counselor to many members, including myself. He was a real worker and advocate for people in the House. Congressman Brown applied himself and invested himself in the pursuit of good policy, first for the people of this nation and California, and for the attainment of human kind.

Congressman Brown invested the time and energy to understand the intricacies of policy and often we stood up together and spoke for good, sound science as it affected our landscapes and natural resources. The United States Biological Survey, the man in the Biosphere program, and, of course, George Brown had a legacy of accomplishments to match similar efforts related to the National Science Foundation (NSF), NASA, and the Office of Technology Assessment (OTA).

I know that George felt if we had good information as members or as administrators we would be equipped to make the best public policy. George Brown's modest life and background working for a good education, which he obtained and used, says a lot about Representative Brown. George Brown did not forget how he got to where he was and the need to stand up for those without a voice in the political power structure. George Brown worked against housing discrimination, for the right of workers to win representation and fair compensation and eventually was elected to local office and to the United States House where he set off on a great career and journey.

George Brown, plain speaking and modestly attired, possessed the power of ideas and knowledge. Congressman Brown didn't let political expediency interfere with what he thought was the right vote or the correct action. We will miss the warm friendship and special role that George Brown played in Congress on a professional and especially personal basis, but his spirit will live in our actions and memories. George Brown has set a very high mark and we surely stand on this shoulders as we look ahead to and try to see the future and hope for our great nation.

My sympathy to his wonderful wife Marta and to his family, you have our support and comfort. God bless George Brown and thank God for the service of this wonderful man.

IN HONOR OF THE WORLD PEACE BELL AND THE CITY OF NEWPORT, KENTUCKY

HON. KEN LUCAS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. LUCAS of Kentucky. Mr. Speaker, I rise today to pay tribute to the city of Newport, Kentucky, where the World Peace Bell arrived at its permanent home this weekend. At 12 feet in diameter and 12 feet in height, the bell weighs 66,000 pounds. It is the world's largest swinging bell. I also rise to recognize Wayne Carlisle for his vision, commitment, and enthusiasm, without which the World Peace Bell would not have been possible.

The World Peace Bell is a powerful symbol of freedom and peace. It was cast in Nantes, France, on December 11, 1998, the 50th Anniversary of the Universal Declaration of Human Rights. The Bell has an inscription commemorating that document, as well as engravings marking the most important events of the past 1,000 years.

The World Peace Bell was first rung in Nantes on March 20, 1999, in a public ceremony, and it began a month-and-a-half-long sea voyage from France to New Orleans, where the Bell was made part of that city's July Fourth celebration. The Bell was transported by barge up the Mississippi and Ohio Rivers, making stops in 14 cities along the way. The Bell arrived at its final destination on August 1st.

The World Peace Bell will officially open on September 21, 1999, the International Day of Peace, when it will toll to observe the opening session of this year's United Nations General Assembly. On New Year's Eve 1999, the Bell will be rung once every hour and broadcast so that people in every time zone around the globe will hear the new millennium rung in by our World Peace Bell. This celebration will include leaders of church and state from around the world, as well as participants performing native rituals and wearing traditional costumes.

Mr. Speaker, I would also like to take this opportunity to congratulate the city of Newport and neighboring river cities on their successful revitalization efforts. The World Peace Bell is only one of a number of projects coming to fruition in the region. The success of these efforts is a testament to the spirit and hard work of the people of Northern Kentucky.

TRIBUTE TO GEORGE BROWN

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. PACKARD. Mr. Speaker, I would like to take this Opportunity to pay tribute to both a colleague and friend, George Brown.

I had the privilege of serving on the Science Committee during George's tenure as Chairman, and I valued the opportunity to learn from his leadership. George and I worked together on many occasions in support of interests important to our native southern California.

Mr. Speaker, George Brown was an unapologetic liberal, yet that did not stop him from actively working with and befriending Members from the other side of the aisle. In fact, George may forever be remembered for his ability to bring together all Californians serving in Congress. Today, my colleague JERRY LEWIS is doing a remarkable job of leading the California delegation. We should not forget that George Brown began this effort.

In George Brown, this institution has lost a distinguished Member of Congress, a faithful public servant, and a good man. George will be greatly missed, not only as a tireless advocate for the people of California's 42nd Congressional District, but as a close friend to those so fortunate to have known him.

IN HONOR OF THE LATE REP. GEORGE BROWN

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. STARK. Mr. Speaker, I rise today to speak with fondness about the late Congressman George Brown. His death leaves us with one less person dedicated to the fight for America's future. When I came to Congress to try to end the Vietnam War, George was also fighting against that war. With his leadership, we brought our soldiers home and ended one of the lowest points in American morale and foreign policy. His fight for what was right didn't end with Vietnam. He fought for the environment, for education, and for the underprivileged throughout his career.

One of Representative Brown's legacies is the Environmental Protection Agency. Before George Brown, there was no single entity in government designated to protect American air, water, land, and wildlife. His dedication to protecting our ecosystem helped improve the quality of life for all of us and future generations. George Brown raised environmental activism from a few dedicated scientists to the general public, making the environment an issue and assuring that the government protected it.

Representative Brown interests went beyond preserving the environment for future generation; he cared deeply about the education of our children. George supported the establishment of educational loans. These loans have provided millions of Americans with the opportunity to go to college and contribute more to our society. Recently, he joined in support of building more schools, hiring more teachers, and improving the quality of our classes. He was committed to quality education for our children.

George Brown fought to improve the lives of all Americans. He fought especially hard for those Americans who couldn't fight for themselves. Before coming to Congress, George worked to end anti-union laws and to ban discrimination. Once elected to Congress, he worked to enact the Civil Rights Act to address which discrimination against minorities. He also joined in the fight to improve health care, provide affordable prescription drugs, and even to protect our health care workers from accidental needlesticks.

Congressman George Brown fought for so many things that we now take for granted. George stood up for what was right for our environment, education, and the underprivileged. Beyond all of these accomplishments, he was an example to all of us. He stood up for what he believed in regardless of the potential political fall out. He exemplified the ideals that this country was founded on.

Although George is no longer with us, we will continue to fight to ensure that every American has the same rights, freedoms, and opportunities that some want to reserve for the elite few.

THE LYME DISEASE INITIATIVE OF 1999

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. SMITH of New Jersey. Mr. Speaker, today I am reintroducing legislation to wage a comprehensive fight against Lyme disease.

This proposal represents the next stage of our campaign to reduce and then eradicate Lyme disease. It is a five year, $125 million blueprint for attacking the disease on every front. In addition to authorizing the necessary resources to wage this war, the bill: (1) makes the development of better detection tests for Lyme the highest priority of Lyme disease research; (2) lays out a lost of vital public health goals for agencies to accomplish, including a 33 percent reduction in Lyme disease within five years of enactment in the 10 highest and most endemic states; (3) fosters better coordination between the scattered Lyme disease programs within the Federal Government through a five-year joint-agency plan so that the left hand knows what the right hand is doing; (4) helps protect federal workers and visitors at federally owned lands in endemic areas through a system of periodic, standardized, and publically accessible Lyme disease risk assessments; (5) requires a review of our system of Lyme disease prevention and surveillance of search for areas of improvement; (6) fosters additional research into other related tick-borne illnesses so that the problem of co-infection can be addressed; (7) initiates a plan to boost public and physician understanding about Lyme disease; and (8) creates a Lyme Disease Task Force to provide the public with the opportunity to hold our public health officials accountable as they accomplish these tasks.

Mr. Speaker, Lyme disease is one of our nation's fastest growing infectious diseases, and the most common tick-borne disease in America. According to some estimates, Lyme disease costs our nation $1 billion to $2 billion in medical costs annually. The number of confirmed cases of Lyme disease was nearly 16,000 last year, an increase of 24.5 percent from the previous year, and that is only the tip of the iceberg. Many experts believe the official statistics understate the true numbers of Lyme disease cases by as much as ten or twelve-fold. Lyme disease is sometimes called the 'Great Pretender' disease because its symptoms so closely mimic other conditions. Thus, it can be easily misdiagnosed. Worse still, our current detection tests are not always reliable and accurate enough to defect the disease in patients.

The Lyme Disease Initiative of 1999 builds on the accomplishments of the legislation introduced in the previous Congress, H.R. 379. As Members may recall, we were successful in getting a portion of that bill enacted as part of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, as well as part of the Fiscal Year 1999 Defense Appropriations bill. The provisions from last year up dedicated up to $3 million in Department of Defense funding dedicated for Lyme and tick-borne disease research, so that our soldiers and their families can be protected when they work and live in areas endemic for Lyme disease. This $3 million in funding was a good start, but there is still so much that remains unknown about Lyme disease.

That is where the new proposal comes in. It is the product of countless meetings with patients and families struggling to cope with this terribly debilitating disease. I cannot tell my colleagues how many times I have met with families who have told me heart breaking stories about how they went from doctor to doctor without getting an accurate diagnosis, getting progressively weaker and sicker, while racking up massive medical bills. Sadly, the lack of physician knowledge about Lyme disease, and the inadequacies of existing laboratory detection tests, compound the misery. Consequently, we have consulted extensively with the organizations representing these patients, as well as with the agencies charged with implementing the new program, to ensure that the bill addresses these very real concerns.

In short, I believe this is a good plan that affirmatively meets the needs of patients, and one that is worthy of my colleagues' support.

THE LYME DISEASE INITIATIVE OF 1999

SECTION 1. SHORT TITLE—LYME DISEASE INITIATIVE OF 1999

SECTION 2. FINDINGS

SECTION 3. FIVE YEAR PLAN OF ACTION, PUBLIC HEALTH GOALS

Establishes a Five-Year plan (authorizing $125 million over five years) to reduce the incidence and prevalence of Lyme disease, and requires Secretaries of Health and Human Services, Defense, Agriculture, and Interior to collaborate in creating this five year plan.

Goal No. 1: Direct Direction Tests. The legislation directs federal researchers to make the development of a reliable, reproducible direct detection test for Lyme disease a priority. Without a good detection test, individuals will continue to get misdiagnosed, insurance companies will continue to dispute and deny needed treatments, and patients will not know if they are truly cured of Lyme.

Goal No. 2: Improved Surveillance and Reporting System. Requires a review of the existing reporting system for Lyme, including the surveillance criteria used to determine whether or not a case of Lyme is counted in the state statistics reported to CDC. Requires this review to be inclusive, and obtain the input of health providers, Lyme disease patient advocacy groups, and state and local governments. It also considers the use of a 'dual reporting' system so that valuable data collected on persons who do not meet the surveillance criteria definition of Lyme—but are still being treated for Lyme by their doctor.

Goal No. 3: Lyme Disease Prevention. Requires CDC to establish a baseline rate of Lyme disease in the 10 highest endemic states, and aims for a reduction in this rate of 33 percent within 5 years. Means used to accomplish this goal may include natural and non-pesticidal means to control tick populations, as well as better public education and systematic risk assessments on the risks of Lyme disease on federally owned lands in endemic areas.

Goal No. 4: Prevention of Other Tick-Borne Diseases. Authorizes programs to prevent, and expand research on, other tick-borne infectious diseases. Although Lyme disease cases are the overwhelming majority of all tick-borne infections in the U.S., many Lyme patients are co-infected with other tick-borne diseases.

Goal No. 5: Improved Public and Physician Education. Establishes a multi-departmental program to improve public and health provider awareness of how to prevent Lyme disease, how to diagnose it, and how to treat it.

SECTION 4. LYME DISEASE TASK FORCE

Establishes a joint government/public Lyme Disease Task Force to provide advice to the Secretaries of Agriculture, Health and Human Services, Defense and Interior on achieving the five public health goals.

Public members on the task force will include: (1) Lyme disease research scientists, (2) Lyme disease patient advocacy organizations, (3) clinicians with extensive experience in treating Lyme disease, (4) Lyme disease patients, and/or the parents or family members of those who have had Lyme disease.

SECTION 5. ANNUAL REPORTS

Mandates annual progress reports to Congress so the taxpayers will be able to hold agencies accountable for following through on the five year plan.

SECTION 6. DEFINITIONS

SECTION 7. AUTHORIZATION OF APPROPRIATIONS

Provides $125 million over five years in new authorization to fund this coordinated, multi-agency war on Lyme disease.

$40 million in additional authorization over five years ($8 million/year) for the National Institutes of Health (NIH), most of which will be used to develop and improve direct detection tests for Lyme. This new money, if appropriated, will increase existing NIH Lyme research by approximately 41 percent.

$40 million in additional authorization over five years ($8 million/year) for the Centers for Disease Control and Prevention (CDC). This money will be used to review the surveillance criteria, fund tick control and public education initiatives, as well as prevention programs. If enacted and appropriated, CDC resources devoted to Lyme would be doubled under the proposed bill.

$30 million in additional authorization over five years ($6 million/year) for the Department of Defense (DoD). This amount was identified by DoD in its Fiscal Year 1999 report to Congress on Lyme disease as the amount necessary to fund current and future research requirements.

$7.5 million in additional authorization over five years ($1.5 million/year) for the Department of Agriculture to enhance USDA's research capabilities on Lyme. USDA currently is exploring innovative techniques to remove/manage tick populations with minimal pesticide exposure to humans.

$7.5 million in additional authorization over five years ($1.5 million/year) for the Department of Interior. This will be used to improve public awareness and understanding of the risks of Lyme disease at federally owned lands, as well as needed tick control efforts.

State	Total number Lyme cases reported to CDC 1989–1998	Annual incidence per 100,000 persons
New York	39,370	21.6
Connecticut	17,728	54.2
Pennsylvania	14,870	12.3
New Jersey	13,428	16.9
Wisconsin	4,760	9.3
Rhode Island	3,717	37.5
Maryland	3,410	6.8
Massachusetts	2,712	4.5
Minnesota	1,745	3.8
Delaware	1,003	14.0

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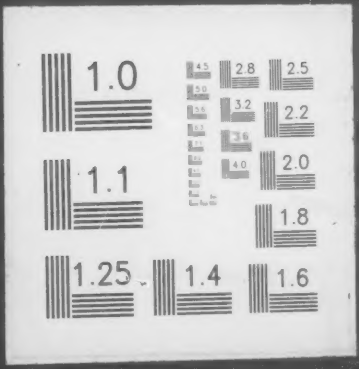
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